

Southern Grampians Shire Industrial Lands Study

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Southern Grampians Shire Council

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FINAL REPORT



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LIST OF ABBREVIATIONS

| | |
|---|--------|
| Australian Bureau of Statistics | ABS |
| Australian and New Zealand Standard Industrial Classification | ANZSIC |
| Business Zone | BZ |
| Commercial Land Strategy | CLS |
| Community Focussed Development | CFD |
| Department of Business and Innovation | DBI |
| Department of Planning & Community Development | DPCD |
| Department of Transport, Planning and Local Infrastructure | DTPLI |
| Eastern Precinct 1 | E1 |
| Economic Development Strategy | EDS |
| Estimated Resident Population | ERP |
| Farming Zone | FUZ |
| Global Financial Crisis | GFC |
| Gross Domestic Product | GDP |
| Gross Regional Product | GRP |
| Gross Floor Area | GFA |
| Gross Lettable Area | GLA |
| Industrial 1 Zone | IN1Z |
| Industrial 2 Zone | IN2Z |
| Intermodal Freight Terminal | IFT |
| Investment Attraction Strategy | IAS |
| Local Government Area | LGA |
| Local Planning Policy Framework | LPPF |
| Main Trade Area | MTA |
| Master Butchers Limited | MBL |
| Municipal Strategic Statement | MSS |
| North West Precinct 1-3 | NW1-3 |
| Precinct Structure Plan | PSP |
| Primary Trade Area | PTA |
| Public Use Zone | PUZ |
| Secondary Trade Area | STA |
| Special Use Zone | SUZ |
| Regional Development Victoria | RDV |
| Residential 1 Zone | R1Z |
| Research and Development | R&D |
| Residential Development Strategy | RDS |
| South East Australia Innovation and Investment Fund | SEAIIF |
| Special Use Zone | SUZ |
| State Planning Policy Framework | SPPF |
| Statistical Local Area | SLA |
| Southern Precinct 1-4 | S1-4 |
| Tourism Research Australia | TRA |
| Victoria in Future | VIF |
| Visitor Profile & Satisfaction Project | VPS |
| Urban Development Program | UDP |
| Wimmera Container Lines | WCL |

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

THE BRIEF

Hamilton is one of the primary regional service centres of western Victoria, located at the confluence of a number of major roads, including the Glenelg, Henty and Hamilton Highways. Hamilton not only provides retail, commercial, administrative, education, health and entertainment activities for a wide regional catchment but also accommodates almost all industrial land in Southern Grampians Shire.

The development of industrial land in Hamilton has traditionally depended on the expansion of its key base industries, particularly primary agricultural production. Today, there are a number of prevalent industries which utilise industrial land in Hamilton including manufacturing, construction, electricity, gas and waste water services, wholesale trade and transport, and postal and warehousing. Together these industries account for around 40% of all Southern Grampian Shire resident employment.

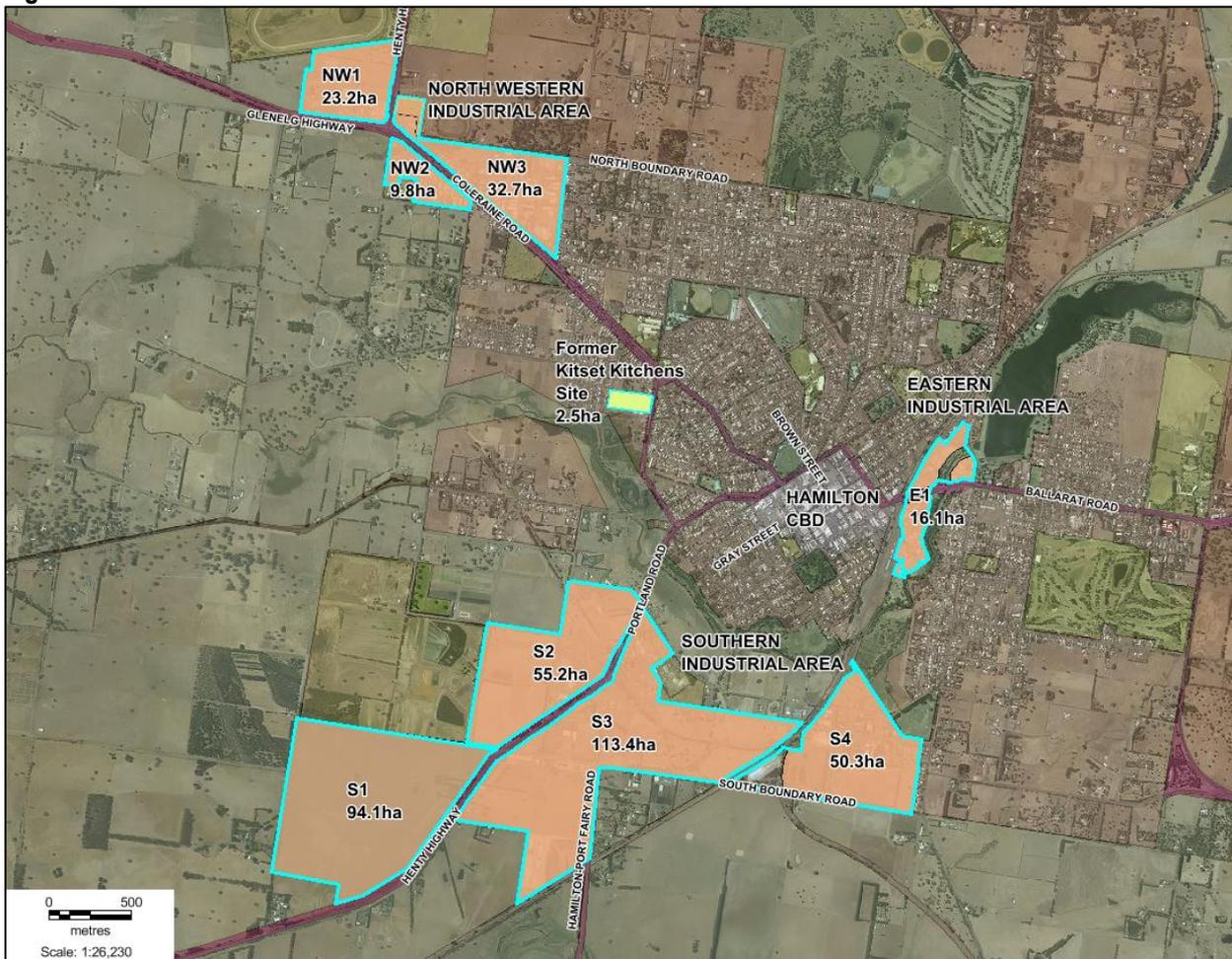
The purpose of this Industrial Land Study is to critically assess existing and future industrial precincts within Hamilton, whilst also assessing the market need for industrial land in the Shire from research and through consultation with existing property owners and key stakeholders. There are three main locations for industrial land use in Hamilton which are the subject of this Study. They are (refer to the following figure):

1. The southern industrial area around South Boundary Road which predominantly comprises larger lots catering to larger industry uses such as grain and fertiliser manufacturing and storage and the regionally significant Hamilton Saleyards;
2. The north-western industrial area around Coleraine Road which typically comprises local urban services, building supplies, smaller manufacturers and agricultural and rural supplies; and
3. The eastern industrial area between Fenton Street and the Grange Burn. Since this project was commenced in March 2013 the eastern industrial area has been rezoned to Commercial 1 following Southern Grampians Planning Scheme Amendment C25.¹ The analysis relating to this component of land has been retained given it still includes a number of industrial land uses.

In addition to the three areas of industrial zoned land, there is a pocket of land on Mount Baimbridge Road which is Special Use Zone. This site formerly accommodated Kitset Kitchens and at August 2014 is available for another use. It is understood that several approaches have been made for the site since Kitset Kitchens closed in November 2013.

¹ Approved by DTPLI following delegation of the Minister's powers on August 1 2013.

Figure 1 - Hamilton Industrial Areas and Precincts



Source: Southern Grampians Shire Council and Hill PDA (2014)

ECONOMIC CONTEXT

The population of the Shire is expected to grow to 2031, after a period of modest decline between 2001 to 2011. This will lead to pressure for job opportunities within the Shire.

Employment has been growing in the period 2001 to 2011 and this can be expected to continue as the population grows and economy expands and diversifies. Growth industries in the Shire have mainly been service based sectors of the economy and those sectors that tend to locate on industrial land that have been growing include construction, transport, postal and warehousing and wholesale trade. These sectors can leverage off Hamilton's excellent transport connections. Mining has also grown which may generate demand for industrial land from mining services, transport and supplies companies. Agriculture and forestry can be expected to continue to generate industrial land based activity.

The total proportion of residents employed in industries which are commonly located on industrial land grew from 17.6% in 2001 to 19.2% in 2011, indicating that demand for land within Hamilton may continue to grow.

ASSESSMENT OF INDUSTRIAL LAND DEMAND VERSUS SUPPLY

Hamilton has approximately 398ha of industrial land. As part of the preparation of the Hamilton Structure Plan (2011), a Land Supply and Demand Assessment was undertaken for residential, low density residential and industrial land. The assessment indicated there was more than sufficient supply of vacant industrial land over the long-term in Hamilton (200ha) to meet demand to 2031 (44ha). The assessment forecasts an average demand of 4.5 lots per year, equivalent to 2.1ha of land demand per annum. Over the period from 2011 to 2021 and 2031, demand is projected to be 23.1ha and 44.1ha respectively.

As a result, based on availability of industrially zoned land, there would be no need for industrial land zoning given there is:

- 104ha of vacant IN1Z land equivalent to 38% of total IN1Z land; and
- 96.2ha of vacant IN2Z land (100% of all IN2Z land).

Consultation with industrial landowners indicated that the demand for industrial land in Hamilton is muted at the current time. The stakeholders have the view that the Hamilton region economy is the major driver of demand for industrial land but some demand can be generated from beyond Hamilton.

There did not appear to be any specific requirements in terms of lot size or existing infrastructure for those seeking industrial land, however good accessibility was identified as a key factor in leasing industrial properties.

Whilst it was recognised that there are a number of vacant lots available for development, particularly in the southern industrial area, a number of the stakeholders identified land on the southern side of Coleraine Road / Glenelg Highway just west of West Boundary Road as being suitable for additional rezoning to IN1Z.

Discussions with developers of industrial land throughout Victoria² indicated that Hamilton competes with regional centres in western Victoria and parts of South Australia. Melbourne performs a state-wide and national role in the industrial economy. For example, the 2010 Urban Development Program (UDP) states that the Western Region of Metropolitan Melbourne accounted for approximately 7,070ha of industrial land of which 32% or 2,230ha was vacant.

Developers indicated that accessibility is the key factor in driving demand for industrial land, however access to skilled and specialised labour, full service provision and proximity to the end user market are also important in attracting tenant interest. Some industrial developers are not currently active in the development of industrial properties in Victoria due to the current market and limited demand for speculative space without tenant commitment. Industrial agents indicated that most recent developments have been focused on transport and logistics rather than manufacturing.³

INDIVIDUAL PRECINCT ASSESSMENTS

As part of the Land Supply and Demand Assessment, an analysis into the supply of vacant industrial land within Hamilton by industrial area was completed which showed that⁴:

- The north-west industrial area had a vacant supply of 13.4ha with the largest usable lot being 5.1ha;
- The eastern industrial area (identified as the Inner City precinct in the assessment) had a vacant supply of 2.7ha with the largest usable lot being 0.5ha; and

² Discussions with MAB Corporation, Mirvac, Places Vic, Rest/Super Investment Management, Australand (May 2013)

³ Discussions with Matt Sampson, CBRE (May 2013)

⁴ Hamilton Structure Plan Background Report: Land Supply and Demand Assessment (2011)

- The southern industrial area (identified as the South Western precinct in the assessment) had a vacant supply of 88.3ha, with the largest usable lot being 8.1ha in size.

Overall, industrial land in Hamilton accommodates a range of uses including manufacturing, agriculture, forestry and fishing and transport, postal and warehousing industries.

The results of Hill PDA's 2013 land use survey indicate that the most prevalent use on industrial zoned lots within the identified areas was residential dwellings (54 lots or 20%). Aside from residential uses, the following industries were the predominant occupiers of industrial land in Hamilton:

- **Transport and storage:** 17% of all industrial lots were used for transport and storage in Hamilton. 46 of 59 (78%) businesses in this sector in Hamilton were located on industrial land (based on a comparison with the business counts). The majority of uses in this sector relate to standalone sheds and warehouses used for storage purposes. However, there are also a number of road freight transport companies within Hamilton.
- **Manufacturing:** 11.5% of all industrial lots in Hamilton were used for manufacturing purposes. 31 of 41 (76%) businesses in this sector in Hamilton were located on industrial land, including wood product (including kitchen and cabinet manufacturing), non-metallic mineral product, basic ferrous metal and grain mill and cereal production manufacturing.
- **Agriculture, forestry and fishing:** 11.1% of all industrial lots in Hamilton were used for agriculture, forestry and fishing purposes. The vast majority of these lots were being used for farming enterprises including hobby farms, pasture and light grazing. Given the extent of farmland around Hamilton, just 13% of all agriculture, forestry and fishing businesses are located on industrial land.
- **Wholesale trade:** 10.4% of industrial lots in Hamilton were used for wholesale trade purposes. 28 of 41 (68%) businesses in this sector are in a broad range of wholesale sectors including agricultural, farm produce and other goods wholesaling. There are also a number of machinery and equipment wholesalers located within industrial land in Hamilton.

Hill PDA assessed the potential of each precinct based on the following criteria.

Table 1 - Scoring System for Hamilton Industrial Precincts Evaluation

| | Assessment Criteria | If Rating = 1 | Rating = 3 | Rating = 5 |
|----|--|--------------------------|--------------------|-------------------|
| 1 | Arterial Road Accessibility | Poor | Average | Good |
| 2 | Internal Road Accessibility | Poor | Average | Good |
| 3 | Land Use Conflict | High | Moderate | Low |
| 4 | Topography | Steep/sloped | Moderate Slope | Flat |
| 5 | Residential Amenity | High Potential | Average | Minimal Potential |
| 6 | Agglomeration | No Cluster | Reasonable Cluster | Large Cluster |
| 7 | Flood Risk | High Risk | Average | Minimal Risk |
| 8 | Site Encumbrances | Significant | Minor | None |
| 9 | Expansion Potential and/or Vacant Land | None | Minor | Significant |
| 10 | Development Partnership Potential | None | Minor | Significant |
| | TOTAL RATING (out of 50) = | SUM OF THE ABOVE RESULTS | | |

In general terms, each precinct had the ability to score between 1 and 5 for each criteria. The higher the rating for each assessment criteria, the more suited the precinct is for industrial type uses. For example, a rating of 5 for arterial road accessibility indicates that the precinct has good access to strategic road networks which is an important characteristic for industrial land. The total rating for the precinct is the sum of all score results. The following table summarises the results of the assessment.

Table 2 - Hamilton Industrial Precinct Assessment Results

| | Assessment Criteria | NW1 | NW2 | NW3 | E1 | S1 | S2 | S3 | S4 |
|----|---|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|
| 1 | Arterial Road Accessibility | 5 | 5 | 5 | 3 | 5 | 5 | 5 | 4 |
| 2 | Internal Road Accessibility | 3 | 3 | 4 | 4 | 1 | 3 | 4 | 4 |
| 3 | Land Use Conflict | 4 | 1 | 3 | 2 | 5 | 4 | 3 | 3 |
| 4 | Topography | 4 | 4 | 4 | 3 | 4 | 3 | 3 | 4 |
| 5 | Residential Amenity | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 4 |
| 6 | Agglomeration | 2 | 3 | 4 | 5 | 1 | 2 | 2 | 2 |
| 7 | Flood Risk | 5 | 5 | 3 | 1 | 5 | 5 | 5 | 4 |
| 8 | Site Encumbrances | 2 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| 9 | Expansion and/or Available Land Potential | 4 | 1 | 3 | 1 | 5 | 5 | 5 | 4 |
| 10 | Development Partnership Potential | 4 | 1 | 4 | 1 | 3 | 1 | 1 | 1 |
| | TOTAL RATING (max. 50) | 37 | 30 | 38 | 26 | 36 | 35 | 35 | 33 |
| | Ranking | 2 | 6 | 1 | 7 | 3 | 4 | 4 | 5 |

The North West 3, North West 1 and South 1 precincts are the most suitable for further industrial development, however the South 2 and South 3 precincts are also highly appropriate for further industrial development. Each of these precincts is discussed in more detail below in descending order according to total score:

- The North West 3 precinct has particularly good arterial and internal road accessibility, has no flood risk and few site encumbrances. The precinct is also mostly flat and has no residential amenity issues. Some landowners within the precinct indicated their desire to further develop and expand their existing businesses. The precinct also has a significant agglomeration of smaller manufacturers and wholesale traders. One issue is that the largest vacant block in the precinct is at some risk of flooding.
- The North West 1 precinct is one of the smaller precincts identified in the analysis however the precinct is underutilised and has excellent arterial road accessibility and visibility. The precinct is also located at the junction of Henty Highway giving it superior access to markets north and south of Hamilton. Based on consultation, the precinct has landowner / developer partnership potential. The precinct may require some remediation work due to potential previous contamination.
- The South 1 precinct has a large quantum of land available for development and very good arterial road accessibility. The precinct also has no land use conflicts which makes it ideal for more noxious or hazardous industries to locate in Hamilton.
- The South 2 precinct is very well connected to arterial roads and has considerable expansion potential given the quantum of underutilised and vacant land. This precinct also does not have the same issues with residential land use conflicts as the South 3 and particularly the South 4 precinct have. The South 2 precinct also has the added advantage of being adjacent to water and natural gas infrastructure.
- The South 3 precinct as with most other precincts in Hamilton, has excellent arterial road accessibility, however it also has very good internal accessibility. As with other precincts in the southern industrial area, the South 3 precinct has a large quantum of vacant or underutilised land that is available for more intensive development purposes and also possesses a range of larger lot sizes. There are a total of 20 residences in the precinct however which could have the potential to create some land use conflicts, particularly in the north of the precinct.

Whilst the South 4 Precinct has some more identifiable issues, it remains appropriate for further industrial development:

- The South 4 precinct is suitable for further industrial development but does not score quite as highly as the other southern industrial area precincts due to more pressing residential land use conflicts at the eastern edge of the precinct

and slightly reduced accessibility to major arterial roads including Henty Highway and Port Fairy-Hamilton Road. The northern part of the precinct also has some flooding risks from the Grange Burn to the north.

Those precincts which scored lowest, including the North West 2 and East 1 precinct have some more serious issues which make further industrial expansion and development potentially less desirable. These issues are described below:

- The North West 2 precinct has a number of issues which make it less desirable for further industrial development. These include the presence of a primary school adjacent to industrial lots in the south-west corner and no available land for expansion.
- The East 1 precinct is also less suitable for further industrial development which has been reflected in the recommendation of the Hamilton Structure Plan to rezone this precinct to Mixed Use. The precinct has a number of issues including significant flood risk, little expansion and development partnering potential and numerous land use conflicts.

KEY LOCATIONS FOR INDUSTRIAL GROWTH

The north western and southern industrial areas have different strengths and favour different types of development. The north western industrial area is generally characterised by smaller lot patterns accommodating predominantly light industry uses including niche manufacturing, wholesale farm and agricultural supplies and general warehousing and storage. The southern industrial area is characterised by larger lot size typologies and tends to accommodate heavier and larger scale manufacturing, transport and warehousing uses.

It is recognised that there is substantially more vacant and underutilised industrial land in the southern industrial area and that the Hamilton Structure Plan Investment Attraction Strategy (IAS) identified the southern area as having more potential for the development of an industrial estate for small and medium sized allotments.

It is generally desirable that the different roles and functions of the southern and north western industrial areas be encouraged with smaller scale, light industrial uses encouraged in the north western area and larger scale, heavier industrial uses located in the southern industrial area. That said, this strategy would not preclude smaller industries from locating in the southern precinct.

REGIONALLY SIGNIFICANT INDUSTRY

Heavy industry can play a strategic role in supporting a region's economy. As a result, there is a case to provide suitable areas to enable such industrial enterprises to establish in the region in a location that is separated from residential neighbourhoods and other sensitive land uses. These locations also need good access to infrastructure, in particular major roads and potentially rail and air and sea ports.

Heavy industrial activity can generate significant levels of noise and / or air pollution and should be located in appropriate zones with buffering from sensitive land uses. The efficiency of buffer zones is a critical issue for heavy industrial activities. Careful consideration needs to be given as to what uses are appropriate in buffer zones to ensure conflicts of use do not arise.

Land appropriate for these types of uses are considered to be primarily within the southern precincts. Larger scale industrial businesses are already located here (e.g. Gaincorp, Southern Soils), which also provide less land use conflicts and the ability for protection buffers, which other precincts (such as the east and north) currently lack. It is considered that land in the southern precincts should be considered as having a regional catchment.

The IN2Z in the South 1 precinct already permits more noxious industry within the Southern Grampians Planning Scheme. It is considered that the adjacent South 2 and South 3 precincts, whilst not permitting noxious industry, would be appropriate for

other larger scale industry that cannot otherwise be catered for in smaller industrial precincts, and would provide a strong base for further investment and development in Hamilton.

In this respect, it is recognised that larger employment precincts in the southern industrial area would compete regionally to attract new industries and businesses. Whilst there will be some competition between precincts within Hamilton itself, of more relevance to the planning process will be other comparable precincts in the broader region of western Victoria that are comparable in size and attributes to available land in Hamilton.

From the assessment of comparable industrial lands within this Study, the most comparable precincts in this regard are the Warrnambool Eastern Industrial Precinct (107ha), Ballarat West Employment Zone (623ha) and existing IN2Z land in Portland (over 1,000ha of which around 65% is vacant). Of particular note:

- Warrnambool Eastern Industrial Precinct is expected to be released in 2014 and is within proximity of the recently upgraded intermodal freight terminal at Dennington which complements the planned Warncoort Crossing Loop which will allow longer freight trains to operate between Warrnambool and the Port of Melbourne. It is anticipated that the precinct could heavily target freight and logistics.
- The Ballarat West Employment Zone is not only significant in size but has also received significant funding from both RDV and Major Projects Victoria. Whilst it is recognised as a long term project, it does benefit from a strategic location near to the Ballarat West Growth Area, the Ballarat Airport, rail infrastructure and the future Western Link Road. The precinct is heavily targeting the manufacturing sector.
- Portland already accommodates a considerable quantum of industry on IN2Z land (excess of 1,000ha), including the Portland ALCOA Smelter and the Port of Portland operations. The IN2Z land in Portland could be considered a directly competing location to Hamilton given its location to port and rail infrastructure.

Despite the competition, the opportunity exists to promote the southern industrial areas of Hamilton for new large industry associated with the commodities that travel through the Port of Portland, or new emerging industries (e.g. new technologies and lean manufacturing, research and development, diverse and value added agriculture). These industries are generally not accommodated in traditional local industrial precincts due to the size and nature of their site requirements.

The provision of suitable land can be supported by other initiatives to facilitate demand for new industry. Investment attraction strategies including marketing can encourage businesses to invest in a location. Strong partnerships between landowners and all levels of government can also assist.

Furthermore, if cost savings in setting up business and industry in Hamilton can be demonstrated, together with a supportive regulatory and planning environment, new business and industry can be encouraged to invest in Hamilton.

It should also be recognised that whilst it is important to determine the strategic direction of regionally significant sites, being too prescriptive may inhibit the development of the land and economic growth in general. As was recently noted by the Productivity Commission, industrial land uses across cities are far more varied than residential and commercial uses. Hence, there is far greater variation required. This Study does not provide precise requirements in regards to, for instance, road frontage, lot depth and other land use attributes. These elements are best determined by businesses.

Within the southern industrial area, the following precincts are generally the most appropriate for additional larger scale industry development:

South 1 Precinct

Given the quantum of vacant IN2Z land, the characteristics of the site, and the fact the site is in single ownership, the South 1 precinct presents an excellent opportunity for larger scale and more offensive or noxious industry. Such uses may include meat processing facilities, heavy manufacturing, or water intensive industries given the proximity of recycled water at the Wannon Water sewage treatment plant.

It is recognised that the precinct does lack some servicing provision and that there is a much larger quantum of available IN2Z land located at Portland, however despite this, the South 1 precinct remains a good location for further industrial development.

It is understood that there has been interest shown by a regionally significant manufacturer in developing part of the South 1 precinct, with as much as 1ha of land potentially to be utilised. A development of this scale would generate significant full-time employment and would create further employment through multiplier impacts to logistics, allied industry sectors and other business services. It is understood that a single landowner controls all of the IN2Z land that makes up the South 1 precinct. A key issue in the facilitation of this development will be the consent from the landowner to make part of the land available for sale.

South 2 Precinct

Vacant land bordered by Beath Street to the west in the South 2 precinct is highly suitable for further industrial development (27.7ha). This location has few encumbrances, is vacant and has excellent accessibility attributes.

Furthermore, this vacant component of the precinct has a number of consistently sized large vacant lots ranging from 2.4ha to 3.5ha per lot which are appropriate for larger scale industry investment and development. They are not under single ownership and would require amalgamation should a larger footprint industry wish to locate in the precinct.

The South 2 precinct may also be appropriate for horticulture production which could potentially utilise excess water from the Wannon Water sewage treatment facility to further production capacity within the South 2 precinct.

South 3 Precinct

The northernmost section of the South 3 precinct bordered by Lodge Road, Monivae Street, Officer Street and Portland Road currently contains smaller lot size typologies, accommodating a number of small manufacturers and intermingled residential uses. The scattered nature of residences in and around this area constrains the potential for larger scale industry including more noxious industry development.

However, the southern portion of the South 3 precinct, particularly that area bounded by South Boundary Road and Henty Highway and also the area bounded by South Boundary Road, Dunn Road and Lodge Road has a number of large lots available for development (typically >1.5ha). This includes a large Council owned site on Hamilton-Port Fairy Road of 7.5ha. The options for this Council owned site are outlined further in this report.

LOCAL SERVICE INDUSTRY

In addition to industrial land of regional significance, there is a need to provide sufficient land to accommodate demand from local service industries. Industrial land in the north west and eastern precincts are likely to continue to provide for local urban services and light industry.

North West 3 Precinct

The North West 3 precinct has a number of good attributes which encourage further light industry development including its excellent main and internal road accessibility, full range of utility services and no encumbrances.

In addition to the geographic and service qualities of this precinct, there are a number of strong local industries and businesses which have the potential to expand and develop. Whilst expansion and further development of existing business and industry in the precinct may not necessarily be substantial, there are agglomeration benefits with other businesses within the precinct.

Light industry that requires a smaller scale footprint, can be located in the North West 3 precinct. The existing industries and businesses in the North West 3 precinct and lack of available vacant land in the eastern industrial area make it a logical location for further light industry development. There are a limited number of vacant lots of a reasonable size to accommodate another industrial lot subdivision.

South 4 Precinct

Should available land for development become scarce in the North West industrial area, there is potential to accommodate some light industry and urban service development in the South 4 precinct.

The eastern edge of the South 4 precinct also abuts a row of residential uses which precludes more intensive industry from locating in this component of the precinct. Light industry and urban services would be appropriate in this component of the precinct given the quantum of vacant land and residential interface. The precinct is also not quite as accessible from main roads as other precincts in the south and as such would be better suited to light industry and local urban services which do not require as many heavy vehicle movements.

SUPPORTING EXISTING INDUSTRIES AND BUSINESSES

Apart from encouraging new industry into Hamilton and promoting diversity in industry and employment, which will create a more robust, sustainable and resilient local economy, there remains a need to continue to support investment and growth in existing industry and business.

The consultation process of this Study revealed that there were a number of local businesses and landowners who indicated they could potentially expand and / or further invest in Hamilton.

Numerous stakeholders consulted indicated they would benefit from having a better understanding of the planning approvals process (e.g. in areas like native vegetation protection and the requirements of the planning process).

Strong linkages between the economic development, strategic planning and the statutory planning functions of Council can help deliver successful development outcomes that meet the requirements of developers, investors and businesses. There can be benefit in utilising a 'champion' who works between industry and Council to assist in facilitating economic development and industrial development outcomes. Such a role could include:

- a) Identifying specific industry strategies and investment attraction strategies for manufacturing, freight / logistics, food production, heavy industries, agricultural industries and smart industries;
- b) Integrating economic values in land use planning and link industrial policies and economic strategies to spatial planning;
- c) Maintaining and planning a network of corridors including access to freight routes (road and rail) where appropriate;
- d) Providing 'on the ground' knowledge / interface with market and industry;

- e) Providing development guidance and incentives;
- f) Providing an understanding of land use policies to encourage better utilisation industrial land;
- g) Identifying opportunities for private sector industrial estate development and facilitate the development approval process; and
- h) Providing approvals information such as a pre assessment process.

It is understood that in late 2013 Council undertook steps in this direction by providing funding for a 'Placemaker' position that would be charged with aspects of development facilitation, including working with existing and potential industrial landowners to more efficiently deliver investment and business growth.

KEY STRATEGY CONSIDERATIONS

The context for industrial land development in the study area is that:

1. There is significant vacant industrial land supply in Hamilton, which is estimated to be sufficient to meet long term demand based on available information;
2. There is reported interest from private sector participants to develop industrial properties in the future; and
3. Council owns a relatively large industrial land parcel in the south that could be used for industry including larger scale industry should demand arise.

RECOMMENDED DIRECTIONS

The following directions are recommended for Council.

FACILITATE INVESTMENT OUTCOMES

Council should continue to seek to facilitate and optimise industrial development and investment that meets the urban planning and economic development aspirations of the municipality as expressed in policy and strategy. This requires continuation of current development assessment and facilitation practice and potentially building on this role.

In terms of private sector activity, it is understood that at least one landowner in the North West 1 Precinct seeks to progress a development that may comprise lots that vary in size between 700sqm and 1,800sqm. Such a concept is consistent with the findings of this research. It is also understood that the IN2Z parcel that forms the South 1 precinct has attracted interest from a large regional manufacturer in recent times. Such proposals, and others like them, should be supported subject to meeting development controls.

ENSURE ADEQUATE LAND SUPPLY

A key function of Council is to ensure adequate land supply is provided for industrial land use and development. This requires monitoring land vacancy and take-up rates to ensure an adequate stock of serviced land is provided. At this time the data suggests there is adequate supply in Hamilton. As land is taken up and becomes scarce over time prices will rise (all other things being equal) and this will encourage land development and rezoning activity. Council should facilitate appropriate expansion of land when this situation emerges. However, there is no case for such expansion at this time. The exception to

this may be in the case of a significant investment opportunity that cannot be accommodated on existing land and thus a special purpose rezoning could be considered.

FACILITATE DEVELOPMENT IN THE SOUTHERN PRECINCTS TO MEET MARKET DEMAND

There is a case to target some areas in the southern precincts for large lot regional industry development whilst also releasing or encouraging land for smaller lot development (sub 0.5ha lots) given that is what the market is generally seeking to absorb. Such an approach should seek to cluster smaller lots in consolidated areas and avoid using sites that have the best attributes for large regional industry – these being sites with buffer distances from sensitive uses and good access to regional infrastructure (major road, gas and freight rail potential) and IN2 zoning.

ADDRESSING MARKET FAILURE

Council can potentially have an important role to play in meeting an industrial land development role in the situation of market failure. Market failure can occur where there is an obstacle or disincentive to the private sector in meeting a desired planning outcome. There is no evidence of there being a market failure in relation to provision of industrial lots in Hamilton, particularly small lots. There is also no evidence of there being market failure for large lots. The issue of limited such development in recent years is lack of demand at this time as opposed to there being an obstacle for the private sector in delivering land for large lot activity.

This research has found there is strategic merit in having large industrial lot land available should a large scale business seek to establish in the area. Private sector participants can have little incentive to perform the role of holding a large land asset for an economic development objective and as such there is an opportunity for Council to perform this role.

COUNCIL LAND

COUNCIL LAND OPTIONS

Council owns a 7.5ha site on Hamilton-Port Fairy Road in South 3 Precinct. As noted above, this site could be used to facilitate a regionally significant industry outcome. Such an industry would be the main attractor or anchor to the precinct, would strengthen the precinct's role and function, and could encourage and attract further industry and business to the southern industrial area. Given Council's ownership of the site, Council or state government funded enabling works could be considered in order to facilitate and attract investment.

Should a small-lot subdivision option be pursued, a mixture of 0.5ha and 1.0ha lots may be suitable, however the configuration of lots, infrastructure and services could be designed in such a way to ensure flexibility and potentially amalgamating sites into larger lots.

For context, it is noted that the Land Supply and Demand Assessment conducted as part of the Hamilton Structure Plan process indicated that historic take-up rates for industrial land in the town was around 2ha per annum. Hill PDA research as part of this Study indicates that there has been take-up of around 1.9 lots per annum over this period.

Council has a number of options in relation to its industrial land asset as follows:

1. Hold the undeveloped land for large lot users and monitor market conditions;
2. Place land on the market by expression of interest for large lot users (leading to disposal or leasing or joint venture development);
3. Dispose of land and monitor market conditions;
4. Lease the land (long term) for use or development by the private sector; and
5. Undertake a speculative development of land for sale or lease.

A description of benefits and risks of the options is as follows.

Table 3 - Options for Council Land

| Option | Benefit | Cost or Risk |
|--|---|---|
| 1. Hold the undeveloped land for large lot users and monitor market conditions. | A passive approach. Preserves land for a future economic development opportunity. | Council foregoes potential income until target demand arises. |
| 2. Place land on the market by expression of interest for large lot users (leading to disposal or leasing or joint venture development). | Takes a proactive approach to stimulate interest in development whilst retaining a focus on a larger lot industrial outcome. Can lead to sale of land, joint venture development with a developer or lease of land. | Some cost associated with undertaking an expression of interest process with a real estate firm. No guarantee of take up by a developer / business. |
| 3. Dispose of land and monitor market conditions | Dispose of land at market value to any purchaser. Realises monetary value for Council. | Potentially eliminates land from stock of larger lot development. |
| 4. Lease the land (long term) for use or development by the private sector | Offer the land for long term lease to a land user which may or may not be a large lot industrial user. If the land is to be developed this could be a 30 year lease or similar. Generates income from the property asset whilst retaining Council ownership to ultimately accommodate a large lot user in the longer term. | Some cost associated with undertaking an expression of interest process with a real estate firm. May result in the land being taken out of supply for large lot industrial use for a long term period. |
| 5. Undertake a speculative development of land for sale or lease. | Production of lot(s) on a speculative development basis for sale or lease to industrial businesses. Lots could be subdivided for leasing whilst preserving the opportunity to target a large lot businesses use. | High development cost and risk and no guarantee of market take up. Significant financial risk. |

COUNCIL LAND RECOMMENDATIONS

It is recommended that Council adopt a proactive approach to industrial investment facilitation in Hamilton.

Council could work to induce demand for business attraction and development by seeking to provide – directly or with partners – serviced industrial lots that are ready for business investment. In doing so, it is important that Council ensures that it maintains competitive neutrality with other property market participants and seeks to address market failures where possible.

As noted earlier in this report, most property demand and development interest is focused on the sub 2,000 sqm lot market and Council could have a strategic role in meeting demand for businesses that seek larger lots, nominally over 2,000 sqm. In doing so, Council would complement the market rather than directly compete with it.

Action 1: Subdivision Layout

- Prepare design concepts for Council land focusing on the larger lot industrial market, nominally 2,000 sqm and greater.
- Ensure that design concepts are flexible and enable assembly of lots to create larger lots. Ensure surrounding lots (non-Council land) are considered in a holistic precinct framework.
- Identify required service connections and engineering costs for the design at a preliminary level.

Action 2: Expression of Interest

- Commission a real estate broker to place land (pre-subdivision) on the market by expression of interest focusing on large lot users.
- Utilise the design concept in the campaign.

Action 3: Review Options

- Assess interest and evaluate options following the expression of interest process.
- Council may elect to hold land, dispose of land for development by another party or seek to undertake development in accordance with design concepts or interest. Other options may be proposed in the process.

Action 4: Conditional - Development

- This action is relevant if Council elects to develop the land (individually or with a partner),
- Development will require preparation of detailed subdivision and works plans and these may require amendment to initial design concepts, subject to the findings of the expression of interest process.
- Prepare a business case for the development which should specify the purpose, objectives, costs, income estimates, funding and financing sources, implementation process, risks and risk management.
- Council should seek to obtain State and Federal grant funding to support development that meets policy objectives.

INTRODUCTION



1. INTRODUCTION

1.1 PROJECT BRIEF AND BACKGROUND

Southern Grampians Shire Council engaged Hill PDA to undertake an **Industrial Land Study** that includes a critical assessment of existing and future industrial precincts within Hamilton, whilst also assessing the market need for industrial land in the Shire from research and through consultation with existing property owners and key stakeholders.

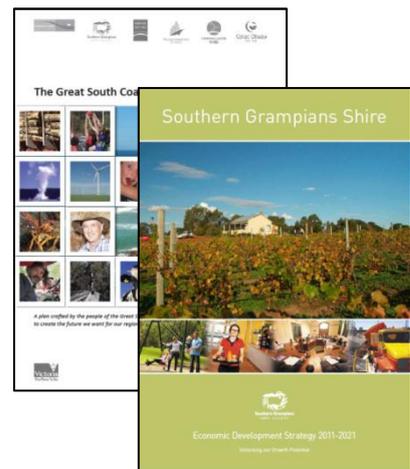
The Industrial Land Study comes in the context of needs identified in two key strategic documents being the Southern Grampians Shire Economic Development Strategy (EDS) (2011) and the Great South Coast Strategic Plan (2010). The EDS nominated the need to determine the quantum and facilitation of serviced land as a key action. By comparison, the Strategic Plan identified a clear need to specifically promote manufacturing activity within the region by identifying employment land requirements for various population growth scenarios.

A significant amount of work regarding industrial land has already been completed since the above strategic studies, as part of the development of the Hamilton Structure Plan (2011). The Structure Plan forecast demand for 44ha of industrial land by 2031, however given there was an estimated 200ha of vacant land already available, there is sufficient supply to meet demand. Ongoing subdivision and infrastructure works to create small allotments suitable for the market is occurring.

The aim of the Industrial Land Study is to understand the characteristics of the existing supply of industrial land within Hamilton and assess this against projected land demand in the Structure Plan.

In doing so, determining market or supply led demand is the adopted methodology. Market or supply led demand is based on the premise that locational decisions by some firms, in particular for large industry, are often based on a range of factors compared across a greater geographical area. These considerations can include local market attributes (e.g. land values, rents and construction costs), individual site characteristics (e.g. site configuration and accessibility), labour force characteristics, perceptions regarding potential government support or otherwise, the level of existing developer activity, and so on. This is largely because these firms are less dependent on being located close to a particular market or city. As a result, Hill PDA's approach also considers examining the market for industrial land in the Shire in comparison to other regional areas that the Shire would compete with in attracting new or expanded industry.

In order to justify the need for industrial lands and the prioritisation of particular locations for future growth, Hill PDA has also developed a criterion of assessment to compare existing precincts in Hamilton. The assessment considers: access to main roads / transport, ability to expand, agglomeration of industry, occupied versus vacant land, ability of precincts to meet large lot requirements.



As part of the assessment Hill PDA also consulted with existing landowners and businesses to understand:

- The performance of existing precincts and their opportunities and constraints;
- Business development challenges and business confidence;
- Service infrastructure required to attract additional industrial development;
- Potential for existing businesses to expand and / or require additional land; and
- Potential for existing businesses or landowners to partner with Council if opportunities arose.

The aim is to provide the Shire with an understanding of how existing industrial land and industries are performing and the evidence to support any expansion to existing precincts or identification of additional lands, including priority key sites. Incentives needed to instigate property development are also considered.

1.2 STUDY AREA

Hamilton is not only a major regional service centre but also contains all industrial land in the Shire apart from small pockets of IN3Z land in Dunkeld and IN1Z in Coleraine. The development of industrial land in Hamilton has traditionally depended on the expansion of its key base industries, particularly primary production. Industries which tend to utilise industrial land for operations, and which are prevalent in the Shire include manufacturing, construction, electricity, gas and waste water services, wholesale trade and transport, postal and warehousing. Together these industries account for around 40% of all Southern Grampian Shire resident employment.

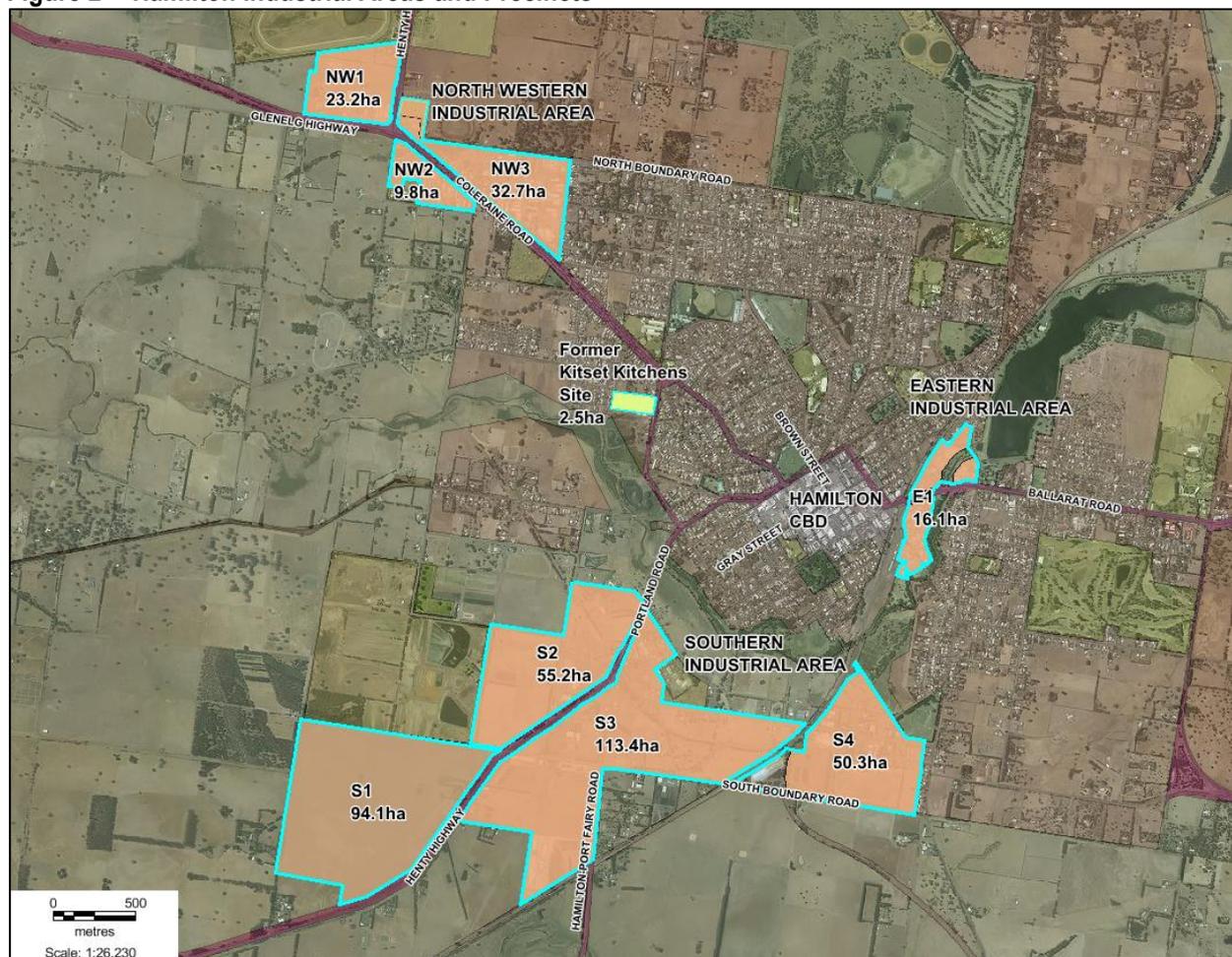
There are three main locations for industrial land in Hamilton which are the subject of this Study. They are:

1. The southern industrial area around South Boundary Road which predominantly comprises larger lots catering to larger industry uses such as grain and fertiliser manufacturing and storage and the regionally significant Hamilton Saleyards.
2. The north-western industrial area around Coleraine Road which typically comprises local urban services, building supplies, smaller manufacturers and agricultural and rural supplies.
3. The eastern industrial area between Fenton Street and the Grange Burn. Since this project was commenced in March 2013 the eastern industrial area has been rezoned to Commercial 1 following Southern Grampians Planning Scheme Amendment C25.⁵ The analysis relating to this component of land has been retained given it still includes a number of industrial land uses.

In addition to the three areas of industrial zoned land, there is a pocket of land on Mount Baimbridge Road which is Special Use Zone. This site formerly accommodated Kitset Kitchens and at August 2014 is available for another use. It is understood that several approaches have been made for the site since Kitset Kitchens closed in November 2013.

⁵ Approved by DTPLI following delegation of the Minister's powers on August 1 2013.

Figure 2 - Hamilton Industrial Areas and Precincts



Source: Southern Grampians Shire Council and Hill PDA (2014)

It is also recognised that Council has previously participated in the industrial land market having completed a small 11 lot subdivision on Peck Street in the north-west industrial area (North West 3 precinct). Peck Street was originally Council owned before an extension occurred between 2006 and 2011. As of June 2013, all 11 blocks in the subdivision have been sold, indicating that there is demand for fully serviced lots in the township. Blocks as part of the subdivision tend to be in the range of 2,000sqm.

Council also owns a 7.5ha vacant lot in the southern industrial area (South 3 precinct), the potential of which is examined as part of this Industrial Land Study. Other industrial zoned land owned by Council includes the Hamilton Saleyards (located in the South 3 precinct).

1.3 BACKGROUND DOCUMENTATION AND CONSULTATION

The following documents were reviewed as background to the Study:

- Hamilton Structure Plan (2011);
- Hamilton Structure Plan Background Report (2011);
- Hamilton Structure Plan: Draft Land Supply and Demand Assessment (2011);
- Hamilton Structure Plan: Draft Investment Attraction Strategy (2011);
- Hamilton Livestock Exchange Master Plan (2010);

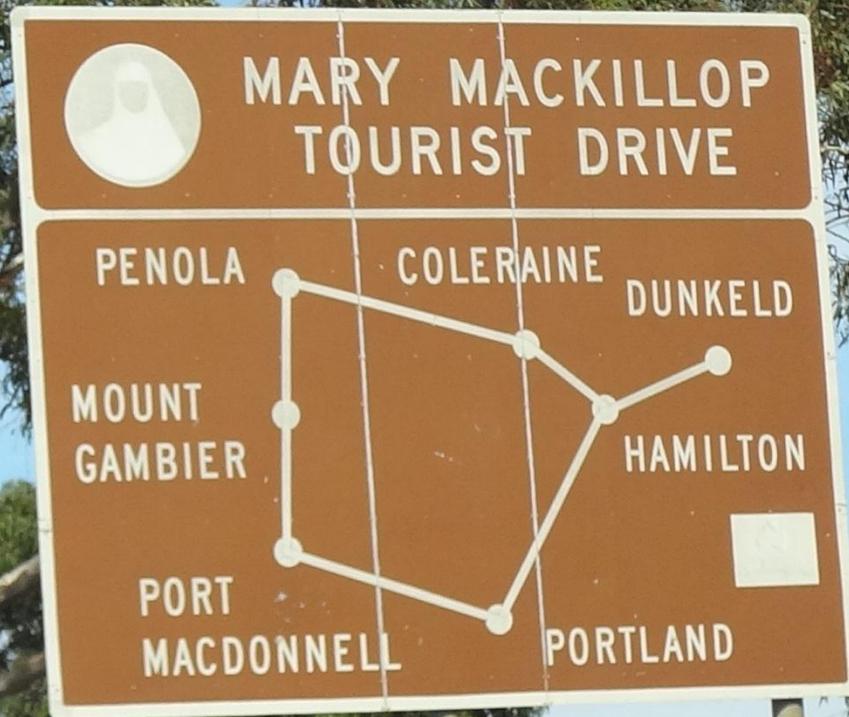
- Southern Grampians Shire Economic Development Strategy (2011);
- Southern Grampians Shire Economic Development Strategy: Background Report (2011);
- Southern Grampians Shire Council Plan 2009-2013 (2009);
- Southern Grampians Shire Retail Development Strategy (2011);
- Southern Grampians Shire Council Planning Scheme Review 2010 (2010); and
- Great South Coast Regional Strategic Plan (no published date).

To inform this Study, consultation was undertaken in Hamilton with existing landowners and businesses. In total, 16 land and business owners were consulted from 4-5 June, 2013. The outcomes and key themes from the process of this consultation is provided throughout this Study and is noted where necessary.

Government agencies, industrial land developers and local and regional industrial agents were also consulted during the process of this Study. These stakeholders included:

- Department of Business and Industry
- AusIndustry;
- Places Victoria;
- Australand;
- MAB Corporation;
- Mirvac;
- REST / Super Investment Management Pty Ltd;
- CBRE Real Estate Agents;
- Colliers Real Estate Agents;
- Kerr & Co Town and Country Real Estate;
- Wilson Real Estate; and
- Herbert Real Estate.

REGIONAL AND LOCAL CONTEXT



POLICE NOW
TARGETING
MOTORCYCLISTS

2. REGIONAL AND LOCAL CONTEXT

The purpose of this chapter is to understand the role, function and characteristics of Hamilton and its industrial land at a local and regional level. This includes an analysis of connections to other regional centres, significant local industry and businesses located within the town, key industrial areas and service and infrastructure characteristics.

2.1 LOCATION

Southern Grampians Shire is situated in western Victoria, approximately 300km to the west of Melbourne CBD, 100km to the north of Warrnambool, 130km to the south of Horsham and 150km to the east of Mount Gambier. Hamilton is the largest town in the Shire and is the retail, commercial, entertainment, community and administrative service centre for the municipality and a much wider regional catchment. Hamilton is also the primary location for industrial land in the Shire.

Figure 3 - Southern Grampians Shire Regional Context



Source: MapInfo Bing Maps and Hill PDA (2013)

Hamilton is located at the confluence of a number of major roads including the Glenelg Highway (to Ballarat and through to Mount Gambier in South Australia), Henty Highway (to Portland and Horsham) and the Hamilton Highway (to Warrnambool). The town is also serviced by a freight rail line which connects to Portland, Warrnambool, Ararat and Geelong and an airport, from which daily flights to Melbourne are available.

2.2 LOCAL ECONOMIC CONTEXT

Southern Grampians Shire has experienced a modest decline in population over the past 10 years with the Estimated Resident Population (ERP) decreasing from approximately 17,130 persons at 2001 to 16,510 persons at 2011. That said, the Shire is anticipating population growth (based on 2012 Victoria in Future Projections) and analysis of ABS Census data indicates employment in the Shire has risen over the past decade.

As outlined in the Southern Grampians Shire Economic Development Strategy, Hamilton and the broader Shire has a strong local economy which is underpinned by the following economic strengths⁶:

- An agricultural sector worth around \$200m per year at almost twice the profit per hectare of the State average;
- A state-of-the-art mineral sands processing plant producing 375,000 tonnes of rutile and zinc for export each year;
- A daily, scheduled air service to Melbourne and Adelaide;
- The Grampians National Park which is a considerable tourist attractor;
- Over 34,000ha of timber ready for harvest;
- Major wind farm developments, including the biggest in the Southern Hemisphere on the southern boundary of the Shire;
- A successful and thriving livestock exchange (Hamilton Saleyards); and
- High quality education, recreation and health facilities and services.

The Saleyards in particular is an important strength for Hamilton and the Shire more broadly. The livestock exchange that operates as part of the facility has 7 stock agencies employing 59 staff members directly. In 2010/11 the annual throughput of sheep and cattle was the 3rd and 10th largest in the State respectively.⁷ Council staff manage the day to day running of the facility.

Traditionally, Southern Grampians Shire has been characterised by agricultural industries such as sheep and beef cattle production and more recently timber harvesting. Despite a significant decline since 2001, the major industry of employment of Shire residents remains agriculture, forestry and fishing.

An analysis of ABS business count data for the Hamilton township and broader Shire over the period 2009 to 2011 highlights the following:⁸

- Almost half of all businesses are categorised as being within the agriculture, forestry and fishing industry;
- Approximately 74% of all businesses employ less than 5 persons;
- 21% of businesses have between 5 and 19 employees and just 5% employ 20 or more persons;
- There was negligible change in the number of businesses between 2009 (1,002 businesses) and 2011 (1,004 businesses);

⁶ Southern Grampians Shire Economic Development Strategy, Geografia and Tim Nott (2011)

⁷ Master Plan for the Hamilton Regional Livestock Exchange, Kattle Gear Australia (2010)

⁸ Counts of Australian Businesses Publication 8165.0, Australian Bureau of Statistics (2012)

- There has been some business losses in Hamilton over the period 2009 to 2011, particularly in construction (-14 businesses), property and business services (-7), electricity, gas and water supply (-6), agriculture, forestry and fishing (-5) and manufacturing (-4); and
- There has been significant growth in the number of finance and insurance businesses in Hamilton (+29 businesses). Other industries which have experienced business growth over the period 2009 to 2011 in Hamilton include education (+8) and wholesale trade (+7) and personal and other services (+6).

Prominent businesses operating from industrial land in Hamilton include:

- | | | |
|--------------------------|------------------------------------|----------------------------------|
| ▪ Walkers Mitre 10 | ▪ Donohue's Leisure | ▪ Australian Bluegum Plantations |
| ▪ Walkers Engineering | ▪ Landmark | ▪ Kempe Engineering |
| ▪ Envireco | ▪ Elders | ▪ Mackkon Homes |
| ▪ Moose Engineering | ▪ South West TAFE | ▪ Scott Petroleum |
| ▪ Hamilton Farm Supplies | ▪ Cobb and Co Furniture | ▪ Southern Soils |
| ▪ CRT | ▪ CITS Driver Training and Testing | ▪ Graincorp |
| ▪ Kalari Transport | ▪ CBT Safety and Workwear | ▪ Hamilton Saleyards |
| ▪ Ryans | ▪ Hamilton Steel | ▪ Livestock Logic |
| ▪ Grampians Techwool | ▪ Trotter's Coaches | |
| ▪ Caltex Service Station | | |

Employment changes in the Shire suggest growth in the economy. The Shire had about 420 additional workers in 2011 compared to 2001. Growth has primarily occurred in health care and social assistance, accommodation and food services and public administration and training.

Employment in industries that typically locate on industrial land - including construction, manufacturing, electricity, water and waste services and wholesale trade - have shown mixed trends with construction growing and other sectors being steady or marginally declining from 2001 to 2011.

Consultation undertaken with industrial landowners indicated that the general economic climate was relatively subdued in Hamilton. A number of stakeholders indicated that other regional centres such as Warrnambool have been strong competitors for investment over the preceding 30 years or so.

It should be noted however that almost all of those consulted, had a strong affinity with the town and were determined to continue to invest in it. Many indicated that they were confident the economic climate would improve and they intended to continue to invest in their Hamilton businesses.

Table 4 - Southern Grampians Shire Business Counts (2009-2011)

| Industry | Hamilton | | | | Southern Grampians Remainder | | | | Total Southern Grampians Shire | | | |
|--------------------------------------|--------------|--------------|--------------|----------|------------------------------|--------------|--------------|-----------|--------------------------------|--------------|--------------|-----------|
| | 2009 | 2010 | 2011 | Change | 2009 | 2010 | 2011 | Change | 2009 | 2010 | 2011 | Change |
| Agriculture, forestry and fishing | 241 | 244 | 236 | -5 | 816 | 818 | 806 | -10 | 1,057 | 1,062 | 1,042 | -15 |
| Mining | 3 | 3 | 0 | -3 | 3 | 3 | 0 | -3 | 6 | 6 | 0 | -6 |
| Manufacturing | 45 | 33 | 41 | -4 | 12 | 9 | 12 | 0 | 57 | 42 | 53 | -4 |
| Electricity, gas and water supply | 6 | 3 | 0 | -6 | 0 | 0 | 0 | 0 | 6 | 3 | 0 | -6 |
| Construction | 179 | 167 | 165 | -14 | 58 | 62 | 61 | 3 | 237 | 229 | 226 | -11 |
| Wholesale trade | 34 | 46 | 41 | 7 | 17 | 25 | 18 | 1 | 51 | 71 | 59 | 8 |
| Retail trade | 90 | 100 | 87 | -3 | 28 | 34 | 27 | -1 | 118 | 134 | 114 | -4 |
| Accommodation, cafes and restaurants | 51 | 52 | 47 | -4 | 18 | 26 | 25 | 7 | 69 | 78 | 72 | 3 |
| Transport and storage | 60 | 53 | 59 | -1 | 32 | 35 | 39 | 7 | 92 | 88 | 98 | 6 |
| Communication services | 3 | 0 | 3 | 0 | 0 | 3 | 0 | 0 | 3 | 3 | 3 | 0 |
| Finance and insurance | 49 | 54 | 70 | 21 | 10 | 15 | 18 | 8 | 59 | 69 | 88 | 29 |
| Property and business services | 74 | 73 | 67 | -7 | 37 | 33 | 42 | 5 | 111 | 106 | 109 | -2 |
| Education | 46 | 55 | 54 | 8 | 31 | 23 | 26 | -5 | 77 | 78 | 80 | 3 |
| Health and community services | 16 | 22 | 17 | 1 | 10 | 12 | 20 | 10 | 26 | 34 | 37 | 11 |
| Cultural and recreational services | Na | 3 | 3 | 3 | Na | 0 | 0 | 0 | 0 | 3 | 3 | 3 |
| Personal and other services | 6 | 15 | 12 | 6 | 3 | 3 | 3 | 0 | 9 | 18 | 15 | 6 |
| Total businesses | 1,002 | 1,029 | 1,004 | 2 | 1,118 | 1,126 | 1,130 | 12 | 2,120 | 2,155 | 2,134 | 14 |

Source: ABS Counts of Australian Businesses Publication 8165.0 (2012)

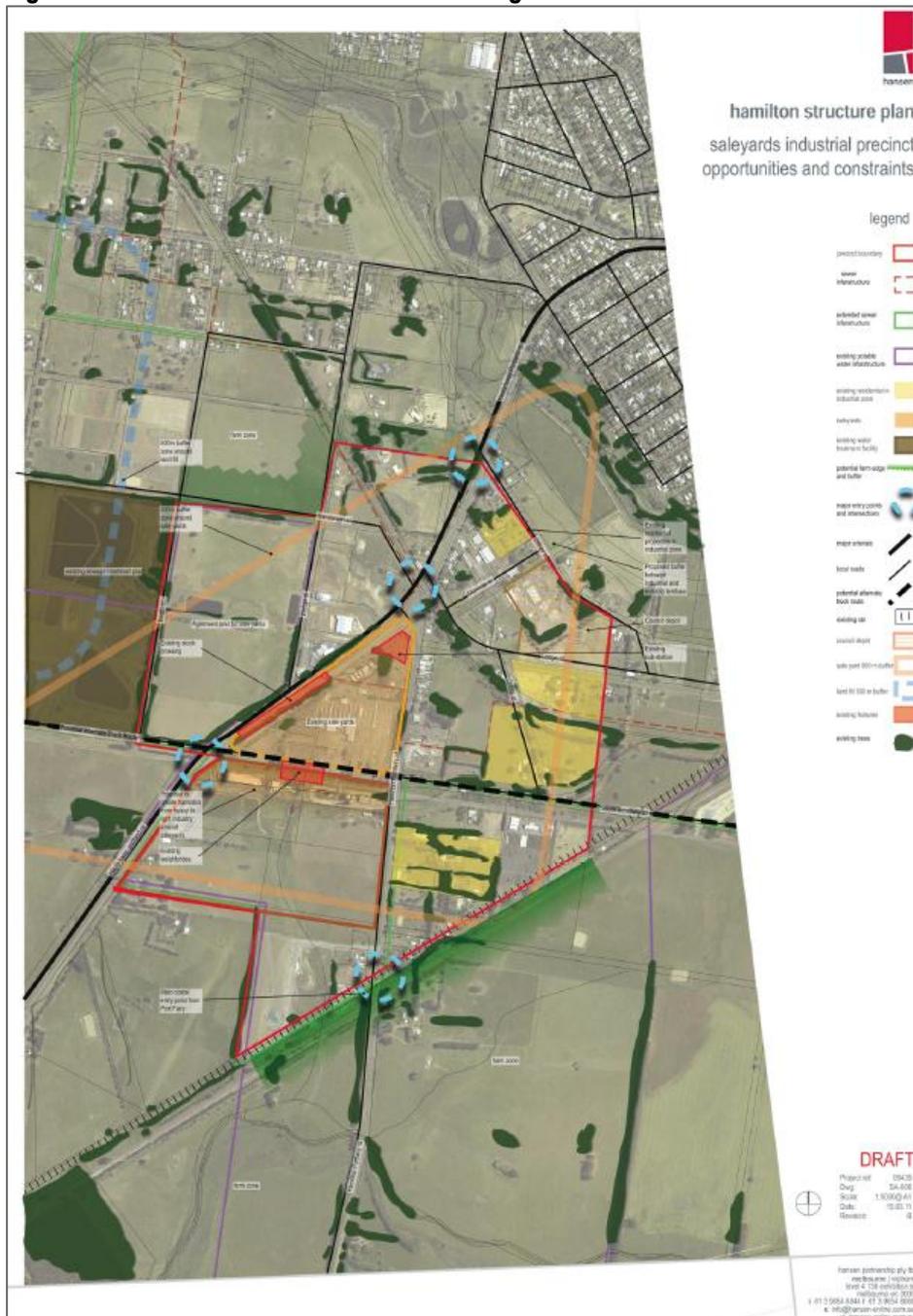
Na: Not available

2.3 SERVICING AND INFRASTRUCTURE

2.3.1 ESSENTIAL SERVICES

Industrial lands in Hamilton are serviced by a range of basic infrastructure including sewerage, potable water, electricity and gas in some instances. Overall, servicing is superior in the north-west and eastern industrial areas, however the southern industrial area is also largely serviced by sewerage, power, potable water (refer to the following figure) and it is understood that there is a high gauge gas main at the southern part of the South 1 precinct.

Figure 4 - Southern Industrial Area Servicing Provision



Source: Hamilton Structure Plan: Saleyards Industrial Precinct (2011)

In addition to the services identified, a freight rail line runs adjacent to, and through the eastern and southern industrial areas and the Hamilton airport operates daily flights to Melbourne. Some manufacturers have utilised the airport to distribute products to Melbourne.

2.3.2 HENTY HIGHWAY

The Henty Highway (A200) is a key transport corridor which connects Portland to Hamilton and Horsham and beyond to Warracknabeal and Mildura in the far north. The Henty Highway north of Heywood is a key route servicing the major grain supplies and mineral sand deposits in the Western District, Wimmera and Mallee regions of western and north-western Victoria. Its strengths include⁹:

- Approved B-double route;
- Provides key connection between grain district and mineral sands supplies and the Port of Portland; and
- Direct north-south connection across western Victoria extending to the Murray-Darling Basin in the north.

2.3.3 GLENELG HIGHWAY

The Glenelg Highway (B160) is a major east-west road between Ballarat and Mount Gambier. The B160 crosses the Henty Highway at Hamilton and several other north-south secondary freight routes. Whilst the Glenelg Highway does not directly link with the Port of Portland, it provides an important route for freight using the region and connects to other freight routes which provide more direct links to the Port. Strengths include¹⁰:

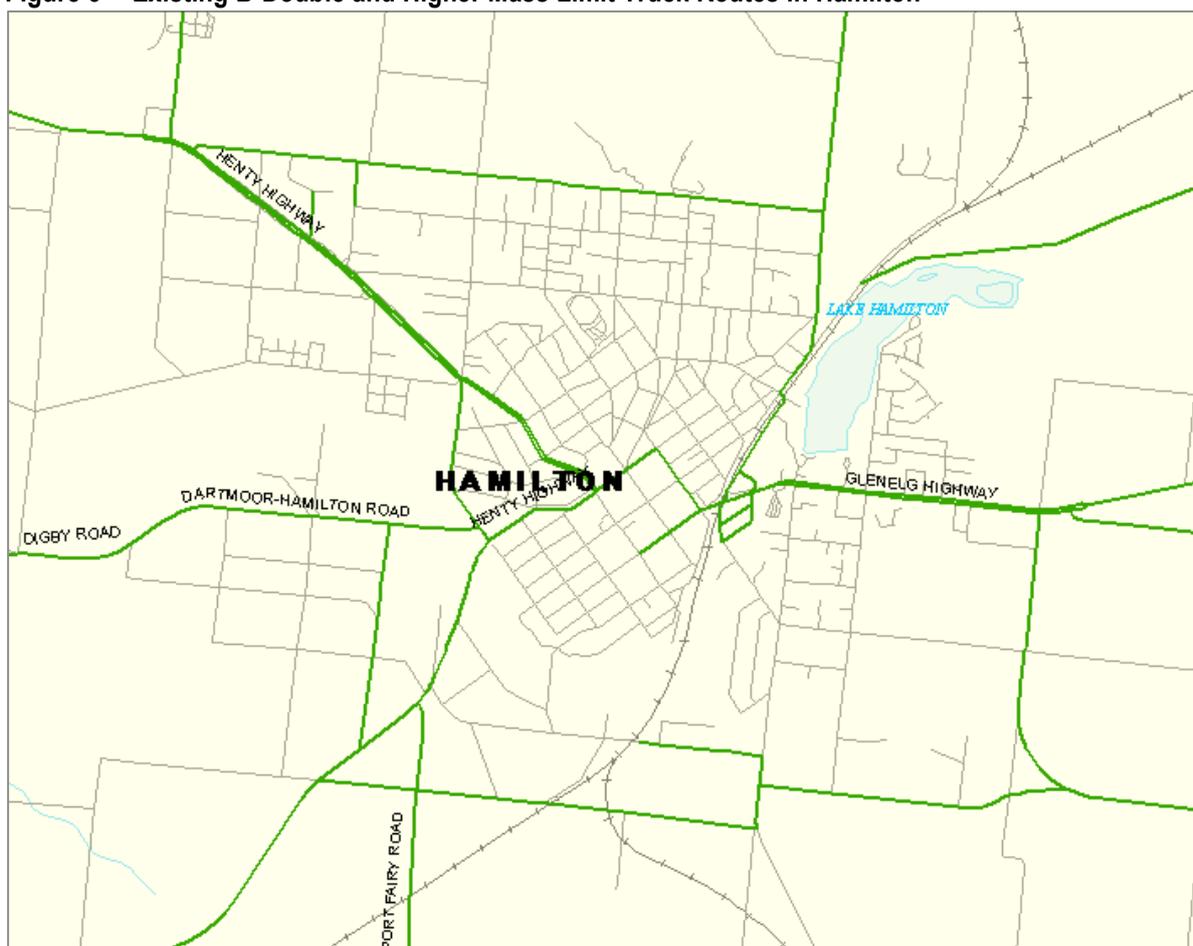
- Approved B-double route;
- Provides connection between timber industries, mineral sand and grain districts;
- Provides a major freight route for timber from the Green Triangle Region and commercial freight bound between Melbourne and Mount Gambier; and
- It will continue to provide key route for timber and timber by-products such as pulp and woodchip and grain freight.

2.3.4 ROAD FREIGHT TRANSPORT

Approved routes for B-Double and higher mass limit trucks currently run through parts of the Hamilton CBD, including along Lonsdale Street / Glenelg Highway and Cox Street (refer to the following figure).

⁹ Port of Portland Strategic Plan (2009)

¹⁰ Port of Portland Strategic Plan (2009)

Figure 5 - Existing B-Double and Higher Mass Limit Truck Routes in Hamilton

Source: VicRoads (2013)

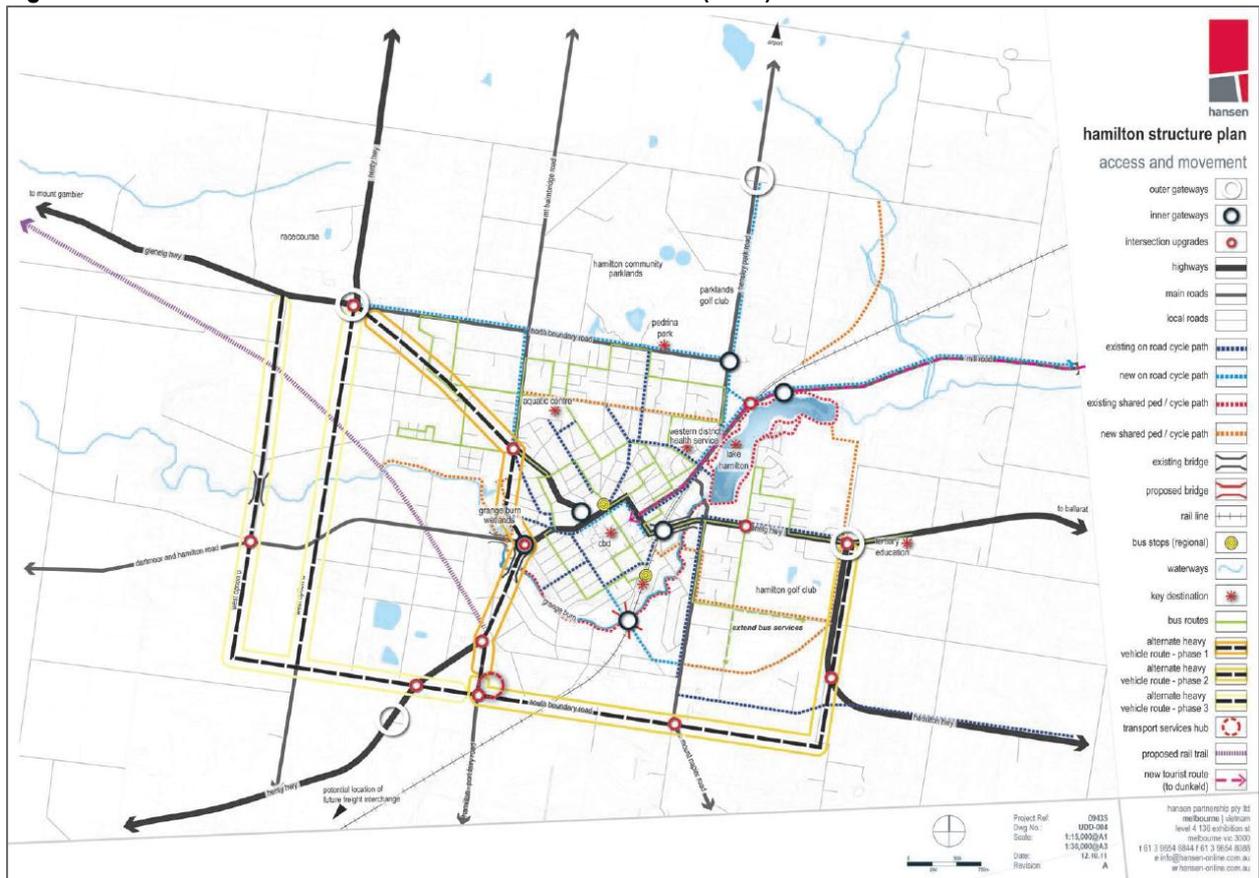
With heavy vehicle freight movements increasing by more than 50% since 1980¹¹ there has been a need to investigate alternative routes for heavy vehicle movements in Hamilton to reduce this type of traffic in the CBD. As part of the Hamilton Structure Plan process, alternative routes were identified. As can be seen in the following figure, heavy vehicle movements could potentially bypass the CBD utilising either Fairburns Road or West Boundary Road to the west of the CBD and then Mount Napier Road to the east. It is understood that VicRoads do not have timing for when this assessment of potential alternative routes will be completed.

The Structure Plan recommended, amongst other things, to rezone the eastern industrial area. In order to implement the suite of recommendations provided in the Structure Plan, an Amendment process was undertaken (Amendment C25). The land has been rezoned to Business 2 Zone which is now called Commercial 1 (C1Z) under reforms to commercial zones in Victoria. Council's rationale for seeking this change is identified in the Amendment Panel Report, including the recognition that "*These industrial areas either include a significant mix of dwellings (ie Fenton Street south of the railway) or are located relatively close to dwellings. The B2Z allows for office uses as-of-right, existing industries to continue to operate or to extend subject to the grant of a planning permit, and allows a planning permit to be granted for residential uses. This allows potential conflicts between the industrial and residential uses to be better managed by Council and is therefore considered an appropriate use of the Zone.*"¹²

¹¹ Hamilton Structure Plan: Draft Intermodal Freight Transport Assessment for Hamilton, Cardno Grogan Richards (2010)

¹² Southern Grampians Planning Scheme Amendment C25: Report of the Panel, Planning Panels Victoria (2012)

Figure 6 - Hamilton Structure Plan: Access and Movement (2011)



Source: Hamilton Structure Plan (2011)

2.3.5 POTENTIAL INTERMODAL FREIGHT TERMINAL

An intermodal freight terminal (IFT) assessment¹³ was also prepared as part of the Structure Plan process. Potential suitable locations for the IFT were identified having regard to infrastructure requirements and land ownership parcels. A parcel of land owned by Wannon Water just south of the southern industrial area that sits on the rail line was identified as the preferred location (refer to the following figure).

¹³ Hamilton Structure Plan: Proposed Intermodal Freight Transport Assessment for Hamilton, Cardno Grogan Richards (2010)

Figure 7 - Potential Hamilton Intermodal Freight Terminal Location



Source: Draft Intermodal Transport Assessment (2010)

Consultation with potential tenants of the IFT was undertaken as part of this assessment. The assessment found that regional operators may be interested in operating an IFT at Hamilton. At July 2014 it is understood that there has been expressed interest by several large logistics firms for an IFT in Hamilton. The reactivation of the railway yards in the short term could potentially be linked to an IFT development in the future.

2.4 IMPLICATIONS

A summary of the above information is as follows:

- Hamilton is located at the confluence of a number of major roads, a freight rail line and an airport;
- The town is the hub of industrial activity in the Shire and provides local service industry needs and broader industrial functions associated with agriculture, mining and forestry activities. Transport is a significant activity associated with regional industry sectors.
- Other key assets include the Saleyards and the town has a number of major businesses. An intermodal freight terminal (IFT) has been proposed for the town.
- Industrial lands in Hamilton are serviced by a range of infrastructure including sewerage, potable water, electricity and gas in some instances.

PLANNING AND POLICY CONSIDERATIONS



3. PLANNING POLICY CONSIDERATIONS

This chapter reviews state and local planning guidelines that influence industrial land use and development in Southern Grampians Shire. The chapter summarises the various objectives of state and local planning policies and highlights matters which need to be considered when determining development or divestment of industrial land within the Shire.

3.1 VICTORIAN STATE PLANNING POLICY FRAMEWORK

3.1.1 PLANNING ZONE REFORM

The Victorian Government is currently in the process of preparing a new vision for Victoria. This has involved the delivery of a new metropolitan planning strategy and preparation of regional growth plans, which are designed to build on the strengths of the city and regions, whilst simultaneously providing long-term plans for the state. A strong emphasis is being placed on strengthening the linkages between Melbourne and Regional Victoria.

As part of this reform, changes have been made to Victoria's planning zones. What were formerly Business 1, 2 and 5 zones have been amalgamated to form a new Commercial 1 Zone (C1Z). There are now no floorspace cap restrictions for any permissible uses within the C1Z and no permit requirements for accommodation uses subject to the satisfaction of a 2 metre frontage condition.

The former Business 3 and 4 zones have been amalgamated to form a new Commercial 2 Zone (C2Z). Maximum floorspace restrictions for office space have been removed and small scale supermarkets (<1,800sqm) and associated shops (<500sqm) are permissible without the need for a permit within Melbourne's Urban Growth Boundary. This does not apply in Regional Victoria. Regional Victoria's councils can specify a maximum leasable floor area for office in a schedule to the zone.

The C2Z allows for industry use without a permit so long as it does not impact on sensitive uses (applied through the application of a 30 metre buffer zone). Accommodation is a prohibited use.

3.1.2 STATE POLICY PLANNING FRAMEWORK

There is a long standing recognition of the importance of industrial land as an economic asset for the state. This importance is addressed in the State Policy Planning Framework (SPPF) (Clause 17.02) which states that: *"planning is to contribute to the economic well-being of communities and the State as a whole of supporting and fostering economic growth and development by providing land, facilitating decisions, and resolving land use conflicts, so that each district may build on its strengths and achieve its economic potential"*.

The SPPF contains strategic issues of State importance that must be considered when decisions regarding industrial land planning are made. Of particular relevance:

- Land for industrial development must have good access for employees, freight, road transport availability and appropriate buffer zones between proposed industrial land and sensitive land uses;
- Facilitation of sustainable development and research activity by locating industrial activities with substantial threshold distances to be located in the core of industrial areas;

- Encouragement of similar industries to locate within the same area to reduce inter-industry conflict;
- The placement of manufacturing and storage industries who generate significant volumes of freight to locate close to air, rail and road freight terminal;
- Maintaining adequate buffer distances from sensitive/incompatible sites in order to protect state significant industrial land;
- Storage or disposal of environmentally hazardous materials must not be located on flood plains, or if approved, must have sufficient design and management that prevents exposure during floods;
- Encouragement given to the expansion and development of logistics and communication infrastructure and the development of business clusters; and
- Compulsory submission of integrated transport plans are to be prepared for all new industrial developments.

3.2 REGIONAL PLANNING POLICY FRAMEWORK

Great South Coast Regional Strategic Plan (2010)

The Great South Coast Regional Strategic Plan (2010) addresses the challenges and opportunities pertaining to economic development, connectivity, environment, health and wellbeing, land use and liveability in the Great South Coast Region. The Region includes the municipalities of Glenelg, Moyne, Warrnambool, Corangamite, Colac Otway and Southern Grampians. The implementation of the Plan aims to support economic development that is essential to jobs growth across the Region.

Of relevance to this study, the Plan states that across the Region, approximately 11% of the total workforce is employed by the manufacturing industry. The strongest manufacturing industries include:

- Food processing - supports the primary agricultural sector in the Region with milk and meat processing being the dominant food processing sectors. Major companies active in the Great South Coast Region include Fonterra, Bulla Dairy Foods, National Foods, Murray Goulburn and The Warrnambool Cheese and Butter Factory;
- Aluminium production – ALCOA, Victoria’s largest exporter of aluminium, is produced in Portland and is exported to Asian markets;
- Mineral sands – minerals outside of the Great South Coast Region are transported to the Iluka plant near Hamilton (located approximately 2.5km further south-west of the southern industrial area) and once processed are then transported to Portland for export; and
- New and renewable energy construction – the Plan indicates there is an opportunity for growth in the renewable energy sector.

The Plan indicates that one of the main issues associated with the above industries is the lack of zoned employment lands (industrial and commercial) for future potential industry needs. This statement does not apply specifically to Southern Grampians Shire.

Draft Great South Coast Regional Growth Plan (2013)

The Draft Great South Coast Regional Growth Plan (2013) identifies approaches to land use planning in the Great South Coast Region. The Draft Plan outlines anticipated key growth industries for the Region, including dairy, forestry, mineral sands, energy and tourism. Of particular relevance to Hamilton, the Draft Plan indicates:

- Hamilton should consolidate industrial uses within two key areas to the north-west and the south-west with longer term development south-west along the Henty Highway given the quantum of available land in this area;
- Hamilton's location should be utilised to supply zoned industrial land to develop freight and related service industries supporting key north-south and east-west transport corridors and infrastructure given its strategic location at the junction of a number major roads; and
- Development in south-west Hamilton should not impede the operation of the Hamilton Saleyards given it is a strategic strength of the local and regional economy.

3.3 LOCAL PLANNING POLICY FRAMEWORK

3.3.1 MUNICIPAL STRATEGIC STATEMENT

Economic Development (Clause 21.07)

As outlined in Clause 21.07 of the Southern Grampians Planning Scheme, Hamilton “*has a strong industrial base centred on processing and value adding of agricultural produce and has local strengths in manufacturing including tool cutting and joinery...The Shire is also a base for processing mineral sands, with the Iluka plant 5 kilometres south west of Hamilton on the railway line enabling transport by rail or road to the Port of Portland*”.¹⁴

Whilst Dunkeld and Coleraine have some industrial zoned land, the vast majority is concentrated within Hamilton. There are a number of key issues concerning industrial uses within the Shire including the need to generate employment opportunities, providing suitable infrastructure and sites for industry, protecting residential amenity and supporting the continued development of manufacturing in Hamilton.¹⁵

As such, Clause 21.07 provides a number of strategies aimed at strengthening Hamilton's capacity to compete on a regional scale and capturing local / regional economic opportunities, including:¹⁶

- Support value adding to local primary products through processing, distribution, research and marketing, particularly in sheep/wool, beef, horticulture and timber industries;
- Develop a major industrial enterprise area focussed on the processing of locally and regionally grown products;
- Encourage industrial land uses to locate within industrial zones rather than other zones;

¹⁴ Southern Grampians Planning Scheme: Clause 21.07 Economic Development, Southern Grampians Shire (2013)

¹⁵ Ibid

¹⁶ Ibid

- Encourage complementary industries to be located adjacent to one another where possible to provide efficient use of infrastructure and co-ordination of activities; and
- Support the development of industrial uses at the Hamilton Airport where such uses complement the use of the airfield.

The Planning Scheme also aims to preserve the Industrial 2 Zoned land for noxious or offensive industry and other industries that are not able to locate in other zones.

In addition, a key objective of the Clause is to “*encourage industrial uses which can take advantage of proximity to the road and rail infrastructure and access to the sewerage treatment works, water and natural gas*”.¹⁷

In order to achieve this objective, a number of strategies are outlined in the Clause including:¹⁸

- Support the development of a high quality industrial estate south west of Hamilton in accordance with an agreed concept plan;
- Support the siting and design of industrial development that maximises full and efficient use of infrastructure (roads, rail, water, gas, power and sewerage);
- Support co-location of complementary industries to provide for efficient use of infrastructure and coordination of activities; and
- Support the development of industrial uses at the Hamilton Airport where such uses complement the use of the airfield.

Transport (Clause 21.08)

Clause 21.08 of the LPPF discusses potential industry growth at the existing Hamilton Airport along with potential for an alternate heavy vehicle route through Hamilton to alleviate heavy traffic on important central township streets and a rail and intermodal freight terminal to leverage off existing (the Hamilton Livestock Exchange) and potential demand (grain production, mineral sands shipments, wind farm construction and future timber harvesting).

Clause 21.08 seeks to take advantage of the opportunities provided by Hamilton Airport by:

- Supporting the development of business and industrial uses at Hamilton Airport that:
 - Complement the use of the airport;
 - Are related to the aircraft industry; and
 - Can capitalise on a location in the vicinity of the airport.

With regard to the potential for an alternate heavy vehicle route, Clause 21.08 recognises the need to:¹⁹

- Investigate and determine a phased plan to develop an alternate heavy vehicle route;
- Investigate usage of traffic calming devices to discourage heavy vehicle traffic from using the central business district as a ‘through’ route;

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Southern Grampians Planning Scheme: Clause 21.08 Transport
, Southern Grampians Shire (2013)

- Support the development of business and industrial uses on the periphery of Hamilton that capitalise on key locations along existing approved b-double and heavy vehicle transit routes;
- Support removal of heavy vehicle traffic from the central business district to improve pedestrian safety and amenity in the city centre, leading to increased foot traffic and investment and redevelopment of space in the central business district; and
- Support efficient heavy vehicle traffic movement to key destination nodes such as the Hamilton Livestock Exchange, Graincorp and Iluka Mineral Sands Processing Plant.

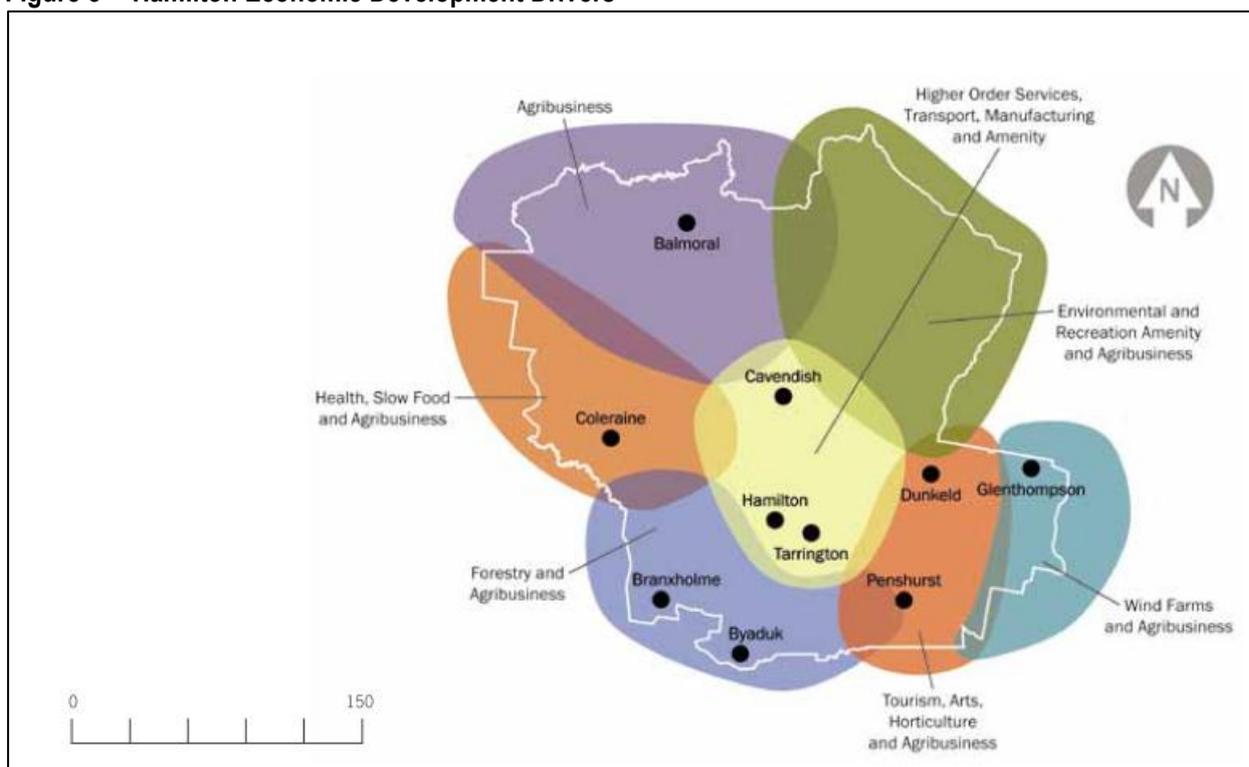
Given the strategic location of Hamilton at the junction of important north-south freight traffic and demand generated from within the township from existing and growing industry it is essential that freight transport is supported and encouraged through the delivery of a rail and intermodal freight terminal. In order to achieve the objective of servicing the transport needs of a range of industry sectors, Clause 21.08 provides for a range of strategies, including:

- Support the upgrade of existing facilities at the Hamilton Railway Station to generate interest and supply demand for containerised freight services;
- Investigate the development potential for an intermodal transport hub adjacent to the railway siding and industrial land south-west of Hamilton; and
- Liaise with regional trucking firms to promote opportunities for servicing the Southern Grampians.

3.3.2 STRATEGIC DIRECTION

Southern Grampians Economic Development Strategy (2011-2021)

The Southern Grampians Economic Development Strategy (EDS) (2011-2021) is used as a blueprint for the Shire's economic development. As the following figure from the EDS indicates, the local Hamilton economy is driven by a combination of higher order services, manufacturing and transport.

Figure 8 - Hamilton Economic Development Drivers

Source: Southern Grampians Shire Council, Economic Development Strategy (2011-2021)

The EDS nominates four main methods for stimulating the economic development drivers identified above. These are to:

- Improve connectivity to other locations (e.g. via telecommunications and rail networks);
- Improve liveability attributes that attract new enterprise and household investment;
- Invest in basic infrastructure and improve existing business capacity (e.g. provide industrial land); and
- Improve governance to support and encourage economic growth and diversification (e.g. business capacity building).

The EDS outlined numerous economic development and retail initiatives to be completed over the coming decade including the identification of the need to: “*release and promote to external businesses the availability of additional serviced industrial land.*”²⁰ The rationale for this recommendation came in the context of relatively consistent take-up for the Peck Street serviced industrial lot development.

The EDS Background²¹ report also recognised that:

- Despite being on a north-south transport route, the transport sector is a lagging industry;
- Careful planning of suitable industrial land may assist in the development of a transport hub to service a range of other industry sectors, including timber, agriculture and mining; and
- Additional benefits would accrue from ensuring this hub is located adjacent to the railway siding to the southwest of Hamilton so that it can be developed into an inter-modal hub over time.

²⁰ Southern Grampians Shire Economic Development Strategy (2011)

²¹ Ibid

Hamilton Structure Plan (2011)

Whilst the EDS was a Shire wide strategy, the Hamilton Structure Plan (2011) identified that the key prospects for industrial development in Hamilton itself are likely to rely on:

- The continuing needs of the farm sector, timber producers and mining sector for services and equipment;
- Opportunities to add value to local farm produce;
- Continuing success of local firms in regional and national markets; and
- Opportunities to provide transport services for the local and regional market.

Of additional relevance to this Study, the Structure Plan also indicates that:

- Transport costs are a key disadvantage for local producers;
- The proposal for Timbercorp to develop its headquarters to the south-west of town may have potentially indicated that Hamilton will be a key location for the Green Triangle timber industry, however this proposal did not eventuate;
- The mining sector is less likely to expand due to the mineral sands resource being explored as a 10-15 year run;
- The Iluka mineral sands process plant may continue to develop beyond its initial 10-15 year life;
- Hamilton Airport is likely to expand which will generate demand for airport-related industries; and
- It is expected that small industrial trades-related business are likely to remain steady.

As part of the preparation of the Structure Plan, a Land Supply and Demand Assessment was undertaken for residential, low density residential and industrial land. The analysis of industrial land in particular (utilising data from a 2008 Parsons Brinckerhoff study) found:

- There was a steady requirement for relatively small allotments to suit trade related activities;
- More occasional demand for larger lots with highway frontage for industrial trades related sales activity; and
- Less frequent demand for larger allotments to suit the needs of significant manufacturing and transport related firms.

3.3.3 LAND USE ZONING

Industrial land within Hamilton is predominantly made up of IN1Z land, with some IN2Z land also located in the southern industrial area. Under the Southern Grampians Planning Scheme the purpose of the IN1Z zone is to *“provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.”*²²

²² Southern Grampians Planning Scheme, Southern Grampians Shire (2013)

The purpose of IN2Z land is also to support manufacturing, storage and distribution of goods and associated uses but is also intended to:

- *“Promote manufacturing industries and storage facilities that require a substantial threshold distance within the core of the zone; and*
- *Keep the core of the zone free of uses which are suitable for location elsewhere so as to be available for manufacturing industries and storage facilities that require a substantial threshold distance as the need for these arises.”²³*

Table 5 - Industrial Zone 1 Permissible and Prohibited Uses

| Section 1: Permit not required | Section 2: Permit required | Section 3: Prohibited |
|---|--|---|
| <ul style="list-style-type: none"> ▪ Crop raising; ▪ Extensive animal husbandry ▪ Home occupation ▪ Industry (other than materials recycling) ▪ Informal outdoor recreation ▪ Mail centre ▪ Minor utility installation ▪ Railway ▪ Service station ▪ Shipping container storage ▪ Tramway ▪ Warehouse (other than Mail centre and Shipping container storage) | <ul style="list-style-type: none"> ▪ Adult sex bookshop ▪ Agriculture (other than Apiculture, Crop raising, extensive animal husbandry and intensive animal husbandry) ▪ Caretaker’s house ▪ Convenience shop ▪ Education centre ▪ Leisure and recreation (other than informal outdoor recreation) ▪ Materials recycling ▪ Office ▪ Place of assembly (other than Carnival and Circus) ▪ Restricted retail premises ▪ Retail premises (other than Shop) ▪ Transfer station ▪ Utility installation (other than minor utility installation and telecommunications facility) | <ul style="list-style-type: none"> ▪ Accommodation (other than Caretaker’s house) ▪ Cinemas based entertainment facility ▪ Hospital ▪ Intensive animal husbandry ▪ Shop (other than adult sex bookshop, convenience shop and restricted retail premises) |

Source: Southern Grampians Shire Planning Scheme (2013)

Table 6 - Industrial Zone 2 Permissible and Prohibited Uses

| Section 1: Permit not required | Section 2: Permit required | Section 3: Prohibited |
|--|--|---|
| <ul style="list-style-type: none"> ▪ Crop raising; ▪ Extensive animal husbandry ▪ Home occupation ▪ Informal outdoor recreation ▪ Minor utility installation ▪ Railway ▪ Service station ▪ Tramway | <ul style="list-style-type: none"> ▪ Adult sex bookshop ▪ Agriculture (other than Apiculture, Crop raising, extensive animal husbandry and intensive animal husbandry) ▪ Caretaker’s house ▪ Convenience shop ▪ Education centre ▪ Equestrian supplies ▪ Industry ▪ Leisure and recreation (other than informal outdoor recreation) ▪ Office ▪ Party supplies ▪ Retail premises (other than Shop) ▪ Utility installation (other than minor utility installation and telecommunications facility) | <ul style="list-style-type: none"> ▪ Accommodation (other than caretaker’s house) ▪ Cinema based entertainment facility ▪ Display home ▪ Hospital ▪ Intensive animal husbandry ▪ Place of assembly ▪ Shop (other than adult sex bookshop, convenience shop, equestrian supplies and party supplies) ▪ Veterinary centre |

Source: Southern Grampians Planning Scheme (2013)

²³ Ibid

3.4 IMPLICATIONS

The review of local and regional policy has identified the following key implications for this study:

- The need to invest in infrastructure and improve business capacity through the provision of serviced industrial land, particularly to encourage manufacturing which is a high value add industry.
- Improvements in governance in order to support and encourage economic growth and investment.
- Industry development and investment to be driven through the continuing needs of the farm sector, timber producers and mining sector for services and equipment. There will also be opportunities to value add to local farm produce and capitalise on Hamilton's excellent north-south and east-west linkages to provide transport services for local and regional markets.
- Hamilton should consolidate industrial uses within two key precincts being the north-west and the south-west areas. It is therefore important to understand the characteristics of each industrial area in order to encourage and promote industry growth that suits the existing composition of each area.
- The strength of the Hamilton Saleyards and the need for its continual protection from other development.
- The extensive supply of industrial land available for development (approximately 200ha in total), particularly in the southern industrial area of Hamilton in relation to lower demand expectations over the period to 2031 means that there is no need for any additional industrial land zoning.
- Demand within Hamilton tends to be focused on smaller allotments which are suitable for trade related activity. There is less frequent demand for large allotments that suit the needs of significant manufacturing and transport related firms and occasional demand for large lots with highway frontage for wholesale trade. Therefore, it will be prudent to provide a range of serviced small and large industrial lots to cater to the various needs of local and regional industries and businesses.

Also of particular note, the most overwhelming consensus from the landowner and business consultation related to the need for more planning information and certainty to facilitate business and employment growth. Numerous stakeholders consulted indicated they would benefit from having a better understanding of the planning approvals process (e.g. in areas like native vegetation protection and the requirements of the planning process).

DEMOGRAPHIC AND EMPLOYMENT PROFILE



4. DEMOGRAPHIC AND EMPLOYMENT PROFILE

This chapter provides a demographic and employment profile of Southern Grampians Shire benchmarked against the State of Victoria and the Warrnambool and South West Region, of which the Shire is a part. The Region includes the local government areas (LGAs) of Southern Grampians, Colac Otway, Corangamite, Glenelg, Moyne and Warrnambool. The following demographic and employment analysis was undertaken to better understand current employment trends which are likely to impact on further demand for industrial land in the Shire.

4.1 HISTORIC AND FORECAST POPULATION GROWTH

The population of Southern Grampians Shire declined marginally over the period 2001 to 2011 from approximately 17,130 to 16,510 persons, equivalent to an average annual change of -0.37% or -62 residents per annum. This situation was in keeping with broader trends in the Warrnambool and South West Region over the period, in which all LGAs apart from Warrnambool experienced a decline in population.

Despite this historical decline, Victoria in Future (VIF) forecasts show that the population of the Shire is likely to grow over the period to 2031. Applying the VIF growth rates to the ABS Estimated Resident Population (ERP) at 2012, Southern Grampians Shire could be expected to accommodate 17,725 persons at 2031. This represents average annual growth of 0.36%, equivalent to +61 residents per annum. This rate of growth is expected to be marginally slower than for all other LGAs in the Warrnambool and South West Region apart from Corangamite (0.31% per annum).

Table 7 - Southern Grampians Shire Historic and Projected Population, 2001 - 2031

| LGA | 2001 | 2006 | 2011 | 2016 | 2021 | 2026 | 2031 | Net Change | | Av. Ann Growth | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|---------------|----------------|--------------|
| | | | | | | | | 2001-2011 | 2011-2031 | 2001-2011 | 2011-2031 |
| Southern Grampians | 17,132 | 17,209 | 16,510 | 16,698 | 17,027 | 17,387 | 17,725 | -622 | 1,215 | -0.37% | 0.36% |
| Colac-Otway | 21,005 | 21,030 | 20,578 | 21,319 | 22,383 | 23,487 | 24,564 | -427 | 3,986 | -0.21% | 0.89% |
| Corangamite | 17,558 | 17,165 | 16,504 | 16,661 | 16,938 | 17,222 | 17,542 | -1,054 | 1,038 | -0.62% | 0.31% |
| Glenelg | 20,392 | 20,495 | 19,843 | 20,148 | 20,574 | 21,015 | 21,445 | -549 | 1,602 | -0.27% | 0.39% |
| Moyne | 15,763 | 16,035 | 16,175 | 16,855 | 17,576 | 18,274 | 18,895 | 412 | 2,720 | 0.26% | 0.78% |
| Warrnambool | 29,629 | 31,601 | 32,592 | 34,993 | 37,290 | 39,489 | 41,565 | 2,963 | 8,973 | 0.96% | 1.22% |
| <i>Total Warrnambool & South West Region</i> | <i>121,479</i> | <i>123,535</i> | <i>122,202</i> | <i>126,674</i> | <i>131,788</i> | <i>136,875</i> | <i>141,737</i> | <i>723</i> | <i>19,535</i> | <i>0.06%</i> | <i>0.74%</i> |
| Victoria | 4,560,115 | 5,126,540 | 5,534,526 | 5,975,243 | 6,401,596 | 6,818,631 | 7,214,922 | 974,411 | 1,680,396 | 1.96% | 1.33% |

Source: ABS ERP Publication 3218.0, Victoria In Future Population Projections (2012) and Hill PDA (2013)

4.1.2 AGE DISTRIBUTION

At 2011, Southern Grampians Shire had a higher concentration of children (0 to 14 years) (19%) than the broader Warrnambool and South West Region (15.7%). This may be as a result of the strength of lifestyle attributes and the education sector in Hamilton.

The Shire had a lower concentration of those in the 15-44 year age cohorts however (33.2%) compared to both the Warrnambool and South West Region (36.9%) and Victoria (42.4%). The difference between the Shire and Victoria as a whole in particular is almost 10%. This may be as a result of young adults moving away from Hamilton in order to take advantage of further education and work opportunities in larger urban centres, however

an analysis of historic and forecast population in the Shire suggests that it may be related to a significant decline in the 30 to 44 age group population between 2001 and 2011.

As can be seen below, the Shire (26%) and broader Warrnambool and South West Region (24.7%) had higher concentrations of elderly residents (60 years and above) when compared to Victoria as a whole (19.3%).

Table 8 - Southern Grampians Shire Age Distribution Comparison (2011)

| Age Cohort | Southern Grampians Shire | Warrnambool and South West Region | Victoria |
|--------------|--------------------------|-----------------------------------|---------------|
| 0-14 years | 19.0% | 15.7% | 18.8% |
| 15-29 years | 16.8% | 18.1% | 20.9% |
| 30-44 years | 16.4% | 18.8% | 21.5% |
| 45-59 years | 21.7% | 22.7% | 19.5% |
| 60-74 years | 16.1% | 15.9% | 12.7% |
| 75+ years | 9.9% | 8.8% | 6.6% |
| Total | 100.0% | 100.0% | 100.0% |

Source: ABS 2011 Community Profiles

An analysis of the historic and projected age distribution of Southern Grampians Shire residents has also been undertaken as part of this demographic assessment. The analysis found that over the period 2001 to 2011:

- There had been a decline in the number of people in the 0 to 14 (-481 persons) and 30 to 44 age groups (-630 persons). This appears to suggest that over the period 2001 to 2011, there had been a decline in the number of young families in the Shire; and
- Growth in retirees and the elderly was strong (+457 persons combined).

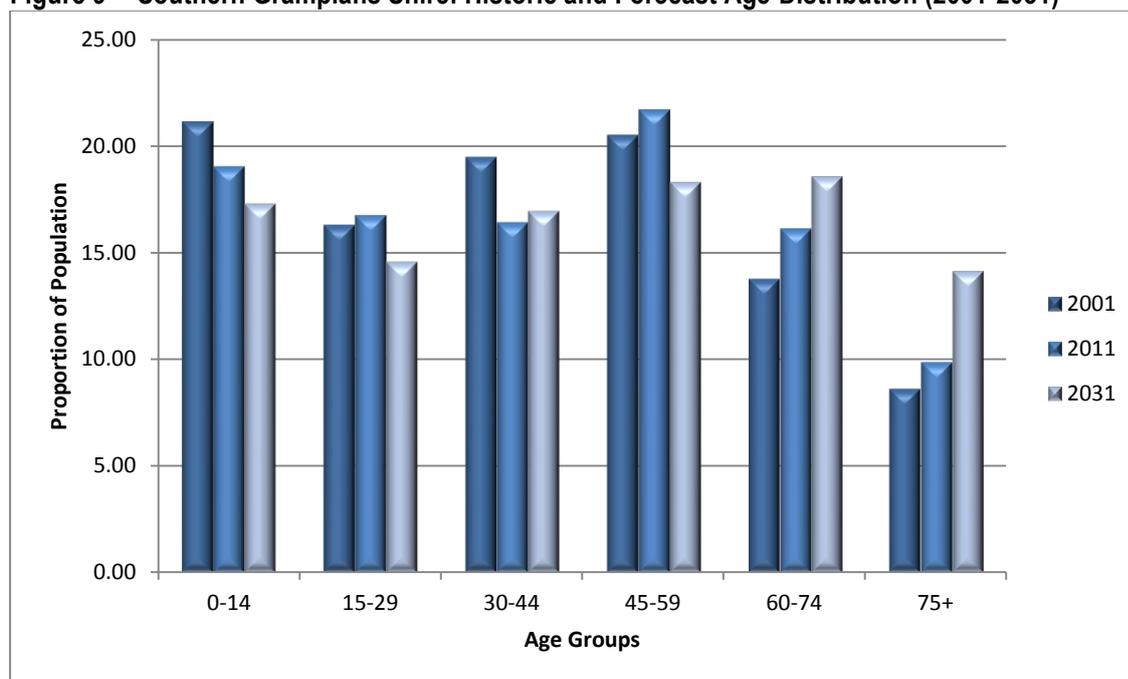
Over the period 2011 to 2031, the projections highlight the following:

- Further strong growth in the retiree (60 to 74 years, +326 persons) and elderly age cohorts (75 years and beyond, +813 persons);
- Some decline in the 15 to 29 (-219 persons) and 45 to 59 (-304 persons) age cohorts; and
- Recovery in the 30 to 44 age group (+403 persons).

Table 9 - Southern Grampians Shire: Historic and Forecast Age Distribution (2001-2031)

| Age Cohort | Historic | | | Forecast | | | | Net Change 2011-2031 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|
| | 2001 | 2006 | 2011 | 2016 | 2021 | 2026 | 2031 | |
| 0-14 | 3,626 | 3,388 | 3,145 | 3,063 | 3,070 | 3,039 | 3,071 | -0.55% |
| 15-29 | 2,798 | 2,881 | 2,767 | 2,808 | 2,629 | 2,641 | 2,589 | -0.54% |
| 30-44 | 3,342 | 3,150 | 2,713 | 2,607 | 2,814 | 2,947 | 3,009 | 0.96% |
| 45-59 | 3,520 | 3,797 | 3,583 | 3,552 | 3,440 | 3,312 | 3,249 | -0.59% |
| 60-74 | 2,364 | 2,360 | 2,666 | 2,970 | 3,246 | 3,254 | 3,296 | 0.70% |
| 75+ | 1,481 | 1,633 | 1,636 | 1,699 | 1,828 | 2,195 | 2,511 | 2.64% |
| Total | 17,132 | 17,209 | 16,510 | 16,698 | 17,027 | 17,387 | 17,725 | Na |

Source: ABS Publication 3218.0 Estimated Resident Population (2013), .id Forecasts Southern Grampians Shire (2013)

Figure 9 - Southern Grampians Shire: Historic and Forecast Age Distribution (2001-2031)

Source: ABS Publication 3218.0 Estimated Resident Population (2013), .id Forecasts Southern Grampians Shire (2013)

4.2 RESIDENT WORKFORCE BY OCCUPATION AND INDUSTRY

The characteristics of the resident workforce are an important factor in defining changing trends in the demand for industrial land in any region. Whilst the vast majority of employed residents work within the Shire, there is a portion that travel outside the municipality for employment.

Between 2001 and 2011 the number of working residents in Southern Grampians Shire increased by 423 persons, equivalent to an additional 42 working residents per annum. This represented average annual growth of around 0.6%. The growth in employment in the Shire represented approximately 8% of total employment growth in the broader Warrnambool and South West Region over the period.

The two largest employment growth industries in the Shire over the period were health care and social assistance (+261 working residents) and the public administration and safety services sectors (+217 working residents). These two industries increased their combined proportion of total employment from 15.4% at 2001 to 20.7% at 2011. However, the mining industry had easily the greatest proportional increase in employment from 0.2% at 2001 to 2.1% at 2011 (equivalent to +148 workers over the period). Much of this may be attributed to the Iluka Sands mineral processing plant developed approximately 5km to the south-west of Hamilton. There was also a significant increase in the number of Southern Grampians Shire residents working in construction (+166 workers) and transport, postal and warehousing (+72 workers) over the period.

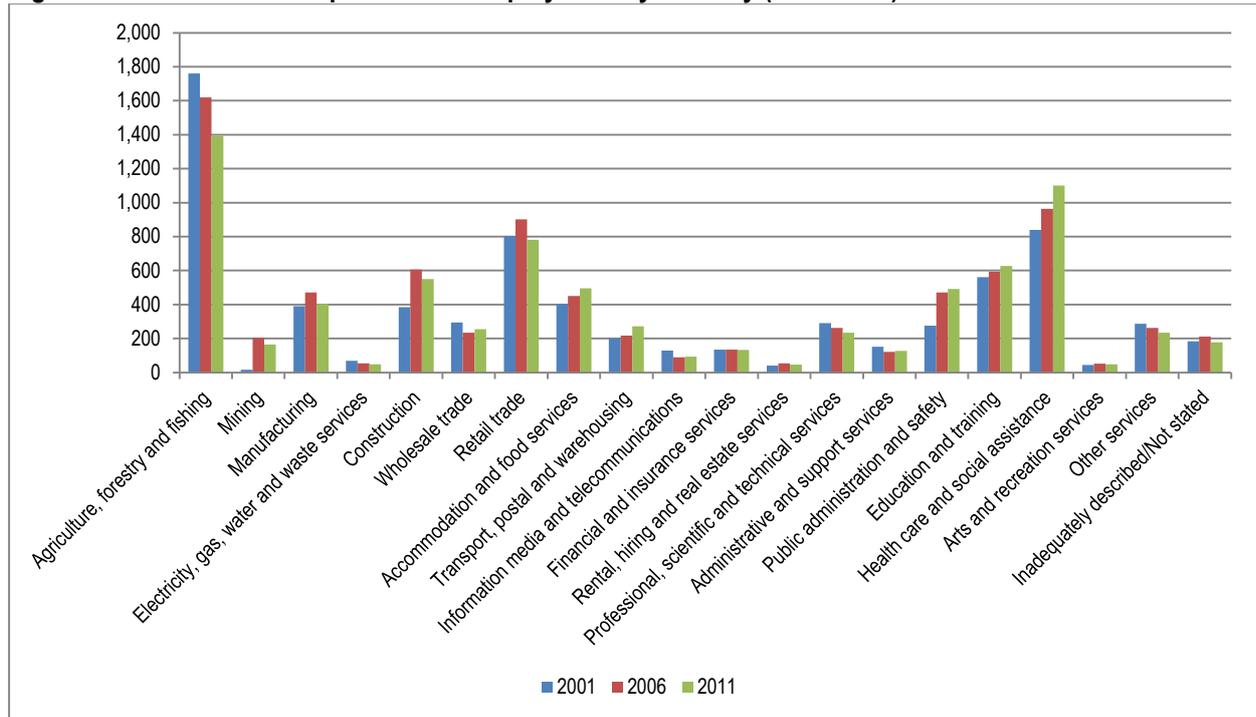
In line with broader trends across the Warrnambool and South West Region, Southern Grampians Shire experienced a 25% decline in working residents in the agriculture, forestry and fishing sector between 2001 and 2011, equivalent to a loss of 366 workers. Despite this decline, the sector remains the largest industry of employment in the Shire with around 1,400 working residents in 2011. Other industries that experienced a decline over the period included professional, scientific and technical services (-55 working residents), other services (-53 working residents), information, media and telecommunications (-35 working residents) and retail trade (-22 working residents).

In 2001, 17.6% of working residents in Southern Grampians Shire were employed in industries which are commonly located on industrial land including manufacturing, construction, transport, postal and warehousing and wholesale trade. This proportion had increased to 19.2% at 2011, driven by the construction and transport, postal and warehousing industries. The number of working residents employed in manufacturing has increased slightly over the period 2001 to 2011 (+13 working residents). This is in contrast to broader trends affecting the Warrnambool and South West Region and Victoria.

Table 10 - Resident Workforce by Industry (2001-2011)

| Industry | Southern Grampians Shire | | | Warrnambool and South West Region | | |
|-------------------------------------|--------------------------|---------------|--------|-----------------------------------|---------------|--------|
| | 2001 | 2011 | Change | 2001 | 2011 | Change |
| <i>Number of Working Residents</i> | 7,255 | 7,678 | 423 | 50,943 | 54,808 | 5,133 |
| Agriculture, forestry, fishing | 24.3% | 18.2% | -25.1% | 20.2% | 14.8% | -26.7% |
| Mining | 0.2% | 2.1% | 868.5% | 0.2% | 0.6% | 220.4% |
| Manufacturing | 5.4% | 5.2% | -2.4% | 11.6% | 10.4% | -10.2% |
| Electricity, gas, water, waste | 1.0% | 0.6% | -34.3% | 0.8% | 1.1% | 34.6% |
| Construction | 5.3% | 7.2% | 35.3% | 6.1% | 7.6% | 25.5% |
| Wholesale trade | 4.1% | 3.3% | -18.0% | 4.2% | 3.1% | -25.2% |
| Retail trade | 11.1% | 10.2% | -8.1% | 10.8% | 10.8% | 0.6% |
| Accommodation, food | 5.6% | 6.4% | 15.8% | 6.5% | 7.2% | 10.3% |
| Transport, postal, warehousing | 2.8% | 3.5% | 28.5% | 3.6% | 4.1% | 14.1% |
| Information media, telecomm. | 1.8% | 1.2% | -31.1% | 1.1% | 0.9% | -20.7% |
| Financial, insurance | 1.8% | 1.7% | -6.9% | 1.6% | 1.5% | -1.5% |
| Rental, hiring, real estate | 0.6% | 0.6% | 11.0% | 0.9% | 0.8% | -4.0% |
| Professional, scientific, technical | 4.0% | 3.1% | -23.4% | 3.0% | 3.1% | 0.8% |
| Administrative, support | 2.1% | 1.7% | -19.9% | 2.2% | 2.6% | 19.0% |
| Public administration, safety | 3.8% | 6.4% | 69.1% | 3.3% | 4.9% | 49.7% |
| Education, training | 7.7% | 8.2% | 5.8% | 7.1% | 7.3% | 3.9% |
| Health care, social assistance | 11.6% | 14.3% | 23.9% | 10.5% | 12.7% | 20.9% |
| Arts, recreation | 0.6% | 0.6% | 3.1% | 0.8% | 1.1% | 32.1% |
| Other services | 4.0% | 3.0% | -23.0% | 3.2% | 3.1% | -3.5% |
| Inadequately described/Not stated | 2.5% | 2.3% | -9.1% | 2.4% | 2.2% | -10.8% |
| Total | 100.0% | 100.0% | | 100.0% | 100.0% | |

Source: ABS Census Data Time Series Profile (2001 to 2011)

Figure 10 - Southern Grampians Shire Employment by Industry (2001-2011)

Source: ABS Census Data Time Series Profile (2001 to 2011)

4.3 IMPLICATIONS

The employment and workforce profile highlights a number of implications for the Industrial Land Study, as follows:

- The population of the Shire is expected to grow to 2031, after a period of modest decline between 2001 to 2011. This will lead to pressure for job opportunities within the Shire.
- Employment has been growing in the period 2001 to 2011 and this can be expected to continue as the population grows and economy expands and diversifies.
- Growth industries in the Shire have mainly been service based sectors of the economy and those sectors that tend to locate on industrial land that have been growing include construction, transport, postal and warehousing and wholesale trade. These sectors can leverage off Hamilton's excellent transport connections.
- Mining has also grown which may generate demand for industrial land from mining services, transport and supplies companies. Agriculture and forestry can be expected to continue to generate industrial land based activity.
- The total proportion of residents employed in industries which are commonly located on industrial land grew from 17.6% in 2001 to 19.2% in 2011, indicating that demand for land within Hamilton may continue to grow.

INDUSTRIAL LAND COMPETITIVE CONTEXT

HAMILTON MUNICIPAL SALE YARDS

| AGENT | SHEEP RAMP | LAMB RAMP |
|--|------------|-----------|
| SOUTHERN GRAMPPIANS LIVESTOCK & REAL ESTATE | | |
| Wesfarmers Dalgety | | |
| Elders | | |
| F&S | E | F |
| M.C. KERR | F | G |
| LANYONS | D | |
| L.M.B. LINKE | | |
| ELLIS | | |

SHEEP SALES - WEDNESDAY
CATTLE SALES - FRIDAY
REGULAR SPECIAL
CATTLE & HORSE SALES

5. INDUSTRIAL LAND COMPETITIVE CONTEXT

Given that this Industrial Lands Study is seeking to determine the requirement for industrial lands in Hamilton, it is necessary to consider the provision of industrial lands in the wider region which will compete for businesses and industry in the Southern Grampians Shire. This is of particular relevance given the extent of supply.

With upwards of 200ha of vacant industrial land supply, industrial land in Hamilton has the potential to cater for large industry which cannot be accommodated in the smaller and local industrial precincts of Hamilton and other parts of the region. This is especially important for industries which are not as reliant on being close to the end user and whose locational decisions are often supply based. Example industries include large manufacturing firms, green technologies, logistics and distribution facilities, and industries which require significant buffering. Their locational requirements are very different from local urban services, where locational decisions are largely based on being close to a local customer base (e.g. car smash repairs, building supplies).

The competitive market for industrial land generally has a larger geographical area than commercial, retail and residential markets. The industrial market may comprise a catchment of the entire state depending on the market and type of product.

To gain context on how Hamilton’s industrial market is performing, Hamilton has been compared with regional areas such as Warrnambool, Ballarat, Horsham, Portland and Mount Gambier in South Australia. The following figure provides geographical context for Hamilton and its competitive areas.

Figure 11 - Hamilton Regional Context



Source: Bing Maps & Hill PDA Research (2013)

The following table provides an overview of each competitive area’s industrial market.

Table 11 - Industrial Competitive Context - Summary

| WARRNAMBOOL – 100KM SOUTH EAST |
|---|
| <ul style="list-style-type: none"> ■ Warrnambool had a population of 32,029 persons at the 2011 Census. The most common occupations include professionals (18.6%), technicians and trade workers (15.6%) and labourers (13.1%)²⁴. ■ The major industry sectors of employment are health care and social assistance (14.9%), retail trade (13.7%), manufacturing (10.3%) and education and health (9.1%)²⁵. ■ The Urban Development Program (UDP) (2011) Regional Industrial Report for Warrnambool identified 147.8ha of zoned industrial land in the LGA at 2011 of which 103ha is IN1Z land and 44.8ha is INZ3 land. There is a further 16ha of B3Z land with accommodating uses. From 2004-2011, the UDP indicated take-up of industrial land has averaged 1.6ha/year. ■ At 2012, the RDV indicated Warrnambool had just 2-3 years of forecast industrial land supply. The Warrnambool and Moyne Economic Development Strategy (2010) forecast that the industrial land requirements for 2010-2026 would be 72ha, equivalent to 4.5ha/year. ■ To address the shortage of industrial land, Warrnambool received a \$3.6m from the State Government Regional Growth Fund. The \$8.3m on Horne Road - Access to the Warrnambool Industrial Precinct project will create a new industrial area on the city's eastern fringe. The completed project will create a key north-south link between the Princes Highway West and the Hopkins Highway. This will provide clear access to Warrnambool's new industry hub - the Warrnambool Eastern Industrial Precinct. Warrnambool City Council recently contributed \$2.1m, with \$2.6m from private investors. ■ Stage 1 of the Warrnambool Eastern Industrial Precinct will consist of 65ha of industrial land on Horne Road with the potential for a further 42ha to the north and south, which will be rezoned by a stage by stage basis²⁶. This rezoning is expected to increase available land to accommodate 15 years of supply, with construction to commence in 2013 with lots ready in 2014. Council anticipates that upon completion, the project will be the largest employment hub (107ha) in the Great South Coast region²⁷. ■ The \$1.792m Warrnambool (Dennington) intermodal terminal upgrade has been recently completed and these works were jointly funded by the Commonwealth (\$600,000), State (\$1.044m) and Local governments (\$148,000). The upgraded terminal will complement the planned Warcoort crossing loop which will allow longer freight trains to operate between Warrnambool and the Port of Melbourne²⁸. ■ Hill PDA is aware of a \$1M project in Warrnambool which proposes the construction of a multi-franchise car dealership with a workshop. This project is proposed on Raglan Parade and is projected late 2013. |

²⁴ Australian Bureau of Statistics: *2011 Census Quickstats for Warrnambool (LGA)*

²⁵ Warrnambool City, *Industry Sectors of Employment, Profile.id (2011)*

²⁶ Regional Development Victoria: *Funding for Warrnambool Industrial Precinct Access*, 19 October 2012

²⁷ Warrnambool Major Projects Forum Presentation, August 2012

²⁸ <http://www.transport.vic.gov.au/>

BALLARAT – 180KM EAST

- The City of Ballarat had a population of 93,501 persons at the 2011 Census. The most common occupations include professionals (20.9%), technicians and trade workers (15.2%) and clerical and administrative workers (13.4%).²⁹
- The major industries of employment include health care and social assistance (15.3%), retail trade (12.7%), manufacturing (10.7%) and education and health (9.8%)³⁰.
- The UDP (2009) Regional Industrial Report for Ballarat identified 922ha of zoned industrial land in the City of Ballarat. 847ha comprises IN1Z land, with the remainder being IN3Z land. There is no IN2Z land. From 2001-2009 the consumption of industrial land averaged 8.7ha/year.
- Notwithstanding the UDP, the Amendment C138 Panel Report (2011) indicated that it is expected that Ballarat will experience demand for up to 20ha of industrial land per annum to 2020. The current (2010) supply of relatively unconstrained industrial land in Ballarat is in the order of 100ha. The Ballarat Review of Future Industrial Areas (2009) recommends that a ten year supply of zoned, developable and readily serviced industrial land be kept available and identifies where short, medium and long term industrial growth will occur. Strategically important large industrial land holdings close to transport routes and other infrastructure should be protected to ensure that the long term demand for industrial land can be satisfied.³¹
- The City of Ballarat Economic Strategy (2010-2014) indicates that Ballarat is the base for industrial employment in Victoria's Western Region. The Strategy indicates industrial demand in Ballarat tends to fluctuate between 13-19ha per annum. Approximately 190ha of zoned, developable and serviced industrial land is available at any one time in the City of Ballarat.
- The 623ha Ballarat West Employment Zone (BWEZ) funding was announced 4th September 2012. \$835,000 in RDV funding from the Regional Growth Funds - Developing Stronger Regions Program to be matched by the City of Ballarat and the involvement of Major Projects Victoria to move the BWEZ to the next stage. The \$1.67 million project stage will deliver a construction blueprint for the site and make it shovel ready for construction and investment. The BWEZ is a long term project situated nearby the Ballarat West Growth Area, the Ballarat Airport, rail infrastructure and the future Western Link Road. At full development BWEZ will accommodate up to 9000 jobs and inject \$5 billion annually into the Ballarat economy.³²
- The BWEZ is planning for a range of industrial, manufacturing, freight and logistics, commercial aviation and other business type activities. Uses may include a freight hub, warehousing, construction, wholesaling, food processing, research and development facilities and business support services. It is anticipated that the BWEZ will provide over 3,900 industry based jobs, which will include manufacturing, along with a diverse range of other employment opportunities reflecting the multiple business types that will be located in the precinct.³³
- In relation to manufacturing, Council notes: *"Manufacturing remains an important to Ballarat's economy as it makes up about 37% of the City's economic output, 15% percent of all Ballarat jobs and is the leading generator of export earnings. 62% of Ballarat manufacturers indicated expansion plans over the next five years. Manufacturing is a key wealth generator for the Ballarat community and is vital for the Ballarat Economy to remain balanced. The Employment Zone will provide for a mix of industry uses and employment types, including manufacturing"*.³⁴
- Council envisages that businesses will be drawn to the BWEZ because of the opportunity to establish industry in close proximity to key transport links such as the Western Link Road and

²⁹ Australian Bureau of Statistics: 2011 Census Quickstats for Ballarat (LGA)

³⁰ City of Ballarat, Industry Sectors of Employment, Profile.id (2011)

³¹ Ballarat Planning Scheme Amendment C138 Panel Report (21 September 2011)

³² <http://www.ballarat.vic.gov.au>

³³ Ibid

³⁴ <http://www.ballarat.vic.gov.au/pbs/city-strategy/ballar-at-west/ballar-at-west-employment-zone/stakeholder-and-community-consultation.aspx>. Accessed 25.07.2013

Ballarat Airport. Businesses will also have access to alternative energy sources, recycled water and large lot sizes.³⁵

- Key projects to achieve the 20-year vision for BWEZ are planned to be: a Freight Hub (a new, intermodal facility catering for road-based high performance freight vehicles); Western Link Road (a new road linking the BWEZ to the
- Freeway); an Innovation/R&D Centre (a centre to allow companies to work collaboratively on projects and improve R&D capability for new and existing businesses); and a Co Gen Bio Energy Plant (will reduce energy costs to ensure a more cost competitive environment for businesses).³⁶
- The most recently completed development in Ballarat occurred in 2011 and comprised 11 warehouses on Doveton Street. There is currently a proposal to develop a series of storage units on 35 Fussell Street in Ballarat. The project has received town planning approval. Although in the early stages of development, the project aims to be completed by late 2014. Of all current industrial proposals, this particular project is the largest; however, it only has a value of \$2.5m which gives a good indication on the scale of recent developments.

HORSHAM – 130KM NORTH

- The Horsham Rural City had a population of 19,279 persons at the 2011 Census. The most common occupation include professionals (17%), managers (16.9%), technicians and trades workers (14.8%), clerical and administrative workers (12.2%) and sales workers (10.9%).³⁷
- The major industries of employment are in sheep, beef cattle and grain farming (7.8%), hospitals (6.8%), school education (4.7%) and food and beverage (4.1%)³⁸.
- The UDP (2011) Regional Industrial Report for the Rural City of Horsham identified a total 589ha of zoned industrial land at 2011. 537ha comprises IN1Z land, with a further 38.7ha of IN3Z land. There is also 32ha of industrial uses on SU3Z and 12.9ha of B3Z land. From 2004-2011 the take-up of industrial land has averaged 3.1ha/year. Based on these figures, from 2011 onwards, there is approximately 15 years worth of industrial land supply.
- The Horsham Livestock Exchange is Victoria's 4th largest sheep and lamb market and is the major livestock selling centre in the Wimmera region, attracting vendors from as far afield as the South Australian border and southern New South Wales. Last financial year's sheep and lamb throughput was 627,000.³⁹
- Council is responsible for the development and delivery of 'Enterprise Estate'. Valued at \$3.2m the project includes the provision of fully serviced IN1Z land, with lots ranging from 2,300sqm-1.5ha. The Victorian Government provided Horsham Rural City Council with a grant which helped with the completion of stage 1 and stage 2 of the Estate. The fund provided valuable resources which helped provide fully serviced industrial land in Horsham. Works included the provision of drainage, road, water, sewerage and power to the estate. Stage 3 of the project was awarded to a contractor and construction commenced in January 2012 comprising the development of service infrastructure on 16 industrial lots.
- Currently there are 2 development proposals totalling \$350,000 in Horsham which comprises the construction of warehouses on 9 and 20 Ballinger Street, Horsham. Both projects have received development approval and are projected to finish construction by late 2013. Town planning approval was granted in early 2013 for the construction of storage units on 38 Lynott Street, however, the project has been deferred and the site is currently for sale through Collier Rathgeber property group for an undisclosed price. Both these sites are in the Horsham

³⁵ <http://www.ballarat.vic.gov.au>

³⁶ BWEZ Fact Sheet (September 2012)

³⁷ Australian Bureau of Statistics: 2011 Census Quickstats for Horsham (LGA)

³⁸ Ibid

³⁹ <http://www.hrcc.vic.gov.au/businesses/horsham-regional-livestock-exchange>

Enterprise Estate.

- In August 2012 the \$17.5m Wimmera Intermodal Freight Terminal at Dooen, near Horsham was complete. The Terminal is a specialist location for grain handling and improves connections to ports and processing plants.⁴⁰ It is understood that at July 2013 the Terminal is being let by Wimmera Container Lines, who have a 20 year lease on the site.

PORTLAND – 85KM SOUTH

- The suburb of Portland had a population of 9,601 persons at the 2011 Census. The most common occupations include technicians and trade workers (17.8%), professionals (14.2%), labourers (14%), machinery operators and drivers (11.4%) and community and personal service workers (10.8%).⁴¹
- The major industries of employment are basic non-ferrous metal manufacturing (9.1%), hospitals (5.7%), structural metal product manufacturing (5.3%), cafes and restaurants, take away food services (5.3%) and school and education (5.2%)⁴².
- The Glenelg Shire Business Retention and Expansion Program, Regional Economy and Strategy Report (2010) indicated that Portland had approximately 1,185ha of land zoned for industry at 2009 of which 1,018ha is IN2Z land. Approximately 65% of IN2Z land in Portland was available or vacant for industrial development at 2009.⁴³ This will significantly constrain the demand for IN2Z land within Hamilton.
- Demand for industrial land in Portland is driven by the presence of the port, well established infrastructure and services and a wide range of rural based activities including wool, lamb, beef, cattle and dairy in the region.
- There are no existing proposals in Portland and minimal industrial activity in Warrnambool, Horsham and Ballarat. An agent in Mount Gambier also indicated that there are no industrial developments in the pipeline. Of all the areas, Ballarat comprises the most industrial development.

MOUNT GAMBIER – 125KM WEST

- Mount Gambier had a population of 25,247 persons at the 2011 Census. The most common occupations include technicians and trades workers (16%), professionals (13.9%) and labourers (13.3%).⁴⁴
- The major industries of employment are log sawmilling and timber dressing (6%), school education (5.6%), cafes and restaurants, takeaway food services (4.6%) and road freight (3.5%)⁴⁵.
- The City of Mount Gambier Strategic Plan – Beyond 2015, indicates that Mount Gambier is reliant on two major industrial establishments, comprising timber mills and a number of ancillary industries.

⁴⁰ <http://www.transport.vic.gov.au/freight/intermodal-terminals/new-regional-intermodal-terminals>. Accessed 25.07.2013

⁴¹ Australian Bureau of Statistics: *2011 Census Quickstats for Portland (Suburb)*

⁴² Ibid

⁴³ Glenelg Strategic Futures Plan Data Issues & Options, Glenelg Shire (2009)

⁴⁴ Australian Bureau of Statistics: *2011 Census Quickstats for Mount Gambier (LGA)*

⁴⁵ Ibid

ASSESSMENT OF HAMILTON INDUSTRIAL LAND SUPPLY



6. ASSESSMENT OF HAMILTON INDUSTRIAL LAND SUPPLY

This chapter reviews existing and proposed industrial land precincts within Hamilton for the purpose of assessing their attributes across a range of different criteria. For the purposes of this study, Hill PDA considered all lands subject to the following zonings as applicable under the Southern Grampians Shire Planning Scheme:

- Industrial 1 Zone (IN1Z) land; and
- Industrial 2 Zone (IN2Z) land.

This chapter also considered the former Kitset Kitchens land.

6.1 IDENTIFICATION OF INDUSTRIAL LAND SUPPLY

As part of the preparation of the Hamilton Structure Plan (2011), a Land Supply and Demand Assessment was undertaken for residential, low density residential and industrial land. The assessment identified the supply of vacant industrial land within Hamilton by precinct which showed that⁴⁶:

- The north-west industrial area had a vacant supply of 13.4ha with the largest usable lot being 5.1ha;
- The eastern industrial area (identified as the Inner City precinct in the assessment) had a vacant supply of 2.7ha with the largest usable being 0.5ha; and
- The southern industrial area (identified as the South Western precinct in the assessment) had a vacant supply of 88.3ha, with the largest usable lot being 8.1ha in size.

Table 12 - Occupied and Vacant Lots in Industrial Zones in Hamilton (2007)

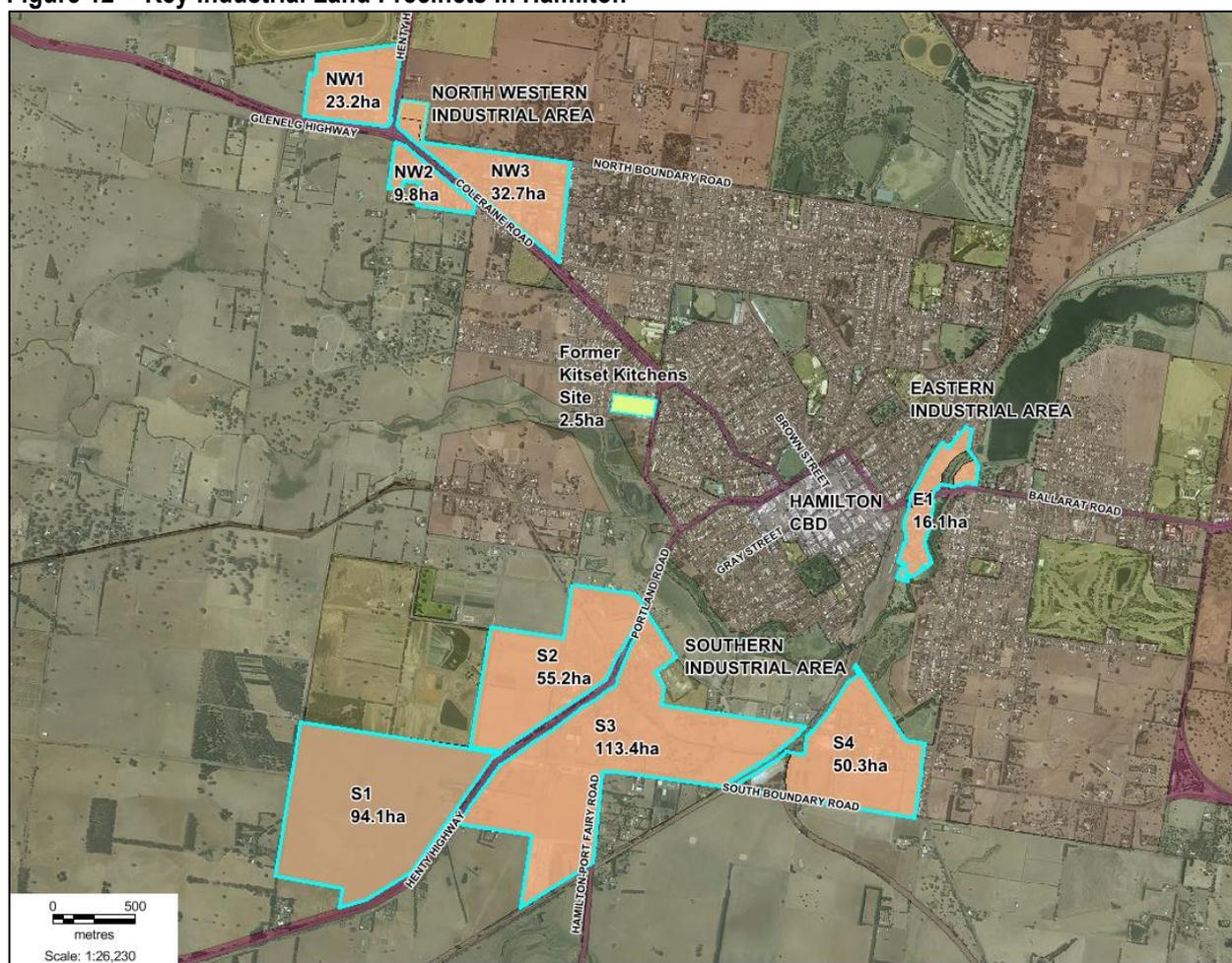
| Land Status | Lot Sizes (ha) | | | | | | Total | Proportion of Total |
|--------------|----------------|------------|-----------|-----------|-----------|-----------|------------|---------------------|
| | <0.1 | 0.11-0.25 | 0.26-0.50 | 0.51-1.0 | 1.01-5.0 | >5.0 | | |
| Occupied | 82 | 94 | 55 | 30 | 32 | 3 | 296 | 73% |
| Vacant | 10 | 23 | 17 | 15 | 36 | 8 | 109 | 27% |
| Total | 92 | 117 | 72 | 45 | 68 | 11 | 405 | 100% |

Source: Hamilton Structure Plan Background Report: Land Supply and Demand Assessment (2011)

Key industrial areas as identified within the Structure Plan were identified for the purpose of the assessment. These areas have been separated into smaller precincts, including the former Kitset Kitchens site, in the following figure.

⁴⁶ Hamilton Structure Plan Background Report: Land Supply and Demand Assessment (2011)

Figure 12 - Key Industrial Land Precincts in Hamilton



Source: Southern Grampians Shire and Hill PDA (2014)

Table 13 - Key Industrial Land Precincts in Hamilton

| Precinct | Location Description | Land Area (ha) |
|-----------------------------|---|----------------|
| North West 1 | Bounded by the Henty Highway to the east, Glenelg Highway and farmland to the south and Hamilton race course to the north. | 23.2 |
| North West 2 | Bounded by Coleraine Road to the north, low density residential to the east and south and farmland and Hamilton North Primary School to the west. | 9.8 |
| North West 3 | Bounded by North Boundary Road to the north, Young Street to the east, to the south by Andrews Street and Hamilton North Primary School and West Boundary Road to the west. | 32.7 |
| East 1 | Bounded by residential (Residential 1 zone) land to the north, a trail of open space to the east and west, and the railway line to the west. | 16.1 |
| South 1 | Located south-west of the Henty Highway in the southern industrial area of Hamilton. It is the only IN2Z land in the Shire. | 94.1 |
| South 2 | Located west of the Henty Highway in the southern industrial area of Hamilton, adjacent to the South 1 precinct. | 55.2 |
| South 3 | Located east of the Henty Highway bounded by the rail line to the east. | 113.4 |
| South 4 | Located east of the rail line and bordered by South Boundary Road to the south, residential dwellings to the east, Kennedy Road to the north and the rail line to the west. | 50.3 |
| Former Kitset Kitchens Site | This site formerly accommodated Kitset Kitchens on Mount Baimbridge Road to the north-west of the Hamilton CBD. It is bounded by Mount Baimbridge Road to the east and residential land to the north, west and south. | 2.5 |

Source: Hill PDA (2013)

Overall, the precincts accommodate a range of uses including manufacturing, agriculture, forestry and fishing and transport, postal and warehousing industries. The following table identifies land uses by lot in each of the precincts within Hamilton. The results are based on precinct inspections undertaken by Hill PDA in 2013, whereby Hill PDA determined the most prevalent use

of each lot regardless of the zoning. The basis for the land use categories was ANZSIC level 1 industry classifications, but included additional categories such as residential, vacant lot and vacant building.

Table 14 - Hamilton Industrial Lots by Land Use and Precinct (2013)

| Land Use Type | NW 1 | NW 2 | NW 3 | E1 | S1 | S2 | S3 | S4 | Total | Proportion of Total |
|--|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|------------|------------------------|
| Accommodation and Food Services | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Administrative and Support Services | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 | 0.7% |
| Agriculture, Forestry and Fishing | 0 | 0 | 0 | 0 | 1 | 11 | 9 | 9 | 30 | 11.1% |
| Arts and Recreation Services | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Community and Social Infrastructure | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0.4% |
| Construction | 0 | 0 | 4 | 4 | 0 | 3 | 2 | 0 | 13 | 4.8% |
| Education and Training | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Electricity, Gas, Water and Waste Services | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Manufacturing | 1 | 7 | 12 | 2 | 0 | 0 | 8 | 1 | 31 | 11.5% |
| Mining | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Other Services | 1 | 2 | 7 | 6 | 0 | 0 | 7 | 1 | 24 | 8.9% |
| Public Administration and Safety | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0.4% |
| Rental, Hiring and Real Estate Services | 0 | 0 | 2 | 0 | 0 | 2 | 0 | 0 | 4 | 1.5% |
| Residential | 2 | 4 | 9 | 11 | 0 | 2 | 20 | 6 | 54 | 20.0% |
| Retail Trade | 1 | 0 | 2 | 3 | 0 | 0 | 0 | 0 | 6 | 2.2% |
| Transport and Storage | 0 | 8 | 11 | 14 | 0 | 0 | 6 | 7 | 46 | 17.0% |
| Vacant Building | 1 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 3 | 1.1% |
| Vacant Lot | 0 | 0 | 6 | 4 | 0 | 2 | 4 | 6 | 22 | 8.1% |
| Wholesale Trade | 1 | 4 | 15 | 0 | 0 | 1 | 4 | 3 | 28 | 10.4% |
| Total | 9 | 25 | 75 | 45 | 1 | 21 | 61 | 33 | 270 | 100.0% |

Source: Hill PDA (2013)

The results of the land use survey indicate that the most prevalent use on industrial zoned lots within the identified precincts was residential dwellings (54 lots or 20%). Aside from residential uses, the following industries were the predominant occupiers of industrial land in Hamilton:

- **Transport and storage:** 17% of all industrial lots were used for transport and storage in Hamilton. 46 of 59 (78%) businesses in this sector in Hamilton were located on industrial land (based on a comparison with the business counts). The majority of uses in this sector relate to standalone sheds and warehouses used for storage purposes. However, there are also a number of road freight transport companies within Hamilton.
- **Manufacturing:** 11.5% of all industrial lots in Hamilton were used for manufacturing purposes. 31 of 41 (76%) businesses in this sector in Hamilton were located on industrial land, including wood product (including kitchens and joinery production), non-metallic mineral product, basic ferrous metal and grain mill and cereal production manufacturing.
- **Agriculture, forestry and fishing:** 11.1% of all industrial lots in Hamilton were used for agriculture, forestry and fishing purposes. The vast majority of these lots were being used for farming enterprises including hobby farms, pasture and light grazing. Given the extent of farmland around Hamilton, it can be expected that just 13% of all agriculture, forestry and fishing businesses are located on industrial land.
- **Wholesale trade:** 10.4% of industrial lots in Hamilton were used for wholesale trade purposes. 28 of 41 (68%) businesses in this sector include a broad range of wholesale sectors including agricultural, farm produce and other goods wholesaling. There are also a number of machinery and equipment wholesalers located within industrial land in Hamilton.

Just 8% (13) of construction businesses were located on industrial land in Hamilton. This is likely to reflect a high number of self-employed or very small businesses in the construction services sector including plumbers, carpenters, electricians and so on that do not require land to operate on, or can conduct administrative functions related to the business in Business Zones or from home. On a locational basis, the following were key findings related to the industrial land use survey:

- The North West 3 precinct accommodated the greatest cluster of lots (75), followed by the South 3 precinct (61), South 4 (33). Whilst the South 3 precinct has the second highest number of lots in Hamilton, approximately a third were residences.
- Vacant lots were distributed across the North West 3, East 1, South 2, South 3 and South 4 precincts; however larger vacant lots and underutilised lots including lots used for light grazing of sheep and cattle were predominantly concentrated in the southern industrial areas. Agriculture, forestry and fishing uses were exclusively concentrated in the southern industrial area.
- The majority of lots used for manufacturing purposes were located in the north-west precinct (over 60%). These were particularly concentrated in the North West 3 precinct.
- Over 70% of wholesale trade lots were located in the north-west industrial area and were particularly concentrated in the North West 3 precinct.
- Transport and storage including standalone warehousing was predominantly clustered in the North West 2 (17% of total lots), North West 3 (24%) and East 1 (30%) precincts.

6.2 INDIVIDUAL PRECINCT ASSESSMENTS

The assessment of existing industrial lands in Hamilton was based on site inspections, discussions with Council, desktop research and stakeholder consultation. Each precinct was assessed using the following criteria as agreed with Council.

Table 15 - Criteria for Assessment of Industrial Precincts in Hamilton

| | |
|---|--|
| Accessibility | Access to main arterial roads and internal access within the precinct for large vehicles/machinery, as well as the precincts location to available infrastructure and services, is a key factor in determining the suitability of a site for industrial use. |
| Land Use Conflict | Ensuring that the surrounding uses are conforming uses. Industrial lands with limited conflict with surrounding incompatible land uses (i.e. surrounding residential or commercial), are not suitably zoned for industrial/employment purposes. Conflict with residential for example may occur where industrial land directly adjoins residential uses. Alternatively it may result from trucks and other industrial traffic accessing sites through residential streets. |
| Topography | The slope of the land is an important consideration when assessing the most appropriate land use zone for a site. Land that is rather steep or sloped is not appropriate for industrial uses. |
| Potential Residential Amenity | The surrounding natural environment and setting may prove more appropriate for residential land uses, than industrial or employment. For example, proximity to an escarpment or beach may have a higher aesthetic appeal or be more suitable for tourism and/or residential uses. |
| Site Encumbrances | Issues such as environmental protection, proximity to airport obstacle lines and surfaces, a site's cultural significance, flooding/bushfire issues, proximity to creek lines, and contamination. |
| Size and Agglomeration | The size and clustering in precincts is a consideration when assessing the future zoning of existing industrial land (i.e. it is appropriate to preserve large sized or clustered industrial lands). |
| Expansion and/or Available Land Potential | The availability of existing zoned and vacant land or the potential for the precinct to expand into the future. Includes potential infill industrial development due to underutilised sites |
| Development Partnership Potential and Interest | Potential and interest in partnering with Council / other stakeholders to develop fully serviced industrial land that is capable of attracting industry. |

The results of the assessment are provided following the individual precinct profiles.

6.3 NORTH WEST 1

The North West 1 precinct consists of 23.2ha of IN1Z land, comprising 4 large (>4ha) and 7 small (<1ha) lots. As indicated on the following figure, North West 1 is located south of Hamilton race course and is bounded by Glenelg Highway to the south and Henty Highway to the east. Access is gained via the Henty Highway on the eastern side or via a slip-lane (Radley Avenue) to the south.

The North West 1 precinct is comprised of large scale industry including Walkers Engineering and Envireco, with light industrial activities located in the cluster of small lots that front Glenelg Highway. A large Mitre 10 (Walkers) hardware retail outlet is positioned at the south-eastern corner of the Glenelg and Henty Highway. Walkers Engineering and Mitre 10 were developed on land previously occupied by the Hamilton Drive-in Cinemas.

The precinct does include some areas of vacant or underutilised land. It is understood that that vacant lot to the west (formerly used for timber processing) fronting Glenelg Highway is in the process of being leased to CITS for their truck driver and training school. CITS plan to construct some buildings in order to accommodate classrooms and will relocate their business from their current premises in the East 1 precinct. CITS have done some minor remediation work onsite as part of the truck driver training that has already commenced on site.

Consultation with Envireco also revealed previous plans to vacate their site to relocate elsewhere (require a 4,000sqm site) in order to develop an industrial estate on their land within the North West 1 precinct. Previous plans included a staged industrial redevelopment of the site, with a second option being a total single stage subdivision. Lots of 600sqm-4,000sqm were proposed. However, the proposal was then deferred once Council's Peck Street development came online due to concerns of oversupply.

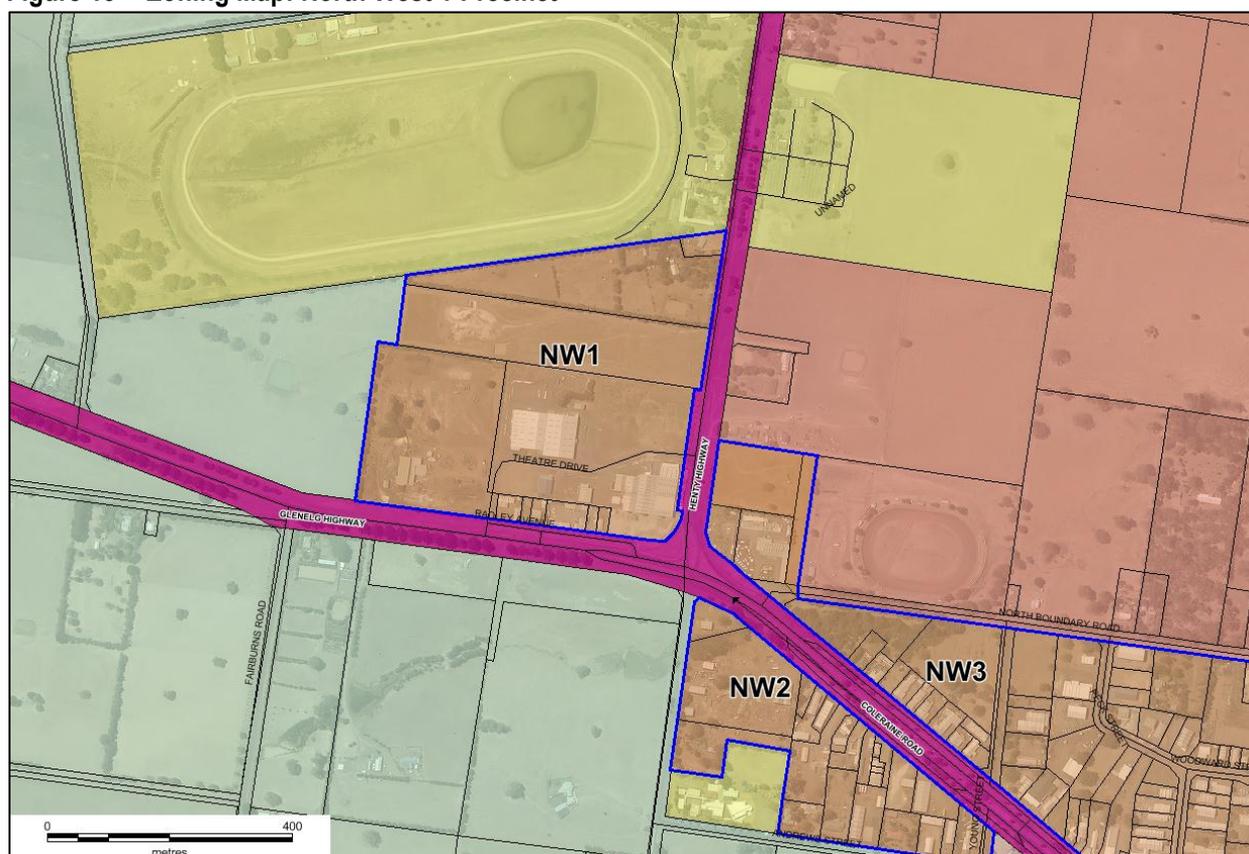
It is further understood that there had previously been a bulky goods development proposed on land adjacent and west of the North West 1 precinct on land currently zoned for farming. The proposal was refused by Council. The Council report regarding the decision indicated⁴⁷:

- An independent retail analysis commissioned by Council projects a demand for 10,000sqm (out to 2031). The proposal for a bulky goods precinct on existing farming land is approximately 20,000sqm.
- The existing CBD is underdeveloped and is in need of renewal. If Council were to provide opportunities for inexpensive development outside the CBD, existing opportunities for investment in the CBD would become less attractive to future investors.
- If the proposal were to proceed, retail floorspace would be cheaper on the edge of Hamilton, likely enticing existing CBD retailers to re-locate out of the CBD.
- Undertaking master planning of a bulky goods precinct for the CBD will provide opportunities for developers to invest in retail development within Hamilton in the right locations to support existing investment and a vibrant city centre for the community.

The abovementioned proposal was raised by various stakeholders during the consultation process of this Study. Whilst there were mixed feelings regarding the proponent, it was generally supported given the proposed investment and would have created a number of jobs during the construction phase.

⁴⁷ Bulky Goods Decision Well Considered, <http://www.sthgrampians.vic.gov.au/> (24 May 2011)

Figure 13 - Zoning Map: North West 1 Precinct



Source: Southern Grampians Shire and Hill PDA (2014)

The main characteristics of the precinct are identified in the following table.

Table 16 - North West 1 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|---|
| Zoning | IN1Z |
| Land Supply | 23.2ha |
| Vacancy | There are 2 vacant lots in the precinct including the large northern most lot (4.25ha) and a small lot fronting Glenelg Highway (0.18ha). |
| Lot Size Typologies | There are a range of allotment sizes. Smaller lots are congregated together at the southern edge of the precinct fronting the Radley Avenue and the Glenelg Highway, these lots range in size from 0.06ha to 0.29ha. The rest of the allotments in the precinct are much larger and range from 4.25ha (vacant lot) to 7.17ha in size. |
| Land Use and Business | There are 9 occupied lots in the North West 1 precinct which includes the following businesses: Envireco, RJ Rowe Timber Processing, Walkers Engineering, Radley's Boats and two residential lots. It is understood that the RJ Rowe Timber Processing site has been purchased by one of the major industrial landowners in Hamilton for development of a CITS truck driver and training services centre. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2008), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided in the following table.

Table 17 - North West 1 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Land throughout the precinct is predominantly flat with 9 metres separating the lowest and highest points in the area. |
| Access to Main Roads / Transport | The precinct has excellent connections to main roads being located at the intersection of the Glenelg and Henty Highways. The Glenelg Highway leads to Mount Gambier in the west and Ballarat in the east whilst the Henty Highway leads to Portland in the south and Horsham to the north. |
| Land Use Conflicts | There are few land use conflicts, with the North West 1 precinct surrounded by farmland to the south and west, the Hamilton race course to the north and some low density residential land across Henty Highway to the east. |
| Agglomeration of Industry | There is no significant agglomeration of industry within the precinct. |
| Expansion Potential and/or Vacant Land | Expansion potential exists to the north with underutilised farmland bordering the Hamilton race course and some other larger lots which are currently occupied. Larger lots in the precinct, particularly the vacant northernmost lot, present a good opportunity for potential subdivision of smaller, serviced lots. Given the north-west industrial area is a primary location for manufacturing uses in Hamilton and the North West 3 precinct has a limited number of vacant parcels of land, small, serviced lots that cater to light industry could present an opportunity for development. |
| Development Partnership Potential | Consultation with landowners in the precinct has identified the following: <ul style="list-style-type: none"> ▪ Envireco indicated that whilst they are established at their site, they have development plans which should be further explored with Council. ▪ The large scale of the Walkers site, inclusive of the Mitre 10 and engineering facility means that there may be some potential to be subdivide part of the land. ▪ It is understood CITS have reached an agreement with the new owner to lease the south-west lot (formerly R J Rowe Timber Processing). |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Provision of small, serviced lots for local urban services and sales (e.g. boats and mowers).
- Land to the north is currently classified as vacant being primarily used for farming and / or residential purposes. There may be an opportunity for further industry subdivision and development.
- Excellent main road transport access and exposure.
- Mitre 10 is a large format retail store, conveniently located on the corner of the Glenelg and Henty Highways. Mitre 10 could potentially act as an attractor for other wholesale suppliers.

Weaknesses and constraints of the precinct include:

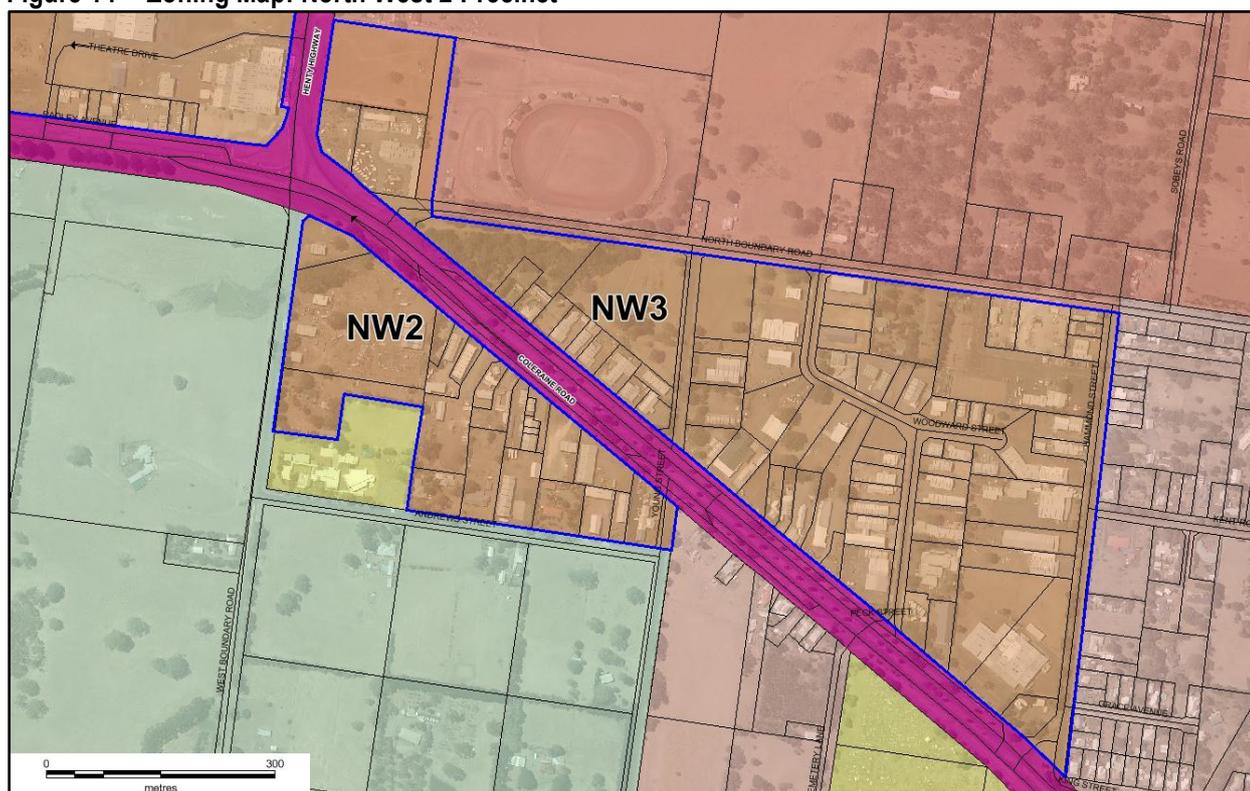
- Some residential dwellings interspersed with industrial uses, including a dwelling fronting the Glenelg Highway, nestled between Rapley's Boats and a vacant industrial lot.
- Potentially some contamination issues on some of the lots (including at the current Envireco site) given the nature of industry on site which would need to be rectified before any ground works could take place.

6.4 NORTH WEST 2

The North West 2 precinct constitutes 9.8ha of IN1Z land, comprising approximately 25 lots. The predominant land use is transport, postal and warehousing uses which are mainly comprised of standalone sheds and warehouses. As indicated on the following figure, North West 2 is bordered by Coleraine Road to the north, Andrews Street to the south, and West Boundary Road to the west. Access to the precinct from Coleraine Road is via a slip-lane.

There are 7 manufacturing businesses in the precinct including glass, doors, sheds and metal production. In addition there are wholesale traders and automotive repair and maintenance businesses. Whilst the majority of the uses within the precinct are industrial, there are 4 residential dwellings on Andrews Street with Hamilton North Primary School on Public Use Zone (PUZ) land immediately adjacent to the south-west on the corner of Andrews Street and West Boundary Road.

Figure 14 - Zoning Map: North West 2 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

Consultation revealed that 2 or 3 lots fronting Coleraine Road have been privately leased to new businesses within Hamilton on subsidised rents for the first few years of the rental term. Consultation also revealed that previous landowners with development plans on one of the lots fronting Coleraine Road had been unable to go ahead due to truck movement restrictions within the precinct. This related to one of the sites not being large enough to allow for internal truck movement / turning. There were also some concerns from residents within the precinct regarding truck movements along Andrews Street given the location of the school, with children using this road to get to and from school daily. The main characteristics of the precinct are identified below.

Table 18 - North West 2 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|--|
| Zoning | IN1Z |
| Land Supply | 9.8ha |
| Vacancy | There are no vacant lots in the precinct. |
| Lot Size Typologies | The majority of lots in the precinct are small, ranging from 0.02ha to 2.7ha. Smaller lots tend to be located at the northern edge of the precinct, fronting Coleraine Road. |
| Land Use and Business | There are 25 lots in use within the precinct which accommodate the following businesses and uses: S&J Auto repairs, container self-storage, Vaughan Joinery, Trotters Coaches, Hamilton Steel, D.I.M.M.S LPG Conversions, Shed's Galore, Aus Wool Network, Heavy Vehicle Driver Training, Hamilton Doors & Glass, South West Sheds and Homes, National Grazing Services, Eureka Garages and Sheds, Hamilton Garden Supplies, Plasta Master, Hamilton Produce Rural Merchant, New & Secondhand Steel Sales. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2008), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided below.

Table 19 - North West 2 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | The precinct is relatively flat, with an 8 metre differential noted between the highest and lowest points. Land inclines from east to west. |
| Access to Main Roads / Transport | The precinct has good main road access, as a number of the smaller lots front Coleraine Road / Glenelg Highway. |
| Land Use Conflicts | The precinct is surrounded by farmland to the south and west, IN1Z land to the north and low density residential to the south-east. There is a significant land use conflict between the precinct and the Hamilton North Primary School located adjacent to the south-west. This would restrict any opportunity to accommodate high impact industrial uses. |
| Agglomeration of Industry | There are some semi-clusters of industry in the precinct including a number of storage facilities, rural produce brokers and pre-fabricated shed and garage manufacturers. |
| Expansion Potential and/or Vacant Land | There is limited expansion potential within the precinct due to the lack of vacant sites and the location of the Hamilton North Primary School. There is substantial farm land to the south and west of the precinct, however given that there is already more than enough industrial land in Hamilton over the long-term there is no need to rezone existing farmland for industrial purposes. |
| Development Partnership Potential | Consultation with landowners in the precinct indicated the following: <ul style="list-style-type: none"> ▪ Some lots and buildings have been leased at reduced rates to encourage occupation and to support new business start-ups. ▪ Some industrial uses fronting Coleraine Road have created dust issues for residences to the south facing Andrews Street. ▪ Kids walking to and from the primary school along Andrews Street do not have a continuous footpath or safe walking environment. ▪ There have been some issues with truck access on one of the larger lots in the precinct. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Agglomeration of small, serviced lots for local manufacturing, storage and automotive services.
- Good main road frontage to Coleraine Road / Glenelg Highway and close connections to the Henty Highway.
- Well occupied precinct with minimal vacancies.

Weaknesses and constraints of the precinct include:

- There are a number of residential dwellings located adjacent to industrial uses in the precinct.
- The location of the Hamilton North Primary School is a constraint to the expansion of the precinct.
- Lack of vacant lots for short-term expansion.

6.5 NORTH WEST 3

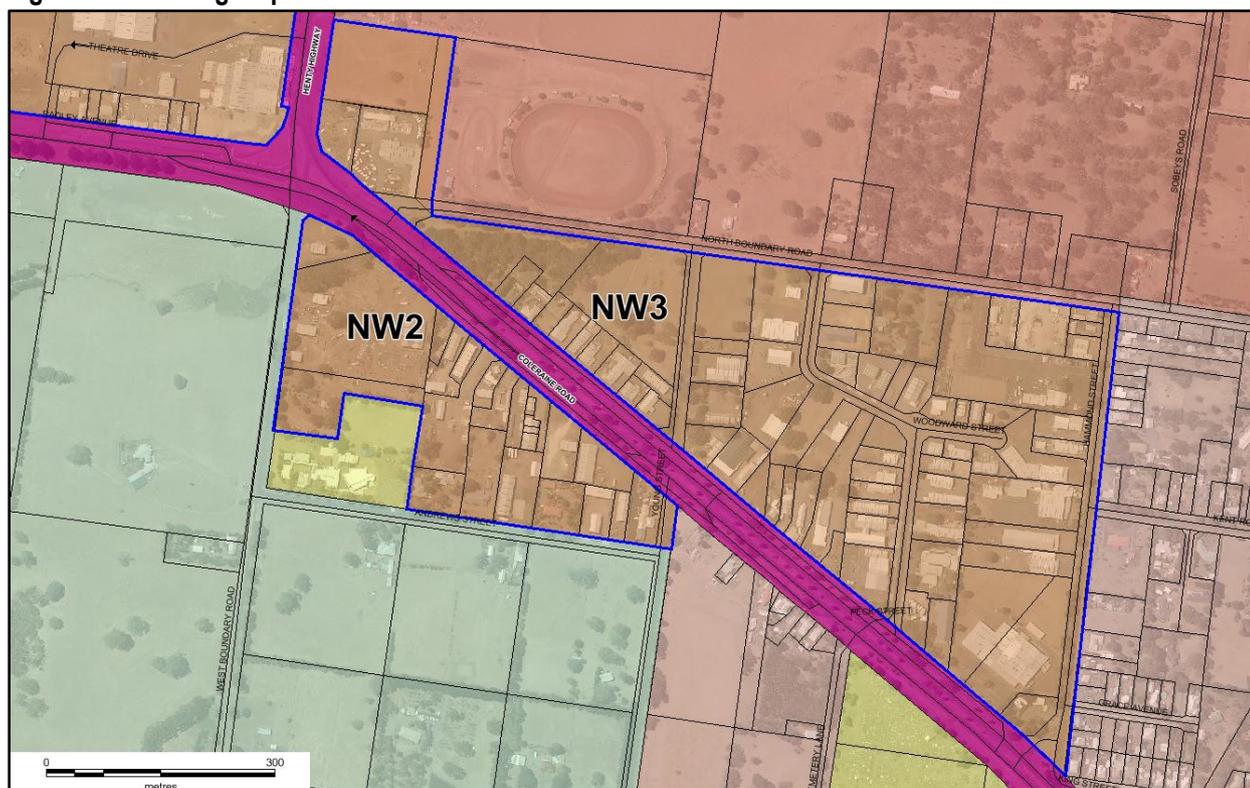
The North West 3 precinct constitutes 32.7ha of IN1Z land, comprising approximately 75 lots. The precinct is bounded by Coleraine Road to the south and by North Boundary Road to the north. The precinct is adjacent to the North West 2 precinct and is one of the older and well established industrial precincts in Hamilton. Access is via a slip-lane from Coleraine Road.

There are a diverse range of industries in the precinct, most of which are very well established with local businesses having remained in the precinct for generations. Based on the land use survey, the major land uses are wholesale trade (predominantly located on Coleraine Road), manufacturing (including plasterboard, temporary roadway, concrete, commercial printing, sheet metal and ferrous metal production) and transport, postal and warehousing (including mainly warehousing and some road freight transport). There are also multiple other service (automotive repairs and maintenance) and construction businesses. As with the other precincts in the north west industrial area, there are some residential uses interspersed within the precinct. The precinct also includes non-industrial uses such as South West TAFE and Campe's Motor Museum.

Council has previously participated in the industrial land market having completed an 11 lot subdivision on Peck Street. Peck Street was originally Council owned before an extension occurred between 2006 and 2011. As of June 2013, all 11 blocks in the subdivision have been sold. Blocks as part of the subdivision tend to be in the range of 2,000sqm. This may indicate that there is some latent demand for well serviced, smaller lots within Hamilton.

Consultation revealed that the recent subdivision at 26-30 Peck Street into 2 smaller warehouse units on lots of 2,100-2,500sqm have been very well received and are fully leased. The quality of accommodation and the development itself, inclusive of landscaping and good amenity to the street was noted. Various stakeholders indicated that the subdivision produced the type of industrial development which should be further encouraged within the precinct.

Figure 15 - Zoning Map: North West 3 Precinct



Source: Southern Grampians Shire and Hill PDA (2014)

The main characteristics of the precinct are identified in the following table.

Table 20 - North West Hamilton 3 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|---|
| Zoning | IN1Z |
| Land Supply | 30.7ha |
| Vacancy | There are around 5 underutilised or vacant lots within the precinct, the smallest of which is around 0.17ha and the largest of which is 1.9ha. |
| Lot Size Typologies | All lots within the North West 3 precinct are smaller, with lots sizes ranging from 0.07 to 1.95ha. The majority of lots are within the range 0.07ha to 0.5ha. There are only 5 lots in the precinct that are greater than 1ha. |
| Land Use and Business | There are approximately 75 lots within the North West 3 precinct including the following businesses: Woolbales Shearing Supplies, Hardwood Furniture, Employment Access, Indea Enterprises, Cowland Electrical Wholesalers, AC Middleton Buildings & Joinery, Hamilton Gyprock, L&H Electrical, Hamilton Hire, auto services, Boral Plasterboard, Landmark, Campe's Motor Museum, Allens Freight, Sutton Tools, Hamilton Glassworks, Capital Cutting Tools, South West TAFE, Precision Marine, Program Print, Downs Removal & Storage, Grange Concrete, Landscaping & Garden Supplies, Moose Engineering, Tony Lambert Kitchens, Journey Management Group, Shed's Galore, Wheelie Waste, Thiess, Trevor Gould Building, Gorrie & Slater Builders, Hamilton Sheetmetal, Contour Commercial Interiors, farm supplies, Henry's Hydraulics, Ultracut, Hamilton Service Centre, DC&TM Auto Services, Agrimac, Hamilton Farm Supplies, CRT, Pitstop Auto Care, Café, New Holland Agriculture, CBT Safety & Workwear, McErvale Steel Construction, GI Panels, Trevor Linke Engineering, Donohue's. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2007), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided in the following table.

Table 21 - North West 3 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Land in the precinct rises slightly from east to west as in the North West 2 precinct. Over the extent of the precinct, approximately 12 metres separates the highest and lowest points. |
| Access to Main Roads / Transport | The precinct has good main road access, as a number of the smaller lots front Coleraine Road / Glenelg Highway. |
| Land Use Conflicts | There are a number of land use conflicts, with numerous residences located in the precinct. These conflicts may restrict and constrain any higher impact industries. The precinct is also located adjacent to R1Z land to the east, which would also limit the range of industries capable of locating in that section of the precinct. |
| Agglomeration of Industry | There are multiple construction, manufacturing, transport, engineering, farm supplies and auto service and maintenance uses. |
| Expansion Potential and/or Vacant Land | The North West 3 precinct is the most intensively developed industrial precinct in Hamilton, however there are still good opportunities for further development. There is no expansion capability beyond the existing IN1Z land around the precinct given surrounding residential zones. The precinct contains approximately 5 vacant lots that could accommodate expansion opportunities (from 0.17ha to 1.9ha). Two of these sites (298 Coleraine Road and north-east corner of North Boundary Road and Young Street) are relatively large (1.3ha and 1.9ha) and could accommodate extensive development, whilst the others are capable of accommodating smaller scale development. The larger site on the north-east corner of North Boundary Road and Young Street could potentially be developed into smaller, serviced lots as part of an industrial estate. The other large vacant lot (298 Coleraine Road) is subject to flooding and may not therefore be suitable for development. Development potential within the North West 3 precinct takes advantage of the excellent transport linkages that the precinct enjoys, located at the junction of the Glenelg and Henty Highways. |
| Development Partnership Potential | Despite recent slow economic conditions, business confidence within the precinct remains relatively high with a number of landowners and long-term occupants indicating potential for growth and expansion within the precinct in the future. Consultation with industrial landowners and businesses in the precinct indicated the following: <ul style="list-style-type: none"> A number of local businesses indicated that they had growth and expansion plans, however would be wary of progressing with development given previous challenges in dealing with the planning approval process. |

| Criteria | Details |
|----------|--|
| | <ul style="list-style-type: none"> ■ Comments regarding Council's Peck Street subdivision development were varied. Some were pleased that development had been initiated and instigated, whilst others would have preferred an estate development with consistent landscaping and warehousing. The recent two-lot subdivision at 26-30 Peck Street was identified as being the preferred type of development for lot subdivision in the area. ■ Infill development potential was identified within the precinct. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Well performing industrial precinct accommodating local urban services and light industry, including some niche manufacturers.
- A number of established smaller, fully serviced lots, particularly along Peck Street which have experienced reasonable take-up rates.
- Some regionally strong industries including Landmark, Hamilton Farm Supplies, Program Print, Moose Engineering, Envirex and Allen's Freight.
- Some tourist attractions draw people to the precinct including the Big Wool Bales and Campe's Motor Museum.
- Excellent main road access to Coleraine Road / Glenelg Highway and Henty Highway. The precinct also has good internal road access from Woodward Street and Peck Street.
- The precinct contains a variety of lot sizes and contains some expansion capability.
- Infill development opportunities.

Weaknesses and constraints of the precinct include:

- There are a number of non-industrial uses in the precinct, including a number of residential uses fronting North Boundary Road in the north of the precinct which may inhibit further industry expansion in the precinct.
- The precinct is adjacent to R1Z land to the east which could have the potential to affect residential amenity. Low density residential land also lies to the north beyond North Boundary Road.

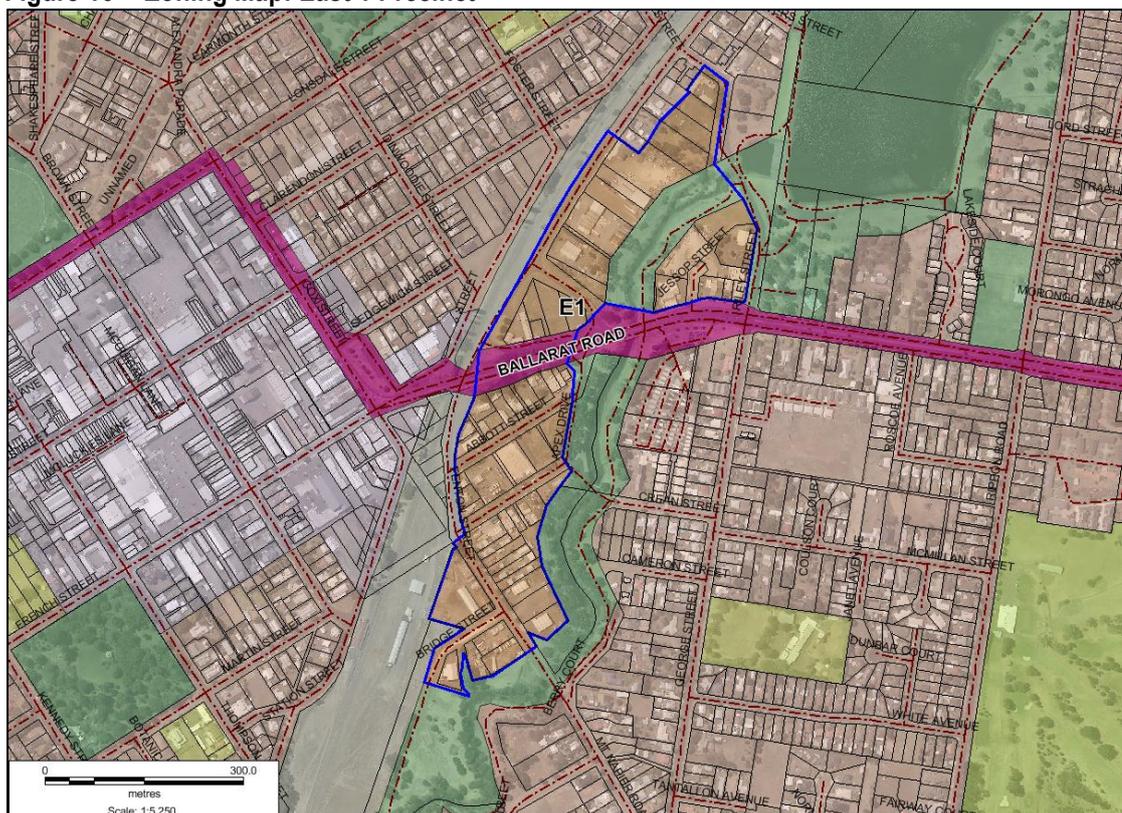
6.6 EAST 1

The East 1 precinct contains approximately 16.1ha of IN1Z land located at the eastern boundary of Hamilton CBD, east of the railway line. The precinct comprises approximately 60 lots, of which the majority are light industrial uses. Lots predominantly comprise warehouses for storage use, however there are also a number of residential dwellings (11), auto services (motor vehicle repair and maintenance) and construction businesses (including trade services and residential building construction). The East 1 precinct accommodates the greatest number of retail tenancies (bulky goods and take-away food retailing) of any of the industrial precincts within Hamilton.

It should be noted that as part of the Hamilton Structure Plan process, the East 1 precinct was recommended to be rezoned as Mixed Use to minimise land use conflicts and allow a broader range of uses in close proximity to the Hamilton CBD. Planning Scheme Amendment C25, which sought to implement the recommendations from the Structure Plan has been adopted by Council and submitted to the Minister for Planning for approval.⁴⁸ As part of Amendment C25, the eastern industrial area could be rezoned to Business 2 Zone (B2Z).

⁴⁸ http://www.sthgrampians.vic.gov.au/Page/page.asp?Page_Id=1903&h=0. Accessed 01.08.2013

Figure 16 - Zoning Map: East 1 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

The main characteristics of the precinct are identified below.

Table 22 - East 1 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|--|
| Zoning | IN1Z |
| Land Supply | 16.1ha |
| Vacancy | There are around 6 underutilised or vacant lots within the precinct. These are all small lots ranging from 0.05ha to 0.22ha. |
| Lot Size Typologies | Lot sizes in the East 1 precinct are (on average) smaller than those in the north-west and southern industrial areas. This is particularly the case to the south of Ballarat Road. Lots within the precinct range from 0.02ha to 0.61ha, with the majority in the range of 0.02ha to 0.30ha. |
| Land Use and Business | There are 47 lots within the precinct which comprise the following land uses and businesses: The Retail Shed, A&D Freight, Mount Napier Road Motors, Taper Builders, bus depot, Downer Group Engineering, Caltex, auto wreckers, Peddlers Garage, Raymond Plumbers, Fox Refridgeration, Hamilton Discount Windscreens, Cobb & Co Furniture, auto services, Driver Training & Testing, State Emergency Services, Unicraft Joinery, Hansen Concrete, Lakeside Service Centre, Refuelling Solutions, Karcher, Take Away Food, VicRoads. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2008), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided in the following table.

Table 23 - East 1 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Generally flat, with an 8 metre variation between the highest and lowest points in the precinct. |
| Access to Main Roads / Transport | The precinct is bisected by Ballarat Road (Glenelg Highway), however visibility and access to the precinct is not strong. |
| Land Use Conflicts | There are some land use conflicts within the precinct with a number of residences (particularly in the north) located in close proximity to industrial uses. These may restrict and constrain any higher impact industries. |
| Agglomeration of Industry | Local urban services, in particular auto repairs, services and wreckers are agglomerated within the precinct. |
| Expansion Potential and/or Vacant Land | The East 1 precinct has little development potential with only a handful of small vacant lots available. The precinct is also constrained by fragmented ownership and significant residential development. Planning Scheme Amendment C25 seeks to rezone the E1 precinct as B2Z. This will allow a broader range of uses including office and some residential development. It will likely constrain and limit the range of industrial uses, however existing uses will continue to be able to operate and potentially expand subject to planning permit approval. |
| Development Partnership Potential | <p>Consultation with landowners in the precinct indicated that:</p> <ul style="list-style-type: none"> ▪ There is little arterial road exposure which would impact on some businesses. ▪ Some had indicated growth and expansion plans, however they were not keen to progress given previous challenges in dealing with the planning approval process. ▪ The CITS truck driver training school is relocating their headquarters out to the north west industrial area. At this stage they are likely to retain their existing landholding in the East 1 precinct. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Good cluster of local urban services, in particular, auto services and wreckers.
- Good internal road access.
- A number of underutilised sites which could accommodate further infill development.
- Potential to accommodate highway sales including automotive retailing.
- Whilst the precinct sits within inner Hamilton, there are sufficient buffers to R1Z land to the east from the open space trail and from Business 1 Zone (B1Z) land to the west from the railway line.

Weaknesses and constraints of the precinct include:

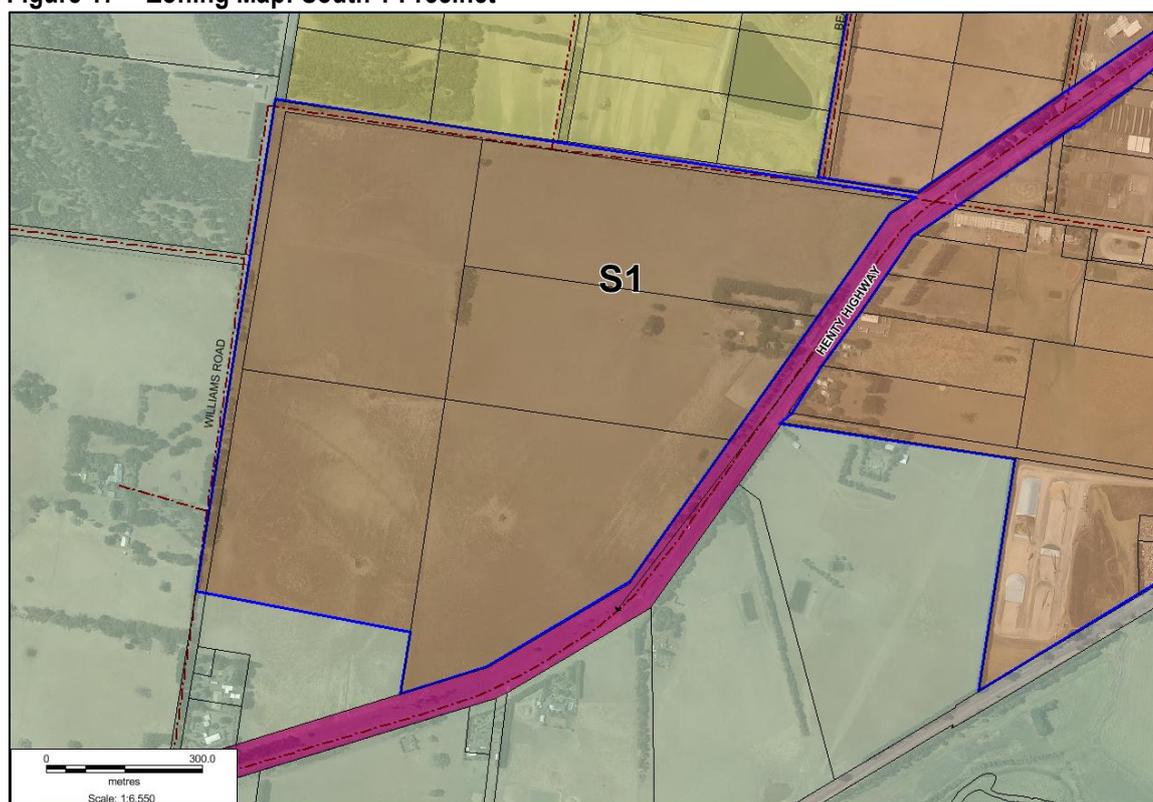
- Segmentation of different components of the precinct by Ballarat Road and a trail of north-south green space.
- No large lots available for more sizeable industry development and investment.
- As with the precincts in the north west industrial area, there are a number of residential dwellings dispersed amongst industrial uses.
- Significant flooding risk from the Grange Burn.
- There are some potential residential amenity impacts given that the IN1Z land abuts R1Z land at the northern edge of the precinct. This would also restrict the opportunity for higher impact industries to locate in this area.
- Rezoning of land to B2Z will significantly constrain industrial development in the precinct.

6.7 SOUTH 1

The South 1 precinct contains approximately 94ha of IN2Z land comprising 5 lots. As indicated on the following figure, the South 1 precinct is bounded by the Henty Highway to the east, South Boundary Road to the north and by Williams Road to the west.

Land within the South 1 precinct is either vacant or used for farming. There are no industrial uses within the precinct and it is in single ownership.

Figure 17 - Zoning Map: South 1 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

The main characteristics of the precinct are identified below.

Table 24 - South 1 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|--|
| Zoning | IN2Z |
| Land Supply | 94.1ha |
| Vacancy | All land within the precinct is either vacant or underutilised farmland. |
| Lot Size Typologies | All lots in the precinct are large, at least >15ha. |
| Land Use and Business | Farmland. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2008), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided below.

Table 25 - South 1 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Significant slope of the land in the north-eastern corner of the precinct and to a lesser degree in the south-western corner. |
| Access to Main Roads / Transport | The precinct has significant main road access to the Henty Highway. |
| Land Use Conflicts | There are no land use conflicts within the precinct. |
| Agglomeration of Industry | There are no agglomerations of industry in the precinct. |
| Expansion Potential and/or Vacant Land | The precinct is almost entirely vacant (currently used for light grazing) and could accommodate significant industrial expansion. IN2Z land is capable of accommodating more noxious and heavier industry than IN1Z land and this is where development potential is greatest. Given the extent of vacant IN1Z land available in Hamilton, the development of the South 1 precinct should be focused on industry which requires certain distance thresholds from other uses in operate (e.g. noxious industry). |
| Development Partnership Potential | It is also understood that all the land within the precinct is in single ownership. The owner of the land was not able to be contacted as part of the consultation process for this Study. Consultation with industrial land developers and government agencies revealed that IN2Z land is relatively scarce west of Melbourne and that the quantum available in the South 1 precinct could attract more noxious or hazardous industry that requires a threshold distance from other uses. It should be noted however that Portland appears to have a much larger quantum of IN2Z land (in excess of 1,000ha, of which around 65% is vacant). Following these discussions, it was indicated to Hill PDA by Council that a manufacturer is interested in developing a plant on part of the site. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Significant main road frontage and access with the precinct located on the Henty Highway.
- A number of large lots which are currently being used for farming purposes which could support large scale industrial development.
- Adjacent to high pressure natural gas, recycled water. Potential for other water uses with the water treatment plant adjacent to the precinct.
- No significant land use conflicts within the precinct or with surrounding land which is used largely for agricultural purposes.

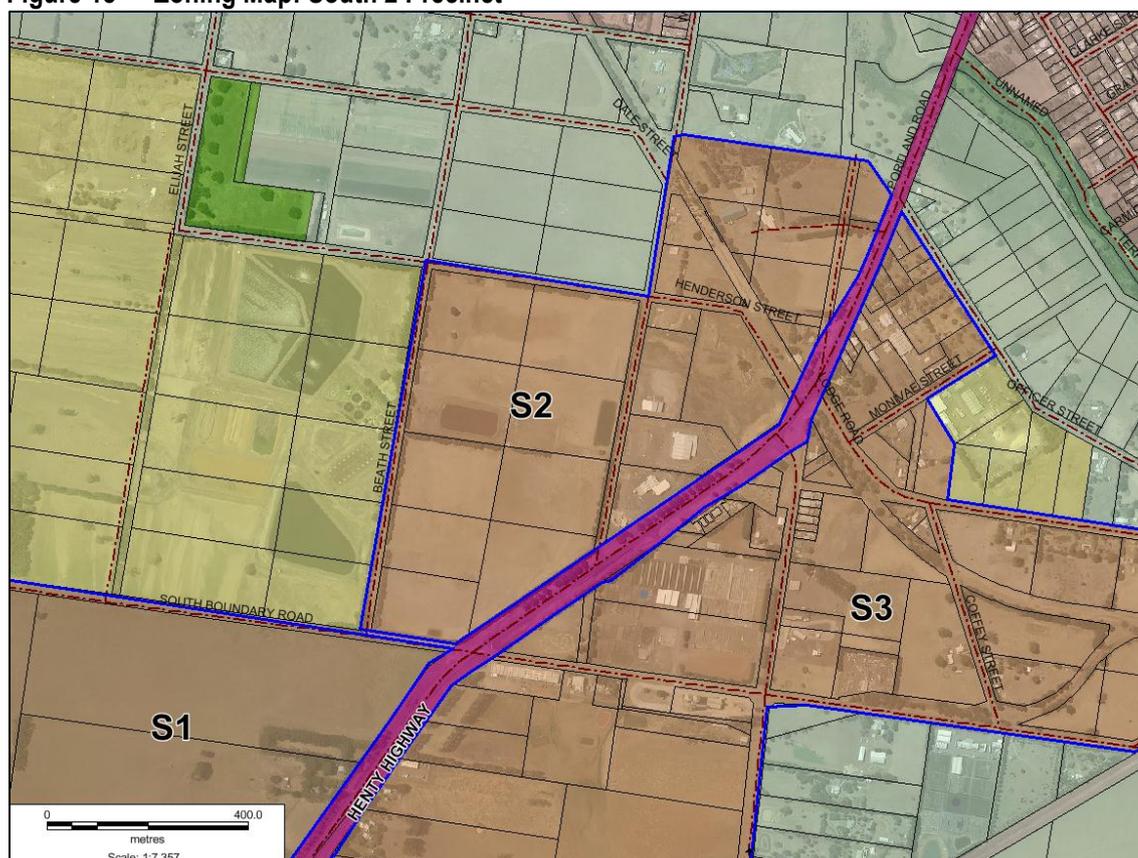
Weaknesses and constraints of the precinct include:

- Sloping land in the northern and southern part of the precinct.
- No internal road accessibility.

6.8 SOUTH 2

The South 2 precinct contains approximately 55ha of IN1Z land comprising 27 lots. As indicated on the following figure, the South 2 precinct is bound by Henty Highway to the east, South Boundary Road to the south and Beath Street to the west. It is understood that land west of Wedge Street is currently being used by the Saleyards for agistment purposes. Land east of Wedge Street includes wood chipping and earthmoving, with an Elders also located on the Henty Highway.

Figure 18 - Zoning Map: South 2 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

The main characteristics of the precinct are identified below.

Table 26 - South 2 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|--|
| Zoning | IN1Z |
| Land Supply | 55.2ha |
| Vacancy | There are a number of large lots which are currently being underutilised which could otherwise support industry development. Most of these lots are located west of Wedge Road. Total vacant and available land amounts to approximately 33.4ha or around 68% of total IN1Z land in the precinct. |
| Lot Size Typologies | Lot sizes range from 3.0ha to 3.5ha west of Wedge Road and from 0.5ha to 3.8ha east of Wedge Road. There are very few small lots in the precinct. |
| Land Use and Business | There are 21 lots within the South 2 precinct which are predominantly vacant or being used for farming purposes, the remaining lots comprise of the following land uses and businesses: Logic Livestock, Australian Bluegum Plantations, Earthmovers Proprietary Limited, Kempe Engineering, Elders. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2007), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided below.

Table 27 - South 2 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Significant slope of the land in the north-eastern corner of the precinct and to a lesser degree in the south-western corner. |
| Access to Main Roads / Transport | The precinct has strong main road access to the Henty Highway. |
| Land Use Conflicts | There are no land use conflicts within the precinct with industrial and farming comprising all uses. There are no land use conflicts beyond the precinct, with Farming Zone (FZ) land located to the north and a Special Use Zone (SUZ) accommodating the Wannon Water treatment plant located immediately adjacent to the west. |
| Agglomeration of Industry | There are no agglomerations of industry in the precinct. |
| Expansion Potential and/or Vacant Land | The precinct has a large component of vacant or underutilised land which could accommodate significant industrial expansion. All large lots west of Wedge Road are capable of further industrial development (being currently used by the Saleyards) and there is a large vacant lot on the southern corner of Henderson Street and Henty Highway. Smaller vacant lots are located in the pocket of land north of Henderson Street and Henty Highway. The precinct also has excellent main road linkages which could support industries which require good accessibility to and from Hamilton. The precinct also has good internal road access (from Wedge Street and Henderson Street) which further improves its development potential. |
| Development Partnership Potential | One landowner in the precinct had been attempting to sell their lot for over 2 years, however there had been little to no interest in the site. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Strong main road access with the precinct located on the Henty Highway.
- A number of large lots which are currently being used for farming purposes which could support large scale industrial development.
- No significant land use conflicts.
- Adjacent to high pressure natural gas, recycled water. Potential for other water uses with the water treatment plant adjacent to the precinct.
- Proximity to an instant turf farm, potential to leverage off this existing business.
- No existing or potential residential amenity issues.
- Good internal road access through the precinct along Wedge Street and Henderson Street.

Weaknesses and constraints of the precinct include:

- The precinct is located in a low lying area, with some land susceptible to water table issues.
- Sloping land in the northern and southern part of the precinct.

6.9 SOUTH 3

The precinct contains approximately 113ha of IN1Z land comprising around 60 lots. The South 3 precinct encompasses all IN1Z land between Henty Highway and the railway line.

There are a wide range of industrial land uses in the precinct, however large footprint industries tend to be more highly concentrated compared to some other industrial precincts within Hamilton. The precinct also contains a significant number of residential dwellings (20 lots).

The precinct contains a number of important Hamilton activities and businesses including Graincorp, the Hamilton Saleyards and Southern Soils. The livestock exchange that operates as part of the Saleyards has 7 stock agencies employing 59 staff members directly. In 2010/11 the annual throughput of sheep and cattle was the 3rd and 10th largest in the State respectively.⁴⁹

The Saleyards has recently undergone strategic planning work with the Hamilton Regional Livestock Exchange Master Plan being completed in April 2012. The Master Plan sought to address environmental, occupational health and safety and operational concerns. The Master Plan set out a range of recommended improvements for the facility including (but not limited to):

- Provision of a roof water catchment system and above ground storage tank;
- Relocation of manager's office and workshop;
- Construction of an effluent dam;
- Prepare detailed design for sheep yard redevelopment;
- Provision of rooves over the complete sheep selling complex, or selling pens and drafting areas;
- Provision of staged reconstruction including resurfacing and wooden draft replacement in sheep selling centre; and
- Provision of new northern public access for the cattle selling centre.⁵⁰

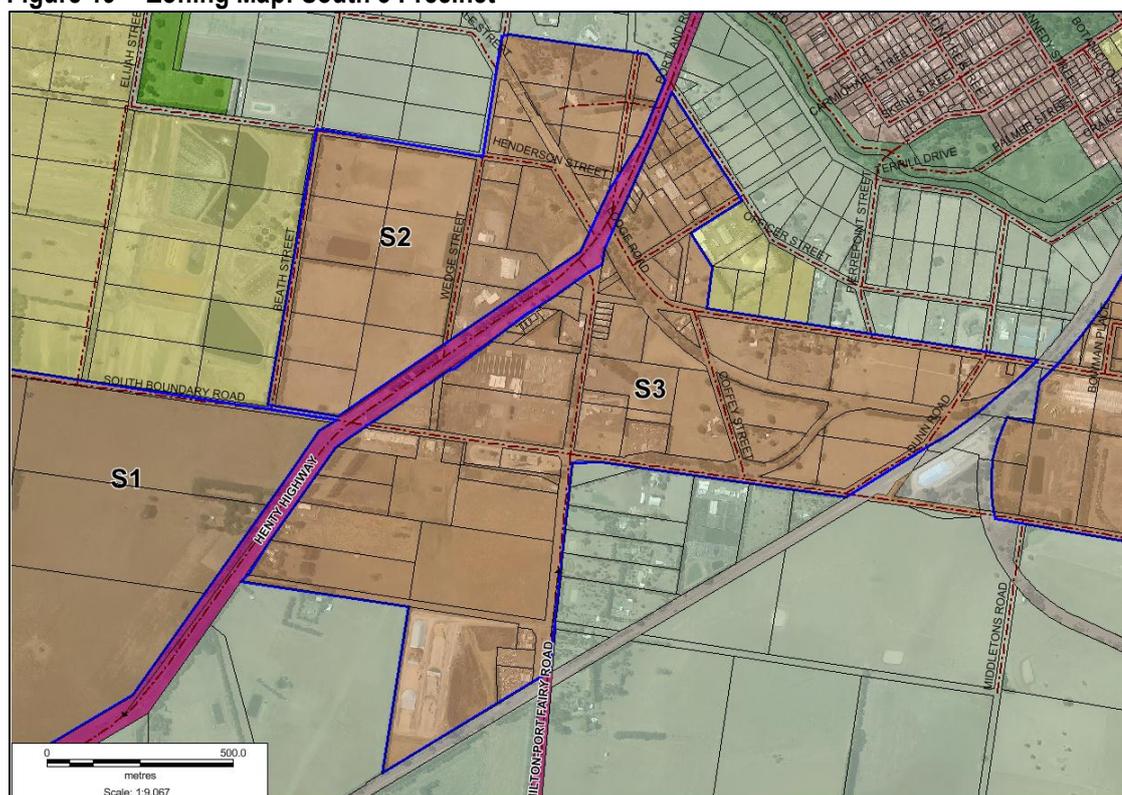
Council owns a large lot (7.5ha) within the precinct located on Port Fairy Road. The lot is currently vacant and is available for industrial development.

A Hamilton Intermodal Freight Terminal Assessment was completed in 2010 which identified a site just south of the South 3 precinct as a possible location for an IFT. Since the completion of the Terminal Assessment, some regional transport operators have indicated interest in reactivating old railway yards given anecdotal demand in Hamilton and surrounds. Given this interest, the progression of investigation into the need for and viability of an IFT should be progressed in conjunction with Council, with a particular focus on the site selected as part of the Terminal Assessment in 2010.

⁴⁹ Master Plan for the Hamilton Regional Livestock Exchange, Kattle Gear Australia (2010)

⁵⁰ Master Plan for the Hamilton Regional Livestock Exchange, Kattle Gear Australia (2010)

Figure 19 - Zoning Map: South 3 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

The main characteristics of the precinct are identified in the following table.

Table 28 - South 3 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|-----------------------|--|
| Zoning | IN1Z |
| Land Supply | 113.4ha |
| Vacancy | The South 3 precinct has approximately 33.8ha of vacant and underutilised land. This represents around 36% of total IN1Z land supply in the precinct. Vacant lots range from 0.32ha to 7.5ha, although the majority are greater than 1.5ha. This includes a Council owned lot on Port Fairy Road (7.5ha). |
| Lot Size Typologies | The South 3 precinct contains a cluster of very large lots with the majority between 1ha and 9ha. There are some smaller lots (between 0.07ha and 0.12ha) to the north (between Monivae Street and Portland Road). |
| Land Use and Business | There are 61 lots within the South 3 precinct. These lots accommodate the following land uses and businesses: RS Rural Steel, Sparrow Mechanical Services, Castrol Service, 4 Quality and Designs, Wool Buyers, Graincorp, Northcott's Wool Processors, Will Power Motors, Hamilton Auto Wreckers, Scott Petroleum, Hamilton Scrap, Men's shed, Tonwen Engineering, P and P Wilson Auto, Wannon Rural Supplies, Austin Built, Mackkon Homes, Hamilton Lawnmower and Chains, fertiliser distribution and the Saleyards. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2007), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided in the following table.

Table 29 - South 3 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | More heavily sloped ground is located in the northern part of the precinct between Monivae Street, Lodge Road and the Henty Highway. Much of the remaining precinct is undulating but not significantly sloped. |
| Access to Main Roads / Transport | The precinct has strong main road access to the Henty Highway. |
| Land Use Conflicts | Land use conflicts have arisen in the precinct due to a number of residential uses being located within IN1Z land. |
| Agglomeration of Industry | There is a small cluster of local urban services that fronts Henty Highway to the rear of the Saleyards site. Beyond this, there is no further agglomeration of industry in the precinct. |
| Expansion Potential and/or Vacant Land | <p>The South 3 precinct has good development potential. Around 36% of IN1Z land within the precinct is currently vacant or underutilised, being used for farming purposes. This land could potentially accommodate expansion opportunities for existing industries located within the precinct and other industries looking to locate in Hamilton.</p> <p>The large lot size typologies may allow large scale development to occur within the precinct. As for the South 2 precinct, potential industrial development should include industries which require larger tracts of land. The precinct has very good main road connectivity being located on the Henty Highway and Hamilton-Port Fairy Road which contributes to its overall development potential.</p> <p>There is some potential to encourage lighter industry uses in the northern component of the precinct should land in the North West industrial area become scarce. This section of the precinct already has a number of smaller manufacturers and contains some residences which would preclude more intensive industry with higher amenity impacts from locating in the area.</p> <p>The potential for an IFT to locate just south of the South 3 precinct has been investigated. These plans will not be progressed unless a significant transport and logistics company can commit to operating the facility.</p> |
| Development Partnership Potential | No landowners or existing businesses were available for consultation during the Study. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Good main road access to the Henty Highway and Hamilton-Port Fairy Road.
- Close proximity and access to the train line.
- Significant potential and land available for industrial expansion, with many of the vacant or underutilised lots at least 1.5ha.
- No residential amenity issues.
- Presence of the Council owned and managed Saleyards site and Graincorp makes it one of the most important industrial precincts in Hamilton and the wider region.
- Good internal road access.

Weaknesses and constraints of the precinct include:

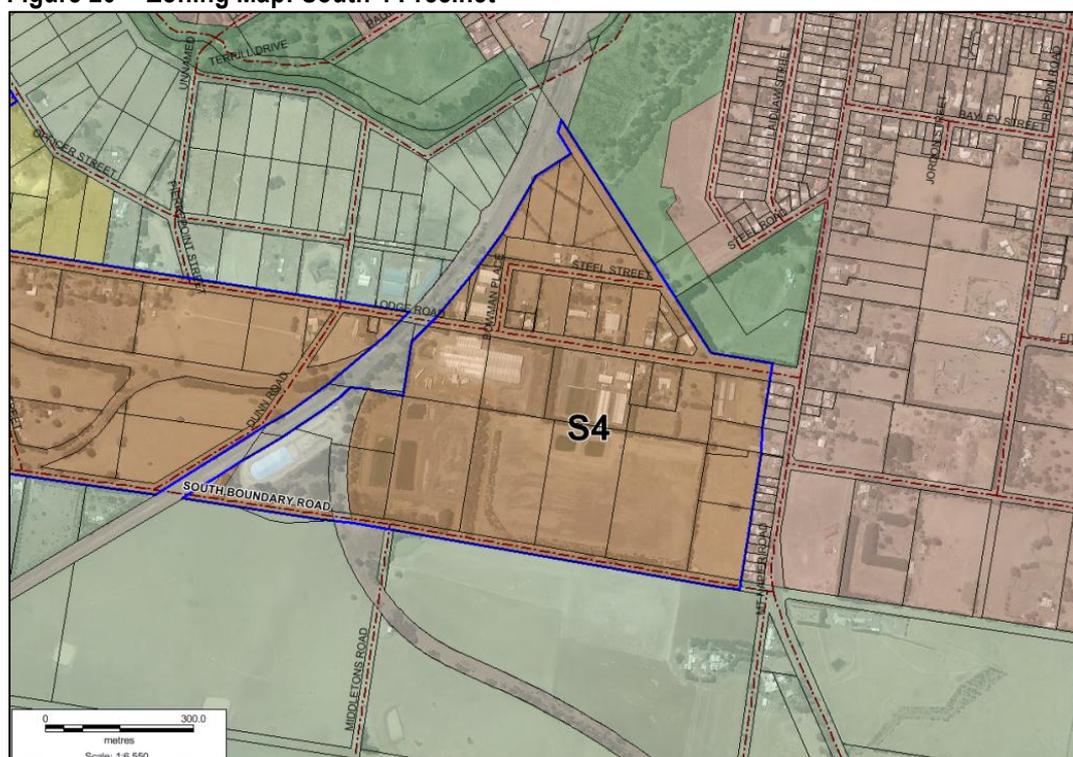
- A large number of lots are currently being used for non-industrial uses including farming and residential which potentially creates some land use conflicts.
- Some sloping land in the north of the precinct.

6.10 SOUTH 4

The South 4 precinct comprises approximately 50ha of IN1Z land across 33 lots. The South 4 precinct is predominantly bound by South Boundary Road to the south, the railway line to the west and by residential homes fronting Mount Napier road to the east.

The precinct contains a number of industrial uses and some residential development. Despite the relatively large quantum of industrial zoned land in the precinct, there are only a few occupying industries including transport, postal and warehousing (comprising general warehousing for storage and Kalari and Ryans), agriculture, forestry and fishing (farming) and wholesale trade (commission based wholesaling). Graincorp also occupies land in the south-west corner. In addition to industry in the precinct, there are a number of residential dwellings (6 lots).

Figure 20 - Zoning Map: South 4 Precinct



Source: Southern Grampians Shire and Hill PDA (2013)

The main characteristics of the precinct are identified in the following table.

Table 30 - South 4 Precinct: Land Use and Planning Characteristics

| Characteristic | Details |
|---------------------|--|
| Zoning | IN1Z |
| Land Supply | 50.3ha |
| Vacancy | The South 4 precinct has approximately 15.8ha of vacant and underutilised land. This represents around 36% of total IN1Z land supply in the precinct. The majority of the vacant lots are large, between 1.13ha and 4.3ha. |
| Lot Size Typologies | There are a variety of lot sizes in the precinct with smaller lots predominantly north of Lodge Road which runs in an east-west direction through the precinct. Smaller lots range from 0.06ha to 0.8ha, whilst larger lots range from 1ha to 4.3ha. Smaller lots tend to be used for residential or farming purposes. Many of the larger lots are vacant. |
| Land Uses | There are 33 lots utilised in the South 4 precinct. These comprise a range of different land uses and businesses including: Techwool Trading, Graincorp, Kalari Transport, Ryans Transport, Absolute Storage Systems, Clays Auto Repairs, Fox & Lillie Wool Brokers, Western Van Lines, Grampian Wool, residences and farmland. |

Source: Parsons Brinckerhoff Industrial Land Supply Assessment (2007), Hill PDA Site Inspections (2013)

Comments against the criteria for assessment are provided below.

Table 31 - South 4 Precinct: Criteria for Assessment Comments

| Criteria | Details |
|--|--|
| Topography and Environmental Constraints | Sloping ground in the north of the precinct, north of Steel Street. Some small risk of flooding at the northern fringe of the precinct. |
| Access to Main Roads/ Transport | The precinct has good connections to South Boundary Road, however there is no direct access to major roads. |
| Land Use Conflicts | Land use conflicts have arisen in the precinct due to a number of residential uses being located within IN1Z land. However, most of these residential uses are clustered together in a pocket of IN1Z land between the eastern boundary of the precinct, Steel Street, Lodge Road and Bowman Place and as such, land use conflicts are not as significant as they otherwise might have been. |
| Agglomeration of Industry | There are no agglomerations of industry within the precinct. |
| Expansion Potential and/or Vacant Land | <p>As with all other southern industrial precincts, South 4 has good development potential. Around 36% of IN1Z land within the South 4 precinct is currently vacant or underutilised (used for light grazing). This land could potentially accommodate expansion opportunities for existing industries located within the precinct and other industries looking to locate in Hamilton. As with the South 3 precinct, there is some potential to accommodate urban services and light industry should land become scarce in the north-west industrial area. The eastern edge of the precinct abuts residential uses and would therefore be the most suitable location for lighter industry development, should demand arise.</p> <p>More intensive industry would be unsuitable in some parts of the precinct given that some vacant land lies adjacent to established residential R1Z land.</p> <p>There are no major natural or topographical impediments, there are a number of large lots which are vacant and available for development and the precinct has good transport linkages being located on South Boundary Road. The precinct also abuts a heavy freight railway line. This could potentially act as a catalyst for development of an intermodal freight terminal within the precinct, however this would be contingent on the suitability of available lots, market demand and the commitment of a key tenant. It is understood that a regionally active transport company has indicated interest, in partnership with others, in progressing this concept.</p> |
| Development Partnership Potential | No landowners or existing businesses were available for consultation during the Study. |

Source: Hill PDA Site Inspections (2013)

Strengths and opportunities of the precinct include:

- Significant amount of vacant and underutilised land suitable for further industry development including a number of large vacant lots.
- Close proximity and access to the train line.
- Good internal road access.

Weaknesses and constraints of the precinct include:

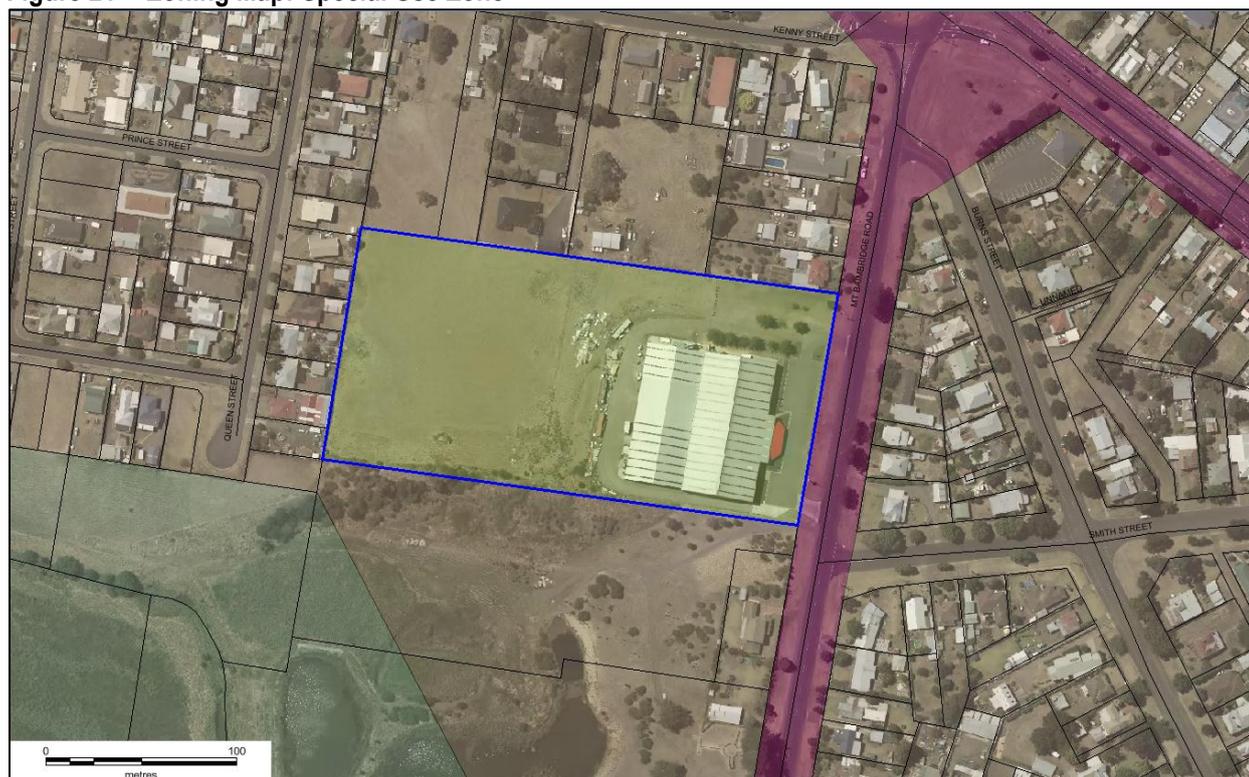
- Lack of adjacent major road access.
- A number of residential uses are located within the precinct.
- Some potential for residential amenity issues given the eastern boundary backs onto residential uses.
- Sloping ground in the north of the precinct, particularly north of Steel Street.

6.11 SPECIAL USE 3 ZONE

In addition to industrial activity located within IN1Z and IN2Z land, there was some industrial activity located on Special Use 3 Zone (SU3Z) land within Hamilton. Of particular relevance is the land on Mount Baimbridge Road which formerly accommodated Kitset Kitchens prior to their closure in November 2013.

At July 2014, Council are in the process of working with the owners of the site to find a new tenant / use. The final tenant / use will likely determine the site's zoning.

Figure 21 - Zoning Map: Special Use Zone



Source: Southern Grampians Shire and Hill PDA (2014)

The main characteristics of the precinct are identified below.

Table 32 - Special Use Zone: Land Use and Planning Characteristics

| Characteristic | Details |
|---------------------|--|
| Zoning | SU3Z |
| Land Supply | 2.5ha |
| Vacancy | The rear of the lot to the west comprises approximately 1.1ha or around 44% of the total lot size. |
| Lot Size Typologies | Not applicable. |
| Land Uses | At July 2014 the site remains vacant following the closure of Kitset Kitchens in November 2013. |

Source: Hill PDA Site Inspections (2014)

The lot has good access to main roads and few encumbrances, however it is adjacent to residential properties to the north. As identified during consultation with Kitset Kitchens in mid 2013, there had been very few issues with residential neighbours during their 20 years or so on the site.

Table 33 - Special Use 3 Zone – Criteria for Assessment Comments

| Criteria | Details |
|--|---|
| Topography and Environmental Constraints | Relatively flat. Starts to drop away to the south towards Grange Burn. |
| Access to Main Roads / Transport | The precinct has good access to Mount Baimbridge Road which connects with Coleraine Road / Henty Highway to the north and Portland Road / Henty Highway to the south which is a strength given there are numerous daily truck movements to and from the site. |
| Land Use Conflicts | The lot is surrounded by R1Z land with residences adjacent to the lot to the north and west. It is understood that there are few issues with the residential interface and that impacts from manufacturing are minor at worst. The land immediately to the south forms part of the Grange Burn wetlands. |
| Agglomeration of Industry | Not applicable. |
| Expansion Potential and/or Vacant Land | Council is currently working with the land owner to find another tenant / land use to occupy the site. |
| Consultation and Development Partnership Potential | As identified above, the site is currently unoccupied and would suit a large scale industrial business looking to set up in an established framework. It is understood that despite the close proximity of occupied residential land to the north and west there had previously been few if any issues with local residents when Kitset Kitchens had occupied the site. |

Source: Hill PDA Site Inspections (2013)

6.12 INDUSTRIAL PRECINCT RATINGS

In the assessment of each industrial precinct the following rating and evaluation table was applied.

Table 34 - Scoring System for Hamilton Industrial Precincts Evaluation

| | Assessment Criteria | If Rating = 1 | Rating = 3 | Rating = 5 |
|----|--|--------------------------|--------------------|-------------------|
| 1 | Arterial Road Accessibility | Poor | Average | Good |
| 2 | Internal Road Accessibility | Poor | Average | Good |
| 3 | Land Use Conflict | High | Moderate | Low |
| 4 | Topography | Steep/sloped | Moderate Slope | Flat |
| 5 | Residential Amenity | High Potential | Average | Minimal Potential |
| 6 | Agglomeration | No Cluster | Reasonable Cluster | Large Cluster |
| 7 | Flood Risk | High Risk | Average | Minimal Risk |
| 8 | Site Encumbrances | Significant | Minor | None |
| 9 | Expansion Potential and/or Vacant Land | None | Minor | Significant |
| 10 | Development Partnership Potential | None | Minor | Significant |
| | TOTAL RATING (out of 50) = | SUM OF THE ABOVE RESULTS | | |

In general terms, each precinct had the ability to score between 1 and 5 for each criteria. The higher the rating for each assessment criteria, the more suited the precinct is for industrial type uses. For example, a rating of 5 for arterial road accessibility indicates that the precinct has good access to strategic road networks which is an important characteristic for industrial land. The total rating for the precinct is the sum of all score results.

It should be noted that in some cases a total high rating may not necessarily equate to a recommendation that the land is capable of accommodating further industrial uses, as certain criteria in particular areas have more significance than others. Also a site may be well suited towards industrial development and score highly, but have no further ability to accommodate expansion in the future. Although the total rating may be reasonable, one factor for assessment may cause a significant constraint, rendering the site inappropriate for some industrial uses. planning overlays were also reviewed in order to access precincts (e.g. flooding risk and site encumbrances).

The following table summarises the results of the assessment.

Table 35 - Hamilton Industrial Precinct Assessment Results

| | Assessment Criteria | NW1 | NW2 | NW3 | E1 | S1 | S2 | S3 | S4 |
|----|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 | Arterial Road Accessibility | 5 | 5 | 5 | 3 | 5 | 5 | 5 | 4 |
| 2 | Internal Road Accessibility | 3 | 3 | 4 | 4 | 1 | 3 | 4 | 4 |
| 3 | Land Use Conflict | 4 | 1 | 3 | 2 | 5 | 4 | 3 | 3 |
| 4 | Topography | 4 | 4 | 4 | 3 | 4 | 3 | 3 | 4 |
| 5 | Residential Amenity | 4 | 3 | 4 | 3 | 4 | 4 | 4 | 4 |
| 6 | Agglomeration | 2 | 3 | 4 | 5 | 1 | 2 | 2 | 2 |
| 7 | Flood Risk | 5 | 5 | 3 | 1 | 5 | 5 | 5 | 4 |
| 8 | Site Encumbrances | 2 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| 9 | Expansion and/or Available Land Potential | 4 | 1 | 3 | 1 | 5 | 5 | 5 | 4 |
| 10 | Development Partnership Potential | 4 | 1 | 4 | 1 | 3 | 1 | 1 | 1 |
| | TOTAL RATING (max. 50) | 37 | 30 | 38 | 26 | 36 | 35 | 35 | 33 |
| | Ranking | 2 | 6 | 1 | 7 | 3 | 4 | 4 | 5 |

6.13 IMPLICATIONS

The North West 3, North West 1 and South 1 precincts are the most suitable for further industrial development, however the South 2 and South 3 precincts are also highly appropriate for further industrial development. Each of these precincts is discussed in more detail below in descending order according to total score:

- The North West 3 precinct has particularly good arterial and internal road accessibility, has no flood risk and few site encumbrances. The precinct is also mostly flat and has no residential amenity issues. Some landowners within the precinct indicated their desire to further develop and expand their existing businesses. The precinct also has a significant agglomeration of smaller manufacturers and wholesale traders. One issue is that the largest vacant block in the precinct is at some risk of flooding.
- The North West 1 precinct is one of the smaller precincts identified in the analysis however the precinct is underutilised and has excellent arterial road accessibility and visibility. The precinct is also located at the junction of Henty Highway giving it superior access to markets north and south of Hamilton. Based on consultation, the precinct has landowner / developer partnership potential. The precinct may require some remediation work due to potential previous contamination.
- The South 1 precinct has a large quantum of land available for development and very good arterial road accessibility. The precinct also has no land use conflicts which makes it ideal for more noxious or hazardous industries to locate in Hamilton.
- The South 2 precinct is very well connected to arterial roads and has considerable expansion potential given the quantum of underutilised and vacant land. This precinct also does not have the same issues with residential land use conflicts as the South 3 and particularly the South 4 precinct have. The South 2 precinct also has the added advantage of being adjacent to water and natural gas infrastructure.
- The South 3 precinct as with most other precincts in Hamilton, has excellent arterial road accessibility, however it also has very good internal accessibility. As with other precincts in the southern industrial area, the South 3 precinct has a large quantum of vacant or underutilised land that is available for more intensive development purposes and also possesses a range of larger lot sizes. There are a total of 20 residences in the precinct however which could have the potential to create some land use conflicts, particularly in the north of the precinct.

Whilst the South 4 Precinct has some more identifiable issues, it remains appropriate for further industrial development:

- The South 4 precinct is suitable for further industrial development but does not score quite as highly as the other southern industrial area precincts due to more pressing residential land use conflicts at the eastern edge of the precinct and slightly reduced accessibility to major arterial roads including Henty Highway and Port Fairy-Hamilton Road. The northern part of the precinct also has some flooding risks from the Grange Burn to the north.

Those precincts which scored lowest, including the North West 2 and East 1 precinct have some more serious issues which make further industrial expansion and development potentially less desirable. These issues are described below:

- The North West 2 precinct has a number of issues which make it less desirable for further industrial development. These include the presence of a primary school adjacent to industrial lots in the south-west corner and no available land for expansion.
- The East 1 precinct is also less suitable for further industrial development which has been reflected in the recommendation of the Hamilton Structure Plan to rezone this precinct to Mixed Use. The precinct has a number of issues including significant flood risk, little expansion and development partnering potential and numerous land use conflicts.

INDUSTRIAL MARKET CHARACTERISTICS

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7. INDUSTRIAL MARKET CONSIDERATIONS

This chapter examines the market attributes of industrial property in Hamilton. It contains a general market overview, an analysis of demand characteristics, the data on the rental market, land values as well as achievable capital values.

The sources used in this analysis include the Urban Development Program (2009 and 2010), RP Data, Property Information Monitors, Cordell Development Software well as Hill PDA's own research, discussions with industrial agents, stakeholders and information provided by Council.

7.1 INDUSTRIAL LAND DEMAND

As part of the preparation of the Hamilton Structure Plan (2011), a Land Supply and Demand Assessment was undertaken for residential, low density residential and industrial land. The Assessment indicated there was more than sufficient supply of industrial land over the long-term in Hamilton (200ha) to meet demand to 2031 (44ha).

As a result, based on availability of industrially zoned land, there would be no need for any industrial land zoning given there was:

- 104ha of vacant IN1Z land equivalent to 38% of total IN1Z land; and
- 96.2ha of vacant IN2Z land (100% of all IN2Z land).

The assessment indicated that demand would primarily be split between:

- A steady requirement for relatively small allotments to suit trades-related activities;
- More occasional larger lots with highway frontage for industrial and trades-related sales activities.

It was also indicated that there would be less frequent demand for larger allotments to suit the needs of significant manufacturing and transport-related firms.

The following table is an extract from the assessment and categorises demand by small lots (average 0.2ha lot), highway sales (average 0.5ha lot) and larger allotments (average 2.0ha lot). The assessment forecasts an average demand of 4.5 lots per year, equivalent to 2.1ha of land demand per annum. Over the period from 2011 to 2021 and 2031, demand is projected to be 23.1ha and 44.1ha respectively.

Table 36 - Forecast Industrial Land Requirements for Hamilton (2010 – 2031)

| | Average Lot Size (Ha) | Average Lots Per Annum (No.) | Average Area Required Per Annum (Ha) | Area Required By 2021 (Ha) | Area Required By 2031 (Ha) |
|-------------------|-----------------------|------------------------------|--------------------------------------|----------------------------|----------------------------|
| Small lots | 0.2 | 3.0 | 0.6 | 6.6 | 12.6 |
| Highway sales | 0.5 | 1.0 | 0.5 | 5.5 | 10.5 |
| Larger allotments | 2.0 | 0.5 | 1.0 | 11 | 21 |
| Total | | 4.5 | 2.1 | 23.1 | 44.1 |

Source: Residential and Industrial Land Assessment: Hamilton, Prepared by Hansen Partnership Pty Ltd & Tim Nott Economics (April 2011)

Consultation with industrial landowners indicated that the demand for industrial land in Hamilton is relatively muted at the current time. A number of landowners indicated that they had trouble disposing of vacant industrial land for sale and developed hardstand warehousing sites for lease. Indeed, there were multiple landowners who

had sites which they had been unable to dispose of for a number of years. This appeared to be more of an issue in the southern industrial precincts than in the north-western industrial area. The low level of market activity is also likely to partly reflect land and leasing prices being sought by landowners.

Whilst some demand from beyond Hamilton was identified by specific landowners, it was primarily indicated that local interest from within Hamilton itself is the major driver of demand for industrial land. There did not appear to be any specific requirements in terms of lot size or existing infrastructure for those seeking industrial land, however good accessibility was identified as a key factor in leasing industrial properties.

Whilst it was recognised that there are a number of vacant lots available for development, particularly in the southern industrial area, a number of the stakeholders identified land on the southern side of Coleraine Road / Glenelg Highway just west of West Boundary Road as being suitable for additional rezoning to IN1Z.

Discussions with developers of industrial land throughout Victoria⁵¹ indicated that Hamilton competes with regional centres in western Victoria and parts of South Australia. Melbourne performs a state-wide and national role in the industrial economy. For example, the 2010 Urban Development Program (UDP) states that the Western Region of Metropolitan Melbourne accounted for approximately 7,070ha of industrial land of which 32% or 2,230ha was vacant.

Developers indicated that accessibility is the key factor in driving demand for industrial land, however access to skilled and specialised labour, full service provision and proximity to the end user market are also important in attracting tenant interest. Some industrial developers are not currently active in the development of industrial properties in Victoria due to the current market and limited demand for speculative space without tenant commitment. Industrial agents indicated that most recent developments have been focused on transport and logistics rather than manufacturing.⁵²

7.2 INDUSTRIAL CAPITAL VALUES (IMPROVED LOTS)

Given the lack of data available in recent years, particularly for the southern and eastern precincts, sales and market activity in Hamilton since 2000 has been analysed. Based on sale records, 36 improved industrial property sales in Hamilton have been recorded since 2000. The majority of these have occurred in the southern (15 sales) and the north west (14 sales) industrial areas.

Research suggests that typically there is a stronger market for smaller industrial sites in Hamilton. Since 2000, 22 sales were lots less than 0.5ha, with 14 sales for lots greater than 0.5ha. This trend is particularly prevalent in the north western and eastern industrial areas. Almost 80% of sales in these industrial areas were for industrial properties with site areas of 0.5ha or less. This compares to the southern area where 53% of sales were for properties greater than 0.5ha. This is likely a reflection of the larger lot sizes available in the southern industrial areas.

Based on sales since 2000, the median size of improved lots sold in the eastern industrial area was 2,175sqm. This compared to 2,450sqm in the north western industrial area and 5,480sqm in the southern industrial area.

⁵¹ Discussions with MAB Corporation, Mirvac, Places Vic, Rest/Super Investment Management, Australand (May 2013)

⁵² Discussions with Matt Sampson, CBRE (May 2013)

The following table indicates that based on past sales, the southern industrial area commanded the highest median sales value for smaller improved industrial sites in Hamilton. These largely included small factory units on lots fronting Portland Road between Officer Street and the Saleyards.

For industrial lots greater than 0.5ha, the eastern industrial area had the highest median sales value of \$53/sqm. This is considerably higher than the other industrial areas but is not surprising given the location of the precinct adjacent to the Hamilton CBD.

Table 37 - Hamilton Industrial Improved Sale Values 2000-2013 (\$/sqm land)

| Industrial Area | <5,000sqm | | | | >5,000sqm | | | |
|-----------------|-----------|-------|--------|------------------------|-----------|------|--------|------------------------|
| | Min | Max | Median | No. Total Transactions | Min | Max | Median | No. Total Transactions |
| North West | \$21 | \$331 | \$73 | 10 | \$16 | \$65 | \$24 | 3 |
| Eastern | \$52 | \$270 | \$147 | 6 | \$30 | \$61 | \$53 | 3 |
| Southern | \$68 | \$437 | \$254 | 6 | \$1 | \$96 | \$14 | 8 |

Source: RP Data (2013), Property Information Monitors (2013), Real Commercial & Hill PDA Research (2013)

In the north west industrial area, lots fronting Coleraine Road had the higher values (\$80-\$180/sqm), with the remainder of the north west area achieving sales values of \$60-\$150/sqm. There have been two recent improved sales in the North West 3 precinct, in particular being:

- Factory at 282 Coleraine Road (2,200sqm site) sold in March 2013 for \$412,500 equivalent to \$184/sqm of land; and
- Warehouse at 5 Woodward Street (966sqm site) sold in April 2013 for \$320,000 equivalent to \$300/sqm of land.

Past sales evidence is provided in Appendix 1.

Since 2010, Hill PDA is aware of 8 improved industrial sales. 25% were for lots less than 1,000sqm with only 1 lot greater than 1.0ha. The improvements on these sites have all been general purpose warehouses. Since 2010, improved industrial lots in Hamilton have achieved:

- \$270-\$330/sqm for lots less than 1,000sqm; and
- \$105-\$200/sqm for lots of 1,000sqm to 1.0ha.

The single sale of a lot over 1.0ha achieved \$22/sqm.

An analysis of industrial sales in Warrnambool, Ballarat, Horsham, Portland and Mount Gambier indicates that the sale values in Hamilton are typical of other comparative regional industrial areas, although Hamilton has experienced less sales volumes. The following table indicates sale values by size and total transactions over the period 2010-2013.

Table 38 - Comparison of Regional Industrial Sale Values 2010-2013 (\$/sqm land)

| Location | <1,000sqm | | | 1,000sqm - 1ha | | | >1ha | | | No. Total Transactions |
|---------------|-----------|---------|--------|----------------|-------|--------|------|-------|--------|------------------------|
| | Min | Max | Median | Min | Max | Median | Min | Max | Median | |
| Hamilton | \$270 | \$331 | \$300 | \$104 | \$202 | \$167 | \$22 | - | - | 8 |
| Warrnambool | \$815 | \$1,142 | \$962 | \$141 | \$428 | \$323 | - | - | - | 21 |
| Ballarat | \$515 | \$2,069 | \$576 | \$254 | \$675 | \$325 | \$33 | \$70 | \$52 | 14 |
| Horsham | \$222 | \$867 | \$545 | \$21 | \$175 | \$82 | \$16 | \$77 | \$24 | 12 |
| Portland | \$224 | - | - | \$89 | \$162 | \$114 | \$9 | \$15 | \$15 | 12 |
| Mount Gambier | \$175 | \$369 | \$322 | \$76 | \$358 | \$183 | \$28 | \$109 | \$68 | 33 |

Source: RP Data (2013), Property Information Monitors (2013), Real Commercial & Hill PDA Research (2013)

Analysis of competing industrial areas indicates that 25% of all sales in Portland and Horsham are for industrial sites over 1.0ha. Conversely, 50% of sales in Ballarat since 2010 have been for industrial sites under 1,000sqm.

Table 39 - Comparison of Regional Improved Industrial Site Lot Sizes 2010-2013

| Location | Lot Size (sqm) | | | Proportion of Sales | | |
|---------------|----------------|-----------|--------------|---------------------|--------------|-------|
| | Min (sqm) | Max (sqm) | Median (sqm) | <1,000sqm | 1,000sqm-1ha | >1ha |
| Hamilton | 927 | 10,400 | 2,210 | 25.0% | 62.5% | 12.5% |
| Warrnambool | 262 | 4,593 | 1,736 | 19.0% | 81.0% | 0.0% |
| Ballarat | 318 | 51,800 | 1,048 | 50.0% | 35.7% | 14.3% |
| Horsham | 857 | 41,200 | 3,806 | 16.7% | 58.3% | 25.0% |
| Portland | 759 | 56,800 | 2,924 | 8.3% | 66.7% | 25.0% |
| Mount Gambier | 627 | 17,090 | 1,411 | 15.2% | 78.8% | 6.1% |

Source: RP Data (2013), Property Information Monitors (2013), Real Commercial & Hill PDA Research (2013)

An investigation of industrial properties on the market at May 2013 indicated that there were no publicly advertised industrial properties for sale in Hamilton, Horsham, Portland and Mount Gambier with only a few industrial properties for sale in Warrnambool and Ballarat.

7.3 INDUSTRIAL RENTS

The information contained within this section has been informed by Hill PDA's analysis of past leases, publicly available real estate listings together with discussions with local agents. As at May 2013, there was a lack of industrial properties for lease in Hamilton, Warrnambool and Portland. By comparison:

- Ballarat had the highest levels of available rental stock. At the time of analysis, there were 17 industrial warehouses/workshops available for lease, with asking rents of \$55-\$140/sqm for properties of 50-1,260sqm (generally 350sqm).
- Mount Gambier had 3 industrial properties for lease. The largest available site was 4,000sqm with the remaining 2 sites comprising of a 250sqm and 310sqm respectively. Asking rents for the smaller sites are \$65-\$80/sqm with the 4,000sqm site asking \$30/sqm.
- Recent industrial rents in Horsham have achieved \$35-\$60/sqm for lots of between 375-4,850sqm. There is 1 industrial site available in Horsham asking \$60/sqm for a 432sqm site.

In order to understand how regional areas compare with the metropolitan area, the following data is provided. The Melbourne industrial rental market is an inexpensive market, particularly when compared to other capital

cities like Sydney and Brisbane. This is largely due to the significant amount of developable land in proximity to the CBD, ports, and road networks. These traits mean Melbourne attracts large national and international industrial firms. The table below indicates industrial building rents of \$70-\$95/sqm are being achieved for prime grade industrial property and \$55-\$65/sqm for secondary grade stock.

Table 40 - Melbourne Average Net Face Rents by Region (2012)

| Metropolitan Region | Prime(\$/sqm) | Secondary (\$/sqm) |
|---------------------|---------------|--------------------|
| South East | \$70-\$95 | \$55-\$65 |
| City Fringe | \$90-\$160 | \$65-\$90 |
| East | \$80-\$85 | \$65-\$75 |
| North | \$65-\$80 | \$50-\$65 |
| West | \$65-\$80 | \$50-\$60 |

Source: Hill PDA Research (2012)

These results indicate that in some cases regional areas are achieving industrial rents which are similar in value to those being achieved in western Melbourne. Rents differ not only by region and industrial grade, but by industrial land use type as indicated in the following table.

Table 41 - Melbourne Rents by Industrial Use (2012)

| Property Type | Average Net Face Rent (\$/sqm) |
|---------------|--------------------------------|
| Warehouse | \$83 |
| Distribution | \$82 |
| Unit Estate | \$100 |
| Hi-Tech | \$149 |

Source: Hill PDA Research (2012)

7.4 VACANT INDUSTRIAL LAND

According to local agents, there are a limited number of vacant land lots available for sale in Hamilton, Horsham and Portland. Research regarding vacant industrial land in Hamilton indicates:

- There is little evidence of vacant industrial land sales in the eastern and southern industrial areas of Hamilton, stretching as far back as 1990.
- The north-west industrial area has been the primary location in Hamilton for the sale of vacant or unimproved industrial lots. The median value of vacant industrial lots in the north west industrial area has been \$39/sqm based on 7 sales between 2000 and 2013. A vacant 2,031sqm site at 34 Peck Street in the North West 3 precinct sold in June 2013 for \$40/sqm.
- There were only 3 sales of unimproved and vacant land recorded in the southern industrial area, two of which occurred in 2000, with another occurring in 2012. The 2012 sale was transacted for around \$16/sqm.
- The eastern industrial area only had one recorded unimproved or vacant lot sale over the period 2000 to 2013 which sold for \$97/sqm in 2006. A vacant 4,800sqm site on Abbott Street in the eastern industrial area is on the market asking \$35/sqm.⁵³

⁵³ At July 2013

- Consultation indicated that the Peck Street industrial subdivision achieved below market values with Hill PDA sales evidence indicating rates of \$20-\$76/sqm.

By comparison, Hill PDA is aware of:⁵⁴

- A smaller 1,500sqm site on the market in Portland asking \$100/sqm.
- A 3ha vacant lot on the market in Horsham asking \$6/sqm.
- 28 vacant industrial lots currently for sale in Warrnambool (1,200-6,100sqm) with asking prices ranging from \$180,000-\$2.8m (typically \$150/sqm).
- 17 vacant industrial sites for sale in Ballarat. Asking prices range from \$150,000-\$800,000 or around \$117/sqm. Sites are 1,500sqm-5,600sqm with the exception of a 2ha block which is asking \$38/sqm.
- It is understood that an industrial land subdivision is currently underway in Dunkeld. The subdivision has not been completed as yet however and no indicative prices are yet available.⁵⁵
- Calula Industrial Estate in Mount Gambier currently has 6 vacant industrial lots for sale with asking prices of \$68-\$107/sqm. Lots are 1,311-5,125sqm with a median lot size of 2,380sqm. A single light industrial vacant lot at 310 Commercial Street (1,400sqm) is also on the market asking \$178/sqm.

Past sales evidence is provided in Appendix 1.

The following table below compares industrial land values across Metropolitan Melbourne's industrial markets, which indicates those regional areas examined in this Study are achieving values which are only slightly less than land values in Melbourne's west.

Table 42 - Melbourne Industrial Land Values by Region in July 2013 (\$/sqm)

| Metropolitan Region | Lot Size (sqm) | | | |
|---------------------|----------------|-----------------|-------------|-----------|
| | 3,000 – 5,000 | 10,000 – 20,000 | 10ha + | Englobo |
| North-West* | \$140 – 220 | \$115 – 150 | na | \$20 - 60 |
| City Fringe | \$600 – 900 | \$500 – 800 | na | na |
| South- Eastern | \$200 – 235 | \$170 – 250 | \$110 – 140 | \$50 – 80 |

*North West - Somerton, Campbellfield, Epping, Thomastown, Broadmeadows, Tullamarine, Footscray, Sunshine, Altona, Deer Park, Laverton North, Derrimut, Brooklyn, Truganina.

Source: Savills Melbourne Industrial Report (Q2, July 2013)

7.5 IMPLICATIONS

The analysis of the industrial market in Hamilton, along with the comparative areas of Warrnambool, Ballarat, Horsham, Portland and Mount Gambier highlights the following:

- Demand for industrial land in Hamilton will not exceed existing available supply over the long-term with just 25% likely to be taken up over the period to 2031. There may be no requirement for additional industrial zoned land in Hamilton in the foreseeable future.
- Local agents indicate that the Hamilton industrial market has been slow in recent years with evidence of fewer listings and properties being on the market for longer periods.

⁵⁴ At July 2013

⁵⁵ At July 2014

- The lack of listings in Hamilton is partly a result of slow market conditions but may also relate to other factors such as land being tightly held, some stockpiling of unimproved and developed industrial lots by a prominent landowner/s in the township, high landowner price expectations and current land offering not matching up with higher order enquiries.
- There was good take-up of the Council initiated Peck Street development, with 11 lots having been sold in the North West 3 Precinct in a 5 year period between 2006 and 2011. This may indicate that there is demand for well serviced and presented lots in the right location.
- The most active market in terms of industrial development in the region has been Ballarat, with 11 warehouses recently completed in Doveton Street. An industrial subdivision is also in the pipeline in Dunkeld.

OPPORTUNITIES FOR GROWTH



HAMILTON

8. OPPORTUNITIES FOR GROWTH

The purpose of this Chapter is to outline the key outcomes of analysis within the Industrial Land Study and to identify the key implications for the management of industrial land within Hamilton moving forward. This includes consideration of growth industries for Hamilton; discussion surrounding incentives to attract industrial development; and, identification of key precincts which can accommodate industry growth and change.

8.1 INDUSTRIAL LAND USE TRENDS

Today the demand for employment and industrial land and its geographic distribution is being increasingly influenced by a new and more diverse set of factors. The need for operational speed and efficiency, driven by the globalisation of trade, the rapid growth of airfreight, the advances in information technology, and the growth of outsourcing or third party logistics, are generating increased demand for locations offering high levels of accessibility.

These trends are also creating pressures for new large clear span accommodation that addresses requirements for horizontal rather than vertical efficiency and optimum flexibility. The most sought after characteristics include:

- Undeveloped large vacant and unencumbered land for purpose built operations;
- Low priced and serviced industrial zoned land;
- Availability of an appropriately skilled local workforce;
- Agglomeration or synergies with other industries in the area; and
- Good access to major arterial road and transport infrastructure.

There are also other needs, which are contributing to the development of new forms of accommodation and changes in the spatial distribution of economic activity. The rise of the business park is an example, in addition to the growing popularity of home based working, the development of niche industries (e.g. urban agriculture, tourism/recreation industries, eco-industry and lean manufacturing and so on), and the diversification of retail and growth of bulky goods in out of centre locations.

The main drivers of the supply and demand cycles of industrial land can be summarised as follows:

- Demand factors associated with economic growth and change; and
- Supply factors including diversity, infrastructure and the costs of doing business.

8.2 DEMAND FACTORS

At a local level, traditionally agriculture and associated agribusiness have been key foundations of the Southern Grampians Shire's economy, particularly sheep, lamb and wool production. This remains the case today, with 80% of land in the Shire devoted to agricultural uses⁵⁶. Other significant agricultural and crop production sectors include: pasture cut for hay; oats for grain; canola oilseeds, pasture seed, barley and linseed⁵⁷.

Many prominent local industries remain intrinsically linked and driven by primary industry production including farming, mining and timber production industries⁵⁸. As the major location for industry and employment in the Shire and wider region, Hamilton has a number of significant industrial sectors, including⁵⁹:

- Wood and furniture production;
- Mining equipment manufacturing;
- General engineering;
- Farm products manufacturing – including the Hamilton Livestock Exchange which is one of the largest Saleyards in south eastern Australia and a significant and unique point of strength for the Shire and local area around Hamilton;
- Construction products; and
- Farm and industrial sales.

This focus on agribusiness and primary production in Hamilton, along with the proximity of extensive productive farmland has been a major contributing factor in the agriculture, forestry and fishing sector being the number one industry of employment for Southern Grampians Shire residents (employs approximately 18% of all working residents).

However the relative importance of the agriculture, forestry and fishing sector to the township has been in decline which is reflected in the reduction in the number of working residents employed in this sector between 2001 and 2011 (-366). Moreover an analysis of business count trends has shown that there has been a loss of 15 agriculture, forestry and fishing businesses in the Shire over the period 2009 to 2011. This is reflective of broader state and national trends which has seen the impact and importance of agriculture and agribusiness decline due to improvements in technology and farming practices and inconsistent climatic conditions.

Other trends in land capability, agricultural production, general industry and infrastructure which could have implications for industrial land demand in Hamilton include⁶⁰:

- A decrease in the average gross operating profit of monitored farms of 36% from \$181 to \$125 per effective hectare over the period 2007/08 – 2008/09;
- An increase in average total income derived from prime lamb, beef and cropping;

⁵⁶ Southern Grampians Shire Economic Development Strategy – Background Report, Geografia (2011)

⁵⁷ Ibid

⁵⁸ Hamilton Structure Plan – Draft Land Supply and Demand Assessment, Hansen Partnership (2012)

⁵⁹ Hamilton Structure Plan – Draft Investment and Attraction Strategy, Hansen Partnership (2012)

⁶⁰ Hamilton Structure Plan (2011)

- Increasing Tasmanian Blue Gum harvesting, and cropping production (especially canola) on former grazing land⁶¹;
- A reduction in income derived from wool, hay and silage;
- Losses in productivity in the Hamilton area due to soil issues including high soil structure decline, waterlogging, dispersive behaviour, nutrient decline and acidification;⁶²
- More successful farms spreading risk across a range of commodities (e.g. wheat, canola, manola and prime lambs);
- Transport costs are a key disadvantage for local producers;
- The mining sector is less likely to expand due to the mineral sands resource being explored as a 10-15 year run;
- The Iluka mineral sands process plant may continue to develop beyond its initial 10-15 year life;
- Hamilton Airport is likely to expand which will generate demand for airport-related industries; and
- Less frequent demand for larger allotments to suit the needs of significant manufacturing and transport related firms.

8.3 SUPPLY FACTORS

Planning for future industrial demand relates to ensuring sufficient industrial land is available to satisfy the projected aggregate demand. This will enhance the competitiveness and efficiency of industrial activities.

In addition to supply, strategies can also look at catering for different industrial development types such as large lot offensive industry through to small lot urban services for example. This requires selection of appropriate zones, lots sizes and infrastructure connections.

Planning controls in Southern Grampians Shire permit varying levels of industrial development. Despite this, the market has generally delivered local urban service industries in recent years. Research suggests that demand is strongest for smaller industrial lots less than 0.5ha and are commonly around 2,000-2,500sqm.

There are a number of important infrastructure considerations in facilitating industrial zoned land for further development. These include:

- Electricity supply: there is a marked difference in the electricity supply provided to a domestic customer versus an industrial customer and often getting this additional supply requires significant forward planning with servicing agencies because expensive “headworks” upgrades may be required.
- Water supply: particularly the provision of adequate levels of water pressure. In the southern industrial area, additional water supplies are available from the Wannon Water treatment plant.

⁶¹ Glenelg Hopkins Catchment Regional Soil Health Action Plan, van de Graaff & Associates Pty Ltd and Geocode Mapping & Analysis (2006)

⁶² Glenelg Hopkins Catchment Regional Soil Health Action Plan, van de Graaff & Associates Pty Ltd and Geocode Mapping & Analysis (2006)

- Other utilities: telecommunications is critical for all modern business operations. In addition, gas supply can be an important factor for some business types.
- Local access provision: the development of residential areas around older industrial estates can result in traffic congestion and can create problems for heavy vehicle access. Small firms are particularly susceptible to problems with vehicle access into and out of their sites. It was noted during consultation that this had been an issue with particular sites in the North West 2 precinct.
- Transport links: regional road, rail and air linkages is a key strength of the town, and this includes proximity to the Port of Portland and connections to other regional centres including Horsham, Mount Gambier, Ballarat and Warrnambool and further afield to Melbourne. It is essential that these infrastructure and transport linkages are maintained and enhanced to ensure industry can leverage off them to grow and expand.
- Project ready sites: available industrial land does not always cater to specific operational needs and requirements. There may also be a lack of project ready (i.e. serviced) in order to commence immediate operations.

To inform this Study and as a result of the trends noted above, the following table identifies a range of characteristics of various land uses appropriate on industrial zoned land based on Hill PDA's experience.

Table 43 - Industrial Land Use Requirements

| Type | Activity | Key Requirements |
|-------------------------|---|---|
| Heavy Industrial | <ul style="list-style-type: none"> ▪ Steel and chemical manufacturing. ▪ Heavy manufacturing. ▪ Abattoir. ▪ Raw materials. ▪ Bulky commodity storage and distribution. ▪ Smelters and concrete batching. ▪ Heavy industry which can safely and securely occupy and trade 24 hours. | <ul style="list-style-type: none"> ▪ Extensive vacant land and a variety and diversity of lot types. ▪ Remote from residential areas with special regard for minimising adverse environmental effects and potential hazards. ▪ Preferably in areas with good air dispersion capacities and where pollution can be handled and significant buffers can be achieved. ▪ Heavy industry subdivisions of over 200ha often include heavy rail access. ▪ Lots of a sufficient size to handle significant truck movements, proximity to freight rail or spur lines, and bulk storage and transport of bulky commodities. ▪ Other specific requirements related to the particular types of special industries. ▪ Heavy industry requires additional electricity to run machinery and large scale industrial land developments require it to attract manufacturing and heavy industry use (east 300-350 KVA per hectare across any subdivision). ▪ There may be a higher demand for gas in some heavy industrial estates, as furnaces and other turbines etc may be gas fired. ▪ Heavy industry requires deep sewers for each lot. |
| Light Industrial | <ul style="list-style-type: none"> ▪ Consumer oriented e.g. household goods and clothing. ▪ Local and district catchments. ▪ Manufacturing which uses partially processed. | <ul style="list-style-type: none"> ▪ Well located in relation to supply chains and service providers. ▪ Potential for on-site expansion of existing industrial businesses. |

| Type | Activity | Key Requirements |
|--|---|---|
| | <ul style="list-style-type: none"> materials to make products. ▪ Showroom and services. ▪ Can be home based. ▪ Hardware / home improvements. ▪ Building supplies. | <ul style="list-style-type: none"> ▪ Well located in relation to freight connections and other important road and/or rail networks and airports. ▪ Cheaply serviced. ▪ Minimal or no adjoining land use constraints. |
| General – Industrial Estate | <ul style="list-style-type: none"> ▪ Special use sites with a local significance. ▪ Consumer and business orientation. ▪ Regional, state and international catchments. ▪ Not hazardous or offensive. ▪ Can include business parks, offices, local services, fabrication and manufacturing. ▪ Some limited retail/bulky goods. | <ul style="list-style-type: none"> ▪ Interstate, interregional arterial roads, preferably High Wide Load corridors, rail freight. ▪ Reasonably good accessibility to other industrial estates to strengthen industrial linkages. ▪ Availability of good public transport services provision of mass transit is not essential but linkage to such facilities is desirable. ▪ Sufficiently close to, but not adjoining, residential areas and with special regard for environmental effects. ▪ Potable and processing water, sewer/ land for waste water disposal, electricity, other energy (food and metal processing are heavy water users and may require associated recycling facilities). ▪ Large, skilled workforce catchment. ▪ Moderate to large, relatively flat sites – any processing is land intensive. ▪ Potential for large amounts of onsite storage. |
| General – Warehousing and Distribution | <ul style="list-style-type: none"> ▪ Storage and display of goods. ▪ May include wholesale. ▪ May be hyper large sites dependent upon scope of operation. ▪ Trend towards automated goods handling and smart buildings. ▪ Trend towards dedicated distribution parks (see logistics below). ▪ Sites to be as flat as possible, allowing for large buildings with maximum accessibility for handling vehicles. | <ul style="list-style-type: none"> ▪ Freeways, rail freight routes. ▪ Transport corridors. ▪ Proximity to strategic and regional centres. ▪ Close to equidistant between centres of population and trade. ▪ Areas where there is minimal impact on neighbouring uses but do not require major buffers or separation zones. ▪ Large sites, verge large lots, can be multi-storey. ▪ Large hardstand areas and parking sites. ▪ Local employment catchment. ▪ Linked to logistics and transport industries. |
| General – Transport and Logistics | <ul style="list-style-type: none"> ▪ Transport and courier depot and services. ▪ Distribution centre. ▪ Packaging, parts and services. ▪ Disposal, recycling. ▪ Material management. ▪ Geared towards high technology / smart automated systems. ▪ Likely to need expansion / growth to be identified as later phases of sequential development. | <ul style="list-style-type: none"> ▪ Airport ▪ Seaport ▪ Interstate, inter-regional arterial roads, rail freight. ▪ Very large sites (up to 200ha) with very large lots (possibly 9,000sqm minimum). ▪ Large hardstand areas and parking sites. ▪ Links to warehousing sites. ▪ All utilities including information and communication technology (ICT) networks. |
| High Tech or Research & Development | <ul style="list-style-type: none"> ▪ Technology. ▪ High-tech manufacturing. ▪ Electrical equipment manufacturing. ▪ Health product research and manufacturing. ▪ Software and technology hardware. ▪ Semi-conductors. ▪ Information technology and computer systems. | <ul style="list-style-type: none"> ▪ Large tracts of vacant land or reclamation that are capable of staged implementation and future expansion. ▪ Well served by advanced telecommunication infrastructure. ▪ Excellent access to major strategic roads and rail. |

| Type | Activity | Key Requirements |
|-------------------------------|--|--|
| | <ul style="list-style-type: none"> ▪ Data processing and related services. | <ul style="list-style-type: none"> ▪ Preferably near tertiary and/or research and development institutions for facilitating cooperation with industries. ▪ Surroundings with special identity, pleasant environment, and/or scenic setting to create a high quality environment. ▪ Minimum site areas of around 20ha. |
| Rural Based Industrial | <ul style="list-style-type: none"> ▪ Wholesaling (e.g. feed, fertilisers, etc). ▪ Machinery supplies and servicing. ▪ Livestock exchanges and saleyards. ▪ Other agribusiness. | <ul style="list-style-type: none"> ▪ Particular site requirements for industries which cannot be accommodated in ordinary multi-storey factory buildings or industrial estates. ▪ Particular site characteristics and sufficient size for provision of open storage and parking areas and landscape buffers. ▪ Well served by local infrastructure including among other, access roads with adequate width for goods and emergency vehicles. ▪ Special regard for minimizing adverse environmental effects. ▪ Range of lot sizes from 0.5ha to 5ha. |

8.4 KEY LOCATIONS FOR INDUSTRIAL GROWTH

The north western and southern industrial areas have different strengths and favour different types of development. The north western industrial area is generally characterised by smaller lot patterns accommodating predominantly light industry uses including niche manufacturing, wholesale farm and agricultural supplies and general warehousing and storage. The southern industrial area is characterised by larger lot size typologies and tends to accommodate heavier and larger scale manufacturing, transport and warehousing uses.

It is recognised that there is substantially more vacant and underutilised industrial land in the southern industrial area and that the Hamilton Structure Plan Investment Attraction Strategy (IAS) identified the southern area as having more potential for the development of an industrial estate for small and medium sized allotments.

It is generally desirable that the different roles and functions of the southern and north western industrial areas be encouraged with smaller scale, light industrial uses encouraged in the north western area and larger scale, heavier industrial uses located in the southern industrial area. That said, this strategy would not preclude smaller industries from locating in the southern precinct.

8.4.1 REGIONALLY SIGNIFICANT INDUSTRY

Heavy industry can play a strategic role in supporting a region's economy. As a result, there is a case to provide suitable areas to enable such industrial enterprises to establish in the region in a location that is separated from residential neighbourhoods and other sensitive land uses. These locations also need good access to infrastructure, in particular major roads and potentially rail and air and sea ports.

Heavy industrial activity can generate significant levels of noise and / or air pollution and should be located in appropriate zones with buffering from sensitive land uses. The efficiency of buffer zones is a critical issue for

heavy industrial activities. Careful consideration needs to be given as to what uses are appropriate in buffer zones to ensure conflicts of use do not arise.

Land appropriate for these types of uses are considered to be primarily within the southern precincts. Larger scale industrial businesses are already located here (e.g. Gaincorp, Southern Soils), which also provide less land use conflicts and the ability for protection buffers, which other precincts (such as the east and north) currently lack. It is considered that land in the southern precincts should be considered as having a regional catchment.

The IN2Z in the South 1 precinct already permits more noxious industry within the Southern Grampians Planning Scheme. It is considered that the adjacent South 2 and South 3 precincts, whilst not permitting noxious industry, would be appropriate for other larger scale industry that cannot otherwise be catered for in smaller industrial precincts, and would provide a strong base for further investment and development in Hamilton.

In this respect, it is recognised that larger employment precincts in the southern industrial area would compete regionally to attract new industries and businesses. Whilst there will be some competition between precincts within Hamilton itself, of more relevance to the planning process will be other comparable precincts in the broader region of western Victoria that are comparable in size and attributes to available land in Hamilton.

From the assessment of comparable industrial lands within this Study, the most comparable precincts in this regard are the Warrnambool Eastern Industrial Precinct (107ha), Ballarat West Employment Zone (623ha) and existing IN2Z land in Portland (over 1,000ha of which around 65% is vacant). Of particular note:

- Warrnambool Eastern Industrial Precinct is expected to be released in 2014 and is within proximity of the recently upgraded intermodal freight terminal at Dennington which complements the planned Warncoort Crossing Loop which will allow longer freight trains to operate between Warrnambool and the Port of Melbourne. It is anticipated that the precinct could heavily target freight and logistics.
- The Ballarat West Employment Zone is not only significant in size but has also received significant funding from both RDV and Major Projects Victoria. Whilst it is recognised as a long term project, it does benefit from a strategic location near to the Ballarat West Growth Area, the Ballarat Airport, rail infrastructure and the future Western Link Road. The precinct is heavily targeting the manufacturing sector.
- Portland already accommodates a considerable quantum of industry on IN2Z land (excess of 1,000ha), including the Portland ALCOA Smelter and the Port of Portland operations. The IN2Z land in Portland could be considered a directly competing location to Hamilton given its location to port and rail infrastructure.

Despite the competition, the opportunity exists to promote the southern industrial areas of Hamilton for new large industry associated with the commodities that travel through the Port of Portland, or new emerging industries (e.g. new technologies and lean manufacturing, research and development, diverse and value added agriculture). These industries are generally not accommodated in traditional local industrial precincts due to the size and nature of their site requirements.

The provision of suitable land can be supported by other initiatives to facilitate demand for new industry. Investment attraction strategies including marketing can encourage businesses to invest in a location. Strong partnerships between landowners and all levels of government can also assist.

Furthermore, if cost savings in setting up business and industry in Hamilton can be demonstrated, together with a supportive regulatory and planning environment, new business and industry can be encouraged to invest in Hamilton.

It should also be recognised that whilst it is important to determine the strategic direction of regionally significant sites, being too prescriptive may inhibit the development of the land and economic growth in general. As was recently noted by the Productivity Commission, industrial land uses across cities are far more varied than residential and commercial uses. Hence, there is far greater variation required. This Study does not provide precise requirements in regards to, for instance, road frontage, lot depth and other land use attributes. These elements are best determined by businesses.

Within the southern industrial area, the following precincts are generally the most appropriate for additional larger scale industry development:

South 1 Precinct

Given the quantum of vacant IN2Z land, the characteristics of the site, and the fact the site is in single ownership, the South 1 precinct presents an excellent opportunity for larger scale and more offensive or noxious industry. Such uses may include meat processing facilities, heavy manufacturing, or water intensive industries given the proximity of recycled water at the Wannon Water sewage treatment plant.

It is recognised that the precinct does lack some servicing provision and that there is a much larger quantum of available IN2Z land located at Portland, however despite this, the South 1 precinct remains a good location for further industrial development.

It is understood that there has been interest shown by a regionally significant manufacturer in developing part of the South 1 precinct, with as much as 1ha of land potentially to be utilised. A development of this scale would generate significant full-time employment and would create further employment through multiplier impacts to logistics, allied industry sectors and other business services. It is understood that a single landowner controls all of the IN2Z land that makes up the South 1 precinct. A key issue in the facilitation of this development will be the consent from the landowner to make part of the land available for sale.

South 2 Precinct

Vacant land bordered by Beath Street to the west in the South 2 precinct is highly suitable for further industrial development (27.7ha). This location has few encumbrances, is vacant and has excellent accessibility attributes.

Furthermore, this vacant component of the precinct has a number of consistently sized large vacant lots ranging from 2.4ha to 3.5ha per lot which are appropriate for larger scale industry investment and development. They are not under single ownership and would require amalgamation should a larger footprint industry wish to locate in the precinct.

The South 2 precinct may also be appropriate for horticulture production which could potentially utilise excess water from the Wannon Water sewage treatment facility to further production capacity within the South 2 precinct.

South 3 Precinct

The northernmost section of the South 3 precinct bordered by Lodge Road, Monivae Street, Officer Street and Portland Road currently contains smaller lot size typologies, accommodating a number of small manufacturers and intermingled residential uses. The scattered nature of residences in and around this area constrains the potential for larger scale industry including more noxious industry development.

However, the southern portion of the South 3 precinct, particularly that area bounded by South Boundary Road and Henty Highway and also the area bounded by South Boundary Road, Dunn Road and Lodge Road has a number of large lots available for development (typically >1.5ha). This includes a large Council owned site on Hamilton-Port Fairy Road of 7.5ha. The options for this Council owned site are outlined further in this report.

8.4.2 LOCAL SERVICE INDUSTRY

In addition to industrial land of regional significance, there is a need to provide sufficient land to accommodate demand from local service industries. Industrial land in the north west and eastern precincts are likely to continue to provide for local urban services and light industry.

North West 3 Precinct

The North West 3 precinct has a number of good attributes which encourage further light industry development including its excellent main and internal road accessibility, full range of utility services and no encumbrances.

In addition to the geographic and service qualities of this precinct, there are a number of strong local industries and businesses which have the potential to expand and develop. Whilst expansion and further development of existing business and industry in the precinct may not necessarily be substantial, there are agglomeration benefits with other businesses within the precinct.

Light industry that requires a smaller scale footprint, can be located in the North West 3 precinct. The existing industries and businesses in the North West 3 precinct and lack of available vacant land in the eastern industrial area make it a logical location for further light industry development. There are a limited number of vacant lots of a reasonable size to accommodate another industrial lot subdivision.

South 4 Precinct

Should available land for development become scarce in the North West industrial area, there is potential to accommodate some light industry and urban service development in the South 4 precinct.

The eastern edge of the South 4 precinct also abuts a row of residential uses which precludes more intensive industry from locating in this component of the precinct. Light industry and urban services would be appropriate in this component of the precinct given the quantum of vacant land and residential interface. The precinct is also not quite as accessible from main roads as other precincts in the south and as such would be better suited to light industry and local urban services which do not require as many heavy vehicle movements.

8.5 SUPPORTING NEW AND EMERGING INDUSTRIES

As indicated in the Hamilton Structure Plan Investment and Attraction Strategy (IAS), one of the key indicators of economic resilience in regional economies is diversity in employment. The IAS found that Hamilton lacked a diversity of employment opportunities and work is needed to be undertaken in order to improve the industry mix.

A number of background reports to this Study identified opportunities for new industry development in Hamilton that would be suitable for industrial zoned land. In addition the Port of Portland Strategic Plan (2009) identified a range of opportunities for the Green Triangle Region, which includes Mount Gambier, Warrnambool, Hamilton, Portland and Horsham. The region is of specific relevance as the Port will provide the bulk of handling for the timber (soft and hardwood) and mineral sands exports emerging from the region.

The opportunities identified by these previous studies as well as through stakeholder consultation throughout the process of this Study are identified in the following table.

Table 44 - Potential Growth Industries for Hamilton

| | |
|---------------------------------------|--|
| Raw Materials and Associated Products | <ul style="list-style-type: none"> ▪ Major economic opportunities emerging through timber plantations, mineral sands and viticulture. ▪ The development of further mineral sand mining and processing facilities in Horsham and Hamilton. ▪ Opportunities for manufacturing of engineered wood products, plywood, oriented strand board and cross laminated panels. |
| Horticulture Production | <ul style="list-style-type: none"> ▪ Given climatic conditions including above average rainfall and conducive soil types (including dark peaty clay soils) there is potential to expand the production of horticulture. |
| Transport and Logistics | <ul style="list-style-type: none"> ▪ Transport and logistics services are already an important industry in Hamilton, however the excellent road, air and freight rail connections the town has in relation to other regional centres across western Victoria and South Australia makes it an advantageous destination for transport companies to operate from. ▪ Develop freight and related service industries supporting key north-south and east-west transport corridors and infrastructure given its strategic location at the junction of a number major roads. ▪ A large regional logistics firm identified that there could be potential to expand road freight operations to Hamilton to take advantage of the Iluka mineral sands processing facility. Sands could be trucked from Hamilton to another regional base for further rail distribution around the country. Mineral sands is expected to continue to grow as an export market in south west Victoria, as highlighted in a presentation prepared by the DTPLI. ▪ There may be scope to investigate the potential for the development of an Intermodal Freight Terminal in the southern industrial area of Hamilton, notwithstanding the fact that there are terminals at Doon near Horsham to the north and Dennington in Warrnambool to the south. Development of a terminal would need to be led by local or state government with the backing and commitment of a major transport and logistics company. It is understood that interest has been shown by at least one regionally significant logistics firm for an IFT. ▪ The existing freight rail line is a key strength of Hamilton's and could act as an attractor for a large freight and logistics company. Council has some land in the Southern industrial area near the rail line which could be suitable for development, however there are potentially other sites adjacent to the rail line which would be more appropriate for development. It is understood that there are plans underway to reactivate the railway |

| | |
|--------------------|---|
| | yards near the eastern industrial precinct which along with interest from some regionally significant logistics firms could be an opportunity to develop a rail siding in conjunction with an IFT in the southern precinct. |
| Manufacturing | <ul style="list-style-type: none"> ▪ Hamilton has a strong manufacturing base driven by the needs of farmers, the timber industry and the mining industry. There is an opportunity to encourage growth in more niche and high-end manufacturing which can penetrate broader regional markets. Manufacturing has high value added capacity, meaning that other industries involved in the provision of inputs and services the industry derive a significant benefit from every dollar of output generated by the manufacturers. ▪ Food processing which supports the primary agricultural sector in the Great South Coast Region with milk and meat processing being the dominant food processing sectors. ▪ Aluminium production given ALCOA, Victoria's largest exporter of aluminium, is produced in Portland and is exported to Asian markets. ▪ Cabinet makers, joiners and general carpentry companies to locate at Hamilton could develop an economy of scale and skilled trades. These groups could then co-brand and develop a strategy to market for export to other parts of Australia.⁶³ |
| Lean Manufacturing | <ul style="list-style-type: none"> ▪ A lean production system emphasises the elimination of waste, the creation of goods in lock step with the demand of the market, the input of factory workers in creating an efficient production environment (employee involvement), and the pursuit of continuous improvement⁶⁴. Many manufacturers have been implementing lean practices during the last decade and have produced significant efficiency and eliminated waste. The movement toward green and sustainable business practices is the next step in the lean, just-in-time movement. It is a means to reduce a significant amount of waste and cost in the manufacturing process. ▪ Opportunities to foster new and sustainable conscious industries through agglomeration or 'eco-industrial estates' – which are not limited to manufacturing firms. An eco-industrial park or estate is a community of businesses that seek enhanced environmental, economic, and social performance through collaboration in managing environmental and resource issues. By working together, the community of businesses seeks a collective benefit that is greater than the sum of individual benefits each company would realise by only optimising its individual performance. There are various international examples of eco-industrial estates including Trenton in New Jersey (redevelopment of an existing industrial area for clean industry) and Riverside in Vermont (agricultural industrial park in an urban setting featuring bio-energy and waste treatment), and Synergy Park in Queensland. |

Source: Southern Grampians Economic Development Strategy (2011-2021), Great South Coast Regional Strategic Plan (2010), Draft Great South Coast Regional Growth Plan (2013), Hamilton Structure Plan (2011), Port of Portland Strategic Plan (2009), RDV Green Triangle Prospects (2012), Stakeholder Consultation (2013), Hill PDA (2013)

It is possible for the Southern Grampians Shire and more specifically Hamilton to attract new and expanded industries which would promote local job growth and economic sustainability. However, in many cases success has been in the promotion of a particular theme, as opposed to the provision of conventional accommodation which can be found elsewhere. This has led to not only clusters of like industry, but the co-location of businesses which benefit from each other through the supply chain or through collaboration in managing environmental and resource issues. Whilst clustering and agglomeration supports the ongoing sustainability of the likes of technology

⁶³ Discussions with Lindsay Ferguson, Department of Business and Innovation (May 2013)

⁶⁴ 2010 Trends: Manufacturing, Donna Hedge Burns (December 2009).

parks, logistic hubs and manufacturing clusters, driving the momentum for new clusters is innovative leadership between government and the private sector.

Furthermore, whilst the likes of some developments has been in the established connection with universities or with the assistance of government funding, in many cases their success was also largely in securing an 'anchor' tenant that was the catalyst for further investment and tenant attraction. For example, Ballarat Technology Park secured its first tenant IBM in 1995, whose prime reason for relocation was the availability of skilled labour (as a product of being located adjacent to the University). Today IBM has over 800 workers on site and are investigating further expansion. Likewise Wollongong's Innovation Campus opened in 2008 with the Australian Institute for Innovative Materials and the Institute for Transnational & Maritime Security which was a catalyst for further tenants.

8.6 SUPPORTING EXISTING INDUSTRIES AND BUSINESSES

Apart from encouraging new industry into Hamilton and promoting diversity in industry and employment, which will create a more robust, sustainable and resilient local economy, there remains a need to continue to support investment and growth in existing industry and business.

The consultation process of this Study revealed that there were a number of local businesses and landowners who indicated they could potentially expand and / or further invest in Hamilton.

Numerous stakeholders consulted indicated they would benefit from having a better understanding of the planning approvals process (e.g. in areas like native vegetation protection and the requirements of the planning process).

Strong linkages between the economic development, strategic planning and the statutory planning functions of Council can help deliver successful development outcomes that meet the requirements of developers, investors and businesses. There can be benefit in utilising a 'champion' who works between industry and Council to assist in facilitating economic development and industrial development outcomes. Such a role could include:

- i) Identifying specific industry strategies and investment attraction strategies for manufacturing, freight / logistics, food production, heavy industries, agricultural industries and smart industries;
- j) Integrating economic values in land use planning and link industrial policies and economic strategies to spatial planning;
- k) Maintaining and planning a network of corridors including access to freight routes (road and rail) where appropriate;
- l) Providing 'on the ground' knowledge / interface with market and industry;
- m) Providing development guidance and incentives;
- n) Providing an understanding of land use policies to encourage better utilisation industrial land;
- o) Identifying opportunities for private sector industrial estate development and facilitate the development approval process; and
- p) Providing approvals information such as a pre assessment process.

It is understood that in late 2013 Council undertook steps in this direction by providing funding for a 'Placemaker' position that would be charged with aspects of development facilitation, including working with existing and potential industrial landowners to more efficiently deliver investment and business growth

8.7 INCENTIVES TO LOCATE IN HAMILTON

It is pertinent for the Shire to work with local industry and new industry to enable development and investment. Whilst creating an enabling environment within which to work through the planning process has already been discussed, there are a range of other incentives to encourage appropriate development.

The level of incentive will depend upon the type of authority developing an industrial site. Examples of incentives include physical improvements to the character of an area, amenity provision, streamlined development reviews, a variety of rate or tax concessions, and infrastructure pre-servicing.

In many case studies Government at state or local level provides significant investment in site preparation or capital works, ongoing management and maintenance, and in some cases relocation expenses were covered and rights for expansion were protected on strategic sites.

Development incentives and economic development programs are especially pertinent. The essence is to encourage growth and renewal without economic imposition on the industrial user. When their property requirements change, industrial businesses generally prefer to stay within the local area, irrespective of whether they are expanding or contracting.

Given that Council may be limited in its ability to incentivise industrial tenants, there could be potential to focus on attracting state and federal grants and funding in order to stimulate industrial development in Hamilton.

Discussions with AusIndustry⁶⁵ noted that programs that are operated from time to time may be of benefit to Southern Grampians Shire.

The Department of Business and Industry (DBI)⁶⁶ indicated:

- Warrnambool is somewhat constrained in its provision of industrial land and there could be an opportunity for Hamilton to leverage off its extensive availability of industrial land to attract companies currently operating in Warrnambool to establish secondary facilities.
- There could be potential to leverage off larger available industrial lots in Hamilton (+10ha) to attract one or more large tenants that could act as an anchor for smaller businesses to locate or expand in the area.

⁶⁵ Discussions with Claire, AusIndustry (May 2013)

⁶⁶ Discussions with Richard Milne, Department of Business and Innovation (May 2013)

8.8 IMPLICATIONS

The main drivers of industrial land use and development can be summarised as:

- Demand factors associated with economic growth and change from regionally significant sectors like agriculture, forestry and mining and also local urban services that are driven by the size of the local population and business base; and
- Supply factors including land supply, zoning, lot sizes and infrastructure availability.

Industrial supply in Hamilton is geared to varying levels of industrial development. Despite this, the market has generally delivered local urban service industries in recent years utilising smaller industrial lots generally less than 0.5ha and are commonly around 2,000-2,500sqm.

The north western and southern industrial areas have different strengths and favour different types of development. The north western industrial area is generally characterised by smaller lot patterns whereas the southern industrial area is characterised by larger lot size typologies. It is generally desirable that the different roles and functions of the southern and north western industrial areas be encouraged but this should not preclude smaller industries from locating in the southern precinct.

In addition to ensuring appropriate land and infrastructure supply, Council can play an important role in facilitating outcomes by:

- Providing a supporting environment for investment via a supportive development approvals climate;
- Developing selected required infrastructure with the private sector;
- Marketing and promotions initiatives; and
- Working with stakeholders to boost the number and range of skilled workers in the region.

Some of these initiatives may be supported by grant funding from other levels of government.

9. INDUSTRIAL LAND OPTIONS

This chapter identifies the options for Council with regard to industrial land development in Hamilton.

The context for industrial land development in the study area is that:

1. There is significant vacant industrial land supply in Hamilton, which is estimated to be sufficient to meet long term demand based on available information;
2. There is reported interest from private sector participants to develop industrial properties in the future; and
3. Council owns a relatively large industrial land parcel in the south that could be used for industry including larger scale industry should demand arise.

9.1 RECOMMENDED DIRECTIONS

The following directions are recommended for Council.

9.1.1 FACILITATE INVESTMENT OUTCOMES

Council should continue to seek to facilitate and optimise industrial development and investment that meets the urban planning and economic development aspirations of the municipality as expressed in policy and strategy. This requires continuation of current development assessment and facilitation practice and potentially building on this role.

In terms of private sector activity, it is understood that at least one landowner in the North West 1 Precinct seeks to progress a development that may comprise lots that vary in size between 700sqm and 1,800sqm. Such a concept is consistent with the findings of this research. It is also understood that the IN2Z parcel that forms the South 1 precinct has attracted interest from a large regional manufacturer in recent times. Such proposals, and others like them, should be supported subject to meeting development controls.

9.1.2 ENSURE ADEQUATE LAND SUPPLY

A key function of Council is to ensure adequate land supply is provided for industrial land use and development. This requires monitoring land vacancy and take-up rates to ensure an adequate stock of serviced land is provided. At this time the data suggests there is adequate supply in Hamilton. As land is taken up and becomes scarce over time prices will rise (all other things being equal) and this will encourage land development and rezoning activity. Council should facilitate appropriate expansion of land when this situation emerges. However, there is no case for such expansion at this time. The exception to this may be in the case of a significant investment opportunity that cannot be accommodated on existing land and thus a special purpose rezoning could be considered.

9.1.3 FACILITATE DEVELOPMENT IN THE SOUTHERN PRECINCTS TO MEET MARKET DEMAND

There is a case to target some areas in the southern precincts for large lot regional industry development whilst also releasing or encouraging land for smaller lot development (sub 0.5ha lots) given that is what the market is generally seeking to absorb. Such an approach should seek to cluster smaller lots in consolidated areas and avoid using sites that have the best attributes for large regional industry – these being sites with buffer distances from sensitive uses and good access to regional infrastructure (major road, gas and freight rail potential) and IN2 zoning.

9.1.4 ADDRESSING MARKET FAILURE

Council can potentially have an important role to play in meeting an industrial land development role in the situation of market failure. Market failure can occur where there is an obstacle or disincentive to the private sector in meeting a desired planning outcome. There is no evidence of there being a market failure in relation to provision of industrial lots in Hamilton, particularly small lots. There is also no evidence of there being market failure for large lots. The issue of limited such development in recent years is lack of demand at this time as opposed to there being an obstacle for the private sector in delivering land for large lot activity.

This research has found there is strategic merit in having large industrial lot land available should a large scale business seek to establish in the area. Private sector participants can have little incentive to perform the role of holding a large land asset for an economic development objective and as such there is an opportunity for Council to perform this role.

9.2 COUNCIL LAND

9.2.1 COUNCIL LAND OPTIONS

Council owns a 7.5ha site on Hamilton-Port Fairy Road in South 3 Precinct. As noted above, this site could be used to facilitate a regionally significant industry outcome. Such an industry would be the main attractor or anchor to the precinct, would strengthen the precinct's role and function, and could encourage and attract further industry and business to the southern industrial area. Given Council's ownership of the site, Council or state government funded enabling works could be considered in order to facilitate and attract investment.

Should a small-lot subdivision option be pursued, a mixture of 0.5ha and 1.0ha lots may be suitable, however the configuration of lots, infrastructure and services could be designed in such a way to ensure flexibility and potentially amalgamating sites into larger lots.

For context, it is noted that the Land Supply and Demand Assessment conducted as part of the Hamilton Structure Plan process indicated that historic take-up rates for industrial land in the town was around 2ha per annum. Hill PDA research as part of this Study indicates that there has been take-up of around 1.9 lots per annum over this period.

Council has a number of options in relation to its industrial land asset as follows:

1. Hold the undeveloped land for large lot users and monitor market conditions;
2. Place land on the market by expression of interest for large lot users (leading to disposal or leasing or joint venture development);
3. Dispose of land and monitor market conditions;
4. Lease the land (long term) for use or development by the private sector; and
5. Undertake a speculative development of land for sale or lease.

A description of benefits and risks of the options is as follows.

Table 45 - Options for Council Land

| Option | Benefit | Cost or Risk |
|--|---|---|
| 1. Hold the undeveloped land for large lot users and monitor market conditions. | A passive approach. Preserves land for a future economic development opportunity. | Council foregoes potential income until target demand arises. |
| 2. Place land on the market by expression of interest for large lot users (leading to disposal or leasing or joint venture development). | Takes a proactive approach to stimulate interest in development whilst retaining a focus on a larger lot industrial outcome. Can lead to sale of land, joint venture development with a developer or lease of land. | Some cost associated with undertaking an expression of interest process with a real estate firm. No guarantee of take up by a developer / business. |
| 3. Dispose of land and monitor market conditions | Dispose of land at market value to any purchaser. Realises monetary value for Council. | Potentially eliminates land from stock of larger lot development. |
| 4. Lease the land (long term) for use or development by the private sector | Offer the land for long term lease to a land user which may or may not be a large lot industrial user. If the land is to be developed this could be a 30 year lease or similar. Generates income from the property asset whilst retaining Council ownership to ultimately accommodate a large lot user in the longer term. | Some cost associated with undertaking an expression of interest process with a real estate firm. May result in the land being taken out of supply for large lot industrial use for a long term period. |
| 5. Undertake a speculative development of land for sale or lease. | Production of lot(s) on a speculative development basis for sale or lease to industrial businesses. Lots could be subdivided for leasing whilst preserving the opportunity to target a large lot businesses use. | High development cost and risk and no guarantee of market take up. Significant financial risk. |

9.2.2 COUNCIL LAND RECOMMENDATIONS

It is recommended that Council adopt a proactive approach to industrial investment facilitation in Hamilton.

Council could work to induce demand for business attraction and development by seeking to provide – directly or with partners – serviced industrial lots that are ready for business investment. In doing so, it is important that Council ensures that it maintains competitive neutrality with other property market participants and seeks to address market failures where possible.

As noted earlier in this report, most property demand and development interest is focused on the sub 2,000 sqm lot market and Council could have a strategic role in meeting demand for businesses that seek larger lots, nominally over 2,000 sqm. In doing so, Council would complement the market rather than directly compete with it.

Action 1: Subdivision Layout

- Prepare design concepts for Council land focusing on the larger lot industrial market, nominally 2,000 sqm and greater.
- Ensure that design concepts are flexible and enable assembly of lots to create larger lots. Ensure surrounding lots (non-Council land) are considered in a holistic precinct framework.
- Identify required service connections and engineering costs for the design at a preliminary level.

Action 2: Expression of Interest

- Commission a real estate broker to place land (pre-subdivision) on the market by expression of interest focusing on large lot users.
- Utilise the design concept in the campaign.

Action 3: Review Options

- Assess interest and evaluate options following the expression of interest process.
- Council may elect to hold land, dispose of land for development by another party or seek to undertake development in accordance with design concepts or interest. Other options may be proposed in the process.

Action 4: Conditional - Development

- This action is relevant if Council elects to develop the land (individually or with a partner),
- Development will require preparation of detailed subdivision and works plans and these may require amendment to initial design concepts, subject to the findings of the expression of interest process.
- Prepare a business case for the development which should specify the purpose, objectives, costs, income estimates, funding and financing sources, implementation process, risks and risk management.
- Council should seek to obtain State and Federal grant funding to support development that meets policy objectives.

Appendix 1 - HAMILTON SALES EVIDENCE

| Southern Industrial | | | | | | | |
|-------------------------------|----------|-----------|---------------|--------------------------------|-------------|----------|---------------------|
| Street Address | Suburb | Land Size | Building Area | Land Use 1 | Sale Price | \$/sqm | Sale Date (MM/YYYY) |
| IMPROVED PROPERTIES | | | | | | | |
| 65 Portland Road | Hamilton | 0 | 0 | General Purpose Factory | \$250,000 | - | Jun-09 |
| 97 Portland Road | Hamilton | 183 | 0 | Factory | \$80,000 | \$437.16 | Jun-06 |
| 99 Portland Road | Hamilton | 177 | 0 | Factory | \$60,000 | \$338.98 | Mar-05 |
| 101 Portland Road | Hamilton | 779 | 0 | Factory | \$220,000 | \$282.41 | Dec-07 |
| 93 Portland Road | Hamilton | 1068 | 0 | Factory | \$240,000 | \$224.72 | Dec-07 |
| 61 Portland Road | Hamilton | 2188 | 0 | General Purpose Factory | \$227,000 | \$103.75 | Nov-11 |
| Portland Road | Hamilton | 10400 | 0 | General Purpose Warehouse | \$1,000,000 | \$96.15 | Jun-11 |
| 8015 Hamilton-Port Fairy Road | Hamilton | 2641 | 0 | General Purpose Factory | \$180,000 | \$68.16 | Jul-11 |
| 45 Hammond Street | Hamilton | 5482 | 0 | General Purpose Factory | \$251,000 | \$45.79 | Aug-03 |
| 99 Lodge Road | Hamilton | 6964 | 0 | Mixed Use Occupation | \$270,000 | \$38.77 | Jun-07 |
| 201 South Boundary Road | Hamilton | 10400 | 0 | General Purpose Factory | \$230,000 | \$22.12 | Mar-11 |
| Port Fairy Road | Hamilton | 75500 | 0 | General Purpose Factory | \$467,500 | \$6.19 | Oct-05 |
| 124 Lodge Road | Hamilton | 24100 | 0 | Factory | \$125,000 | \$5.19 | Jun-04 |
| 100 Portland Road | Hamilton | 17300 | 0 | General Purpose Warehouse | \$42,350 | \$2.45 | Oct-03 |
| Wedge Street | Hamilton | 82000 | 0 | General Purpose Factory | \$60,000 | \$0.73 | Jun-02 |
| LAND | | | | | | | |
| Street Address | Suburb | Land Size | Building Area | Land Use 1 | Sale Price | \$/sqm | Sale Date (MM/YYYY) |
| Portland Road | Hamilton | 0 | 0 | Industrial Dev Site | \$20,000 | - | Jul-00 |
| Officer Street | Hamilton | 0 | 0 | Industrial Dev Site | \$12,000 | - | Oct-00 |
| Portland Road | Hamilton | 0 | 0 | Industrial Dev Site | \$25,000 | - | Apr-90 |
| 19 Hamilton-Port Fairy Road | Hamilton | 53400 | 0 | Vacant Industrial Englobo Land | \$719,400 | \$13.47 | Feb-12 |

| North West Industrial Area | | | | | | | |
|----------------------------|----------|-----------|---------------|-------------------------|------------|----------|---------------------|
| Street Address | Suburb | Land Size | Building Area | Land Use 1 | Sale Price | \$/sqm | Sale Date (MM/YYYY) |
| IMPROVED PROPERTIES | | | | | | | |
| 5 Woodward Street | Hamilton | 966 | 0 | Warehouse | \$320,000 | \$331.26 | Apr-13 |
| 282 Coleraine Road | Hamilton | 2232 | 0 | General Purpose Factory | \$412,500 | \$184.81 | Mar-13 |
| 269 Coleraine Road | Hamilton | 4019 | 0 | Warehouse/Showroom | \$520,000 | \$129.39 | Jul-12 |
| 25 Peck Street | Hamilton | 4641 | 0 | Mixed Use Occupation | \$99,000 | \$21.33 | Dec-11 |
| 18 Andrews Street | Hamilton | 10800 | 0 | Mixed Use Occupation | \$700,000 | \$64.81 | Aug-11 |
| 11 Peck Street | Hamilton | 1559 | 0 | General Purpose Factory | \$50,000 | \$32.07 | Sep-10 |
| 15 Peck Street | Hamilton | 1347 | 0 | General Purpose Factory | \$207,500 | \$154.05 | Sep-09 |
| 88 North Boundary Road | Hamilton | 2682 | 0 | General Purpose Factory | \$170,000 | \$63.39 | Jun-09 |
| 23 Peck Street | Hamilton | 3124 | 0 | General Purpose Factory | \$132,000 | \$42.25 | Mar-09 |
| 8-10 Peck Street | Hamilton | 5415 | 0 | General Purpose Factory | \$84,700 | \$15.64 | Mar-07 |
| Coleraine Road | Hamilton | 0 | 0 | Mixed Use Occupation | \$250,000 | #DIV/0! | Nov-04 |
| 13 Peck Street | Hamilton | 1689 | 0 | General Purpose Factory | \$130,000 | \$76.97 | Nov-04 |
| 284 Coleraine Road | Hamilton | 1717 | 0 | General Purpose Factory | \$120,000 | \$69.89 | May-02 |
| 214 Coleraine Road | Hamilton | 24500 | 0 | Mixed Use Occupation | \$591,650 | \$24.15 | Mar-01 |
| LAND | | | | | | | |
| 34 Peck Street | Hamilton | 2031 | 0 | Industrial Dev Site | \$80,000 | \$39.39 | Jun-13 |
| 52 North Boundary Road | Hamilton | 7724 | 0 | Industrial Dev Site | \$130,000 | \$16.83 | Dec-12 |
| 224-226 Coleraine Road | Hamilton | 2832 | 0 | Com Dev Site | \$198,000 | \$69.92 | Oct-09 |
| 17-19 Peck Street | Hamilton | 0 | 0 | Industrial Dev Site | \$90,000 | - | Sep-08 |
| 29 Peck Street | Hamilton | 5567 | 0 | Industrial Dev Site | \$159,000 | \$28.56 | Jul-08 |
| 2 Peck Street | Hamilton | 3866 | 0 | Industrial Dev Site | \$154,000 | \$39.83 | Mar-07 |
| Andrews Street | Hamilton | 2590 | 0 | Industrial Dev Site | \$140,000 | \$54.05 | Aug-05 |
| 14 Woodward Street | Hamilton | 0 | 0 | Industrial Dev Site | \$98,000 | - | May-01 |
| 291 Coleraine Road | Hamilton | 1514 | 0 | Industrial Dev Site | \$21,000 | \$13.87 | Aug-00 |
| 6 Woodward Street | Hamilton | 2096 | 0 | Industrial Dev Site | \$26,000 | \$12.40 | Mar-91 |
| 90 North Boundary Road | Hamilton | 4588 | 0 | Industrial Dev Site | \$97,500 | \$21.25 | Oct-99 |

| Eastern Industrial Area | | | | | | | |
|-------------------------|----------|-----------|---------------|------------------------------------|------------|----------|---------------------|
| Street Address | Suburb | Land Size | Building Area | Land Use 1 | Sale Price | \$/sqm | Sale Date (MM/YYYY) |
| IMPROVED PROPERTIES | | | | | | | |
| Street Address | Suburb | Land Size | Building Area | Land Use 1 | Sale Price | \$/sqm | Sale Date (MM/YYYY) |
| Holden Street | Hamilton | 6903 | 0 | Warehouse/Showroom | \$420,001 | \$60.84 | Nov-12 |
| 10 Fenton Street | Hamilton | 927 | 0 | General Purpose Factory | \$250,000 | \$269.69 | Nov-11 |
| 15-19 Mt Napier Road | Hamilton | 1984 | 0 | General Purpose Factory | \$400,000 | \$201.61 | Oct-10 |
| 22-24 Mt Napier Road | Hamilton | 1825 | 0 | Fuel Outlet/Garage/Service Station | \$132,000 | \$72.33 | Jul-09 |
| 10 Ballarat Road | Hamilton | 2577 | 0 | Mixed Use Occupation | \$240,000 | \$93.13 | Sep-08 |
| 7-11 Hughes Street | Hamilton | 5556 | 0 | Oil Refinery | \$297,000 | \$53.46 | Oct-07 |
| 4 Bridge Street | Hamilton | 1329 | 0 | Mixed Use Occupation | \$275,000 | \$206.92 | Sep-07 |
| 7 Ballarat Road | Hamilton | 2175 | 0 | General Purpose Warehouse | \$112,800 | \$51.86 | Jun-06 |
| 28 Fenton Street | Hamilton | 5009 | 0 | Industrial | \$150,000 | \$29.95 | Feb-02 |
| LAND | | | | | | | |
| 11 Abbott Street | Hamilton | 1181 | 0 | Industrial Dev Site | \$115,000 | \$97.38 | Feb-06 |
| 18-20 Mt Napier Road | Hamilton | 1721 | 0 | General Purpose Factory | \$45,000 | \$26.15 | Jul-95 |

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