



BASS COAST INDUSTRIAL LAND USE STRATEGY

DISCUSSION PAPER

BASS COAST SHIRE COUNCIL / NOVEMBER 2023



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1. INTRODUCTION

1.1 OVERVIEW

The Bass Coast Shire (**the Shire**) is on the cusp of significant growth. Supported by one of Victoria's largest tourism economies and strategically located on the outskirts of Metropolitan Melbourne, the Shire is projected to grow by **~10,300 residents** over 2021-2036 to reach a population of over **50,000 people**.

To support the Shire's growing resident base, a core objective of Bass Coast Shire Council (**Council**) is to ensure the resilience of the Shire's local economy. Ensuring there is adequate land and space for businesses to grow and meet the needs of its residents is vital to the economy.

Council specifically recognises the importance of the Shire's various industrial and employment precincts. These precincts accommodate a diverse mix of industries and businesses which are critical to the local economy.

In 2021, Council commenced strategic planning work to support the growth of the Shire's industrial precincts. The Bass Coast Industrial Lands Study – Economic Analysis, Demand and Supply Assessment (Atlas Economics, 2022) was endorsed by Council in March 2022, and provides the 'evidence base' to inform the Bass Coast Industrial Land Use Strategy.

The Bass Coast Industrial Land Use Strategy (referred to as the '**BILUS**') will provide a long-term strategic planning framework to guide land use and development of industrial land across the Shire over the next 15-years. The Strategy will:

- **Shire-wide Vision and Objectives:** set an overarching strategic vision for industrial land use across the Shire, accompanied by a series of supporting strategic objectives.
- **Precinct Directions:** provide a suite of precinct-specific visions and directions for each of the Shire's individual industrial precincts to support existing industrial uses and shape future uses.
- **Actions:** outline statutory and non-statutory initiatives/guidelines to support delivery of the vision, objectives and precinct directions. This will include identifying expansion areas across the Shire suitable for future industrial use.

The BILUS will form the key linkage between strategic land use policy and the Bass Coast Planning Scheme (BCPS).

Community engagement and input is critical to the development of successful planning policy. The purpose of this Discussion Paper is to provide the community an opportunity to inform the BILUS.

1.2 PURPOSE OF THIS PAPER

The Discussion Paper provides an overview of:

- The 'Evidence Base', including:
 - Bass Coast's various industrial precincts and the industries they accommodate.
 - Existing planning strategies and policies which apply to industrial land across the Shire.
 - Existing and future supply of industrial land.
 - Projected demand for industrial land to 2036.
- Key issues and challenges facing the Shire's industrial precincts and feedback received from key stakeholders.
- The macro, industry and local trends set to influence industrial land use activity moving forward.
- Emerging directions of the BILUS, including:
 - Draft vision, objectives and precinct directions.
 - Proposed methodology to identify potential expansion areas for industrial lands.
 - Planning mechanisms and actions and other initiatives.

The emerging directions outlined in this Paper will be refined following community and stakeholder consultation.



2. THE EVIDENCE BASE

This Chapter provides an overview of the important demographic, economic and market findings from the *Bass Coast Industrial Lands Study – Economic Analysis, Demand and Supply Assessment*. This 'Evidence Base' is important to understand, as the unique characteristics of Bass Coast need to be considered in developing the BILUS.

A full copy of the *Economic Analysis, Demand and Supply Assessment* can be accessed [here](#).

2.1 POLICY CONTEXT

The BILUS will need to be cognisant of a range of State and local policies and strategies to ensure alignment of strategic, transport and economic development planning. An overview of these key documents is provided in turn.

2.1.1 STATE PLANNING POLICY

PLAN MELBOURNE 2017-2050

Plan Melbourne 2017-2050 (**Plan Melbourne**) is the Victorian Government's principal planning strategy and long-term land use, infrastructure and transport plan. It provides a series of visions, objectives and directions to meet the projected growth of Greater Melbourne to 2050.

The key directions and policies of relevance to Bass Coast as identified in Plan Melbourne are summarised in **Table 2-1**.



Table 2-1: Plan Melbourne, Relevant Directions and Policies

Direction	Policies	Implications for Bass Coast
Invest in regional Victoria to support housing and economic growth	- Stimulate employment and growth in regional cities - Support planning for growing towns in peri-urban areas	Wonthaggi is one of the key growth areas anticipated to deliver new housing over the coming decades through the Wonthaggi North East Structure Plan. The Victorian Government in partnership with Bass Coast Council is currently finalising the Structure Plan for the precinct with development anticipated in the medium-term.
Improve connections between cities and regions	- Improve transport and digital connectivity for regional Victoria - Strengthen transport links on national networks for the movement of commodities	Future investment into high-speed internet connectivity will be important as the uptake of technology by industry grows. Ensuring this provision will be critical to Bass Coast retaining and attracting business. Equally, future upgrades to the Bass Coast Highway and South Gippsland Highway could improve the capacity for regional exports from Bass Coast.

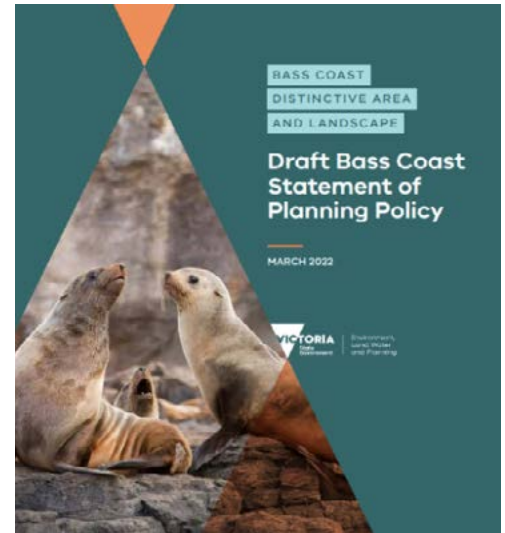
Source: DELWP (2017)

DISTINCTIVE AREAS AND LANDSCAPES PROGRAM

The Victorian Government's Distinctive Areas and Landscapes Program (**DAL Program**) seeks to protect areas of significant environmental, cultural, economic and community value. Areas identified under the DAL Program are required to prepare a Statement of Planning Policy and introduce protected settlement boundaries.

The Shire is one of four regional local government areas declared as a distinctive area and landscape under the DAL Program. As part of its declaration under the DAL, a draft Statement of Planning Policy (**SPP**) has been prepared by the Department of Transport and Planning (**DTP**). The SPP outlines revised settlement boundaries for each of the Shire's urban areas, with development outside of these revised boundaries not to be permitted unless formally approved by the Minister for Planning. The draft SPP is expected to be endorsed by late-2023.

Of significance to the BILUS is the proposed change to settlement boundaries. Grantville, the settlement boundary is proposed to be reduced with ~99ha of rural land to the south excluded. Around **57.7ha** of this area had been earmarked as future industrial land under the Bass Coast Planning Scheme.



2.1.2 BASS COAST PLANNING SCHEME

The Bass Coast Planning Scheme (BCPS) is the key statutory planning instrument governing land use and development in the Shire. There are various planning controls and strategies in the BCPS which have shaped local industrial land use to date.

LAND USES ZONES

There are two industrial land use zones which apply across Bass Coast – Industrial 1 Zone (**IN1Z**) and Industrial 3 Zone (**IN3Z**). Both zones permit a broad range of industrial uses, though the range of permissible land uses differs slightly.

Several other land use zones permit some industrial land uses (e.g. industry, warehouse), subject to Council discretion.

Figure 2-1: Land Use Zones which Permit Industrial Uses



INDUSTRIAL ZONE 1 (IN1Z)

- Provides for a broad mix of industries, including manufacturing industry, storage and distribution of goods and associated uses.
- The majority of the Shire's industrial land is zoned IN1Z.



INDUSTRIAL ZONE 3 (IN3Z)

- Provides for industries and associated uses where special consideration of the nature and impacts of industrial uses is required
- A more limited range of industrial activity is permissible in the IN3Z.



OTHER ZONES

- Some industrial uses are permitted in the Mixed Use Zone, Township Zone, Commercial 1 Zone, Commercial 2 Zone and Farming Zone.

STRATEGIC FRAMEWORK PLANS

The BCPS also includes individual Strategic Framework Plans (**SFPs**) for Bass Coast's network of centres and villages. Land use strategies within SFPs to guide land use activity and development within each defined SFP area.

Table 2-2 includes a summary of the industrial land use strategies which apply in certain SFP areas across the Shire.

Table 2-2: Industrial Strategies from Relevant Strategic Framework Plans, Bass Coast Planning Scheme

Locality	Industrial Strategies
Wonthaggi	• Encourage a consolidated industrial precinct located south of Inverloch Road and bounded by the future bypass road. • Encourage industrial and associated uses to locate away from residential and recreational areas. • Encouraging the relocation of existing industrial uses to areas zoned for this purpose.
Cowes and Silverleaves	• Maintain existing supplies of industrial zoned land and direct new industrial uses to areas within the Shire that have the capacity and suitability to accommodate future demand.
Grantville	• Encourage the relocation of the industrial area south of the Grantville settlement area and east of Bass Highway. • Following the relocation of the industrial area, remediate any potential land contamination prior to developing the land for low density residential development. • Ensure that buffers are implemented to mitigate any potential interface issues between new residential development areas and land utilised for sand extraction. • Designate internal road layouts that limit access points to the highway. • Encourage 'clean green' and service-related industries to relocate to Grantville.
Inverloch	• Support ongoing local job opportunities through the protection of the industrially zoned land.

Source: BCPS



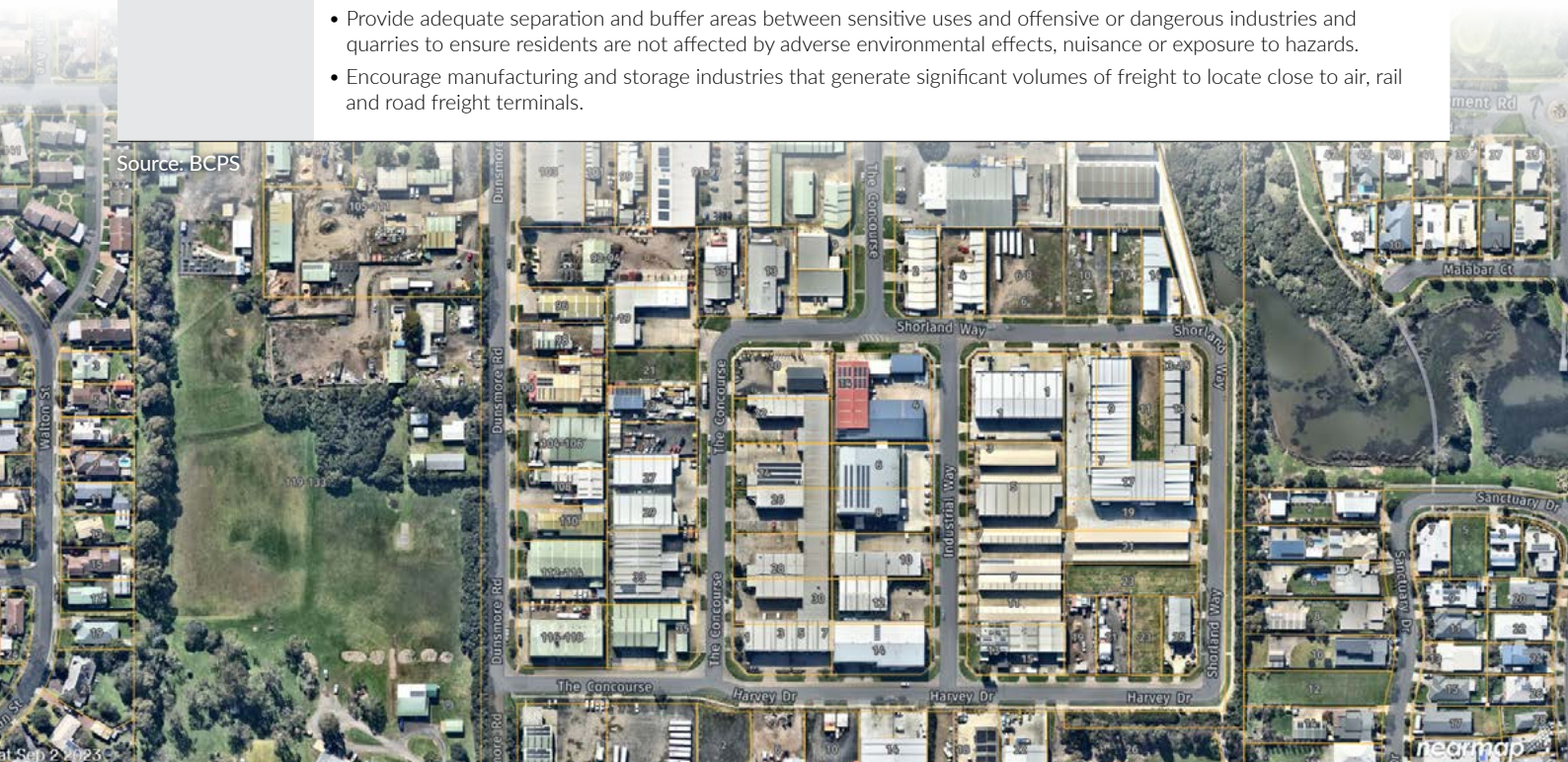
OTHER KEY CLAUSES

Several other clauses within the BCPS influence industrial land use and development activity across the Shire.

Table 2-3: Clauses Influencing Industrial Land, Bass Coast Planning Scheme

Clause	Description
Cl. 02.03-7 Economic Development	Clause 02.03-7 recognises the important of industrial and construction industries to the local economy and seeks to: • Facilitate the establishment and further development of industry in the Shire. • Encourage industrial development in Wonthaggi to build on the existing infrastructure and industrial base. • Encourage industrial activities to be responsive to the environment and surrounding land uses.
Cl. 17.03-1S Industrial Land Supply	The core objective of Clause 17.03-1S is to ensure the adequate supply of land for industry. The clause outlines a series of strategies to enable this objective, including: • Provide an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites for strategic investment. • Identify land for industrial development in urban growth areas where: ◦ Good access for employees, freight and road transport is available. ◦ Appropriate buffer areas can be provided between the proposed industrial land and sensitive uses. • Protect and plan existing industrial areas to, where possible, facilitate further industrial development. • Avoid approving non-industrial land uses that will prejudice the availability of land in identified industrial areas for future industrial use.
Cl. 17.03-1L Industrial Land Supply	Clause 17.03-1L outlines a further series of specific strategies for industrial land supply within Bass Coast, including: • Encourage industry to locate within existing or planned industrial estates where all physical infrastructure and access to transport networks are available. • Encourage the relocation of industrial activities from predominantly residential areas to industrial estates. • Encourage the consolidation of industrial uses within the northern part of the Shire, in Grantville. • Encourage manufacturing industries that use sand and ancillary products as raw materials to locate in Grantville.
Cl. 17.03-2S Sustainable Industry	Clause 17.03-2S focuses on ensuring the long-term viability of industrial uses within the Bass Coast by: • Ensure that industrial activities requiring substantial threshold distances are located in the core of industrial areas. • Encourage activities with minimal threshold requirements to locate towards the perimeter of the industrial area. • Minimise inter-industry conflict and encourage like industries to locate within the same area. • Protect industrial zones from the encroachment of land uses that would adversely affect industry viability. • Encourage industrial uses that meet appropriate standards of safety and amenity to locate within activity centres. • Support the retention of small-scale industries servicing established urban areas through appropriate zoning. • Provide adequate separation and buffer areas between sensitive uses and offensive or dangerous industries and quarries to ensure residents are not affected by adverse environmental effects, nuisance or exposure to hazards. • Encourage manufacturing and storage industries that generate significant volumes of freight to locate close to air, rail and road freight terminals.

Source: BCPS



2.1.3 OTHER LOCAL STRATEGIES

OUR BASS COAST. OUR FUTURE: COUNCIL PLAN 2021-2025

The Bass Coast Council Plan sets out Council's priority focus areas over the 2021-2021 period:

- **Protecting our Natural Environment**
Building resilience, protecting and enhancing our natural assets.
- **Healthy Community**
An inclusive community that embraces its lifestyle and supports health and wellbeing.
- **Our Places**
Strengthening the connection between people and the public places they share.
- **Growing our Economy**
Progressing opportunities for visitation economy and business growth in harmony with our natural environment and sustainable values.
- **Sustainable Development**
Prepare for growth while ensuring the intrinsic values and character of Bass Coast are retained.
- **Leading for our Community**
Demonstrating leadership through good governance, transparency and accountability.

The BILUS will be important to deliver upon the vision and priority focus areas of the Council Plan, notably 'Growing our Economy' and 'Sustainable Development'.

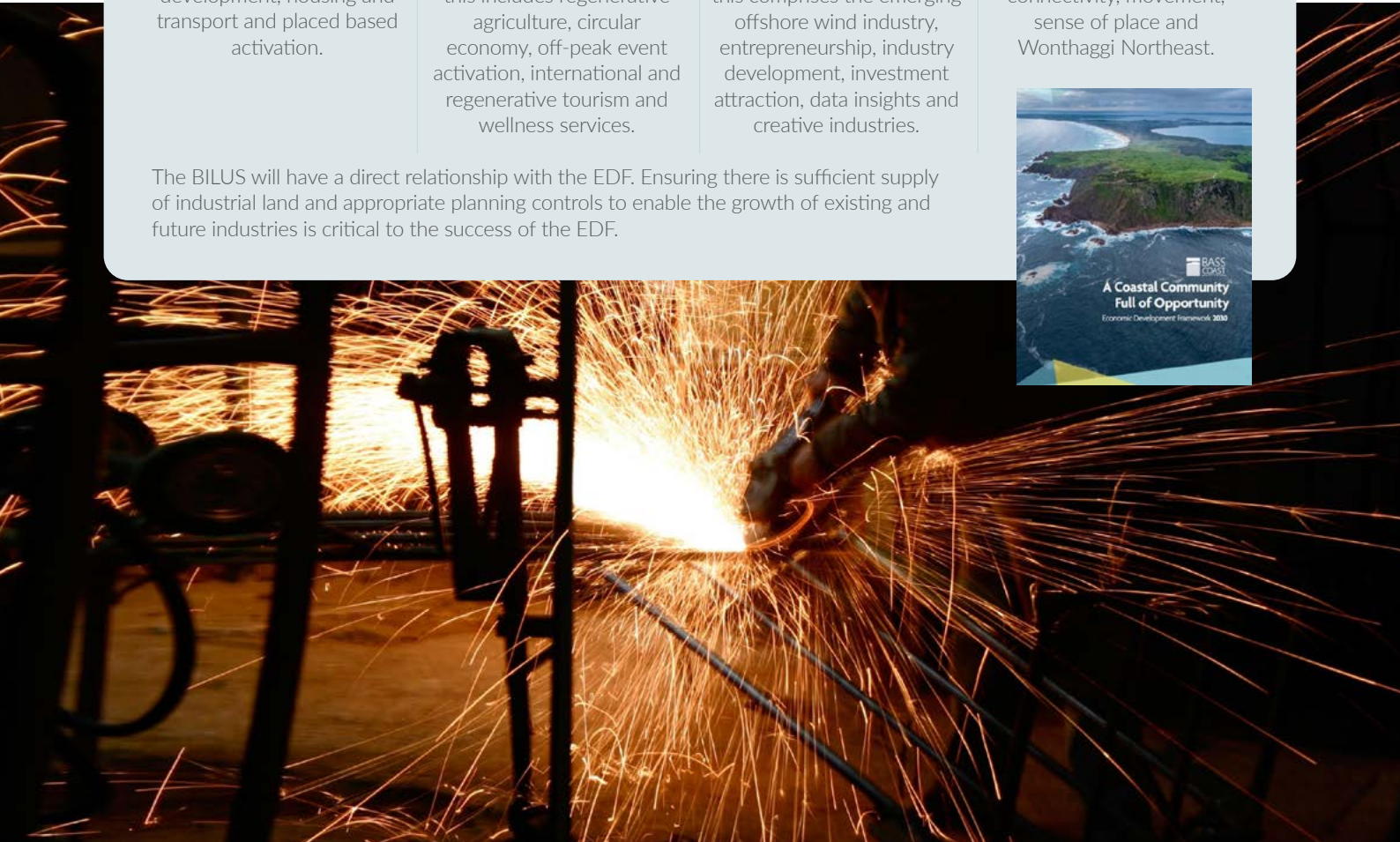
BASS COAST ECONOMIC DEVELOPMENT FRAMEWORK

Adopted in November 2023, the Bass Coast Economic Development Framework (EDF) outlines Council's plan to increase opportunities for business activity and investment, facilitate participation in employment and education, build the competitiveness, diversity and resilience of the economy, and support the ongoing economic wellbeing of the community.

The EDF outlines actions organised under four themes and a series of sub-themes:

			
Living + Working which focuses on workforce development, housing and transport and placed based activation.	Natural World + Visitor Economy this includes regenerative agriculture, circular economy, off-peak event activation, international and regenerative tourism and wellness services.	Industry Diversification + Innovation this comprises the emerging offshore wind industry, entrepreneurship, industry development, investment attraction, data insights and creative industries.	Place Shaping which includes digital connectivity, movement, sense of place and Wonthaggi Northeast.

The BILUS will have a direct relationship with the EDF. Ensuring there is sufficient supply of industrial land and appropriate planning controls to enable the growth of existing and future industries is critical to the success of the EDF.





2.2 SOCIO-ECONOMIC FACTORS

Demographic factors partly influence the amount and type of industrial land required locally. The Economic Analysis, Demand and Supply Assessment described these in much greater details, though some of those key factors are summarised here.

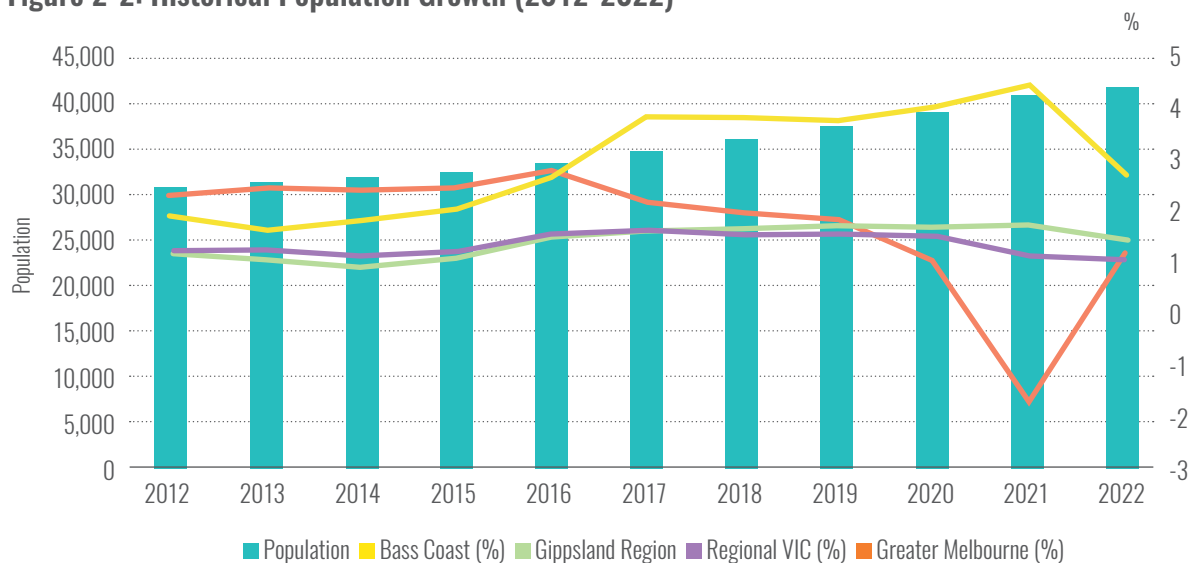
2.2.1 DEMOGRAPHIC HEADLINES

THEN TO NOW: HISTORICAL POPULATION GROWTH

Bass Coast recorded a population of 41,800 residents in 2020. The Shire has grown considerably over the past decade, recording ~11,000 more residents. This reflects growth of 36% and an average annual growth rate of 3.1% (ABS, 2023).

This rate of population growth is amongst the highest in Victoria, significantly outpacing both the Gippsland Region and Regional Victoria. Notably, Bass Coast has also been growing faster than Greater Melbourne since 2016.

Figure 2-2: Historical Population Growth (2012-2022)



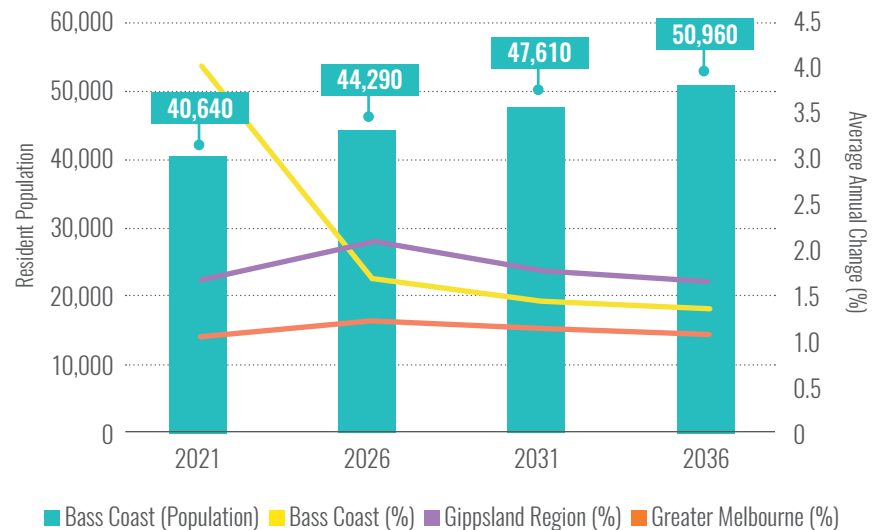
Source: ABS (2023)

LOOKING FORWARD: PROJECTED POPULATION GROWTH

Official population projections in Victoria are carried out by DTP and are known as Victoria in Future (VIF).

By 2036, the Shire is projected to reach a population of ~50,960 residents. This would reflect growth of ~10,300 residents over the 2021-2036 period at an average annual growth rate of 1.5%.

Figure 2-3: Population Projections (2016-2036), Bass Coast Shire



Source: ABS (2023)/DTP (2023)

WHAT RESIDENTS DO: OCCUPATION AND INDUSTRY PROFILE

The size of the local workforce and understanding what residents do for work (i.e. occupations, industries) provides insight into the ability of local industry to source labour from within the Shire.

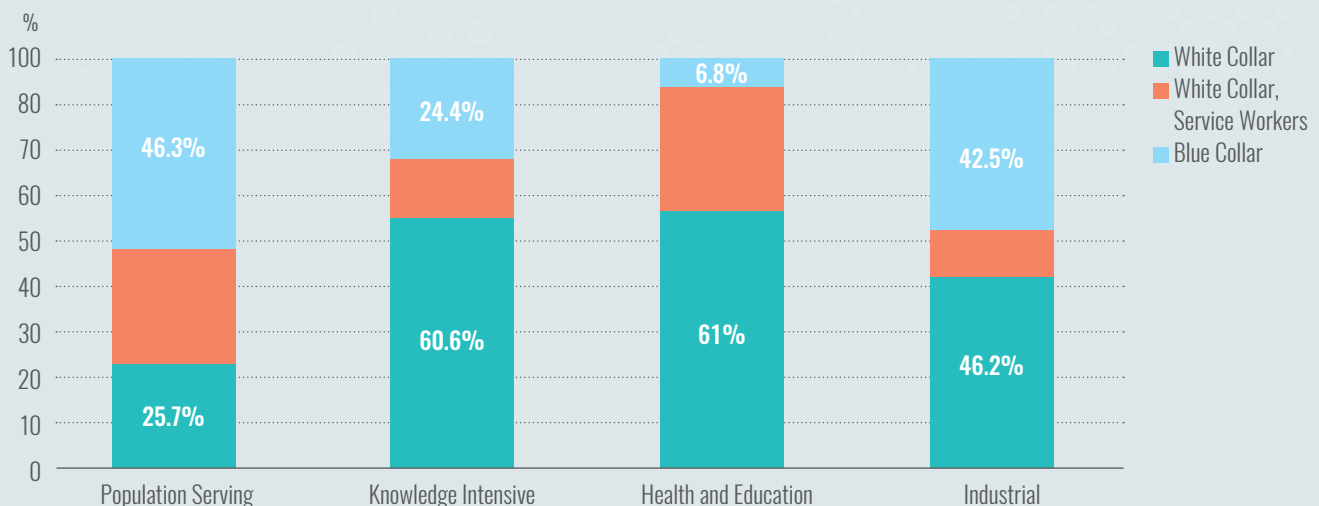
In 2021, ~16,500 working residents were recorded in the Shire. Some ~24,000 residents were not in the workforce.

Professionals represented the most common occupation at 18% of all working residents. This was closely followed by technicians

and trade workers at 16%. From an industry perspective, most working residents in the Shire are employed in Population Serving industries (39%), followed by health and education s at 23%.

Traditional industrial sectors are the lowest employing sectors for local residents, accounting for 16%. It is evident however that local industrial sectors employ a broad mix of skilled works – with almost an even split of white and blue collar workers.

Figure 2-4: Occupation Profile by Broad Industry (2021), Bass Coast Residents



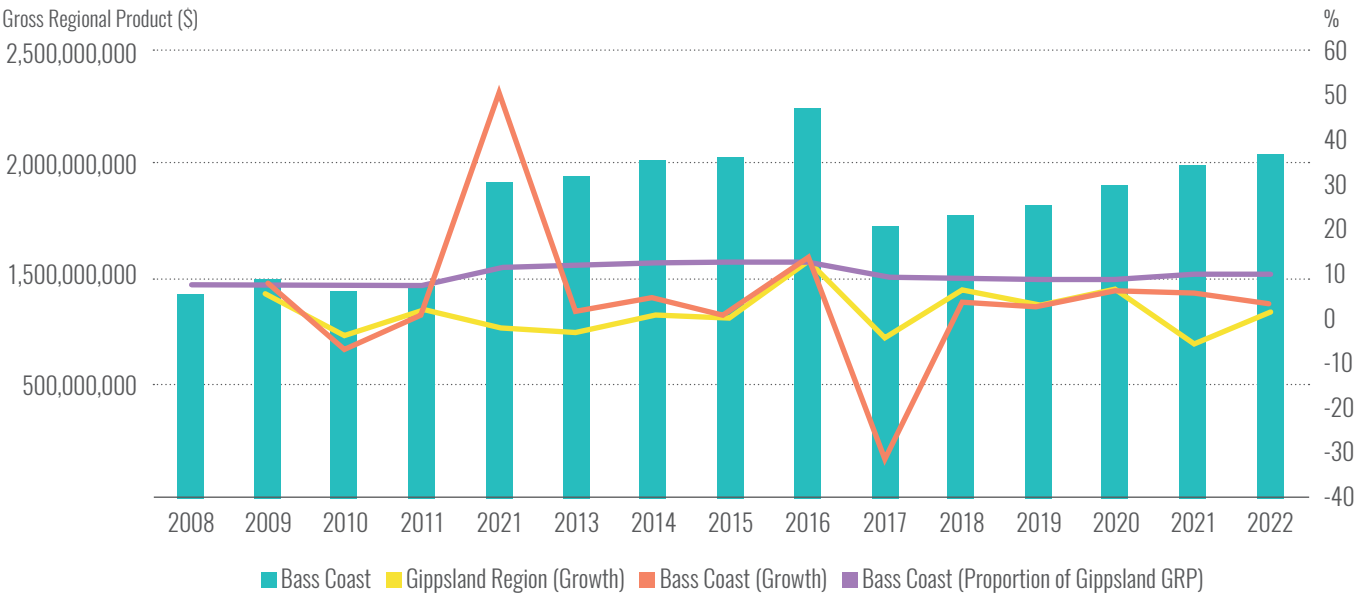
Source: ABS (2023)

2.2.2 THE LOCAL ECONOMY

GROSS REGIONAL PRODUCT

Following a steep decline over 2016-17, the Bass Coast economy has been steadily growing over the past 5-years. Gross Regional Product (GRP) has grown by ~27% in this time, with \$1.93B GRP in 2022 comprising 10% of the Gippsland Region.

Figure 2-5: Gross Regional Product (2008-2022), Bass Coast Shire



Source: REMPLAN (2023)

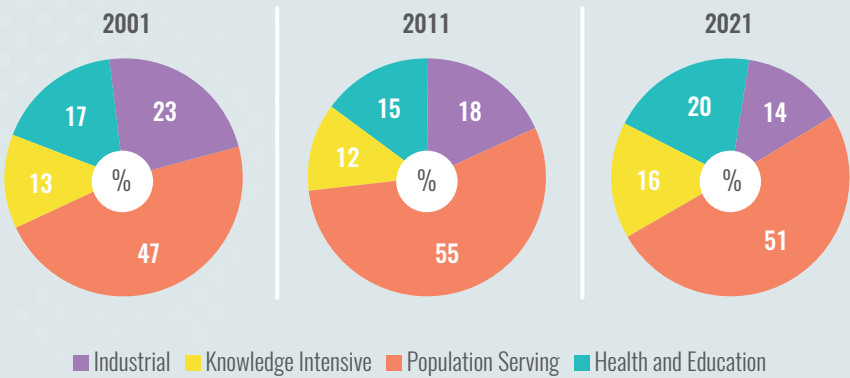
EMPLOYMENT

In 2021, the Shire recorded a total of just over 12,000 jobs. This followed growth of some 180 additional workers over the 2016-2021 period, reflecting average annual growth of 0.3%. This growth is slightly higher than that estimated in Greater Melbourne (0.2% per annum), where COVID-19-induced lockdowns had a more severe impact on employment activity.

From a broad industry classification, Bass Coast LGA is characterised by population-serving employment which accounts for ~51% of total employment. This is largely attributed to the large construction workforce within the Shire.

Industrial sectors are observed to account for just under 14% of local employment. The number and proportion of industrial employment across the Shire has been progressively falling over the past two decades – previously accounting for 23% of total employment in 2001, to 14% in 2021.

Figure 2-6: Employment by Broad Industry Classification (2006-2021)



Source: NIEIR (2021)

SO, WHAT DOES ALL THIS DATA MEAN?

The socio-economic data shows the Bass Coast economy is highly self-sufficient and has traditionally been driven by the tourism and agriculture sectors. In response to strong population growth, construction has emerged over the past 5-years as a major employer and source of economic activity. Traditional industrial sectors (e.g. manufacturing, wholesale trade, etc) are not major drivers of economic activity, though are still key sources of employment for local residents.

It is important to recognise that industrial precincts play an accommodative role **beyond** traditional industrial sectors. Large format retailers, recreational businesses (e.g. gyms) and urban services (e.g. building repairs, cleaners) who service local businesses and residents are also key sources of demand for industrial land and floorspace.

As the population of Bass Coast expands over the coming decades, these types of industries will grow drive further industrial land and floorspace. Demand for industrial land in Bass Coast is therefore broad.

2.3 BASS COAST'S INDUSTRIAL PRECINCTS

The BILUS will cover all industrial zoned land across the Shire. Industrial land across the Shire is zoned a mix of Industrial 1 Zone (IN1Z) and Industrial 3 Zone (IN3Z) under the Bass Coast Planning Scheme.

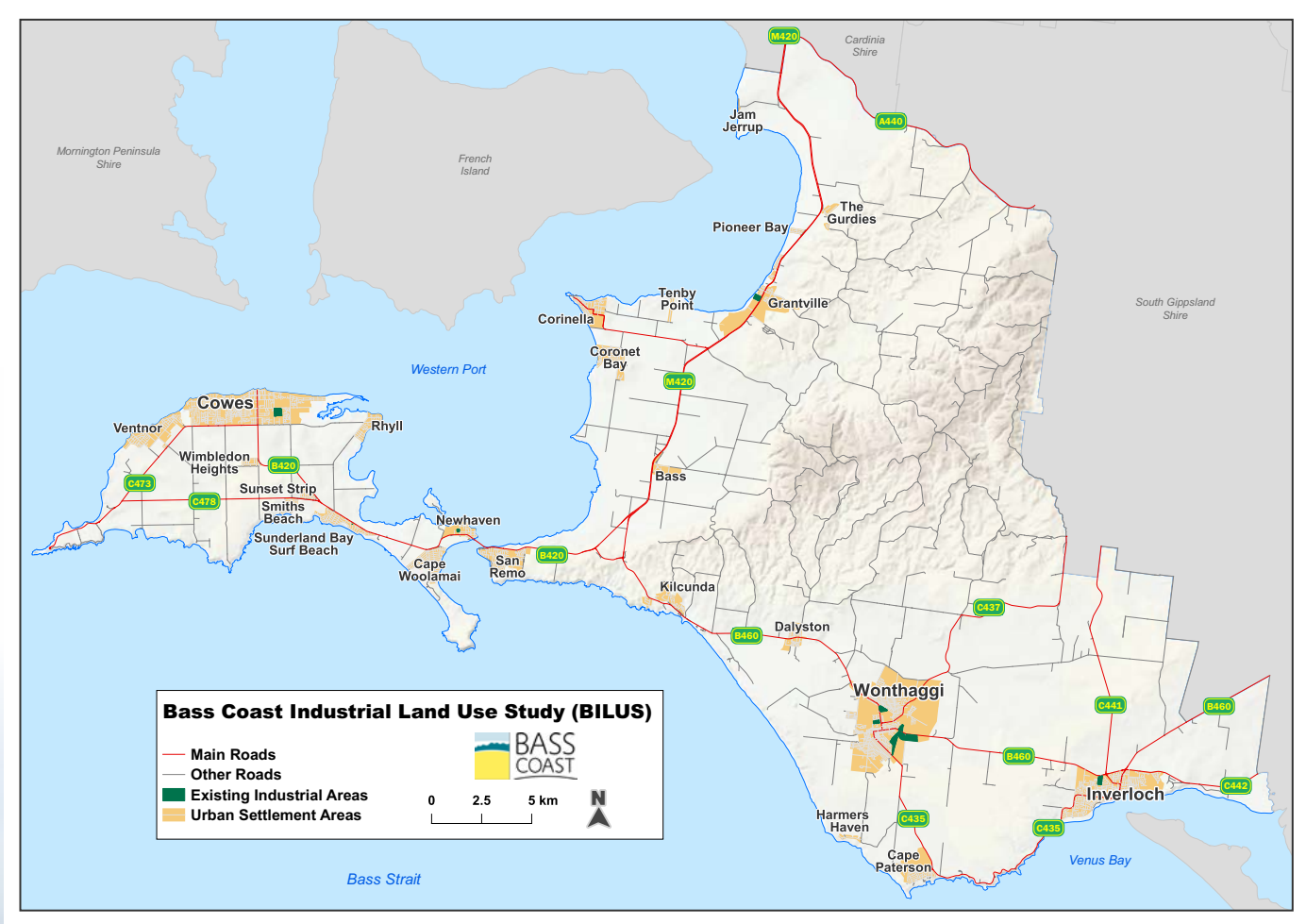
In total, the Shire comprises **seven** industrial precincts and **two future** release areas in the townships of Wonthaggi, Inverloch, Newhaven, Cowes and Grantville. Collectively, these precincts are the 'Industrial Precincts'.

The Shire's Industrial Precincts characterised by a mix of uses and built forms of varying sizes, quality, layout and age, which together typify the growth and evolution of the area over time.

Table 2-4: Bass Coast's Industrial Precincts

Precinct (Township)	Land Area	Zoning	Common Building Types	Properties	Key Occupiers
Eastern Area Industrial Estate (Wonthaggi)	45.9ha	IN1Z	- Warehouses - Industrial suites - Retail showrooms	78	- Wonthaggi Recycling - South Coast Bus - AG Warehouse
White Road/McKenzie Street (Wonthaggi)	11.6ha	IN1Z	- Small warehouses - Factory units - Retail showrooms	22	- Bunnings - Voyage Fitness
Korumburra Road (Wonthaggi)	3.7ha	IN1Z	- Small warehouses - Industrial suites - Retail showrooms	29	- MediPharm Labs - TS Constructions - Rotaret
Inverloch Industrial Estate (Inverloch)	7.2ha	IN3Z	- Storage units - Small warehouses - Factory units	50	- Mitre 10 - Everlast Heavy Industry - Inverloch Gas & Hire
Blue Gum Industrial Park (Cowes)	11.2ha	IN3Z	- Warehouses - Storage units - Retail showrooms	120	- South Coast Bus - Bowens - Ambulance Victoria
Boys Home Road (Newhaven)	2.9ha	IN1Z	Industrial suites	22	- Bass Strait Direct - South Coast Kitchens
Bass Highway (Grantville)	7.9ha	IN1Z	Industrial suites	12	Bass Coast Stock Feeds
Wonthaggi Future Release (Wonthaggi)	44.2ha	FZ	Currently vacant	2	Nil
Grantville Future Release (Grantville)	57.7ha	FZ	Currently vacant	1	Nil

Figure 2.7: Bass Coast's Industrial Precincts



Source: Bass Coast Shire Council



2.4 SUPPLY AND DEMAND

2.4.1 REMAINING AND FUTURE SUPPLY

As at November 2023, there is approximately 90ha of zoned industrial land across Bass Coast. Of this ~90ha of zoned industrial land, ~20.5ha is vacant and undeveloped.

Whilst currently vacant, many undeveloped industrial lots are currently subject to planning permits for development (thereby not 'true' vacant blocks). When excluding these sites, there is just 8.4ha of remaining undeveloped industrial land.



Table 2 5: Undeveloped and Zoned Industrial Land (2023)

Precinct	Zone	No. Vacant Lots	Total Vacant Land	Vacant Land with No Permit (ha)	Total Vacant Undeveloped Lot Sizes (ha)				
					<0.1	0.1 to 0.5	0.5 to 1.0	1.0 to 1.5	>5.0
Eastern Area Industrial Estate (Wonthaggi)	IN1Z	15	11.3	3.9	3	8	2	-	1
Inverloch	IN3Z	3	0.3	0.3	-	3	-	-	-
Cowes	IN3Z	8	1.2	0.6	1	7	-	-	-
Grantville	IN1Z	3	7.6	3.6	-	-	1	2	-
Total		43	20.5	8.4					

In addition to vacant industrial land that is already zoned, the Bass Coast Planning Scheme identifies two areas for future industrial land supply. These include:

- **Wonthaggi:** ~43.2ha of Farming Zone (FZ) land is designated as future industrial in the Wonthaggi North PSP.
- **Grantville:** ~57.7ha of FZ land along the Bass Highway is designated as future industrial. Under the draft DAL, this area would remain as FZ land and not rezoned for industrial uses.

When combining undeveloped zoned land (8.4ha) with the future industrial supply in Wonthaggi (43.2ha), there is ~51.6ha of potential undeveloped industrial land across the Shire.

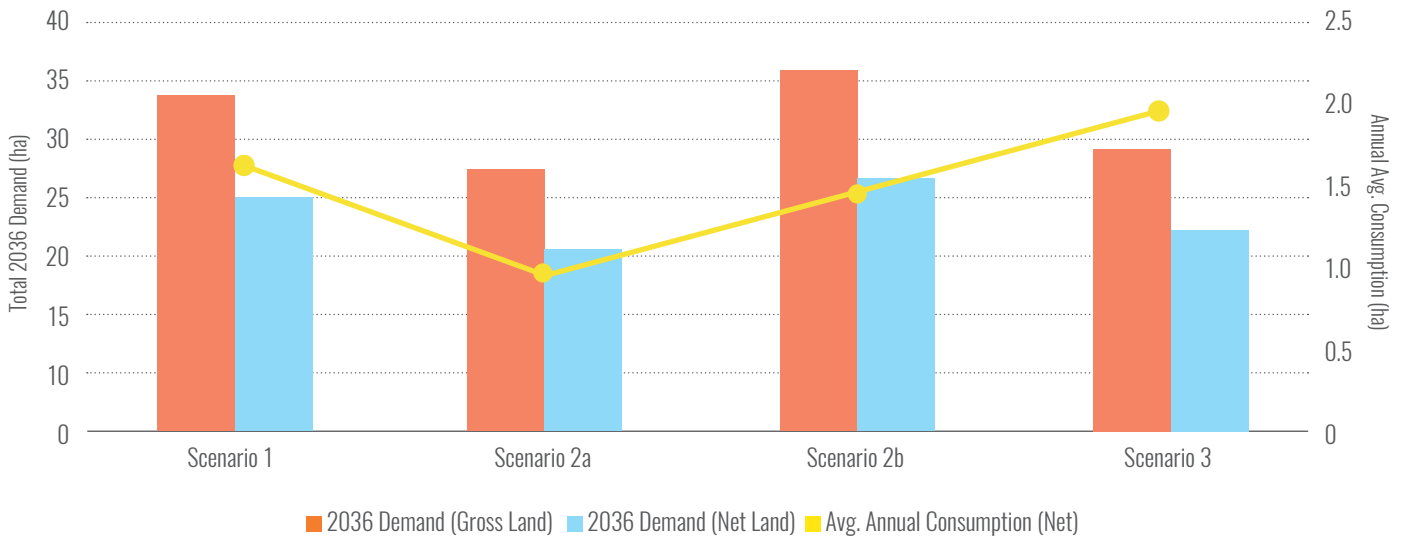


2.4.2 DEMAND PROJECTIONS

The *Economic Analysis, Demand and Supply Assessment* projected how much industrial land could be needed to across the Shire over the coming years to 2036. A mix of scenarios and methodologies were used in this assessment given the lack of certainty observed across the domestic and international economy.

Overall, the results of the projection scenarios suggest that demand for industrial land over the coming years to 2036 could range from **26ha to 36ha of gross industrial land**. This reflects net demand of between **~1ha and ~2ha** per annum.

Figure 2-8: Industrial Land Demand Projections, Bass Coast Shire



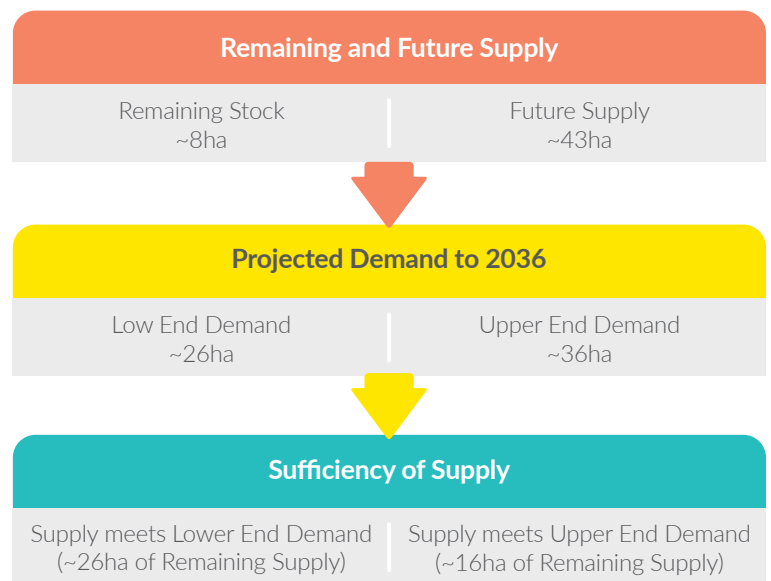
2.4.3 THE NEED FOR ADDITIONAL SUPPLY

The demand projections suggest the Shire could need between ~26ha (Lower End) and 36ha (Upper End) of industrial land by 2036.

With approximately 8ha of remaining stock and potential future supply of 43ha, there is, on paper (in theory), likely to be sufficient supply of industrial land to meet future demand (to 2036). That said, the future supply of 43ha is not yet available for development and use as industrial land.

It is a reality that not all zoned land will be developed. Ensuring an appropriate 'buffer' of industrial land supply will be critical to enable demand to be met. An 'overprovision' of industrial land would provide opportunity for the Shire to attract larger operators to the region from key industries such as construction, waste and recycling, manufacturing or renewable energy, including key industries identified in the EDF.

Figure 2-9: Supply Capacity and Future Demand





3. TRENDS AT PLAY AND CHALLENGES TO OVERCOME

This Chapter describes the mix of trends which will influence the demand and use of industrial land across the Shire over the coming decades. Feedback from business and industry stakeholders is summarised with the key issues and challenges facing the Shire's industrial precincts outlined.

3.1 ECONOMIC AND INDUSTRY TRENDS

The global and Australian economy is undergoing a period of significant change. Australia's population is rapidly ageing and remains reliant on migration to support its labour base. The nation is becoming increasingly educated and affluent which is influencing consumer behaviour. Continued advancements in technology are fundamentally changing the way we live and work – and in particular – the way we manufacture and distribute products.

The BILUS is cognisant on the various macroeconomic, demographic and regional trends at play which are influencing how industries use land and floorspace.



3.2 LOCAL ECONOMIC DRIVERS

In addition to the broader industry and regional trends which will influence the demand and supply of industrial land over the coming decades, the Bass Coast economy is subject to its own unique set of drivers and influencing factors which have influenced historical industrial activity and have the potential to continued to do so in the future.

Beyond traditional industrial sectors like manufacturing and logistics, industrial precincts play an important role in accommodating businesses who service the needs of local residents (e.g. automotive repairs). These uses are often referred to as 'urban services'. Urban services are largely influenced by local economic drivers such as population growth and demographic trends.

Figure 3-2: Local Economic Drivers Influencing Demand for Industrial Land



3.3 INDUSTRY AND BUSINESS FEEDBACK

To understand the issues facing local industry and businesses in Bass Coast's industrial precincts, engagement with local businesses, real estate agents and business associations was carried out.

Issues focused on during the engagement included the reasons for location selection, strengths and opportunities of individual industrial precincts and the broader Bass Coast region along with inherent weaknesses and future threats.

Strengths

- Proximity to customers and suppliers
- Good accessibility to Bass Highway (most precincts)
- Proximity to labour force
- Historically affordable cost of accommodation
- Strong population growth driving demand for construction services
- Flexible hours of operation

Weaknesses

- Lack of remaining industrial land
- Lack of industrial property for sale/lease
- Small size of industrial precincts - hard to attract large businesses
- Lack of buffers between some industrial and residential areas
- Narrow street networks in some industrial precincts
- Perceived difficulty/length of planning approval processes

Opportunities

- Large volume of future industrial supply in Wonthaggi North PSP
- Strong growth in the recycling and renewable energy sectors
- Rising demand for waste to energy facilities
- Population boom over the coming 20-years
- Major infrastructure investments by State Government
- Lifestyle offering and growth of the visitor economy

Threats

- Continued delays in infrastructure delivery in Wonthaggi North
- Growth of 'non-industrial' uses within industrial areas with lack of policy guidelines to manage
- Inability for existing businesses to expand given lack of supply
- Worsening affordability due to lack of industrial supply
- Pressure on other land use zones to accommodate industrial uses
- Missing opportunity to attract larger industries/businesses

3.4 PLANNING FOR THE FUTURE

3.4.1 TRENDS AT PLAY

Understanding the likelihood and potential impact that different demographic, economic and local trends may have on Bass Coast is a critical consideration for the BILUS.

Given the unique economic structure of the Bass Coast economy, not all trends are expected to play out in the Shire.

Equally, their level of impact may differ compared to other areas. Those considered most applicable to the Shire include:

- High levels of population growth driving demand for population-serving industries (e.g. retail, services, etc).
- Continued shift towards health and lifestyle services (e.g. gyms, fitness studios, etc).
- Major shift to renewable energy generation.
- Further growth in the adoption of online retail services driving demand for local warehouse facilities.
- Persistent demand for industrial property as an investment asset class.
- Further growth in local food and beverage manufacturing.



3.4.2 CHALLENGES TO OVERCOME

The BILUS will need to address three key challenges to ensure the Bass Coast economy can grow and accommodate the needs of its existing and future industries.

- **Address the Lack of Supply and Infrastructure Delays in Wonthaggi North**

The release of future industrial land in the Wonthaggi North PSP is at risk of being delayed due to the cost of infrastructure upgrades (e.g. traffic, water, sewerage) required for delivery by local landowners.

The BILUS will need to consider how this can be addressed by working with Council, State Government agencies and local landowners.

- **Ensure Provision of a Supply Buffer**

It is a reality that not all zoned land will be developed. An 'overprovision' of industrial land would provide opportunity for the Shire to attract larger operators to the region from key industries such as construction, waste and recycling, manufacturing or renewable energy, including key industries identified in the EDF.

Given land in Grantville which had been previously identified as industrial is unlikely to be developable upon finalisation of the DAL Program, there is a need to identify other potential industrial expansion areas.

The BILUS will look to identify potential long-term expansion areas which could be further investigated.

- **Manage Land Use Conflicts in Existing Industrial Precincts**

Population growth is driving demand for a mix of service-type land uses which can locate within industrial areas. This trend is only expected to grow moving forward.

A clear set of policy guidelines and/or planning controls will be an important tool for Council to manage the potential conflict between these types of users and traditional industrial users.

The next Chapter summarises 'where the BILUS is heading' and how these challenges can be addressed.



4. WHERE WE'RE HEADING

4.1 GUIDING PRINCIPLES

As the Bass Coast economy grows and evolves over the coming decades, a range of business uses for industrial lands needs to be considered, however, with the proviso that these alternate uses do not compromise existing occupiers and precipitate their relocation.

The BILUS will be shaped by the following guiding principles.

Figure 4-1: Guiding Principles of the BILUS

Prioritise Release of New Supply

- Resolve infrastructure delays in Wonthaggi North
- Identify long-term industrial expansion areas for further investigation

Retain All Existing Industrial Precincts

- Retain all existing industrial areas until additional supply is released
- Maintain a stable supply of industrial land to accommodate jobs and support economic prosperity

Manage Land Use Conflicts

- Support existing industrial precincts through new use and development guidelines
- Identify precincts which could transition to alternative land uses over the long-term
- New land uses should not adversely impact existing uses



4.2 ECONOMIC VISIONS

Each of the Shire's industrial precincts are unique and include their own set challenges and opportunities.

A set of precinct-specific visions have been developed for Bass Coast's industrial precincts. These provide a 'line of sight' between each of the precincts, the BILUS' guiding principles, and place-based planning controls.

Table 4.1: Precinct Specific Economic Visions

Precinct	Economic Vision
Eastern Area Industrial Estate (Wonthaggi)	Gippsland's most established industrial precinct accommodating a broad mix of business activity, including urban services, waste and recycling, niche manufacturing and logistics.
White Road/McKenzie Street (Wonthaggi)	One of Bass Coast's most important large format retail and recreational services hub servicing the Shire's growing population.
Korumburra Road (Wonthaggi)	A vibrant industrial and business precinct set to transition over time to accommodate a greater mix of commercial services and leverage its proximity to the Wonthaggi Activity Centre.
Inverloch Industrial Estate (Inverloch)	Bass Coast's easternmost industrial precincts accommodating a broad mix of light industrial, urban services and population-serving industries accommodating the needs of local residents and visitors.
Blue Gum Industrial Park (Cowes)	Phillip Island's premier industrial and business hub, accommodating a broad mix of manufacturing, construction urban services, light industrial and recreational users that meet the needs of the local resident and visitor economy.
Boys Home Road (Newhaven)	A vibrant light industrial precinct accommodating a broad mix of industries, including wholesale trade, construction services and other niche services.
Bass Highway (Grantville)	Bass Coast's northernmost industrial precinct benefiting from its excellent accessibility and proximity to South East Melbourne capable of accommodating large format industrial uses.

Source: Atlas Economics

4.3 IDENTIFYING EXPANSION AREAS

The BILUS will identify potential long-term industrial expansion areas across the Shire using geospatial software that accounts for a mix of characteristics. A 'Site Identification Framework' will consider factors including:

- Environmental and landscape significance
- Flooding
- Bushfire risk
- Infrastructure availability
- Proximity to arterial roads such as the Bass Highway
- Heritage controls
- Proximity to sensitive land uses (e.g. residential)
- Lot size
- Proximity to existing villages and employment areas

Through application of these factors, a set of 'long list' expansion areas will be identified in the BILUS. Community feedback and more detailed planning analysis on this 'long list' of options will enable a 'short list' of potential options to be investigated by Council over the coming years.

4.4 POTENTIAL PLANNING RECOMMENDATIONS

The following planning recommendations are contemplated in the BILUS:

- Retention of all existing land use zone controls across the individual industrial precincts until additional supply in the Wonthaggi North East PSP has been rezoned and infrastructure issues have been resolved
- Identify potential long-term industrial expansion areas in the Bass Coast Planning Scheme
- Develop a series of planning and policy recommendations that will consider:
 - Precinct-specific planning objectives to align with individual economic visions
 - Policy position/objectives to assist Council in discretionary decision making on:
 - Industrial development in non-industrial zones
 - Non-industrial development in industrial zones

These planning recommendations will be developed as the BILUS is prepared, with additional recommendations to be included based on community and stakeholder feedback on this Paper.

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