



# Glenelg Industrial Land Use Plan

CONSOLIDATED FINAL REPORT

April 2007

PREPARED FOR GLENELG SHIRE COUNCIL

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Dated 24 April 2007

<sup>+</sup> This document has been reviewed by the Director of Economic Analysis, MacroPlan Australia.  
This document is for discussion purposes only unless signed and dated by the person(s) identified.



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# Executive Summary

## Introduction

Glenelg Shire Council has commissioned MacroPlan Australia to undertake an Industrial Land Use Plan as part of the Glenelg Strategic Futures Plan.

This report addresses the following matters:

- Identification of trends in industrial land including identifying basic demand/ user segments in the industrial property market
- Review of drivers of demand for industrial land, including the current employment structure in Glenelg Shire, the Port of Portland and the Victorian Ports Strategic Framework, Council's Economic Development Strategy and the proposed new Mortlake Power Station
- Assessment of demand for industrial land, including industrial property sales in Glenelg Shire and analysis of industrial building activity in Portland, Heywood and Casterton
- Identification of industrial land opportunities, including heavy industry – port related industry, warehouse and distribution, bulky goods retailing, manufacturing, marine industry and other opportunities including freight related investments, local light industry and rural industry
- Identification of preferred location for large scale industries that may not be suitable or able to locate in existing industrial zones
- Review of industrial areas, including identifying the area of industrial zoning, distribution of industrial zones throughout the Shire and an analysis of the industrial areas in Casterton, Heywood and Portland, identification of future opportunities for industrial development and recommendations on future action to facilitate future investment and optimisation of the development potential for Glenelg.
- Minimisation of land use conflicts between industrial and other sensitive land uses

## Consultation

Consultation for this study included the following:

- An initial press release advertising the Strategic Futures Plan and Industrial Land Use Plan and calling for submissions in early 2006.
- Public meetings in each of Portland, Heywood, Casterton and Nelson.
- Technical working groups regarding industrial infrastructure.
- Liaison, with the Portland Industry Forum.
- Consideration of submissions concerning the Consultation Draft released for public comment over December 2006 and January 2007 involving:
  - Press release and advertising it's availability and calling for submissions
  - Posting of the report on the Council website
  - Making copies available at the customer service points throughout the Shire.
  - Notification of submitters to the industrial aspects of the Glenelg Strategic Futures Plan that the report has been released and seeking their comment.
  - Referral to the Reference Group for the Glenelg Strategic Futures Plan



Overall there have been approximately 39 submissions as a result of the exhibition/consultation phase. Further verbal submissions were made to Council on behalf of a number of parties in response to written requests to be heard.

As part of the earlier phase of the study, a consultation meeting was held with Portland industry stakeholders to assist in identifying key issues for industrial land in Portland. The notes of this meeting are included in Attachment 1.

### **Economic strengths of the region**

The following economic strengths of the region were identified:

- The Port of Portland
- The Portland Aluminium Smelter
- 500kv electricity transmission line from Portland to Latrobe Valley
- Geothermal energy and Wind energy and other potential forms of renewable energy (eg sea based)
- Large quantities of appropriately zoned industrial land available for development
- A plentiful supply of quality water
- Well-established infrastructure including all major forms of transport, sea, road, rail and air
- On-shore and off-shore oil and gas exploration and development, including development of off shore oil and gas deposits via Port of Portland
- Rural-based activities including the production of wool, prime lamb, beef cattle, dairy cattle, timber and fishing, other horticultural activities such as onions, potatoes, wine grapes etc

### **Take up of industrial land**

The data indicates a relatively low level of demand and take-up of industrial land in the Shire over recent years with most activity in Portland. However, future industrial development will be driven by the extent of growth in large scale processing plants in a range of sectors eg

- Current manufacturing and engineering industries in Portland are supported in a large part by two major existing industries, - the Portland Aluminium Smelter and the construction activity associated with the emerging wind energy projects in the region.
- Recently approved Heywood Pulp Mill will see continuing growth in demand for support industries including construction services in the short term, transport services, timber harvesting, and maintenance activities.
- Further opportunities may emerge through other timber processing or paper manufacturing with the potential for a competitive power supply from the Mortlake Power Station and potential availability of secure underground water supply.

### **Industrial Land Development Opportunities**

There is a range of industrial developments that could be developed in the Glenelg region. These are discussed below.

- Heavy Industry – Port related industry: Heavy industries utilising the Port to export include Portland Smelter, Fertiliser manufacturing and timber processing, including the soon to be established Heywood Pulp mill. Protecting the opportunity to establish port related industry to the north of Portland will necessitate ensuring buffer distances to sensitive uses including residential development, typically a maximum of 1,000 metres, however, this figure can be even greater.



- Warehouse and Distribution: Opportunities for smaller scale distribution facilities that could be located within the IN2 in the North Portland Industrial Precinct; e.g. warehouses (approx 1,000 sqm to 5,000 sqm), for trade supplies to meet the needs of regional businesses, construction and manufacturing industry and new housing development.
- Bulky goods retailing/ Homemaker Centres: There are number of potential locations, including the south west corner of Henty Highway and The By-Pass Road in North Portland. Future population growth may create further demand for a home maker centre in a location which is more central to future residential development.
- Manufacturing: While manufacturing is being squeezed by a range of factors, there are industries which have growth opportunities. These are: large scale processing for timber industry; aluminium and mineral sands; grain; and engineering (e.g. related to timber, mineral sands, renewable energy and exploration industry – gas and oil). Some can be accommodated within existing IN2 and IN1 zoned land in the northern part of Portland and Heywood with further opportunity in south Portland in proximity to the Portland Smelter. Other large scale resource related industry processing, for example pulp mills, may have requirements for land and infrastructure and access to the resource which mean that a suitable site is not necessarily available within the existing zoned land.
- Other Industry Opportunities: There will be continue to be demand for a range of other uses which require industrial land, particularly as the population continues to grow. These uses will include: equipment hiring, places of worship, funeral directors, police and emergency services; Trade display showroom/ warehouses; Highway Uses - car, boat and truck sale yards; Recreation/Entertainment (e.g. indoor sporting facilities and outdoor activities such as go carts and skate boarding).
- Marine Industry: The redevelopment of the trawler wharf may provide opportunities for expansion of the fishing industry (e.g. fish processing, marine engineering, transport, ship/boat building and maintenance, fuelling). An opportunity exists for establishing marine industries based around the existing and potential growth in boating and related activities.
- Transport: The growth in freight movement from planned investment in processing and export of mineral sands and timber give rise to the opportunity to develop freight interchange facilities. This could include the potential for a rail freight intermodal terminal that provided for transshipment from rail to road for export through the Port of Portland, or road to rail for export to destinations within Victoria. The North Portland locality offers an opportunity for this type of facility.
- Local Light Industrial/ Trade Park: Opportunities may arise for potential growth or relocation of industry into new light industrial areas that provide for improved amenity in residential areas by relocating industry to appropriately serviced industrial estates. Population growth in the townships and in Portland will increase demand for this type of industrial land. Potential sites are available in the North Portland area.



- Rural Industry :The primary sector is one of the Glenelg region's main industries engaging in value-adding, farm forestry, timber value-adding and other rural industry. In order to prosper in the future, the region's primary producers have to look for new opportunities and new markets through diversification, and by adding value to their existing products.

### Industry in Glenelg Shire

Industrial Development within Glenelg Shire is largely concentrated within the southern part of the Shire around Portland and Heywood. The other area (in the north of the Shire) where there is land zoned for industry is Casterton. Data from the Glenelg Shire indicates that there is approximately 1,340 hectares of Industrial zoned land and Business 4 zoned land in the Shire, distributed as follows:

|          | Industrial 1 | Industrial 2 | Industrial 3 | Business 4 |
|----------|--------------|--------------|--------------|------------|
| Hectares | 122          | 1,020        | 156          | 42         |

It should also be noted that there are a range of rural areas where there is industrial development associated with rural activity (e.g. Dartmoor Sawmill located in the Farming Zone). Additionally, there are areas such as the Port of Portland which allow for limited development of industrial facilities associated with port activity. The Special Use Zone is also applied to enable specific uses, such as the Heywood Pulp Mill, to proceed in line with an overall development plan that has been subject to special investigations, in this case an environmental impact assessment.

#### *Casterton*

Casterton in the north of the Shire has four areas of land zoned either Business 4 or Industrial 1 which permit industrial development.

- Business 4 zoned land: approximately 20 hectares (a 17.5 hectare parcel in Racecourse Road between Anderson Road and Shiels Terrace, and a 2.5 hectare parcel at Ridges Street and Shiels Terrace). This land is largely developed and occupied with a predominance of restricted retail type uses.
- Industrial 1 zoned land is also approximately 20 hectares – there are two main parcels with the largest parcel approximately 17.5 hectares (south of the B4 land in Ridges Road) and is undeveloped and used for agistment and pony club activities. Current indications are that the land owner is not interested in sub-dividing the land for development. The smaller parcel on the Glenelg Highway east of Casterton has existing industries occupying most of the site.

#### *Heywood*

Heywood currently has three parcels of industrially zoned land:

- North of the township - Industrial 3 zoned land (approx 46 hectares) (Princes Highway and Danger Lane) currently used for timber processing and storage
- South of the township - Industrial 1 Zoned land (approx 28 hectares) on the southern boundary of the township with industries occupying the Princes Highway frontage of the site. The rear of the site remains undeveloped for industrial purposes. Industrial 3 zoned land on Princes Highway extending south along Princes Highway comprising approximately 40 hectares
- Town Centre - Business 4 zoned 9,000 sq m (approx) site is largely developed with some restricted retail use and housing. This site is almost fully developed and not available for further development.



The current supply of industrial land appears to be adequate for local needs. The Business 4 Zoning in the town centre may not be appropriate for the whole of the site which is zoned. Council should consult with the existing owners to establish the potential for the affected land to be developed for Business 4 purposes. Consideration could be given to more carefully defining the boundaries of the zone to exclude residential properties.

### ***Portland-Heywood Industrial Infrastructure Corridor***

The locality between Heywood and Portland and as far north as the recently approved Heywood Pulp Mill near Mt Eckersley is considered to have significant potential for future major industry based on the availability/ access to major infrastructure including major highways, rail, power and gas transmission lines/ pipelines.

To preserve the option for locating major employment generating resource processing industries in the Glenelg Shire, it is proposed that the strategic significance of this Corridor for such industries be recognised in the Glenelg Strategic Futures Plan and the Council's Municipal Strategic Statement.

The designation of the Corridor is not intended to override existing planning controls. The Corridor would not affect the existing settlements eg. Heywood, existing rural living areas or future growth areas designated in the Glenelg Strategic Futures Plan.

In recognition of the primarily rural nature of land in the Corridor, any proposed processing plant proposals in this corridor should be subject to a requirement to demonstrate that they are unable to locate within the existing industrial zoned land in Heywood, North or Far South Portland

It is considered unlikely that supporting industry for the major processing industry (e.g. construction services and ongoing maintenance support services) will have a significant affect on the take-up of industrial land in Heywood. Portland based businesses/ industry are best placed to service local contracts with new manufacturing/ processing industries due to the proximity of Portland industrial areas to the Portland Heywood corridor, existing industries with sufficient size and skilled labour and the potential workforce associated with the support industry reside in Portland.

### ***Portland***

Portland has the most industrial zoned land in the Shire, with a total of around 1,185 hectares of the total 1,340 hectares of land zoned for industry. Most of this supply is zoned Industrial 2, with all of the Shire's 1,020 hectares of Industrial 2 land located in Portland. For the purposes of analysis of the industrial zones, Portland has been divided into three broad localities – North Portland, South Portland and Far South Portland.

It should be noted that the extent of supply of industrial land in Portland is quite significant for a community the size of Portland. For example, the City of Greater Geelong, with a population almost 10 times the size of Glenelg, a larger port and a significant manufacturing sector employing over 12,000 people (Glenelg 1,481) in 2001, has a total of 2,700 hectares of which 940 hectares is vacant. The amount of industrial zoned land in Glenelg is almost half the Greater Geelong industrial land supply.

The implication of this large supply is that Portland does not require additional industrial zoned land. Instead, the available supply needs to be developed in a way that maximises the benefits of a competitively priced industrial land market, with availability of transport infrastructure – road and rail - and the connectivity to the Port, and minimises any detrimental effects on sensitive land uses.

### ***The North Portland Industrial Area***

The North Portland Industrial area is dominated by Industrial 2 zoning. This forms a distinctive precinct (Precinct NP1) of its own in the north west corner of Portland. Precinct NP1 is composed of sub precincts which have some distinct characteristics.





### North Portland Precinct NP1

The North Portland Industrial area provides one of the key locations for industries requiring buffers, particularly for industries with emissions such as noise, or odour. However, within Precinct NP1(c) a major constraint on the future development of a significant part of the site is the presence of a school located on School Road with Industrial 2 zoned land on three sides. Dwellings in the Environmental Rural Zone on the west side of School Road and on both sides of Darts Road to the east of the Industrial 2 zone are also a constraint.

Within the Precinct, sub precinct NP1 (a) at the corner of Henty Highway and The By-Pass Road, is in a prominent location on the entry to Portland with close proximity to residential development to the north east and south east. It would be desirable to rezone this land to IN3 to create a buffer between the IN2 zoned land to the west and the nearby residential zones and facilitate a higher standard development at the entry into Portland.

Sub precinct NP1(c) is affected by low lying land subject to inundation. Careful consideration will need to be given to the future development pattern of the locality to ensure that adequate consideration is given to the environmental and drainage implications that this will have for the future development of these precincts.

North Portland Precinct NP2 (bounded on its western side by Henty Highway by-pass of central Portland and the eastern side by Browning Street and the standard gauge rail line to the Port)

This precinct includes an area of IN2 zoned land (8.5 ha) and approximately 38 ha of IN1 zoned land with a narrow strip of residential separating the southern portion of the IN1 zoned land from a IN3 parcel – Precinct 3. The Industrial 2 zone appears to be largely developed with little further opportunities unless the sites become available for redevelopment.

The Henty Highway by-pass provides the precinct with excellent access to all parts of Portland (including the port) and Heywood as well as other parts of the Shire. The southern portion of the site is over 50% developed with some vacant land remaining within the precinct. The northern part of the precinct – the IN1 zone land, has some vacant land and vacant large industrial buildings eg former wool stores. The quality of the buildings and capacity for reuse will require more detailed investigation, but there appears to be some opportunity for reuse by a new business or industry.

This area appears to be suited to a continuation of the development of industry focussed on serving the local economy and the larger processing plants such as the smelter and the recently approved Heywood Pulp Mill. The exception to this is the old wool store buildings which offer the potential for indoor recreation or bulky goods retailing, offering a relatively accessible and prominent site and the opportunity for an economic reuse of a large existing building.

There are some concerns about the future sustainability of the narrow strip of residential development between two large areas of industry. The future of this residential area needs to be carefully considered to ensure that it doesn't limit the scope for industrial development in this sub precinct.

### North Portland Precinct NP3

This precinct is a relatively old industrial estate with a high proportion of relatively poorly maintained industrial sites with little attention to the appearance of the existing businesses. The precinct includes approximately 50 ha of IN3 zoned land.

Sub-precinct NP3 (a) includes a large area of land formerly used for bulk liquid fuel storage. The site has been cleared of all the former storage facilities, but remains undeveloped. A recent proposal was submitted for residential zoning of this land. This sub precinct has a high proportion of vacant land and vacant buildings within the precinct, subject to appropriate decontamination measures. A non-industrial future for this sub-precinct should be considered.

Sub-precinct NP3 (b) has some significant industrial operations within this area as does sub precinct NP3(c). There is an opportunity to consolidate industrial development with low impact industry consistent with the Industrial 3 zone. However, it will be important to ensure that new development meets suitable standards for landscape treatment, use of building materials and storage of supplies and products.



#### North Portland Precinct NP4

The Business 4 (B4) zone at the corner of The By-Pass Road and Henty Highway is another prominent location on the gateway to Portland. The site is approximately 6 hectares and has significant development potential. The B4 zone is intended to accommodate bulky goods retailing. While this is an appropriate site for such developments, there will need to be attention to design details to ensure that a high standard development is achieved on such a prominent location.

The Business 4 Zone adjoins a parcel of Industrial 1 zoned land west of Browning Street which is currently occupied by vacant wool stores. Consideration could be given to including this parcel of land within the B4 zone to utilise these vacant buildings for bulky goods retailing.

#### North Portland Precinct NP5

The remainder of the B4 zoning in Percy Street and Hurd Street should continue to be managed for bulky goods retailing as appropriate. There is approximately 15 hectares of land in this precinct, but there are no real sites of any significant size.

It is noted that the mixed nature of existing uses in the zone provides some interface issues which need to be carefully managed as the locality transitions to development for bulky goods retailing. The lack of large lots means that development will occur in a relatively ad hoc fashion as opportunities arise or sites are purchased. Key issues that will need to be managed for new development will be vehicle access and parking, sensitive location of parking and building heights and design adjoining existing residential sites.

#### North Portland Precinct NP6

This precinct comprises around 30 hectares of IN3 zone land and acts as a buffer to the Industrial 2 zone to the north and the low density residential zoned land to the south. Some industrial development is occurring within this sub-precinct although most of the area remains undeveloped.

This industrial area should be carefully managed to ensure a significant differentiation in development to that occurring to the north reinforcing the role of the zone as a buffer to the residential land to the south. Consideration should be given to introducing a specific local policy to ensure a high standard of amenity is established with new development in Industrial 3 zones. This would pay particular attention to matters such as landscaping, and locating storage and buildings on sites adjoining residential areas and heights of buildings near boundaries with residential areas.

#### *The South Portland Industrial Area*

The South Portland Industrial area is comprised of two precincts – the port related Industrial 1 Zoned land along Henty highway/ Port Road (SP1 on Figure 9) and the Industrial 1 Zoned land on Madeira Packet Road south of Edgar Street (SP2 on Figure 9). A further precinct SP3 is being considered for development for a weighbridge facility associated with heavy vehicles exiting the Port.

#### South Portland Precinct SP1

This precinct is largely developed for transport and port related industry. No further action is proposed in regard to this precinct.

#### South Portland Precinct SP2

Precinct 2 encompasses an area of Industrial 1 zoned land which is largely developed, although the area at the northern end of the precinct between Bancroft Street and Edgar Street remains vacant and has been subject of a proposal for rezoning to residential development. Residential zoned land to the north of Edgar Street remains vacant, although this is coming under pressure for subdivision for housing.



This area is within the area of impact of the Incitec Pivot fertiliser factory which has been operating in the Port of Portland on the east side of Madeira Packet Road for around 40 years. The fertiliser factory has dust and odour emissions which can adversely affect residential development that could occur in relatively close proximity. A group of Port stakeholders, the Portland Industry Forum, has expressed concern about the potential impact of residential development along Madeira Packet Road north of Precinct 2 between Edgar Street and Henty Highway/ Victoria Parade.

- Important Note: Glenelg Shire Council decided at the Ordinary Council Meeting of 27 February 2007 that it is to seek a residential, rather than non-residential, future for the land to the north of Precinct SP2 and the recommendations of the draft Glenelg Industrial Land Use Plan Report were superseded by that decision.

### South Portland Precinct SP3

This precinct has been identified because it is subject to a proposal to develop a weigh bridge for heavy vehicles exiting the Port in association with an industrial rezoning and residential subdivision. This site adjoins residential development on two sides and the high school on the west side. It is understood that the Port of Portland does not require a weighbridge on the site (one has been constructed on Port land).

This site has a number of potential impacts on existing uses which raises questions as to its suitability for industrial development.

#### *The Far South Portland Industrial Area*

The Far South Portland Industrial area is comprised predominantly of two large Industrial 2 parcels, the eastern parcel (approximately 250 hectares) encompassing the Portland Aluminium Smelter and adjoining buffer land, and the western parcel of mostly farming land (approximately 240 hectares).

The potential future use of this industrial land is largely constrained by the possible future development of the Portland Wind Energy Project which was initially approved in April 2003 and subsequently updated in June 2004. This project proposes the development of up to 100 wind generators across 4 sites – Cape Bridgewater, Cape Nelson South, Cape Nelson North and Cape Sir William Grant.

The potential number of wind generators at Cape Sir William Grant is 32 spread across the western major IN2 parcel in Far South Portland and on Cape Sir William Grant, effectively limiting the available Industrial 2 zoned land in the western parcel to around 100 hectares south of Derril Road, between Wellington Road and Madeira Packet Road. The continued importance of this area as a buffer to the Portland Aluminium Smelter should also be acknowledged.

### **Recommendations:**

#### ***General***

- Revise the current Glenelg Planning Scheme Local Policy for Industrial Development which will incorporate specific requirements to ensure a high standard of amenity in all industrial areas with particular requirements for Industrial 3 zones and Business 4 zones which adjoin residential areas; and include a policy addressing the issue of buffer distances between sensitive uses and industrial zones/ industrial development
- Provide for referral of applications for non-industrial development to owners of any adjoining industrial zoned land.
- Where a requirement for new industrial land can be substantiated, site selection criteria for identifying future industrial areas should include relatively flat land at the edge of or away from residential areas; land not prone to flooding or subject to other environmental constraints; proximate to main roads or highways; and availability of appropriate infrastructure including water, sewerage, power, telecommunications etc.; potential to minimise truck traffic movements through the town centre.



### ***Industrial Infrastructure***

That a new Local Policy be prepared as follows:

#### ***“Industrial Infrastructure Policy”***

- The policy should identify major infrastructure that is of importance to industry and provide a set of measures to deal with its protection and utilization.

### ***Sensitive Development Within Industrial Buffer Areas***

- That a new Local Policy be prepared as follows:

#### ***“Sensitive Development within Industrial Buffer Areas”***

To be applied to proposed residential development and other sensitive land uses that may be impacted by the operation of industries (either planned or existing). The policy should cover such areas as:

- EPA recommended buffer distances from existing industries (to be shown on maps in the Planning Scheme).
- The need for advertising of applications to industries that may be impacted on by applications for sensitive uses within their nominal EPA recommend buffer area or on identified industrial access routes (including major road, rail and conveyor belt, to be identified on a map).

### ***Quality of Industrial Development***

The following new Local Policy is recommended:

#### ***“Industrial Development”***

- The policy should incorporate relevant guidelines for setbacks, car parking, access and loading requirements for new industrial development.
- The policy should also incorporate standard requirements/conditions for industrial development to be determined in conjunction with CFA and other relevant authorities.”

### ***Casterton***

Steps should be taken to identify alternative site(s) for industry.

It is recommended that the “Industrial Infrastructure Policy” should, if appropriate, identify by map, places around Casterton where industrial infrastructure exists and that may be considered favourably for major industry proposals (in a similar manner as to the identification of the Portland Heywood Industrial Infrastructure corridor).

The site (suggested by submission) on the eastern side of Enscoe Street should be amongst those investigated for additional Industrial zoning subject physical constraints and having regard to the potential impacts on visual amenity for the approach to the town.

The potential for additional land adjacent to the existing sewerage works should also be investigated, subject to physical opportunities and constraints (to be identified by the Physical Infrastructure Review).

### ***Heywood***

That there be a re-examination of the available industrial land in Heywood in light of flooding constraints and existing commitment to industry, as well as additional industrial developments not mentioned in the draft report ( eg Macarthur Wind Farm).

- The Extent of Business 4 zoning should be reviewed to minimise any adverse impacts on existing residential use of the land



- Prior to initiating a rezoning to facilitate other than a major manufacturing/ processing facility, Council should require that the applicant demonstrate that the North Portland and South Portland Industrial 2 zones are inappropriate for the proposed use.

#### ***Portland – Heywood Major Infrastructure Corridor***

A Corridor between Heywood and Portland and as far north as the recently approved Heywood Pulp Mill near Mt Eckersley should be identified in the Glenelg Strategic Futures Plan and the Council's Municipal Strategic Statement to assist in preserving the option for locating major employment generating resource processing industries in the Glenelg Shire (See Figure 9). Consideration should be also given to the following matters:

- an evaluation of the current distribution of housing in the corridor
- review of the appropriateness of the current provision of zones for low density residential
- identification of appropriate mechanisms to maintain the current large lots sizes within the rural areas in the Corridor

Prior to initiating a rezoning to facilitate other than a major manufacturing/processing facility in the Portland-Heywood Industrial Infrastructure Corridor, Council should require that the applicant demonstrate that existing supply of industrial zoned land in Heywood, North Portland and South Portland Industrial zones is inappropriate for the proposed use.

*\* Note: The following changes are proposed to the plan accompanying this recommendation as follows:*

- *Presentation of corridor be changed to be less indicative of a zoning.*
- *Legend to be altered so as to delete "industrial" and replace with "major infrastructure" wherever it appears.*

#### ***North Portland Precinct 1***

- That part of Sub-precinct NP1(a) that has "town gateway" significance be rezoned to IN3 with development plan overlay to encourage a higher standard of industrial development consistent with a gateway location.
- That Council seek to resolve the land use conflict involving the existing school within Sub-precinct NP1(c) IN2 zoned area. Structure planning of the NP1(b) and NP1(c) sub precincts in North Portland to facilitate its staged development, consistent with infrastructure availability including the identification of the potential for a freight modal interchange within the precinct. The structure planning of sub precinct NP1(c) will need to take into account the low lying land subject to inundation and the associated environmental and drainage issues.

#### ***North Portland Precinct 2***

- Review the opportunity for reuse of the old wool store buildings for indoor recreation or bulky goods retailing, or other suitable uses based on the relatively accessible and prominent site and the opportunity for an economic reuse of a large existing building
- Investigate alternative zoning for the residential land between the rail line and Browning Street south to Oswald Street to encourage redevelopment of this area to a use more sympathetic to the adjoining industrial activity. This should include a detailed opportunity analysis to identify a preferred future.

#### ***North Portland Precinct 3***

- That Council seek the preparation of a feasibility study of the site remediation costs and development opportunities associated with redevelopment of precinct NP3(a). Consideration should be given to a non industrial future for this sub-precinct.



- Prepare an area improvement plan which addresses the redevelopment of the rail yard associated with the former station and incorporates a plan for future traffic movement and amenity enhancements, including funding mechanisms.
- Detailed precinct planning and opportunity analysis should be undertaken to identify a preferred development format, including consideration of outdoor recreation facilities (eg playing fields).

#### **North Portland Precinct 4**

Review the extent of B4 zoning to consider the desirability of extending the zone to facilitate indoor recreational use or bulky goods retailing, or other suitable uses on the adjoining former wool store buildings

#### **North Portland Precinct 5**

- Review existing planning controls to ensure development occurs with minimal adverse impact on adjoining development including existing residential development
- Identify parts of the zone which may be more appropriately zoned residential, to remove/reduce potential land use conflicts.

#### **South Portland Industrial Area**

\* Important Note: Glenelg Shire Council decided at the Ordinary Council Meeting of 27 February 2007 that it is to seek a residential, rather than non-residential, future for the land to the north of Precinct SP2 and the recommendations of the draft report were superseded by that decision. (See below in ***“bold italics”*** motion agreed by Council)

***“That the part of Attachment 1 dealing with the South Portland Area and subject to Recommendation 3 of the officer report, be amended as follows;***

#### **South Portland Industrial Area**

- ***Review the planning controls for the land to the north of South Portland Precinct SP2, (ie land to the west of Madeira Packet Road between Edgar Street and Findlay Street in proximity to the Pivot fertiliser factory) to provide for the retention of the residential zoning, together with an appropriate Design and Development Overlay to ensure that further residential development is not adversely affected (from a residential perspective) by the emissions from the pre-existing factory and the use of Madeira Packet Road and the underground conveyor system on a 24 hour per day basis for port and smelter related freight.”***
- The proposed rezoning of South Portland Precinct SP3 should not be supported given its interface with existing and proposed residential development and proximity to the high school.

#### **Far South Portland Industrial Area**

- The future zoning and development potential of the IN2 zone on the western side of Far South Portland should be reviewed in the short term as and when the implications of the future development of the Wind Energy project and potential wave energy projects become clear. It may be appropriate to designate the wind farm site to an alternate zone and give consideration to the potential future use of the remainder of the land zoned IN2. This locality is relatively poorly connected to the Port of Portland (no rail access) with the most direct road route to the Port being through residential areas.
- Cape Sir William Grant, subject to investigation of the potential for wave energy related industry, or utility infrastructure is considered unsuitable for development for industrial purposes and consideration should be given to an alternative zoning more appropriate to its future use if it is established that the land is not required for wave generation facilities.

# 1 Introduction

Glenelg Shire Council has commissioned MacroPlan Australia to undertake an Industrial Land Use Plan as part of the Glenelg Strategic Futures Plan. Figure 1 shows the main settlements of Glenelg Shire. The key industrial locations within the Shire are Portland, Heywood and Casterton.

This report addresses the following matters:

- Identification of trends in industrial land including identifying basic demand/ user segments in the industrial property market
- Review of drivers of demand for industrial land, including the current employment structure in Glenelg Shire, the activities of the Port of Portland and the Victorian Ports Strategic Framework, the Glenelg Shire Economic Development Strategy and the potential impact of the proposed new Mortlake Power Station
- Assessment of demand for industrial land, including analysis of industrial building activity over the past 10 years in Portland, Heywood and Casterton and industrial property sales activity in Glenelg Shire
- Identification of industrial land opportunities in Glenelg Shire, including heavy industry – port related industry, warehouse and distribution, bulky goods retailing, manufacturing, marine industry and other opportunities including freight related investments, local light industry and rural industry requirements
- Identification of preferred location for large scale industries that may not be suitable or able to locate in existing industrial zones
- Review of Glenelg Shire industrial areas, including identifying the area of industrial zoning, the distribution of the industrial zones throughout the Shire and an analysis of the industrial areas in Casterton, Heywood and Portland, identification of future opportunities for industrial development and recommendations on future action to facilitate future investment and optimisation of the development potential for Glenelg.
- Minimisation of land use conflicts between industrial and other sensitive land uses

As part of the study, in addition to general consultation at the inception of the study, a consultation meeting has been held with Portland industry stakeholders to assist in identifying key issues for industrial land in Portland. The notes of this meeting are included in Attachment 1.

Figure 1. Glenelg Shire Settlements



Source: MacroPlan Australia





## 2

# Context

One of the greatest challenges facing local government in rural areas is the unequal distribution of employment opportunities.

The Victorian government, through the Provincial Victoria campaign, is supporting the growth and development of regional Victoria. Incentives are also being provided to encourage investment and employment in regional Victoria.

A key component of facilitating new investment in business and industry and enabling employment growth is ensuring an adequate and reliable supply of land and opportunities for industrial and commercial development. This can be achieved by:

- Ensuring a steady and long term supply of land for industry and related uses, and in particular, sites at sea ports and major freight route intersections, where possible, for manufacturing/ processing and distribution
- Protecting the efficient operation of industrial areas from incompatible land uses
- Protecting and enhancing transport linkages/ opportunities.

Integrating economic development and transport to realise the potential of new and existing industrial areas will be achieved through coordinated planning for transport and infrastructure provision.

Other priorities include:

- Investigating the availability of larger sites for industry and distribution; and
- Addressing service and access constraints to industrial estates.

In particular, it is important to ensure that designated industrial areas remain available for development in the future.

For any region, the key industries are those which generate income from the sale of goods and services outside the region. Typically, the main export industries are primary production, manufacturing, tourism and certain business services. It is noted that Glenelg Shire has key industries associated with:

- The Port of Portland
- Portland Aluminium Smelter
- Wind energy
- Timber production and processing
- Tourism



## 3 Trends in Industrial Land

The global economy emphasises innovation and specialisation. Creating and transforming knowledge have emerged as the drivers, or keys, to competitiveness.

The drive to more efficient and low cost manufacturing has meant that industry is establishing new modes of production, with greater reliance on imported components, more automated manufacturing and a greater emphasis on establishing market niche.

The manufacturing sector is seeking low cost locations to maintain competitiveness. This means locations with low land cost, low transport costs and low labour costs. Industries requiring larger sites are therefore seeking locations away from the inner city areas to green field sites with good transport infrastructure and accessibility.

The increased reliance on imported components in the manufacturing sector has resulted in an increased focus on assembly and packaging processes with lower overall value added. Industrial property has enjoyed strong growth in line with the State economic growth over the past 5 years.

There has been a growing emphasis on logistics and distribution, with the supply chain from production to delivery effectively becoming shorter and more efficient. The role of manufacturing with warehousing may be combined whilst the retail stage may be reduced. Many functions (sales/ admin/ warehouse/ distribution) will increasingly take place under the one roof.

In addition there will continue to be a requirement for industrial land servicing the needs of local trades, including those involved in the building industry, and maintenance and repairs eg auto repairs.

There is also a requirement for land for industry in regional areas servicing the rural sector, in particular, processing and packaging of rural produce.

### 3.1 Industry Sectors

Five basic demand/ user segments have been identified in the industrial property market. These are identified below with an indication of the key features of these sectors.

- Heavy/Noxious/Offensive Industry (5 – 50 ha)
  - heavy industries e.g. heavy engineering, aluminium smelter, port related industry.
- Transport/Warehouse/Storage (2+ hectares)
  - Trend in manufacturing/ importing to outsourcing storage - distribution combined. Major transport routes emerging as transport and distribution hub.
- Manufacturing / Component Assembly
  - Component assembly manufacturers vary from extensive land areas to less than 2 hectares.
- Light Industrial & Trade Park
  - In this sector, greatest demand is for smaller blocks – 500-1,000 m<sup>2</sup> ranging up to 1 ha for light industrial/ small local businesses e.g. engineering and mechanical workshops. Less attention is paid to aspects such as landscaping, signage and setbacks
- Service Business Park/ Technology Park
  - SBP's attract a wide range of service providers and can include manufacturing and processing/ packaging/ distribution industries seeking a high amenity location as well as equipment hiring, places of worship, funeral directors and police and emergency services.



- Technology Parks - similar block sizes, but high amenity values with high standards of landscaping and built form more akin to an office park.
- Land parcel sizes 1000 – 2000 sq m (up to 5000 sq m).
- Specific Uses
  - Restricted Retail - large scale Homemaker Centres and Showrooms
  - Highway Uses - car, boat and truck sale yards
  - Recreation/Entertainment - indoor complexes e.g. tennis, squash, basketball/netball, indoor cricket stadiums & outdoor activities such as motor sports e.g. go carts
- Rural Industry
  - Rural processing/ packaging
  - Farm vehicle repairs/maintenance
  - Livestock Depots



## 4 Drivers of Demand for Industrial Land

Economic strengths of the region for industry include:

- The Port of Portland
- A plentiful supply of quality water
- The Portland Aluminium Smelter
- 500kv electricity transmission line from Portland to Latrobe Valley
- Large quantities of appropriately zoned industrial land available for development
- Well-established infrastructure which includes the availability of all major forms of transport, sea, road, rail and air
- Geothermal energy
- Wind energy and other potential forms of renewable energy (eg sea based)
- Exploration for, and development of, off shore oil and gas deposits via Port of Portland
- On-shore oil and gas exploration
- The wide range of rural-based activities including the production of wool, prime lamb, beef cattle, dairy cattle, timber and fishing, as well as some horticultural activities such as onions, potatoes, wine grapes and ornamental horticulture.

### 4.1 Current Industry Structure and Employment

Key industry sectors within Glenelg Shire providing the most significant employment opportunities are Agriculture Forestry and Fishing, (18.3% of employment in Glenelg Shire in 2001) Manufacturing (18.5%) and Retail trade (13.2%). These three sectors comprised almost 50% of total employment in the Shire in 2001. Compared with Regional Victoria and Victorian averages, Glenelg is significantly more dependant on Agriculture forestry, and fishing and Manufacturing. (See Table blow).

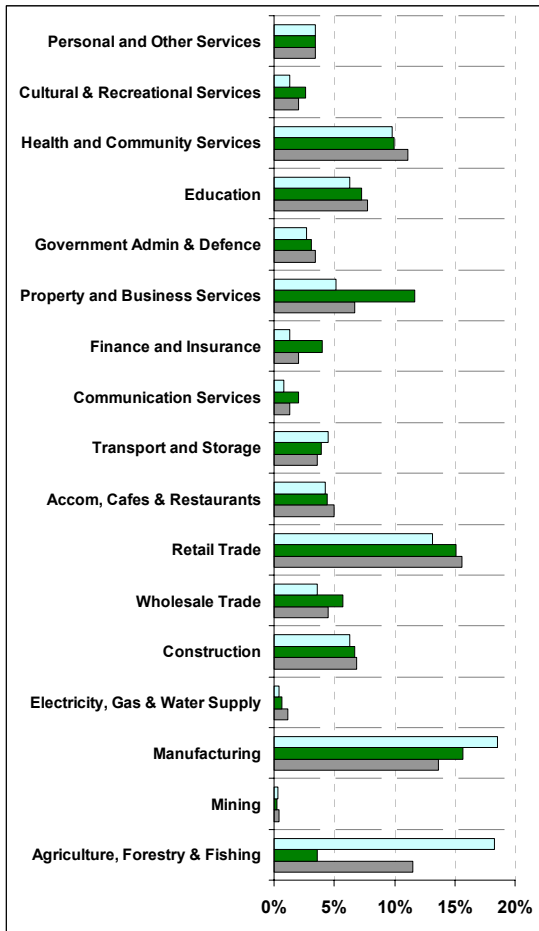
However, the employment profile for Glenelg is similar to the neighbouring municipalities such as Moyne, Southern Grampians and West Wimmera although it less dependant on the agriculture sector and has a larger proportion of its workforce in manufacturing and transport and storage, reflecting its major industry – the Alcoa aluminium smelter and the activities of the Port of Portland.

Within the Shire, over 50% of the employment is located in Portland. Over 23% of the employment in Portland is in the manufacturing sector, with retail trade (15.7%) and Health and community services (10.1%) the next largest employers.

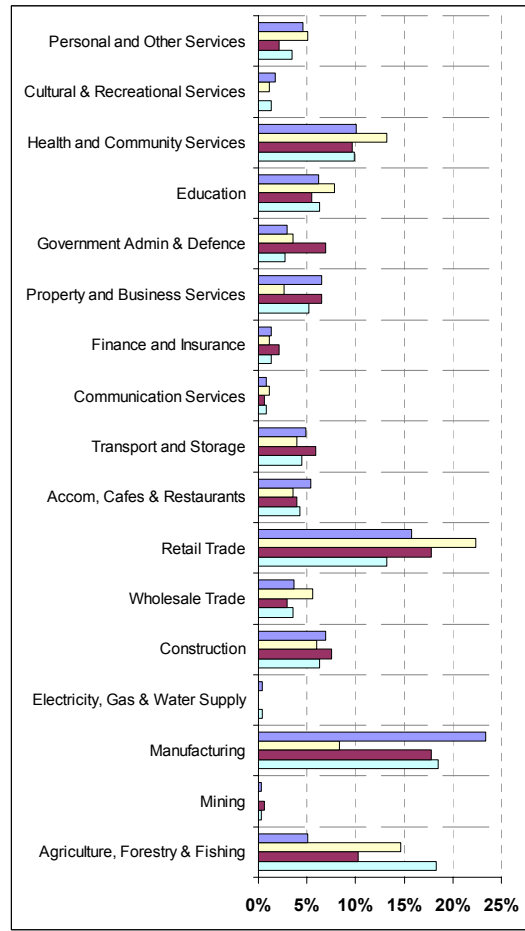
The townships of Casterton (8%) and Heywood (6%) are the locations for 14% of the employment with the balance (34%) in the rural areas and smaller villages.

Figure 2. Employment Structure – Portland, 2001

Benchmark with Regional Victoria, Victoria



Composition of Employment within Glenelg



■ Victoria   
 ■ Regional Victoria   
 ■ Glenelg   
 ■ Portland   
 ■ Heywood   
 ■ Casterton   
 ■ Glenelg

Source: ABS Census 2001, MacroPlan Australia

## 4.2 Port of Portland

The Port of Portland caters for the berthing of most types of bulk and general cargo vessels. The berths consist of five common user berths and a dedicated berth for Portland Aluminium.

**Figure 3. Port of Portland**



Source: Port of Portland Pty Ltd Website

The Port is owned and operated by the Port of Portland Pty Ltd a private company owned by Hastings Funds Management. The port specialises in the storage and handling of bulk commodities and serves the region's rich agricultural, forestry, manufacturing and mining industries as well as regionally based aluminium and fertiliser producers. In excess of 4 million tonnes of product is transferred over the port's wharves each year.

The major products exported through the Port of Portland are grain (wheat, barley, canola & pulses) plantation pine woodchips and logs, aluminium ingots and livestock (sheep & cattle) whilst the major import commodities are alumina, liquid pitch and fertiliser products.

Concern has been expressed about the long term viability of the grain trade through the Port of Portland. This relates to the potential for freight rail movement to be re-routed through Geelong or Melbourne. As grain comprises around 40% of total exports through the Port, the loss of the grain trade would have a major impact on the Port of Portland. Glenelg Shire and the port stakeholders will need to ensure that the advantages of continuing the grain trade through Portland are well understood by the grain exporters, freight rail companies and the State government.

The Port is connected to all regions within mainland Australia by road and the national standard gauge rail network, which bypasses the centre of Portland and allow 24-hour access and unhindered entry to the port area.



Figure 4. Victorian Ports Strategic Framework, - Port of Portland



Source: Victorian Ports Strategic Framework, Department of Infrastructure, 2004

### 4.3 Victorian Ports Strategic Framework

The Victorian Ports Strategic Framework (VPSF) notes that the Government will support future port development that builds on the existing capabilities and competitive strengths of Victoria’s commercial trading ports. The Government has a policy of facilitating extensions and upgrades of the intrastate and interstate rail network which enhance the competitiveness of rail transport to and from Victorian commercial trading ports.

Efficient transport links to the port’s hinterland are especially important given Portland’s focus upon the export of low margin bulk products. The re-opening of the Heywood to Mt Gambier rail line as a standard gauge route has been identified as important to gaining greater access to trades suited to rail transport such as wood chips. The Cliff Street overpass will ease truck congestion to and from the port and allow the port to improve its standard gauge rail facilities.

The VPSF notes that ports in regional centres such as Portland, with lower land costs, established bulk handling facilities and rail connections are well suited to the development of dry bulk trades. Fostering the development of these trades in regional commercial trading ports, through appropriate planning and investment in transport infrastructure is consistent with Government’s commitments in Growing Victoria Together.

The VPSF notes there is no obvious opportunity for expansion of the Port of Portland precinct given the present pattern of town development. Residential areas to the south of the port precinct are as close as 150 metres. The proximity of the port precinct to residential and retail precincts will require careful placement of future expansion. In addition, there is a relative shortage of land for stockpiles for trades such as woodchips or mineral sands. In peak periods, large numbers of trucks and other wheeled equipment will be required to use port roads and wharf aprons. Careful design and disciplined use of available roads will be necessary to ensure all users can achieve export standard performance.



The Port of Portland is progressing its port development planning. A Strategic Land Use Plan is currently being developed for the port. A key focus of the Strategic Land Use Plan will be the requirement to efficiently use remaining unoccupied land to ensure that expected export growth trades can be accommodated.

#### 4.4 Glenelg Shire Economic Development Strategy

The Economic Development Strategy Vision Statement has an aspiration for the Glenelg Shire to be a natural choice for business investment and growth. The area will be internationally recognised as the renewable energy capital of Australia and will be a showcase for the renewable energy industry. Glenelg Shire Council will also be the centre for timber processing and the upgraded commercial fishing facilities at the Port of Portland will trigger further investment in the fish processing and ship building industries.

Issues raised in the Strategy included:

- Commercial fishing facilities at the port require significant upgrades and possibly relocation.
- A lack of appropriately zoned industrial land with appropriate buffer zones could prevent economic development.

More recent issues that have emerged for the future economic growth of Glenelg Shire include:

- Potential Mineral sands processing opportunities
- Oil and gas exploration and associated opportunities from development of successful outcomes of these exploration activities

The timber processing opportunities are being realised through the recent approval of the Heywood Pulp Mill. This construction of the \$700 million pulp mill project is expected to begin in December 2006 with over 600 people being employed in its construction and over 100 ongoing operations jobs.

Other proponents have indicated interest in a further timber processing plant in the region and there has been speculation about the prospect of a paper processing plant in the region. At this stage, the potential impacts of these other projects are unclear. Even the direct impacts on industry in Portland from the Heywood pulp mill will not be known until the contracts are let for construction and the ongoing maintenance and services to the mill. However, it is likely that there will be an increase in requirements for industrial land as existing industries expand to take up opportunities associated with the new mill.

#### 4.5 Mortlake Power Station

Origin Energy is seeking development approvals to build a natural gas-fired power station in Western Victoria, near the township of Mortlake (Moyne Shire).

The proposed project involves the construction of a natural gas-fired power station at a site 12 km west of Mortlake. It is planned to construct the plant on approximately 20 hectares of land with an extensive buffer zone around it.

The power station, of approximately 1,000 megawatts, will be built in stages adjacent to the existing Moorabool to Heywood 500 kV high voltage transmission line. The plant will be supplied with natural gas via a 78 km dedicated underground natural gas transmission pipeline from the new gas processing plant being built near Port Campbell, as part of the offshore Otway Gas Project.

The development of the power station will assist in providing a competitive electricity supply to the region and help to improve the feasibility of investment in the region for major processing industries. This in turn may generate further demand for industrial land in the Shire of Glenelg, particularly Portland.





## 5 Demand for Industrial Land

This section analyses building approval data and sales activity data to identify the level of activity in the industrial property market to assist in the developing an understanding of the extent of activity and trends in the market in the Shire of Glenelg and the main townships of Portland, Heywood and Casterton.

### 5.1 Building Activity

Annual building approvals data has been obtained from the Australian Bureau of Statistics by number and value to assist in understanding the number of building approvals and the relative size of the investment being undertaken. The data has been provided for the three Statistical Local Areas (SLAs) of the Shire. Each of the SLAs includes one of the main townships in Glenelg - Portland, Heywood and Casterton.

Table 1 below shows the data for the Portland area.

**Table 1. Number of Building Approvals – Portland, 1996-97 to 2004-05**

| Year    | Factories | Other business premises | Miscellaneous |
|---------|-----------|-------------------------|---------------|
| 1996-97 | -         | 3                       | -             |
| 1997-98 | 1         | 1                       | -             |
| 1998-99 | -         | 2                       | -             |
| 1999-00 | 3         | 1                       | -             |
| 2000-01 | 1         | 1                       | -             |
| 2001-02 | 1         | 1                       | 1             |
| 2002-03 | 2         | -                       | -             |
| 2003-04 | 4         | 2                       | -             |
| 2004-05 | 2         | 2                       | 1             |

Source: ABS Building Approvals Data, MacroPlan Australia

There was an annual average of 3 building approvals for factories, other business premises and miscellaneous building per year over the period from 1996 – 2005 with an average value per building of between \$100,000 and \$200,000 except for the three years from 2001-02 when there were larger projects in the three year period that increased the average value of building approvals. (Refer Table 2).

**Table 2. Average Value of Building Approvals, Portland 1996-97 to 2004-05**

| Year    | Factories | Other business premises | Miscellaneous |
|---------|-----------|-------------------------|---------------|
| 1996-97 | -         | 126,667                 | -             |
| 1997-98 | 100,000   | 155,000                 | -             |
| 1998-99 | -         | 145,000                 | -             |
| 1999-00 | 82,000    | 120,000                 | -             |
| 2000-01 | 204,847   | 60,000                  | -             |
| 2001-02 | 200,000   | 100,000                 | 2,600,000     |
| 2002-03 | 425,000   | -                       | -             |
| 2003-04 | 202,500   | 63,176                  | -             |
| 2004-05 | 1,282,500 | 62,500                  | 700,000       |

Source: ABS Building Approvals Data, MacroPlan Australia

In the Heywood area, there was an annual average of two building approvals over the period for factories, other business premises and miscellaneous. However, most of the activity was in the category other business premises which could also include non-industrial buildings.



**Table 3. Number of Building Approvals – Heywood, 1996-97 to 2004-05**

| Year    | Factories | Other business premises | Miscellaneous |
|---------|-----------|-------------------------|---------------|
| 1996-97 | 1         | 1                       | 3             |
| 1997-98 | -         | -                       | 1             |
| 1998-99 | -         | 1                       | -             |
| 1999-00 | -         | 3                       | -             |
| 2000-01 | -         | 2                       | -             |
| 2001-02 | -         | 2                       | -             |
| 2002-03 | -         | 1                       | -             |
| 2003-04 | -         | 1                       | -             |
| 2004-05 | 1         | 1                       | -             |

Source: ABS Building Approvals Data, MacroPlan Australia

The average size of the investment in Heywood was around \$200,000.

**Table 4. Average Value of Building Approvals, Heywood, 1996-97 to 2004-05**

| Year      | Factories | Other business premises | Miscellaneous |
|-----------|-----------|-------------------------|---------------|
| 1996-97   | 50,000    | 75,000                  | 135,902       |
| 1997-98   | -         | -                       | 50,000        |
| 1998-99   | -         | 58,295                  | -             |
| 1999-2000 | -         | 111,746                 | -             |
| 2000-01   | -         | 95,000                  | -             |
| 2001-02   | -         | 84,635                  | -             |
| 2002-03   | -         | 132,651                 | -             |
| 2003-04   | -         | 250,000                 | -             |
| 2004-05   | 200,000   | 350,000                 | -             |

Source: ABS Building Approvals Data, MacroPlan Australia

Building approvals in northern Glenelg in the Casterton area were very limited. Over the period from 1996 – 2005, there were only 6 building approvals and only 1 factory approved.

**Table 5. Number of Building Approvals – Glenelg Shire North, 1996-97 to 2004-05**

| Year    | Factories | Other business premises | Miscellaneous |
|---------|-----------|-------------------------|---------------|
| 1996-97 | -         | -                       | -             |
| 1997-98 | -         | -                       | -             |
| 1998-99 | -         | 1                       | -             |
| 1999-00 | -         | -                       | 1             |
| 2000-01 | -         | -                       | 1             |
| 2001-02 | -         | -                       | -             |
| 2002-03 | -         | 2                       | -             |
| 2003-04 | 1         | -                       | -             |
| 2004-05 | -         | -                       | -             |

Source: ABS Building Approvals Data, MacroPlan Australia

The average value of the investments was just over \$100,000 indicating a relatively small scale of development.



Table 6. Average Value of Building Approvals, Glenelg Shire North, 1996-97 to 2004-05

| Year    | Factories | Other business premises | Miscellaneous |
|---------|-----------|-------------------------|---------------|
| 1996-97 | -         | -                       | -             |
| 1997-98 | -         | -                       | -             |
| 1998-99 | -         | 80,000                  | -             |
| 1999-00 | -         | -                       | 66,000        |
| 2000-01 | -         | -                       | 110,000       |
| 2001-02 | -         | -                       | -             |
| 2002-03 | -         | 286,368                 | -             |
| 2003-04 | 150,000   | -                       | -             |
| 2004-05 | -         | -                       | -             |

Source: ABS Building Approvals Data, MacroPlan Australia

## 5.2 Industrial Property Sales

A review of industrial property sales across the Shire over the five year period from 2000 to 2004 indicates a relatively modest level of activity. Over the period, only 6 vacant industrial sites were recorded as sold, while there were sales of 6 factories, 1 warehouse and 14 other industrial properties. It is also possible that some of the unspecified industrial properties were also vacant lots.

Overall, there was an average of 6 industrial properties sold each year across the Shire.

Table 7. No. of Sales - Glenelg Shire, 2000 - 2004

| Building Type          | 2000 | 2001 | 2002 | 2003 | 2004 |
|------------------------|------|------|------|------|------|
| Factory                |      | 2    | 3    | 1    |      |
| Unspecified industrial | 4    | 3    | 1    | 3    | 3    |
| Vacant Industrial      | 1    | 1    | 3    |      | 1    |
| Warehouse              |      |      |      | 1    | 1    |

Source: Land Victoria, A Guide to Property Values, 2001 - 2005

In terms of sales price, the average vacant land sale was around \$50,000 over the period, although there is insufficient information to understand the size of the lots sold and whether this affected the price. It is noted that the average price for industrial land for Country Victoria recorded by Land Victoria has increased from around \$50,000 in 2000 to approximately \$85,000 in 2004.

The price recorded in Glenelg Shire has fluctuated over the period from 2000 to 2004, but this is likely to be due to different lot sizes. However, the median sale price has remained lower than the Country Victoria median.

Table 8. Median Sales Price – Glenelg Shire 2000 - 2004

| Building Type          | 2000   | 2001    | 2002    | 2003    | 2004    |
|------------------------|--------|---------|---------|---------|---------|
| Factory                |        | 22,723  | 112,000 | 480,000 |         |
| Unspecified industrial | 55,000 | 60,000  | 35,000  | 110,000 | 200,000 |
| Vacant Industrial      | 40,000 | 150,000 | 50,000  |         | 52,000  |
| Warehouse              |        |         |         | 176,000 | 505,000 |

Source: Land Victoria, A Guide to Property Values, 2001 - 2005

There is limited information on the average size of industrial land being sold. Recorded data indicates a median in the range 3-4,000 sqm.



**Table 9. Median Site Area – Glenelg Shire 2000 - 2004**

| Building Type          | 2000 | 2001  | 2002  | 2003  | 2004   |
|------------------------|------|-------|-------|-------|--------|
| Factory                |      |       | 4,043 |       | 82,500 |
| Unspecified industrial | 776  | 3,218 |       | 5,324 |        |
| Vacant Industrial      |      |       | 3,382 |       |        |
| Warehouse              |      |       |       |       |        |

Source: Land Victoria, A Guide to Property Values, 2001 - 2005

## 5.3 Conclusion

The data indicates a relatively low level of demand and take-up of industrial land in the Shire over recent years.

However, an important consideration for Portland is the opportunity for new investment in major processing facilities in the region. Employment and manufacturing and engineering industries in Portland are supported in a large part by two major existing industries, - the Portland Aluminium Smelter and the construction activity associated with the emerging wind energy projects in the region.

The recent approval of the Heywood Pulp Mill will see continuing growth in demand for support industries associated with providing construction services in the short term, but also services to the operation of the Mill, including maintenance and related activities. There will also be growth in transport services related to the Pulp Mill as well as growth in businesses/ employment active in harvesting of timber.

The impact on Portland and Heywood will be determined by the extent to which local businesses can provide the services required and win tenders etc to provide these services.

Further major processing opportunities may emerge through other timber processing or paper manufacturers seeking to set up in the region with the potential for a competitive power supply emerging from the Mortlake Power Station and the potential availability of secure underground water supply. However, it is extremely difficult to forecast the potential for these opportunities to emerge and identify the potential impacts on the regional economy in terms of demand for future industrial areas.



## 6 Industrial Land Opportunities

The locational requirements of industry will have an important bearing on the future demand for industrial land. Locational determinants of future demand for industry in the Glenelg region include:

- The existing industry base and growth prospects for these industries;
- Land availability and price;
- Infrastructure availability and price;
- Proximity to production inputs/ supplies;
- Proximity to markets;
- Business environment, including national and international economic conditions affecting the supply and demand for key products such as aluminium, timber products, and mineral sands;
- Other factors that are important to attracting workers and investment such as amenity, residential, educational and recreational environment.

Growth in investment in business and industry in regional areas requires not only the availability of competitively priced infrastructure and land, but also attractive urban environments that continue to attract and retain the labour force necessary to provide the appropriate range of skills required by industry. Careful consideration needs to be given to the location of industrial development, impact on existing and future residential areas, the standards of new development and the availability of supporting education, recreation and attractive environments for residents.

There is a range of industrial developments that could be developed in the Glenelg region. These are discussed below.

### **Heavy Industry – Port related industry**

The Port is owned and operated by the Port of Portland Pty Ltd a private company owned by Hastings Funds Management. The port specialises in the storage and handling of bulk commodities and serves the region's agricultural, forestry, manufacturing and mining industries as well as regionally based aluminium and fertiliser producers. In excess of 4 million tonnes of product is transferred over the port's wharves each year.

The major products exported through the Port of Portland are grain (wheat, barley, canola & pulses) plantation pine woodchips and logs, aluminium ingots and livestock (sheep & cattle) whilst the major import commodities are alumina, liquid pitch and fertiliser products. (See Table below)

The Port of Portland currently has limited land available within the back up area to the port loading facilities for industries which require port access to store and process or repackage products which are being transported through the Port – either for export or import.

This is not a major constraint to the port given the high level of accessibility to the port by both road and rail from industrial zoned land to the north of Portland. National standard gauge rail access is available into the Port and the Port Road/ Henty Highway ring road route which provides a high quality access to the port that avoids central Portland.

The Port mainly caters for the berthing of bulk and general cargo vessels. The berths consist of five common user berths and a dedicated berth for Portland Aluminium.



**Table 10. Port of Portland – Exports & Imports 2004**

| Exports                               | Imports                                |
|---------------------------------------|--|
| Grain - 938,000 tpa (39.8%)           | Smelter Products - 833,000 tpa (64.1%) |
| Timber - 1,350,000 tpa (42.2%)        | Fertiliser - 330,000 tpa (31.7%)       |
| Aluminium Ingots - 300,000 tpa (8.9%) | Liquid Pitch - 45,000 tpa (4.2%)       |
| Livestock - 80,000 tpa (4.0%)         |  |
| Fertiliser - 50,000 tpa (3.3%)        |  |
| Mineral Sands - 30,000 tpa (1.7%)     |  |
| Other - 10,000 tpa (0.1%)             |  |

Source: Port of Portland - [www.portofportland.com.au/poplframeset.htm](http://www.portofportland.com.au/poplframeset.htm), 2005

There are currently examples of industries which have established to the north of Portland which use the Port to export material eg timber products. The soon to be established Heywood Pulp mill will also use the Port for exporting significant amounts of product.

The opportunity to establish more port related industry to the north of Portland utilising the road by-pass of Portland and rail will necessitate ensuring this industrial area is able to accommodate industries which may require 24 hour activity and buffer distances to residential development, typically a maximum of 1,000 metres.

### **Warehouse and Distribution**

There is an increasing trend within the manufacturing and retail industries to establish major storage and distribution centres in locations which generate the greatest efficiencies in distributing stock to retail outlets. This has led to many companies establishing in locations central to the main arterial roads and enables the companies to easily service interstate and regional markets. There is potential for this type of development on the highway leading into Portland. However, it should be noted that there is little evidence over recent years of major investments in storage and distribution facilities in the region.

Supporting services such as transport services including transport companies will develop with the establishment of critical mass. Proximity to major regional markets and accessibility to a number of regional centres can provide opportunities for investment in this sector.

There are a number of examples of major retailers, for example Coles Myer and Woolworths/ Big W, investing in major distribution centres in regional locations to take advantage of the efficiencies of scale to service a broad region. Woolworths, for example, is currently establishing a major distribution centre on the outskirts of Wodonga that will service northern Victoria and southern NSW.

While Portland is unlikely to attract major distribution centres for Coles or Woolworths, there are opportunities for smaller scale distribution facilities that could be located within the IN2 in the North Portland Industrial Precinct. These centres could be for warehouses in the order of 1,000 sqm to 5,000 sq m for trade supplies meeting the needs of regional businesses, construction and manufacturing industry and new housing development.

### **Bulky goods retailing/ Homemaker Centres**

Bulky goods retailing is another sector where potential future opportunities may arise. Consideration could be given to the potential for this type of development. There are a number of potential locations, the most likely short term location being at the south west corner of Henty Highway and the By-Pass Road in North Portland.

Future population growth may create further demand for a home maker centre in a location which is more central to future residential development.



## Manufacturing

The manufacturing sector in Portland is comprised of general engineering (Keppel Prince), structural fabrication and erection, fitting and machining, grit blasting, painting and crane hire services as well as engineering maintenance and support industry which has developed as a result of the Portland Aluminium operations and the Wind Energy facilities that have developed in the region.

While manufacturing is being squeezed by a range of factors, particularly international competition, there are industries which have growth opportunities. The main growth opportunities appear to be in:

- Timber industry related to processing locally grown timber for export
- Processing and manufacturing related to the aluminium and mineral sands industry
- Processing related to the current grain exports
- Engineering related to the processing of timber, mineral sands and renewable energy opportunities (geothermal, wind energy, ocean energy) and exploration industry (oil and gas)
- Fertiliser Manufacture

This development can be accommodated within the existing IN2 and IN1 zoned land in the northern part of the Portland and Heywood with further opportunity for locating some of this industry in South Portland in proximity to the Portland Smelter.

Other resource related industry processing, for example pulp mills, may have requirements for land and infrastructure and access to the resource which mean that a suitable site is not necessarily available within the existing zoned land. In such cases, there may be a requirement to seek a rezoning or special use zoning to enable the project to proceed. These sites will need to satisfy locational criteria such as accessibility to major highways, rail, power supply and/or gas supply. There are limited locations with the availability of this infrastructure and these areas should be identified and appropriate planning controls put in place to ensure their availability in the future.

## Marine Industry

The Port of Portland is the base for a large commercial fishing fleet that operates in an area from Kangaroo Island, off South Australia, across the Western Victorian coastline and down to northern Tasmania.

Seafood Industry Victoria, the officially recognised peak body for the commercial fishing industry, has noted that commercial fishing is Portland's longest established industry<sup>1</sup>. Portland supports Victoria's second largest fishing port. Current fishing activities from Portland include rock lobster, king crabs, abalone, deep-sea trawling, drop-line fishing, mesh netting, hand-line fishing and squid jigging.

Southern rock lobster has been the major fishery for Portland for decades and supports a fleet of around 30 vessels. These boats are licensed to fish in the Victorian western zone fishery (Apollo Bay to the Victorian-SA border). This fishery is worth around \$10 million a year.

The king crab fishery is a newly developed fishery that expanded rapidly during the 1990s. Rock lobster fishermen initially caught king crabs as a by-catch but now it is a targeted species using pots. This crab is one of the largest in the world and is now a valuable export earner to Asia.

Six abalone divers operate from Portland. Licence holders are limited to taking their quota allocation.

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<sup>1</sup> <http://www.siv.com.au/home.htm>



The deep-sea trawl boats based in Portland supply forty per cent of the fish sold through the Melbourne Wholesale Fish Market. Fourteen vessels operate from Portland, fishing within the South East Fishery fishing to Kangaroo Island (SA) in the west and the east coast of Tasmania. The Portland trawl fleet lands 6000 tonnes of fish on the Australian market each year. An estimated AU\$20 million of trawl fish is landed at Portland's wharves annually.

Squid jigging is a seasonal fishery that has increased in production in recent years. Up to forty-five boats now fish from Portland during the squid season (March to July). Squid have a short life cycle, allowing sustainable catches to be high, and with the increasing popularity of the product, this is one fishery that is expected to grow. The present value of fishery is worth about \$2.5 million a year.

In total, the commercial fishing industry in Portland injects about \$40 million annually into the local economy making an important contribution.

Privatisation in 1996 and expansion of the commercial port resulted in berthing and unloading difficulties for fishing operators using the port. In 2003 the Trawler Wharf was transferred back into public ownership and in October 2005, the Victorian Government announced it would proceed with a \$5 million extension and upgrade of the Portland Trawler Wharf, with the possibility of a further development if the Federal Government contributes. The proposed \$5 million redevelopment includes an extension and upgrade of the Trawler Wharf, and an option to construct 'finger wharves' on the western side to accommodate cray fishermen.

The Department of Sustainability and Environment has appointed a consultant to develop the final design and construction tender documentation while the Department of Infrastructure is progressing land transfer arrangements with the Port of Portland Pty Ltd. This work is expected to be completed by late 2006, with construction tenders for the redevelopment to be called after this work is completed.

The fishing industry also contributes to the local economy through support industries such as fish processing, marine engineering, transport, ship building and maintenance, fuelling, providers and associated businesses. The redevelopment of the trawler wharf may provide opportunities for expansion of some of these activities, while other business may be able to grow in industrial areas around Portland.

Consideration could also be given to the opportunity for establishing marine industries that are based around the existing and potential growth in boating and related activities in the region. This may require some attention to the identification of waterfront sites within the Port area.

### **Other Industry Opportunities**

In addition to the above, there will continue to be demand for a range of other uses which require industrial land, particularly as the population continues to grow. These uses will include:

- Equipment hiring, places of worship, funeral directors and police and emergency services.
- Trade display showroom/ warehouses
- Highway Uses - car, boat and truck sale yards
- Recreation/Entertainment - indoor complexes e.g. tennis, squash, basketball/netball, indoor cricket stadiums & outdoor activities such as motor sports e.g. go carts, skate boarding.

These latter uses can be land extensive requiring significant areas for vehicle parking in addition to the main use. The low levels of return for such activities means that they will typically seek lower value sites which are available in industrial areas.





## FREIGHT INTERCHANGE

The growth in freight movement arising from the planned investment in processing and export of mineral sands and timber give rise to the opportunity to develop freight interchange facilities. This could include the potential for a rail freight intermodal terminal that provided for transshipment from rail to road for export through the Port of Portland, or road to rail for export to destinations within Victoria.

Typical requirements for a rail freight interchange is a requirement for

- Access to a section of rail between 900 to 2400 metres long depending on operational requirements
- Sufficient land to enable loading and unloading as well as back up land for vehicle movement and parking and storage of products

Land requirements for such a terminal could vary between 10 hectares and 50 hectares depending on the scale of the facility, with further land required for industry. The North Portland locality offers an opportunity for this type of facility. However, noise issues would need to be considered in establishing such a facility.

### Local Light Industrial/ Trade Park

Opportunities may arise for potential growth or relocation of industry into new light industrial areas that provide for improved amenity in residential areas by relocating industry to appropriately services industrial estates. Continued population growth in the townships and in Portland would increase demand for this type of industrial land.

This is an opportunity for this type of development within the North Portland Precinct 3 utilising the opportunity to redevelop the former bulk fuel storage site. There are also other potential sites for this type of development in the North Portland area.

### Rural Industry

Changes in rural industries are just one of the factors that have led to significant changes in the economic and social condition of rural and regional communities. The primary sector is one of the Glenelg region's main industries engaging in value-adding, farm forestry, timber value-adding and other rural industry. In order to prosper in the future, the region's primary producers have to look for new opportunities and new markets through diversification, and by adding value to their existing products. To drive rural industry growth in the region requires:

- Identify future demand for industrial land to service the growing opportunities for processing/ packaging of rural produce.
- Encourage the location and expansion of business establishments that are linked by their interdependence as customer and supplier or by their use of common local resources
- Encouraging industry clustering and value adding to existing products
- Building the interest and skills of producers and their advisers in planning for farm enterprises
- Negotiating for action by Industry Programs to address the opportunities and problems faced by producers in the region
- Assessing opportunities and support for new agricultural enterprises and decide what additional support is needed
- Innovation on all fronts at the local level.

Opportunities for these types of industries will be related to the growth in specific rural industries and transport and processing/ packaging requirements. It is important that these opportunities be facilitated within the planning scheme. Recent changes to the rural zones have affected opportunities for some on-farm activities not specifically farming related. This has occurred through the changing of the zones from Rural Zone to Farming Zone with amended range of uses permitted or subject to permit.



The use 'rural industry' is a use that requires a permit in the Farming Zone of the Glenelg Planning Scheme. Rural industry is defined in the planning scheme as land used to a) handle, treat, process, or pack agricultural produce; or b) service or repair plant, or equipment, used in agriculture. The definition includes the uses Abattoir and Sawmill. While it is not expected that the changes to the Rural zone will have any significant effects, it is recommended that the impact of the new zone provisions for Farming Zone be monitored to identify any restrictions on rural industry related to processing of rural or resource production. This may generate a requirement for local industrial zones in rural areas subject to identified need.



## 7 Glenelg Shire Industrial Areas

Industrial Development within Glenelg Shire is largely concentrated within the southern part of the Shire around Portland and Heywood. The other area (in the north of the Shire) where there is land zoned for industry in Casterton.

It should also be noted that there are a range of rural areas where there is industrial development associated with rural activity. An example of this is the Dartmoor Sawmill which is located in the Farming Zone. Additionally, there are areas such as the Port of Portland which allow for limited development of industrial facilities associated with port activity. The Special Use Zone is also applied to enable specific uses, such as the Heywood Pulp Mill, to proceed in line with an overall development plan that has been subject to special investigations, in this case an environmental impact assessment.

### 7.1 General - Industrial Zones & Policies

The Glenelg Shire Planning Scheme includes three industrial zones – Industrial 1 Zone and Industrial 3 Zone. There is one other zone which allows for industrial use – Business 4 Zone. The general purpose of each of the zones and an indication of the types of uses permitted in the zones is set out below.

**Industrial 1 Zone** - to provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner that does not affect the safety and amenity of local communities. Uses permitted include industry, warehouse, mail centre and service station. Prohibited uses include accommodation (other than caretaker's residence), cinema, hospital, and shop other than restricted retail, convenience shop and Adult sex bookshop. Other uses require a permit.

**Industrial 2 Zone** - to provide for manufacturing industry, the storage and distribution of goods and associated facilities in a manner which does not affect the safety and amenity of local communities and to promote manufacturing industries and storage facilities that require a substantial threshold distance within the core of the zone. It is also intended to keep the core of the zone free of uses which are suitable for location elsewhere so as to be available for manufacturing industries and storage facilities that require a substantial threshold distance as the need for these arises.

Uses permitted include industry, warehouse, mail centre and service station. Prohibited uses include accommodation (other than caretaker's residence), cinema, display home, hospital, place of assembly and shop, other than restricted retail, convenience shop and Adult sex bookshop. Other uses require a permit.

**Industrial 3 Zone** - to provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter industry conflict. The zone also provides a buffer between Industrial 1 or Industrial 2 Zone and local communities, which allow industries and associated uses compatible with the nearby community. It is also intended to ensure that uses do not affect the safety and amenity of adjacent, more sensitive land uses. Uses permitted include mail centre, service station. There is a limited range of uses permitted with most uses requiring a permit. Prohibited uses include accommodation (other than caretaker's residence), cinema, major sports and recreation facility, motor racing track, shop other than restricted retail, convenience shop and Adult sex bookshop.

**Business 4 Zone** – to encourage the development of a mix of bulky goods retailing and manufacturing industry and their associated business services.

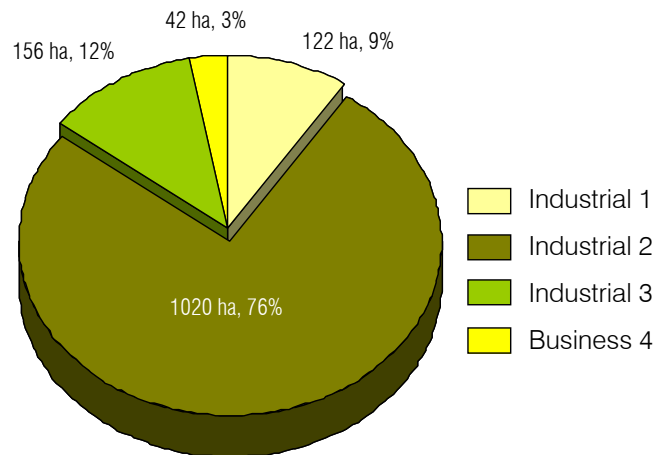
Uses permitted include industry, lighting shop, restricted retail premises, trade supplies, party supplies, mail centre and warehouse. Prohibited uses include Accommodation (other than Caretaker's house and Motel), Extractive industry, Hospital, Intensive animal husbandry Major sports and recreation facility, Motor racing track and Shop (other than Adult sex bookshop, Convenience shop, and Restricted retail premises)



## Distribution of Industrial Zoned Land in Glenelg Shire

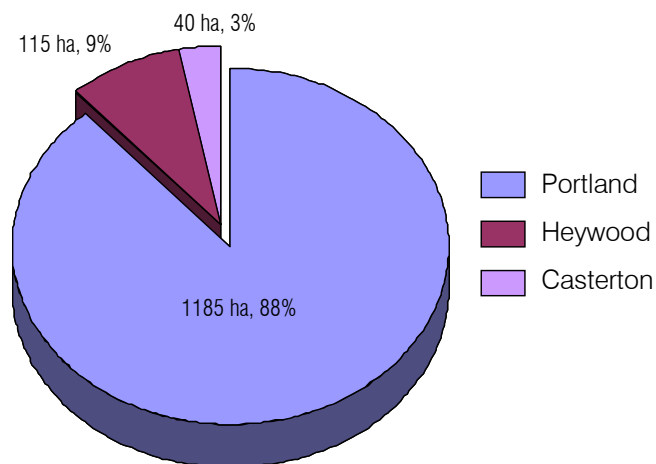
The total supply of industrial zoned land in the Glenelg Shire is estimated at approximately 1,300 hectares with a further 42 hectares of land zoned Business 4. This is distributed into the following zones:

**Figure 5. Industrial Zoned Land in Glenelg Shire by Zone Type**



This land is predominantly located in Portland (approx 1,185 hectares) with small parcels designated within the townships of Heywood (approx 115 hectares) and Casterton (approx. 40 hectares).

**Figure 6. Industrial Zoned Land in Glenelg Shire by Location**



The following sections contain recommendations in relation to general industrial policies and review the available supply of industrial land in Casterton, Heywood and Portland and provide recommendations about the future development of this land for industrial or other purposes.

### **Recommendations:**

#### **General**

- Revise the current Glenelg Planning Scheme Local Policy for Industrial Development which will incorporate specific requirements to ensure a high standard of amenity in all industrial areas with particular requirements for Industrial 3 zones and Business 4 zones which adjoin residential areas; and include a policy addressing the issue of buffer distances between sensitive uses and industrial zones/ industrial development
- Provide for referral of applications for non-industrial development to owners of any adjoining industrial zoned land.



- Where a requirement for new industrial land can be substantiated, site selection criteria for identifying future industrial areas should include relatively flat land at the edge of or away from residential areas; land not prone to flooding or subject to other environmental constraints; proximate to main roads or highways; and availability of appropriate infrastructure including water, sewerage, power, telecommunications etc.; potential to minimise truck traffic movements through the town centre.

### ***Industrial Infrastructure***

That a new Local Policy be prepared as follows:

#### ***“Industrial Infrastructure Policy”***

- The policy should identify major infrastructure that is of importance to industry and provide a set of measures to deal with its protection and utilization.

### ***Sensitive Development Within Industrial Buffer Areas***

- That a new Local Policy be prepared as follows:

#### ***“Sensitive Development within Industrial Buffer Areas”***

To be applied to proposed residential development and other sensitive land uses that may be impacted by the operation of industries (either planned or existing). The policy should cover such areas as:

- EPA recommended buffer distances from existing industries (to be shown on maps in the Planning Scheme).
- The need for advertising of applications to industries that may be impacted on by applications for sensitive uses within their nominal EPA recommend buffer area or on identified industrial access routes (including major road, rail and conveyor belt, to be identified on a map).

### ***Quality of Industrial Development***

The following new Local Policy is recommended:

#### ***“Industrial Development”***

- The policy should incorporate relevant guidelines for setbacks, car parking, access and loading requirements for new industrial development.
- The policy should also incorporate standard requirements/conditions for industrial development to be determined in conjunction with CFA and other relevant authorities.”

## **7.2 Casterton**

Casterton in the north of the Shire has four areas of land zoned either Business 4 or Industrial 1 which permit industrial development. The Business 4 zoned land is located in two parcels, comprising approximately 20 hectares (a 17.5 hectare parcel in Racecourse Road between Anderson Road and Shiels Terrace, and a 2.5 hectare parcel at Ridges Street and Shiels Terrace. This land is largely developed and occupied with a predominance of restricted retail type uses.

The Casterton Industrial 1 zoned land is also in two parcels totalling approximately 20 hectares – the largest of these approximately 17.5 hectares (south of the B4 land in Ridges Road) is undeveloped and used for agistment and pony club activities. The smaller parcel on the Glenelg Highway east of Casterton has existing industries occupying most of the site.

The 17.5 hectare Industrial 1 zone is not available for sale as industrial land at this time. Current indications are that the land owner is not interested in subdividing the land for development. This has led to a lack of available supply for industrial development in Casterton.



## Recommendation

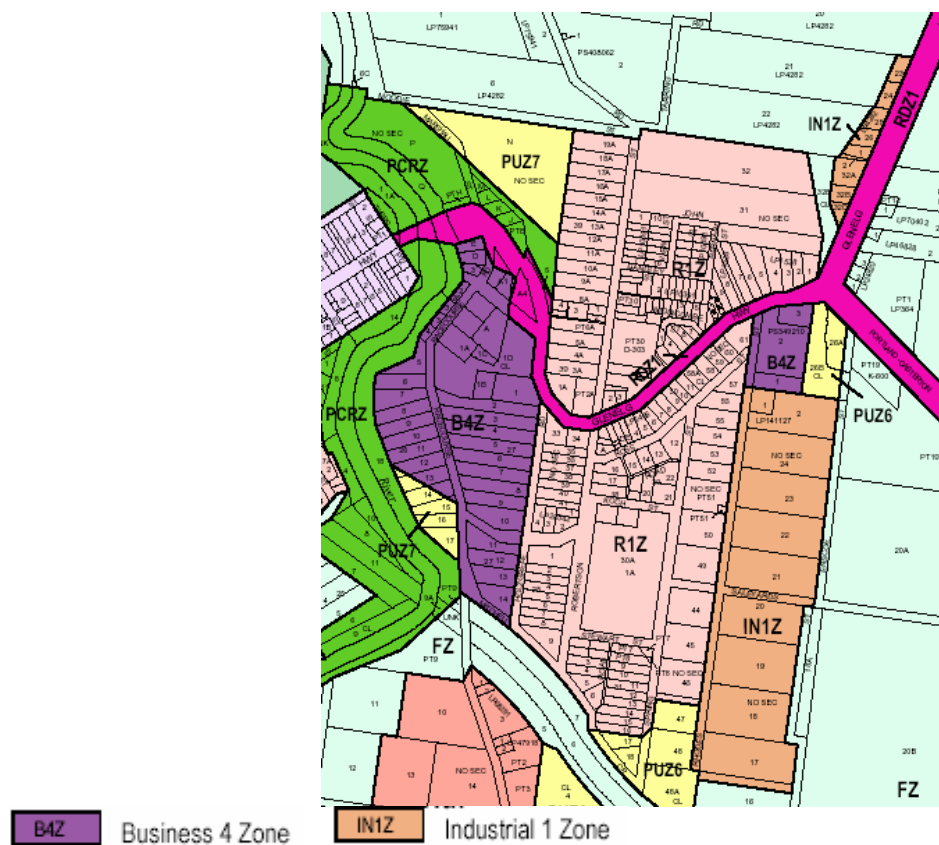
Steps should be taken to identify alternative site(s) for industry.

It is recommended that the "Industrial Infrastructure Policy" should, if appropriate, identify by map, places around Casterton where industrial infrastructure exists and that may be considered favourably for major industry proposals (in a similar manner as to the identification of the Portland Heywood Industrial Infrastructure corridor).

The site (suggested by submission) on the eastern side of Enscoe Street should be amongst those investigated for additional Industrial zoning subject physical constraints and having regard to the potential impacts on visual amenity for the approach to the town.

The potential for additional land adjacent to the existing sewerage works should also be investigated, subject to physical opportunities and constraints (to be identified by the Physical Infrastructure Review).

Figure 7. Casterton Industrial Zoned land



Source: Department of Sustainability and Environment, Planning Schemes On Line, May 2006, MacroPlan Australia

## 7.3 Heywood

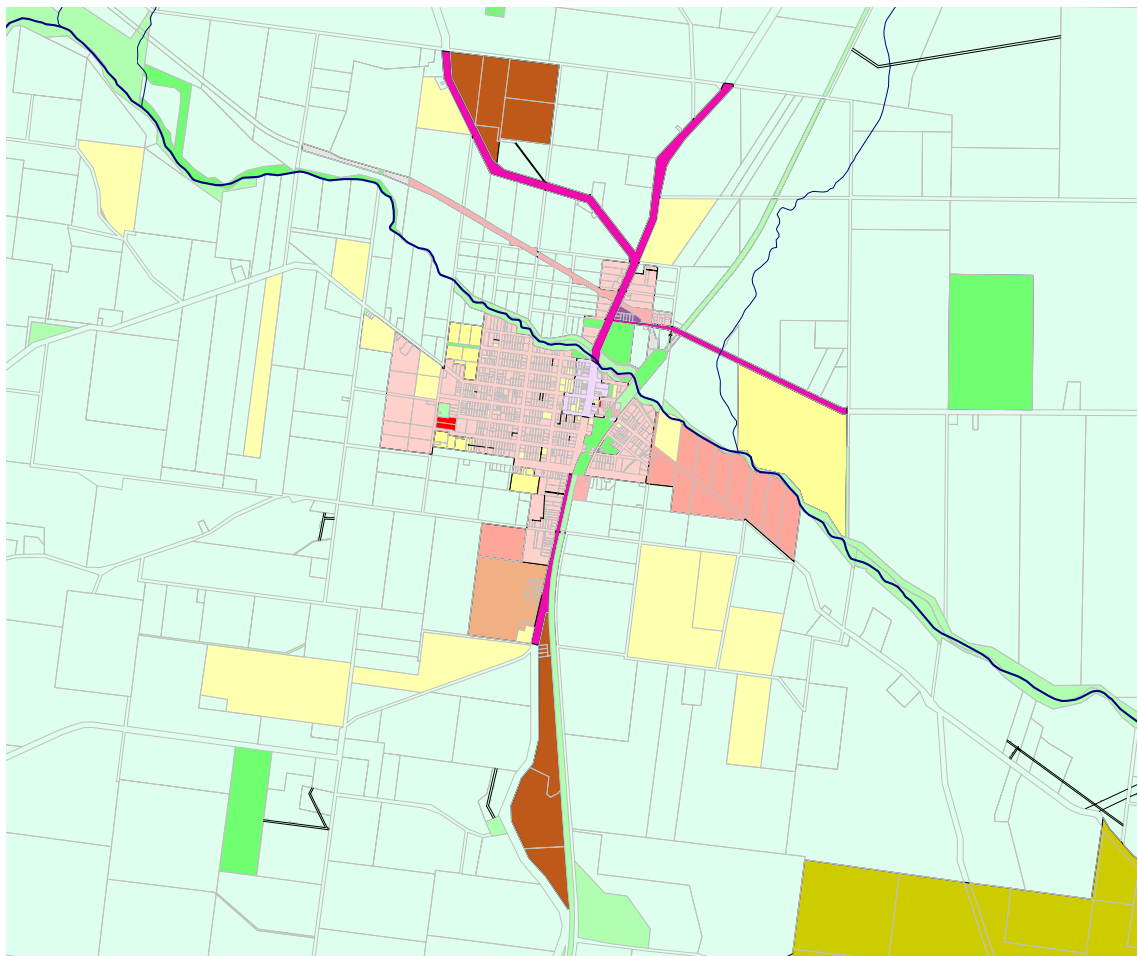
Heywood currently has three parcels of industrially zoned land:

- North of the township - Industrial 3 zoned land (approx 46 hectares) (Princes Highway and Danger Lane) currently used for timber processing and storage
- On the southern boundary of the township is



- Industrial 1 Zoned land (approx 28 hectares) on the southern boundary of the township with industries occupying the Princes Highway frontage of the site. The rear of the site remains undeveloped for industrial purposes.
- Industrial 3 zoned land on Princes Highway extending south along Princes Highway comprising approximately 40 hectares
  - Business 4 zoned site within the Town Centre – a 9,000 sq m (approx) site is largely developed with some restricted retail use and housing. This site is almost fully developed and not available for further development.

**Figure 8. Heywood Industrial Zoned land**



IN3Z Industrial 3 Zone
 B4Z Business 4 Zone
 IN1Z Industrial 1 Zone

Source: Department of Sustainability and Environment, Planning Schemes on Line, May 2006

The current supply of industrial land appears to be adequate for local needs. The Business 4 Zoning in the town centre may not be appropriate for the whole of the site which is zoned. Council should consult with the existing owners to establish the potential for the affected land to be developed for Business 4 purposes. Consideration could be given to more carefully defining the boundaries of the zone to exclude residential properties.

### Recommendations

Include in the Glenelg Planning Scheme recognition of the Portland Heywood Corridor (with access to infrastructure assets including road, rail, gas, electricity) as a potential location for large scale industry, subject to:



- an evaluation of the current distribution of housing in the corridor
  - review of the appropriateness of the current provision of zones for low density residential
  - identification of appropriate mechanisms to maintain the current large lots sizes within the rural areas in the Portland Heywood Corridor location to ensure that the option is preserved for locating large processing plants in this locality
- 
- Prior to initiating a rezoning to facilitate other than a major manufacturing/ processing facility in the Portland-Heywood Industrial Infrastructure Corridor, Council should require that the applicant demonstrate that existing supply of industrial zoned land in Heywood, North Portland and South Portland Industrial 2 zones is inappropriate for the proposed use.

## 7.4 Portland – Heywood Major Infrastructure Corridor

### Context

The locality around Heywood has been the focus of recent attention for major timber processing developments. This area and the locality between Heywood and Portland has potential for other timber processing facilities with other opportunities potentially including mineral sands processing.

These projects usually require large holdings and are typically associated with off site impacts and the approval process for such projects appear to be best catered for through a planning scheme amendment process which includes appropriate impact assessment studies accompanying the scheme amendment. An example of this is the Heywood Pulp Mill Project which has just been approved. This has involved the rezoning of a 235 hectare site (Amendment C23) north of Heywood to a Special use Zone with provisions that specifically address the approval of the development proposed for the site.

The locality between Heywood and Portland and as far north as the recently approved Heywood Pulp Mill near Mt Eckersley is considered to have significant potential for future major industry based on the availability/ access to major infrastructure including major highways, rail, power and gas transmission lines/ pipelines.

### An Industrial Infrastructure Corridor

To preserve the option for locating major employment generating resource processing industries in the Glenelg Shire, it is proposed that the strategic significance of this Corridor for such industry be recognised in the Glenelg Strategic Futures Plan and the Council's Municipal Strategic Statement.

#### CRITERIA FOR DESIGNATING THE CORRIDOR

In deciding on the broad location of the Corridor, the following criteria have been applied:

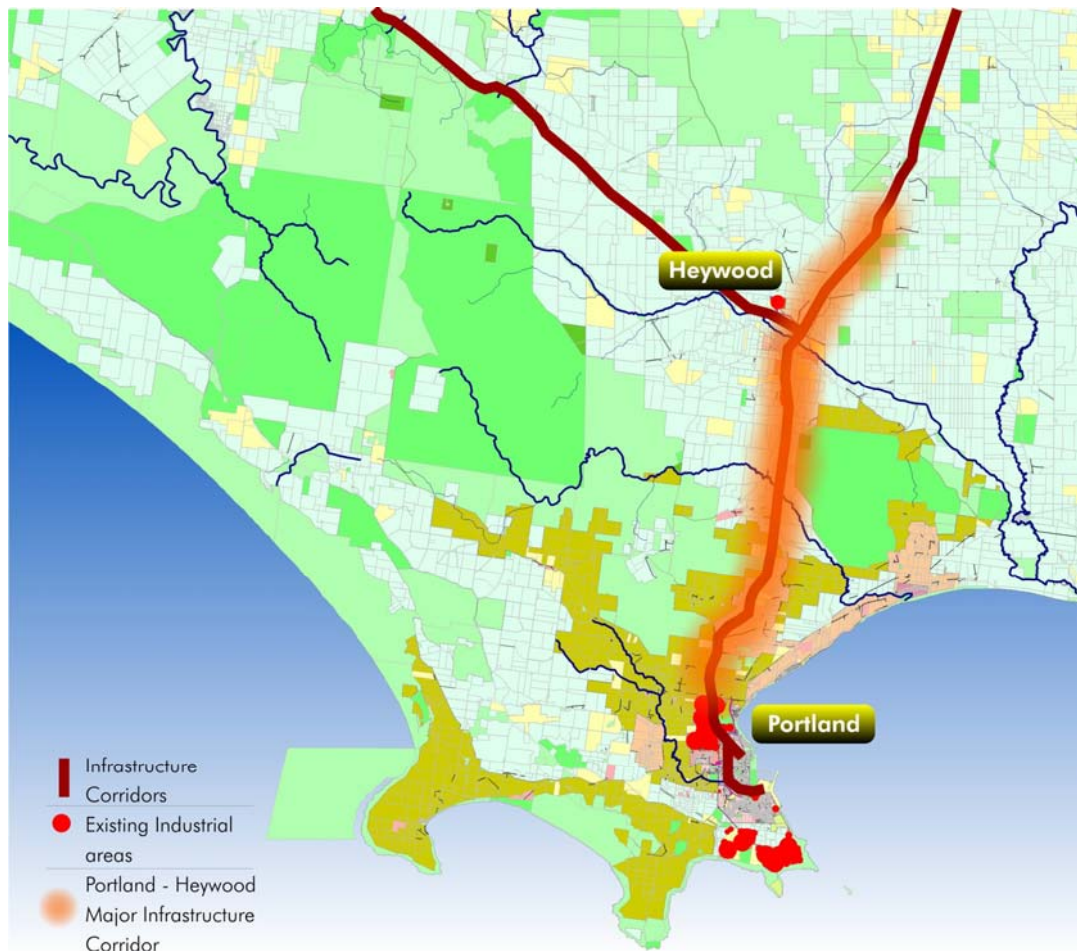
- availability of key infrastructure – rail, road, power and gas to the locality
- existence of larger landholdings
- excluding settlement areas eg existing and proposed future residential growth areas for Portland and Heywood

#### PURPOSE OF THE CORRIDOR

The designation of the Corridor is not intended to override the existing planning controls. Rather it is intended to highlight the strategic significance of this locality and guide future planning decisions. This would particularly apply to situations where consideration may be given to intensification residential development that may have the effect of ruling out the potential for development of resource processing plants in the Shire. The Corridor would not affect the existing settlements eg Heywood, existing rural living areas or future growth areas designated in the Glenelg Strategic Futures Plan.



Figure 9. Proposed Large Scale Industrial Corridor – Portland Heywood Corridor



Source: Glenelg Shire Council, MacroPlan Australia

### OTHER CONSIDERATIONS

It is acknowledged that some of the land in the Corridor is currently zoned to permit low density residential development - Rural Living Zone and Rural Conservation Zone - as well as Public Conservation and Resource Zone. Prior to consideration of the land in the Corridor for large scale industry, an evaluation should be undertaken of the current distribution of housing and the appropriateness of the current provision of zones for low density residential. As well, appropriate mechanisms should be included in the Glenelg Planning Scheme to maintain the current large lots sizes in the Portland-Heywood Corridor location, to ensure that the option is preserved for locating large processing plants in this locality.

In recognition of the primarily rural nature of land in the Corridor, any proposed processing plant proposals in this corridor should be subject to

- a requirement to demonstrate that they are unable to locate within the existing industrial zoned land in Heywood, North or Far South Portland
- appropriate impact assessment studies.

New processing plants in the Portland-Heywood Corridor will often have a requirement for supporting industry, including construction services and ongoing maintenance support services. It is considered unlikely that this will have a significant impact on the take up of the current supply of industrial zoned land in Heywood. It is considered that, within Glenelg Shire, industries based in Portland will most likely win locally based contracts with new manufacturing/ processing industries due to:



- Proximity of Portland industrial areas to the Portland Heywood corridor
- Existing industries with sufficient size and skilled labour force to compete for contracts will be based in Portland
- The potential workforce associated with jobs servicing manufacturing/ processing plant in the corridor will be resident in Portland

### Recommendations:

A Corridor between Heywood and Portland and as far north as the recently approved Heywood Pulp Mill near Mt Eckersley should be identified in the Glenelg Strategic Futures Plan and the Council's Municipal Strategic Statement to assist in preserving the option for locating major employment generating resource processing industries in the Glenelg Shire (See Figure 9). Consideration should be also given to the following matters:

- an evaluation of the current distribution of housing in the corridor
- review of the appropriateness of the current provision of zones for low density residential
- identification of appropriate mechanisms to maintain the current large lots sizes within the rural areas in the Corridor

Prior to initiating a rezoning to facilitate other than a major manufacturing/processing facility in the Portland-Heywood Industrial Infrastructure Corridor, Council should require that the applicant demonstrate that existing supply of industrial zoned land in Heywood, North Portland and South Portland Industrial zones is inappropriate for the proposed use.

*\* Note: The following changes are proposed to the plan accompanying this recommendation as follows:*

- *Presentation of corridor be changed to be less indicative of a zoning.*
- *Legend to be altered so as to delete "industrial" and replace with "major infrastructure" wherever it appears.*

## 7.5 Portland

Portland has the most industrial zoned land in the Shire, with a total of around 1,185 hectares of the total 1,340 hectares of land zoned for industry. Most of this supply is zoned Industrial 2, with all of the Shire's 1,020 hectares of Industrial 2 land located in Portland.

It should be noted that the extent of supply of industrial land in Portland is quite significant for a community the size of Portland. For example, the City of Greater Geelong, with a population almost 10 times the size of Glenelg, a larger port and a significant manufacturing sector employing over 12,000 people (Glenelg 1,481) in 2001, has a total of 2,700 hectares of which 940 hectares is vacant. The amount of industrial zoned land in Glenelg is almost half the Greater Geelong industrial land supply.

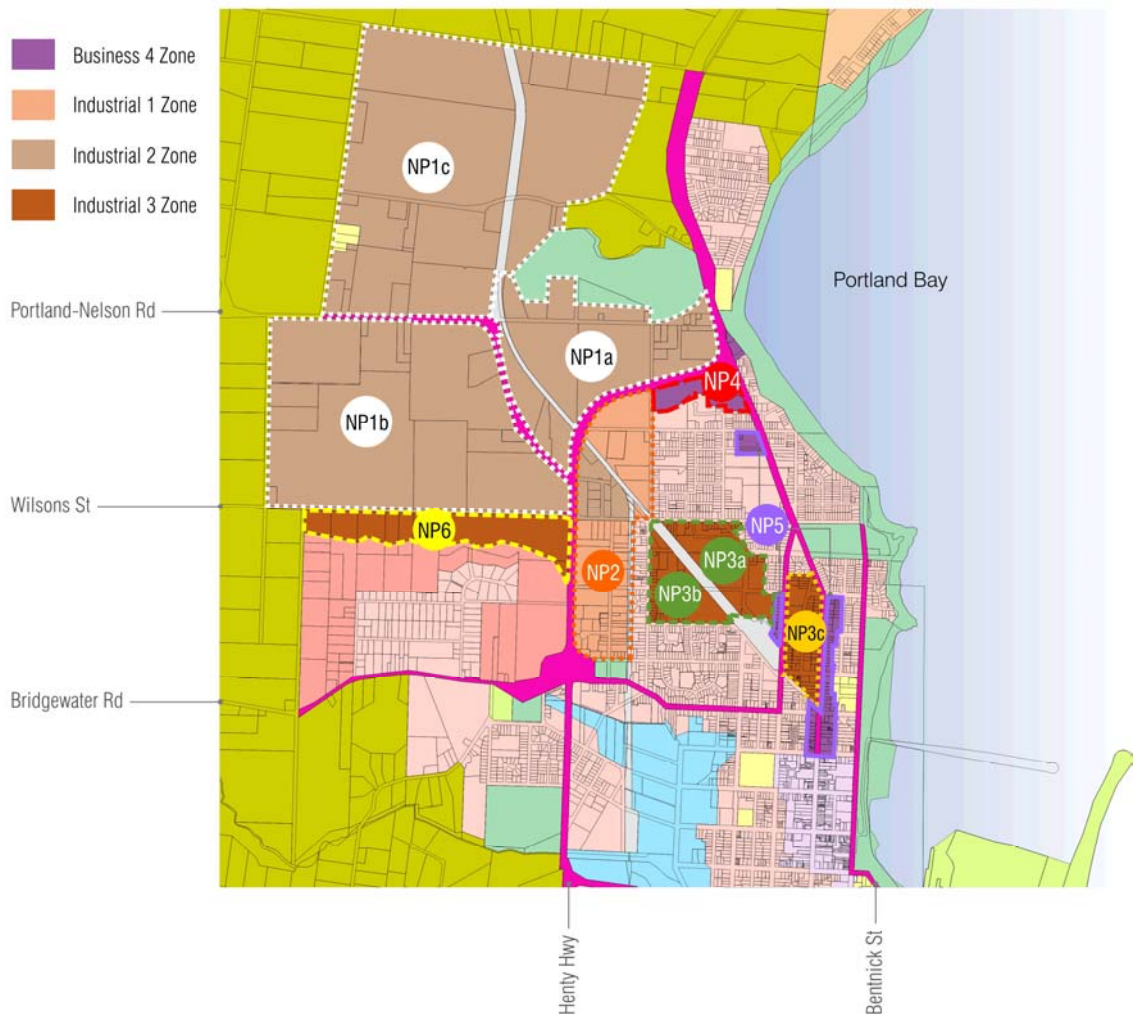
The implications of this large supply are that Portland does not require additional industrial land. Instead, the available supply needs to be developed in a way that maximises the benefits of a competitively priced industrial land market, with availability of transport infrastructure – road and rail - and the connectivity to the Port.

For the purposes of analysis of the industrial zones, Portland has been divided into three broad localities – North Portland, South Portland and Far South Portland.

The following sections review each of these localities, identifying precincts within each locality and discussing key issues and providing recommendations on actions relevant to each precinct.

## 7.5.1 North Portland

Figure 10. Portland Industrial Zones – North Portland



Source: Department of Sustainability and Environment, Planning Schemes on Line, May 2006, MacroPlan Australia

The North Portland Industrial area is dominated by Industrial 2 zoning. This forms a distinctive precinct (Precinct NP1) on Figure 8 above) of its own in the north west corner of Portland. Precinct NP1 is composed of sub precincts which have some distinct characteristics which are addressed below. Other precincts which can be identified include:

- Industrial 1 Zone - Precinct NP2 extending along Henty Highway north of Bridgewater / Otway Road and including a small portion of Industrial 2 zoned land
- Industrial 3 Zone – two precincts were identified:
  - Precinct NP3 (a) generally bounded by Garden Street (in the north) and the old rail line (to the south); Precinct NP3 (b) – generally bounded by Francis Street, Browning Street and the old rail line (to the east) and Precinct 3(c) bound by Glenelg Street, Percy Street to the east and the old rail line (to the south).
  - Precinct NP6 located west of Henty Highway south of Wilson's Road which forms a buffer between the Low density residential south of Wilson's Road and the Industrial 2 zone to the north
- The Business 4 Zone north - Precinct NP4 at the intersection of Henty Highway and The By-Pass Road at the northern entry to Portland



- The balance of the Business 4 Zone - Precinct NP5 along Percy Street and a small parcel on Hurd Street

### **INDUSTRIAL 2 ZONE - PRECINCT NP1**

The Industrial 2 Precinct NP1 includes approximately 450 hectares of IN2 Zoned land. There is a mix of new and old industrial development within this precinct, with new investment including the Keppel Prince Engineering factory manufacturing parts for the Wind turbine projects in the region.

The industrial area provides one of the key locations for industries requiring buffers, particularly for industries with emissions such as noise, or odour. However, within Precinct NP1(c) a major constraint on the future development of a significant part of the site is the presence of the North Portland Primary School located on School Road with Industrial 2 zoned land on three sides. This is a critical constraint to the future development of this major industrial area.

The options available are to relocate the school or back zone the industrial area to a rural zone. It is considered that this industrial area is critical to the long term future economic well being of Portland, with exceptional infrastructure assets for an industrial area. The preferred outcome is the relocation of the school to a site which will not suffer the adverse effects of proximity to a major industrial site. Consideration should also be give to the creation of a suitable buffer zone for the areas adjacent to other Industrial 2 Zone to the west and the east.

It is estimated that approximately 60 – 70% of the land within Precinct NP1 remains vacant, with portions of the precinct still being used for farming. This location has key infrastructure assets that make it a desirable long term industrial location, with excellent access via main roads including the Henty Highway by pass of central Portland and access to Warrnambool/ Geelong/ Melbourne as well as to the west via Cashmore and Portland Nelson Road to the Airport, Nelson and Mt Gambier or via Henty and Princes Highway to Mt Gambier and Victorian regional centres including Hamilton.

The national standard gauge rail (with direct access to the Port) traverses the precinct with the opportunity to establish a modal interchange/ freight terminal within the industrial zone to service future development in the precinct. There is a significant opportunity to develop port related industry within this precinct, taking advantage of both the excellent road and potential for rail access to the Port from this location in the longer term.

The transport accessibility of this precinct (by road and rail), its location on the northern side of Portland with good access to both interstate and Victorian centres, provides this location with competitive advantages over other locations as the preferred location for port related industry. The locality also has potential for supporting industry eg maintenance and engineering services, trade suppliers etc in the nearby industrial zones IN1 and IN3 which are intended to cater for less offensive industries.

Within the Precinct, sub precinct NP1(a) identified on Figure 8 above at the corner of Henty Highway and The By-Pass Road, is in a prominent location on the entry to Portland. The location is also in reasonably close proximity to residential development to the north east and south east and would have difficulty complying with buffer zones for offensive industries. There appears to be a case for rezoning this land to IN3 to create a buffer between the IN2 zoned land to the west and the nearby residential zones. This would also have the advantage of minimising the potential for a development in this location which would detract from the entry into Portland. Consideration should also be given to whether a development overlay for this location is appropriate to encourage a high amenity development consistent with the objectives for the gateway location.

There is also evidence that a portion of the sub precinct NP1(c) is affected by low lying land subject to inundation. Careful consideration will need to be given to the future development pattern of the locality to ensure that adequate consideration is given to the environmental and drainage implications that this will have for the future development of these precincts.



### **Recommendations:**

- That part of Sub-precinct NP1(a) that has “town gateway” significance be rezoned to IN3 with development plan overlay to encourage a higher standard of industrial development consistent with a gateway location.
- That Council seek to resolve the land use conflict involving the existing school within Sub-precinct NP1(c) IN2 zoned area.
- Structure planning of the NP1(b) and NP1(c) sub precincts in North Portland to facilitate its staged development, consistent with infrastructure availability including the identification of the potential for a freight modal interchange within the precinct. The structure planning of sub precinct NP1(c) will need to take into account the low lying land subject to inundation and the associated environmental and drainage issues.

### **INDUSTRIAL 1 ZONE - PRECINCT NP2**

This precinct is bounded on its western side by Henty Highway by-pass of central Portland and the eastern side by Browning Street and the standard gauge rail line to the Port. It includes an area of IN2 zoned land (8.5 ha) and approximately 38 ha of IN1 zoned land with a narrow strip of residential separating the southern portion of the IN1 zoned land from a IN3 parcel – Precinct 3. The Industrial 2 zone appears to be largely developed with little further opportunities unless the sites become available for redevelopment.

The Henty Highway by-pass provides the precinct with excellent access to all parts of Portland (including the port) and Heywood as well as other parts of the Shire. The southern portion of the site is over 50% developed with some vacant land remaining within the precinct. The northern part of the precinct – the IN1 zone land, has some vacant land and vacant large industrial buildings eg former wool stores. The quality of the buildings and capacity for reuse will require more detailed investigation, but there appears to be some opportunity for reuse by a new business or industry.

This area appears to be suited to a continuation of the development of industry focussed on serving the local economy and the larger processing plants such as the smelter and the recently approved Heywood Pulp Mill. The exception to this is the old wool store buildings which offer the potential for indoor recreation or bulky goods retailing, offering a relatively accessible and prominent site and the opportunity for an economic reuse of a large existing building.

This precinct also has a narrow strip of residential land to the east of the rail line on its eastern boundary between the rail line and Browning Street south to Oswald Street. There are some concerns about the future sustainability of such a narrow area of residential development between two large areas of industry. The future of this residential area needs to be carefully considered to ensure that it doesn't limit the scope for industrial development in this sub precinct.

On the other hand, rezoning the land to industrial will not necessarily result in the land turning over to industrial purposes in the short to medium term. Industrial land prices in Portland are not sufficiently competitive with residential land, nor is industrial land in such demand, that land owners would be tempted to sell up and relocate in the short to medium term.

### **Recommendations:**

- Review the opportunity for reuse of the old wool store buildings for indoor recreation or bulky goods retailing, or other suitable uses based on the relatively accessible and prominent site and the opportunity for an economic reuse of a large existing building
- Investigate alternative zoning for the residential land between the rail line and Browning Street south to Oswald Street to encourage redevelopment of this area to a use more sympathetic to the adjoining industrial activity. This should include a detailed opportunity analysis to identify a preferred future.



### **INDUSTRIAL 3 ZONE - PRECINCT NP3**

This precinct is a relatively old industrial estate with a high proportion of relatively poorly maintained industrial sites with little attention to the appearance of the existing businesses. The precinct includes approximately 50 ha of IN3 zoned land. While the area is not an ideal location for industry having little or no main road frontage for much of the industrial area and being largely surrounded by residential development, the current investment in industry in the area supports its retention for this purpose.

Sub-precinct NP3(a) includes a large area of land formerly used for bulk liquid storage. The site has been cleared of all the former storage facilities, but remains undeveloped. A recent proposal was submitted for residential zoning of this land. This sub precinct has a high proportion of vacant land and vacant buildings within the precinct. An assessment of the feasibility of redevelopment of this land should be undertaken to identify the costs of soil remediation relative to the development opportunities. Consideration should be given to a non-industrial future for this sub-precinct, subject to consideration of the need for remediation of the site for the designated use.

Sub-precinct NP3(b) has some significant industrial operations within this area as does sub precinct NP3(c).

There is an opportunity to consolidate industrial development with low impact industry consistent with the Industrial 3 zone. However, it will be important to ensure that new development meets suitable standards for landscape treatment, use of building materials and storage of supplies and products.

In order to improve the industrial development outcomes for this precinct, it is considered that an area improvement plan should be prepared which addresses the potential for redevelopment of the rail yard associated with the former station and incorporates a plan for future traffic movement and amenity enhancements, including funding mechanisms. Amenity improvements in this area could also include the introduction of outdoor recreational activities eg playing fields, to provide green space and enhance the amenity and improve the perception of the locality.

#### **Recommendations:**

- That Council seek the preparation of a feasibility study of the site remediation costs and development opportunities associated with redevelopment of precinct NP3(a). Consideration should be given to a non industrial future for this sub-precinct.
- Prepare an area improvement plan which addresses the redevelopment of the rail yard associated with the former station and incorporates a plan for future traffic movement and amenity enhancements, including funding mechanisms.
- Detailed precinct planning and opportunity analysis should be undertaken to identify a preferred development format, including consideration of outdoor recreation facilities (eg playing fields).

### **BUSINESS 4 ZONE NORTH - PRECINCT NP4**

The Business 4 (B4) zone at the corner of The By-Pass Road and Henty Highway is another prominent location on the gateway to Portland. The site is approximately 6 hectares and has significant development potential. The B4 zone is intended to accommodate bulky goods retailing. While this is an appropriate site for such developments, there will need to be attention to design details to ensure that a high standard development is achieved on such a prominent location.

The Business 4 Zone adjoins a parcel of Industrial 1 zoned land west of Browning Street which is currently occupied by vacant wool stores. Consideration could be given to including this parcel of land within the B4 zone to utilise these vacant buildings for bulky goods retailing.

#### **Recommendations:**

- Review the extent of B4 zoning to consider the desirability of extending the zone to facilitate indoor recreational use or bulky goods retailing, or other suitable uses on the adjoining former wool store buildings.



### **BALANCE OF THE BUSINESS 4 ZONE - PRECINCT NP5**

The remainder of the B4 zoning in Percy Street and Hurd Street should continue to be managed for bulky goods retailing as appropriate. There is approximately 15 hectares of land in this precinct, but there are no real sites of any significant size.

It is noted that the mixed nature of existing uses in the zone provides some interface issues which need to be carefully managed as the locality transitions to development for bulky goods retailing. The lack of large lots means that development will occur in a relatively ad hoc fashion as opportunities arise or sites are purchased. Key issues that will need to be managed for new development will be vehicle access and parking, sensitive location of parking and building heights and design adjoining existing residential sites.

#### **Recommendations:**

- Review existing planning controls to ensure development occurs with minimal adverse impact on adjoining development including existing residential development
- Identify parts of the zone which may be more appropriately zoned residential, to remove/reduce potential land use conflicts.

### **INDUSTRIAL 3 PRECINCT NP6**

This precinct comprises around 30 hectares of IN3 zone land and acts as a buffer to the Industrial 2 zone to the north and the low density residential zoned land to the south. Some industrial development is occurring within this sub-precinct although most of the area remains undeveloped.

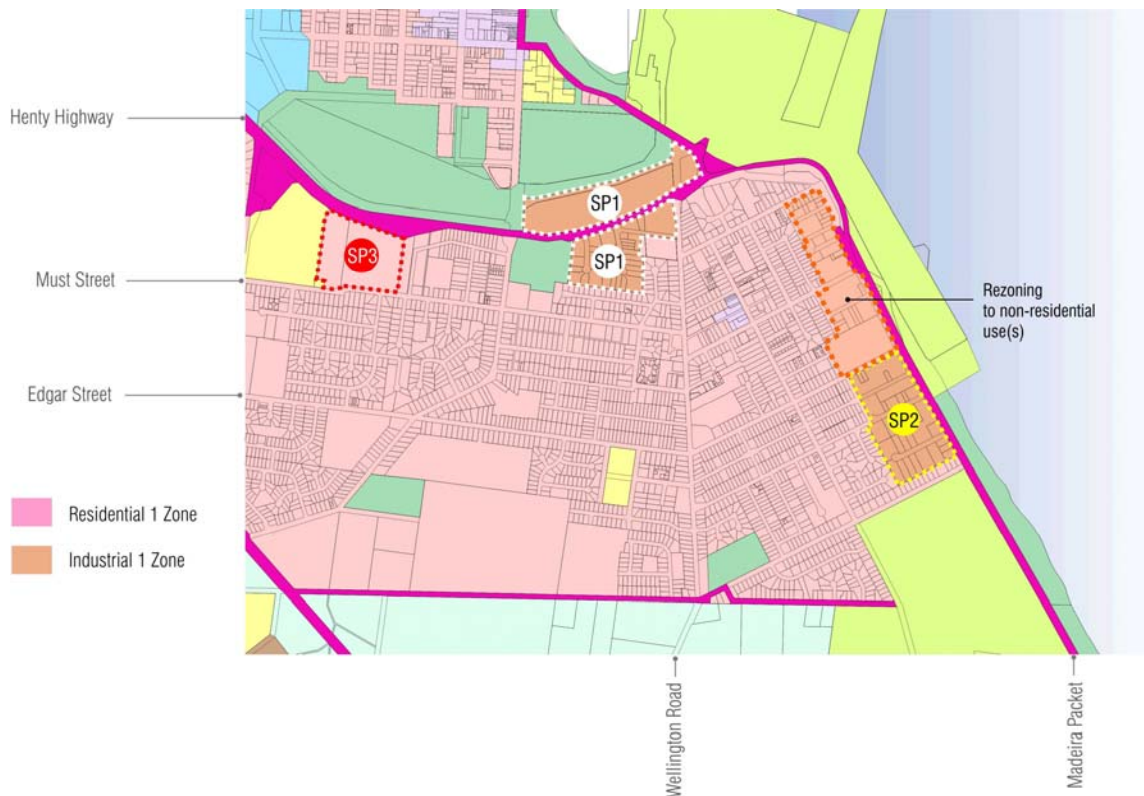
This industrial area should be carefully managed to ensure a significant differentiation in development to that occurring to the north reinforcing the role of the zone as a buffer to the residential land to the south. Consideration should be given to introducing a specific local policy to ensure a high standard of amenity is established with new development in Industrial 3 zones. This would pay particular attention to matters such as landscaping, and locating storage and buildings on sites adjoining residential areas and heights of buildings near boundaries with residential areas.

#### **Recommendations:**

- Introduce a specific local policy to ensure a high standard of amenity is established with new development in Industrial 3 zones.

## 7.5.2 South Portland Industrial Area

Figure 11. Portland Industrial Zones – South Portland



Source: Department of Sustainability and Environment, Planning Schemes on Line, May 2006, MacroPlan Australia

The South Portland Industrial area is comprised of two precincts – the port related Industrial 1 Zoned land along Henty highway/ Port Road (SP1 on Figure 9 above) and the Industrial 1 Zoned land on Madeira Packet Road south of Edgar Street (SP2 on Figure 9 above). A further precinct SP3 is being considered for development for a weighbridge facility associated with heavy vehicles exiting the Port.

### INDUSTRIAL 1 - PRECINCT SP1

This precinct is largely fully developed for transport and port related industry. No further action is proposed in regard to this precinct.

### INDUSTRIAL 1 - PRECINCT SP2

Precinct 2 encompasses an area of Industrial 1 zoned land which is largely developed, although the area at the northern end of the precinct between George Street and Edgar Street remains vacant and has been subject of a proposal for rezoning to residential development. Residential zoned land to the north of Edgar Street remains vacant, although this is coming under pressure for subdivision for housing.

The Portland Industry Forum, a group of Port stakeholders, has expressed concern about the potential impact of residential development along Madeira Packet Road north of Precinct 2 between Edgar Street and Henty Highway/ Victoria Parade. This area is within the area of impact of the Incitec Pivot fertiliser factory which has been operating in the Port of Portland on the east side of Madeira Packet Road for around 40 years. The fertiliser factory has dust and odour emissions which could adversely affect residential development that could occur in relatively close proximity.

There is no indication that Incitec Pivot is considering relocating from the site for which they have a long term lease extending out almost 60 years. Any re-location would involve significant capital expenditure which may make affect the viability of the factory in this location.





From a community planning perspective, it may be appropriate to consider introducing an Industrial 3 zone or some other zone for the area north of Precinct 2 between Edgar Street and Henty Highway/ Victoria Parade that would allow a mix of uses that are not sensitive to the fertiliser factory use for the land along the west side of Madeira Packet Road. (See Figure 9) An alternative consideration could be for a development overlay for that area which restricts the potential for residential development until such time as the fertiliser plant closes or relocates.

### **PRECINCT SP3 – PROPOSED INDUSTRIAL**

This precinct has been identified because it is subject to a proposal to develop a weigh bridge for heavy vehicles exiting the Port along with the rezoning of a significant area of the site to Industrial 1. This site adjoins residential development on two sides and the high school on the west side.

It is understood that there is a requirement to provide for a weigh bridge facility in proximity to the Port. However, this site has a number of potential impacts on existing uses which raises questions as to its suitability. It is considered that the existing industrial zones along Henty Highway in northern Portland should be examined in detail as a preferred option before a decision is taken to develop this precinct for such a facility as a less preferred location.

### **Recommendations:**

\* Important Note: Glenelg Shire Council decided at the Ordinary Council Meeting of 27 February 2007 that it is to seek a residential, rather than non-residential, future for the land to the north of Precinct SP2 and the recommendations of the draft report were superseded by that decision. (See below in ***“bold italics”*** motion agreed by Council)

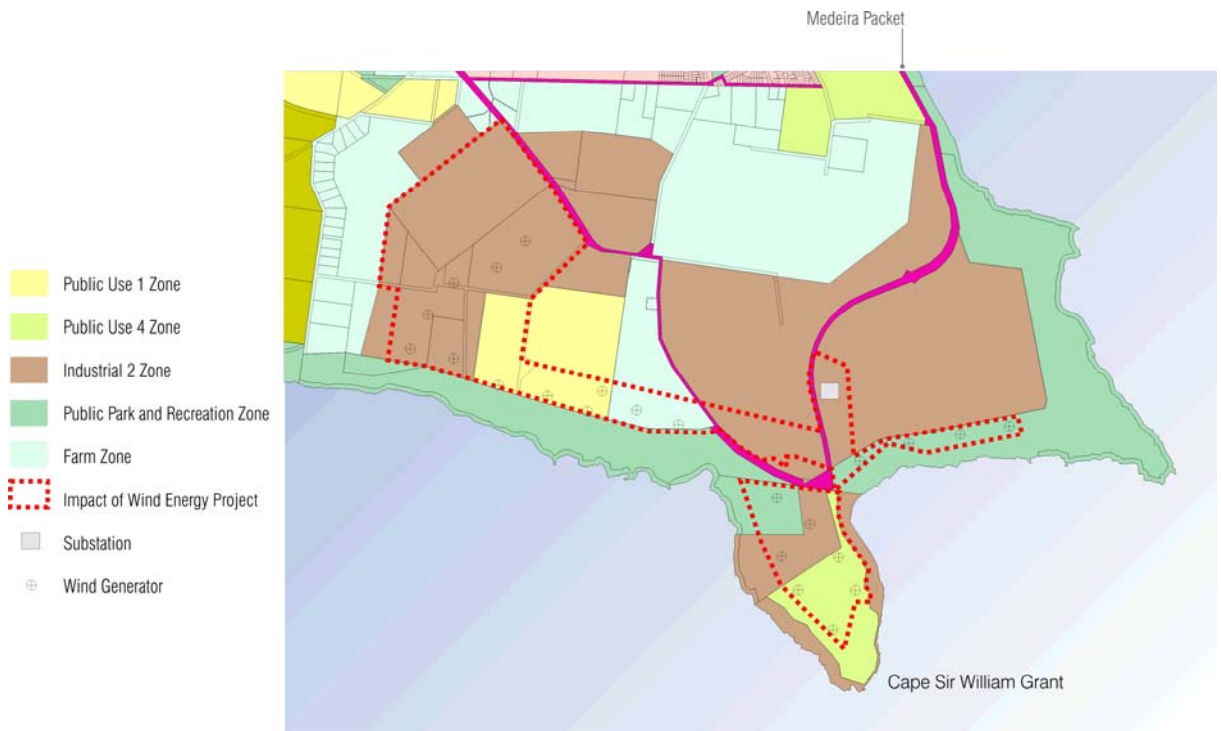
***“That the part of Attachment 1 dealing with the South Portland Area and subject to Recommendation 3 of the officer report, be amended as follows;***

#### ***South Portland Industrial Area***

- ***Review the planning controls for the land to the north of South Portland Precinct SP2, (ie land to the west of Madeira Packet Road between Edgar Street and Findlay Street in proximity to the Pivot fertiliser factory) to provide for the retention of the residential zoning, together with an appropriate Design and Development Overlay to ensure that further residential development is not adversely affected (from a residential perspective) by the emissions from the pre-existing factory and the use of Madeira Packet Road and the underground conveyer system on a 24 hour per day basis for port and smelter related freight.”***
- The proposed rezoning of South Portland Precinct SP3 should not be supported given its interface with existing and proposed residential development and proximity to the high school.

### 7.5.3 Far South Portland

Figure 12. Portland Industrial Zones – Far South Portland



Source: Department of Sustainability and Environment, Planning Schemes on Line, May 2006, MacroPlan Australia

The Far South Portland Industrial area is comprised predominantly of two large Industrial 2 parcels, the eastern parcel (approximately 250 hectares) encompassing the Portland Aluminium Smelter and adjoining buffer land, and the western parcel of mostly farming land (approximately 240 hectares).

The potential future use of this industrial land is largely constrained by the possible future development of the Portland Wind Energy Project which was initially approved in April 2003 and subsequently updated in June 2004. This project proposes the development of up to 100 wind generators across 4 sites – Cape Bridgewater, Cape Nelson South, Cape Nelson North and Cape Sir William Grant.

The potential number of wind generators at Cape Sir William Grant is 32 spread across the western major IN2 parcel in Far South Portland and on Cape Sir William Grant, effectively limiting the available Industrial 2 zoned land in the western parcel to around 100 hectares south of Derril Road, between Wellington Road and Madeira Packet Road.

#### Recommendations:

- The future zoning and development potential of the IN2 zone on the western side of Far South Portland should be reviewed in the short term as and when the implications of the future development of the Wind Energy project and potential wave energy projects become clear. It may be appropriate to designate the wind farm site to an alternate zone and give consideration to the potential future use of the remainder of the land zoned IN2. This locality is relatively poorly connected to the Port of Portland (no rail access) with the most direct road route to the Port being through residential areas.
- Cape Sir William Grant, subject to investigation of the potential for wave energy related industry, or utility infrastructure is considered unsuitable for development for industrial purposes and consideration should be given to an alternative zoning more appropriate to its future use if it is established that the land is not required for wave generation facilities.



# Attachment 1 - Portland Industry Forum

## Notes of Consultation Meeting

### Meeting held 30 May 2006 Glenelg Shire Council Chambers

#### PRESENT:

- Scott Taylor – Facilitator – Urbiplan Pty Ltd
- Sylvester Tan – Manager Planning Services
- Brian Murphy – Incitec Pivot
- Terry Hallett- Graincorp
- Glen Sobey – Sobey Engineering
- John Ferguson – Portland Aluminium

The industry representatives provided details of areas of concern around Portland where there are currently or could be in the future, limitations placed on industry of industrial transport corridor due to poor location of residential development in relation to industry.

These areas included:

- Environs of Incitec Pivot
- Environs of proposed weigh bridge (outward bound) on south side of the by-pass road.
- Environs of by-pass in vicinity of Williams and Park Street, and also on west side opposite Hill Court.
- Environs of western rail yards (maintenance depot for P & L)
- Adjacent to Cellana Court in South Portland.

Concern was also expressed about the impact that commercial development might have on transports using the northern part of the by-pass (B4 zoned area on south side adjacent to Henty Highway)

After a general discussion , measures suggested in terms of ameliorating impacts and enhancing the long terms security of industry in Portland were:

- Acoustic bund walls and plantings adjacent to the by pass in the vicinity of Williams and Park Street.
- Administrative controls in Planning Scheme to ensure that industries impacted by planning applications that may impact on them be compulsorily notified and be given the opportunity to object.
- That areas subject to potential noise impacts (eg near the major transport routes and industry, be required to be provide sound amelioration measures (eg double glazing, cavity wall construction etcetera).
- It was suggested that the planning scheme could identify the buffer areas to existing industry
- That permits in areas subject to buffers be granted on the proviso that Section 173 Agreements requiring “non complaint” to EPA regarding amenity issues are signed.



It was also suggested that the traffic lights on the by-pass do not allow for enough time for trucks to stop.

The meeting concluded in agreement that the relevant issues had been covered. An undertaking was given that the group would be kept informed by email.



## Attachment 2 – Economic Development Considerations

In the course of preparing this Industrial Land Use Plan, a number of initiatives and opportunities have been identified which may assist in growing investment in businesses and industry in the Glenelg Shire. This attachment records these initiatives/ opportunities and presents them for consideration by Glenelg Shire as part of implementing the Glenelg Strategic Futures Plan.

### **Economic Development Opportunities**

#### **ENVIRONMENTALLY SUSTAINABLE / RENEWABLE ENERGY INDUSTRIES**

Glenelg has current and emerging strengths in a range of industries that can be classified as environmentally sustainable or in the renewable energy sector. These include wind farming and geothermal energy.

Glenelg should seek to leverage these industries, areas of existing competitive advantage, in order to grow its employment base and help further diversify its industrial base. A focused economic development strategy on these industries should be considered. A key part of the strategy would be awareness raising in the community on environmentally efficient housing, transport and other goods and services. Glenelg could consider being a centre (if not a showroom) for environmentally sustainable / renewable energy type industries in the State and should explore both public and private investment opportunities.

#### **UPGRADING INDUSTRIAL / COMPETITIVE ADVANTAGE**

Glenelg needs to move quickly up the value chain and look at producing goods and services with higher value content. A starting point is to consider the Shire's existing strengths and the opportunities for growing related industries with a higher than average value added content. For example, Glenelg may consider investigating and promoting higher value uses for plantation timber already in the region over and above what is currently being processed. This can assist achieve new competitive positioning for Glenelg.

#### **SKILLING THE WORKFORCE**

A skilled workforce is critical to both economic prosperity and a stronger and more dynamic community. Workers who are able to upgrade their skills can contribute more to the local economy and participate more fully in the cultural and social life of a community. Significant government attention and resources are currently being committed at State and Federal level to upgrade skills in the community and the workforce

Glenelg needs to consider how to best prepare its workforce for the industries of tomorrow. A range of actions are possible including:

- Boosting the diversity and quality of schooling (so that high school drop out rates are reduced and parents prefer to send their kids to a school in the Shire as opposed to Hamilton or Warrnambool)
- Strengthening links with local and other TAFEs and universities (including especially the new technical school in Warrnambool)
- Boosting library services across the Shire
- Business Incubator / Enterprise Centre (possibly collocated with the Library Service).



## **TOURISM/ VISITOR MARKET**

Define / capitalise the niche of each town – Glenelg's incredible diversity in terms of towns is not easily found anywhere else in Victoria or indeed Australia. Each town is close in geographical terms to another town but is quite distinct. This has several potential advantages not least in tapping to the 'experiential tourist' who travels to places on the basis of the 'feel' and 'experience' of that place.

## **STRATEGIC LOCATION**

Glenelg is situated between Melbourne and Adelaide and is one of many settlements situated along this corridor. To an extent Glenelg's growth prospects are shaped by the pattern of growth in this corridor. A focussed regional alliance with Councils and other stakeholders in this region could assist in identifying a short list of key joint initiatives which will assist in growing investment in the region.

## **Industry Clustering**

Clustering of similar and complementary industries is an effective approach to enhancing economic development outcomes.

Industry clusters are geographical concentrations of competitive firms in related industries doing business with each other and sharing a need for common talent, technology and infrastructure. Industry clustering is a good way to organise firms for increased productivity and economic development policy efforts.

Industry clusters may benefit firms by:

- Providing upstream and downstream supply chain linkages to specialised suppliers and labour;
- Increasing efficiency;
- Efficient access to information, institutions and "public goods"; and
- Easier to achieve complementarities across businesses;
- Creating competition between suppliers for greater innovation;
- Fostering innovation through competitive and cooperative relationship between organisations;
- Promoting timely receipt of supplies and distribution of goods or availability of a competent workforce if these networks include transportation routes;
- Increasing market share and profits; and
- Improved ability to perceive and respond to innovation opportunities (more rapid diffusion of improvements).

Benefits of the cluster approach to economic development may include:

- Creating high-wage, high growth industries;
- Opportunities for research, development and training;
- New business formation:
- Easier to identify opportunities for new businesses; and
- Lower barriers to entry (including perceived risk);
- Strengthening of relationships between companies and local educational institutions. This can be to the level where these institutions design particular courses and even qualifications for industry participants;
- More in-depth understanding of the state economy;
- Produce an industry-driven strategy;



- Recognising that industry does not speak with a single voice; and
- A broader constituency for economic development.

The following actions should be considered:

- Identifying industries. Key criteria for selection of are:
  - strong export orientation;
  - significant size or growth potential;
  - heavy employment concentration or potential to increase concentration; and
  - high value-added or potential to drive value added industries;
- Analysing industry cluster formation; and
- Supporting industry cluster formation.

It is important to stress that the process of identifying, analysing and supporting industry clusters requires a considerable commitment of time, resources and collaboration among regional and local stakeholders. Just as it takes years for a region to develop a competitive economy of interrelated industries, the process of developing a broad and comprehensive understanding of industry clusters is a lengthy one. From a workforce and economic development perspective, the investment in time and resources is justified because the process can distinguish a region's competitive industries that introduce new wealth and generate high paying employment opportunities.



# Attachment 3 - Requirements for Industrial Land Development

## Competitive Features of the Industrial Land Market

Industrial developments are increasingly focussing on providing fully serviced sites with attention to innovation in design and marketing features (branding, location, gateways, landscaping etc.) to promote them as attractive, aesthetic and innovative modern options for industrial developments.

There has been a growing trend for large industrial companies to locate both their manufacturing/warehouse operations on the same site as their offices. This has enhanced the demand for attractive and aesthetically pleasing locations that are “client friendly”.

### **Design Elements of Industrial/Enterprise Parks**

There are a number of key design elements integral to the successful operation of an Enterprise/Business/Industrial Park. There is no industrial area that incorporates all of these elements. The key design elements include:

#### **LANDSCAPING**

Landscaping is a fundamental feature of developing a high profile Park. Features include landscaping of individual sites, common areas, roadsides, median strips and intersections incorporating common design features and uniform plant varieties.

Consistent and uniform approaches to landscaping design, within each precinct are important. Landscaping of individual sites, common areas, roadsides, median strips and intersections should incorporate common design features.

#### **STREETSCAPE**

Industrial Parks feature landscaped nature strips, wide streets and large setbacks which enhance the appeal and aesthetics of their locations.

#### **SETBACKS**

Uniformity in the setbacks of individual developments creates a consistency in streetscapes. This is advantageous to industrial estates as it improves the character and appearance of the development.

#### **GATEWAYS**

Based on observations, the design of gateways and entrances to enterprise and industrial parks is crucial to their positioning. The entrance should reflect the status and the types of businesses that are contained within each precinct. The gateways should reflect the design elements that exist throughout the precinct, including consistent signage design and landscaping features.

#### **SIGNAGE**

Signage is an important feature of the Industrial estates as it provides orientation and site identification.

#### **CAR PARKING**

Individual site car parks should be located between and behind developments to ensure the appearance of the developments is not affected.

#### **ARCHITECTURE**

The architectural design elements emphasise the quality of design throughout the precinct. The park setting and high standard of built form provides an opportunity to attract high-tech industries and innovative designs.





# Attachment 4 - Cape Sir William Grant Wind Energy Facilities

## Development Envelope and Indicative Layouts

Cape Sir William Grant - 23 wind generators

