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1. INTRODUCTION

1.1. ENGAGEMENT

Urban Enterprise was engaged by Wellington Shire Council (Council) to undertake the West Sale and Wurruk Industrial Land Supply Strategy. This report is the Analysis, Issues and Options Paper which forms part of the overall project.

1.2. SCOPE

The scope of the project is to review the provision of existing industrial land, assess the nominated future sites in the Structure Plan and consider future land requirements over the short to medium term in Wurruk and West Sale.

The scope of this Analysis, Issues and Options Paper includes:

- A review of the policy, strategy and economic context in Sale and the broader region;
- A thorough consultation program with major authorities, land owners, economic drivers, property interests and planning units;
- An assessment of the industrial demand and supply in Sale and Wurruk;
- An assessment of the infrastructure conditions and any issues associated with developing the Candidate Areas for future industrial land; and
- Identification of issues and options for providing ongoing industrial land supply in Sale.

This Paper will inform the subsequent preparation of a Draft Industrial Land Supply Strategy.

1.3. REPORT STRUCTURE

The report structure for this Analysis, Issues and Options Paper includes:

- Section 2 provides a review of the policy strategy and economic context for the project;
- Section 3 includes a summary of the findings from the consultation process;
- Section 4 contains a review of the existing industrial land supply;
- Section 5 provides analysis and projection of demand for industrial land in Sale and Wurruk;
- Section 6 includes analysis of the proposed industrial candidate areas, including the findings of technical reports regarding Cultural Heritage, Infrastructure and Traffic; and
- Section 7 provides a summary of issues and options for the next stages of the strategy.

1.4. CONSULTATION

This report draws on a comprehensive consultation process which invited input from a diverse range of stakeholders including:

- Wellington Shire Council officers within the Strategic Planning, Infrastructure Development and Business Development units;
- State government departments including the Department of Environment, Land Water and Planning (DELWP), Department of Economic Development, Jobs, Transport and Resources, (DEDTJR) and Regional Development Victoria (RDV);
- State government agencies including VicRoads, VicTrack, Environment Protection Authority (EPA) and Country Fire Authority (CFA);
• Infrastructure authorities including Gippsland Water, the West Gippsland Catchment Management Authority (WGCMA), Ausnet, Telstra, NBN,
• Other stakeholders including Aboriginal Victoria, Fulham Correctional Centre, West Sale Aerodrome and the Royal Australian Air Force (RAAF);
• All businesses currently occupying industrial land in Sale and Wurruk;
• All landowners within Candidate Area for future industrial land; and
• Selected real estate agents and developers.

Findings from consultation are included in the relevant sections of the report. A list of those consulted is provided in Appendix C. It is noted that not all stakeholders contacted provided input to the study.

1.5. KEY DEFINITIONS

INDUSTRIAL LAND

This project considers industrial land. Under the Victorian Planning Provisions at the time of this study, industrial land uses are permitted to establish within a range of planning zones, including the suite of three industrial zones (Industrial 1 Zone – IN1Z; Industrial 2 Zone – IN2Z; and Industrial 3 Zone – IN3Z), along with the Commercial 2 Zone (C2Z). This report defines industrial land as land within the four aforementioned planning zones.

VACANT LAND

In this report, land identified as ‘vacant land’ includes individual properties that are classified in Council’s rates database as ‘vacant’ or as a ‘development site’, and/or was identified by a review of aerial photography or during a site visit as not being used for business purposes (i.e. no storage of materials, no visible business activity, no major improvements, etc). In some cases, sites with significant improvements may be identified as ‘vacant’ even though the buildings are not currently occupied (e.g. Nylex in Sale).

INDUSTRIAL LAND USE

Under the land use terms as defined in the Victorian Planning Provisions (clause 75), industrial land use generally falls within two broad land use terms as follows:

• “Industry”, including materials recycling, refuse disposal, research and development centre, rural industry (such as abattoirs and sawmills), services industry (such as car wash and motor repairs); and
• “Warehouse”, including commercial display areas, fuel depots, mail centres, milk depots and stores (such as boat and caravan storage, shipping container storage and others).

Although some other land uses are commonly found to be using industrial land (such as recreation, religious, transport terminals, offices, retail and utilities), references in this report to industrial land uses or users generally refer to the main uses of ‘industry’ and ‘warehouse’.

INDUSTRIAL BUSINESSES AND EMPLOYMENT

Businesses and jobs in Australia are categorised by reference to the Australian and New Zealand Standard Industry Classification (ANZSIC) Code, which includes 16 broad industries. The ANZSIC industries which most closely align with and reflect industrial land use include:

• Manufacturing;
• Construction;
• Transport, Postal and Warehousing; and
• Wholesale Trade.

Other industries include both occupation and business types which typically use industrial land and other uses that typically do not use industrial land, including:
• Mining;
• Electricity, Gas, Water and Waste Services;
• Other services; and
• Rental, Hiring and Real Estate Services.
References to industrial ‘industries’ or business types generally to businesses and jobs within these ANZSIC codes.

DATA AREAS

A number of different data areas are used within this report and are identified throughout this report. Refer to Appendix A for data area mapping.
2. POLICY AND STRATEGY CONTEXT

2.1. INTRODUCTION
This section provides an overview of the policy and strategy context for the project.

2.2. PLAN MELBOURNE
Plan Melbourne is guided by nine key principles, of which linking regional Victoria to Melbourne is one. This connectivity throughout the state aims to create increased economic opportunities through physical, social and economic links to the central cities.

Sale is identified as a Regional Centre, with the nearest Regional Centre in Gippsland being Bairnsdale and the nearest Regional City being Latrobe City.

The Plan also identifies the potential for a future airport to serve the long-term needs of the south-east Melbourne and the Gippsland region, which is relevant to potential future freight export opportunities and industrial land location decisions.

2.3. THE LATROBE ECONOMIC GROWTH ZONE
Recently, the Latrobe Valley Economic Growth Zone was developed, with financial incentives aiming to create jobs and grow local businesses in the region. Financial incentives include the reimbursement of a range of government fees and charges as well as property transactions. The incentives aim to retain these businesses in the region for an extended period to support the economic activity in the Latrobe Valley.

2.4. WELLINGTON PLANNING SCHEME
The Wellington Municipal Strategic Statement (MSS) identifies Sale as the main employment, education, medical and commercial centre of the Shire, providing a service role for the surrounding region of smaller towns and settlements. The MSS aims to establish the wider Sale region as a thriving regional city.

The MSS identifies that:
- Diversity of economic activity is a strength within Sale;
- The airfields in Wellington are important economic development assets;
- It is important to actively seek and develop new business opportunities, while generating wealth that stays in the Shire and provides employment;
- Sale, Wurruk and Longford will become strengthened with the development of the Defence sector as well as expansion of the oil and gas industries, and growth in health, education, recreation, tourism, retailing and general industry.
- Sale, Wurruk and Longford will become strengthened with the development of the Defence sector as well as expansion of the oil and gas industries, and growth in health, education, recreation, tourism, retailing and general industry.
- The West Sale Aerodrome is as a key precinct to be developed as an industrial node;
- Wurruk is a location with the opportunity to provide the establishment of new industries and as a secondary activity node to complement Sale.
- The objective to facilitate industrial development in Sale and Wurruk includes the facilitation of westward expansion of the existing Wurruk Industrial Estate, along with the establishment of a multimodal interchange/transport and logistics hub at the West Sale Aerodrome. Land south of the Aerodrome and the Princes Freeway is also highlighted for large scale industry in the long term.
- Aviation, timber and tourism industrial sectors are important industries for development in the area.
2.5. SALE, WURRUK AND LONGFORD STRUCTURE PLAN

The Sale, Wurruk and Longford Structure Plan was prepared in 2010. The Structure Plan identified areas of residential growth in the Northern Growth Area (North Sale) as well as in the Western Growth Area (Wurruk) to accommodate expected population growth.

The objectives of the Structure Plan in relation to industry included:

- Protect existing industrial operations;
- Provide economic development and employment opportunities;
- Protect and enhance the capacity for RAAF Base and the Aerodrome to develop as major employment bases;
- Provide a multi-modal freight exchange area; and
- Enhance transport access to industrial areas.

The Structure Plan identified three candidate areas to be investigated for future industrial land, being at Wurruk, the West Sale Aerodrome and Fulham. These sites provide a total of almost 220 ha of potential industrial land for the future and are shown in Figure 1.

FIGURE 1 LOCATION OF FUTURE INDUSTRIAL AREAS, WEST SALE AND WURRUK

Source: Sale Wurruk and Longford Structure Plan, 2010

2.6. KEY POINTS

The important implications of the planning context for industrial land in Sale include:

- State policies identify the Latrobe region as a focus for economic growth, while Sale is identified as a Regional Centre which should accommodate a range of services to support the surrounding region;
- Strengths of the economy in Sale include the defence and aviation sectors, oil and gas, and a diverse economy which enables the town to operate as a service centre for the broader region;
- Aviation, including the RAAF base and the West Sale Aerodrome, is a major opportunity for economic growth and employment in Sale and surrounds; and
- Three key sites to the west of Sale were identified for investigation for future industrial uses.
3. ECONOMIC CONTEXT

3.1. INTRODUCTION

This section provides an overview of the existing economic context in Sale and the broader Gippsland Region and the importance this has on growth of industry in Sale.

3.2. GIPPSLAND REGION

The Latrobe Valley Industry and Employment Roadmap\(^1\) identified that much of the region’s competitive advantages are “located in the region’s resource-based industries, including new employment that will be associated with the diversification of the region’s energy sector, the expansion of agriculture and forestry, growth in advanced manufacturing and growth in population driven segments of the region’s service industries and public sector.”

The Gippsland Regional Growth Plan identified that:

- “To grow and diversify Gippsland’s economy, efforts should be focused on the sectors of energy and earth resources, agriculture, forestry, fisheries, commercial and industrial development, and construction.”
- There are natural mineral deposits “throughout much of Gippsland that could generate future economic activity”;
- Morwell is a location where freight and logistics precincts would enable consolidation of freight activities and opportunities to increase the use of rail;
- The areas surrounding Sale include the Macalister Irrigation District which is to be protected as a “key asset for horticulture and dairy production” and “key agriculture and forestry land” to be protected to support “food production for domestic and export markets”; and
- Sale is a “diverse commercial centre” where there is the opportunity to support “healthcare, retail, manufacturing and professional services” and “to increase defence industries and training”. Opportunities for nearby towns of Maffra and Longford include “food manufacturing hubs that add value to local agricultural products”.

3.3. WELLINGTON SHIRE ECONOMY

Key observations based on previous reports, data analysis and consultation relating to the Wellington economy are as follows:

- Wellington’s Gross Regional Product is estimated at $2.534 billion. Wellington represents 18% of Gippsland Region’s GRP of $14.240 billion. Both GRP per capita and GRP per worker are higher in Wellington than for the Gippsland Region.\(^2\)
- The industries with the greatest value added are mining, rental hiring and real estate services, public administration and safety, and agriculture. Manufacturing represents a relatively low proportion of value added in Wellington (5.9%) compared with Gippsland (7.8%) and Victoria (10.1%).\(^2\)
- The major industries which have underpinned Wellington’s economy for some time include Defence, Public Administration, Oil and Gas, Health and Agriculture (particularly dairy). However, many of these industries are ‘mature’ and not necessarily expected to contribute to substantial jobs growth in the future;
- The unemployment rate in Wellington has increased steadily over the past 5 years, from 4.2% in March 2012 to 6.6% in March 2017, although the current rate is lower than neighbouring municipalities of Latrobe (10.2%) and East Gippsland (8.7%).\(^3\)

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\(^{1}\) State Government of Victoria, 2012.

\(^{2}\) Remplan Economy Profile, 2016, Wellington Shire website.

\(^{3}\) Small Area Labour Markets, March Quarter, 2017
• Sale is the major service centre for Wellington Shire, accommodating 44% of all employment (6,286 jobs). Sale and Wurruk accommodate 51% of Wellington’s Construction jobs, 51% of Wholesale trade jobs and 34% of Manufacturing jobs;

• The industrial business mix in Sale is generally comprised of small to medium companies, many of which perform “secondary” roles (i.e. businesses providing trades, products, equipment and services to support other industries in the region). The most common industry using industrial land in Sale is Construction, with several businesses also in the Manufacturing, Wholesale trade, and Transport industries.

3.3.1. WELLINGTON ECONOMIC DEVELOPMENT STRATEGY

The Wellington Economic Development Strategy (EDS) identifies many key industries that play a significant role in the Wellington economy and the importance of these industries in shaping the future of the region. The following section summarises important economic data and strategic direction that is identified in the EDS and the strength and weaknesses of the economy.

AGRIBUSINESS

The agribusiness industry has the largest physical presence in the Shire and generates a total output close to $5 billion. In dairy alone, it is currently worth around $820 million in farm, manufacturing and export value; approximately 6% of the national total. More than 10% of Wellington’s workforce is employed in this sector.

The Shire also has 52% of Gippsland’s private timber plantations and three timber mills. Wellington’s large agribusiness sector creates service demand across the economy: everything from machinery to training. Growth in agribusiness may not always result in a high number of new jobs in the industry, but it creates many more elsewhere in the economy, making it one of the most important sectors in Wellington.

Council will support the expansion and diversification of agribusiness activity. This includes considering productivity improvements through infrastructure investment and innovation; new niche markets, including agribusiness training; and new sectors (e.g. horticulture). In timber, the emphasis is on greater efficiency in milling, the potential use of biomass to become more energy efficient, and expanding both domestic and international markets.

These opportunities rely on better connectivity to suppliers and markets. Given the size of agribusiness and its importance across the region, the recently established Invest Gippsland group, led by Regional Development Australia, will continue support for the sector.

OIL AND GAS

Oil and gas extraction and processing directly employs around 350 people in Wellington at Exxon Mobil, which produces about 70% of Victoria’s gas supply from the Longford plant. For the new few decades, it is expected that this sector will provide a large and stable number of secure, well-paid jobs.

As the recent land use activity audit found, while the industry is mature and unlikely to expand much further, it has supported the creation of a significant number of supply chain enterprises in the Shire, particularly engineering, manufacturing and logistics firms; at a scale rarely found in rural Australia. This cluster is concentrated in Wurruk.

The key to supporting this industry is continuing to ensure that local quality of life attracts and retains workers in the region and reduces labour turnover rates.

PUBLIC ADMINISTRATION

Public administration: One sector that often goes unacknowledged when taking stock of local economic strengths is public administration. At the last Census, there were over 900 people working in this sector (not including Defence). This includes local, State and Commonwealth government agencies, as well as Fulham Correctional Centre. This sector has several distinct advantages including stable employment.

STRENGTHS AND WEAKNESSES

The Wellington Economic Development Strategy 2016 – 2022 (EDS) identified that:
Wellington has both diversity and specialisation meaning it does not rely on just one industry sector for its economic security. Its benefits from specialisation in agribusiness, defence, oil and gas, public administration and health, which, together employ around 60% of the workforce;

There is a growing number of people who are choosing to live in Wellington and commute to other parts of Gippsland for work (primarily Latrobe);

Notwithstanding the stability, there are still some challenges:

- Some of Wellington’s major industries are quite mature and therefore not expected to contribute to job growth in a significant way in the future;
- The level of commuting shows that there is relatively high economic integration within the region. This integration strengthens the local economy by creating bigger labour pools to draw from and consumer markets to sell into. However, it comes at the cost of lower employment self-containment and self-sufficiency;
- The number of university educated residents is steadily growing, but, from a low base, with the number of young graduates lower than for the rest of rural Victoria;
- The proportion of working age residents is higher than for the rest of rural Victoria, but, overall, population growth is low. In fact, according to the State Government forecasts, it is at the lower end of the expected range for Gippsland;
- Infrequent rail services between Melbourne and Sale/Bairnsdale will hamper economic growth in the region.

Figure 2 compares the local strength and estimated growth potential of the major industry sectors and subsectors in Wellington. The following sectors are identified as having both ‘industry growth potential’ and ‘local competitive strengths’:

- Aviation and Defence;
- Dairy cattle farming;
- Mining support; and
- Intensive agriculture.

Other industries with growth potential include forestry support, mineral product manufacturing, cement manufacturing, food and beverage services, heavy and civil engineering, and medical and other healthcare.

**FIGURE 2 LOCAL INDUSTRY STRENGTH AND ESTIMATED GROWTH POTENTIAL**

![Figure 2](image-url)
INFRASTRUCTURE AS A DRIVER OF FUTURE GROWTH

The EDS highlights the importance of infrastructure and land supply in supporting economic and industrial development, including:

- The Macalister Irrigation District (MID) 2030 project has already delivered a substantial upgrade to one of Australia’s most important irrigation infrastructure assets. It continues to increase agricultural output and investment, particularly in dairy, but increasingly in intensive horticulture. There is still some way to go to expand the system to its fullest potential, and given the likely impact of climate change on water security, the MID, and the region is an important agricultural asset;

- The duplication of the Princes Highway is making the journey to Traralgon and Melbourne safer and faster, improving connectivity for business travelers, freight and visitors. Better passenger rail services will further improve this connectivity;

- The Sale Alternate road route is important for Gippsland, but comes with the challenge of minimising any negative consequences for Sale itself;

- The EDS highlighted the importance of maintaining commercial and industrial land audits to monitor emerging and declining industries. Previous audits have found that although there is enough industrial land in the Shire to meet foreseeable demand, it is not all ideally located to be attractive to business; is not necessarily made up of the right lot sizes, or is not well serviced.

3.4. TRENDS, PROJECTIONS AND MAJOR PROJECTS

The following trends and projections for employment and industry changes are noted:

- Employment in Sale and Wurruk has increased by approximately 500 jobs over the past 10 years, with the greatest increases recorded in the Healthcare, Retail Trade, and Education and Training sectors. Industrial sectors have experienced mixed employment change, with small increases in Construction, Transport and Wholesale Trade employment offset by decreases in Manufacturing and Mining. The number of industrial businesses based in Sale has also increased slightly over the past 2 years, however some industries have contracted (e.g. Transport and Wholesale Trade).\(^4\)

- Regional employment projections are for a decline in employment over the next 5 years in the Manufacturing and Mining industries (decrease of 600 jobs), offset by a projected increase in Construction, Transport, and Rental, hiring and real estate services employment (+ 600 jobs).\(^5\)

- Population growth is projected to continue in Wellington Shire and Sale, with a rate of around 1% per annum projected for Sale (an additional 153 residents per annum). If realised, this level of growth would generate incremental increases in demand for local industrial land.

Importantly, several strategic infrastructure and other projects are underway or proposed in Wellington Shire and Sale which may present new business opportunities and flow on impacts for the Sale economy, including:

- West Sale Aerodrome expansion;

- East Sale RAAF base expansion and consolidation of a national training role;

- Princes Highway duplication and improvements to the railway line between Melbourne and Traralgon;

- A potential future alternative truck route which would bypass Sale via the Sale-Heyfield Road;

- Investment by Wellington Shire as part of the Port of Sale Precinct Redevelopment; and

- Planned and potential strategic infrastructure investment at the south-eastern fringe of Melbourne, including an expanded Port of Hastings and the prospect of a new airport at Koo Wee Rup.

However, a number of issues have created significant uncertainty regarding the short and long-term prospects of major industries near Sale, including:

- Closures and uncertainty relating to the future role of the coal mining / energy production industry in Latrobe;

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\(^5\) Australian Government Department of Employment, 2016 Regional Projections.
• Reduced timber allocation to the Australian Sustainable Hardwoods mill in Heyfield;
• Milk price volatility impacting dairy farmers across Wellington Shire (and Victoria); and
• Industrial relations disputes and changing labour sourcing practices within Wellington’s oil and gas industry.

Table 1 shows the unemployment rate for Wellington Shire and surrounding municipalities. This shows that over the last 6 years there has been an increasing trend in unemployment across the municipality, a trend which can been seen in all municipalities in the Gippsland region over this period. Despite this, Wellington remains with one of the lower rates of unemployment in the region.

**TABLE 1 UNEMPLOYMENT RATE, LATROBE-GIPPSLAND SA4, MARCH 2011-2017**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>East Gippsland</td>
<td>5.4%</td>
<td>5.4%</td>
<td>5.7%</td>
<td>6.2%</td>
<td>6.1%</td>
<td>8.0%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Wellington</td>
<td>4.6%</td>
<td>4.2%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>4.9%</td>
<td>6.1%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Latrobe</td>
<td>7.5%</td>
<td>6.5%</td>
<td>6.7%</td>
<td>7.2%</td>
<td>7.0%</td>
<td>9.4%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Baw Baw</td>
<td>3.6%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>4.0%</td>
<td>3.7%</td>
<td>4.7%</td>
<td>5.0%</td>
</tr>
<tr>
<td>South Gippsland</td>
<td>3.4%</td>
<td>3.1%</td>
<td>3.2%</td>
<td>3.7%</td>
<td>3.5%</td>
<td>4.5%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Bass Coast</td>
<td>5.0%</td>
<td>4.3%</td>
<td>4.7%</td>
<td>5.8%</td>
<td>5.7%</td>
<td>7.3%</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Source: Small Area Labour Markets, March Quarter, 2017

Employment projections for the broader Gippsland region suggest that there is to be little to no net employment growth in industries that require industrial land in the short term, primarily due to structural transition occurring in the energy and mining industries and flow-on impacts.

Employment projections for the Gippsland-Latrobe SA4 region project declines in employment in the Mining and Manufacturing industries, while Construction, Wholesale Trade and Transport, Postal and Warehousing are projected to experience minor increases. Rental, Hiring and Real Estate services is expected to experience a large increase relative to the size of the industry, however most of this employment is unlikely to be experienced in industrial zones.

Although projections indicate weak industrial growth in the short term, structural changes in the economy may present the opportunity for reinvestment in other industries based on government investment and the availability of labour.
### TABLE 2 PROJECTED EMPLOYMENT BY INDUSTRY IN GIPPSLAND-LATROBE, NOVEMBER 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment level Nov-2015 ('000)</th>
<th>Projected employment level - Nov-2020 ('000)</th>
<th>Projected employment growth - five years to November 2020 ('000)</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>16.3</td>
<td>16.8</td>
<td>0.5</td>
<td>2.8</td>
</tr>
<tr>
<td>Mining</td>
<td>1.4</td>
<td>1.3</td>
<td>-0.2</td>
<td>-11.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8.1</td>
<td>7.7</td>
<td>-0.4</td>
<td>-4.8</td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>3.5</td>
<td>3.5</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Construction</td>
<td>12.1</td>
<td>12.4</td>
<td>0.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.9</td>
<td>2.9</td>
<td>0.0</td>
<td>1.6</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>13.5</td>
<td>14.6</td>
<td>1.2</td>
<td>8.7</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>9.4</td>
<td>10.6</td>
<td>1.2</td>
<td>12.9</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>4.1</td>
<td>4.3</td>
<td>0.2</td>
<td>5.9</td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>1.1</td>
<td>1.2</td>
<td>0.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>2.2</td>
<td>2.3</td>
<td>0.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>1.1</td>
<td>1.3</td>
<td>0.2</td>
<td>15.4</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>4.2</td>
<td>4.3</td>
<td>0.1</td>
<td>3.2</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>3.9</td>
<td>4.1</td>
<td>0.2</td>
<td>5.5</td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>7.9</td>
<td>8.1</td>
<td>0.2</td>
<td>2.4</td>
</tr>
<tr>
<td>Education and Training</td>
<td>8.3</td>
<td>8.4</td>
<td>0.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>13.9</td>
<td>16.4</td>
<td>2.5</td>
<td>17.8</td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>1.6</td>
<td>1.7</td>
<td>0.1</td>
<td>4.2</td>
</tr>
<tr>
<td>Other Services</td>
<td>4.3</td>
<td>4.3</td>
<td>0.0</td>
<td>-1.1</td>
</tr>
</tbody>
</table>

Source: ABS labour force region - SA4 data, 2016 Regional Projections to November 2020

### 3.5. KEY FINDINGS

The implications key findings of this sections include:

- The key economic strengths of Wellington generally include defence, aviation, high quality agricultural land and oil and gas production;
- The Wellington Shire economy is relatively well diversified and is not reliant on a single industry to support the region, however many established industries are relatively mature and unlikely to drive major economic and employment growth;
- Major infrastructure investment is protecting existing strengths in high quality irrigated agricultural land and enhancing access and proximity to markets through improved road and rail infrastructure;
- Council expects economic opportunities to be generated in the industries of Aviation and Defence, Dairy cattle farming, Mining support; and Intensive agriculture;
- Sale plays an important role as a major service centre for the region, and as an industrial base for the major industries nearby, particularly oil and gas;
- Improvements and expansions of existing aviation infrastructure near Sale, including the East Sale RAAF Base and the West Sale Aerodrome, is likely to drive new economic opportunities in the aviation and related industries in Sale.
4. INDUSTRIAL LAND SUPPLY

4.1. INTRODUCTION

This section provides an assessment of the existing supply of industrial land in Sale and Wurruk, as well as an overview of previous land supply studies for the area. This includes land in the Industrial 1 Zone and the Commercial 2 Zone.

4.2. PREVIOUS LAND SUPPLY ASSESSMENTS

Previous assessments of industrial land supply in Sale are summarised as follows (noting that these reports considered industrial land being land in the Industrial 1 Zone):

- **Sale Industrial & Bulky Goods Zone Areas Review**, David Langmore (2004). The report identifies that there was approximately 100 hectares of IN1Z land in Sale. Of this zoned land, 28.8ha was identified as vacant industrial land. The report recommended that approximately 40-50 hectares of suitable land be rezoned to industrial zones. The period of projection for this report was 20 years;

- **Sale Industrial land and Retail Assessment**, Essential Economics (2006). As at 2006, Essential Economics identified that Sale had 100ha of industrial land, 22ha of which was potentially available for industrial development. It was estimated by Essential Economics that there would be demand for 60ha of industrial land by 2031 (25-year projection), meaning that approximately an additional 50ha of land would need to be rezoned to accommodate for annual growth, strategic development sites and relocation or expansion of existing businesses;

- **Industrial and Business Zones Review**, Coomes Consulting (2007). Adopted the same industrial land requirements of 50ha, plus bulky goods land requirement of 10-15ha. The West Sale Aerodrome site was identified as the preferred location for industrial rezoning.

4.3. CURRENT LAND SUPPLY

An audit of industrial land was undertaken by Urban Enterprise in August 2017 based on Council’s rates database and verified through a site visit. It is estimated that there is currently 90.8 hectares of land in the Industrial 1 Zone in Sale, 71.1 hectares of which is occupied and 18.7 hectares is vacant. 46.3 hectares of land is within the Commercial 2 Zone, 18.8 hectares of which are vacant and unconstrained.

Figure 3 shows the location of the existing industrial and commercial precincts in Sale and Wurruk. Each are located and labelled with an identification number and a precinct name. Land supply information is summarised in Table 3.

It is important to note that one industrial rezoning occurred since the previous reports were prepared. In 2017, Amendment C51 rezoned approximately 7 hectares of unused public land from the Industrial 1 Zone to the Farming Zone and Public Park and Recreation Zone north of Raglans Road and west of Saleyards Road. The supply figures in this assessment do not include the land formerly in the IN1Z in that area. This is likely to be the cause of some discrepancy in the supply figures of this assessment and previous assessments.
FIGURE 3 LOCATIONS OF EXISTING INDUSTRIAL AND COMMERCIAL PRECINCTS, SALE AND WURRUK

TABLE 3 EXISTING INDUSTRIAL LAND SUPPLY BY PRECINCT, SALE, 2017

<table>
<thead>
<tr>
<th>ID</th>
<th>Industrial Precincts (IN1Z)</th>
<th>Occupied</th>
<th>Vacant</th>
<th>Constrained</th>
<th>Total</th>
<th>% of sub-total</th>
<th>Vacancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wurruk</td>
<td>18.6</td>
<td>3.9</td>
<td>0</td>
<td>22.5</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>2</td>
<td>Sale West</td>
<td>22.6</td>
<td>3.5</td>
<td>0</td>
<td>26.1</td>
<td>29%</td>
<td>13%</td>
</tr>
<tr>
<td>3</td>
<td>Sale East</td>
<td>25.2</td>
<td>10.7</td>
<td>0</td>
<td>35.9</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>4</td>
<td>Sale South</td>
<td>4.7</td>
<td>0.6</td>
<td>1.0</td>
<td>6.3</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>71.1</td>
<td>18.7</td>
<td>1.0</td>
<td>90.8</td>
<td></td>
<td>21%</td>
</tr>
<tr>
<td>Commercial Precincts (C22)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Sale CBD</td>
<td>4.4</td>
<td>0.4</td>
<td>0</td>
<td>4.8</td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>6</td>
<td>Sale North</td>
<td>12.3</td>
<td>18.3</td>
<td>0</td>
<td>30.6</td>
<td>66%</td>
<td>60%</td>
</tr>
<tr>
<td>7</td>
<td>Wurruk East</td>
<td>2.2</td>
<td>0.1</td>
<td>0</td>
<td>2.3</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>8</td>
<td>Sale South West</td>
<td>8.5</td>
<td>0</td>
<td>0</td>
<td>8.5</td>
<td>18%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>Sub Total</td>
<td>27.5</td>
<td>18.8</td>
<td>0</td>
<td>46.3</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>98.1</td>
<td>37.5</td>
<td>1.0</td>
<td>136.6</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Wellington Shire Council Rates Data, 2017
LOT SIZE PROFILE

Table 4 shows the distribution of lot sizes within each precinct and Table 5 identifies the distribution of lot sizes of only the vacant parcels within these precincts. Analysis of the table shows:

- More than 80% of industrial lots are of less than 0.5 hectares in size and none are larger than 10 hectares;
- Only 2 vacant industrial lots are greater than 1 hectare, one of which is greater than 5 hectares (Sale East – Wellington Business Park). This indicates a lack of capacity within the existing precincts to cater for a large, strategic business to locate in Sale;
- The commercial precincts have one major vacant parcel located in the North Sale precinct, providing more than 10 hectares of vacant supply. This lot contains almost all the existing vacant supply of commercial land in Sale; and
- There are 25 smaller vacant industrial lots (less than 1 hectare) dispersed across Sale and Wurruk. These are commonly remaining undeveloped lots from older subdivisions.

Figure 4 shows the location of the vacant industrial and Commercial 2 lots.

### TABLE 4 PARCEL SIZE BY PRECINCT, SALE AND WURRUK, 2017

<table>
<thead>
<tr>
<th>Industrial Precinct (Parcel size)</th>
<th>0 - 0.1</th>
<th>0.1 - 0.5</th>
<th>0.5 - 1</th>
<th>1 - 5</th>
<th>5 - 10</th>
<th>10+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wurruk</td>
<td>0</td>
<td>26</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>34</td>
</tr>
<tr>
<td>Sale West</td>
<td>12</td>
<td>15</td>
<td>5</td>
<td>7</td>
<td>1</td>
<td>0</td>
<td>40</td>
</tr>
<tr>
<td>Sale South</td>
<td>1</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Sale East</td>
<td>18</td>
<td>66</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td>94</td>
</tr>
<tr>
<td>Sub-total</td>
<td>31</td>
<td>114</td>
<td>17</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>180</td>
</tr>
<tr>
<td>Commercial Precinct (C2Z)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale CBD</td>
<td>17</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Sale North</td>
<td>25</td>
<td>23</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>58</td>
</tr>
<tr>
<td>Wurruk East</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Sale South West</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Sub-total</td>
<td>17</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>104</td>
</tr>
<tr>
<td>Total</td>
<td>79</td>
<td>154</td>
<td>26</td>
<td>20</td>
<td>4</td>
<td>1</td>
<td>284</td>
</tr>
<tr>
<td>% of Total</td>
<td>28%</td>
<td>54%</td>
<td>9%</td>
<td>7%</td>
<td>1%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Wellington Shire Council, 2017

### TABLE 5 VACANT LOT PARCEL SIZE BY PRECINCT, SALE AND WURRUK, 2017

<table>
<thead>
<tr>
<th>Industrial Precinct (Parcel size)</th>
<th>0 - 0.1</th>
<th>0.1 - 0.5</th>
<th>0.5 - 1</th>
<th>1 - 5</th>
<th>5 - 10</th>
<th>10+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wurruk</td>
<td>0</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Sale West</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Sale South</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Sale East</td>
<td>0</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Sub-total</td>
<td>2</td>
<td>19</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>27</td>
</tr>
<tr>
<td>Commercial Precinct (C2Z)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale CBD</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Sale North</td>
<td>4</td>
<td>9</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Wurruk East</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Sale South West</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sub-total</td>
<td>7</td>
<td>10</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>29</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>47</td>
</tr>
<tr>
<td>% of Total</td>
<td>20%</td>
<td>64%</td>
<td>9%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Wellington Shire Council, 2017
UNOCCUPIED INDUSTRIAL SITES

There were a number of industrial sites that were observed on the site visit to be unoccupied but not vacant. These lots include:

- The former Nylex site in Precinct 2; and
- The former Avon Building Supplies site in Precinct 5.

These sites have not been included as ‘vacant’ supply as they do not represent a site that any business could immediately occupy and operate from given the substantial depreciated improvements on the site. These sites could provide a suitable location for certain larger businesses, however significant costs would be incurred in order to make the site fit for the new purpose. Unless specific locational advantages are seen in occupying established unoccupied sites, new businesses would more commonly seek vacant greenfield sites that can be improved to meet the specific needs of that business.
4.4. INDUSTRIAL PRECINCT PROFILES

This section provides an analysis of the conditions within existing industrial precincts in Sale and Wurruk based on Council’s rates database, Australian Business Register data, Remplan Economy Data (for Council) and site visits. Some gaps in the ABR data are apparent however this data provides a reasonable overview of the type of businesses which occupy each precinct.

4.4.1. WURRUK

LAND SUPPLY
- 22.5 hectares of zoned IN1Z land;
- A dedicated industrial subdivision;
- Many sites are occupied, however 3.9 hectares of land remains vacant in 11 properties (9 of which are less than 0.5ha);
- Lots commonly between 0.1 to 0.5 hectares, with only three larger lots over 1 hectare in area.
- One large lot greater than 5 hectares occupied by engineering facility ‘Rotafab’.

BUSINESSES AND EMPLOYMENT

As shown in Table 6, the most common business types are within the Construction, Other services, Manufacturing and Transport industries. Employment is primarily in the Manufacturing and Construction industries. A number of large format manufacturing business are located in this area which serve the oil and gas industry.

TABLE 6 BUSINESS ACTIVITY AND EMPLOYMENT BY INDUSTRY, WURRUK

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of businesses</th>
<th>% of Total</th>
<th>Employment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>3</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>Other Services</td>
<td>3</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>3</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>All other industries</td>
<td>8</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Business Register, 2017; Remplan Economy, 2017.

INTERFACES

This precinct has interfaces with the Thomson River to the north, residential properties to the west, farming land to the west and the Melbourne to Bairnsdale rail-line to the south. Residential land in Wurruk is located to the south of the Princes Highway, with a separation distance of more than 100m. The western boundary of the area is separated from the residential zone by approximately 60m of parkland. An active recreation reserve is located to the north of the industrial area.

Overall there is good separation between the industrial uses and sensitive uses and no apparent interface issues.

ACCESS

The industrial properties do not share road use with the residential properties with a designated road (Hunt Place) providing access to the precinct from the Princes Highway via a roundabout. No access issues are apparent.
4.4.2. SALE WEST

LAND SUPPLY

- This precinct has a total of 27.1 hectares of industrial land across four separate areas;
- There is 3.5 hectares of vacant land across four properties, although the largest vacant property (more than 2 hectares) is owned by the nearby Gippsland Grammar School;
- The majority of the properties are less than 0.5 hectares, with 7 lots between 1 to 5 hectares;
- 1 large lot (greater than 5 hectares) is occupied by the stock saleyards.

BUSINESSES AND EMPLOYMENT

Two major types of business activity are prominent in this area: Construction and Other Services, as shown in Table 7.

TABLE 7 BUSINESS ACTIVITY BY INDUSTRY, SALE WEST 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of businesses</th>
<th>% of Total</th>
<th>Employment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>7</td>
<td>30%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Other Services</td>
<td>7</td>
<td>30%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>3</td>
<td>13%</td>
<td>15.6%</td>
</tr>
<tr>
<td>All Other</td>
<td>6</td>
<td>26%</td>
<td>64.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Business Register, 2017

INTERFACES

There are a number of interfaces with sensitive uses throughout the precinct. The northern and southern industrial properties directly abut residential properties. The majority of sites are within 300 metres of residential areas, indicating the interface conflicts are likely to occur in this area.

ACCESS

Road access to the precinct is primarily via the busy Saleyards Road, which is not proximate to any arterial roads or the Princes Highway. Residential traffic also utilises this road through connections with Dawson Street and Cemetery Road. The rail-line dissects the precinct and provides a barrier to movement.

Overall, large vehicle access to the precinct from main roads is poor and a number of access conflicts are apparent.

4.4.3. SALE EAST

LAND SUPPLY

- The precinct includes the Wellington Business Park and contains the largest amount of industrial land of any precinct (35.9 hectares);
- The precinct includes land both north and south of Raglan Street;
- A total of 10.7 hectares is vacant, most of which is at the north-eastern part of the precinct which is being progressively subdivided to create smaller lots (approximately 2,000 sqm);
- Most lots in this area are relatively small (70% are between 0.1 and 0.5 hectares);
- One ‘balance’ lot is more than 5 hectares which is proposed for further subdivision in the future;
- This precinct has 6 vacant lots, all sized between 0.1 and 0.5 hectares.

BUSINESSES AND EMPLOYMENT

The most common industry of businesses operating in the precinct is Construction. GBG Concrete & Construction occupies approximately 5 hectares of land in the Wellington Business Park. Many new businesses in the area
Table 8: Business Activity by Industry, Sale East 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of businesses</th>
<th>% of Total</th>
<th>Employment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>10</td>
<td>19%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>7</td>
<td>13%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>6</td>
<td>11%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>6</td>
<td>11%</td>
<td>3.0%</td>
</tr>
<tr>
<td>All Other</td>
<td>24</td>
<td>45%</td>
<td>65.5%</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Business Register, 2017; Remplan Economy, 2017.

**INTERFACES**

The Wellington Business Park primarily interfaces with farming land to the north and east. To the west, there is a separation of approximately 200 metres to any sensitive uses (residential), indicating limited chances of interface conflicts.

South of Raglan Street, however, industrial land directly abuts residential properties on three sides presenting a clear interface conflict and a high likelihood of conflicts associated with noise, light and other issues.

**ACCESS**

Access to the Wellington Business Park is good for large vehicles from Raglan Street, a Council arterial road, which connects the Princes Highway to the RAAF Base in East Sale. South of Raglan Street, the access points to the industrial and residential areas are shared.

The access is appropriate for a secondary industrial area, however access is not optimal for larger businesses and transport oriented uses which would generally seek direct or proximate access to a major highway without the need to travel through a major centre or utilise other access roads.

**4.4.4. SALE SOUTH**

**LAND SUPPLY**

- This small precinct has a total of 6.3 hectares;
- 1.6 hectares is currently vacant, with approximately 1 hectare of this supply being constrained by the Land Subject to Inundation Overlay (LSIO). Some former warehouses have recently been demolished, with these parcels now vacant;
- There are only 12 lots in this precinct, most between 0.1 and 0.5 hectares. There is only one lot greater than 1 hectare in size;
- There are 4 vacant parcels, 3 of which are between 0.1 and 0.5 hectares.

**BUSINESSES AND EMPLOYMENT**

The most prevalent business industry is Other Services, which are largely mechanical and automotive services. Education and training, Public administration & safety and Manufacturing industries are also represented, along with wood product manufacturing and a maintenance depot for Gippsland Grammar.
### Table 9: Business Activity by Industry, Sale South 2017

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of businesses</th>
<th>% of Total</th>
<th>Employment %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Services</td>
<td>4</td>
<td>44%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Education and Training</td>
<td>1</td>
<td>11%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1</td>
<td>11%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Public Administration &amp; Safety</td>
<td>1</td>
<td>11%</td>
<td>40.0%</td>
</tr>
<tr>
<td>All Other</td>
<td>3</td>
<td>33%</td>
<td>42.1%</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Business Register, 2017.

### Interfaces

Interfaces with sensitive uses exist to the south of the precinct, with residential properties separated from the industrial area by Stephenson Street. Relatively new residential lots to the south east are all within 200m of the existing industrial area, presenting a potential land use conflict.

The northern edge of the main industrial area has a small landscape buffer of 50 metres. The interface at McMillan Street has residential properties accessed from the same street as industrial properties, however industrial uses in this area are light (maintenance depot and storage sheds).

### Access

The precinct is well located adjacent to the South Gippsland Highway, providing direct large vehicle access. Some access conflicts with residential traffic exist on McMillan and Stephenson Streets, however. The precinct has reasonable proximity to the Princes Highway however proximity to the CBD limits efficiency of this access to the freeway network in both directions.

### 4.5. Commercial Precincts

The extent to which land currently in the Commercial 2 Zone provides appropriate opportunities for industrial land use is summarised as follows:

- C2Z land in the Sale CBD occupies a total of 4.8 hectares, with only 0.4 hectares vacant. All vacant lots are less than 0.5ha. The central location within the township and the access to the main road contributes to the high occupancy rate, generally by retail and highway sales businesses;

- C2Z in Sale North is the largest concentration of land in that zone, with a total of 30.6 hectares of zoned land north of the Sale CBD, 18.3 hectares of which is vacant and yet to be developed. A number of vacant lots exist in this precinct, however all (except for the large strategic development site) are less than 0.1 hectares in size;

- C2Z land in Wurruk East covers 2.3 hectares, of which only 0.1 hectares is vacant. The precinct comprises a small cluster of dated showroom and office premises, along with a school;

- C2Z land in the south-west of Sale includes a total of 8.5 hectares and is fully occupied, except for one major disused site on the south side of the Princes Highway. Many businesses in this area fulfil an industrial role, including warehousing, along with showrooms, highway sales and a caravan park.

Overall, commercial precincts do not provide appropriate opportunities for new or expanded light industrial uses which are permitted in the zone. Commercial 2 Zone areas are generally well occupied by large format retail uses and highway sales. Two large development sites bookend the town – although these sites may be broadly suitable for industrial use, it is expected that the highest and best use of these sites is likely to be commercial / retail given the relative lack of alternative available land supply across Sale for those land uses.
4.6. KEY FINDINGS

- Industrial land in Sale is fragmented across multiple precincts, many with interface conflicts with nearby residential uses and poor transport accessibility;
- There is approximately 19ha of vacant industrial land in Sale at present across 4 precincts, along with a number of larger sites that are either underutilised or disused (eg. Nylex);
- Only one industrial area in Sale is being progressively subdivided to create new industrial lots (Sale East). This area is predominantly providing new lots in small stages, typically 1,500 – 3,000sqm in area;
- There have been no additions to the industrial land supply stock in recent years (i.e. through rezoning);
- Gaps identified in the existing land supply primarily relate to the lack of opportunities for large format industrial sites with separation from sensitive uses and ready access to major roads;
- Business activity in existing precincts are generally in the construction industry, with manufacturing, professional, scientific and technical services and other services playing a secondary role;
- Overall, most industrial precincts have relatively poor access and interface issues. Only the Wurruk and Sale East precincts are considered appropriate and available to provide any meaningful opportunities to new industrial businesses, along with the potential strategic opportunities associated with large businesses seeking to occupy currently disused major properties such as the Nylex site;
- There are only two sites for strategic supply identified as appropriate for new large industrial businesses, however one is proposed to be progressively subdivided over time (Wellington Business Park);
- The remaining supply of land available for small and medium business currently has a total area of approximately 9 hectares across 25 smaller lots;
- Given that investors and businesses typically prefer to locate on newer, higher quality lots, rather than existing lots with improvements or interface / access issues, there is a distinct lack of the type of land that would be attractive to new industrial businesses in Sale. The ongoing subdivision of Wellington Business Park is the only location where this type of land is being made available.
5. INDUSTRIAL LAND DEMAND

5.1. INTRODUCTION

In regional areas, demand for industrial land typically falls within two broad categories:

- Large regional/export industrial businesses, generally requiring large sites in proximity to transport infrastructure and separate from residential areas; and
- ‘Local industrial’ businesses that primarily serve demand generated by the local population. This type of business activity is generally closely linked to the scale of the local population and growth and requires smaller lots that are accessible to local residents and businesses, often close to the town centre.

The drivers of demand and the specific needs of businesses in each category can vary considerably. This section provides an analysis of demand for each type of industrial land, drawing on a range of data sources including population growth, building construction activity, employment projections, observed land consumption rates and discussions with real estate agents, developers and Council’s Business Development Unit.

Please refer to Appendix A for data sources and geographic areas.

5.2. CONSULTATION

The findings are of consultation regarding industrial land demand are summarised as follows:

- Council receives occasional enquiries for larger industrial lots, however there are none available in Sale at present which suit the needs of interested parties which has precluded any major businesses locating in the area;
- Enquiries for larger industrial lots are typically related to industries associated with agriculture (eg. hydroponics, broiler farms), food processing (eg. milk processing) and specialised manufacturing;
- Most larger industrial businesses state that their primary location need is ‘market access’, including air, road and rail connections to Melbourne, interstate and overseas, when investigating potential sites in Wellington;
- The proposed Sale bypass presents a significant opportunity to co-locate new industrial land with a designated freight / heavy vehicle route;
- The local industrial market is relatively subdued in Sale and Wurruk at present, however moderate demand has been experienced in recent years for new smaller industrial lots recently created in the Wellington Business Park. 5 smaller lots (approximately 2,000sqm) sold over the past 18 months, in addition to one larger lot (1ha) being occupied by the expansion of an existing business. This has resulted in land consumption of approximately 2ha over 18 months in this area;
- Demand in Wellington Business Park is often linked to companies servicing the aeronautical industry associated with the East Sale RAAF Base (eg. flight simulators, training providers);
- Industrial land demand in Sale is primarily driven by existing businesses seeking a site to move from leasing to owner occupation;
- Industrial land sales in Wurruk have been limited in recent years and have only achieved low land prices (only 1 sale in past 18 months despite a number of lots being on the market). Most businesses in Wurruk serve the off-shore mining industry which is not strongly active at the moment;
- The majority of demand for industrial land in Sale is for areas close to town. Wurruk is appropriate for larger businesses but demand is weak at present for the mid-sized lots that are available in this area; and
- The lack of larger lots is a significant gap in the local land supply, and despite the advantages of being close to town many existing industrial areas are not well located to transport routes.

5.3. PREVIOUS ASSESSMENTS

Previous assessments suggest that a combined total of approximately 2.8-3.5 ha/annum is required for both local and strategic industrial demand in Sale and Wurruk.
5.4. POPULATION AND EMPLOYMENT GROWTH

POPULATION

Sale’s population has increased at a moderate rate over the past 10 years (0.59% per annum), with the growth rate slowing over the past 5 years (0.47% p.a.). The rate of growth in Sale has been slightly lower than the rate experienced across the municipality, as shown in Table 10.

TABLE 10  ESTIMATED RESIDENTIAL POPULATION, SALE SA2, 2006-2016

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellington (LGA)</td>
<td>40,525</td>
<td>41,960</td>
<td>43,354</td>
<td>+2,829</td>
<td>+283</td>
<td>0.68%</td>
</tr>
<tr>
<td>Sale (SA2)</td>
<td>13,942</td>
<td>14,441</td>
<td>14,783</td>
<td>+841</td>
<td>+84</td>
<td>0.59%</td>
</tr>
</tbody>
</table>


The Sale population is projected to increase at a higher rate than recent growth. Victoria in Future projects that Sale Town (including Wurruk) can expect an additional 2,300 people to reside there in the next 15 years as shown in Table 11, a rate of almost 1% per annum. This projected increase in population growth would be likely to lead to an increase in population-driven demand for industrial land in Sale.

TABLE 11  PROJECTED POPULATION GROWTH, WELLINGTON AND SALE VIFSA, 2016-2031

<table>
<thead>
<tr>
<th>Area</th>
<th>2016</th>
<th>2031</th>
<th>Population growth (2016-2031)</th>
<th>Average annual change (no.)</th>
<th>Average annual change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellington (S)</td>
<td>41,923</td>
<td>45,153</td>
<td>+3,230</td>
<td>+215</td>
<td>0.50%</td>
</tr>
<tr>
<td>VIFSA Sale Town</td>
<td>14,771</td>
<td>17,062</td>
<td>+2,291</td>
<td>+153</td>
<td>0.97%</td>
</tr>
</tbody>
</table>

Source: Victoria In Future, 2016.

EMPLOYMENT

Table 12 shows the employment by industry of workers in Sale (SLA and SA2) between 2006 and 2011. Employment in Sale and Wurruk increased by 862 jobs between 2006 and 2011, which equates to an average increase of 172 jobs per annum. Census data for 2016 is to be released in October 2017.

The major drivers of employment growth from 2006 to 2011 were the Health Care and Social Assistance, Accommodation and Food Services and Construction industries. The overall increase in employment in industries typically requiring industrial land was +173 jobs over the period.
### TABLE 12 EMPLOYMENT BY INDUSTRY SALE SLA AND SA2, 2006-2011

<table>
<thead>
<tr>
<th>Industry</th>
<th>2006 (Sale SLA)</th>
<th>2011 (Sale SA2)</th>
<th>Change in Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>352</td>
<td>350</td>
<td>-2</td>
</tr>
<tr>
<td>Construction</td>
<td>400</td>
<td>521</td>
<td>+121</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>118</td>
<td>151</td>
<td>+33</td>
</tr>
<tr>
<td>Rental, Hiring and Real Estate Services</td>
<td>82</td>
<td>103</td>
<td>+21</td>
</tr>
<tr>
<td>Industrial Sub-Total</td>
<td>952</td>
<td>1,125</td>
<td>+173</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>30</td>
<td>35</td>
<td>+5</td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>47</td>
<td>69</td>
<td>+22</td>
</tr>
<tr>
<td>Mining</td>
<td>176</td>
<td>194</td>
<td>+18</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1189</td>
<td>1,201</td>
<td>+12</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>470</td>
<td>589</td>
<td>+119</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>164</td>
<td>180</td>
<td>+16</td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>72</td>
<td>47</td>
<td>-25</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>141</td>
<td>142</td>
<td>+1</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>234</td>
<td>276</td>
<td>+42</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>161</td>
<td>188</td>
<td>+27</td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>461</td>
<td>529</td>
<td>+68</td>
</tr>
<tr>
<td>Education and Training</td>
<td>640</td>
<td>732</td>
<td>+92</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>1102</td>
<td>1,346</td>
<td>+244</td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>74</td>
<td>92</td>
<td>+18</td>
</tr>
<tr>
<td>Other Services</td>
<td>288</td>
<td>342</td>
<td>+54</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,285</strong></td>
<td><strong>7,147</strong></td>
<td><strong>862</strong></td>
</tr>
</tbody>
</table>

Source: ABS Census, 2006 & 2011 Note: Data areas for employment changes between 2006 and 2011. 2006 data is based on the Sale SLA, while the 2011 data uses the Sale SA2. The SA2 at 2011 incorporates a slightly larger portion of land to the south west of Wurruk which is primarily farming land and therefore unlikely to affect the comparison in any material way (with the exception of the Kilmany Park Function Centre).

### PROJECTING INDUSTRIAL EMPLOYMENT AND LAND DEMAND

As at 2011, there were 1,125 jobs in industries likely to require industrial land in the Sale SA2 (including Wurruk). If it is assumed that employment growth will track at the same pace as projected population growth over the next 15 years, industrial employment in Sale would increase at 0.97% per annum. This rate of growth would result in an additional 240 industrial jobs between 2011 and 2031 at a rate of 12 additional jobs per year, or an additional 180 industrial jobs in Sale over a typical 15-year projection period.

### TABLE 13 PROJECTED SALE AND WURRUK INDUSTRIAL LAND REQUIREMENTS, - POPULATION MODEL

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale SA2</td>
<td>1,125</td>
<td>0.97%</td>
<td>1,365</td>
<td>+240</td>
<td>+12</td>
<td>+180</td>
</tr>
</tbody>
</table>

Source: Urban Enterprise, 2017

Table 14 converts the employment projection results into land requirements, assuming that:

- An average industrial employment density of 100 sqm per employee for ‘local industrial’ uses;
- Average site coverage of 33% to allow for car parking, loading, access, outdoor storage, etc; and
- Net Developable Area will comprise 70% of gross developable area in new subdivisions (allowing for roads, drainage and open space).

The model shows that the estimated industrial land requirement to support population growth will be approximately 0.5ha per annum over the next 15 years. This is a simple method for estimating the scale of industrial land demand that may be generated purely by population growth. Other demand could be generated by larger businesses seeking a strategic site due to specific locational advantages.
### TABLE 14 PROJECTED INDUSTRIAL LAND REQUIREMENTS - POPULATION MODEL

<table>
<thead>
<tr>
<th>Employment Growth Demand</th>
<th>Sale industrial land to 2031</th>
<th>Average employment density (sqm/employee)</th>
<th>Floorspace required (sqm)</th>
<th>Average Site coverage</th>
<th>Net land required (sqm)</th>
<th>Net land required (ha)</th>
<th>Net land % of gross land</th>
<th>Gross land required to 2031 (ha)</th>
<th>Gross land required per annum (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>180</td>
<td>100</td>
<td>18,000</td>
<td>33%</td>
<td>55,000</td>
<td>5.5</td>
<td>70%</td>
<td>7.9</td>
<td>0.53</td>
<td></td>
</tr>
</tbody>
</table>

Source: Urban Enterprise, 2017

### 5.5. CONSTRUCTION AND DEVELOPMENT

The scale and trend of industrial building construction activity is a useful indicator of demand for industrial land in an area.

Over the period 2012 to 2016, industrial approvals in Sale averaged approximately $1m per annum, with a significant increase in 2016 compared with previous years. This increase aligns with the release of a new stage of lots in the Wellington Business Park, indicating that the creation of appropriately sized and located lots was able to meet a level of demand that was not met in previous years.

The graph in Figure 5 also demonstrates the ongoing importance of industrial development outside Sale across Wellington, reflecting the strong agricultural and resources focus of the economy and the role of Sale as primarily a service industrial location.

![Figure 5: Value of Industrial Building Approvals, Wellington Shire, 2006/07-2015/16](source: ABS Building Approvals)

### COUNCIL PLANNING AND BUILDING PERMITS

Table 15 shows the number of planning, building and subdivision permits approved by Wellington Shire Council in existing Industrial Zones and Commercial 2 Zones in Sale and Warruk between 2006 and 2016.

The key findings from this analysis include:

- The trend in the number of planning permits in Sale and Warruk has generally been consistent throughout the 10-year period of analysis. Data includes changes of use, new uses and subdivisions;
- Building approvals have been relatively consistent since 2010. Data includes new buildings, extensions and alterations;
- Larger industrial subdivisions took place in 2012 and 2014, with a total of 72 lots created over 10 years, and
- Only 20 new lots were created through subdivision in the Commercial 2 Zones over the past 10 years.
### TABLE 15 NUMBER OF PLANNING AND BUILDING APPROVALS, 2006-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Planning Approvals</th>
<th>Building Approvals</th>
<th>Number of lots created</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IN1Z</td>
<td>C2Z</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>14</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>31</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>2008</td>
<td>18</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>15</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>2010</td>
<td>17</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>2011</td>
<td>17</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>2012</td>
<td>17</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>2013</td>
<td>13</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>2014</td>
<td>17</td>
<td>17</td>
<td>42</td>
</tr>
<tr>
<td>2015</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td>15</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>184</td>
<td>157</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Wellington Shire, All Permit Applications, 2017

The available land area created by these subdivisions and the area of properties that have since had a new industrial facility constructed are shown in Table 16 based on Council’s rates database and desktop analysis.

Through the 72 lots created by subdivision, 17.5 hectares of land was made available for industrial development, of which 7.6 hectares has since been occupied at an average rate of 0.7 hectares per annum. If this rate of development continued, there will be projected demand for 10.5 hectares of industrial land over the next 15 years.

### TABLE 16 LAND CONSUMPTION DEMAND FROM SUBDIVISIONS, SALE

<table>
<thead>
<tr>
<th>Land Type</th>
<th>Rate of lots created</th>
<th>Land Area created by subdivision (ha)</th>
<th>Land Area developed after subdivision (ha)</th>
<th>Rate of consumption (ha/annum)</th>
<th>Rate of Land Demand</th>
<th>Land Demand to 2031 (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>72</td>
<td>17.5</td>
<td>7.6</td>
<td>0.7</td>
<td>0.7</td>
<td>10.5 ha</td>
</tr>
</tbody>
</table>


### WELLINGTON BUSINESS PARK

Discussions with a developer in Wellington Business Park identified that there had been 6 lots sold in 18 months, consuming a total of 2 hectares. Five of these lots were local growth of approximately 0.2 hectares lot size, while the other was a strategic site of approximately 1 ha. The results of this discussion are shown in Table 17, with key findings including:

- Local consumption is likely to be relatively low, but consistent, at approximately 0.7 ha/annum;
- Strategic consumption is less predictable with only one lot being consumed in 18 months; and
- There is approximately 5 to 10 years of local supply left in the Wellington Business Park.

### TABLE 17 CONSUMPTION OF INDUSTRIAL LAND, WELLINGTON BUSINESS PARK, JAN 2016 – AUG 2017

<table>
<thead>
<tr>
<th>Type of Demand</th>
<th>Number of lots sold</th>
<th>Area consumed</th>
<th>Rate of consumption per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>5</td>
<td>1 ha</td>
<td>0.7 ha</td>
</tr>
<tr>
<td>Strategic</td>
<td>1</td>
<td>1 ha</td>
<td>0.7 ha</td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>2ha</td>
<td>1.4ha</td>
</tr>
</tbody>
</table>

5.6. OTHER DEMAND CONSIDERATIONS

A range of other considerations have been identified which should guide estimates of future industrial land demand:

- There may be a degree of latent demand for larger lots, given the lack of such lots being available to the market over the past 5 years;
- The release of new lots in the Wellington Business Park has led to a recent increase in industrial building activity, which has accommodated both traditional industrial land uses as well as non-traditional uses such as offices, training and recreation. The role of ‘local’ industrial estates in providing land and floorspace to accommodate a range of business types is a trend that is occurring across regional and metropolitan areas. In the case of Sale, a lack of alternative business premises (such as existing vacant premises in the Commercial 2 Zone) is likely to continue to result in a wide range of business types seeking lower cost space in new industrial areas. These uses are generally driven by population growth which is expected to increase, and will seek proximity to residential and commercial areas such as in the Wellington Business Park. These uses also generally seek higher quality/amenity locations given the commercial nature and higher ‘visitor’ focus of the business activities;
- Although some existing industrial sites have sufficient land available to enable existing businesses to expand, other sites are well utilised, meaning that alternative sites would be required to facilitate expansion of existing businesses. Given the relative lack of larger sites, it is important that an allowance is made for the movement of existing businesses to new and larger premises for economic and employment growth.

These factors combine to indicate that Council should plan to provide for an industrial land supply which exceeds simply the modelled land requirements in this section. It is important, however, to consider how the strategic supply of industrial land proposed through potential rezoning of the candidate areas would align with the broader economic and infrastructure fundamentals of Sale within the Gippsland region.

IS SALE A COMPETITIVE LOCATION FOR MAJOR INDUSTRIAL LAND USE?

Major industrial businesses (those serving a state-wide, national or international market) generally seek the following locational attributes. Please note that this is not intended to be an exhaustive list:

- Proximity to ports, airports and other freight terminals for distribution and export of products;
- Access to major transport corridors, primarily highways/freeways and/or the rail freight network;
- Proximity to major sources of demand and labour (eg. metropolitan areas);
- Access to high-capacity infrastructure, such as water, gas and electricity;
- Proximity to source of inputs to production (eg. primary resources, input goods, etc); and
- Co-location with other major industrial businesses and supporting industries.

Gippsland itself is not optimally located in respect of the major export infrastructure in Victoria, namely Melbourne Airport and the Port of Melbourne, each of which are more easily accessed from the north and/or west of the metropolitan area of Melbourne.

From a regional perspective, Sale is located at the eastern ‘end’ of the Latrobe Valley. Other major Gippsland centres (Traralgon, Moe, Morwell and Warragul) are better located in terms of proximity and access to metropolitan infrastructure and demand markets, as well as the labour market provided in south-eastern Melbourne and Baw Baw Shire. However, other regional centres in Gippsland do not offer a significant supply of undeveloped industrial land which has direct or ready access to the Princes Highway / Freeway, suitable for large vehicles and separated from other urban uses (with the exception of some land in Morwell).

Sale is well located in terms of proximity to primary produce in Wellington Shire and East Gippsland Shire, although processing networks are generally well established, such as timber mills in Heyfield and dairy processing in Maffra.

The duplication of the Princes Highway to Sale and the prospect of a new alternative truck route bypassing the Sale CBD may improve the attractiveness of the West Sale area to transport-related businesses and to those seeking a base from which to service central and East Gippsland.

Overall, the characteristics of Sale do not closely align with the primary location criteria that would generally be utilised by major industrial businesses when seeking a site to service a wide market, however the Candidate Areas
for this project do provide a relatively unique opportunity to meet regional demand and offer close proximity to a labour market and local produce.

**POTENTIAL ECONOMIC AND INDUSTRIAL OPPORTUNITIES**

The ongoing provision of appropriate industrial land in Sale is critical to support the growth of existing industries, as well as to facilitate opportunities for new industry growth, particularly those linked to innovation, research and production of new products and processes.

Sale’s position as the service centre for Wellington Shire and the location for an existing concentration of industrial and commercial businesses presents the opportunity to foster greater concentrations of urban industrial uses which draw on local infrastructure, trades, suppliers and labour.

Other opportunities may exist to attract larger businesses serving broader markets, however the main opportunities for new businesses are likely to be driven by the need for service local and regional industries as opposed to the attraction of new major manufacturers/exporters.

Preliminary opportunities identified include:

- Local industrial growth led by growing population needs, such as construction, workshops, storage, mechanics, equipment hire, etc.
- Expansion or relocation of existing Sale and Wurruk businesses to the Candidate Areas to provide larger sites, better separation from sensitive use and easier access to the highway network, Latrobe and Melbourne; and
- New medium sized industrial businesses seeking proximity to existing regional produce and a suitable labour supply (Sale and Traralgon) and ready access to the highway network.

Given the significant challenges faced by many traditional industries, it is important that new land is available to encourage and accommodate new business types which relate to the natural strengths of the Sale area and which leverage local, State and Federal government investment. Industries and business types that may be well suited to current opportunities and local advantages include:

- Aviation and associated industries, including safety, training, maintenance, recreation, storage, natural resource and emergency management, and advanced aviation technologies;
- Advanced manufacturing and engineering, including mineral resources and renewable energy technology;
- Food processing and value-adding, including those to support the agricultural and tourism sectors (eg. food and wine manufacturing); and
- Transport and distribution to assist export of local produce.

The following section provides an analysis of the characteristics of the Candidate Areas and the extent to which those characteristics align with the economic opportunities identified in this report.

**5.7. KEY FINDINGS**

The implications of the analysis of demand for industrial land in Sale and Wurruk include:

- There are two drivers of demand for industrial land, being local industrial business and large regional/export industrial businesses;
- The local demand rate for industrial land is projected to be between 0.5 and 0.7 ha/annum for the next 15 years, leading to a requirement of between 7.5 and 10.5 hectares of local industrial land by 2031;
- Strategic demand is less readily quantified, however Council and the developer of the Wellington Business Park have received multiple enquiries regarding larger lots between 2ha and 10ha over the past three years. Council should plan to accommodate at least and
- Previous assessments suggest that a combined total of approximately 2.8-3.5 ha/annum is required for both local and strategic industrial demand in Sale and Wurruk.

As a result of this analysis, it is recommended that Council plans to accommodate at least 1ha of ‘local’ industrial land demand per annum, plus a strategic allowance sufficient to accommodate long term demand for larger lots separate to existing urban areas. Although the exact area of this strategic allowance has not been defined at this
stage, an indicative allowance for at least 40 hectares of gross land is recommended which could accommodate in the order of 30 ha of industrial sites and at least 5 major businesses and a range of other medium businesses. This allowance would need to be tested through further work in the Strategy phase.
6. CANDIDATE AREA ANALYSIS

6.1. INTRODUCTION

This section provides an analysis of the conditions present at each of the proposed candidate areas for future industrial use.

6.2. PLANNING CONTEXT

The three identified Candidate Areas are each zoned in the Farming Zone and have been identified in the Sale, Wurruk and Longford Structure Plan (2010) as opportunity areas for rezoning to industrial land.

Three planning scheme amendments are currently proposed which may have implications for the study as follows:

- Amendment C84 – proposes to rezone land in the Wurruk Growth Area from LDRZ to GRZ1. This is in close proximity south-east of Candidate Area 1 in Wurruk. Any rezoning of the Candidate Area must consider the potential impacts to the future residential zone;
- Amendment C97 – proposes to rezone land at the Sale Sewerage Pump Station to enable Gippsland Water to build a new pump station to accommodate for the future long-term growth of Sale. It is expected that the new pump station would provide necessary infrastructure to service residential and industrial growth for the next 50 years, particularly providing for the projected urban growth in Wurruk; and
- A future amendment is proposed to facilitate an extension to the West Sale Aerodrome runway by 300 metres at its eastern extremity and rezone the land from FZ to the Special Use Zone. The amendment also proposes to substantially reduce the extent of the Airport Environ Overlay (AEO) that applies to the land surrounding the runway. These proposed changes are shown in Figure 3, including the acquisition of land by Council which will reduce the overall land area within Candidate Area 2.

FIGURE 6 PROPOSED AMENDMENT CHANGES TO ZONES AND OVERLAYS, WEST SALE AERODROME

Source: Wellington Shire Council, 2017
6.3. CANDIDATE AREA 1: WURRUK

Candidate Area 1 at Wurruk is located immediately to the west of the existing Wurruk Industrial Precinct. The land area identified within this Candidate Area totals 42.3 hectares across 4 parcels.

6.3.1. PLANNING CONTEXT

PLANNING ZONES

The properties within the Candidate Area at Wurruk are currently located in the Farming Zone (FZ). East of the site is the existing Industrial 1 Zone (IN1Z), while to the north there is the Public Conservation and Resource Zone (PCRZ) which includes the Thompson River.

At this stage, the important future planning zone changes likely to take place in the surroundings to this area are the rezoning of land from LDRZ to GRZ1, to the south-east of the candidate area. The amendment for this change is Amendment C84, which was heard at a panel hearing in July 2017. Long term rezoning south of the candidate area to a residential zone is also identified in the Structure Plan (2010).

**FIGURE 7 PLANNING ZONES, CANDIDATE AREA 1, WURRUK**

Overlays

The northern portion of the Candidate Area is affected by the Land Subject to Inundation Overlay (LSIO).

The entire Candidate Area and surrounds are affected by the Design and Development Overlay – Schedule 6 (DDO6). This overlay ensures that building height does not adversely affect the operation of the East Sale RAAF Base. A permit is not required for any building less than 15 metres in building height within the bounds of this overlay.

The planning overlays applicable to the site and surroundings are shown in Figure 8.
6.3.2. PROPERTY AND OWNERSHIP

Figure 9 shows the ownership of properties within the candidate area. The average lot size of the parcels within this candidate area are approximately 11 hectares. Three properties shown as 1B are all owned by a single owner, who also owns the property immediately west of the candidate area.

Each land owner in Candidate Area 1 was contacted and consulted via phone to discuss the project and their future intentions for their land. It was apparent that the parcels in this location are primarily used for farm land / grazing. A substantial primary residence exists to the immediate west of the candidate area, the impact on which would need to be considered in any future planning for industrial use.

Owners are open to further discussions about land and the potential for development. Property 1A is currently on the market for sale.
6.3.3. Interfaces and Potential Planning and Property Constraints

The Candidate Area has interfaces with the existing Wurruk Industrial Estate, the railway line, Crown Land and the Thomson River to the north and farming land to the west.

An area of Low Density Residential Zone (LDRZ) is located to the south-east of the site, with the nearest house more than 200 metres from the site boundary. Future residential use foreshadowed to the south of the Princes Highway in the long term may impact the typical buffer areas.

The Candidate Area is currently accessed from the Princes Highway via a minor railway crossing (property 1B), while property 1A is landlocked and cannot be accessed via the existing road network. The existing rail crossing does not appear to be appropriate for large vehicles.

Ownership is not considered a constraint to future development within this Candidate Area.

6.4. Candidate Area 2: West Sale Aerodrome

Candidate Area 2 is located adjacent to the West Sale Aerodrome and covers an area of approximately 60ha.

6.4.1. Planning Context

Planning Zones

Land in Candidate Area 2 is within the Farming Zone (FZ). The Candidate Area is adjacent to the Special Use Zone – Schedule 1 (SUZ1), which contains the West Sale Aerodrome as shown in Figure 10.

Due to a current process involving land acquisition by Council to facilitate an expansion of the aerodrome, the original Candidate Area (from the 2010 Structure Plan) has been separated into three sub-areas as follows:

- An area that is ‘definite’ for ongoing consideration as part of this study (54.5ha);
- An area that has ‘potential’ for ongoing investigation, although this area would be separated from the main candidate area by a new access road to the aerodrome (3.8ha); and
- An area that is now ‘unlikely’ to be appropriate for consideration as part of the Candidate Area due to being separated from the balance of the candidate area by the expanded aerodrome (2.0ha).

FIGURE 10 Planning Zones, Candidate Area 2, West Sale Aerodrome

Source: Urban Enterprise, 2017
OVERLAYS

The properties within this Candidate Area are impacted by the Airport Environment Overlay Schedules 1 and 2 (AEO1) (AEO2). As shown in the previous section (Figure 6), the extent of the AEO will be significantly reduced if the proposed amendment is approved, resulting in AEO2 applying to just 0.25 hectares of the Candidate Area and AEO1 not affecting the Candidate Area.

DDO6 also impacts the full area of the Candidate Area, requiring planning permits for any building greater than 15 metres in height.

**FIGURE 11 PLANNING OVERLAYS, CANDIDATE AREA 2, WEST SALE AERODROME**

6.4.2. LAND OWNERSHIP

Candidate Area 2 includes 6 properties in separate ownership. Larger lots are approximately 20 hectares in area. Figure 12 shows the location of each property within the candidate area.

All land owners in Candidate Area 2 were contacted and consultation was possible with all except one (the owner of the land identified as ‘potential’ and ‘unlikely’). Land in this area is primarily used for residential purposes, with the remaining land providing grazing, cattle, vegetable and other farm activities. The western-most property is also occasionally used to host events within an old homestead.

Land owners intend to continue living on their properties for the foreseeable future however medium-term land sales to facilitate development were not opposed in principle.
6.4.3. INTERFACES AND POTENTIAL PLANNING AND PROPERTY CONSTRAINTS

The Candidate Area is well separated from potential sensitive uses, with the exception of a single dwelling across Sale-Heyfield Road. The interface with the West Sale Aerodrome would need to be considered through appropriate access, security and building design controls.

Land ownership is not considered to be a constraint to future development, however the multiple ownership and the variety of existing land uses could delay and/or complicate the prospects of short term development of the area for industrial purposes.

WEST SALE AERODROME

Consultation with the West Sale Aerodrome property manager and the property manager of the Federation Training Campus which currently operates within the aerodrome lane revealed the following:

- The extension of the runway and development of new supporting facilities at the aerodrome (as outlined in the West Sale Aerodrome Masterplan) will cater to new training requirements for the RAAF and is likely to generate greater usage of the aerodrome and therefore could generate new associated business opportunities in the area;
- Council is currently going through the process of subdividing land within the aerodrome to create new freehold land which is to be sold to the private market for existing and new businesses associated with aviation to establish in the SUZ; and
- Federation Training currently lease a large area from Council as a training campus, however the improvements are dated and require significant investment to meet current market expectations. Federation is reviewing options to create a new campus elsewhere, which would result in them vacating the current site;

The implications of these circumstances are that the West Sale Aerodrome is likely to experience a significant degree of change over the short to medium term, and that a range of new business opportunities could be created.
6.5. CANDIDATE AREA 3: FULHAM

The Candidate Area at Fulham is located south of the Princes Highway and east of the Fulham Correctional Facility on Hopkins Road. This area has the largest area of all Candidate Areas, with approximately 100 hectares across three properties.

6.5.1. PLANNING CONTEXT

PLANNING ZONES

Land is within the Farming Zone (FZ). The Fulham Correctional Facility is within the Special Use Zone (SUZ2).

FIGURE 13 PLANNING ZONES, CANDIDATE AREA 3, FULHAM

OVERLAYS

There are two overlays that impact the candidate area at Fulham, being AEO2 and DDO6, as shown in Figure 14. These overlays also affect the other candidate areas. DDO6 requires a permit for building construction greater than 15 metres in building height. Proposed amendment to AEO2 will remove the overlay from the entire site.

FIGURE 14 PLANNING OVERLAYS, CANDIDATE AREA 3, FULHAM

Source: Planning Maps Online, 2017
6.5.2. LAND OWNERSHIP

Figure 15 shows the location of the properties within the candidate area. The lot sizes in this candidate area are considerably larger than in the other Candidate Areas: two of the sites are approximately 25 hectares in area and the largest property is approximately 45 hectares. One land owner controls two of the properties and a total of approximately 73 hectares of the land (shown as 3A in Figure 15).

Both land owners in this area were consulted. Each property is current used for residential purposes, with one containing significant improvements associated with animal breeding. Given the substantial investment in these improvements, the owner is not likely to consider selling the site to facilitate industrial development.

FIGURE 15 LAND OWNERSHIP CANDIDATE AREA 3

6.5.3. INTERFACES AND POTENTIAL PLANNING AND PROPERTY CONSTRAINTS

The Candidate Area is well separated from urban areas and has main interfaces with farming land and the Princes Highway.

The only potential sensitive use identified is the adjacent Fulham Correction Facility which is accessed from Hopkins Road. Consultation with the Facility identified that Hopkins Road is an important route if any prisoner evacuation is required and that the potential impact of industrial land use on the significant prisoner population (over 900) should be considered.

It is noted that the uses with adverse amenity potential clause of the Planning Scheme (Clause 52.10) does not explicitly include land used for a Correctional Facility as a sensitive use. Rather, the following list of sensitive uses are included: “land in a residential zone, Capital City Zone or Docklands Zone, land used for a hospital or an education centre or land in a Public Acquisition Overlay to be acquired for a hospital or an education centre.” This issue would need further investigation if Candidate Area 3 were to be identified as the preferred location for future industrial land use.
Given the significant investment in improvements and the relatively entrenched land use, land ownership is a potential constraint to development in Candidate Area 3, particularly to the south of the Area.

### 6.6. BIODIVERSITY

A Desktop Biodiversity Assessment of each Candidate Area was undertaken by Ecology and Heritage Partners, dated August 2017. The Assessment is included in the Appendices to this report.

The key findings of the report are summarised as follows:

- Current (2005) modelled mapping indicated that there is 35.35 hectares of native vegetation remaining within the three candidate areas. However, current aerial imagery shows little evidence of native canopy cover in Candidate Areas 2 and 3, while some remnant vegetation remains within Candidate Area 1;
- There is a small amount of wetland present in all three sites, with a total area of 2.23 hectares;
- Research and analysis identified endangered vegetation within Area 1 (6ha), Area 2 (14ha) and Area 3 (15ha) as shown in Table 18;
- It is possible that two listed ecological communities occur in the study area: Gippsland River Red Gum Grassy Woodland and associated native grassland, and Seasonal Herbaceous Wetlands;
- Native vegetation and biodiversity values are most likely to be present in Site 1 adjacent to the Thomson River. Opportunities for development are likely to have a lower impact on biodiversity values in other areas of Site 1 away from the river as well as within Sites 2 and 3;
- Native vegetation with the highest risk is located at the western end of Candidate Area 2;
- Any clearing of native vegetation would require a site assessment to determine the extent of clearing and the associated risk-based pathway;
- The Candidate Areas occur within the same catchment as a Ramsar Wetland. As a result, management practices and construction techniques should be consistent with EPA Guidelines in respect of erosion and sediment control and surface water flows;
- There is potential for one listed flora species occurring: River Swamp Wallaby-grass. It is also possible that there may be habitat for three listed fauna species: Grey-headed flying fox, growling grass frog and dwarf galaxias;
- Development of the areas would require a site assessment and hydrological assessment;
- Development may trigger an Environmental Effects Statement referral – a site assessment would be required to investigate this.

### TABLE 18 EXTENT OF REMNANT NATIVE VEGETATION PRESENT WITHIN THE CANDIDATE AREAS, 2005

<table>
<thead>
<tr>
<th>Site</th>
<th>EVC</th>
<th>EVC Number</th>
<th>Bioregional Conservation Status</th>
<th>Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Plains Grassy Woodland</td>
<td>55</td>
<td>Endangered</td>
<td>1.36</td>
</tr>
<tr>
<td>1</td>
<td>Floodplain Riparian Woodland</td>
<td>56</td>
<td>Endangered</td>
<td>5.22</td>
</tr>
<tr>
<td>2</td>
<td>Plains Grassy Woodland</td>
<td>55</td>
<td>Endangered</td>
<td>8.16</td>
</tr>
<tr>
<td>2</td>
<td>Plains Grassy Woodland/ Gilgai Wetland Mosaic</td>
<td>259</td>
<td>Endangered</td>
<td>5.70</td>
</tr>
<tr>
<td>3</td>
<td>Plains Grassy Woodland</td>
<td>55</td>
<td>Endangered</td>
<td>14.91</td>
</tr>
</tbody>
</table>

Source: 2005 data; DELWP 2017b
6.7. CULTURAL HERITAGE

A Desktop Cultural Heritage Assessment of each Candidate Area was undertaken by Ecology and Heritage Partners, dated August 2017. The Assessment is included in the Appendices to this report.

The key findings of the report are summarised as follows:

- A search of the VAHR identified a total of 4 registered Aboriginal Places (and their associated components) within the search area. These sites consist of a total of 3 site types comprising: a low-density artefact distribution, stone artefact scatters and an earth feature. Three of these sites are located along the northern boundary of Candidate Area 3;
- Candidate Area 1 is situated within an area of cultural heritage sensitivity as it is situated within 200 m of a waterway, namely Thomson River. Given that previous archaeological investigations have identified the high likelihood of Aboriginal cultural heritage to be present within close proximity to the Thomson River there is high potential that Aboriginal cultural heritage will be present within Candidate Area 1;
- Candidate Area 3 is situated within an area of cultural heritage sensitivity as mapped under the Aboriginal Heritage Regulations 2007 as it is situated within 50 m of a number registered cultural heritage places which are listed on the Victorian Aboriginal Heritage Register. A aeolian landform is highly likely to be present within Area 3, with the place being assessed as having ‘moderate scientific significance’;
- Candidate Area 2 is not situated within an area of cultural heritage sensitivity, however proximity to the Aeolian sand deposit south of the Princes Highway has led to the recommended that if future industrial subdivision of Candidate Area 2 is to take place, further investigation is required in order to ascertain whether this sensitive landform is present.
- The proposed use for these Candidate Areas (i.e. industrial subdivision and development) is considered a ‘high impact activity’. Therefore, an Aboriginal Cultural Heritage Management Plan is mandatory for Candidate Areas 1 and 3. An Aboriginal Cultural Heritage Management Plan is not required for Candidate Area 2, however it is recommended that a voluntary plan is undertaken.

6.8. INFRASTRUCTURE

An infrastructure analysis was undertaken by TGM Group dated August 2017 and included in the Appendices. The key findings of the assessment are as follows.

WATER SUPPLY

Findings from the modelling of water demand undertaken by Gippsland Water are:

- Candidate Area 1 can be serviced without any upgrades to the existing system, via an extension of the 150mm main along Hunt Place;
- Candidate Area 2 (and development of both Candidate Area 1 and Candidate Area 2) can be serviced with the existing network if moderate headlosses are accepted, particularly with the later scenario;
- Candidate Area 3 individually will require a minimum upsize to 300mm to avoid moderate to high headlosses along the 225mm distribution main (4.2 km section); and
- Any of the remaining options including Candidate Area 3 would require the 225mm distribution main to be upgraded to a 375 or 450 mm. Furthermore, the pumps at the Wurruk TWPS would need to be replaced in order to accommodate the increased flows and subsequent headlosses.

SEWER

Findings from modelling and investigation into the sewerage of each site identified:

- Candidate Area 1 could have approximately 50% of the area utilising the current sewer main at the Wurruk Industrial Estate, while the remaining area would require a new sewer pump station. All costs would be borne by the developer. Depending on the loading from the new estate the existing 150mm main may need to be increase to 225mm;
• Candidate Area 2 has no sewer currently, meaning that an upgrade would be required to the Fulham Correctional Facility Sewer Pump Station (pumps, electrics, detention storage) or the rising main that runs along Hopkins Roads would need to be increased to reduce the frictional headloss; and
• Candidate Area 3 has no sewer, meaning this area would require an upgrade to both the Fulham Correctional Facility SPS and the rising main increased to reduce frictional headloss.

STORMWATER

Findings from analysis of drainage identified that:
• Candidate Area 1 would likely drain north of the site to the Thompson River. Overland flow to the river will be acceptable with treatment;
• Unique to this area is a flood levee known as the Kilmany Levee Bank. This area is unique as any stormwater that drains to this area needs to be pumped past the levee bank. The cost of pumping the stormwater falls to the land holders who own land behind the levee. It is likely that part of Site 2 and all of Site 3 would drain to this point;
• Candidate Area 2 has an existing drain along the eastern extent of the airfield which drains down to the Central Gippsland. Extension of the runway will require re-arrangement of the final drainage in this area, but will ultimately drain to the same direction (to the north). It is likely that part of Candidate Area 2 will drain to the south and part to the north; and
• Candidate Area 3 has a nominated drain which is part of the Kilmany drainage system and can discharge into this drain. However, the final stormwater strategy will have to take into account for a higher level of retention as water ultimately drains into a private levee near the outlet to the Latrobe River. Future development needs to account for additional overflow from the land which would need to be managed by water harvesting or retention before ever hitting the levee bank. If stormwater does drain to the levy, it will need to be managed to meet best practice stormwater quality targets as well as ensure that the quantity is managed. This will potentially require additional onsite storage compared to traditional best practice stormwater treatment.

ELECTRICITY

• There appears to be current infrastructure sufficient to support additional loading of 1-2 MVA in the shorter term, which would support the first stages of development but may not be capable of supporting the ultimate demand of the sites.
• Augmentation to the existing lines can be undertaken and will increase the availability of power. This can be determined once development is undertaken.

GAS

• It is identified that the gas reticulation infrastructure is not of capacity to support any major industrial loads. To supply any major load, either duplication of the existing supply main or upstream augmentation may be required.

TELECOMMUNICATIONS

• Investigation into telecommunications indicated that NBN assets are located within this region. According to the NBN website it is also noted that the Wurruk region is NBN ready and new and existing development can connect to the NBN service.
SITE INFRASTRUCTURE COMPARISON

Table 19 provides a comparison of upgrade requirements and expected costs of the infrastructure types assessed for each Candidate Area. The table relates to major shared infrastructure only (i.e. over and above usual development infrastructure).

The analysis shows that major infrastructure costs are expected to be lowest in Candidate Area 1 and highest in Candidate Area 3, both in absolute terms and on a per hectare basis. This is primarily due to significant upgrades required to water supply, reticulated sewer and stormwater retention and treatment.

It should be noted that this assessment assumes full development of each candidate area for standard industrial purposes (i.e. not heavy industrial requiring specific high-capacity infrastructure needs over and above a typical user). Costs are indicative based on discussions with infrastructure agencies and past experience.

TABLE 19 COMPARISON OF INFRASTRUCTURE COSTS

<table>
<thead>
<tr>
<th>Infrastructure Item</th>
<th>Candidate Area 1 Description of Upgrade</th>
<th>Cost</th>
<th>Candidate Area 2 Description of Upgrade</th>
<th>Cost</th>
<th>Candidate Area 3 Description of Upgrade</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Can be serviced without any upgrades to the existing system, via an extension of the 150mm main along Hunt Place</td>
<td>$0</td>
<td>Area 2 and Area 1 + Area 2 can be serviced with the existing network</td>
<td>$0</td>
<td>Site3 individually will require a minimum upsize to 300 mm to avoid moderate to high head losses along the 225mm distribution main (4.2km section) (@ $500/m)</td>
<td>$2.1m</td>
</tr>
<tr>
<td>Sewer</td>
<td>New sewer pump station for 50% of site.</td>
<td>$0.75m</td>
<td>$1.5m</td>
<td>The Fulham Correction SPS will need to be upgraded AND the rising main upgraded (7.6km), (4.2km @ $500/m)</td>
<td>$4.2m</td>
<td></td>
</tr>
<tr>
<td>Stormwater</td>
<td>Wetland/Detention System</td>
<td>$1.0m</td>
<td>Wetland/Detention System</td>
<td>$2.0m</td>
<td>Wetland/Detention System ($2.5 mill) and 900mm diameter outfall (4.0km @ $750/m)</td>
<td>$5.5m</td>
</tr>
<tr>
<td>Electricity</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>Upgrade gas main to site</td>
<td>$0.18m</td>
<td>$1.35m</td>
<td>Upgrade gas main to site</td>
<td>$1.5m</td>
<td></td>
</tr>
<tr>
<td>Telecommunications</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1.93m</td>
<td>$4.85m</td>
<td>$13.3m</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total per ha</td>
<td>$46,000</td>
<td>$81,000</td>
<td>$133,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: TGM, 2017
6.9. TRAFFIC

This section provides findings regarding traffic issues and options identified in a technical report prepared by Traffix Group dated August 2017 and included in the Appendices.

KEY TRANSPORT ROUTES

Key transport routes in the area include:

- Princes Highway – has been upgraded to a duplicate road from a two-way road, with speed limits between 80km/h and 100km/h at various points in the vicinity of the candidate areas;
- Sale-Heyfield Road – A State Arterial Road under control of VicRoads, located in the vicinity of Candidate Area 2. It is a two lane, two may rural road, which crosses the Melbourne-Bairnsdale railway line;
- Hopkins Road – A local road under control of the Wellington Shire Council. It provides access to the Fulham Correction Facility and rural properties and is located in the vicinity of Candidate Area 3.

It is identified that the Victorian Government has allocated funds to investigate the feasibility of formalising the Sale Alternative Truck Route. The route would north along Sale-Heyfield Road, along Fulham-Myrtlebank Road and then along Myrtlebank Road before connecting to the Princes Highway.

TRAFFIC VOLUMES AND INTERSECTION CAPACITIES

Traffic volumes on Princes Highway (<9,000 vpd two way), Sale-Heyfield Road (<3,500 vpd two way), Hopkins Road, Hunt Place, Riverside Drive and Williams Drive are all low for the function that the roads perform.

Whilst no traffic generation estimates have been prepared at this stage for the three candidate areas, it is evident that intersection capacity is not going to be a constraint on access to each of the candidate areas given the relatively low traffic volumes on the adjacent road network. Accordingly, road safety and road function will be the main guides for the types of intersections at potential access points to the candidate areas.

TRAFFIC ENGINEERING ASSESSMENT OF POTENTIAL ACCESS OPTIONS

A qualitative assessment of the potential access options was undertaken. Overall:

- Five options were identified to provide access to Area 1, however three would require a new level crossing and two would require land acquisition;
- Four options were identified for Area 2. Existing level crossings can be used, however may require an upgrade, and the potential introduction of the Sale bypass could be leveraged for access improvements (allowing for potential land acquisition within the Candidate Area);
- Seven options were identified for Area 3 without the need to cross the railway line. The only issues identified were the potential for upgrades to the Princes highway in terms of intersections.

Details of the options are shown in Table 20.
<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Opportunities</th>
<th>Challenges</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Connection via Riverside Drive</td>
<td>Uses existing roundabout at Princes Highway/Hunt Place Uses existing railway level crossing - upgrade not needed?</td>
<td>Requires land acquisition Potentially through sensitive area adjacent to Thomson River.</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Connection via Hunt Place</td>
<td>Uses existing roundabout at Princes highway/Hunt Place Uses existing railway level crossing - no upgrade required?</td>
<td>Requires land acquisition.</td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Access via Princes Highway/ Reid Drive</td>
<td>Uses existing intersection location</td>
<td>Requires new railway level crossing May require land acquisition</td>
<td>Change existing wide median treatment to a roundabout</td>
</tr>
<tr>
<td>1.4</td>
<td>New roundabout on Princes Highway</td>
<td></td>
<td>Requires new railway level crossing Creates an additional roundabout on Princes Highway</td>
<td>No sight distance issues Location dependent on spacings to treatments to east and west</td>
</tr>
<tr>
<td>1.5</td>
<td>Left in/left out to Princes Highway</td>
<td>Uses existing treatments at Polocross Drive (wide median treatment) and at Reid Drive (roundabout) Some flexibility in location(s) of intersection(s)</td>
<td>Requires new railway level crossing May require wide median treatment at Polocross Drive to be upgraded to a roundabout</td>
<td>Location(s) dictated by weaving distances</td>
</tr>
<tr>
<td>Site 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>T-intersection(s) on Sale-Heyfield Road</td>
<td>Uses existing roundabout at Princes Highway/Sale-Heyfield Road Uses existing railway level crossing - no upgrade required? Flexibility in location(s) of intersection(s)</td>
<td>Bend in Sale-Heyfield Road limits potential location(s)</td>
<td>Must allow for potential road reserve widening for Sale Alternative Truck Route</td>
</tr>
<tr>
<td>2.2</td>
<td>Service road(s) to Sale-Heyfield Road</td>
<td>Allows development to front Sale-Heyfield Road Uses existing roundabout at Princes Highway/Sale-Heyfield Road Uses existing railway level crossing - no upgrade required? Flexibility in location(s) of service road(s)</td>
<td>Bend in Sale-Heyfield Road limits potential location(s)</td>
<td>Must allow for potential road reserve widening for Sale Alternative Truck Route</td>
</tr>
<tr>
<td>2.3</td>
<td>New road off Williams Drive</td>
<td>Uses existing wide median treatment at Princes Highway/Williams Road/Hopkins Road Uses existing railway level crossing</td>
<td>Upgrade of existing railway level crossing required May require wide median treatment at Princes Highway/Williams Road/Hopkins Road to be upgraded to a roundabout</td>
<td>New T-intersection with north-south traffic having priority and west leg (existing) giving way</td>
</tr>
<tr>
<td>No.</td>
<td>Description</td>
<td>Opportunities</td>
<td>Challenges</td>
<td>Comments</td>
</tr>
<tr>
<td>-----</td>
<td>--------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 2.4 | Access via West Sale Aerodrome                   | Uses existing wide median treatment at Princes Highway/Williams Road/Hopkins Road  
Uses existing railway level crossing | Upgrade of existing railway level crossing required  
May require wide median treatment at Princes Highway/Williams Road/Hopkins Road to be upgraded to a roundabout  
Access via aerodrome car park and environs |                                                                                             |
| Site 3 |                                               |                                                                                   |                                                                                                |                                                                                             |
| 3.1 | Access via Princes Highway/Sale-Heyfield roundabout | Uses existing intersection location                                              | May require land acquisition                                                               |                                                                                             |
| 3.2 | Left in/left out to Princes Highway             | Uses existing treatments at Hopkins Road/Williams Drive (wide median treatment) and at Sale-Heyfield Road (roundabout) | May require wide median treatment at Hopkins Road/Williams Drive to be upgraded to a roundabout | Location(s) dictated by weaving distances  
No sight distance issues                                                                 |                                                                                             |
| 3.3 | Service road(s) to Princes Highway              | Allows development to front Princes Highway  
Utilises existing treatments at Hopkins Road/Williams Drive (wide median treatment) and at Sale-Heyfield Road (roundabout)  
Flexibility in location(s) of service road(s) | May require wide median treatment at Hopkins Road/Williams Drive to be upgraded to a roundabout | Location(s) dictated by weaving distances  
No sight distance issues                                                                 |                                                                                             |
| 3.4 | New roundabout on Princes Highway               | Creates an additional roundabout on Princes Highway                             | No sight distance issues  
Location dependent on spacings to treatments to east and west                             |                                                                                             |
| 3.5 | T-intersection(s) on Hopkins Road               | Uses existing wide median treatment at Princes Highway/Hopkins Road/Williams Drive  
Flexibility in location(s) of intersection(s)                                       | May require existing wide median treatment at Princes Highway/Hopkins Road/Williams Drive to be upgraded to a roundabout | No sight distance issues                                                                 |                                                                                             |
| 3.6 | Direct access to Hopkins Road                   | Allows development to front Hopkins Road  
Uses existing wide median treatment at Princes Highway/Hopkins Road/Williams Drive | Large lots only to front Hopkins Road  
Corner sites to take access off side road                                                    | No sight distance issues                                                                 |                                                                                             |
| 3.7 | Service road(s) to Hopkins Road                 | Allows development to front Hopkins Road  
Uses existing wide median treatment at Princes Highway/Hopkins Road/Williams Drive |                                                                                                 | No sight distance issues                                                                 |                                                                                             |

Source: Traffix Group, 2017
ACCESS ISSUES

The creation of new large vehicle access points to the Candidate Areas is one of the major issues to be considered in this study, given the property ownership layout of Area 1, access required across the rail line for areas 1 and 2, and access intersections on the Princes Highway for all candidate areas.

Candidate Area 1

Candidate Area 1 is effectively land-locked and requires new road access to be created. The options for new road access require either the creation of a new level crossing, or acquisition of private and potentially public land. Each of these prospects is not certain to be achieved, and would at the minimum require significant time and cost to deliver.

Initial discussions with VicTrack confirmed that any new level crossings would require Ministerial approval and are highly unlikely to be approved as a general rule. Therefore, options that do not require a new level crossing should be considered first.

Access to Candidate Area 1 without the creation of a new level crossing would require the creation of a new road reserve linking Hunt Place or Riverside Drive to the Candidate Area. A private property (currently owned and occupied by Rotafab) blocks access to the Candidate Area from the east. Part of this land would need to be acquired in order to extend Hunt Place or Riverside Drive through to the Candidate Area. Discussions with the property owner indicated that acquisition of land to extend Hunt Place through the site would not be supported given that such an alignment would bisect the site and severely impact on business operations.

Acquisition of a section of the land at its northern boundary could be possible, however, in order to extend Riverside Drive. Although this would not be the optimal access route (given the number of turns required for large vehicles to navigate), this could present a feasible access alternative for Candidate Area 1. Challenges to this alignment include the need to acquire at least 1 other private property and the need to acquire Crown Land near the Thomson River, both of which would be costly and not guaranteed to succeed. Discussions with the private landowner at the end of Riverside Drive (vacant lot through which the road could be extended) indicated positive sentiment towards this alignment, however the prospect of Crown Land acquisition is potentially problematic and would require more detailed discussions with DELWP.

Candidate Area 2

Large vehicle access to Candidate Area two is more straightforward than Area 1, with an existing roundabout and level crossing at Sale-Heyfield Road that could be utilised. The prospect of a Sale – bypass using Sale Heyfield Road would further increase the attractiveness of this area from an accessibility perspective.

Access at the western end of the Area would be less straightforward, however, given the lack of a roundabout at Princes Highway and Williams Drive and the irregular road network near the Aerodrome entrance.

Candidate Area 3

Candidate Area 3 can be access directly from the Princes Highway, an advantage not available to the other areas. VicRoads would need to approve any such access, however, especially any access that does not utilise the existing roundabout at Sale-Heyfield Road.
7. CANDIDATE AREA SUMMARY AND OPTIONS

7.1. INTRODUCTIONS

This section provides a summary of the findings related to issues and options identified throughout the analysis of this report.

7.2. CANDIDATE AREA SUMMARY

Table 21 shows a summary of the candidate areas and the characteristics of each that have been identified throughout the analysis.

**TABLE 21 CANDIDATE AREA SUMMARY**

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Candidate Area 1</th>
<th>Candidate Area 2</th>
<th>Candidate Area 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land area</td>
<td>42 ha</td>
<td>55 ha</td>
<td>100 ha</td>
</tr>
<tr>
<td>Land ownership</td>
<td>2 private owners, no constraint</td>
<td>5 private owners, no opposition</td>
<td>2 private owners, one opposed to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>but could be slow to develop</td>
<td>selling</td>
</tr>
<tr>
<td>Planning Zones and overlays</td>
<td>Farming Zone DDO6</td>
<td>Farming Zone DDO6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AEO1 (to be amended)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>AEO2 (to be amended)</td>
<td></td>
</tr>
<tr>
<td>Current land use</td>
<td>Grazing</td>
<td>Grazing</td>
<td>Grazing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural residential</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grazing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hospitality/Events</td>
<td></td>
</tr>
<tr>
<td>Topography</td>
<td>Flat (sloping near river)</td>
<td>Flat</td>
<td>Flat</td>
</tr>
<tr>
<td>Key interfaces</td>
<td>Wurruk Industrial Estate</td>
<td>West Sale Aerodrome</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thompson River</td>
<td>Future Sale Bypass</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rail line</td>
<td></td>
</tr>
<tr>
<td>Road access</td>
<td>Constrained road access</td>
<td>Direct access future bypass and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Heyfield Rd roundabout</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secondary access</td>
<td></td>
</tr>
<tr>
<td>Rail access</td>
<td>Adjacent rail line (no station)</td>
<td>Adjacent rail line (no station)</td>
<td>Near rail line</td>
</tr>
<tr>
<td>Air freight</td>
<td>Near aerodrome</td>
<td>Adjacent aerodrome</td>
<td>Near aerodrome</td>
</tr>
<tr>
<td>Infrastructure Costs</td>
<td>Moderate</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Native vegetation</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cultural heritage</td>
<td>Sensitivity – CHMP needed</td>
<td>Voluntary CHMP recommended</td>
<td>High sensitivity – CHMP needed</td>
</tr>
<tr>
<td>Economic Opportunities</td>
<td>- Extend Wurruk Industrial estate</td>
<td>- Integrate with aerodrome uses</td>
<td>- Development costs and</td>
</tr>
<tr>
<td></td>
<td>- Leverage from existing</td>
<td>- Leverage from Sale bypass</td>
<td>encumbered land (drainage and</td>
</tr>
<tr>
<td></td>
<td>business relationships and</td>
<td>- Large sites possible</td>
<td>cultural heritage)</td>
</tr>
<tr>
<td></td>
<td>infrastructure</td>
<td></td>
<td>- Landowner intentions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Prison interface</td>
</tr>
<tr>
<td>Main challenges</td>
<td>- Road access</td>
<td>- Multiple ownership and</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>reduced prospect of short term</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>transition</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Native vegetation</td>
<td></td>
</tr>
</tbody>
</table>

7.3. OPTIONS AND PRELIMINARY ASSESSMENT

The demand and supply assessment found that there is a reasonable supply of land appropriate to accommodate smaller, local industrial uses and related businesses in the existing land in Sale. There is, however, a lack of larger sites with suitable buffers to sensitive uses and ready access to major transport infrastructure available in the Sale area to accommodate larger strategic businesses.

Investigation of Candidate Areas has identified that each site has a range of opportunities and challenges that need to be considered. The Candidate Areas should be considered against the extent to which they meet the following criteria which generally apply to larger format industrial land uses:

1. Low number of land owners, larger lots, regular layout;
2. A low level of ‘entrenched’ uses / investment in improvements, and landowners open to the prospect of selling or developing in the near future;
3. Low levels of encumbrances (eg. flooding, native vegetation, cultural heritage, etc) such that a reasonable proportion of the land can be developed without significant additional costs;
4. Flat land, readily serviced with costs at a level that is unlikely to compromise development feasibility.
5. Sufficient land that is suited to the types of demand identified / aligned with overall economic opportunities;
6. Separated from sensitive land uses;
7. Easily assessed from major roads, freight networks and export infrastructure;
8. Proximity to a labour force, a market and the source of produce; and
9. Ability to leverage from other Council and State investment.

Table 22 provides a preliminary assessment of the extent to which the Candidate Areas align with these criteria based on the analysis presented in this report. It should be noted that this is a preliminary assessment only, and that further investigation of specific issues is required to further test key issues identified in this report – these issues are identified in the Next Steps section (section 7.4).

Overall, Candidate Area 2 appears to best align with the criteria, particularly because there are no major issues identified with the area (i.e. those which present a potential barrier to development) compared with Area 1 (access issues) and Area 3 (high infrastructure costs and potential cultural heritage issues). Candidate Area 2 also presents significant potential economic benefits and synergies which could be derived from co-location with the Aerodrome (including the opportunity to form a consolidated aviation, manufacturing and business precinct) and the potential future Sale heavy vehicle bypass.

TABLE 22 PRELIMINARY ASSESSMENT OF CANDIDATE AREAS

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Area 1</th>
<th>Area 2</th>
<th>Area 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>2</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>3</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>4</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>5</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>6</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>7</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>8</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>9</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
</tr>
</tbody>
</table>

7.4. NEXT STEPS

The following next steps are proposed to progress the project:

- Finalise estimated strategic industrial land requirements;
- Further investigate land acquisition process for Crown Land in Site 1;
- Finalise consultation with VicTrack regarding the prospect of future level crossings;
- Investigate the opportunity to create new industrial lots within the ‘potential’ part of Area 2;
- Discuss any restrictions on industrial land uses within close proximity to the aerodrome with Council;
- Consider any alternative drainage approaches to Area 2 and Area 3;
- Finalise assessment of options;
- Identify preferred options and costs;
- Prepare Draft Strategy.
APPENDICES

APPENDIX A COMPARISON OF DATA AREA BOUNDARIES


FIGURE 16 VIFSA SALE TOWN BOUNDARIES, 2016

Source: Remplan, 2017

Source: Victoria In Future 2016
## APPENDIX B LIST OF CONSULTATION

<table>
<thead>
<tr>
<th>Agency/Business Name</th>
<th>Interest</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>VicRoads</td>
<td>Transport and access</td>
<td>Stuart Fenech</td>
</tr>
<tr>
<td>Ausnet</td>
<td>Infrastructure</td>
<td>John Benty</td>
</tr>
<tr>
<td>Gippsland Water</td>
<td>Infrastructure</td>
<td>Paul Young</td>
</tr>
<tr>
<td>West Gippsland Catchment Management Authority</td>
<td>Infrastructure</td>
<td>Adam Dunne</td>
</tr>
<tr>
<td>Environment Protection Authority</td>
<td>Planning and environment</td>
<td>Sarah Nash</td>
</tr>
<tr>
<td>Department of Environment, Land, Water and Planning</td>
<td>Planning and environment and public land</td>
<td>Alan Freitag, Carmel Henderson, John Brennan</td>
</tr>
<tr>
<td>Wellington Shire Officers</td>
<td>Planning</td>
<td>Barry Hearsey</td>
</tr>
<tr>
<td>Wellington Shire Officers</td>
<td>Planning</td>
<td>Ben Proctor</td>
</tr>
<tr>
<td>Wellington Shire Officers</td>
<td>Infrastructure</td>
<td>Sam Pye</td>
</tr>
<tr>
<td>DEDJTR</td>
<td>Transport and access</td>
<td>Kylie Franklin</td>
</tr>
<tr>
<td>DEDJTR</td>
<td>Earth resources</td>
<td>David Wilson</td>
</tr>
<tr>
<td>Land/Business Owner</td>
<td>Business</td>
<td>John Kenihan</td>
</tr>
<tr>
<td>Telstra</td>
<td>Infrastructure</td>
<td></td>
</tr>
<tr>
<td>NBN</td>
<td>Infrastructure</td>
<td></td>
</tr>
<tr>
<td>APA</td>
<td>Infrastructure</td>
<td></td>
</tr>
<tr>
<td>Rotafab</td>
<td>Candidate area interface</td>
<td>Geoff Lindrea</td>
</tr>
<tr>
<td>Graham Chalmer Real Estate</td>
<td>Real estate</td>
<td>Chris Morrison</td>
</tr>
<tr>
<td>Wellington Business Park</td>
<td>Development</td>
<td>Grant Warfe</td>
</tr>
<tr>
<td>Fulham Correction Facility</td>
<td>Candidate area interface</td>
<td>Col Caskie</td>
</tr>
<tr>
<td>West Sale Aerodrome (managed by Wellington Shire)</td>
<td>Candidate area interface</td>
<td>Daniel Gall</td>
</tr>
<tr>
<td>Federation Training</td>
<td>Candidate area interface</td>
<td>Darrin Day</td>
</tr>
<tr>
<td>Wurruk Land owner</td>
<td>Candidate area interface</td>
<td>Dan Krusic</td>
</tr>
<tr>
<td>Candidate Land Owner (area 1)</td>
<td>Candidate Area Owner</td>
<td>Details withheld</td>
</tr>
<tr>
<td>Candidate Land Owner (area 1)</td>
<td>Candidate Area Owner</td>
<td>Details withheld</td>
</tr>
<tr>
<td>Candidate Land Owner (area 2)</td>
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APPENDIX D CULTURAL HERITAGE ASSESSMENT
APPENDIX E INFRASTRUCTURE ASSESSMENT
APPENDIX F TRAFFIC ASSESSMENT
Urban Enterprise

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Fitzroy North, Vic, 3068

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