

INDUSTRIAL LAND REVIEW

City of Greater Shepparton



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CONTENTS

EXECUTIVE SUMMARY

1.	INTRODUCTION	1
1.1	STRATEGIC CONTEXT	1
1.2	ECONOMIC PROFILE	2
2.	OVERVIEW OF EXISTING STRATEGIES	4
2.1	State.....	4
2.2	Regional.....	4
2.3	Local.....	7
2.4	Area or issue specific	15
3.	STAKEHOLDER CONSULTATION	25
4.	DEVELOPMENT CONSTRAINTS	31
4.1	Access & roads	31
4.2	Flooding	31
4.3	Horticulture – Urban growth boundary.....	32
4.4	Low Density Residential	33
4.5	Infrastructure	33
4.6	Fragmentation of Freight & Logistics Industry	35
5.	SUPPLY & DEMAND FOR LAND.....	36
5.1	Supply	38
5.2	Demand.....	46
5.3	Other relevant trends.....	48
5.4	Relationship with population growth	51
6.	INDUSTRY COHORTS & FUTURE LAND REQUIREMENTS	53
7.	POSSIBLE CHANGES TO PLANNING SCHEME	55
7.1	Municipal Strategic Statement (MSS).....	55
7.2	Goulburn Valley Freight Logistics Centre	61
7.3	East Shepparton Industrial Area.....	62
7.4	Zone interfaces	62
8.	CONCLUSION & RECOMMENDATIONS	66

ACRONYMS

CBD	Central Business District
CGSSP	<i>City of Greater Shepparton Strategy Plan (1996)</i>
CGSSGLS	<i>City of Greater Shepparton Southern Gateway Landscape Strategy (2006)</i>
CoGS	City of Greater Shepparton
DPCD	Department of Planning & Community Development
EES	Environmental Effects Statement
ESIDP	<i>East Shepparton Industrial Development Plan</i>
CGSCH	<i>City of Greater Shepparton Heritage Study</i>
GBCMA	Goulburn Broken Catchment Management Authority
GS2030SP	<i>Greater Shepparton 2030 Strategic Plan (2006)</i>
GSASP	<i>Greater Shepparton Area Strategy Plan (1990)</i>
GSCCEDs	<i>Greater Shepparton City Council Economic Development Strategy 2009-2012</i>
GSEDS	<i>Greater Shepparton Economic Development Strategy (2006)</i>
GV Link	Goulburn Valley Link (freight logistics centre)
GVFLCS	<i>Goulburn Valley Freight Logistics Centre Study</i>
ILR	<i>Industrial Land Review 2011 (formerly Stage 1 – Industrial Background Report)</i>
ILSR	<i>Industrial Land Status Report</i>
IN1Z	Industrial 1 Zone
LPPF	Local Planning Policy Framework
MSS	Municipal Strategic Statement
NVRTS	<i>Northern Victoria Regional Transport Strategy (2006)</i>
PDP	Priority Development Panel
SCBDPPP	<i>Shepparton Central Business District Parking Precinct Plan (2006)</i>
SCBDS	<i>Shepparton Central Business District Strategy (2008)</i>
SMFPMP	<i>Shepparton-Mooroopna Flood Plain Management Plan</i>
SMTR	<i>Shepparton Municipal Transport Plan (1998)</i>
SPPF	State Planning Policy Framework

TERMS USED

“the Act”	<i>Planning and Environment Act 1987</i>
“the Council”	Greater Shepparton City Council
“the municipality”	The local government area of Greater Shepparton (CoGS)

APPENDICES

- A. References
- B. Modified Strategic Framework Plan
- C. Land Ownership Maps

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- Chris Dack (VicRoads)
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- Jonathan Griffin (Engineer – Greater Shepparton City Council)
- Daniel Hughes (Goulburn Valley Water)
- Guy Tierney (Goulburn Broken Catchment Management Authority)
- Sam Green (Goulburn-Murray Water)

EXECUTIVE SUMMARY

The Greater Shepparton City Council has sought to undertake the background work through this report to provide the basis for an industrial land strategy. This report looks at a number of aspects relevant to the provision of industrial land, including the strategic and policy framework that has been delivered through a comprehensive range of studies and reports. The report also delivers an understanding of key planning issues relating to the location of industry, in addition to an analysis of the demand and supply situation that drives the market for industrial land.

The GSCC is a large municipality centred on a regional city in Shepparton and including other smaller townships such as Mooroopna and Tatura. CoGS has experienced strong growth over the past fifteen years and services a wider region that has an economy based on agriculture, manufacturing, retail trade, education, health/community services, transport and storage. Shepparton has developed a critical mass of manufacturing, retail and service based employment that has strengthened its role within the wider region. The estimated resident population of CoGS in 2010 is 63,335 persons and is forecast to continue its strong growth to around 80,000 by 2031.

Existing strategies & reports

A number of strategic reports have been reviewed in accordance with the consultants brief and are influential to the future provision of industrial land. Most of the reports are under active implementation reinforcing the Council's commitment to strategic land use planning. The key issues coming out of this literature review are summarised as follows:

- The significance of the Goulburn Valley Highway by-pass is well documented and will alter both local and through traffic. The Council will need to work with Vicroads to minimise issues associated with increased heavy vehicle movements along Ford Road which will be a significant connecting route between the proposed bypass and East Shepparton industrial precinct.
- The strategy for the south eastern industrial precinct at Echuca promotes the use of the Goulburn Valley Highway bypass via the Murray Valley Highway as the preferred heavy vehicle route.
- Previous land use strategies highlight that the shortage of larger industrial lots with the CoGS with an area of between 1 and 5 hectares is an ongoing issue. The research in this ILR showed that of the last 114 industrial lots created in the municipality since 2004, only six have been larger than a hectare in area.
- Freight and major storage facilities are being promoted to locate at the Goulburn Valley Freight Logistics Centre (GV Link), south of Mooroopna. This will be a long term project and will be enhanced by securing an anchor tenancy.
- A weakness of previous strategies has been the omission of the Lemnos – Dobsons Estate area bounded by Doyles Road, Midland Highway and Central Avenue from the various strategic framework plans. This area contains potentially the most significant land use conflicts and, if neglected, could compromise the potential long term industrial land requirements of Shepparton expanding into this area.

- Several recommendations of the *Greater Shepparton Housing Strategy*, when implemented, need to be considered when setting the future strategic directions for industrial land in this report. Of particular note are the recommendations for:
 - The promotion of low density residential development in the corridor of land between the future bypass and the Goulburn Valley Highway at Shepparton North in relation to the protection of any existing industry.
 - The South Eastern Growth Corridor will ultimately push toward existing freeze drying and cold storage facilities at Doyles Road Orrvale. Under the VPP's, these facilities require a buffer of at least 150 metres. There are already several homes within this buffer.
 - The future investigation of the Lemnos – Dobsons Estate area (Investigation Area 4 in the Housing Strategy) needs to assess the interface issues between rural residential issues and industrial land use. This general area is likely to remain the preferred location for industry and expansion of residential options may impinge on the long term supply requirements for industrial land.
- The possible relocation of the aerodrome offers the opportunity for a long term expansion of highway oriented businesses in the Kialla area.
- Flooding and drainage requirements have a major impact on urban development and will have an impact on the future provision of industrial land. Flooding is a particular constraint for the Wanganui Road and drainage issues are a concern for industrial expansion options along Doyles Road. Balance cut and fill techniques are to be deployed to mitigate the impacts of flooding in a number of industrial precincts including the GV Link site.

Stakeholder consultation

To assist in informing the ILR, a targeted consultation process was undertaken to provide a wider perspective on the industrial land situation in the CoGS. There was a consistent view point through the consultations, confirming the general conclusion in this report that Shepparton to a general extent has an adequate supply of industrial land. It did however highlight that a number of industrial land uses were not well catered for and Council is having challenges with the identification of suitable sites for the recycling and eco industries.

Many of the stakeholders confirmed the confidence in the East Shepparton Industrial Precinct, indicating that this is where the market is willing to invest. There is a consistent view that the Council should incorporate the potential for Shepparton East's expansion into its long term planning. There was also confirmation of interface issues and problems with either the zoning of some industrial uses or the constraints to business brought about by being located too close to residential development. Many of these are due to historical factors although in a few instances the problems have arisen due to recent development decisions.

Stakeholders also confirmed a well held view that little industrial land is available in Tatura especially for small scale businesses.

Development constraints

The municipality offers the benefit of well located industrial precincts, good road infrastructure and ample flat land. To a general extent there are no insurmountable constraints that prevent the delivery of an adequate supply of industrial land. The report does however highlight a number of issues that should be monitored:

- The reliance on a limited number of arterial road connections due to a lack of road connections in the north eastern area of Shepparton and parts of Kialla may reduce the service level of industrial land.
- Flood and drainage costs have been reported as a high as \$30 per square metre for industrial land development. This is potentially an issue when the market is only willing to pay up to \$100 per square metre for land.
- The Dobson's Estate and landowner proposals to expand rural residential options in this location have the potential to disrupt the long term need to expand the East Shepparton industrial precinct east of Doyles Road.
- Apart from electricity supply, CoGS has ample capacity with its general infrastructure (water, sewerage, gas).
- Numerous reports highlight the fact that the transport and storage industry is fragmented. Recent investment has continued this trend despite the strategy promoting a consolidation of these activities at the GV Link site.

Demand & supply analysis

This analysis demonstrates that CoGS has an adequate supply of industrial land. The table below demonstrates that a supply of at least fifteen years is achievable across most precincts.

This analysis concludes:

- There is an adequate supply of land for most industrial land use categories.
- There is a shortage of land for industries that require a large site with a small building footprint. This category includes recycling businesses and eco-industries, those that have managed to establish have undertaken their own site purchase and development.
- The development of industrial land is only marginally profitable and private developers are reliant on offering a package of building and land options to make the process worthwhile.
- The Council needs to actively monitor land development and land sales activity to maintain an awareness of the status of supply for industrial land. This includes monitoring both developed lots sales and raw land sales activity.
- Demand is strongest in the existing East Shepparton industrial area and development rates in other precincts are relatively modest. Overall, land consumption is nine hectares per annum of which six hectares occurs in East Shepparton.
- The trend of development activity favouring the East Shepparton industrial area is expected to continue.

- The value of land sold is generally between \$80 and \$100 per square metre, which in comparison to other regional centres is affordable.
- Tatura has some vacant land that is appropriately zoned, however this land is not available for development.
- Land sale and development activity has slowed significantly in the past two years compared to five years ago. This is typical of development cycles.

Table A: Snapshot of Industrial Land Supply & Demand by Precinct

Precinct	Total Zoned land supply	Annual Demand	Current Supply	Land to be rezoned	Long Term Supply level
North Shepparton	31.5ha	0.6ha	30+ years	20.1ha	30+ years
Tatura	22.96ha*	0.5ha	2 years*	40ha	30+ years
Kialla (Melbourne Rd)	18.9ha	2.0ha	9 years	0ha	9 years#
Mooroopna South	2ha	No data	2 years	20.4ha	20 years
Mooroopna GV Link	378.7ha	Unknown	30+ years	378.7ha	30+ years
Mooroopna North	53.35ha	No data	30+ years	0ha	30+ years
East Shepparton	138.94ha	6.15ha	20 years	43ha	30+ years
Lemnos	15.09ha**	0.45ha	5 years	11.73ha	25 years

* Much of this land is held by Tatura Milk and others and is unavailable for development.

** Most of this land is unavailable for development and is owned by Campbell's Soups.

An investigation of highway business options is recommended for the Kialla area.

Conclusions & recommendations

The industrial land supply in Shepparton has been demonstrated to be in the order of fifteen years as a minimum. There are however some reported challenges in provision of land for larger sites and particularly those that require a smaller building footprint. The provision for larger sites that require a small building footprint is not well provided and is being largely self catered and not provided by Industrial land developers. Overall, Shepparton is very well placed to continue to meet market requirements for industrial land.

Having regard for the findings of the ILR, the following recommendations are made to the Council.

General

- Consider revisiting some of the framework plans in the MSS for Business Development, Industry and the township of Tatura in line with the recommendations in this report.
- Commence work on Investigation Area 4 (as designated in the Housing Strategy) as a priority and the preparation of a structure plan for the corridor of land bounded by Benalla, Doyles and Dookie Roads and Central Avenue, in order to deal with future potential land use conflicts between residential and industrial uses and to determine what buffers should be provided around the Dobson's Estate.
- Consider undertaking a series of broader urban structure plans to guide the future development of all urban areas and how they match in with existing development. If the Council undertakes this exercise, it should aim to achieve improved road connectivity and reduce interface issues between potentially conflicting land uses.
- Investigate undertaking further amendments to the MSS to reinforce the need to provide for good urban structuring and connectivity between local major roads. This should give consideration toward providing a direction that cul-de-sacs be avoided within the Industrial Zones unless there is no alternative or the court bowl is provided to service access to lots larger than 4000 square metres.
- Consider implementing a process to regularly meet with major industry stakeholders on a one on one basis to consider strategic issues.
- Investigate a broader strategic agreement with Thompsons on their various sites that provide mutual commitments to ensure that future planning risks to their business interests are mitigated. This is recommended to include a joint analysis of the suitability of each site and the preferred zoning of each site.
- Investigate the zoning and servicing issues at the Thompson's warehousing site located on Toolamba Road, Mooroopna South. This includes the zoning of the warehouse site and an examination of the risks and suitability of the Residential 1 Zone opposite the Thompsons site.
- Consider amendments to the Design and Development Overlay (DDO) for the East Shepparton Industrial area to update the objectives to acknowledge that Doyles Road will no longer be the alternative route for the Goulburn Valley Highway once the Shepparton by pass is in place. A further objective should be added to require a permeable and inter-connected street network. This change should be complemented by additions to the subdivision section to encourage through connecting streets that are consistent with the approved development plan. The Council should avoid small lot development or further subdivision beyond the approved development plan if the proposal is serviced by a single court or 'T'-head. The DDO should also be reformatted to include the sections (the last main dot point) included under 'Buildings and Works' which are clearly intended to guide the subdivision of lots and the road construction required to service developed lots. Alternatively, the Council could convert the elements relating to the road structure and layout to a Development Plan Overlay (DPO) that provides a more appropriate mechanism in which to guide subdivision

patterns. The DDO is better suited to focusing on built form and landscaping requirements.

- That support be given where possible for the establishment of current industrial related projects such as GV Link, Resource Recovery Precinct and the solar project.

Monitoring of development activity

- The monitoring of industrial land supply and development should occur as part of an annual reporting system, maintaining an accurate data base of development activity to measure and account for land supply, consumption, levels of investment, price and land ownership activity. A reporting system should be developed to enable specific reports to be generated that enable a regular review to be undertaken of all vacant industrial land sales activity. This will enable the Council to have a more comprehensive understanding of development activity and potential supply constraints.

Land supply

- Investigate the future option of setting aside an expansion option for the East Shepparton Industrial Precinct with the potential inclusion of 29 hectares of land within the Industrial 1 Zone as shown in the proposed modifications to the Industrial Framework plan and Land Supply Analysis for East Shepparton.
- Investigate providing a long term industrial land option for the corridor of land bounded by Grahamvale Road, Katamatite railway line, Lemnos and Dookie Road, as shown on the modified Industrial Framework Plan at Appendix 'B'.
- Investigate the potential provision for industrial land with areas above 1 hectare together with the market's ability to produce this type of land. It is recommended that the Council consider marketing this development opportunity on its land at Mooroopna North once the by-pass is constructed.
- Further investigate the flooding and potential site constraints associated with establishing an eco-industry and resource recovery precinct at Daldy Road and adjacent Wanganui Road.
- Investigate the provision of additional Industrial land north of Wanganui Road and west of Numurkah Road on the land that is within the LSIO as shown on the modified Industrial Framework Plan at Appendix 'B'.
- Monitor land development trends in Tatura and consider the need to investigate and rezone additional land as shown on the recommended changes to the Township Framework Plan, including Cussen Road and Margaret Street.

Transport

- The Council should work with Vicroads to ensure the Arterial Road Strategy being undertaken by VicRoads examines the capacity, condition and required improvements to the local road network. The report should also consider scenarios in the event that the Shepparton by-pass is delayed. This should also enable consideration to be made of the impact of heavy vehicles on the local road network (particularly Ford Road) and potential impediments to business operations where roads may be operating above design capacity.

- The Council in conjunction with Vicroads, should investigate alternative heavy vehicle road connections linking Wanganui Road to the East Shepparton Industrial area, to ascertain if there are more suitable options available than Ford Road.
- Continue the investigation of alternative sites for the Shepparton Aerodrome with a view to providing a site in proximity to the GV Link.
- Maintain the GV Link as a priority project for the Council and regularly meet with major industries to discuss the implementation of this project.
- Within five years of the completion of the Shepparton bypass, undertake a review of the approach along Midland Highway at Mooroopna to determine the most appropriate use of this land, having regard to traffic levels and other constraints such as flooding.

Interface issues

- Investigate the suitability of edge treatments between the Industrial 3 Zone and Residential 1 Zone at Kialla Lakes. The Council may wish to consider rezoning the industrial land to Business 4 Zone and applying a Design and Development Overlay to require acoustic treatments to protect the amenity of adjoining residential development.
- Continue investigations that propose to rezone the section of land located between Ford Road and Hawkins Street from Industrial 1 to part Residential 1 and Business 4. The section to be rezoned Business 4 is understood to include the existing businesses in Hawkins Street. The majority of land is proposed to be rezoned Residential 1.
- Investigate the suitability of the zoning of 3.6 hectares of land in Zurcas Lane. This land is currently zoned Industrial 1 and contains the East Shepparton Bowling Club and should be reviewed to ascertain if a Residential 1 Zone is more appropriate.
- Investigate the suitability of the 6 hectares of land zoned Residential 1 located in Toolamba Road Mooroopna, opposite and adjoining the Industrial 1 Zone.
- Consider applying a Design and Development Overlay over the Industrial 1 Zone north of New Dookie Road along the common boundary with the Residential 1 Zone. The overlay could be used to overcome potential amenity impacts on adjoining residential properties through the application of design measures over the undeveloped sections of Industrial 1 zoned land.

1. INTRODUCTION

This *Industrial Land Review* (ILR) has been prepared for the Greater Shepparton City Council by Albury-Wodonga town planning consultants Habitat Planning. The ILR provides Council with the information necessary to guide the planning and future provision of industrial land within the City of Greater Shepparton (CoGS).

Once adopted by Council, the ILR is to be referenced in the Municipal Strategic Statement (MSS) and used as the basis for more intensive investigative work of various sites throughout CoGS. Depending on the outcome of these further investigations, amendments to the planning scheme may be instigated.

The tasks to be undertaken in the ILR were specified by Council as follows:

Substantiate the 15-year land supply estimate

Provide additional information that substantiates a 15 year industrial land supply. This discussion should also consider the need for additional supply to ensure that there are sufficient options and to allow for movement in the market.

Increase options for future industrial sites

This report lists a number site options for a range of industrial precincts assessing potential options in Tatura and the Daldy Road area. The report also looks at a range of industry types and where they may be best located in the future.

Identify industry cohorts and establish criteria for future industrial land supply

Identify the main industry cohorts and submarkets represented in CoGS, including new energy-type businesses and offensive industry. Once this list is compiled with weighting and justification, the specific criteria for future land supply will need to be established for each of these cohorts and submarkets with weighting and justification.

Engagement with key stakeholders

Engagement with key stakeholders is required to assist with the development of criteria for the different industry cohorts and submarkets. This engagement will be in the form of both one-on-one interviews and group sessions held over two days with stakeholders as identified by the Council.

Analysis of current and future transport related issues

The analysis of transport-related issues including the freight industry will need to be expanded for the ILR. The former Priority Development Panel (PDP) has recommended a review of the *Shaping Melbourne's Freight Futures* document as a means to gain a broader understanding of freight issues for Melbourne and Victoria.

Brief for Stage 2 of the Industrial Strategy – site assessment work

The recommendations of the ILR will inform Stage 2 of the Industrial Strategy, which will include the assessment of appropriate sites for future industry needs.

1.1 STRATEGIC CONTEXT

The *Greater Shepparton 2030 Strategy Plan* (GS2030SP) is the current principal strategic planning document for directing industrial development in CoGS.

GS2030SP has identified the need for an industrial land and supply analysis as part of an overall economic development strategy. Before commencing such a strategy, it is important for the Council to develop a clear and accurate picture of industrial land supply and development in CoGS based on information from past strategies, the current planning scheme provisions, constraints, land sales activity and building and subdivision applications. The ILR will therefore provide an important step toward informing the development of a future industrial strategy for CoGS.

In the broader context, CoGS is a large municipality centred on a regional city in Shepparton. CoGS had an estimated resident population in June 2010 of 63,335¹. Just under half of this population resides within the Shepparton urban area. The population has been growing strongly over the past 15 years and is predicted to exceed 80,000 by 2031 according to the GS2030SP. The economy of the municipality is robust and diversified with strong representation in retail trade, manufacturing, transport and storage, agriculture, health and community services, education, property, and business services. The municipality has a large and diversified workforce with strong business growth and employment opportunities. The continued growth in population will drive employment growth across all these sectors.

The Municipal Strategic Statement (MSS) within the Greater Shepparton Planning Scheme (“the planning scheme”) identifies the strong relationship between manufacturing and the agricultural sector with the presence of national and international food processing and packaging companies. These businesses are located within the main industrial areas of Shepparton, Mooroopna, Tatura and Lemnos. Many of the strategic documents reviewed refer to the region as “*the food bowl of Australia*” with the study area producing almost 25% of the State’s agricultural output.

The conurbation of Shepparton and Mooroopna is also an important centre for freight collection and distribution, being located at the junction of the Midland and Goulburn Valley Highways. To further enhance this role in the region, the Council is working to establish the Goulburn Valley Freight Logistics Centre (GV Link) to the south of Mooroopna which is a 331 hectare site that was rezoned to a freight-related Special Use Zone in May 2005. The GV Link is viewed as providing an important opportunity to consolidate freight handling, freight modal interchange and distribution tasks for the region.

The *Audit of Industrial Land in Provincial Victoria* undertaken by the Department of Planning and Community Development (DPCD) in 2007 identified that CoGS had a 6% vacancy of zoned industrial land. This broad strategic work was prepared under the guidance of the Priority Development Panel (PDP) and provided a state-wide overview of the industrial land supply and development opportunities across the major regional centres in provincial Victoria. For reasons outlined in the ILR, this vacancy rate is regarded as under stated.

1.2 ECONOMIC PROFILE

The projected growth in population will have important economic development implications for the municipality, including the need to provide land and infrastructure for development in a manner that helps sustain investment in the municipality.

¹ Australian Bureau of Statistics Cat. No. 3218.0 – Regional Population Growth, Australia 2010

The resident labour force in CoGS is estimated to be 30,225 persons including 1,825 unemployed persons or 6.0% of the labour force. This is slightly higher than the average for regional Victoria which has an unemployment rate of 4.7%.

Council's *Greater Shepparton Economic Development Strategy* (GSEDS) reported in 2006 that the number of jobs available to residents will need to increase by 795 by 2011 and by a further 1,570 jobs by 2016. A total of 2,365 new jobs will be required to meet the growth in the number of new labour force entrants in CoGS. These estimates assume that the existing number of unemployed persons (1,825) remains the same.

In terms of economic base, CoGS has a higher share of manufacturing jobs compared with regional Victoria (13.3% compared with 10.8%) and a higher share of jobs in service industries (70.2% compared with 66.5%). These statistics reflect the importance of food processing and associated industry in CoGS, as well as the city's role as a service centre to north-central Victoria.

2. OVERVIEW OF EXISTING STRATEGIES

This report includes an overview of existing strategies relating to existing and future industrial land supply capabilities and an analysis of outcomes measured against the various plans and actions identified in these strategies.

The Council has been active in preparing a range of strategic work and framework plans relating to the provision of industrial land. Before proceeding with an industrial strategy, the Council requires a broad understanding of these documents and how they have, and will, influence industrial activity in the municipality. This section comments on the accuracy and future relevance of these strategies and their recommendations insofar as insuring the municipality has a range of industrial land offerings that meet the needs of a growing region. This includes an assessment of the actual availability of land, both zoned and unzoned, potential constraints and some forward projections for key industrial precincts in terms of average annual consumption and supply capabilities for industrial land in CoGS.

2.1 STATE

'Shaping Melbourne's Freight Futures' – Discussion Paper April 2010

The brief for the ILR requires an analysis of transport related issues and in particular the discussion paper on 'Shaping Melbourne's Freight Futures'. The purpose of this Discussion Paper is to put forward proposals for a new 'intermodal' approach to moving port related containerised freight around Melbourne. Although the scope of these proposals does not extend specifically to other major containerised freight markets – such as regional exports and interstate domestic trade – the network infrastructure and systems developed are likely to increasingly relevant to these other markets, overtime.

The preferred outcome is to establish three inter-modal terminals in the outer metropolitan area in the north, west and south east. The broad aim is to increase the use of rail for long haul trips and provide an efficient transport option to bring containers to and from port to the various intermodal terminals.

This potentially strengthens the case for a more efficient road to rail intermodal facilities in the regional areas. Shepparton is an obvious choice with established links to export markets. The overall objective to increase the percentage of long haul trips seeks to reverse a continued growth in long haul road trips and is a long standing government objective in the context of increasing fuel costs and reducing carbon emissions.

2.2 REGIONAL

The following strategies have been prepared on a regional basis that encompasses CoGS.

Northern Victoria Regional Transport Strategy (NVRTS)

The NVRTS (as adopted by Council 15th December 2009) forms part of the *Hume Strategy for Sustainable Communities Project* and aimed to provide a comprehensive

transport planning strategy for the study area which includes Campaspe, Gannawarra, Loddon, Moira, Strathbogie and Greater Shepparton Councils. The NVRTS undertook an analysis of the drivers of current and future transport demands, with the aim of providing an understanding the region's current transport infrastructure and services.

This NVRTS has a 15-year horizon and is intended to be reviewed every three years. The NVRTS reinforces the key priorities of the Council's GSEDS and recognises the important strategic location of CoGS and comparative advantages this offers in terms of a location for food processing, transport, storage and manufacturing investment. Within a broader context the ILSR suggests that CoGS will need to continue to provide and plan for additional industrial development, taking advantage of relevant road and rail linkages and the establishment of the GV Link.

Figure 1: Northern Victorian Transport Region



Shepparton Municipal Transport Plan (SMTP)

This SMTP was undertaken by PPK Consultants in 1998 to assist the Council in its transport planning functions over the following decade. The SMTR provided a number of recommendations to facilitate/maintain the efficient flow of traffic throughout the municipality.

The SMTP recommended the following road improvement initiatives:

- A second river crossing to provide relief to the causeway and minimise congestion from through traffic in the Shepparton Central Business District (CBD).
- The report supported the western by-pass option for the Goulburn Valley Highway.

- A southern by-pass of the Midland Highway along the alignment of the railway crossing at the Goulburn River.
- Upgrade of the Midland Highway from Archer Street through to Orrvale Road (beautification and capacity improvements).
- Further study of the Doyles Road area and suggestion that the Goulburn Valley Highway by-pass is likely to remove the need for duplication. The report also suggested regular monitoring of the road's performance and condition.
- Railway Street and Welsford and Wyndham Streets (CBD bypass).
- Signing and provision of alternative truck routes around Shepparton and Mooroopna.
- Various public transport and parking improvement initiatives.

It was observed that a large number of the recommendations have been implemented or advanced and more will be reported in later sections of this report on the impacts of the planned Goulburn Valley Highway and upgrading of Doyles Road. It is imperative the Council monitor the performance of its local and main road network in order to continue to support and encourage investment in its industrial areas.

Of the recommendations it appears the additional east west crossing promoted for the Midland Highway was unlikely to receive support from VicRoads.

Echuca South East Industrial & Commercial Growth Corridor Land Strategy

The issues paper for this strategy for Echuca was prepared in October 2009 and is still in draft form. The strategy was undertaken to canvass key planning issues and explore development opportunities for a 1,125 hectare site approximately two kilometres south east of Echuca. The site contains the local aerodrome, main railway line to Melbourne and has the Kyabram to Echuca Road as its main access route. The site extends a further six kilometres to the south of Echuca and is approximately three kilometres wide.

The emphasis of the report is to clearly capture large industry and provide sites for the industrial sector that services the need of the local population. As opposed to the GV Link there is a stronger focus on capturing large national export related manufacturing industries.

Of interest was the point made in relation to the Goulburn Valley Highway upgrade and the view that this may become the preferred travel route to and from Melbourne and although further in distance is likely to be less travel time than the Northern Highway link.

It is fair to say this report has served to advance an idea to a concept and will enable Echuca to secure its long term requirement for industrial land. Some larger industrial developments have also established opposite Echuca in Moama.

2.3 LOCAL

The following local strategies are specific to CoGS.

Greater Shepparton Area Strategy Plan (GSASP)

The GSASP was prepared by Kinhills in 1990 and has been largely superseded by two strategies since (see below). The GSASP was completed under the previous local government structure in the area, involving the former City of Shepparton and Shires of Rodney and Shepparton.

The report took on the role of attempting to redress some of the ramifications associated with ad-hoc planning decisions which have resulted in development outcomes which are proving prejudicial to the orderly expansion of Shepparton. Some of these have resulted in the fragmentation of industrial and business development which has generated unwanted land use conflicts and marginalised the potential to achieve much stronger and more consolidated industrial business and service precincts.

The GSASP provided the platform for a more sound and principles-based planning approach as set out in the later GS2030SP and Council's Municipal Strategic Statement (MSS). In terms of industrial and service industry land, the GSASP provided the following broad recommendations in terms of future land supply:

- East Shepparton through to Doyles Road, for general industry. This strategy has been successfully implemented and remains relevant.
- North Shepparton adjacent the Barmah–Shepparton Road for offensive industry. Part of this land is impacted by the by-pass of the Gouburn Valley Highway. The recent Resource Recovery Precinct report identified land in this area, along Daldy Road, for use by Kinetic Renewable generation plant. This plant will process peach stones and other waste products to create electricity.
- Kialla adjacent Melbourne Road including the current Riverside Plaza site as a high quality business park. The Riverside Plaza site is currently zoned Business 1 and developed as a neighbourhood shopping centre servicing South Shepparton and Kialla. Components of this strategy recommendation have been implemented along the corridor of Melbourne Road south of the plaza on both sides of the road.
- The GSASP also recommended improved standards of landscaping and the packaging of land to provide like with like clusters of businesses. To some extent this has been achieved with an observed improvement in presentation and the consolidation of bulky goods precincts, transport and farm machinery clusters around the Shepparton urban area.
- Structure plans for all relevant industrial areas should be undertaken in advance of development. This recommendation has been implemented in part and further comment will be provided on this subject later in the latter sections of this report.

City of Greater Shepparton Strategy Plan (CGSSP)

The CGSSP was prepared by Henshall Hansen & Associates in 1996 and was the first land use strategy undertaken for the CoGS and much of its content remains relevant to the current approach being applied through the Council's MSS. The major exceptions include:

- The provision of larger industrial lots between 1ha and 5ha in area to accommodate medium scale development. Evidence of recent subdivision activity suggests either there is minimal demand for this type of lot or the servicing costs of land greater than 1ha is not profitable for developers to provide. Of the 114 industrial lots created in the municipality since 2004 only six have been larger than 1ha in area.
- The promotion of the area north of Wanganui Road as a secondary location within the Shepparton urban area has achieved a modest level of success and as per the current land use strategy should have been referred to as longer term option or lower cost option for larger and more affordable industrial sites.
- A highway business and industrial precinct on northern side of the Midland Highway at the western entrance of Mooroopna. There has been little market interest or new investment in this location in the past decade. There is however sufficient vacant land available in this location to test whether the highway by-pass is likely to influence any change of market interest in this location.

The report also recommended more direct Council involvement in the provision of land to facilitate industrial investment in the municipality. It is noted that the Council has in certain circumstances actively facilitated and coordinated industrial investment in the municipality and is demonstrating this in its plans to establish the GV Link. It is noted that the brief for this report does not require an analysis to be undertaken of the delivery mechanisms for the provision of industrial development land within the municipality.

Greater Shepparton 2030 Strategy Plan (GS2030SP)

The GS2030SP was prepared by Coomes Consultants in 2006 as an integrated document involving extensive community consultation setting out a vision and strategy to carry the municipality forward for the next 20 to 30 years. The GS2030SP is the leading document informing the current MSS and provides a number of key directions that will influence the provision of industrial land. Notably, the GS2030SP recommended the application of urban growth/settlement boundaries in order to encourage increase residential densities and to protect productive agricultural land. This combined with Council's MSS and GSEDS are the most relevant strategic documents guiding the provision of industrial land in the municipality. The general view is that this is a well researched and high quality land use planning strategy that promotes the application of a number of sound planning principles. There are however a few matters that with the benefit of more recent information provide warrant additional investigation and review.

This GS2030SP plans for industrial development within three important influential factors, including the application of urban growth boundaries, a known alignment for

the Goulburn Valley Highway by-pass and a chosen location for the GV Link. Each of these will serve to influence the future development patterns for industry over the next 20 years. Other factors such as the interdependence with the agricultural sector and major industries remain to shape investment and influence the degree of prosperity for the local economy.

Notably the Council has reported that in recent years despite significant global economic challenges, water reform, major structural economic change within the rural economy, the region has demonstrated a remarkable resilience demonstrated through a prolonged level industry and business investment. As forecast in this and other strategies this good turn of events has seen East Shepparton industrial precinct, Benalla Road and to a lesser extent Numurkah Road areas prosper as planned.

Included within the GS2030SP was a demand and supply analysis which concluded there was sufficient short to medium term availability of industrial land. The GS2030SP cautioned that further more detailed analysis work is required to ensure the long term sustainability of industrial development land is secured. For this reason a number of investigation areas were nominated and have been included in the industrial framework plan within the MSS.

The industrial framework plan in the GS2030SP for the Shepparton, Mooroopna and Kialla area is characterised by:

- Consolidation of existing major industrial zones within the new urban growth boundaries.
- Designation of industrial land at the GV Link south of Mooroopna, for the location of industries that complement the purpose of that centre, for example, transport companies, automotive servicing, food storage, food distribution companies.
- A future long term industrial area on the northern side of Wanganui Road, on a wedge of land that will be created when Stage 2 of the proposed by-pass is completed. This area can be utilised should increased demand occur in later decades, as the land is bound by major transport routes.

These characteristics and directions after analysis remain relevant to a large extent. Further discussion will however be provided in this ILR regarding the benefits and limitations associated with planning for urban development within the context of an urban growth boundary.

A weakness in the GS2030SP is the omission of a broader planning context for Shepparton and Mooroopna that includes the corridor of land east of Doyles Road through to Central Avenue. This section of land contains several potential land use conflicts and is suggested require further planning investigation in order to protect the amenity of rural residential development and the commercial interests of existing businesses. The possible expansion of rural residential development around the 'Dobson's Estate' at Grahamvale could potentially hamper the long term expansion options for the East Shepparton Industrial Precinct.

Greater Shepparton Economic Development Strategy (GSEDS)

The GSEDS was prepared in 2006 and provided a detailed assessment of the local and regional economy highlighting the following attributes:

- CoGS has the fourth largest Gross Regional Product (GRP) of all regional centres in Victoria (\$1.6 billion in 2001)
- CoGS was ranked eighth in terms of its value of building works of all municipalities in Victoria in 2005. (\$141 million).
- CoGS is the largest truck and transport hub in Regional Victoria. The Goulburn region moves the largest amount of freight of all regions in Country Victoria (over 9.3 million tonnes – year ending March 2001).
- CoGS is ranked third of all Victorian regional centres in terms of innovation and creativity. (2005)
- CoGS is second in Victoria only to the City of Mildura in terms of the value of its agricultural production (\$411 million).
- The population of CoGS is expected to grow at a steady rate until 2031. 20,000 people are expected to be added to the population between 2005 and 2031.
- CoGS had the highest average annual population growth rates of all regional centres listed in the 1996-2001 period.
- The population of the CoGS is marginally younger than the regional Victoria average however the population is still ageing.
- 17% of the working population are employed in 'Retail trade'. A further 16% were employed in 'Manufacturing', with another 12% in 'Agriculture, forestry and fishing'.
- These three industry sectors employ 45% of the CoGSs working population.
- When compared to the regional Victorian average, the CoGS had a larger proportion of its resident labour force employed in 'Manufacturing' (16% to 13%) and 'Retail trade' (17% to 15%). CoGS had a slighter smaller proportion of residents employed in 'Accommodation, cafes and restaurants' than the Victorian average (3% compared to 5%).
- There has been a positive trend in the number of building permits issued over the past 5 years, from 1,152 in the financial year 2000-01 to 1,455 in the financial year 2004-05.
- The number of households is expected to increase to over 36,000 in 2031, from 23,000 in 2004.
- The business register data suggests that the traditionally strong sectors in CoGS such as retail, agriculture and manufacturing have all displayed some growth; however the business services sector is showing the strongest growth in the municipality between the years 2001 and 2004.

The following strategic directions from this document are relevant to the study brief and land use planning actions for industrial development:

- Undertake an industrial land supply and demand study for CoGS, including analysis for Shepparton, Mooroopna and Tatura.

- Apply and support Framework Plans as highlighted in GS2030SP, with further specific structure plans/land use strategies for Shepparton's growth areas, Mooroopna, Tatura and Murchison in order to ensure there is a sufficient supply of residential, commercial and industrial land. In addition, the structure plans should highlight future areas of growth (long-term) for residential commercial and industrial uses.
- Continue the preparation of Development Contributions Plans for Shepparton and Mooroopna growth areas to ensure that new developments contribute to the provision of infrastructure and facilities that benefit these developments.
- Integrate past strategic work undertaken in the CoGS small towns into Urban Design Frameworks (UDFs) for each town centre to ensure that issues relating to parking, signage, open space, and built form are addressed strategically. This should be done in conjunction with any structure planning process for towns including Mooroopna, Tatura, Murchison, Dookie, Congupna, Katandra West, Merrigum, Tallygaroopna, and Toolamba.
- Prepare an overall funding policy for the provision of infrastructure, including the pursuit of funding from other levels of government when applicable to offset the cost of maintaining existing or developing new infrastructure. This is particularly relevant for smaller towns in CoGS where the provision of costly infrastructure may deter developers and investors.
- Work with infrastructure agencies to prepare infrastructure plans which determine likely needs in terms of the location and staging of drainage, sewerage, telecommunications, water and power services.
- Undertake a detailed study to establish the need and demand for air services to and from the CoGS.
- Ensure that the 'Manufacturing storage and transport' sector continues to grow and strengthen within the CoGS with the development of the GV Link.
- A transport industry cluster should be established in CoGS to support the transport industry and associated businesses and services.
- Establish a second crossing over the Goulburn River, either as part of the Goulburn Valley freeway by-pass project or separately near the alignment of Wanganui Road.
- Develop the north south arterial network in the eastern parts of Shepparton city by providing appropriately spaced arterial roads between the Goulburn Valley Highway and Doyles and Grahamvale Roads.

This report highlights the diversity and resilience of the municipality's economy in addition to its potential vulnerability through the interdependence between the districts rural sector and its major industries and employers. The report correctly highlights the need for the Council to plan ahead and facilitate the availability of industrial land in line with market requirements.

A major focus of the economic development strategy is to determine the role and level of facilitation Council undertakes in the attraction and delivery processes for investment in the CoGS.

It is noted within the community workshops there was a perception that Shepparton was lacking an adequate supply of industrial land, unfortunately the economic development strategy does not provide any further explanation of what has fuelled this concern. As reported in later sections of GSEDS the data suggests that Shepparton, despite a reliance on very few land developers, has an adequate supply of both developed industrial lots and appropriately zoned industrial development land. This view was also supported by developers, businesses and a real estate agent interviewed during the stakeholder consultation process. Overall the strategic actions outlined remain necessary and relevant.

Greater Shepparton City Council Economic Development Strategy 2009-2012 (GSCCEDS)

Council commissioned Essential Economics to prepare the GSCCEDS which incorporates a review of the 2007 economic strategy and provides an Action Plan for implementation by Council's Economic Development Branch (EDB).

This particular strategy provides guidance to the EDB of Council on where it should focus its resources in to foster new investment in the municipality. This is reflected through what the report directs as the top five priorities for the Council to pursue:

- (1) To ensure the development of the GV Link.
- (2) To identify opportunities to retain and grow existing businesses and jobs, and to encourage the creation of new businesses and jobs.
- (3) To diversify the economic base.
- (4) To promote improved passenger and freight rail services to/from the CoGS.
- (5) To promote CoGS as a place to live, work and invest.

Greater Shepparton Housing Strategy

The Greater Shepparton Housing Strategy (GSHS) contained five broad housing objectives including:

1. Ensure an adequate supply of appropriate land for residential development.
2. Improve the quality and performance of future residential development.
3. Promote active and healthy living environments.
4. Achieve a wide choice of affordable and market housing.
5. Promote leadership, innovation and learning.

Apart from the last objective, each of these are requirements of the State Planning Policy Framework (SPPF) and are obligations placed on local government throughout Victoria. The report does have implications on the supply of industrial land and the interface issues highlighted in this report. A number of growth management plans are included in the report, recommending areas for further investigation or residential expansion. These plans are broad brush and do not take account of potential land use conflicts. By their nature, the plans are not specific enough or intended to alert to potential land use conflicts with Industrial land uses.

Some of the mapping recommendations worth highlighting are detailed as follows:

Shepparton North

- Similar to this report the GSHS highlights that the section of Industrial zoned land that fronts Ford Road and Hawkins Street should be residential land.
- There will be issues for the Council to consider in the merging development fronts of the East Shepparton Industrial Precinct and residential development west of Grahamvale Road.
- The promotion of low density residential development along the corridor of land between the proposed Goulburn Valley Highway bypass and the Numurkah Road will promote additional land use conflicts with a number of industrial land uses already present in the general area.
- There are also a number of industrial land uses present adjacent the Numurkah Road to the north of Ford Road on land recommended to be developed for residential purposes. These uses are considered incompatible with residential development and will need to relocate if the recommendations are implemented.

Shepparton South/Kialla

- There will be interface issues that the Council will need to address at the merge point between the Industrial 3 Zone and residential development at Kialla.
- Thompsons Cold Storage operates a freeze drying business on Doyles Road at Orrvale. This land is also shown on plans a future residential growth corridor and its continued operation would be incompatible with residential development.
- There is likely to be a longer term requirement for additional land to be zoned Business 4 along Melbourne Road. The GSHS identifies this land for residential and rural residential development.

Shepparton East

- Similar to this report the GSHS highlights the need for a further land use investigation to be undertaken in the precinct bounded by Doyles Road, Midland Highway, Central Avenue and railway line. This section of land includes the Dobson Estate and presents major land use implications if rural residential development is expanded without proper analysis. At worst expansion of the Dobson's estate could undermine the long term industrial land requirements for the urban area of Shepparton.

Mooroopna

- It is noted that the GSHS makes no recommendation in relation to the small section of undeveloped residential land adjacent Toolamba Road. If developed, this section of residential land will produce another location where business activities are constrained by nearby residential uses.

Tatura

- The GSHS recommends that the Industrial Zoned land in Dhurringile opposite Tatura Milk be made available for residential development as Tatura Milk has

recently sold the land to the nearby retirement village. It is noted that this company has spent several million dollars acquiring nearby residential homes to reduce the limitations placed on its business. Council should be ensuring that the company is protected from further residential encroachment.

- Expansion of residential development shown to the north and south of Tatura has minimal impact on the potential industrial land requirements.

City of Greater Shepparton Heritage Study (CGSHS)

The CGSHS was prepared by Allom Lovell Associates. Stage II, Volume 2 of CGSHS provides a thematic environmental history of Shepparton, identifying historical landmarks in the town of Shepparton and detailing their significance. According to CGSHS Shepparton has a rich history of developing primary and secondary industries, which are still integral to Shepparton today.

The items identified by the CGSHS are;

- HO 24 Campbell's Soups Tower at 55 Lemnos North Road, Lemnos.
- HO 46 Ridley Agriproducts at 53 McLennan Street, Mooroopna.
- HO 39 Ardmoma Canteen (Former Post Office) at Camp Street, Mooroopna.
- HO 73 SPC Ltd. at Andrea Fairley Avenue, Shepparton.
- HO 78 Furphy House at 132 Hayes Street, Shepparton.

These items are all located within the Industrial 1 Zone with the exception of Furphy House, which is a residential property but has significance relating to the industrial history of Shepparton. The 'real' value of these items would need to be addressed in any development proposal that may affect them.

Also, in Tatura, on land owned by Tatura Milk Industries, there are three houses of heritage value which Tatura Milk Industries would like to demolish in order to extend their production areas. It is understood that Council are currently in discussions with Tatura Milk in order to resolve this land use conflict.

Shepparton Region Industrial Development Strategy 1994

The SRIDS was prepared by TBA Planners, in association with Planning Australia Consultants and Andrew O'Brien & Associates. It was prepared for the Shepparton-Kyabram-Rodney Development Corporation (SKyRod). It addresses the growth of industry in Shepparton and provides a strategy for encouraging and ensuring the continuation of that growth. The SRIDS identified many similar issues as this report. In the discussion of supply and demand issues it was noted that there is a lack of sufficiently large lots available to house new investments and industry and some areas are poorly zoned; limiting growth or impeding upon neighbouring zones.

It was noted by the SRIDS that the location of the by-pass would influence the location of future industrial areas, which has proven true with the proposed GVFLC and growth along arterial roads that will connect to the by-pass. An industrial development focus on vacant land between the Midland Highway and Dookie Road was suggested in order to better organise this existing industrial area. As a result, most of this land has been developed.

2.4 AREA OR ISSUE SPECIFIC

The following documents are area or issue specific and have varying degrees of influence over industrial land in CoGS.

City of Greater Shepparton Southern Gateway Landscape Strategy (CGSSGLS)

The CGSSGLS was prepared in 2006 and provided recommendations for the desired landscape character for the section of the Goulburn Valley Highway extending from the northern boundary of the aerodrome south to Seven Creeks. The report emphasises the importance of this southern gateway and the need to provide an attractive landscape presentation along this section of the Goulburn Valley Highway. The report will need to be considered in respect to future investigations to extend the Business 4 Zone further south along this section of highway.

East Shepparton Industrial Development Plan (ESIDP)

The ESIDP was undertaken to provide the strategic justification for the rezoning of 60 hectares of land bounded by Florence, Doyles and Old Dookie Roads. The ESIDP also includes a demand and supply analysis for land focusing on data from planning applications from 1996 to 2000.

The ESIDP demonstrated strong demand for industrial land in the east and north eastern industrial precincts of Shepparton. The highest levels of investment were in warehousing and manufacturing from 1996 to 2000. There were no new developments in the food processing sector however some existing companies invested in significant building programs, for example:

- SPC Ardmona \$100m for five years to 2005
- Campbell's Soups \$30m
- Tatura Milk \$4.2m in 2000
- Geoffrey Thompson Fruit Packing Co. \$5m in 1999
- Ardmona \$2.1m in 1996

The ESIDP recommended that good urban structuring principles be applied in order to facilitate a road layout that caters to a flexible and adaptable lot structure. This clearly favours an interconnected and legible street layout as opposed to curvilinear roads and cul-de-sacs which reduce lot efficiency and adaptability in addition to presenting on street parking problems in court bowls.

Goulburn Valley Freight Logistics Centre Study (GVFLCS)

Through Amendment C34 to the Planning Scheme the Council in May 2005 rezoned 374 hectares of land at 250 Toolamba Road, Mooropna to a Special Use Zone to accommodate the GV Link to serve the municipality and the wider Goulburn Valley region.

Council previously undertook a number of feasibility studies to test its opinion that a commercially sustainable facility might be established in the Shepparton region. The results of the feasibility studies that have been conducted in conjunction with major industries in the region have demonstrated that the economies of scale, trade and savings would justify the proposed initiative. This would assist in addressing the

issues and inefficiencies associated with what is a dispersed and fragmented transport and logistics presence within the Goulburn Valley.

The current site was chosen from a number of potential sites identified by an earlier land study. The process of selection was not a purpose-based search for a potential GVFLC site. The subject land was chosen due to its unique suitability for the purposes of a Freight Logistics Centre as listed below:

The key factors are:

- the size of the land parcel (totalling 374 ha);
- the relationship to Shepparton/Mooroopna (nearby, but separated by a stable rural area that serves as a buffer);
- the location to the south of the urban area, favouring transport economics with respect to the metropolitan area and the port;
- the position astride the By-pass route; and
- the nearness to the regional broad gauge railway.

There was just one other site considered which also had one of the key factors; being proximity to the regional broad gauge railway and the by-pass route. This site was at Congupna, 9kms north of the Shepparton urban area. The elimination of this site was not fully explained to the GVFLC Planning Panel but may have been considered too far north for efficient logistical operations.

The rationale for the provision and chosen location for such substantial capital investment is summarised in the planning report for the rezoning, as follows:

A freight hub located within the Goulburn Valley would provide an important opportunity to consolidate freight handling, modal change and distribution tasks for the region within the context of an integrated land use and transport strategy. It is acknowledged that a unique opportunity exists to take advantage of recent decisions concerning land use, specifically along the route of the Goulburn Valley Highway Bypass of Shepparton. Further, the adoption of a western route for the bypass provides significant opportunities for development of an intermodal freight facility incorporating best practice operations for enhanced use of rail for freight with high-standard road access.

The brief for this review requires consideration of the Council's strategic intentions to deliver the GV Link project, including the need to ensure that any future industrial development and rezoning protects and enhances the role of the GV Link. It is apparent from the analysis of recent development trends and the review of past reports that considerable investment is still occurring in freight and storage developments across the municipality. It is probable that some of this investment could be making the task of consolidating food bowl related transport and storage operations at the GV Link more difficult. This report has been careful to recommend that the investigation areas for future rezonings are timed when demand warrants or applied to overcome potential land use conflicts. In most cases outlined, the future development areas are catering for smaller lot industrial development or highway business related uses. Council would however benefit from conducting regular meetings with major freight and storage businesses as operations such as Thompson's Cold Storage have a number of sites that are constrained or under threat from further residential encroachment. The GV Link offers these types of business some certainty and virtually no risk of being curtailed by residential based complaints.

Figure 2: Proposed Development Plan for Goulburn Valley Freight Logistics Centre



Some of the content in the Panel report for Amendment C34 provides a good account of the challenges and precautions in regard to establishing the GV Link. The Panel report and submission from Council highlighted the three most significant elements of the strategic context for the GV Link being:

- the pre-eminent role of the Murray-Goulburn region as a significant producer of food products for domestic consumption and export (the 'Food Bowl' concept);
- the currently fragmented and inefficient nature of the food processing industry in the region and in particular the related packaging, warehousing and transport operations; and
- the proposal for a dual carriageway by-pass of the Shepparton-Mooroopna urban area, and the location adjacent to the existing regional broad gauge railway.

In regard to the fragmentation of transport and storage operations, through its economic development plan the Council has highlighted major benefits could be achieved if the freight and logistics sector related to the food industry in the region were consolidated at a single location with easy access to both the regional railway and the proposed Shepparton by-pass. Due to the growth pattern and restructuring in the freight industry over recent years, the industry now operates from a number of facilities around the region and in various parts of Shepparton and Mooroopna in particular.

In evidence provided to the C34 Panel it was explained that existing facilities are regarded as generally inadequate in scale and in some cases technically obsolete for efficient warehouse handling and transport equipment. This is evidenced in the Thompsons and SPC-Ardmona operations that are each scattered over 10 or more separate warehouse facilities of various sizes. This fragmentation causes an increase in truck movements which impacts on local roads, a benefit of establishing a single site is that noticeable quantities of truck traffic would be removed from these streets.

The challenge lays ahead for the Council in the redirection of freight and logistics investment, from a dispersed number of sites to a single location. The chances of this occurring will depend on a number of factors, including:

- The completion of the Goulburn Valley Highway by-pass.
- A lead anchor tenant making the move. A number of stakeholders commented that someone needs to be first and then there is a chance to build some momentum.
- A coordinated marketing and economic strategy that provides incentives for investment in the GV Link site, particularly for businesses that are amalgamating their operations.
- Support from Government toward the set up costs and incentive programs.
- Tough planning policy implementation that actively discourages further fragmentation of the freight and Logistics industry once the project is provided with a certain future.

Urban Design Framework – Shepparton North & South Business Areas, 2006

This Urban Design Framework (UDF) provides the Council with urban design guidelines to inform planning decisions for developments in the designated business areas along the Goulburn Valley Highway in Shepparton. The UDF includes guidelines for development in the Business 4 Zone in the following locations:

- Sobraon Street from Welsford Street to Wyndham Street.
- Wyndham Street from Sobraon Street to the railway line.
- Wyndham Street from the railway line to the Broken River.
- Wyndham Street from the Broken River to Raftery Road.

The broader intentions of this strategy aim to improve the architectural quality and enhance the public realm along the southern entry point to Shepparton's CBD.

Shepparton aerodrome

The GS2030SP outlined that the aerodrome is a constraint to residential development in the Kialla area. The MSS and a number of strategies identify the intention to consider alternative locations for the aerodrome to facilitate urban expansion options. The preference is to locate the aerodrome in the vicinity of the GV Link to ensure this facility has road, rail and air freight options covered.

Council advises that it plans to undertake a study to explore the feasibility of this proposal.

In terms of this report on the status of industrial land the Melbourne Road frontages of the site with the Shepparton by-pass in place will be an ideal location for highway business uses. These uses benefit from high profile road frontage and convenient access to expanding residential estates.

Infrastructure Design Manual (IDM)

The IDM was undertaken in 2007 as a joint initiative with the City of Greater Bendigo and Campaspe Shire and provides each Council with a common set of guidelines and requirements to guide the technical design elements for urban and rural residential subdivision. The manual includes design requirements for roads, landscaping, drainage, lighting and intersection design for industrial subdivision. The advantage of this manual is that it provides the same engineering standards across a number of municipalities adding certainty to the development approvals process.

Shepparton Urban Design Framework, 1999

The study area is the Shepparton CBD area bounded by Welsford Street, Nixon Street and Sobroan Street. This includes the Business 4 Zone on the north side of Sobroan Street between Hoskins and Wyndham Streets. The UDF provides guidelines for the standard of design of new commercial buildings, and the role of public art in the urban context.

Shepparton North & South Growth Corridors Outline Development Plans and Shepparton North & South Growth Corridors, Development Contribution Plans

This ODP and DCP have been prepared to guide the development of the two major growth corridors for future residential development in Shepparton. Both are emphasised in the MSS. The strategic work addressed the urgent need for structure plans to be prepared for the major growth corridors.

Both areas have an interface and edge to existing and future industrial development highlighting the importance to consider matters such as edge treatments, road connections. It is important that industrial areas are convenient to where people live and planned in a manner where they can be complementary rather than conflicting. This is particularly important given the Council's objectives to plan the city in a manner which can reduce the kilometres travelled per household.

The demand for residential land was calculated in the GS2030SP at 3,673 lots, which equates to a land requirement of 853 hectares. Council has undertaken recent amendments to the planning scheme in line with the GS2030SP to provide an increased supply of future residential development land.

Some of the land in the southern growth corridor is affected by the flight paths of both the north-south and east-west runways of the Shepparton Aerodrome. These areas are subject to the provisions of the Airport Environs Overlay (AEO), which requires that permit applications for sensitive uses of land (as listed in the schedule) be referred to the aerodrome owner. The aerodrome is also covered by a Design and Development Overlay (DDO2) that sets out to prevent ground-based intrusions into the flight paths. If the aerodrome is relocated, the direction to provide a highway business frontage to Melbourne Road is supported and should be further investigated. These types of business provide an appropriate back edge to residential development.

The Development Contributions Plan has been implemented in the planning scheme and applies charges for both the north and south growth corridors. The northern Development Contribution Plan Overlay (DCPO) is applied on the section of land bounded by Numurkah Road, Ford Road, Verney Road and the northern urban growth boundary. This DCPO apportions charges for arterial roads, intersection upgrades, bike paths, drainage and wetlands. The DPCO has no impact on any industrial or highway business land.

The second DCPO is applied to the western side of Melbourne Road from the Broken River to the southern urban growth boundary at River Road. The DPCO2 apportions charges for similar items as DCPO1 and includes sections of land zoned and proposed to be zoned Business 4. The charges apportion a total rate of \$22,812 per hectare for commercial development. This is considered to be a modest charge for improvements to roads and drainage that benefit the highway commercial land.

Shepparton Central Business District Parking Precinct Plan (SCBDPPP)

In 2006 the SCBDPPP provided an analysis of demand and supply of parking spaces in the Shepparton CBD and provides a schedule the planning scheme which in general reduces the parking amounts required for development when compared to default provisions in the Victoria Planning Provisions.

Shepparton Central Business District Strategy (SCBDS)

In 2008 the SCBDS aimed to maintain the primacy role of the Shepparton CBD within the broader region and provides a number of key strategic actions, some of which potentially impact on investment within the Business 4 Zone and Industrial 1 Zone outside the CBD. Arguably the proliferation of so-called bulky goods outlets which include some major retail destination stores along Benalla Road and to a lesser extent Melbourne Road have strengthened the regional service role of Shepparton in a broader sense, possibly at the expense of increasing the vitality within the CBD. This is more an issue associated with the looseness of State-based definitions for retail premises rather than any actions on the part of the Council. Shepparton's CBD boasts the presence of some major retailers and has benefited from considerable recent investment.

Eleven key priorities have been identified as integral for the SCBDS and are outlined as follows:

1. Developing and promoting Shepparton as a leader in sustainability through building design, transport modes resource management, its natural riverine environment and strong community.
2. Consolidating the CBD as the principal retail centre in the region and creating an active, vibrant and safe CBD.
3. Supporting a robust economy and local employment through appropriate land use mix and activities in the CBD.
4. Creating residential opportunities and expanding housing choice within the CBD.
5. Supporting development of the tertiary precinct and enticing students to live and study in Shepparton CBD.
6. Defining a forward-looking image for the Shepparton CBD taking into consideration its strong indigenous and post-settlement migrant history, riverine location and local agricultural industry.

7. Improving the design, function and safety of key sites and precincts within the CBD including the Vaughan Street precinct, Maude Street Mall, Stewart Street and Shepparton Plaza.
8. Creating a pedestrian and cycling-friendly environment.
9. Improving movement and access by reducing traffic in the CBD, improving public transport services and cycling links and facilities.
10. Improving access to and provision of car parking within the CBD.
11. Improving access to, and an awareness of, the riverine area on the periphery of the CBD.

Shepparton-Mooroopna Flood Plain Management Plan (SMFPMP)

The SMFPMP provides the rationale for the management of the floodplain in the conurbation of Shepparton and Mooroopna. The report does have implications on some existing and proposed areas for industrial development. The main objective of the floodplain management plan is *“to minimise the economic and social impacts of flooding on the community, whilst protecting environmental values of the study area”*

The methodology of the study includes qualitative and quantitative assessment of:

- historical flooding data;
- community consultation;
- hydrologic analysis of stream flow to estimate probability of occurrence (flood peaks and volume);
- computer modelling of flood behaviour to estimate flood extents and levels;
- flood damage assessment; and
- flood mapping for emergency response.

The SMFPMP recommended measures to reduce the economic and social consequences of flooding.

The Goulburn–Broken Catchment Management Authority (GBCMA) has declared flood levels in accordance with the *Water Act 1989*. The flooding delineation maps are based on these flood levels and will assist Council in the application of the relevant planning scheme provisions:

- Land Subject to Inundation Overlay – this overlay applies to land in flood fringe or flood storage areas that is subject to inundation in a 100 year (ARI) flood.
- Floodway Overlay – these areas are largely discretionary with developments assessed on performance based criteria.
- Urban Floodway Zone - contains restrictions on the use and development of land.

The recommended list of mitigation measures in the SMFPMP includes structural works (floodways, waterway capacity works, levees or flood walls, flood proofing or raising and land acquisition) and non-structural measures (land use planning controls, improved flood warning and community education). A preliminary assessment of the feasibility of mitigation measures was made considering the cost, practicality and effectiveness of the various measures. The SMFPMP assessed structural measures

including a number of levee options, construction of East Mooroopna Floodway, realignment of Channel No. 12, and increasing bridge causeway and railway openings. It concluded that none of these measures were supported due to the low benefit to cost ratio.

The SMFPMP did support non-structural measures, as a means of reducing flood damages in the longer term. These included planning scheme amendments (especially for the effective assessment of applications, these amendments have been incorporated into the Planning Scheme), flood warning arrangements, flood response and recovery, flood monitoring and community awareness (which are currently being implemented).

Areas such as the North Shepparton, Wanganui Road area are constrained by flooding and further investigation is required to explore mitigation options such as a balance cut and fill development to enable a possible rezoning to proceed. Similar principles would be applied to development in other locations such as the GV Link, Mooroopna North and Tatura. GBCMA has confirmed in the consultation process for this report that it would be willing to consider a balance cut and fill situation for sites in the Land Subject to Inundation Overlay (LSIO). The authority would need a more convincing case to be established where development is proposed within a Flood Overlay.

Goulburn Valley Highway by-pass

The planning study to determine the alignment for the future Goulburn Valley Highway by-pass of Shepparton commenced in 1995 and was incorporated in the planning scheme in 2006. The project plans to construct a dual carriageway of approximately 36km in length, to the west of Mooroopna from Karamomus Road in the south then west of Excelsior Avenue and continuing north to Congupna.

A program for the construction of the Shepparton Bypass is yet to be agreed with the Australian Federal Government.

Vicroads highlight that road project will provide a major economic boost to the region providing Shepparton with the best long term solution to:

- cater for long term traffic growth;
- address major deficiencies required to meet National Highway System objectives;
- improve the level of service for commercial traffic in the region;
- improve safety and accessibility for both local and through traffic;
- provide relief for congested intersections in the city centre;
- reduce accidents, particularly those involving trucks;
- provide certainty for future land use development; and
- improve the amenity of the urban centres of Shepparton and Mooroopna.

During the planning study, a number of specialist studies were carried out to enable a full assessment of the potential impacts of the options under consideration and to develop appropriate management plans to minimise these impacts. The Environment Effects Statement (EES) highlights key requirements for environmental management

of the potential impacts identified in the detailed discussion of the options. These will provide the basis for the preparation of a detailed Environmental Management Plan which will be required before the construction of the bypass commences.

Part of the reporting process which was picked up in the SMFPMP included a flood assessment that identified potential displacements in the flow of floodwaters resulting for the construction of embankments. These works marginally impact on the Shepparton North and Mooroopna North industrial land.

In consultations with Vicroads it was indicated that the project was more than 5 years away and is still a chance to be built as a single stage rather than a two stage option. The two stage option terminates initially at Wanganui Road and is then extended at some stage in the future through to the current Goulburn Valley Highway at Congupna.

Doyles Road

VicRoads are currently undertaking a study of the Doyles Road and Benalla Road areas in East Shepparton. With the lead time for the construction of the Shepparton by-pass likely to extend up to 10 years, VicRoads recognise that Doyles Road may not have the design capacity to cope with the traffic loads. Doyles Road is the current alternative route to the Goulburn Valley Highway and is a major route for heavy vehicles. VicRoads have quite rightly recognised the need to maintain the efficiency and safety of this road whilst the Shepparton by-pass remains in abeyance.

The study is in its preliminary stages with early concept designs having been prepared for Doyles Road. It is understood that potential upgrades to the road will be in stages with the first section for potential duplication being from Poplar Avenue in the south through to the Grahamvale Primary School in the north.

This also proposes amendments to the planning scheme to facilitate the acquisition of land. The planning scheme amendment is likely to be commenced within the next 12 months and it is not known when land acquisition or road construction is likely to commence.

The comments made in this report about urban structuring should still be considered and options investigated to provide additional road connections between the major blocks of local roads. The reason for this is that Council cannot rely on VicRoads to ensure Doyles Road will remain at an adequate standard. VicRoads has many competing funding priorities and despite good intentions may be unable to ensure Doyles Road remains a suitable standard of access. Council should make every effort to reduce the dependency of local traffic on this section of road.

Shepparton Solar Energy Project 2010 (SSEP)

The SSEP provides the rationale for a solar energy plant, assesses Shepparton's capability and aims to work with potential developers in creating a large scale site. It was prepared in response to the *Victorian Large Scale Solar Project – Request for Proposals*. The SSEP has identified three potential solar power plant sites in Shepparton, with the Radio Australia site being the preferred of the three.

Levels of sun exposure (in megajoules), solar radiation and development capability are all demonstrated in support of a solar energy plant. The large industrial sectors are detailed as beneficiaries of the solar power plant.

Resource Recovery Precinct (RRP)/Daldy Road Opportunities

The RRP report was created as an entry to the Premiers Sustainability Award 2010 and outlines the innovative technologies that have been developed in this precinct under the partnership of Goulburn Valley Water and Greater Shepparton City Council. The Kinetic Renewables generation plant is a facility to process by-products and wastes from the Goulburn Valley Region. These by-products would include peach stones from SPC Ardmona and other wood and compostable products, which would create energy in the release of gases as they are composted. This energy would be fed back into Shepparton's main electricity grid, thus bringing Victoria, and Shepparton especially, closer to the goals of Towards Zero Waste strategy.

Diamond Energy also operate a power generating plant at Goulburn Valley Water's Tatura facility.

There has been considerable interest shown in the RRP and the precinct has now achieved "*critical mass*" and therefore further marketing will take place in order to attract further investment. Resource GV have advised of several case study operations one of which was identified at Wingfield in South Australia. Wingfield is located in Adelaide and provides a one stop shop approach to materials recycling. The operation recycles building materials (including timber and masonry products), plastics and metal and sells these products. Greenwaste is also recycled and used for producing commercial quantities of soil and compost. Paper products are also recycled at the same plant.

The Daldy Road area is currently zoned Farming, however given the interest and innovation demonstrated in the RRP, expansion of the site would allow Shepparton's sustainable industries to grow. Consequently, the Daldy Road area is recommended for investigation for inclusion in an Industrial 1 Zone. Through the consultations held with the ILR it is clear the major challenge for the Daldy Road site and the RRP is flooding. Preliminary information provided by the Catchment Management Authority and Council suggests the flooding is approximately 1 metre in depth.

In discussions with the Catchment Management Authority they advised a willingness to consider developments that could demonstrate a complimentary function with the waste water treatment plan and Diamond Energy. This advice was provided without prejudice and would be the subject of more detailed information.

Other uses such as the plastics industry, tyre recycling and building materials recyclers may be more difficult to accommodate in this precinct, given the criteria outlined by the Catchment Management Authority. Under the modified Industrial Framework Plan included in Appendix 'B' and the Land Supply Plan for North Shepparton the Daldy Road site and a site adjacent Wanganui Road have been identified for further investigation, so that all of the potential uses could be accommodated in the same general location.

Both sites are well buffered from residential uses and offer business the certainty of being able to operate without the risk of noise or potential odour complaints. Some constraints may have to be placed on the Wanganui Road sites for any uses that may be using prescribed wastes or be noxious in their operation as this site is 700 metres from the nearest residential zone.

3. STAKEHOLDER CONSULTATION

As part of the ILR two days were set aside to meet with a number of industry, business, service authority, Council and statutory agency stakeholders. Various questions were raised and discussion held to gain a more personal account of the business requirements for industrial land. This assisted in providing an understanding of industrial land requirements and why some precincts are preferred over others. A more detailed account of the discussions is included in appendices.

The consultations confirmed a few key matters and validated the general view of this report that Shepparton to a general extent has an adequate supply of industrial land. It did however highlight that a number of industrial land uses were not well catered for and Council is having challenges with the identification of suitable sites for the recycling and eco industries.

Many of the stakeholders confirmed the confidence in the East Shepparton Industrial Precinct indicating that this is where the market is willing to invest. There is a consistent view that Council should incorporate into its long term planning the capacity for East Shepparton to expand. Although a relatively small number of people/businesses were consulted in relation to this report there was a remarkable consistency in the point of view being expressed about the overall supply of land and confidence in the East Shepparton precinct.

There was also confirmation of interface issues and problems with either the zoning of some industrial uses or the constraints to business brought about by being located too close to residential development. Many of these are due to historical factors although in a few instances the problems have arisen due to recent development decisions.

Stakeholder consultation also confirmed anecdotal evidence that there is little if any supply of available vacant industrial land in Tatura for small scale industry.

The key points raised in consultation with stakeholders are listed below and are summarised under each relevant issue.

Land supply

- There was a general consensus that Shepparton has an adequate supply of industrial land.
- Those involved in the actual development indicated that they have a raw land supply of at least 10 years.
- It was acknowledged there may be some future difficulties in some industrial development parcels being made available for development. A number of parcels in East Shepparton were highlighted as being held or available for sale at a price that would prevent any development being profitable.
- After further detailed questioning it was established there are some industrial business sectors that are likely to experience difficulty in gaining access to land. This includes businesses requiring larger sites with smaller building footprints and the emerging 'eco' and recycling industries.
- Businesses which require a larger site and smaller building footprint for example do not fit the business model that can be catered for by Telfords. A number of these businesses are in discussion with the CoGS and include

recyclers, building demolition contractors/recyclers, farm equipment machinery supplies and scrap metal merchants. These businesses either have to self develop or look to Council for assistance in locating a site.

- Those interviewed agreed that in the majority of cases most industrial businesses could be provided with a site that meets with their requirements.
- There was a lot confidence expressed in precincts such as East Shepparton and Benalla Road and a view that both these precincts have growth capacity.

Economic situation

- Most of the stakeholders reinforced the strength and resilience of the local economy.
- There remained a sense of optimism despite the GFC and structural changes occurring in the rural sector.
- There was consensus that the demand for industrial land has dissipated in the past two years and prior to this was a period of strong growth.
- Telfords reported an average of 6 to 8 land and development packages being transacted for each year in the past few years.
- A clear issue for the development of industrial land is the marginal differential between land development costs and the price the market is willing to pay.

Land use conflicts

- A number of existing and potential land use conflicts were reported.
- It was clear from the consultation process that some businesses are constrained by the location of incompatible uses on nearby land. There are also instances where major industry is located on island sites surrounded entirely by residential development.
- There are also emerging land use conflicts with cold stores, transport operators and industrial businesses being located in the Farming Zone and at risk to both residential or rural residential development.
- Conflicts were reported in various parts of Shepparton, Lemnos, North Shepparton and Tatura.
- Tatura has a number of land use conflicts and the successful conduct of business will largely depend on a combination of good management and tolerance by nearby residents.

Development constraints

- The main development constraint is dealing with flooding and drainage matters. Dealing with both of these issues is adding \$25 to \$30/sqm to the price of land.
- Developers were looking to the Council to provide more of strategic approach in dealing with drainage and consider undertaking drainage strategies and basin designs for all future growth areas.
- The existence of a number of industrial zoned parcels adjacent residential development was cited as a constraint.

- A number of stakeholders report power supply issues at North Shepparton, Lemnos and Mooroopna.
- Some parcels are being held by landowners or offered to the market at a price that makes industrial land development unprofitable.
- The market has a poor level of awareness of some the minimum development requirements such as the on site treatment of stormwater and the need to concrete the frontages of industrial developments.
- Some road widths are limiting B-Double access and this is a deterrent for development.

Eco – industrial opportunities

- There was clear support for the concept of establishing a precinct for so-called 'eco' industries or businesses that require large amenity buffers.
- Various site opportunities were suggested including Daldy Road, Wanganui Road, Cosgrove land fill and Congupna.
- There was discussion on the synergies achievable with the operations already at Daldy Road (Diamond Energy) and the potential to expand this site.
- Goulburn Valley Water advised that they were open to having further discussions on the proposal.
- It was clear that the site needs to have ample buffers from residential properties and preferably up to 1.5kms from the nearest dwelling.
- Having good road access, town water and a good power supply were suggested to be critical requirement for an eco industrial precinct.

Road infrastructure

- There was a general view that the Goulburn Valley Highway by pass would be beneficial to the region and that the road infrastructure servicing the various industrial precincts was acceptable.
- The by-pass is at least five years away from being funded.
- Vicroads highlighted there is no current overall road strategy plan for the CoGS and that an arterial network strategy was about to be commenced for the Shepparton and Mooroopna urban area.
- Vicroads advised that Doyles Road is planned to be 4 lanes from just south of the Benalla Road through to Ford Road. These works are yet to be funded.
- Works are about to commence to duplicate the balance of Benalla Road through to Doyles Road and to make the Doyles Road roundabout 2 way circulating.
- Vicroads and Council's engineering staff agreed there may be issues with the adequacy of Ford Road when Stage one of the Goulburn Valley Highway by-pass is completed. This section of road is within a 20 metre reservation and

has residential land on both sides and is planned to cater for increased volumes of heavy vehicles.

- Some stakeholders were critical of the standard of the Causeway and saw this as a deterrent to investment in Mooroopna, however Vicroads contend that despite a recent facility the data indicates the road is generally safe.
- Many stakeholder called for increases in the B-Double road designations and the planning for B-Double access within new industrial estates.
- There was support for Doyles Road to be upgraded to an equivalent standard to Benalla Road. This was seen as potentially good for business and would stimulate investment along Doyles Road.

Benalla Road

- Benalla Road was viewed as making a further transition in the past five years from a service/highway based industrial precinct to a higher order commercial precinct catering for a higher composition of retail uses.
- It was generally agreed that although there are limited vacant sites there is still sufficient growth potential within the precinct and no urgent need to locate other precincts for bulky goods or highway related commercial activities.
- There are a number of vacant or under developed sites that offer further opportunities for businesses that require a high profile location.
- A local real estate agent commented that a number of uses associated with the building industry had relocated from Benalla Road to Melbourne Road and that a cluster of building related businesses was establishing in Melbourne Road. This has freed up a number of sites for other commercial – semi-industrial uses.

Where should future industry be located?

- There was an apparent consensus that Council should concentrate its efforts on East Shepparton as this is where the market is and will continue to want to locate.
- A number of stakeholders when asked about ‘what happens when there is no more land available in East Shepparton?’, responded by suggesting that industrial development should be located both sides of Doyles Road.
- The Doyles Road area was supported as a longer term option and considered to be a strong location for business well after the Goulburn Valley Highway by-pass is constructed.
- Doyles Road also presents an expansion and relocation option for the types of businesses which are located in Benalla Road.
- There was little support for industry to be redirected to North Shepparton.

- Lemnos has service constraints and limited market appeal. The only level of rezoning that was promoted was to enable the expansion of an existing business.
- Several stakeholders highlighted a number of industrial uses located within the Farming Zone between Dookie Road and the railway line. It was suggested that this corridor offers Shepparton with a long term corridor option for the continued expansion of East Shepparton Industrial precinct.

Industrial land at Tatura

- It was clear from the consultation process there are very few (if any) industrial sites available in Tatura for businesses to expand on without the risk generating residential complaints.
- Both of the major industries in Tatura and their supporting service industries are located with residential properties on their immediate boundaries. Both major industries (Unilever and Tatura Milk) require a masterplan and a planning framework that supports and streamlines any future redevelopment options and brings certainty for the investment and for surrounding residents.
- It was difficult to gain comment or input on other land options in Tatura and only anecdotal evidence that there is a demonstrated need for additional industrial land.

Wanganui Road & North Shepparton

- This precinct has limited stakeholder support as industrial land option. This is despite where the first stage of the Goulburn Valley Highway will terminate.
- The precinct is prone to significant flooding.
- The CMA did indicate there is potential for limited development to occur outside Flood Overlay within the Land Subject to Inundation Overlay.
- The issue with development in this area was explained to be the cost of providing flood mitigation and drainage works. There was a view that it was too costly to develop in this area.
- Council owns land in this precinct and is investigating a potential 20 lot subdivision. There is however potential buffer issues with this site with residential properties being located less than 200 metres from the rear boundary of this property.

Goulburn Valley Freight Logistics Centre

- Without the freeway in place (going through the site) the Freight Logistics Centre was commented to be unattractive to the market.
- Most of the stakeholders were supportive of the concept and expressed a desire to see it succeed.
- Some stakeholders suggested that Council would be better served to focus its resources on investing in the infrastructure to the growth of existing industrial precincts.
- The centre needs a champion development and there are no options available at the moment.

- When asked about the prospect of 'peak oil,' Government policies and potential incentives to promote long haul trips on rail, there was acknowledgement that it would be beneficial if the region was provided with an intermodal facility. Some respondents expressed the view that this would be better placed on the standard gauge network at Mangalore.

4. DEVELOPMENT CONSTRAINTS

The municipality offers the benefits of ample flat land, which apart from urban services is an essential requirement for industrial land. The market's ability to provide high quality industrial land at a relatively affordable price is being demonstrated in the demand and supply data suggesting that in most cases development constraints are manageable. The consultation process undertaken with key stakeholders confirmed this to be the case and also reinforced what was expected to be most recurring constraints to land development.

The constraints identified include variable levels of access and in some instances poor access to main roads, existence of floodway zones, location of agricultural enterprises, drainage and potential conflict with residential areas. The key constraints are summarised as follows:

4.1 ACCESS & ROADS

- Most industrial precincts have good road access, particularly those in the north and south of Shepparton. The East Shepparton and Lemnos precinct are the areas that require the closest monitoring and in particular the condition and volumes of traffic using Doyles and Ford Roads. This will be particularly important if the construction of the Goulburn Valley Highway bypass is deferred for 10 or more years.
- Parts of Shepparton and to a lesser extent Mooroopna have been poorly structured and have road networks that are poorly linked and connected. This is establishing a reliance on relatively few major local roads rather than spreading the traffic across a number of collector and major local roads. This potentially burdens development with having to fund expensive four lane roads or having to cope with roads that are functioning above design capacity.
- It is important that this issue is considered as part of the forthcoming arterial road strategy being undertaken in conjunction with Vicroads and considered as part of any structure plan work undertaken in the urban growth corridors.

4.2 FLOODING

- Industrial precincts within Kialla/South Shepparton, North Shepparton, East Shepparton and Tatura are impacted or constrained by flooding.
- Most locations identified for future industrial development that are impacted by flooding can be developed through a process of a balance cut and fill.
- This often encompasses excavation works that provide lake or wetland areas that remove soil from one location to fill another to ensure buildings can occur above the 1 in 100 year flood.
- Development in the flood plain costs more, some flood and drainage mitigation works were quoted to be as high as \$30/square metre, which is a

considerable cost when the market figures suggest a threshold of around \$100/ square metre for lots under 4,000 square metres in area.

- North Shepparton is the area most constrained by flooding and will require further more detailed investigation. Of the 80 hectares identified for further investigation. Approximately 80% of this land is prone to flooding with the Land Subject to Inundation Overlay.
- At Mooroopna North any future growth of industrial land to the north east of the township is prevented by the floodplain of the Goulburn River and similarly Kialla is impacted by the Broken River.
- Tatura and East Shepparton are both are impacted by inundation during intense rainfall with several low lying areas identified. There are however sufficient development options to enable land to be provided that is relatively unaffected by flooding.
- The GVFLC is impacted by flooding and has in-principle approval for a balance cut and fill arrangement to provide an extensive development area that is above the 1 in 100 year flood level. This involves increasing flood storage east of the railway line and placing fill over the low lying areas to the west of Toolamba Road.

4.3 HORTICULTURE

- The MSS and GS2030SP highlight the significance that agricultural production is to the local economy both in terms of it annual dollar value in production and its contribution to investment and employment in the food processing, service industry, freight and logistics industry.
- The MSS directs that the critical mass of high quality/productive agricultural land needs to be protected.
- In contrast the growth of the East Shepparton industrial area is encroaching on productive agricultural land.
- It is clear however, that irrigated agricultural land presents a potential constraint to urban expansion and, in particular, the requirement for additional development land. A good example of this is the Special Investigation Area between Doyles Road and Lemnos where there is pressure from landowners for rezoning.
- Through the consultation process it was commented that many of the orchards/farms east of Doyles Road are in transition or a reduced state of production.
- An assessment of the value of production in this corridor should coincide any further planning investigations to weigh up the benefit of retaining the existing farms versus a change enabling industrial development.

4.4 LOW DENSITY RESIDENTIAL

- The settlements in Grahamvale (like Dobsons Estate) and Davies Drive north of the Midland Highway will limit expansion of East Shepparton industrial precinct or generate an additional point of potential land use conflict.
- These rural residential developments appear to be at odds with what could have been a long term growth corridor for employment between Dookie Road and the Midland Highway (through to Central Avenue).
- These settlements combined with the presence of productive agricultural land suggest that industrial development may need to be redirected in around 30 years time or provided with well planned buffers to mutually protect business and residential interests.

4.5 INFRASTRUCTURE

Water & sewerage reticulation

All of the raw water obtained by Goulburn Valley Water (GVW) to supply reticulated town water to communities within the municipality is sourced from the Goulburn River system either directly from the river or the irrigation channels it supplies. The Goulburn system represents a secure source of water that can accommodate substantial additional growth.

Shepparton has spare capacity in both its water and wastewater plants and is well placed to accommodate additional industrial and residential development.

East Shepparton

- Water capacity along Doyles Road is very good and can accommodate a major expansion to the East Shepparton industrial precinct.
- In the longer term there it is likely that the water main linking Doyles Road to the main water storage facility will need to be upgraded.
- The sewer in East Shepparton is linked via a network of pumping stations to McGill Street and then up Grahamvale Road to the treatment plant at North Shepparton. There is extra capacity available in the sewer network, however further expansion to the east will require additional pumping stations.

Kialla

- Kialla also has spare sewer capacity and has been provided to accommodate additional growth.
- Water services at Kialla are planned to be upgraded in conjunction with development in the southern residential growth corridor.

North Shepparton

- GV Water has a major sewer pumping station near the Parkside Estate, in Wanganui Road. This has been the subject of recent odour complaints from nearby residents.

- There is sewer capacity to cope with additional industrial development in North Shepparton. An additional pumping station will be required in Wanganui Road.
- Water services require minor upgrade works to accommodate the additional industrial development that is subject to further investigation.

Tatura

- The service capabilities are generally good within Tatura and there is general capacity in both the water and wastewater plants.
- Any establishment of a new longer term industrial estate located outside of the township will require the connection to services and this will be at some cost.

Lemnos

- Lemnos is not provided with a reticulated sewerage supply. Campbell's Soups does however have its own pressurised sewer main that pumps back to the main plant via Ford Road.
- There is also limited water supply available at Lemnos and this was suggested to prevent the opportunity for any developments that have a major reliance on treated water.

Mooroopna

- At Mooroopna South the major issue is town water additional water mains are required to provide connection back into central Mooroopna. This has been factored in for the Freight Logistics Centre and in the meantime will limit any further development.
- A new sewerage pump station is planned and will be required prior to any development within the proposed Freight Logistics Centre.

Drainage

- All new developments within the municipality currently must incorporate water sensitive urban design (WSUD) principles.
- Council has prepared a stormwater management plan that guides the design and development process for drainage and water management.
- Drainage in many of the industrial development areas is a considerable costs (up to \$30,000 per hectare) and in North Shepparton will be equally critical in accommodating flood storage to enable development of land currently prone to flooding. Due to the topography of the region many areas are low lying and require detention and retarding basins to collect and treat stormwater.
- The cost of meeting stormwater collection and treatment although supported was mentioned as another cost issue within the context of a price sensitive market.
- It is important to note that those consulted from the development industry were supportive of Council based drainage strategies and funding schemes. A need for more coordination and better planning of basin storage was requested by developers.

- Council officers have acknowledged this need and have pointed to drainage strategies completed for parts of East Shepparton (near Benalla Road) as demonstration cases of what needs to be undertaken elsewhere.
- There is a strong linkage and reliance on the Goulburn Murray drainage network as the urban boundary of Shepparton expands. The network of channels and drains provide important flood storage and flow barriers during times of intense rainfall.

Gas reticulation

- Shepparton, Mooroopna, Tatura and Merrigum have natural gas reticulation supply. The existing networks in these towns are sufficient for extension of supply when developments take place.

Electricity

- A number of stakeholders commented that both development and expansion options at a number of locations was constrained by an inadequate power supply.
- This was expressed as an issue for parts of North Shepparton, Toolamba Road area, and parts of Lemnos.
- Further discussion is suggested with the Powernet and industry representatives to provide a clear understanding of the issues and the likely cost of upgrading power.

4.6 FRAGMENTATION OF FREIGHT & LOGISTICS INDUSTRY

- The fragmentation of the freight and logistics industry is considered to be both a constraint and opportunity in terms of the implications associated with the development of the GV Link and objectives to reduce excessive heavy vehicle movements on the local roads.
- The fragmentation of existing operations and investments is likely to prove challenging in attempting to re-direct and consolidate into the GV Link site.
- Through the consultation process it was clear that many of the existing sites are constrained and there is a clear opportunity for the Council to keep the lines of communication open and facilitate the transition into the GV Link site or other less constrained locations.

5. SUPPLY & DEMAND FOR LAND

A desk top review of supply and demand of industrial land based on planning, building and subdivision certification applications over the past five years has been completed. An assessment has also been undertaken of land ownership patterns and land sales activity to reveal if there any weaknesses in the land supply process. This analysis demonstrates that CoGS has an adequate supply of industrial land. The table below demonstrates that a supply of at least 15 years is achievable across most precincts.

Table 1: Snapshot of Industrial Land Supply and Demand by Precinct

Precinct	Total zoned land supply	Annual demand	Current supply	Land to be rezoned	Long term supply level
North Shepparton	31ha	0.6ha	30+ years	20.1ha	30+ years
Tatura	23ha*	0.5ha	2 years*	40ha	30+ years
Kialla (Melbourne Road)	19ha	2.0ha	9 years	0ha	9 years#
Mooroopna South	2ha	No data	2 years	20.4ha	20 years
Mooroopna GV Link	379ha	Not known	30+ years	378.7ha	30+ years
Mooroopna North	53ha	No data	30+ years	0ha	30+ years
East Shepparton	139ha	6.15ha	20 years	43ha	30+ years
Lemnos	15ha**	0.45ha	5 years	11.73ha	25 years

* Much of this land is held by Tatura Milk and others and is unavailable for development.

** Most of this land is unavailable for development and is owned by Campbell's Soups.

An investigation of highway business options is recommended for the Kialla area.

This analysis concludes:

- There is an adequate supply of land for highway commercial and most industrial land use categories.
- There is a shortage of land for industries that require a large site with a small building footprint. This category includes recycling businesses and eco-

industries, those that have managed to establish have undertaken their own site purchase and development.

- The development of industrial land is only marginally profitable and private developers are reliant on offering a package of building and land options to make the process worthwhile.
- The Council needs to actively monitor land development and land sales activity to maintain an awareness of the status of supply for industrial land. This includes monitoring both developed lots sales and raw land sales activity.
- Demand is strongest in the East Shepparton Precinct and development rates in other precincts are relatively modest. Overall, land consumption is 9 hectares per annum of which 6 hectares occurs in East Shepparton.
- The trend of development activity favouring the East Shepparton precinct is expected to continue as it has, apart from the GV Link land in Mooroopna, the largest area (and therefore greatest choice) in land for development.
- The value of land sold is generally between \$80 and \$100 per square metre, which, in comparison to other regional centres is affordable.
- Land sale and development activity has slowed significantly in the past two years when compared to five years ago. This is typical of development cycles.

It is important that Council monitors and maintains an understanding of industrial development activity, by monitoring land sales and development activity. There is also a need to document an up to date account of raw land supply and land ownership patterns. This report provides what is effectively a year one record for these tasks and with regard to the data, should be reviewed annually as minimum.

The ILR has undertaken the important task of establishing a basis to monitor land ownership patterns and sales activities. When this is done, it tends to reveal other issues that lead to supply constraints with developed lots through actions such as land banking.

During consultation with stakeholders, it was highlighted that the subdivision of industrial land in Shepparton is marginal, with costs being close to the price the market is willing to pay for land. The value of raw industrial land within this context also becomes an issue. In some instances it was noted that the raw land was attracting an asking price as much as \$30 per square metre. With development costs in the order of \$60 per square metre, the incentive to develop and sell industrial land is not there.

There is only anecdotal evidence available on the price of raw industrial land and it is recommended that the Council also monitor the land sales activity for any industrial land likely to be subdivided. Some raw industrial land sales data has been included in the tables in the land sales analysis section of this report. In monitoring this information, the Council should be alarmed if the sale price combined with the development costs is close to the per square metre rate of industrial lots being sold. This is an indicator of market failure and will signal a withdrawal of private developers from industrial subdivision activity.

The analysis undertaken as part of this report looks at the land supply and consumption for each industrial precinct and provides an estimation of the anticipated

level of supply available in each particular precinct. Comment is also provided on any other factors considered to potentially impact on supply.

Site inspections were also undertaken in addition to the review of aerial photography in order to review recent trends in the take up of industrial land. From this account, it appears that earlier reports were generally accurate in their estimations of land supply capabilities. In particular, the GS2030SP was accurate in its conclusion about there being no evidence of industrial land shortages.

There are, however, some supply issues that have been endorsed by a number of stakeholders and these relate to certain types of businesses. Businesses that require larger sites with small building footprints have no option but to self develop or re develop. A number of these businesses were consulted during the stakeholder discussion process for the ILR.

The following assessment looks at each precinct separately for a more meaningful perspective of the current demand and supply situation.

Table 2: New & existing developments in Shepparton industrial precincts 2004-2009

Industrial Precinct	Number of new developments	Distribution	Number of existing developments	Distribution
East Shepparton	45	67%	206	70%
North Shepparton	6	9%	28	9%
Kialla	10	15%	31	11%
Mooroopna	1	1%	10	3%
Tatura	2	3%	10	3%
Lemnos	3	4%	10	3%
TOTAL	67	100%	295	100%

5.1 SUPPLY

Table 2 below provides a summary of the land supply situation in the major industrial and highway business areas within the municipality. It should be noted that Table 2 also accounts for the recommendations in this report to delete and add in areas of

industrial land. This table details the total number of land parcels in each of the precincts and documents the area already developed as vacant industrial lots.

East Shepparton

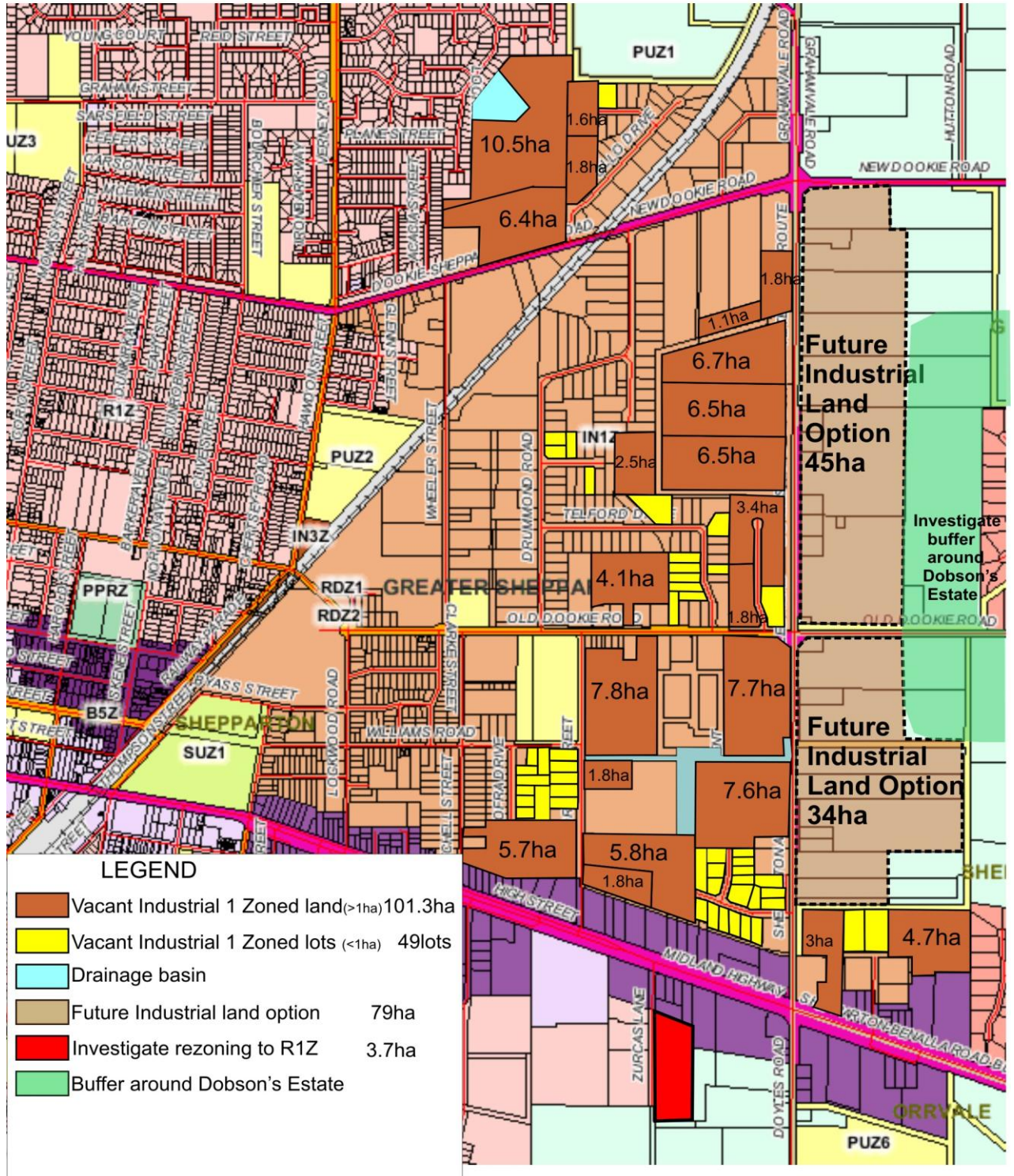
East Shepparton has a total vacant land supply of 101 hectares. Land included in this calculation has further development potential with an area of greater than a hectare. This is divided amongst 22 parcels of land. Of the 22 land parcels, there are 10 that are either serviced or have immediate access to sewerage and water services. A further 49 lots of less than a hectare are currently available for development. According to sales data an average of six to eight developed lots occurs each year. Based on this data there is a supply of developed lots of up to six years.

The land supply calculations exclude land in Zurcas Lane which is suggested to be reviewed and considered for inclusion in a Residential 1 Zone.

The East Shepparton precinct also includes the Benalla Road Highway business land that is virtually built out. The last remaining parcel of 2 hectares is now under development. Despite the apparent lack of available development land in Benalla Road there remains the view of this consultancy and of the stakeholders consulted that there is still capacity in Benalla Road. There are a number of older premises which are vacant and potentially available for redevelopment and a number of light industrial uses which typically relocate as the commercialisation of the area increases.

Subject to the review of the urban growth boundary, additional land has been identified for further investigation, encompassing 79 hectares on the eastern side of Doyles Road. This should add a further 10 years' supply to the East Shepparton area and extend the supply capabilities of the precinct beyond 25 years. Due to the presence of rural residential development at Grahamvale and north of the Midland Highway, this is likely to place limits on the long term expansion options for East Shepparton. Further work has been recommended on this corridor of land to investigate how potential interface issues between the long term industrial land requirements and perceived demand for rural residential development land. Provided over the page is an illustrative plan (Figure 3) that identifies the land available and the distribution of vacant industrial lots. This plan illustrates an abundant supply and options for the future expansion of the East Shepparton Industrial Precinct.

**Figure 3:
Vacant industrial Land & Planning Options
for East Shepparton**



North Shepparton

North Shepparton has a total vacant land supply of 31 hectares that is included in both the Business 4 Zone and Industrial 1 Zone. This is distributed over eight parcels of land. A further 58 hectares has been identified for further investigation. All of this land is subject to inundation and will involve a higher cost of development than compared with the land in East Shepparton. It is questionable whether there will be demand for this land within the next 20 years, however it will provide an option for the industry types that require larger and cheaper land parcels.

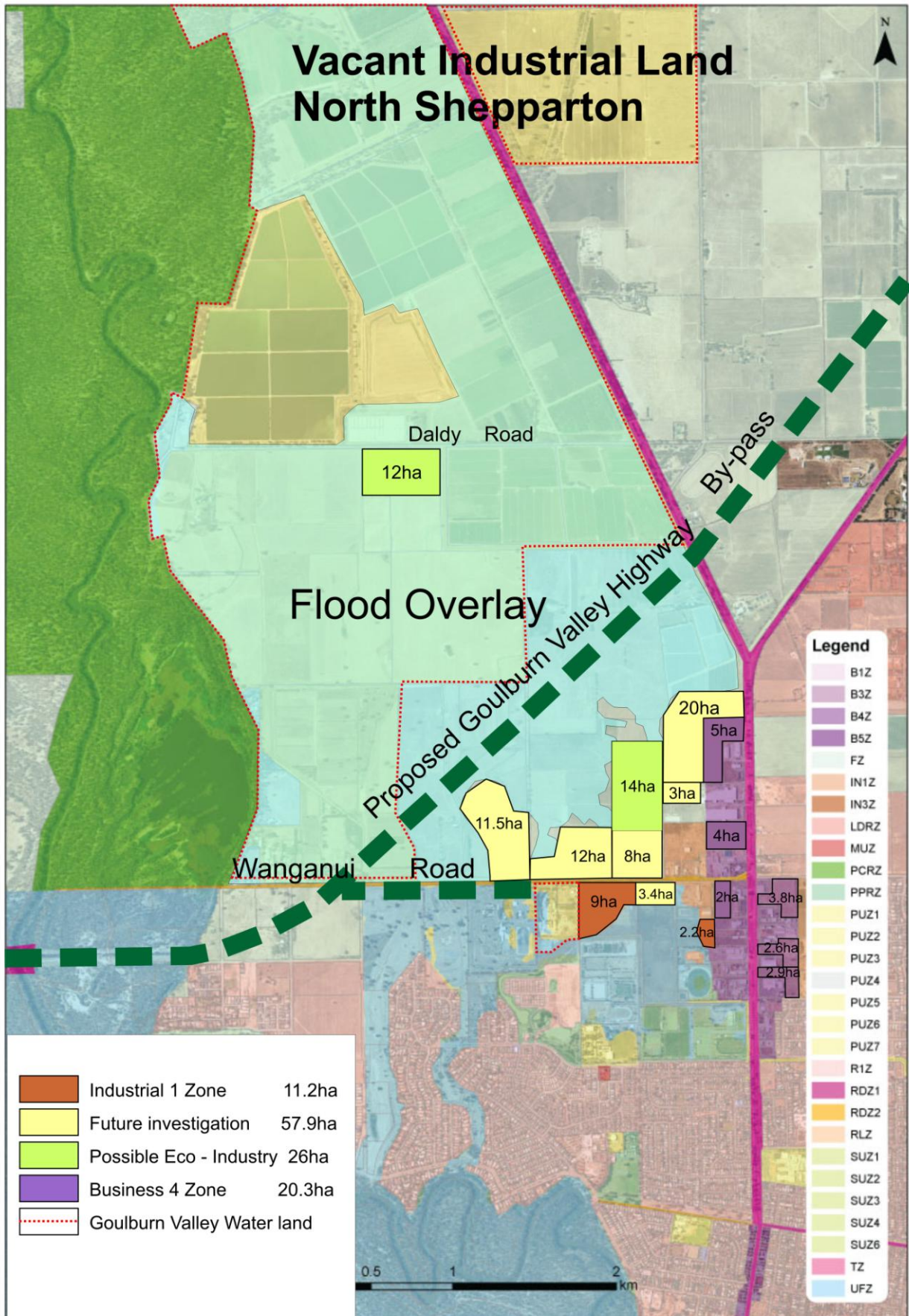
Currently there are no developed lots available with all parcels being partially serviced raw land. North Shepparton has tended to cater for the self developers requiring larger parcels with smaller building footprints. The sales data has demonstrated this and indicates that larger self developed lots are being subdivided off and developed.

The plan included on the following page (Figure 4) illustrates the extent of land available and highlights the extent of land impacted by the Flood Overlay in the planning scheme. The 20 hectare parcel shown on the Numurkah Road has sections in the Flood Overlay and will require further investigation to justify any rezoning. This section of land is owned by Thompson's Cold Storage and was mentioned in the consultations as a site for potential extension. Flood depths in this area as a result of the 1 in 100 year flood were indicated to be in the order 500mm.

Limited development is expected in North Shepparton until the by-pass is constructed and the supply of land at East Shepparton is allowed to become depleted. During the stakeholder consultations the Council advised that it was considering a 20 lot subdivision on its property at 20 Wanganui Road. This offering would be competing with the 49 lots and eight years of supply available at East Shepparton. The proposal is likely to have similar lot sizes to those on offer at Telford Drive and Shepparton Business Park. Based on the sales and development data there appears to be ample supply and little evidence of increased demand to warrant a short term commencement of this development.

The Council may wish to investigate the option of using this land to assist in addressing the land requirements of the types industries that are being ably accommodated by the private sector. The most apparent need demonstrated in the data and through the stakeholder consultation process was the larger sites that require a relatively small building footprint. The Council will have to exercise caution with some uses given there is land located 160 metres to the south that is included in Residential 1 Zone.

Figure 4:



Kialla/South Shepparton

This precinct has an undeveloped land supply of 24 hectares which largely consists of the sections of land zoned Industrial 3 that immediately adjoin the Kialla Lakes Estate and is within the flight path for the Shepparton aerodrome. Similar to Benalla Road the supply of land zoned Business 4 with direct highway frontage is virtually depleted. Unlike Benalla Road there are very few vacant premises and an apparent need to source more vacant highway frontage land.

In contrast to this view the stakeholders commented that there was limited demand in this precinct and strong evidence that the locality was being strongly favoured by home builders and building supply businesses. Given this feedback it is suggested that the Council continue to monitor this area and identify options to provide additional land if and when required.

The industrial framework plan in the MSS was correct in identifying that this locality is not suited to the provision of additional Industrial development. To this extent this report recommends the rezoning of the existing Industrial 3 land to Business 4 and the provision of overlay controls to protect the amenity of adjoining residential development. There is clearly a potential interface issue for the Council to monitor as the land adjoining the Kialla Lakes Estate is virtually undeveloped. When this section of land is developed there are likely to be amenity issues unless the Council acts to provide some precautionary design requirements to mitigate amenity risks for adjoining residential properties.

Mooroopna South

As outlined in earlier sections of this report there are significant industrial uses located in the Farming Zone. In the case of the Geoffrey Thompson Cold Storage operation at Toolamba Road, this adjoins an Industrial 1 Zone and existing industrial uses. This business sits on a 9 hectare site of which 7.8 hectares is outside the highly restrictive Urban Flood Zone. This land should be investigated for inclusion in the Industrial 1 Zone and coincided with a review of the undeveloped section of Residential 1 Zone that is located diagonally opposite the site. The Council may wish to include this and adjoining land within an Industrial 1 Zone to overcome the risk of residential intrusion for the existing industries located in Toolamba Road. This action would also remove the risk of residential development occurring in proximity to the GV Link.

Mooroopna North

Mooroopna has two areas of Industrial land at both the northern and southern edges of the township. The northern section was established as a Council enterprise by the former Shire of Rodney on the eastern side of the Echuca Road. The Huggard Drive estate has only one undeveloped lot and due to the floodplain no capacity for expansion at its immediate boundaries.

Further north, there are 54 hectares of land zoned Industrial 1 and still in the ownership of the Council. This land is leased in part to a local motocross club and is being held by the Council as a long term industrial development option. This is considered a prudent strategy to enable Council to consider and understand the actual outcomes for traffic movement and development once the highway by-pass is in place.

Based on recent development levels (see Table 4) this section of land will provide an industrial land capability well beyond 30 years.

Table 3: Industrial Land Supply by Precinct

Precinct	Number of vacant developed lots less than 1 hectare	(Zoned land supply)Total Area of vacant land (above 1ha)	Land suggested for future investigation	Area recommended for removal from IN1Z
North Shepparton	0	31ha	58ha	(-) 38ha Ford Road Hawkins Road
Tatura	3*	23ha	40ha	0ha
Kialla (Melbourne Road)	6	19ha	0ha	0ha
Mooroopna South	0	2ha	20ha	0ha
Mooroopna GVLC	1	379ha	379ha	0ha
Mooroopna North	1	53ha	0ha	0ha
East Shepparton	69	139ha	47ha	- 3.6ha
Lemnos	2	15ha	0ha	(+) 12ha

* Available lots but unlikely to be developed for new lots due to ownership and other constraints

Tatura

It is noted that the GS2030SP suggestion that the need to rezone land in Tatura to cater for additional industrial development requires close scrutiny. The research undertaken for the ILR relating to planning and development data and existing supply capabilities suggests that there is a supply shortage in Tatura. This shortage has recently been exacerbated by the sale of the 13 hectares on the eastern side of Dhurringile Road by Tatura Milk for the purposes of a retirement village.

This leaves only approximately 4 hectares of appropriately zoned land (although not necessarily available for development) which, according to consumption figures, is a critical shortage. Most of this land is not available for development. For example, 1.3 ha in the Margaret/Elizabeth street area has either existing dwellings on the land, interface problems or has no suitable vehicle access. 0.9 ha of land is available near Tatura Abattoir, however this land has been purchased by Tatura Abattoir and is therefore not available for small scale industrial subdivision. Other larger parcels of land are either owned by Tatura Milk or Unilever and are reserved for their own expansion needs. Some zoning and supply options are discussed in the recommendations and in section 3.4 of this report. These recommendations offer the option of extending the supply of land for Tatura beyond 20 years.

At the request of the Council a more long term option has been identified as shown in Figure 13 for larger lot development and more long term expansion of industry at Tatura. Land to the northwest of the township on the western side of the Tatura-Undera Road has also been requested by Council for inclusion as future industrial land. Both these areas will require further investigation to ascertain their viability for rezoning and development.

Lemnos

Apart from Campbell's Soups, Lemnos appears to have a strong cluster of transport and warehousing businesses not dissimilar to the tenancy mix being touted for the GV Link. The Industrial 1 Zone in Lemnos occupies a total area of 60 hectares of which 36 hectares is occupied by transport and warehousing businesses. Within Lemnos there is just over 3 hectares of vacant industrial land. It is important to note that Lemnos is unsewered and industrial development should be provided with all available reticulated services.

As the demand data in later sections shows there has been a number of major warehouse and transport depot expansions in Lemnos over the past 10 years. Recent demand suggests the 3 hectares will be developed within five years. During the stakeholder consultations an earthmoving contractor has expressed interest in expanding his business into land currently zoned Farming. This would involve the rezoning of a further 7.4 hectares of land and would provide in excess of 10 years of industrial development land.

It is important to note that most of what would appear to be future industrial land at Lemnos is owned by Campbell's Soups and currently used as an orchard. According to Goulburn Valley Water, Campbell's Soups is the only property in Lemnos that is connected to reticulated sewerage.

Lemnos has been suggested as a long term industrial growth corridor on the Industrial Framework Plan, with the section of land extending through to Grahamvale Road providing a further 71 hectares of land.

Lot size & development

As demonstrated by Figure 5 and Figure 6, there has been a steady and sizeable drop in lot sizes over the past five years. Through the stakeholder consultation process and further data analysis it is clear that this is the symptom of smaller lots being the only profitable developments in Shepparton. As outlined in earlier sections there are not significant margins between the sale price and development cost of land.

The main form of development occurs as a land and shed packages and typically this favours small lots with a typically high site coverage. The number of lots created per annum has not been indicative of the industrial activity, which has been steady between the years 2004 and 2009.

Figure 5: Average lot size (Subdivided) 2004 - 2010

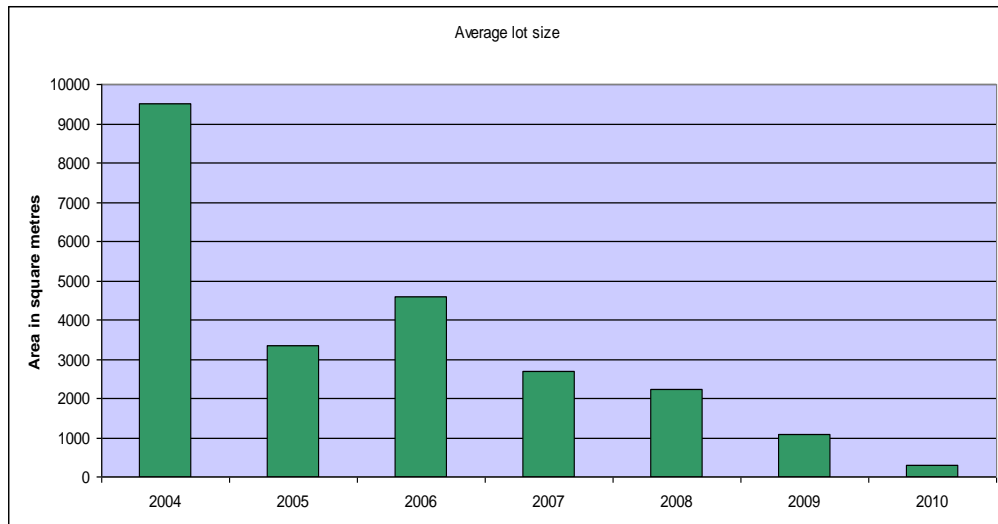
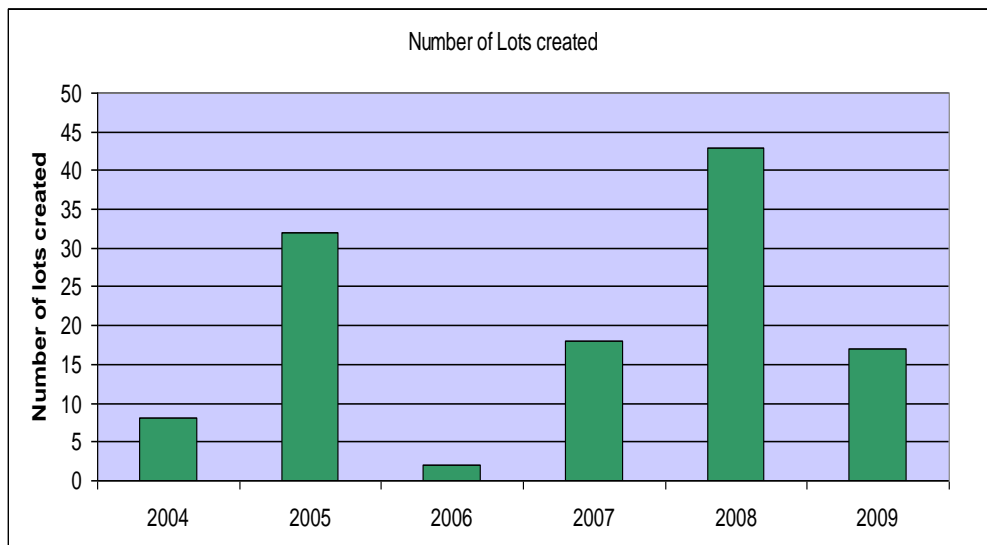


Figure 6: Number of lots created per annum 2004-2009



5.2 DEMAND

Both the planning and building application information demonstrate strong development activity between 2004 and 2009. The level of activity and types of applications are similar to previous work undertaken to support the East Shepparton Development Plan.

Taken from a review of planning applications, building applications and cross checking with aerial photography the consumption of industrial land has been

determined. The table below details total and average annual land consumption for development activity between 2004 and 2009. The sample data from 2004 through to 2008 has been used in this analysis as many of the planning applications detailed in 2009 are yet to progress and this would have had the effect of distorting the data. Included in the appendices is a more detailed break down of data showing the annual consumption of land in each industrial precinct for each year between 2004 and 2008.

Table 4: Land Consumption by Industrial Precinct 2004-2008

Precinct	Total land consumption 2004 -08	Annual average consumption 2004 - 08
East Shepparton	31 ha	6.15 ha
North Shepparton	2.8 ha	5,636 sqm
Kialla/South Shepparton	8.8 ha	1.76 ha
Tatura	2.4 ha	4,800 sqm
Morroopna	0.9 ha	Negligible
Lemnos	2.2 ha	4,216 sqm
TOTAL	48.1 ha	9.6 ha

Figure 7:

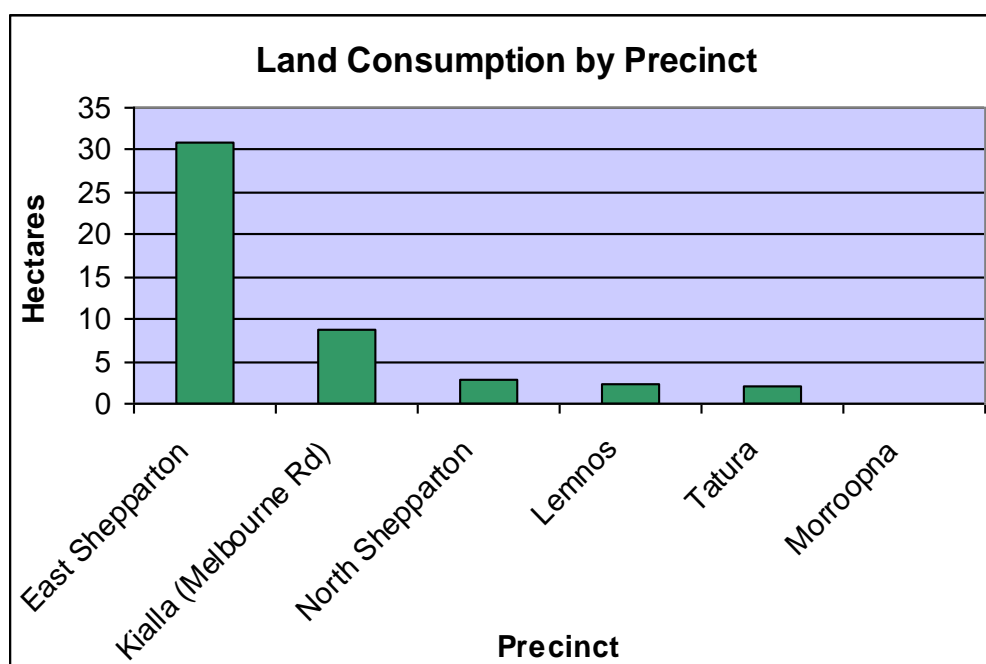


Table 4 shows that almost 70% of total industrial and highway business development is occurring in East Shepparton and with a total land supply of approximately 100 hectares and 49 smaller vacant lots, it has at least a 15 year supply. The general opinion of stakeholders also supports the data and suggests there is no immediate requirement to identify and rezone additional industrial land at East Shepparton.

Despite the availability of land there is still the need to undertake further strategic work to secure the long term protection of future industrial development plan and avoid the threat of rural residential encroachment along Doyles Road and toward Lemnos.

Notably in 2004 and 2005, 16.3 hectares of land was developed. This pattern is typical of industrial and commercial development which tends to occur in surges. This is particularly evident with the new showrooms that have been developed along the Benalla Road in the past five years.

With its highway exposure and proximity to the Kialla Lakes Estate demand for primarily Business 4 Zoned land is also strong along Melbourne Road at Kialla. As noted in the supply analysis, Council should monitor this corridor of land closely, particularly if the vacant premises in Benalla Road become occupied. With the land supply along Benalla Road being depleted and with the construction of the Shepparton by-pass, the Council should plan for the possibility of demand strengthening in the next 10 years.

There have been several large site developments in Tatura and clear evidence that the option of development locations for small lot and larger lot developments should be provided. Consumption of lots in Tatura is expected to range between two and five every 10 years.

5.3 OTHER RELEVANT TRENDS

Land sales data

Land sales information was sought to inform the commentary on potential supply constraints and was provided in the form of all industrial property transaction. This data has been analysed and provides another demand indicator. The data also reinforces the comments made by stakeholders in regard to the decline in activity in the past two to three years.

Table 5 below provides a summary of all land sales activity from 2004 until 2009 for each of the industrial precincts. This follows a similar trend to the development approval data in highlighting the concentration of activity within the East Shepparton Precinct. During 2004 and 2005, 14 lots were sold in each year reflecting strong demand. Over the six year period the annual sales activity in East Shepparton has eased to an average of eight lots sold per annum. The data suggests that over a longer term period the average annual demand for industrial lots in the CoGS is around 10 per annum.

The data for East Shepparton offers the most interest and information on potential trends. This shows a steady and then quite recent increase in the cost of land between 2008 and 2009. The average land price has increase to just under \$95 per square metre and sits above an estimated land and development cost of around \$80 per square metre.

This data has implications for the supply of land and indicates that where the demand is greatest there is approximately eight years of supply of lots already developed. These are all under a hectare in size and place the city in a good position to cater for the predominant industrial development. This also clearly establishes that Shepparton has a minimum of 15 years of raw and developable industrial land.

**TABLE 5: Summary of land sales activity by precinct for developed lots
(less than 1 hectare in area)**

Year	No. of sales	Land area sold	Value of land sold	\$ per sqm
Mooroopna				
2004	1	4,631sqm	\$180,000	\$38.86
2006	1	4,631sqm	\$200,000	\$43.18
2007	1	1,022sqm	\$110,000	\$107.58
Tatura				
2004	1	989sqm	\$72,500	\$73.30
2005	1	4,289sqm	\$100,000	\$23.31
2007	1	7,819sqm	\$260,000	\$33.25
2008	1	4,289sqm	\$250,000	\$58.28
Lemnos				
2005	1	1,517sqm	\$65,000	\$42.82
2008	1	9,915sqm	\$250,000	\$25.21
North Shepparton				
2004	1	2,908sqm	\$125,000	\$42.98
2005	2	5,408sqm	\$240,000	\$44.38
2006	1	5,260sqm	\$285,000	\$54.18
2007	1	4,704sqm	\$170,000	\$36.13
Kialla				
2004	2	7,103sqm	\$233,000	\$32.80
2005	2	5,604sqm	\$360,000	\$64.24
2007	2	5,247sqm	\$400,000	\$76.23
East Shepparton				
2004	14	39,576sqm	\$1,743,500	\$44.05
2005	14	44,910sqm	\$2,277,400	\$50.71
2006	7	24,109sqm	\$1,317,500	\$54.65
2007	2	4,181sqm	\$330,000	\$78.93
2008	3	6,687sqm	\$455,000	\$68.04
2009	5	15,512sqm	\$1,472,900	\$94.95

It is clear however there are no major issues with affordability with the price of industrial land being competitive when compared with other provincial cities in Victoria. Smaller vacant industrial lots were being sold in Shepparton for under \$100 per square metre in the East Shepparton estates. Other locations in the urban area of

Shepparton are more affordable with sales in Kialla and North Shepparton averaging below \$80 and \$60 per square metre respectively.

**TABLE 6: Summary of land sales activity by precinct for larger lots
(Larger than 1 hectare in area)**

Year	Location	Land area sold	Value of land sold	\$ per sqm
Mooroopna				
2005	Rumbalara Rd	4.5ha	\$50,000	\$1.11
Lemnos				
2006	Dookie Rd	2.91ha	\$510,000	\$17.50
2008	Lemnos Nth Rd	1.21ha	\$320,000	\$26.35
North Shepparton				
2005	Ford Rd	1.2ha	\$317,500	\$26.39
2008	Wanganui Rd	1.07ha	\$605,000	\$56.48
East Shepparton				
2004	Gemini Cr	1.56ha	\$250,000	\$16.01
2004	Dookie Rd	3.05ha	\$560,000	\$18.30
2005	Byass St	2.91ha	\$850,000	\$29.19
2005	Benalla Rd	1.53ha	\$748,000	\$48.95
2005	Benalla Rd	3ha	\$1,200,000	\$39.98
2006	Carroll Rd	4.72ha	\$550,000	\$11.64
2006	Florence St	5.81ha	\$1,550,000	\$26.67
2006	Old Dookie Rd	6.28ha	\$1,700,000	\$27.07
2006	Doyles Rd	6.64ha	\$1,200,000	\$18.08
2006	Doyles Rd	3.16ha	\$1,400,000	\$44.23
2007	Doyles Rd	7.68ha	\$2,500,000	\$32.54
2007	Doyles Rd	6.5ha	\$1,635,000	\$25.13
2008	Benalla Rd	1.44ha	\$434,000	\$30.13

The data also reinforces the point about subdivision patterns in Kialla and North Shepparton. These tend to be lot excisions where a land owner undertakes a subdivision tailored to a specific development as opposed to what occurs in East Shepparton with larger subdivisions being undertaken in a speculative manner.

The information provided in the tables above and below enables the Council to establish a reporting data base that enables vacant land sales and raw land sales/larger lots to be monitored on an annual basis to monitor fluctuations in land prices and to enable supply issues to be identified at the earliest opportunity.

The table below provides a summary of land sale activity for a combination of larger developed and undeveloped (raw land) industrial land. This information combined with an assessment of land development costs enables the Council to monitor the level of incentive available for the private sector to develop industrial land. The information highlights some variances in the price of land between various precincts, showing the strength in value of Benalla Road for example.

The information indicates a general raw land value of around \$20 to \$30 per square metre. This highlights the marginal nature of industrial subdivision and the rationale for companies such as Telford's offering package only deals (land and shed).

Land ownership patterns

There a number of large landholdings in Shepparton, particularly in the developing areas of East Shepparton. Some of these are understood to be the major industrial land developers in Shepparton. Land ownership plans have been included for North Shepparton and East Shepparton in Appendix 'C'. The Council should consider monitoring and updating this information at least every two years to gain an understanding of what is being held and what land is being made available for development.

Based on the land ownership information there are not too many conclusions that can be drawn from the current ownership information. There are however clear distinctions between North Shepparton and East Shepparton.

- East Shepparton has a higher composition of investor owned premises.
- North Shepparton has a high composition of owner occupied premises.
- East Shepparton has land held by potential developers.
- North Shepparton has no land owned by potential developers (apart from the Council land).
- There are multiple ownerships and generally smaller parcels of vacant land in East Shepparton and fewer land owners and larger parcels in North Shepparton.

5.4 RELATIONSHIP WITH POPULATION GROWTH

Unlike the demand for retail there are no accepted formulas that link growth in population and household numbers with demand for industrial land. Clearly with the growth in population, new house construction there is a commensurate demand for industrial land.

Spikes in population growth through the last decade appear to have an 'echo effect' in terms of correlating with a surge in industrial and business development activity between 2003 and 2006. There is however insufficient data and evidence to conclude any clear linkages or patterns.

As outlined in the report there remains a number of quite complex and inter-related matters that drive demand for industrial land and these are often unique to a specific location. There is no doubt CoGS offers some competitive and comparative advantages that serve the municipality well in offering a location for business investment.

Figure 9 below compares the number of building and planning permits for industrial development from 2004 through to 2009 and highlights strong activity in 2004 and steady levels of activity for the remaining period. Figure 10 charts the resident population² of CoGS since the beginning of the century and indicates growth was relatively flat for the first half of the decade followed by a five year period of acceleration at an annual average growth rate of 1.5%.

Figure 9

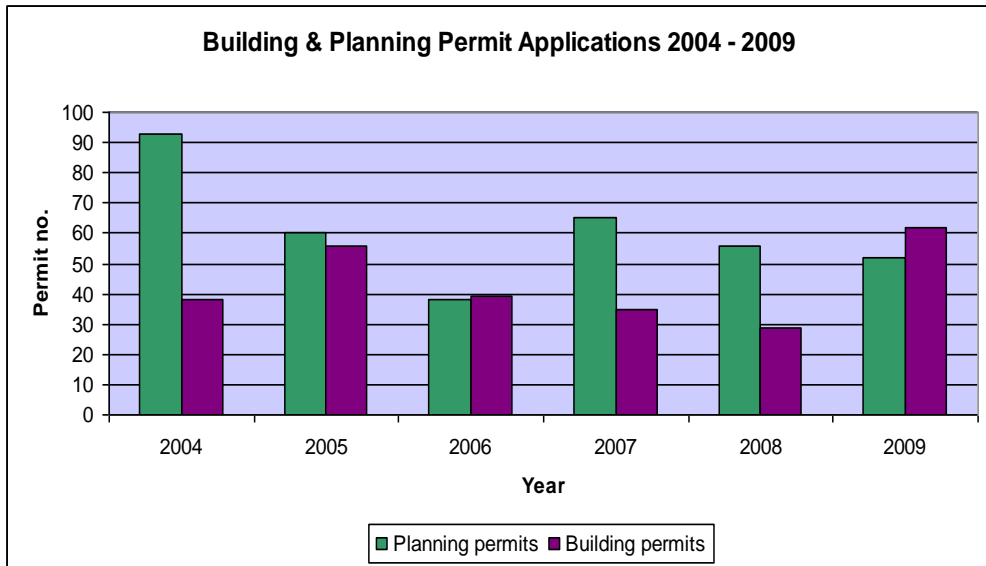
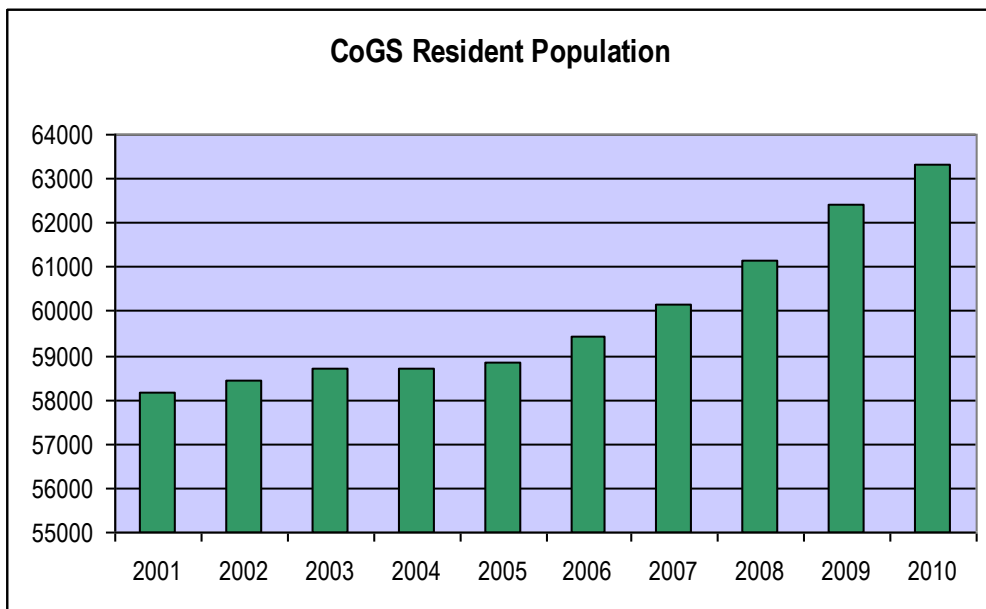


Figure 10



² Source: Regional Population Growth, Australia, 2009-10 (cat. no. 3218.0)

6. INDUSTRY COHORTS & FUTURE LAND REQUIREMENTS

The following section summarises the industry and business types in the CoGS and identifies their typical land requirements, describing where they are locating and what the future options are where there may be a potential land shortage. The table below summarises the observations and general comments received from the stakeholders interviewed.

The major industry type that is not presently catered for in CoGS is any business that requires a large site and small building footprint. This situation is worsened, the lower value of materials being stored or produced. Recycling uses in particular are disadvantaged and can only manage to pay marginally above a low value farm price for land.

For this reason sites have been recommended for further investigation in Mooroopna North and Wanganui Road. These sites need to be further investigated and included within an overall implementation strategy that establishes priorities and resource requirements to meet future industrial land requirements.

Table 7 : Industry types and general land requirements for different industry

Industry type	Land preference - requirements	Is need satisfied?	Where are they locating?	Future options?
Warehouse/cold storage	1 – 10 ha Articulated vehicle preferably B-double access	Yes	Lemnos, East Shepparton & various rural locations	GV Link, East Shepparton & North Shepparton.
Small manufacturing	Up to 1 ha	Yes	East Shepparton, central Shepparton, Mooroopna, Kialla & Tatura	Capacity in current locations
Large manufacturing	Up to 10ha	Yes limited new demand	East Shepparton, Lemnos, Mooroopna, Tatura	East Shepparton
Storage units	Up to 2 ha	Yes	East Shepparton & Kialla	North Shepparton in addition to current localities
Building/ trade supplies	Up to 1ha	Yes	In various locations consolidating in Melbourne Road and Benalla Road	Capacity in Benalla & Melbourne Road.
Building contractor	Up to 1ha	Yes	In various locations consolidating in Melbourne Road	Melbourne Road is emerging as a location for building contractors and suppliers.

Industry type	Land preference - requirements	Is need satisfied?	Where are they locating?	Future options?
Service industry	Up to 1ha	Yes	Many of these are located in the inner east of Shepparton and fringe areas of the CBD, they are also in many of the townships.	East Shepparton will remain the preferred location
Fuel storage	Approx 1ha	Yes	East Shepparton	Limited demand
Resource recovery/materials recycling	Up to 4ha	No	Various locations including the Farming Zone.	Daldy, Wanganui Roads & Mooroopna North
Transport depot	Up to 4 ha	Yes	In every precinct and in a number of rural locations	East Shepparton, North Shepparton & GV Link
Landscape supplies	Up to 2 ha	No	Kialla, North Shepparton and East Shepparton	North Shepparton, Mooroopna North
Fertiliser storage	Up to 4 ha	No	Unknown	Limited options

7. POSSIBLE CHANGES TO PLANNING SCHEME

This section of the ILSR identifies what changes may be required to the Planning Scheme to better meet the requirements for future industrial land provision.

The existing planning scheme contains a range of policy, framework plans, zones and overlays which influence industrial development. A review of these provisions has been undertaken, and the following section comments on some of the refinements that could be considered by Council.

7.1 MUNICIPAL STRATEGIC STATEMENT (MSS)

The MSS was last revised as part of Amendment C69 to the Planning Scheme and was formally approved March 2007. Being a recent document most of the directions remain current and relevant, however with respect to industrial land development some changes should be further investigated to ensure the MSS remains up to date.

Framework Plans

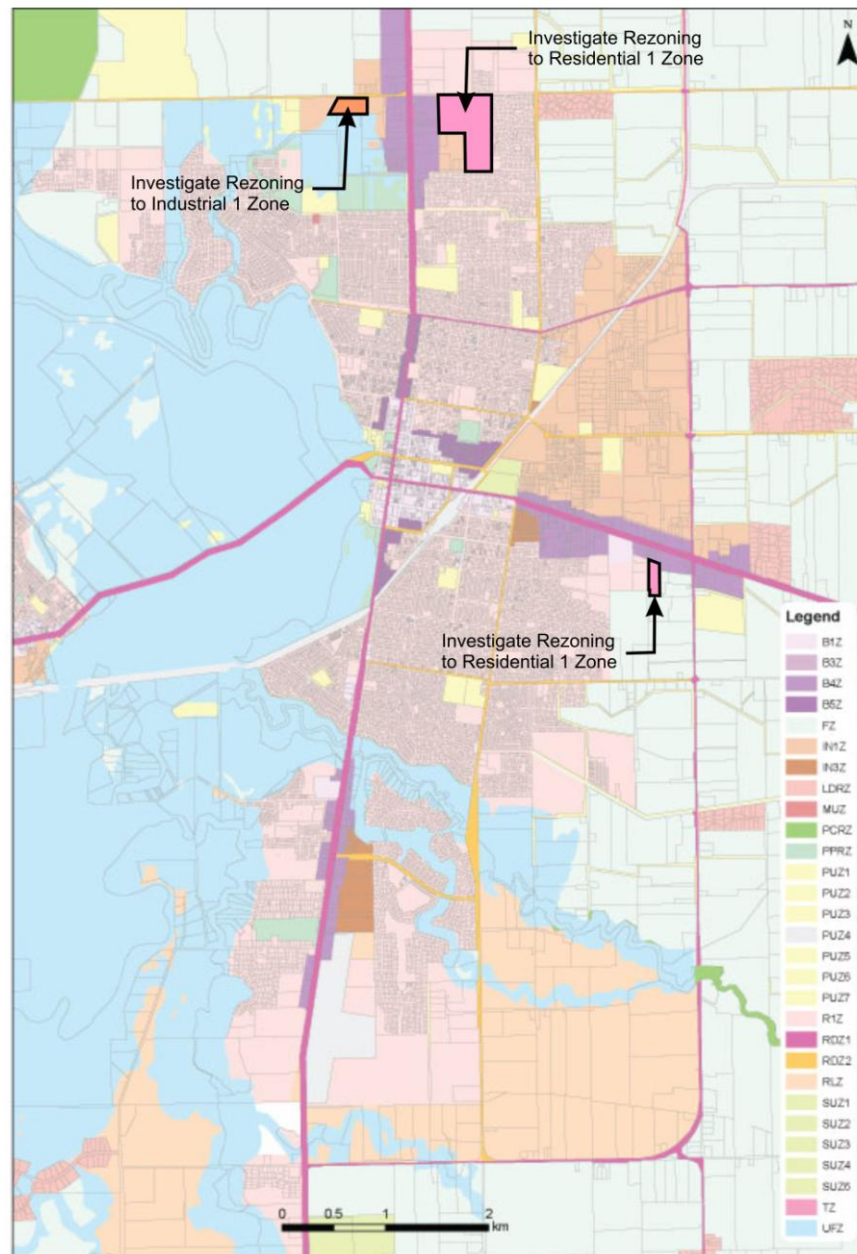
A number of changes should be investigated for the various framework plans. These changes are also shown on Figures 11, 12 & 13 and within Appendix 'B'.

1. *Industrial Framework Plan*

- The area of the plan should be extended to include the role and function of Lemnos and provide options for the expansion of existing industry, transport and storage businesses (refer to Appendix 'B').
- Due to the strong market preference for light industrial land in the East Shepparton precinct, abolition of, or alteration to the urban growth boundary should be considered along Doyles Road to include additional land east of Doyles Road from the Midland Highway through to Dookie Road. This section of land contains a further 46 hectares and secures a minimum of 30 years industrial land supply in this locality. A clear buffer should also be maintained between this land and the Dobson's Estate (refer to Appendix 'B').
- To ensure prejudicial outcomes such as the rezoning of land for rural residential development is avoided the Council should consider providing confirmation of a long term option for the expansion of industrial land. The corridor of land bounded by Dookie Road, Lemnos, the railway line (Katamatite line) and Grahamvale line. This will secure the East Shepparton area with a 30 to 50 year industrial land bank (refer to Appendix 'B').
- To the north of Wanganui Road there appears to be more limited land development opportunities than indicated on the framework plan. This area of land should be modified to exclude the sections of land located within the Flood Overlay show that only the sections (refer to Appendix 'B' & Figure 4).

- The framework plan should also make reference to the opportunity to provide a location for eco-industries at sites such as Daldy Road and North of Wanganui Road (refer to Appendix 'B' & Figure 4).

Figure 11: Zoning Changes Suggested for Shepparton Area

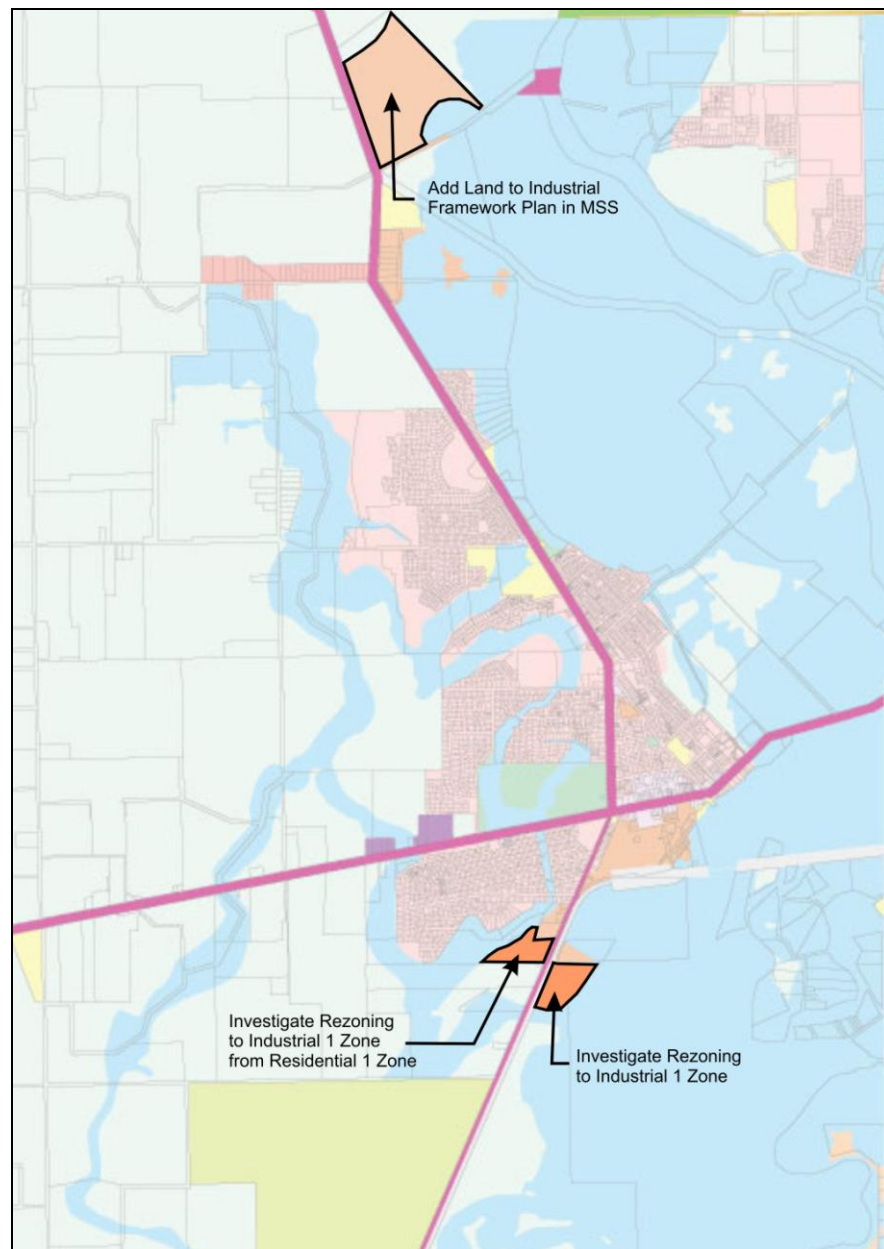


- The 37.8 hectare parcel of land located at Ford Road and Hawkins Road, Shepparton North should be investigated for removal from the Industrial 1 Zone. The subject land is surrounded by residential development on three sides and appears to be anomalous in the context of the GS2030SP. An inspection of the site has confirmed this and the potential for land conflict problems highlighted in Council's GS2030SP to be exacerbated in this

location. It is understood through the consultation process that Council has begun a process of considering alternative zones for this land. These investigations should be continued to avoid the prospect of future land use conflicts (refer to Figure 11).

- Similarly there is a 3.6 hectare parcel of land which includes the Shepparton East Bowling Club that is included in the Industrial 1 Zone and located in Zurcas Lane. Again this site appears to be anomalous and not a location where typical industrial businesses can operate without amenity based concerns arising from future residential development. It is recommended that this issue be investigated further as part of the South East Growth Corridor project (refer to Figure 11).
- The southern side of Wanganui Road provides some opportunity for industrial infill development on the sections of land that are not liable to flooding. (refer to Figure 11 & Figure 4).
- Council land located on the Echuca Road at Mooroopna North, currently partially leased to a motor cross complex, should be added to the framework plan noting it as an area for industrial development, once the Goulburn Valley Highway by-pass has been completed. Options for this land should be further investigated once more is known about when the bypass will be completed. It potentially offers a location for 'larger lot with smaller building footprint' developments. This may also provide a potential location for the types of businesses that the Council has had difficulty accommodating (refer to Figure 12 & Appendix 'B').
- Indicate on the plan that the zoning of the section of land located between the southern urban edge of Mooroopna and the Goulburn Valley Freight Logistics Centre be further investigated. Included in this locality is Thompson's transport and warehousing operations located on the Toolamba Road. Despite being a major industrial land use the site is still included in the Farming Zone. Opposite this warehouse is undeveloped land included in the Residential 1 Zone (refer to Figure 12 & Appendix 'B').
- The 6 hectares of land in Toolamba Road that is zoned Residential 1 seems anomalous with adjoining industrial development and land zoned Industrial 1. This section of land is undeveloped and should be considered for rezoning as a matter of urgency to avoid houses being constructed on land adjoining existing businesses (refer to Figure 12 & Appendix 'B').
- Some land immediately south of Benalla Road in Doyles Road may be suitable for industrial development subject to completion of the South East Growth Corridor plan.

Figure 12: Planning Scheme Changes Suggested for Mooroopna Area



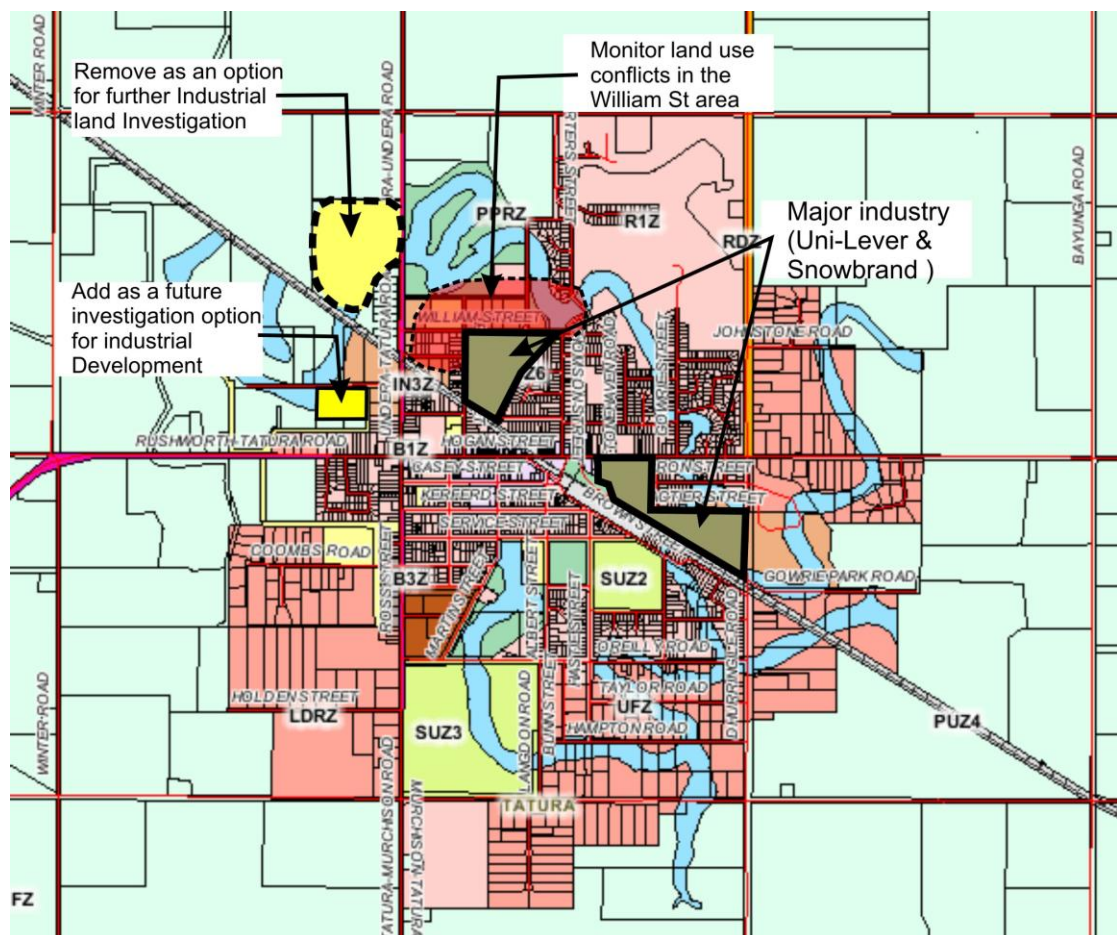
2. Tatura Township Framework Plan

- The future investigation site located west of Ross Street should be clarified and not include industrial land as an urban development option. This land immediately adjoins homes on larger residential lots and is likely to generate conflicts between land uses. As outlined in the GS2030 Economic Development report the demand for industrial development land in Tatura is low and likely to be based on services to the larger industries and to the residents of Tatura (refer to Figure 13).
- Land should be identified to facilitate potential small lot industrial development (<4,000m²), on the southern side of Cussen Road.

Adequate buffers and separation distances from nearby homes can be planned in as part of the further investigation process (refer to Figure 13).

- The Council should investigate and monitor potential land use conflicts and provide design solutions in the Margaret Street and William Street area (refer to Figure 13).
- More clarity should be provided to this plan to highlight the location of the two major industries and to distinguish between the town centre, residential and industrial development (refer to Figure 13).
- A long term industrial development should be noted for future investigation on the south western corner of the intersection of the Midland Highway and Tatura-Undera Road (refer to Figure 13a).

Figure 13: Areas recommended for investigation in Tatura



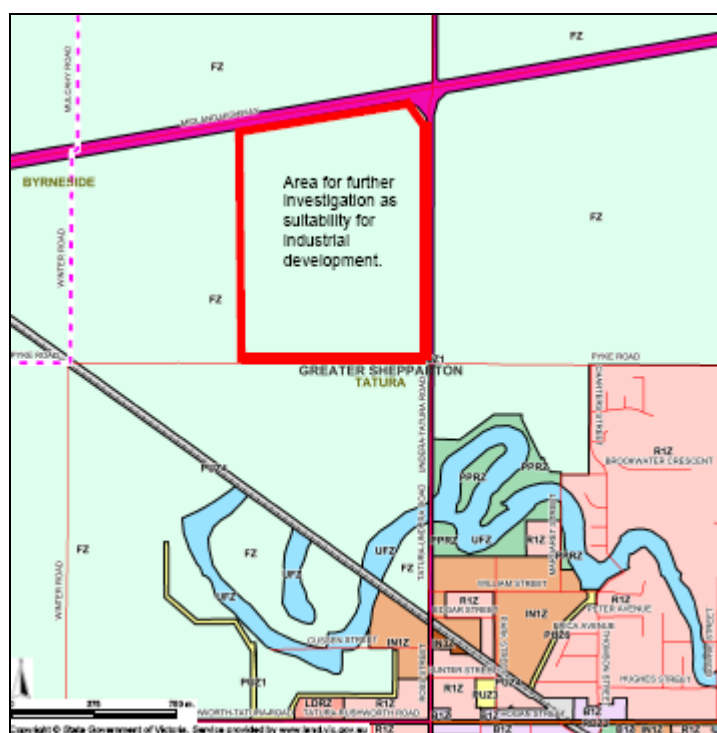


Figure 13a – Future investigation area in Tatura

Outlined Development Plans & Urban Structuring

Within a provincial city, the need to have the capacity for industrial land to be developed at a competitive price is imperative to facilitate a vibrant and well serviced economy. Proper urban structuring plays a vital role in the provision of affordable land and ensuring urban development is sustainable.

Changes should be considered to the MSS to address this important principle and to add specific actions that target the issues associated with poor connectivity of land and the absence of sufficient east/west and north/south connector roads. The section of land bounded by Ford Road, Grahamvale Road, Dookie Road and Verney Road is an example of an area that is at risk of having poor urban structuring and a lack of through road connections.

Rather than direct that outline development plans be provided for use specific elements, the Council should give consideration to more integrated structure plans that clearly establish how different and particularly non compatible uses edge onto each other and are connected down to the detail of at least collector road level. The framework plans in the MSS are too broad scale to deliver the guidance required to ensure proper urban structuring occurs. The work also needs to cover a wider area than shown in the north and south growth corridor outline development plans to include all growth areas and in particular the locations where there are common boundaries between existing and future residential and industrial development.

Doyles and Grahamvale Roads serve as potential warnings to Council about the future cost burdens and inconvenience of over capacity road infrastructure. There are plans afoot for costly land acquisitions and possible duplication from two to four lane capacity. In a city with a population of less than 100,000 and geographically flat, this highlights potential failures in the urban structure of Shepparton rather than factors

relating to growth and the needs of through traffic (which will reduce when the highway by-pass is completed).

The North East Growth Corridor Structure Plan should address the differences in traffic volumes if there were at least two or more through-connecting collector roads (north/south and east/west) provided in the Grahamvale Road, New Dookie Road, Verney Road and Ford Road block. It is contended this would at least reduce the length of duplication required in the long term.

Further issues were highlighted through stakeholder consultation with Vicroads and industrial businesses located in East Shepparton about the suitability of Ford Road if Wanganui Road is the termination of the Goulburn Valley Highway bypass. If this occurs this section of 20 metre wide road reserve that runs through predominantly residential development will be a major heavy vehicle road link to the Goulburn Valley Highway from the East Shepparton Industrial Precinct. The MSS should note the need to investigate the suitability of this link and to consider other access options.

As directed in the MSS to reduce the total kilometres travelled per household neighbourhood connector roads should take the most direct route between the major roads as opposed to circuitously winding their way from point 'a' to point 'b'. In providing road infrastructure to industrial subdivisions cul-de-sacs should be used as a last resort in favour of through connecting streets, as they provide a more efficient land yield and greater adaptability of lot size and diversity of choice for businesses. As mentioned earlier in this report and confirmed in the stakeholder consultations, court bowls also tend to create parking problems because of the limited on street frontage available for multiple tenancies.

It is however acknowledged that larger lots where the on site car parking capacity is generally higher and the competition for on street parking is minimal are less of an issue.

7.2 GOULBURN VALLEY FREIGHT LOGISTICS CENTRE

The provisions relating to the Goulburn Valley Link (GV Link) under Schedule 6 to the Special Use Zone and Schedule 5 to the Development Plan Overlay – Goulburn Valley Link have been reviewed and are considered adequate to guide the future development within this site. It is noted that the current development plan promotes several major development initiatives, including the diversion of the Toolamba Road and construction of a major wetland east of the railway line to balance the flooding capacity lost by the filling of low lying areas west of Toolamba Road. The input into both the zone and overlay provisions appears to be well researched and should be further reviewed once it has been tested through several planning approvals.

In consultation with Council officers it was noted the comment was made that the GV Link would exclude manufacturing. As the provisions are currently written this may be difficult to achieve as the objectives to the Special Use Zone enable a case to be argued for manufacturing to occur provided it has a synergistic relationship with the core freight and storage functions of the GV Link. This could include industries such as truck servicing and repairs, manufacturing of boxes and food containers and potentially manufacturers of equipment used in warehousing and transport (shelving lifting equipment, trailers, refrigeration equipment etc).

7.3 EAST SHEPPARTON INDUSTRIAL AREA

A review has been undertaken of Schedule 1 to the Design and Development Overlay – East Shepparton Industrial Area (Florence Street) and compared with actual development outcomes. Notably this general area has been subject to significant development since sections of this land were rezoned in 2001 as part of amendment C12 to the Planning Scheme.

The Design and Development Overlay (DDO) has four key objectives:

- To ensure that the standard of development and infrastructure design (including urban stormwater management to encourage drainage permeability) in the East Shepparton Industrial Area is of a high quality given its strategic location and high exposure in relation to the Shepparton Alternative Route (Doyles Road).
- To ensure development acknowledges the role of Doyles Road as the Shepparton Alternative Route by avoiding the construction of buildings and ancillary facilities within the designated future alignment of Doyles Road.
- To provide a high standard of road design and construction for transport vehicles to up to B-Double size.
- To provide for a range of lot sizes, including industrial lots exceeding 4,000m².

A minor change is suggested for the objectives to recognise that Doyles Road will become a major perimeter road for the Shepparton urban area and with the construction of the Goulburn Valley Highway by-pass will no longer be an alternative route.

A further objective should be added to provide a permeable and interconnected street network between Florence Street, Old Dookie Road and Doyles Road. This change should be complemented by additions to the subdivision section to encourage through connecting streets which is consistent with the approved development plan. Council should avoid small lot development or further subdivision beyond the approved development plan if the proposal is serviced by a single court or 'T'-head.

The DDO should also be reformatted to include the sections (the last main dot point) included under 'Buildings and works' which are clearly intended to guide the subdivision of lots and the road construction required to service developed lots.

7.4 ZONE INTERFACES

In the request for this report the Council has required a range of issues relating to land zone interfaces to be investigated. This investigation included a number of site inspections, interviews with a number of stakeholders and review of previous reports. This has assisted in informing comment on a number of land use conflicts between industrial and residential uses.

It seems to be a recurring theme in many areas of Shepparton, Mooroopna and Tatura where business activity is constrained or potentially constrained by residential uses.

Most of the industrial and highway business developments in the municipality are generally well located and serve their purpose well. The GS2030SP and community consultation commentary did however document some challenges. Some of these

related to well established areas and the intention in this review is to comment on the issues that Council can still act on and potentially mitigate.

East Shepparton

Zurcas Lane – The GS2030SP plan appropriately identifies the block bound by the rear of the Business 4 Zone along the Midland Highway, Doyles Road, Poplar Avenue and Fordyce Street as future residential. The existing Industrial 1 Zone, which contains the East Shepparton Bowling Club and other vacant land, appears to compromise the long term intentions. Sections of this land are undeveloped and Council should remove the potential for land uses to be established that could be disruptive to the future residential amenity. The Council's future South East Corridor project should address this issue.

Houses in industrial zones – There are a number of older homes that are remnants of former agricultural use that are still in residential use. A number of these have the potential to limit or constrain business activities on adjoining land. Where possible Council should actively encourage the redevelopment of these sites or re-use for industrial purposes.

Dookie Road residential interface – To a large extent, the railway line provides a logical buffer and separation between industrial and residential uses for most of the East Shepparton area. North of New Dookie Road, this land use pattern changes with undeveloped industrial land immediately backing on to residential development in Locksley Court and Ross Alan Drive. Further investigation should occur to ensure that the rear of lot treatments minimise land use conflicts. A drainage retarding basin and screen landscaping has been undertaken in this area and is not expected to overcome potential conflicts.

Dobson's Estate – Grahamvale – The corridor of land bounded by Dookie Road Central Road, Midland Highway and Doyles Road contains a mixture of uses and a potential source of future land use conflicts. The potential expansion of the East Shepparton Industrial Precinct east of Doyles Road and long term security of prime industrial land in Shepparton could be compromised if any unplanned expansion of the Dobson's Estate were permitted by the Council. The interface between the Dobson's Estate and the East Shepparton Industrial Precinct requires careful planning. Priority ought to be given to securing the long term business interests of Shepparton by resisting the temptation to expand the Dobson's Estate to the west or north. This area however is subject to Investigation Area 4 in the Housing Strategy. This investigation will provide a coordinated planning response in this area to the issues raised above.

Long Term Industrial Growth Corridor – This report is recommending the investigation of a long term industrial growth corridor between Grahamvale Road, Dookie Road and railway line through to Lemnos. Within this area it was noted there is a blend of orchards, industrial businesses and residential properties. Council should further investigate this option and ensure the area is protected from rural residential encroachment.

North Shepparton

Ford Road – Hawkins Road Industrial land – As commented in earlier sections this land appears to be a planning anomaly and left as is will result in a situation where

both businesses and residential uses will impede each other. The zoning of this land appears to be a clear mistake and possibly based around the protection of existing businesses in Hawkins Street from encroaching residential development. It is understood that Council is aware of the situation and actively investigating rezoning options. It is suggested that the existing businesses in Hawkins Street be rezoned to Business 4 and the balance of the land included in a Residential 1 Zone. A Design and Development Overlay can be applied over the interface area to provide requirements over the residential area that respect the fact that the industries were there first. This can include requirements such as larger lots and rear of lot setbacks, mandatory acoustic fencing etc.

Numurkah Road (east side) north of Ford Road – A number of industrial uses are located in this section of land zoned Farming and Residential 1. Whilst they are not major investments they are uses that could potentially remain for 10 or more years and may pose some concerns for Council in transitioning this area for residential development.

Wanganui Road/Parkside Estate – In discussions with Goulburn Valley Water it was commented that they were in receipt of complaints regarding odours from one of their major sewer pumping stations in Wanganui Road. It is noted that the VicUrban development at the Parkside Estate is located 500 metres from this site and approximately 300 metres from undeveloped Council land in Wanganui Road. This may place limitations on the types of businesses that can locate on the Council land when it is made available for development.

Kialla/South Shepparton

Edge treatments Industrial/Business 4 Zone and Residential 1 Zone – Development is approaching the common boundary with the Kialla Lakes Estate and along a number of parcels within the Business 4 Zone on the opposite side of Melbourne Road. The Council should consider the application of a Design and Development Overlay to apply to the Industrial 3 Zone and Business 4 Zone to ensure measures are taken as part of the design process for development for noise and other issues associated with industrial uses to be abated.

This is less an issue for many of the uses which are primarily retail in function or unlikely to trade after hours. The difficulty however is the fact that both the Industrial and Business 4 Zones allow as of right changes in use that can introduce a use that would conflict with adjoining residential development. Some of the treatments that can be applied through the overlay may be to require acoustic fencing, block wall construction on the common boundary or larger setbacks where only storage functions can be permitted.

Cold Storage/Freeze Drying Facilities at Orrvale – As highlighted in earlier sections of the report some cold storage warehouses are located in the south eastern residential growth corridor. The Council should work further with land owners to identify what the long term options are for the sites.

Tatura

William Street and Margaret Street area – William Street provides a location for a mixture of industrial businesses ranging from Unilever to small scale service industries. Some sites remain vacant or under developed in this area but are inter-

dispersed with a number of homes and therefore unsuitable for development or are unlikely to be developed in the foreseeable future. Council will need to monitor this area and the interface with residential development. Some design suggestions should be incorporated to any expanding businesses to ensure the risk of amenity based complaints are minimised.

Mooroopna

Mooroopna North rural residential development – With the completion of the Goulburn Valley Highway by-pass the industrial precinct at Mooroopna North will become increasingly attractive. The long term potential of this area has however been compromised by the ribbon of rural residential development that has occurred along Cornish Road. This effectively prevents the option of providing a long term pocket of industrial land at southern edge of the future Goulburn Valley Highway interchange with Echuca Road.

Toolamba Road – There is a section of Industrial zoned land containing warehouses and service industries on the southern edge of Mooroopna. Given the planned development of GV Link this would appear to be the most logical area to offer the location for smaller service-based industries to establish. Despite the low demand for development land in Mooroopna the construction of the by-pass should increase the attraction of this location to businesses. Residential and between the SPC Ardmona plant and Toolamba Road should also be considered in any review of this area.

Unfortunately on the southern edge of the Industrial 1 Zone land approximately 6 hectares of land has been zoned Residential 1. This land is yet to be developed and if developed is certain to be the subject of land use conflicts. It recommended that the zoning of this land be further investigated.

8. CONCLUSION & RECOMMENDATIONS

The demand and supply analysis from this review process suggests there is an adequate supply of vacant industrial land and a depleted, yet adequate supply of land for highway business uses. This situation has also been supported by the general feedback provided through stakeholder consultation and review of demand and supply data that analyses land sale and development activity. The industrial land supply in Shepparton has been demonstrated to be in the order of 15 years as a minimum. There are however, some reported challenges in provision of land for larger sites and particularly those that require a smaller building footprint. The model of large site with a small building is being self catered and not provided by industrial land developers. Overall, Shepparton is very well placed to continue to meet market requirements for industrial land.

This ILR provides a number of recommendations that will guide the Council in addressing a number of existing and potential land use conflicts. Many of these have been created by ad hoc designations of land zonings that see islands and pockets of residential and industrial land surrounded by land in a contrasting zone.

There is also clear evidence in the urban structuring of parts of Shepparton of lack of overall master planning of urban development with incompatible uses merging along common boundaries and a lack of road connectivity between the major local road systems. The Council is encouraged to further its structure planning work to provide an overall framework of development plans that links across all urban land uses and accounts for not only single uses and future development. The structure plans should equally consider all land uses and interfaces with existing development.

Having regard for the findings of the ILR, the following recommendations are made to Council.

General

- Consider revisiting some of the framework plans in the MSS for industry in line with the recommendations in this report.
- Commence the preparation of a structure plan (designated as Investigation Area 4 in the Housing Strategy) for the corridor of land bounded by Benalla Road, Doyles Road, Dookie Road and Central Avenue, in order to deal with future potential land use conflicts between residential and industrial uses and to determine what buffers should be provided around the Dobson's Estate.
- Consider undertaking a series of broader urban structure plans to guide the future development of all urban areas and how they match in with existing development. If the Council undertakes this exercise, it should aim to achieve improved road connectivity and reduce interface issues between potentially conflicting land uses.
- Investigate undertaking further amendments to the MSS to reinforce the need to provide for good urban structuring and connectivity between local major roads. This should give consideration toward providing a direction that cul-de-sacs be avoided within the Industrial Zones unless there is no alternative or the court bowl is provided to service access to lots larger than 4,000 square metres.

- Consider implementing a process to regularly meet with major industry stakeholders on a one on one basis to consider strategic issues.
- Investigate a broader strategic agreement with major industries on their various sites that provides mutual commitments to ensure that future planning risks to their business interests are mitigated. This is recommended to include a joint analysis of the suitability of each site and the preferred zoning of each site.
- Investigate the zoning and servicing issues at the Thompson's warehousing site located on Toolamba Road, Mooroopna South. This includes the zoning of the warehouse site and an examination of the risks and suitability of the Residential 1 Zone opposite the Thompsons site.
- Investigate amendments to the Design and Development Overlay (DDO) for the East Shepparton Industrial area to update the objectives to acknowledge that Doyles Road will no longer be the alternative route for the Goulburn Valley Highway once the Shepparton bypass is in place. A further objective should be added to require a permeable and inter-connected street network. This change should be complemented by additions to the subdivision section to encourage through connecting streets which is consistent with the approved development plan. The Council should avoid small lot development or further subdivision beyond the approved development plan if the proposal is serviced by a single court or 'T'-head. The DDO should also be reformatted to include the sections (the last main dot point) included under 'Buildings and Works' which are clearly intended to guide the subdivision of lots and the road construction required to service developed lots. Alternatively the Council could convert the elements relating to the road structure and layout to a Development Plan Overlay (DPO) that provides a more appropriate mechanism in which to guide subdivision patterns. The DDO is better suited to focusing on built form and landscaping requirements.
- That support be given where possible for the establishment of current industrial related projects such as GV Link, Resource Recovery Precinct, and the solar project for its suitability for industrial development.
- Undertake an investigation of the area west of Tatura-Undera Road as a matter of priority.

Monitoring of development activity

- The monitoring of industrial land supply and development should occur as part of an annual reporting system maintaining an accurate data base of development activity to measure and account for land supply, consumption, levels of investment, price and land ownership activity. A reporting system should be developed to enable specific reports to be generated that enable a regular review to be undertaken of all vacant industrial land sales activity. This will enable Council to have a more comprehensive understanding of development activity and potential supply constraints.

Land supply

- Investigate the future option of setting aside an expansion option for the East Shepparton Industrial Precinct with the potential inclusion of 29 hectares of land

within the Industrial 1 Zone as shown in the proposed modifications to the Industrial Framework plan and Land Supply Analysis for East Shepparton.

- Investigate providing a long term industrial land option for the corridor of land bounded by Grahamvale Road, Katamatite railway line, Lemnos and Dookie Road, as shown on the proposed Industrial Framework Plan.
- The requirement for industrial land with areas above a hectare should be further investigated together with the market's ability to produce this type of land. It is recommended that Council consider marketing this development opportunity on its land at Mooroopna North once the by pass is constructed.
- Further investigate the flooding and potential site constraints associated with establishing an eco-industry and resource recovery precinct at Daldy Road and adjacent Wanganui Road.
- Investigate the provision of additional Industrial land north of Wanganui Road and west of Numurkah Road on the land that is within the LSIO as shown on the amended strategic framework plan included in Appendix 'B'.
- Monitor land development trends in Tatura and consider the need to investigate and rezone additional land as indicated on the Township Framework Plan.
- Investigate additional small lot and large lot industrial options at Tatura.

Transport

- The Council should work with Vicroads to ensure the Arterial Road Strategy being undertaken by VicRoads examines the capacity, condition and required improvements to the local road network. The report should also consider scenarios in the event that the Shepparton by pass is delayed. This should also enable consideration to be made of the impact of heavy vehicles on the local road network (particularly Ford Road) and potential impediments to business operations where roads may be operating above design capacity;
- Council, in conjunction with Vicroads, should investigate alternative heavy vehicle road connections linking Wanganui Road to the East Shepparton Industrial Precinct, to ascertain if there are more suitable options available than Ford Road;
- Continue the investigation of alternative sites for the Shepparton Aerodrome with a view to providing a site in proximity to the GV Link.
- Maintain the GV Link as a priority project for the Council and regularly meet with major industries to discuss the implementation of this project.
- Within 5 years of the completion of the Shepparton by pass, undertake a review of the approach along Midland Highway at Mooroopna to determine the most appropriate use of this land having regard for traffic levels and other constraints such as flooding.

Interface issues

- Investigate the suitability of edge treatments between the Industrial 3 Zone and Residential 1 Zone at Kialla Lakes. The Council may wish to consider rezoning

the industrial land to Business 4 Zone and applying a Design and Development Overlay to require acoustic treatments to protect the amenity of adjoining residential development.

- Council should continue its investigations that propose to rezone the section of land located between Ford Road and Hawkins Street from Industrial 1 to part Residential 1 and Business 4. The section to be rezoned Business 4 is understood to include the existing businesses in Hawkins Street. The majority of land is proposed to be rezoned Residential 1.
- Investigate the suitability of the zoning of 3.6 hectares of land in Zurcas Lane. This is currently zoned Industrial 1 and contains the East Shepparton Bowling Club and should be reviewed to ascertain if a Residential 1 Zone is more appropriate.
- Investigate the suitability of the 6 hectares of land zoned Residential 1 located in Toolamba Road Mooroopna opposite and adjoining the Industrial 1 Zone.
- The Council should give consideration to providing a Design and Development Overlay over the Industrial 1 Zone north of New Dookie Road along the common boundary with the Residential 1 Zone. This could be used to overcome potential amenity impacts on adjoining residential properties through the application of design measures over the undeveloped sections of Industrial 1 Zoned land.

APPENDIX A

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Greater Shepparton City Council Street Tree Master Plan, Urban Character, Study Book 2
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Economic Development

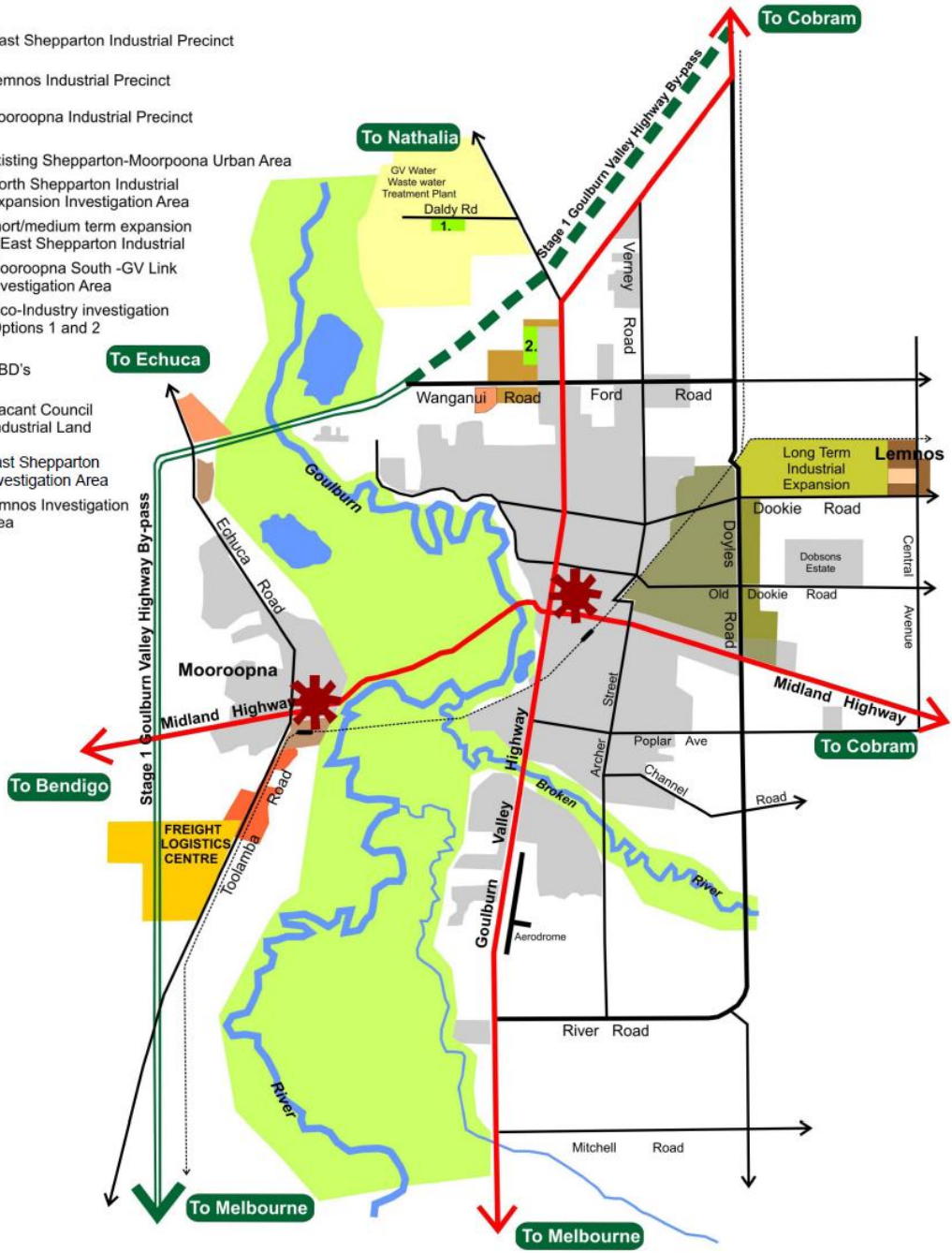
Greater Shepparton Business Survey

APPENDIX B

Modified Strategic Framework Plan

DRAWING KEY

- East Shepparton Industrial Precinct
- Lemnos Industrial Precinct
- Mooroopna Industrial Precinct
- Existing Shepparton-Mooroopna Urban Area
- North Shepparton Industrial Expansion Investigation Area
- Short/medium term expansion of East Shepparton Industrial
- Mooroopna South -GV Link Investigation Area
- Eco-Industry investigation Options 1 and 2
- CBD's
- Vacant Council Industrial Land
- East Shepparton Investigation Area
- Lemnos Investigation Area



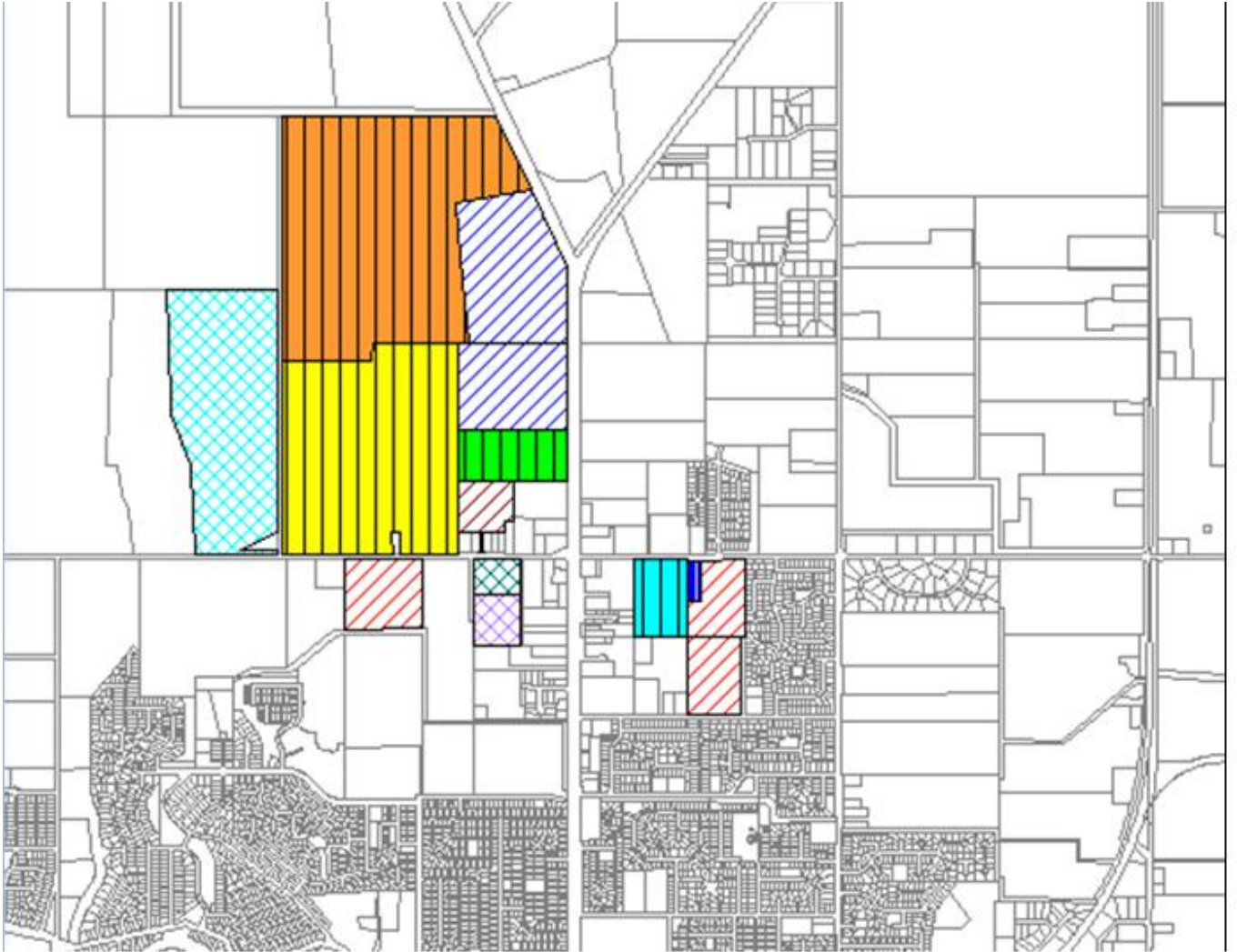
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Industrial Background Report August 2010

APPENDIX C

Land Ownership Patterns

NORTH SHEPPARTON INDUSTRIAL LAND

Land Ownership Patterns



EAST SHEPPARTON INDUSTRIAL LAND

Land Ownership Patterns

