

SOUTH EAST

ECONOMIC CORRIDOR

STRATEGIC CONTEXT REPORT TO 2060

18 JANUARY 2022



Aboriginal acknowledgment

The Victorian Government acknowledges Victorian Aboriginal people as the First Peoples and Traditional Owners and Custodians of the land and water on which we rely.

We proudly acknowledge Victoria's Aboriginal communities and their rich culture and pay our respects to their Elders past and present. The government also recognises the intrinsic connection of Traditional Owners to Country and acknowledges their contribution in the management of land, water and resources.

We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life and how this enriches us. We embrace the spirit of Reconciliation, working towards the equality of outcomes and ensuring an equal voice.

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ABBREVIATIONS

ABS	Australian Bureau of Statistics	Plan Melbourne	<i>Plan Melbourne 2017–2050</i>
ANZSCO	Australian and New Zealand Standard Classification of Occupations	PPTN	Principal Public Transport Network
ANZSIC	Australian and New Zealand Standard Industrial Classification	PSP	precinct structure plan
AC	activity centre	PSP 2.0	Precinct Structure Plan Guidelines review project
C1Z	Commercial 1 Zone	RSIP	Regionally Significant Industrial Precinct
C2Z	Commercial 2 Zone	SA2	Statistical Area, Level 2 (e.g. Australian Bureau of Statistics geography)
C3Z	Commercial 3 Zone	SE	south east (as in, South East Metro Region)
DET	Department of Education and Training	SEM	South East Melbourne (coalition of south east Melbourne metropolitan region councils)
DELWP	Department of Environment, Land, Water and Planning	SEEC	South East Economic Corridor
DHHS	Department of Health and Human Services	SSIP	State Significant Industrial Precinct
DJPR	Department of Jobs, Precincts and Regions	UGB	Urban Growth Boundary
DoT	Department of Transport	UGZ	Urban Growth Zone
e-PSP	employment precinct structure plan	VIF	Victoria in Future
H&EP	health and education precinct	VPA	Victorian Planning Authority
HCMT	High Capacity Metro Trains project	VPP	Victoria Planning Provisions
IN1Z	Industrial 1 Zone		
IN2Z	Industrial 2 Zone		
IN3Z	Industrial 3 Zone		
LGA	local government area		
LUFP	land use framework plan		
MAC	metropolitan activity centre		
MICLUP	Melbourne Industrial and Commercial Land Use Plan		
MUZ	Mixed Use Zone		
NEIC	national employment and innovation cluster		
PFN	Principal Freight Network		

EXECUTIVE SUMMARY

This context report sets out a spatial framework for employment precincts and activity centres across the cities of Greater Dandenong, Casey and Cardinia Shire (the South East Economic Corridor, or SEEC). It will inform the planning of future employment precinct structure plans (e-PSPs) and will inform the employment and economic components of DELWP's **Southern Metro Region Land Use Framework Plan** and the South East Melbourne Councils' **Vision** and **Action Plan**.

The strategy provides an evidence base for the preservation of employment land in these future e-PSPs to facilitate the long-term economic success of the region and local community.

Economic outlook and policy context for the SEEC

Plan Melbourne 2017–2050 (Plan Melbourne) and the Melbourne Industrial and Commercial Land Use Plan (MICLUP) provide a broad spatial planning framework for the SEEC. This state policy is interpreted through the PSP process to define the role and function for future urban land.

However, the Melbourne and SEEC economies are undergoing significant structural change linked to globalisation, technology, and demographic shifts. A shift from traditional manufacturing and industrial activities towards population and knowledge-intensive activities together with strong population growth and other factors mean the context for employment planning, in particular, is evolving quickly.

Various economic trends are influencing new and hybridised development models that transcend the traditional notions of industrial estates, business parks and town centres. Without an appropriate understanding of the current and emerging economic context and changes to development models, decision making for the planning and development of these future employment PSPs (e-PSPs) has become more contested.

This strategy seeks to address this issue by outlining a vision and seeks to define the strategic role and drafting instructions for future employment precinct structure plans (e-PSPs) within the SEEC.

Planning for the long-term evolution of the SEEC

The SEEC population in 2060 will comprise a large and highly skilled local workforce, supporting maturing local economy and generating demand for a wide range of goods and services

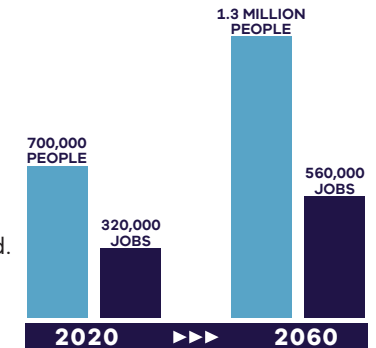
The SEEC contains:

- two Metropolitan Activity Centres (Dandenong and Frankston),
- 12 major activity centres,
- two State-significant Industrial Precincts (Southern and Officer–Pakenham), and
- six future e-PSPs, covering 2,500 hectares of land.

The population and economy of the SEEC will undergo significant transformation over the timeframe of this strategy. Demand for population-serving jobs will be strong initially, but the SEEC economy will evolve to include a more diverse mix of business activity and employment as population growth stabilises.

The SEEC will be almost fully developed by 2060. By then, existing activity centres and employment precincts will have undergone urban renewal, and new precincts will have transitioned from primarily industrial uses to include a wider mix of commercial and advanced industrial activities.

Long-term planning for the evolution, continued renewal and reinvention of the SEEC employment areas will ensure a sustainable, mature economy with a diverse and self-contained job market.



Future e-PSPs

Officer South Employment
Cardinia Road Employment
Pakenham South Employment
Pakenham East Employment
Casey Fields South
Crookell

This strategy has considered:

- **The impact of a future airport in the southeast on the SEEC economy and individual precincts. As a seriously entertained, but as-yet unfunded development, a new airport would have a transformational effect on the SEEC economy. [See page 21 for an overview.](#)**
- **The potential impact of COVID-19 on the SEEC economy and repercussions for implementation of this strategy. [See page 22 for an overview.](#)**

A 40-YEAR ECONOMIC VISION FOR THE SOUTH EAST ECONOMIC CORRIDOR

The SEEC will continue to enhance the South Eastern Metropolitan Region's status as one of Australia's most economically significant and diverse regions. It will support the **economic and social prosperity** of over 1 million residents, and it will **provide over 560,000 jobs**. Residents in the SEEC will have access to a wide range of local employment options.

Existing and planned activity centres across the SEEC will evolve from mainly population-serving centres to locations with a wider mix of knowledge economy, health, and education activities. These locations will cater for a mix of start-ups, small and medium-sized businesses, and multinational companies.

The **Dandenong NEIC** is the largest business district in the region and includes the **Dandenong Metropolitan Activity Centre**. These places support diverse population and knowledge-intensive activities and services, and are complemented by a highly-connected network of regionally- and locally-significant activity centres and employment precincts.

The **Southern SSIP** will evolve from a manufacturing and logistics precinct to a hub for advanced manufacturing and knowledge economy industries. The **Officer-Pakenham SSIP** (encompassing the **Officer South Employment, Cardinia Road, Pakenham West** and **Pakenham South** e-PSPs) will emerge as a nationally-significant manufacturing and logistics centre. These SSIPs are well-connected to the national freight network and will be integrated internally, with surrounding areas and each other. Businesses in the Officer-Pakenham SSIP will add value to local agricultural produce, and leverage opportunities arising from the potential future airport and Lyndhurst Intermodal Freight Terminal, to become a key export and employment centre for the region.

Future e-PSPs located outside the SSIP (including the northern part of **Officer South, Crookell**, and **Casey Fields South**) will evolve over the 40-year horizon of this strategy. In the shorter term, most will primarily cater for manufacturing, logistics and population-serving businesses while higher-order economic activity and job growth is directed into established centres. As the region matures, these locations will play a fundamental role in unlocking long-term employment opportunities. They will enable neighbouring locations to further evolve and mature to offer a diversity of job opportunities.



IMPLEMENTING THE VISION: A THREE HORIZON APPROACH

In order to achieve significant transformation, places need to plan across three horizons simultaneously. For the SEEC, these are:

- Horizon 1 Consolidate** the existing hierarchy and support long-term options through flexible planning.
- Horizon 2 Reinforce** and augment a maturing regional economy by enhancing existing infrastructure, diversifying land use, creating amenity.
- Horizon 3 Transform** the economy through innovation, major investment, and new opportunities.

Planning occurs in parallel across all horizons; there are short, medium, and long-term actions for each horizon, acknowledging benefits for Horizon 2 and 3 will be realised over a longer period.

Strategic imperatives to achieve the SEEC vision

The SEEC vision is achieved through ten strategic imperatives, which guide the focus of the strategy over three outcome Horizons:

- 1 Plan for flexibility, uncertainty, and renewal to ensure the long-term supply of employment land.
- 2 Enable the manufacturing and industrial base to mature, diversify and transform.
- 3 Promote knowledge-based enterprises to establish in the established locations first.
- 4 Target the high-growth health and education sectors across centres, with supporting manufacturing, value-adding and research activities directed into SSIPs and e-PSPs.
- 5 Support local prosperity through a focus on circular economies and bottom-up community wealth building.
- 6 Plan for high amenity industrial and mixed use commercial precincts.
- 7 Reserve land for and promote the development of economic gateways and anchors.
- 8 Create a network of digital and transport connections.
- 9 Create exemplars in technology and local sustainability.
- 10 Ensure housing in mixed-use areas supports (rather than challenges) employment and aligns with 20-minute neighbourhood principles.

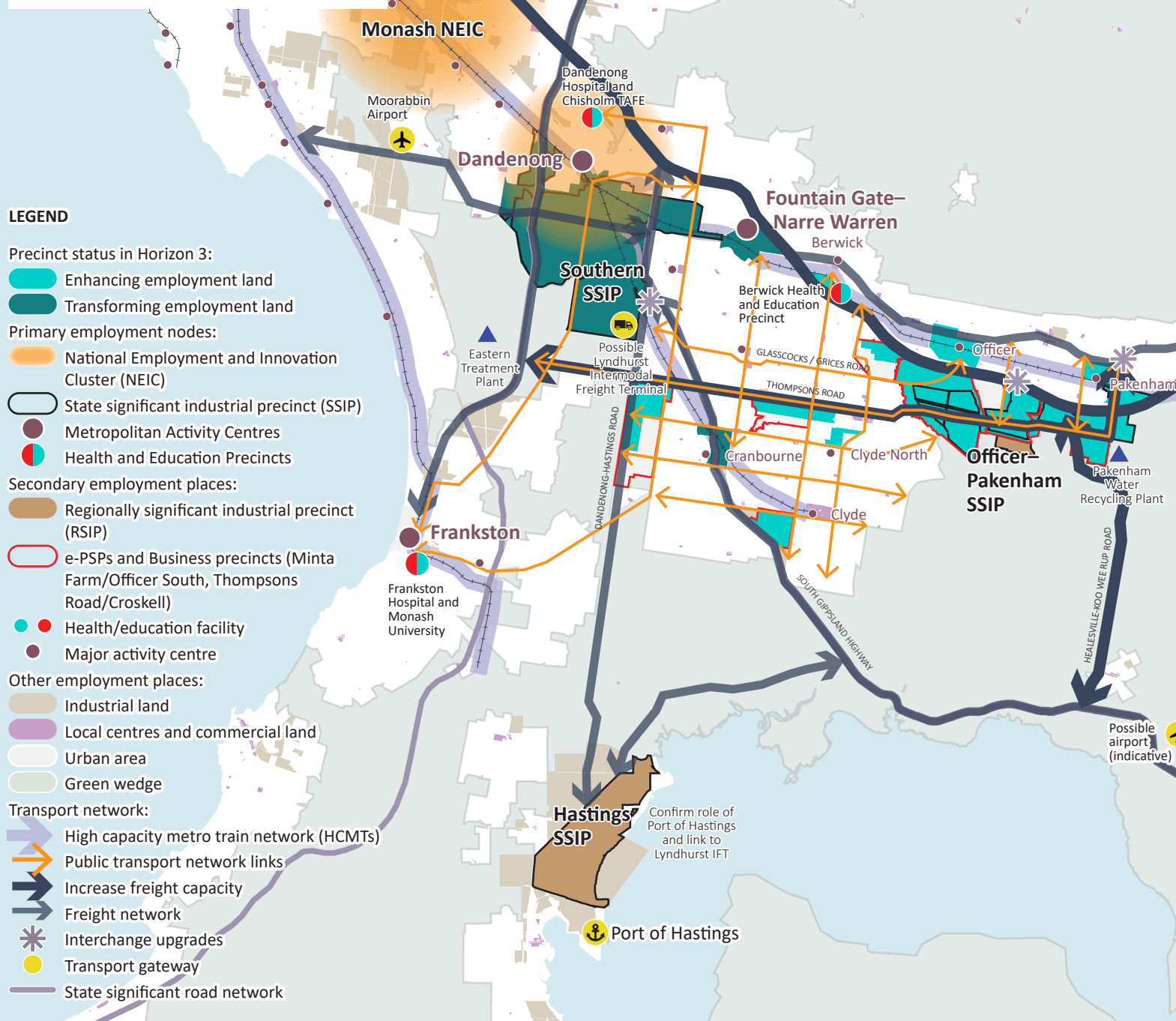
Key actions to support delivery of the SEEC Context Report

A set of key actions for each Horizon provides line-of-sight to the tangible activities that will support delivery of this context strategy. These actions are grouped into five categories:

- Planning to enable growth:** Components of planning that need to be completed across the SEEC and within the e-PSPs to underpin the desired outcomes.
- Precinct activation:** Infrastructure, investment, and land configuration requirements to establish conditions for plan implementation to deliver land use outcomes.
- Development facilitation:** Governance, partnerships and systems that will create smooth processes for development within the SEEC and e-PSPs (for example, streamlined processes for complying development).
- Employment delivery:** Economic development steps that will attract businesses, workers, or investment to the SEEC or e-PSPs.
- Sustainable and liveable communities:** Actions that relate to resource and energy use/production, utility provision, or those which relate to the physical amenity of the SEEC and e-PSPs.

The South East Economic Corridor in 2060

Figure 1 The SEEC 2060 Strategy map



HORIZON 3 ACTIONS: TRANSFORM TO 2060



FLAGSHIP ACTIONS

Planning to enable growth:

- > Plan for a twenty-first century innovation hub focused on the Officer–Pakenham corridor. Apply zones that enable a mix of land uses commensurate with headquarters business activity, advanced industry activity and their related services. Establish subdivision patterns to support these businesses' needs.
- > Identify and promote strategic redevelopment sites in Officer–Pakenham corridor and Casey Fields South ePSP, to enable intensification of local knowledge-based jobs.




Precinct activation:

- > Provide catalysing infrastructure, including:
 - The possible airport (indicative) and employment precinct
 - High demand transport links and fine grain local networks
 - Lyndhurst Intermodal Freight Terminal and supporting rail infrastructure.
 - High amenity local town centres that serve knowledge intensive workers in the Officer–Pakenham SSIP.

Sustainable and livable communities:

- > Undertake urban renewal across Officer, Pakenham and the Berwick Health and Education Precincts to encourage establishment of higher-order employment types.

THE SEEC CONTEXT REPORT OUTCOMES IN A SNAPSHOT

 Horizon 1 to 2030: Consolidate	 Horizon 2 to 2040: Reinforce	 Horizon 3 to 2060: Transform
<ul style="list-style-type: none"> • Core businesses, functions and attributes which currently support the region's prosperity are protected and retained. • Higher order economic and employment opportunities are driven to existing nodes (Dandenong, Monash, Fountain Gate - Narre Warren) with local demand largely focused on serving population development and growing needs. • Investment is consolidated in existing activity centres and employment locations, delivering knowledge-based employment growth and support growth of industry and population-serving activities in greenfield locations. • New flexible plans for e-PSPs guide desired strategic outcomes and set land aside for growth over the long-term. • Key infrastructure to link employment nodes Identify and prioritise and coordinate growth. 	<ul style="list-style-type: none"> • Existing core functions diversify through related activities, supply chains or aligned businesses. These are organic innovations, building on existing strengths. • The region matures with a skilled workforce and new economic opportunities emerge. • North-East Link, High Capacity Metro Trains project (HCMT), and local transport infrastructure upgrades create a more connected local economy with strong connections into Melbourne and Gippsland. • Combined with a focus on design and sustainability, there is increased local skills, knowledge, and technology-based firms along with logistics, manufacturing, construction, and health sectors. 	<ul style="list-style-type: none"> • The region is transformed through new opportunities that are not currently present, but which still draw on the region's advantages and current functions. • Residential growth is largely complete, major infrastructure and assets are in place: <ul style="list-style-type: none"> • South East Airport • new health and education precincts in Officer/ Pakenham activity centres • high speed internet • other key transport links. • Diverse, higher order and new economic opportunities materialise and are acted on through planning.

THE STRATEGY FOR THE CITY OF GREATER DANDENONG



HORIZON 1

Guide higher order jobs to the Dandenong MAC and enable the Southern SSIP to continue to build out through development facilitation strategies.



HORIZON 2

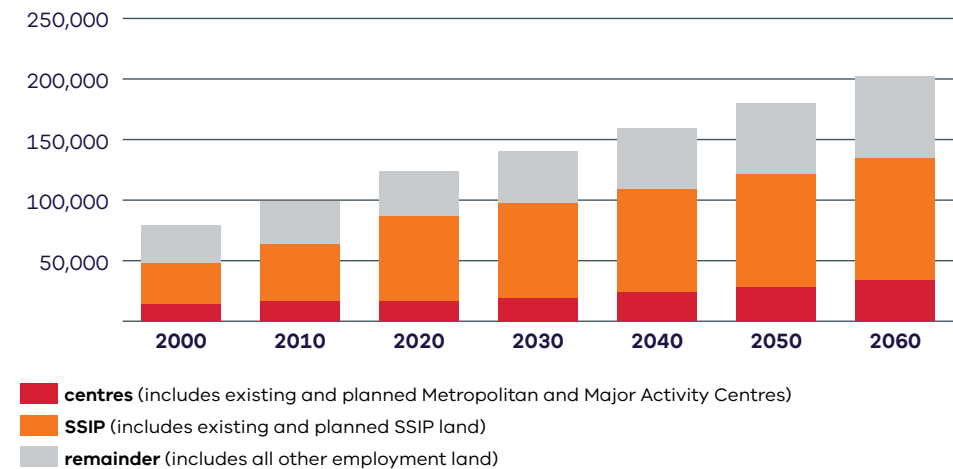
Leverage the increased development of industrial uses in the Officer–Pakenham SSIP corridor, completion of North–East Link and the Lyndhurst Intermodal Freight Terminal to enable the Southern SSIP to transition from traditional industrial uses to higher order industrial functions.



HORIZON 3

Dandenong MAC revitalisation completed, centre operating as Melbourne’s “second CBD” with a range of entertainment, hospitality and recreation options alongside knowledge-intensive employment opportunities that successfully capture highly skilled workers within the Southern Region.

Figure 2 Employment forecasts by broad location for Dandenong



Source: SGS Economics and Planning.

THE STRATEGY FOR CASEY CITY COUNCIL

HORIZON 1

Guide higher order jobs to existing major centres, using business attraction strategies and place-making projects.

- Cranbourne West is developing as an industrial and business park, supporting small- to medium enterprises and population-serving uses.
- Thompsons Road and Minta Farm are developing as high-quality mixed-use employment precincts.
- Croskell and Casey Fields South are preserved in their current form, to drive appropriate sequencing for the build-out of existing employment nodes.

HORIZON 2






Focus development of employment uses in Minta Farm, Thompsons Road/Clyde North and Clyde South.

- Croskell starts to provide an enhanced local commercial role.
- Casey Fields South is preserved in its current form.

HORIZON 3

Employment lands are influenced by the expanding role and function of the Berwick Health and Education Precinct, Officer–Officer South and Minta Farm cluster. They offer strong knowledge-intensive and mixed-use activities within high amenity environments.

- Croskell redevelops into an innovation hub in the heart of strong centre network and residential catchment.
- Casey Fields South provides long-term affordable industrial land to enable other locations to transition and growth.

-  **centres** (includes existing and planned Metropolitan and Major Activity Centres)
-  **SSIP** (includes existing and planned SSIP land)
-  **remainder** (includes all other employment land)
-  **remainder (e-PSP)** (e-PSPs are Croskell, Casey Fields South & Devon Meadows)
-  **remainder (Fe-PSP)** (e-PSPs are Croskell, Casey Fields South & Devon Meadows)

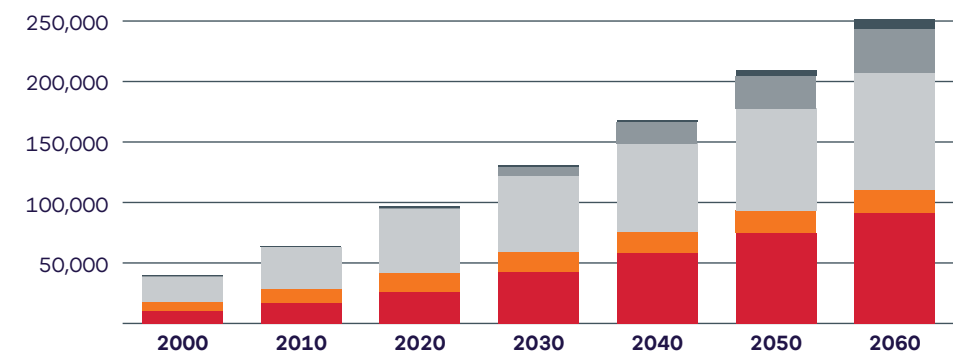
Croskell strategic role:

- Regionally significant commercial area (Business precinct), delivering intensive employment (service industries, offices, and research), located on the future Principal Freight Network (PFN) (Thompsons Road), connected to Cranbourne West and Thompsons Road Business Corridor.
- Thompsons Road interface preserved for industrial, freight/logistics and urban services linked to the PFN.
- Connected to the Principal Public Transport Network (PPTN) and large established residential catchment, with potential to expand its role to become a business centre serving a larger catchment in future, leveraging high quality public transport links to the broader region.
- Southern part residential, linked to Clyde Creek and Cardinia Creek South.

Casey Fields South strategic role:

- Regionally significant industrial precinct (RSIP) with 288 ha of land for future industrial uses, including leveraging connections to the Royal Botanic Gardens Cranbourne, the Cranbourne Racecourse and the Western Port Green Wedge.
- Access to the South Gippsland Highway (PFN) and a proposed new railway station at Clyde.
- Large residential catchment and links to Cranbourne, future Clyde major activity centre, with potential to expand to a regional role with strong connections to the South East Airport in future.

Figure 3 Employment forecasts by broad location for Casey



Source: SGS Economics and Planning.

THE STRATEGY FOR CARDINIA SHIRE COUNCIL

HORIZON 1

Guide higher order jobs to existing major centres, using business attraction strategies and place-making projects.

- Officer–Pakenham e-PSPs support existing core employment nodes, providing accessible/affordable employment land on existing lot structures with higher order jobs being focused in existing priority employment nodes (NEICs, Health and Education Precincts and Metropolitan Activity Centres).

HORIZON 2

Link local centres, employment lands with Dandenong and broader Melbourne. Preserve the long-term vision but support local economy growth opportunities.

- Officer–Pakenham establishes SSIP role with manufacturing, health, and research functions. SSIP integrates with neighbouring commercial nodes (Officer, Pakenham, Minta Farm).

HORIZON 3

The Officer–Pakenham corridor works as an integrated economy, providing an important link to advanced manufacturing jobs in the Officer–Pakenham SSIP corridor, and links from the Green Wedge into that corridor support a thriving advanced manufacturing and food hub.

- Officer–Pakenham corridor (SSIP and activity centres) work as an integrated economy, offering a high-tech health, research, and distribution node, linked with:
 - The Port of Hastings, Lyndhurst Intermodal Freight Terminal and the potential future South East Airport
 - Gippsland and Bunyip food bowl
 - Latrobe renewable energy
 - Local health, research, and manufacturing specialisations.

Officer South Employment strategic role:

- State Significant Industrial Precinct south of Grices/Glasscocks Road.
- Regionally significant commercial area (growth area business precinct with mixed use/residential hub).
- Excellent access to the Principal Freight Network (PFN) via the Princes Freeway.
- Supports business park at Minta Farm and strong links to Officer Town Centre.

Cardinia Road Employment strategic role:

- The Cardinia Road Employment Precinct is partly in the State Significant Industrial Precinct (SSIP), with a business precinct in the Regionally Significant Commercial land.
- Part of the Officer–Pakenham Business Corridor and Pakenham Employment Corridor, excellent access to Principal Freight Network via Princes Freeway.
- Strong road and high-quality public transport links to Officer Town Centre and Cardinia Road train station.
- Potential for health manufacturing and research and development, based on PFN connections to Dandenong, Frankston and Berwick Health and Education Precincts.
- Mixed-use connection over Gum Scrub Creek to Officer South Employment.

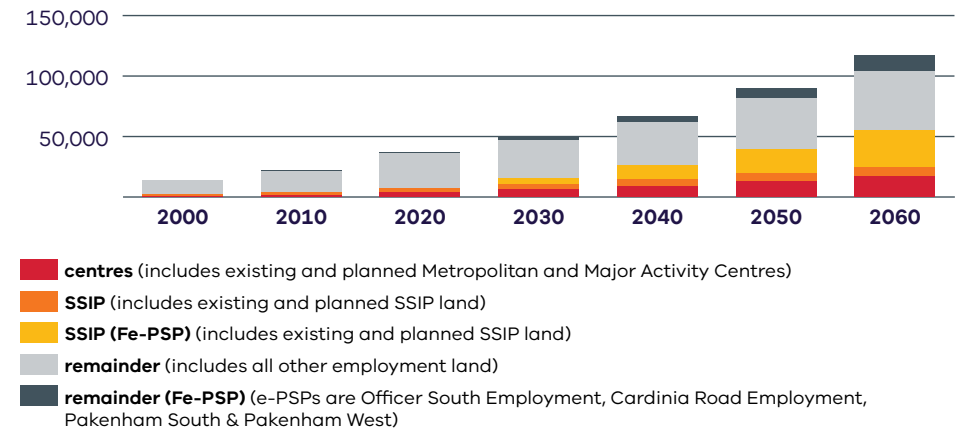
Pakenham West strategic role:

- State Significant Industrial Precinct (SSIP) linked to PFN on Princes Freeway, potential for freight and logistics interface with the Princes Freeway.
- Renewable energy, food production/value-adding to produce from Gippsland and the Latrobe Valley.
- Links to the Pakenham Motorsports Facility (e.g. research and development).
- Strong links taking freight and produce to the future airport via new bypass, and McGregors Road upgrades.

Pakenham South strategic role:

- State Significant Industrial Precinct (SSIP) with excellent links to possible future South East Airport via McGregor and Koo Wee Rup Roads.
- Market links to South Gippsland, Western Port Green Wedge (inputs).
- 136 ha (net) land available for freight and logistics, food/energy production, manufacturing, light and heavy industry.
- Convenience centre located towards north-western part of precinct, linking to South East Business Park.

Figure 4 Employment forecasts by broad location for Cardinia Shire



Source: SGS Economics and Planning.

MAJOR INFRASTRUCTURE AND ANCHOR ACTIONS

[Table 1](#) overleaf shows a list of suggested key connections and anchor projects to support growth in the SEEC that could be considered across the three horizons. These do not represent a commitment to delivery, but a prioritisation of projects and planning activities to support the realisation of the vision for economic development.

While some projects (for example, a potential future South East Airport) may not be realised in the short- to medium-term, planning for longer-term projects could commence earlier to support the anticipated development of e-PSPs. There are various planning tasks, such as business case development, land reservation, preliminary and detailed design, that need to be undertaken before projects are committed.

Table 1 Suggested prioritisation of connections and anchor actions

	SUGGESTED PLANNING TIMEFRAME		
	Short term	Medium term	Long-term
TRANSPORT ACCESS AND CONNECTIVITY			
CURRENT PLANNED MAJOR TRANSPORT PROJECTS			
E.g. Thompsons Road, and Princes Freeway upgrades	✓		
Freeway interchange at Cardinia Road, and Koo Wee Rup Road upgrade	✓		
ENHANCED North-south REGIONAL PUBLIC TRANSPORT LINKS			
E.g. Investigate opportunities from Officer Town Centre to e-PSPs, Cardinia, and Pakenham stations to e-PSPs, along Narre Warren, Clyde and Soldiers Roads connecting Casey Fields South and Crookell to Fountain Gate-Narre Warren and the Berwick Health and Education Precinct	✓		
ENHANCED FREIGHT CAPACITY			
E.g. Westernport Highway upgrades, completion of North-East Link, M1 Princes Freeway Stage 1 along EastLink-Clyde Road	✓	✓	
E.g. Level crossing removals along the Cranbourne-Pakenham and Dandenong lines	✓	✓	
ENHANCED East-west REGIONAL PUBLIC TRANSPORT LINKS			
E.g. Investigate opportunities along Grices Road, Thompsons Road, Camms Road		✓	
FUTURE INTERMODAL INFRASTRUCTURE			
E.g. potential intermodal freight terminal at Lyndhurst, connecting via rail to the Port of Hastings			✓
TRANSPORT GATEWAYS			
Potential future South East Airport and surrounding employment land			✓
COMMUNITY, HEALTH AND EDUCATION			
HEALTH AND EDUCATION PRECINCTS			
Education upgrade/expansion at Berwick Health and Education Precinct	✓		
Location of new health services to be determined by DHHS in consultation with SEEC councils to meet future community need			✓
HOSPITAL UPGRADES/EXPANSION			
E.g. at Frankston, Dandenong, and Berwick (Casey Hospital)			✓
SUSTAINABILITY SYSTEMS			
Integrated water management and closed loop resource/energy systems	✓		

1 INTRODUCTION

A context report to establish a long-term, whole-of-government economic vision for the South East Economic Corridor and six future employment Precinct Structure Plans (e-PSP).

1.1 POLICY AND ECONOMIC CONTEXT

State government policy provides a broad spatial planning framework for the South East Economic Corridor (SEEC). This state policy, combined with local context and policy through the Precinct Structure Planning (PSP) process, defines the role and function for future urban land in Melbourne's growth areas.

Due to structural changes in the economy, strong population growth and other factors the context for employment planning, in particular, is evolving quickly. These economic trends are leading to new, hybridized development models that transcend the traditional notions of industrial estates, business parks and town centres. Without a clear strategic direction for the SEEC in this context of this and emerging economic context application of state policy in the planning for new employment PSPs (e-PSPs) has become more contested.

This context report outlines a suggested vision and a number of strategic imperatives proposed to support the economic and employment growth in the SEEC. It seeks to define the strategic role and drafting instructions of future e-PSPs through a series of 'dashboards', reinforcing their long-term role within the broader south-eastern economy. These dashboards and their drafting instructions will inform the early co-design process under PSP 2.0.

Ultimately, it is envisaged this work will also inform the employment and economic components of DELWP's *Southern Metro Region Land Use Framework Plan* and an update to the Southern Region Councils' collective *South East Melbourne (SEM) 5-Year Vision and Action Plan*. It implements the following policy directions from Plan Melbourne:

- Improving access to jobs closer to where people live (including facilitating investment in Melbourne's outer areas).
- Supporting major transport gateways as important locations for employment and economic activity.
- Ensuring sufficient land is set aside to meet long-term needs for industrial and commercial development.
- Creating a city of 20-minute neighbourhoods.

The strategy also gives effect to the following four planning principles set out in the *Melbourne Industrial and Commercial Land Use Plan* (MICLUP):

- Principle 1** Planning for industrial and commercial land should ensure adequate long-term land supply is planned for and set aside to support future industry and business growth.
- Principle 2** Key industrial and commercial areas should be recognised and retained for their economic and employment contribution to local communities, regions, and the state.
- Principle 3** Planning for industrial and commercial land should provide clarity and certainty about how and where industry and business can grow over time to support and guide long-term investment and locational decisions.
- Principle 4** Industry and business should be supported to innovate and operate efficiently and effectively now and into the future in areas identified for these purposes.

The strategy adopts the policy designations for industrial and commercial precincts that are set out in MICLUP, and provides further detail in relation to the specific outcomes sought for each future e-PSP.

1.2 PROJECT SCOPE AND PURPOSE

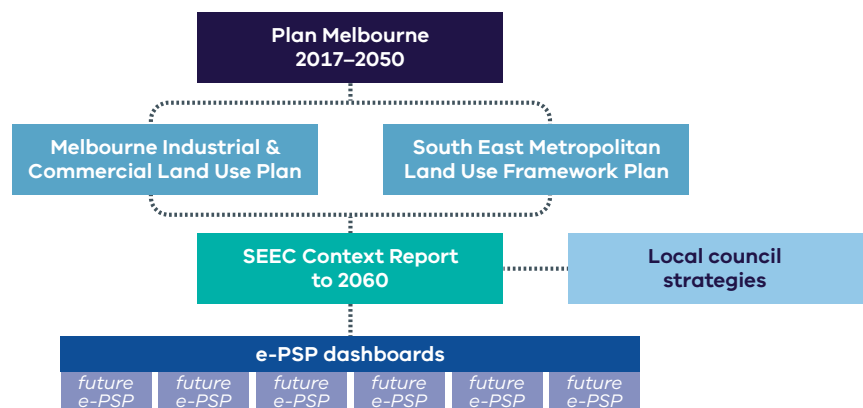
The SEEC Context Report to 2060 and associated (6) e-PSP Dashboards aim to provide an updated economic context and strategic basis for the future planning associated with employment PSPs (e-PSP).

Given the significant regional role these lands will ultimately play, their development and preferred role must be considered within the broader economic context. This will ensure they enhance economic opportunities for the local and broader economy over the short, medium, and long-term.

To achieve this, the SEEC Context Report:

- Establishes a long-term, whole-of-government strategic vision for the South East Economic Corridor
- Identifies actions to facilitate growth in the corridor and activate future e-PSPs:
 - Planning objectives to set the purpose of each e-PSP, including drafting instructions.
 - Economic, employment and institutional delivery strategies.
 - Key enablers of infrastructure and investment.
- Provides direction around the sequence for planning and delivery of e-PSPs.

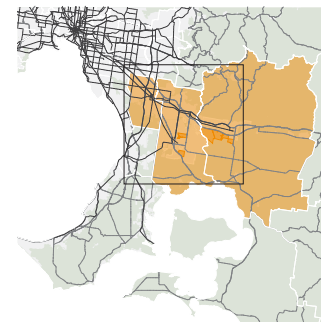
Combined, this report offers clear, consistent, high-level principles for the region, and each future e-PSP, to support more detailed work and investment planning in these areas as required.



1.3 REPORT STUDY AREA

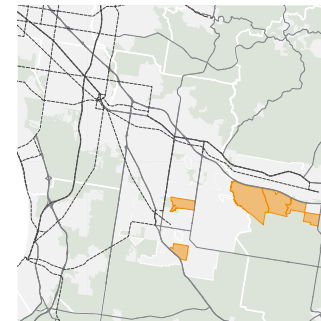
The SEEC Context Report and Dashboards address two spatial frames: the broader SEEC, and the future e-PSPs. The report also considers how these areas interact with the surrounding regional economic context, including the broader Southern Region, Metropolitan Melbourne, and Regional Victorian economies.

The South East Economic Corridor comprises the Greater Dandenong, Casey, and Cardinia local government areas (LGAs)



The SEEC has been selected due to its regional role in accommodating employment from now, into the future. The Dandenong NEIC represents an established economic cluster. As the SouthernSSIP reaches capacity, there is both a challenge and opportunity for the SEEC to broaden its economic base to include future employment lands. This will occur at a time of when the economy is undergoing structural change and the population is growing rapidly in the Casey and Cardinia LGAs.

Future Employment PSPs (e-PSPs)



From this broader spatial perspective, the strategy provides direction around the six future e-PSPs in the corridor:

- Officer South Employment (Cardinia)
- Cardinia Road Employment Precinct (Cardinia)
- Pakenham South Employment (Cardinia)
- Pakenham West Employment (Cardinia)
- Crookell (Casey Central) (Casey)
- Casey Fields South (Casey).

Other relevant geographies

Within the SEEC, this report also considers recently approved e-PSPs (Cranbourne West, Thompsons Road, and Minta Farm) along with other regionally significant employment lands (including Metropolitan Activity Centres, major activity centres, State Significant Industrial Precincts and Regionally Significant Industrial Precincts).

1.4 PROJECT PROCESS & STAKEHOLDER COLLABORATION

This report was produced in close collaboration with a partnership group, comprising:

- City of Greater Dandenong
- Casey City Council
- Cardinia Shire Council
- Department of Environment, Land, Water and Planning (DELWP)
- Department of Transport (DoT)
- Department of Jobs, Precincts and Regions (DJPR)
- Invest Victoria
- Freight Victoria
- Department of Health and Human Services (DHHS).

The project is an example of working collaboratively across government to fast track strategic planning and to obtain collective consensus on future e-PSPs. The project ran from December 2019 to July 2020, and involved:

- Three workshops with CEOs from Greater Dandenong, Casey and Cardinia, as well as representatives from DELWP, Invest Victoria and DoT.
- Three workshops with managers and directors from Greater Dandenong, Cardinia and Casey's Economic Development and Planning teams, as well as representatives from DELWP, Invest Victoria and DoT.
- Six meetings with representatives from Greater Dandenong, Casey and Cardinia, DELWP, DoT and DHHS.
- Two rounds of strategy and dashboard review, alongside workshops (with feedback documented after each).

While this context report addresses a broad range of issues, its primary purpose is to establish a clear vision for the SEEC to enhance the clarify around the role of future employment precincts in the corridor (see [Chapter 2.1](#)).

The report supports the directions and policies established in *Plan Melbourne 2017–2050* and will inform the employment and economic component of the future *Southern Metro Region Land Use Framework Plan* (LUFPP). The report also provides an important advocacy and cross-council collaboration tool to support the *South East Melbourne 5-Year Vision*, *City Deal* and the City of Greater Dandenong, Casey City and Cardinia Shire Council plans. The VPA will apply the PSP drafting instructions through the PSP 2.0 preparation process.

During this collaborative process, some important issues were identified that could not be fully addressed within the scope of this work. These are outlined in [Table 2](#) on the adjoining page, alongside the appropriate policy or research area needed to further address each issue.

Table 2 Feedback raised during workshops/meetings

Issue/ consideration	Related policy / research area
The need, location and timing of a potential new health and education precinct in the SEEC, and the need for a new hospital or tertiary/TAFE anchor institution in Cardinia	Plan Melbourne or Southern Land Use Framework Plan, SEM City Deal, as well as DHHS and DET strategic work
Timing and strategic vision for the Dandenong National Employment and Innovation Cluster (NEIC) to be developed in the Framework Plan and the associated revitalisation of the MAC	Framework planning under Plan Melbourne or the Southern Land Use Framework Plan
Future role and timing of any future revitalisation of the Southern State Significant Industrial Precinct (SSIP)	Plan Melbourne, Land Use Framework Plan, Melbourne Industrial and Commercial Land Use Plan, detailed framework for the precinct
Target floorspace, job and land use mix for the Dandenong NEIC and MAC within the e-PSP model	Framework planning under Plan Melbourne or the Southern Land Use Framework Plan
Timing and staging for a potential future South East Airport	Plan Melbourne, Land Use Framework Plan, and SEM City Deal, as well as DoT strategic work
Timing and staging for a Lyndhurst Intermodal Freight Terminal	Plan Melbourne, Land Use Framework Plan, and SEM City Deal, as well as DoT strategic work
Timing of delivery of the Thompsons Road extension	Plan Melbourne, Land Use Framework Plan, and SEM City Deal, as well as DoT strategic work
Inclusion of the employment area in the Clyde South PSP in the Casey Fields South e-PSP	Review through e-PSP preparation process, in collaboration with the VPA

This report recommends priority connections to support the development of the SEEC. These outcomes will support greater liveability and economic benefits for these communities as well as reduce the demand on infrastructure resulting from residents traveling to Melbourne CBD and other municipalities for work. These matters need to be considered by the relevant authority or authorities in consultation with the SEEC councils as the sub-region develops over the lifetime of this strategy and beyond.

2 SUB-REGIONAL CONTEXT

This section provides an overview of the SEEC economic context.

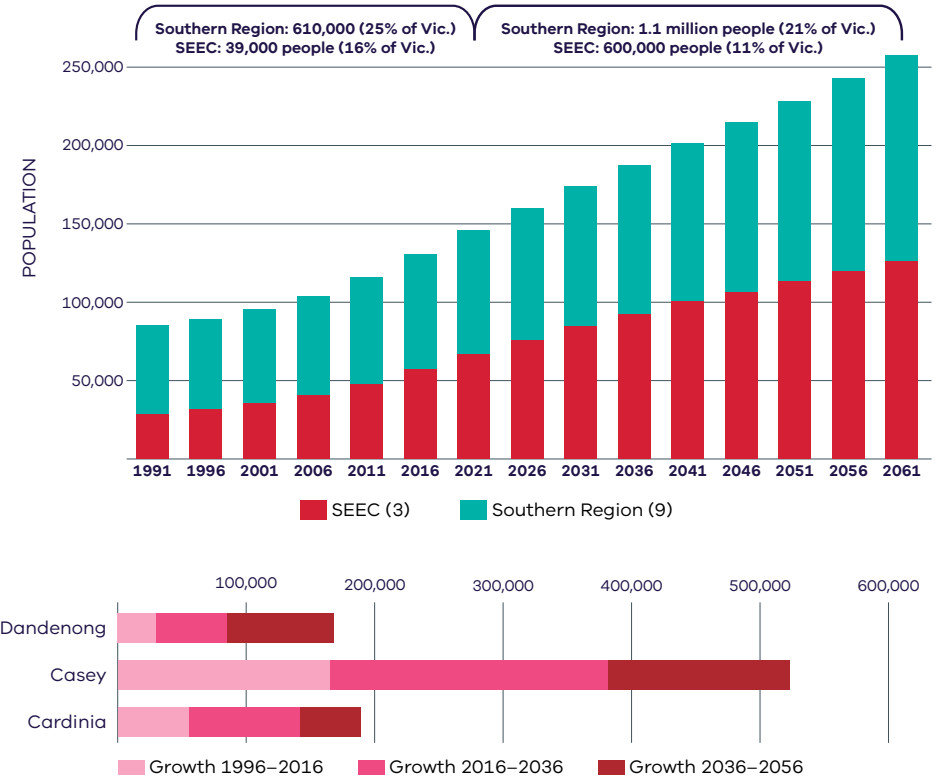
2.1 A SIGNIFICANT POPULATION AND WORKFORCE

Anticipated growth over the next 40 years is equivalent to 9.1 Bendigos

The Southern Metro Region¹ has grown significantly since 1996. Over the past 30 years, the region absorbed 25 per cent of Victoria's population growth, and the SEEC itself accommodated 16 per cent of the state's growth.

Over the next 40 years, the SEEC is anticipated to accommodate an additional 600,000 people. The projected growth is equivalent to 4.2 times Greater Geelong's present population, or 9.1 times Greater Bendigo's population. Over half of the growth will locate in Casey (360,000 additional people) with Greater Dandenong and Cardinia anticipated to both experience similar levels of growth (140,000 and 135,000 additional people, respectively).

Figure 5 Historic and forecast population growth in the Southern Region



Source: SGS Economics and Planning, 2020, based on ABS, VIF 2019 and various datasets.

¹ The Southern Metro Region contains the Cardinia Shire, Casey City, Kingston City, Frankston City, Greater Dandenong City, and Mornington Peninsula Shire LGAs.

2.2 A GROWING AND INCREASINGLY SKILLED WORKFORCE

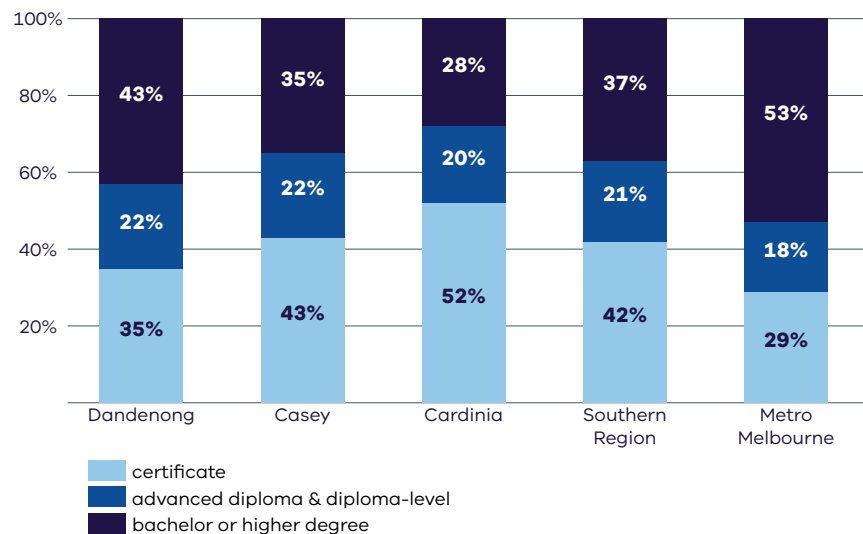
“ The SEEC population represents a growing & increasingly skilled workforce ”

Currently there are 320,000 workers residing in the SEEC, and based on population forecasts this is likely to increase to 580,000 by 2060.

The region’s education and occupation profile are currently skewed toward lower level qualifications and more blue-collar employment types compared to the Melbourne average. However, this is changing rapidly. Over the last three

Census periods, the proportion of people with a Bachelor degree or higher has increased significantly. In Greater Dandenong it has increased from 34 to 43 per cent, Casey from 27 to 35 per cent and in Cardinia from 26 to 28 per cent. There are similar shifts in other workforce related attributes, such as increased white collar employment, as the population adapts to broader economic trends.

Figure 6 Highest education attainment



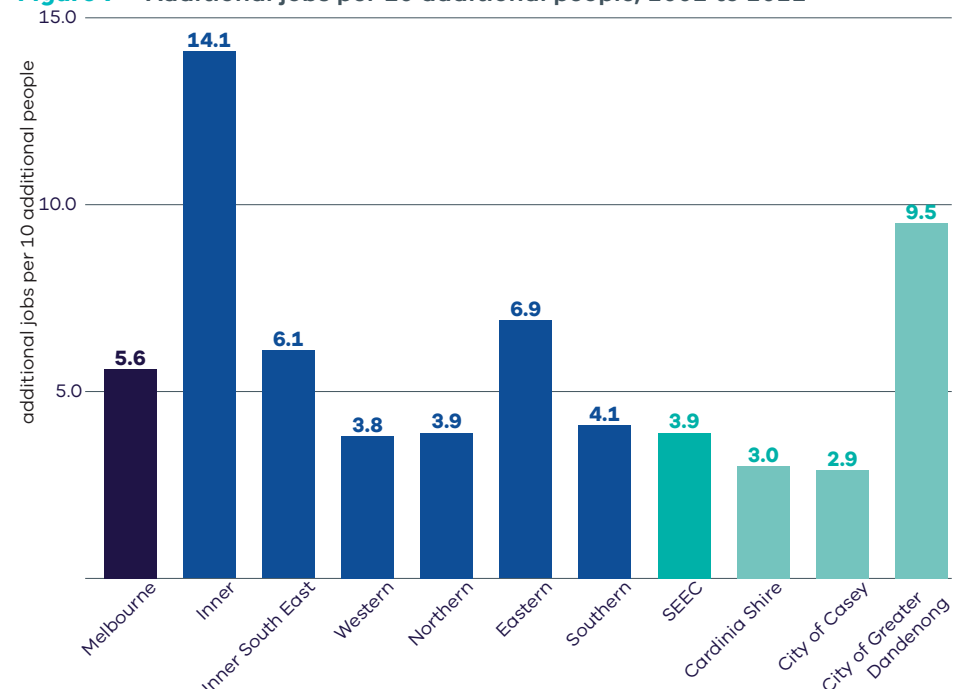
Source: SGS Economics and Planning, based on ABS and other data.

2.3 TODAY’S WORKERS ARE REQUIRED TO LEAVE THE REGION FOR EMPLOYMENT OPPORTUNITIES

“ At present, 41 per cent of residents travel outside the SEEC for work ”

Population growth in Casey and Cardinia growth areas has continued to exceed the rate of employment growth in recent years. Over the last 20 years, the SEEC has added 3.9 jobs for every 10 additional people. This has largely been driven by Greater Dandenong, which has added 9.5 jobs for every 10 people. The Metropolitan average over this time is 5.6 jobs per 10 people, meaning the Southern Region would need to meet or exceed this ratio to keep pace with population growth (see Figure 7).

Figure 7 Additional jobs per 10 additional people, 2001 to 2021



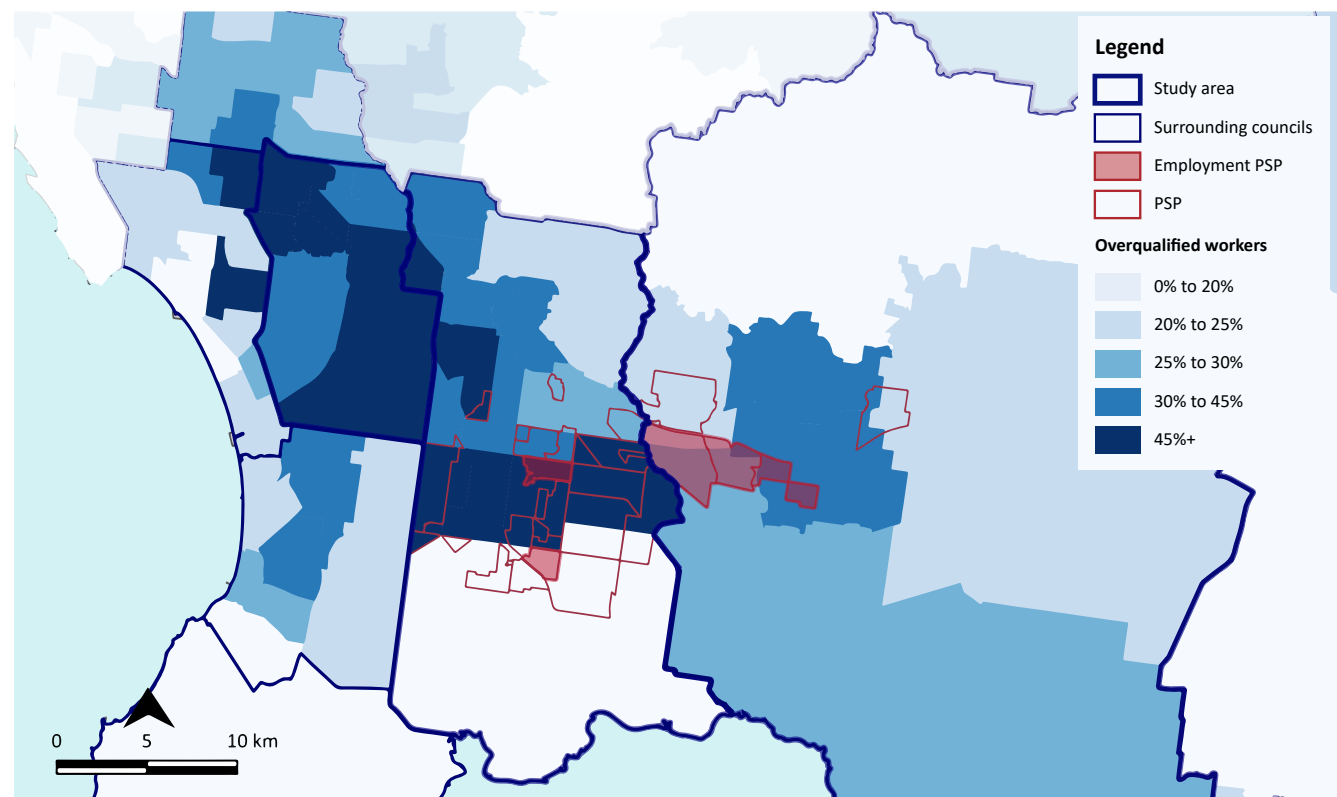
Source: SGS Economics and Planning, derived from ABS datasets.

As a result of job growth not keeping pace with population increases, 41 per cent of residents travel outside the SEEC for work (61 per cent of workers in the Greater Dandenong LGA, 48 per cent in Casey and 37 in Cardinia). Given the dispersed nature of development and employment destinations, workers are overwhelmingly travelling to work by car (84 per cent in Greater Dandenong, 90 per cent in Casey and 91 per cent in Cardinia, compared to 76 per cent for Greater Melbourne).

Due to local skill mismatches, workers in the SEEC are at a disadvantage in terms of job choices, resulting in longer commutes, and higher travel costs. A lack of high quality and high frequency public transport links also means people spend more time in the car, or are forced to choose less suitable jobs closer to home.

Figure 8 provides some indication of this by comparing qualifications to occupations. This highlights that among those with a bachelor or higher qualification, more than 30 per cent are currently employed in an occupation with a skill requirement less than their qualifications. This rate is highest (more than 45 per cent) in Dandenong, and around Cranbourne. This means people are failing to access their income potential, and their contribution to human capital is not being fully realised.

Figure 8 Overqualified workers with a bachelors degree or higher



Source: SGS Economics and Planning, derived from ABS Census 2016.

Note: 'Overqualified workers' are those with a bachelor degree or higher, working in an occupation with a skill requirement less than 1 (bachelor degree or higher).

2.4 A REGIONAL ECONOMY WORKING WITHIN A BROAD METROPOLITAN ECONOMY

Despite these spatial challenges, many trips remain within the local economic region, which supports and interacts with the broader Metropolitan economy through worker and business flows.

Analysis of **self-contained labour markets**², found 60 per cent of trips in the Southern Region³ are self-contained (Figure 9). The **regional economic flows** (Figure 10) are based on analysis of industry composition and input-output tables to estimate potential economic flows between regions. This highlights the strong economic interdependency between firms in the southern region and the inner, while there are also notable flows with other regions as well within the region itself.

Figure 9 Self-contained labour markets



Figure 10 Regional economic flows



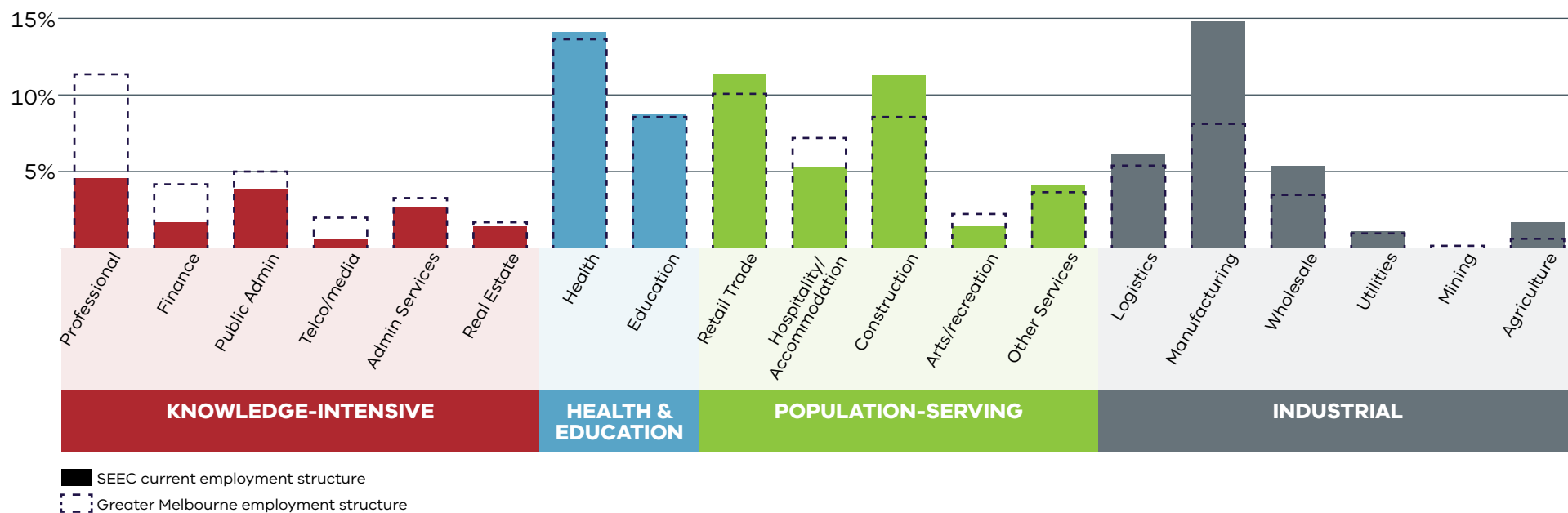
² Defined by 2016 ABS Census journey to work patterns.

³ The Southern Metro Region contains the Cardinia Shire, Casey City, Kingston City, Frankston City, Greater Dandenong City, and Mornington Peninsula Shire LGAs.

2.5 SEEC EMPLOYMENT STRUCTURE IS BASED IN POPULATION-SERVING AND INDUSTRIAL JOBS

Figure 11 shows the SEEC current employment structure, with Greater Melbourne's structure indicated by a dotted outline for comparison. This highlights the SEEC's strengths currently lie in manufacturing, health, education, retail trade and construction sectors, with relatively less knowledge based employment.

Figure 11 SEEC job profile today (2020)

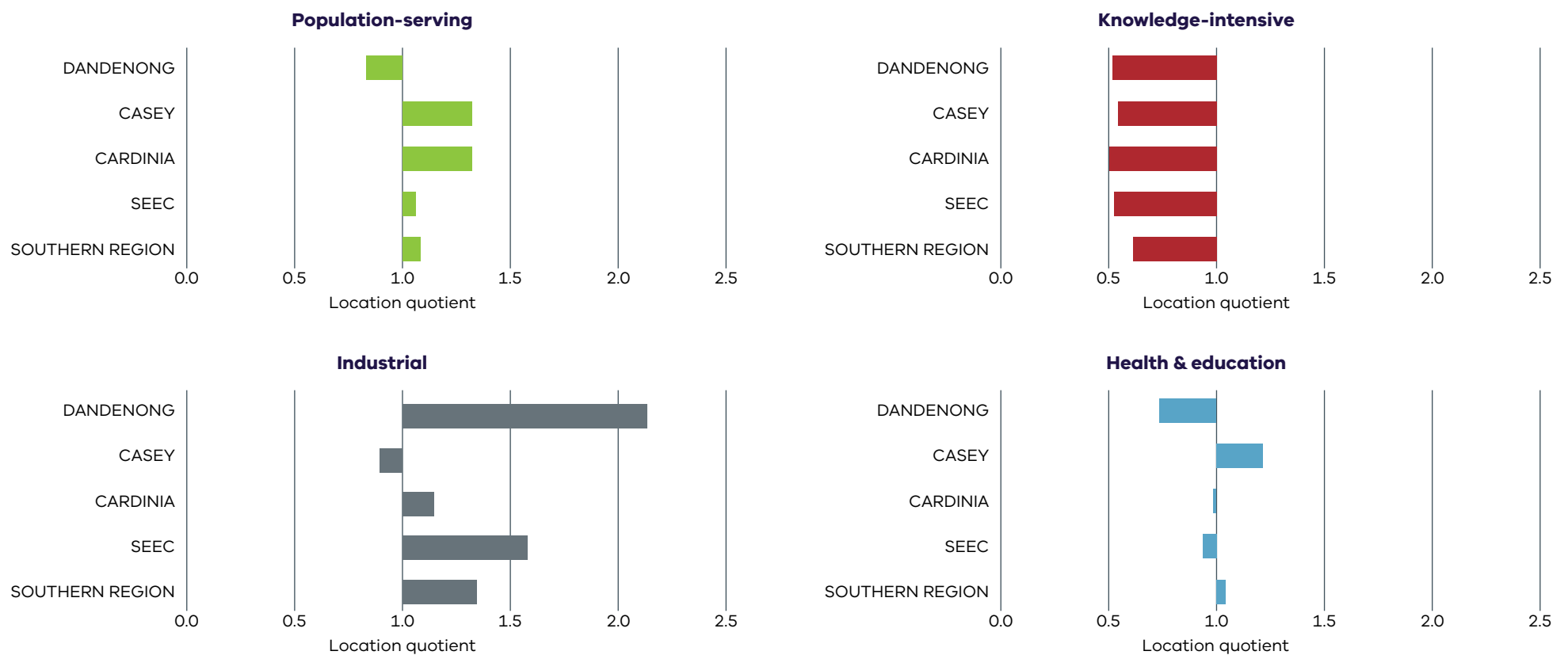


Source: SGS Economics and Planning, 2020, estimate based on ABS and other data inputs.

Location quotient analysis for the SEEC against Greater Melbourne shows Casey and Cardinia have strengths in population-serving sectors⁴. Greater Dandenong and Casey have very strong representation in the industrial, and health and education sectors (Figure 12).

Typically, a higher concentration of population-serving industries is common in regions with rapid population and housing growth, where there are immediate needs for schools, hospitals, and retail centres.

Figure 12 Location quotient for the south east region (2016)



⁴ Location quotient shows the competitive advantages of the economy in a specific region, compared to a larger benchmarking region. Metropolitan Melbourne is the benchmark region for this analysis.

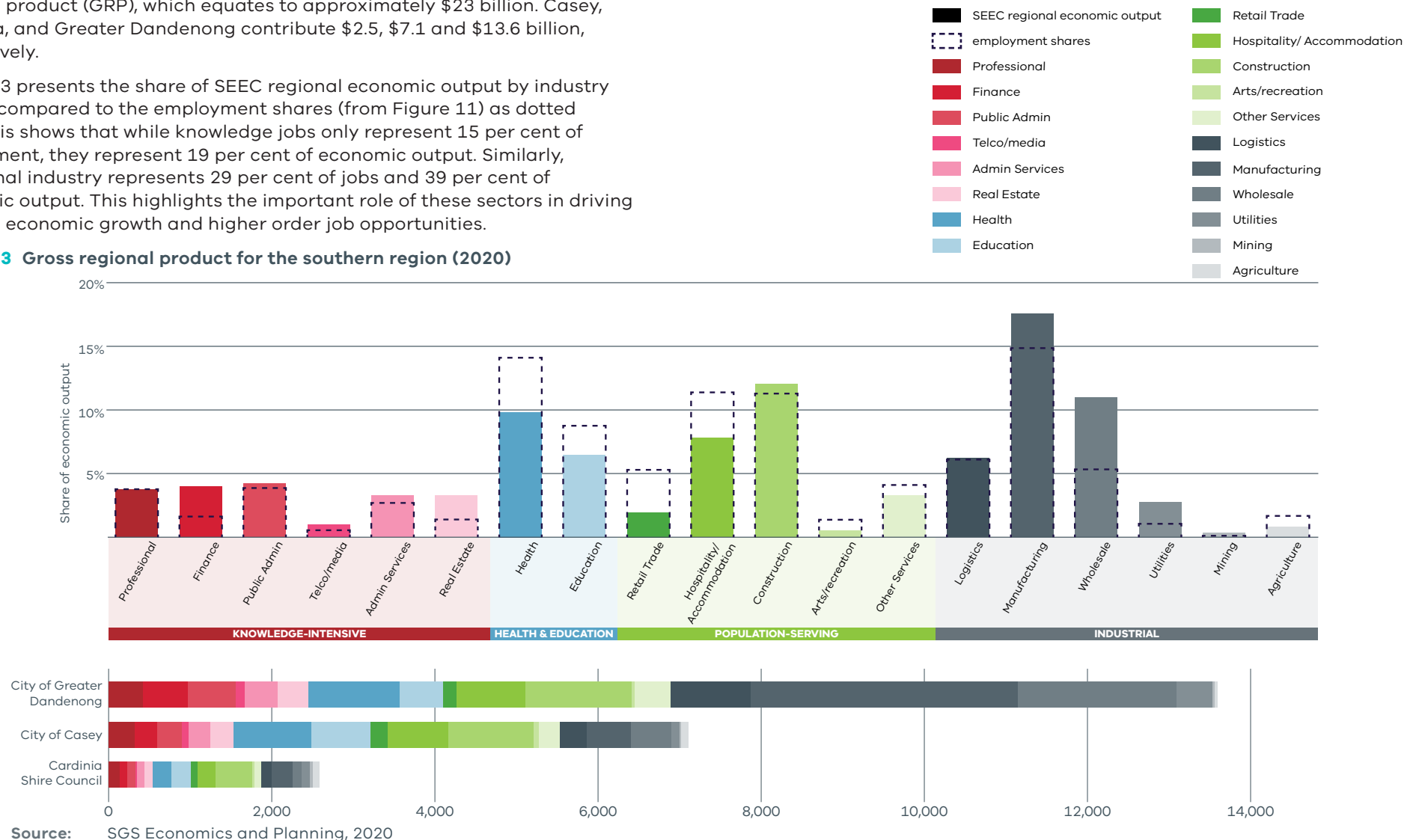
Source: SGS Economics and Planning, 2020, estimate based on ABS and other data inputs.

2.6 KNOWLEDGE-INTENSIVE AND INDUSTRIAL SECTORS DRIVING ECONOMIC OUTPUT

The SEEC contributes around 7 per cent of Greater Melbourne's gross regional product (GRP), which equates to approximately \$23 billion. Casey, Cardinia, and Greater Dandenong contribute \$2.5, \$7.1 and \$13.6 billion, respectively.

Figure 13 presents the share of SEEC regional economic output by industry sectors compared to the employment shares (from Figure 11) as dotted lines. This shows that while knowledge jobs only represent 15 per cent of employment, they represent 19 per cent of economic output. Similarly, traditional industry represents 29 per cent of jobs and 39 per cent of economic output. This highlights the important role of these sectors in driving regional economic growth and higher order job opportunities.

Figure 13 Gross regional product for the southern region (2020)



Understanding health & education precincts

Understanding the diversity of jobs in the health and education sectors allows for more targeted growth and development of health and education precincts. The diagram below demonstrates how some jobs in health and education have potential to generate significant economic output and create clusters of like-employment, while other jobs are more localised and lead to outcomes that enrich communities at a neighbourhood level.

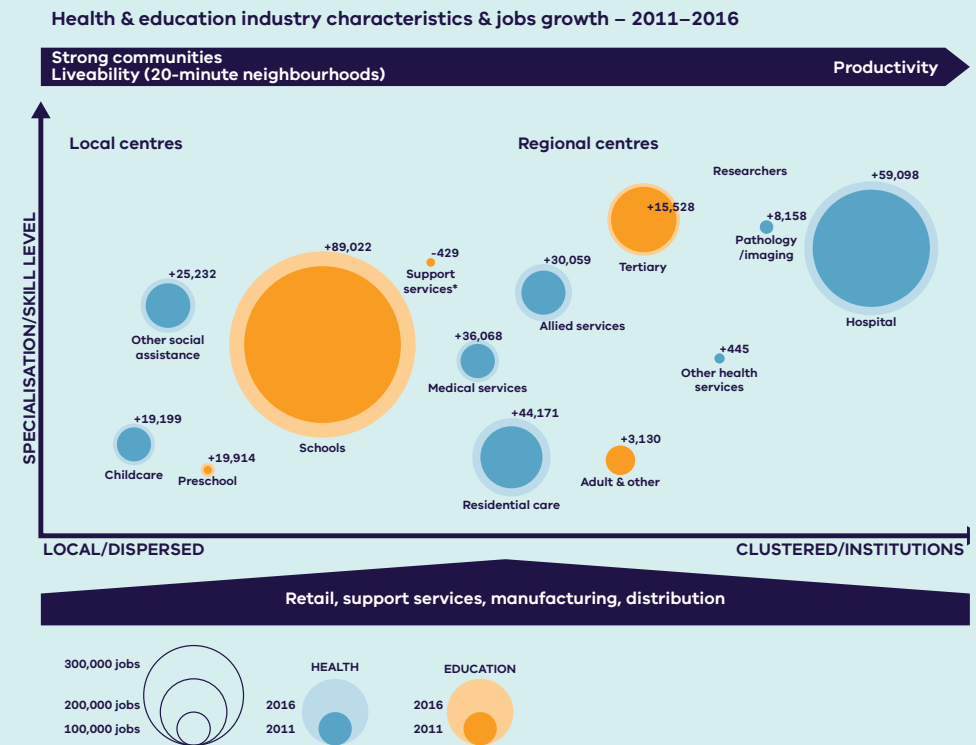
Almost 70% of jobs in the health care industry are not in hospitals (Australia wide). This includes GPs, specialists, pathology, aged residential care, and social assistance services. In the education sector approximately 65% of jobs are in primary and secondary schools, whilst the remaining 35% are in other education services including tertiary education.

Some health and education jobs attract a range of other businesses that service, and benefit from, co-location with larger anchor institutions. **Anchor institutions (such as hospitals and universities) encourage precincts to emerge**, which also support a range of other jobs such as specialists, pathology, and allied health and adult education, as well as retail and hospitality businesses to support workers in these places. These institutions require specialised or highly skilled workers, create clusters of supporting jobs, and therefore can generate significant productivity gains to the economy.

Other health and education jobs are more local, and occur in smaller centres or neighbourhoods (such as GPs, schools, childcare, and social services). These institutions are less likely to attract additional co-located jobs that cluster or generate a precinct. However, they are important community hubs. They support strong communities and enhance neighbourhood liveability.

Successful economic precincts have several attributes that result in highly productive places, generate new investment, and attract new businesses and jobs. Those success factors, with relevance to the SEEC and e-PSPs, are examined in detail in [Chapter 4.3](#) of this document.

Figure 14 Role and function of different jobs in health and education sectors

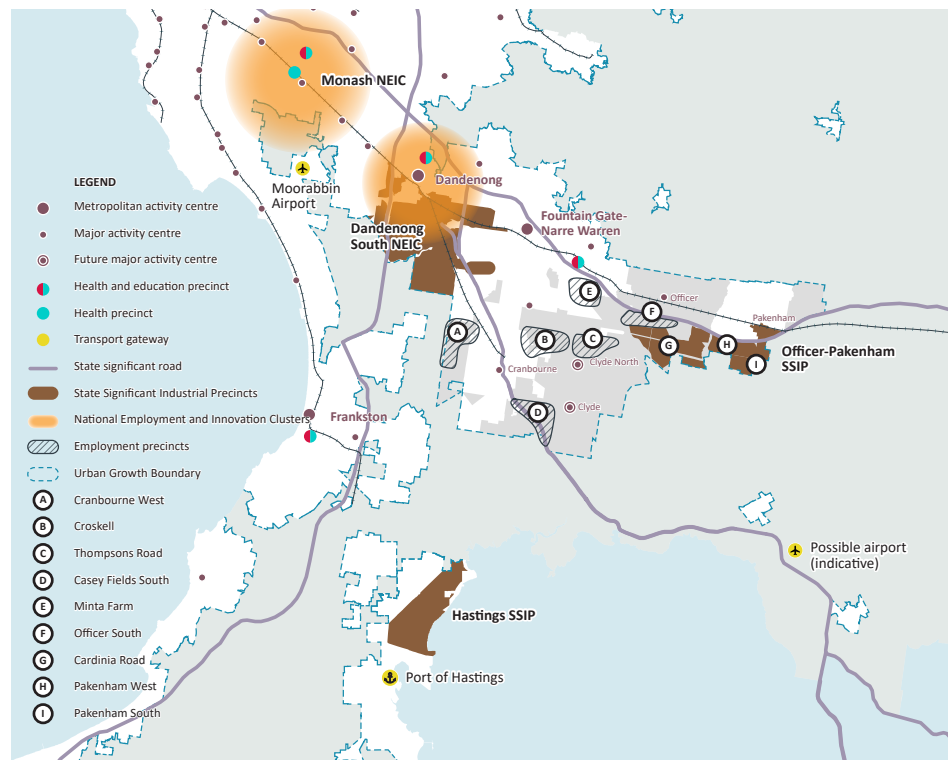


Source: SGS Economics and Planning, 2020. Data shown from ABS (2011 and 2016), and represents the change in health and education jobs across Australia from 2011-2016.

2.7 REGIONAL EMPLOYMENT LOCATIONS TODAY

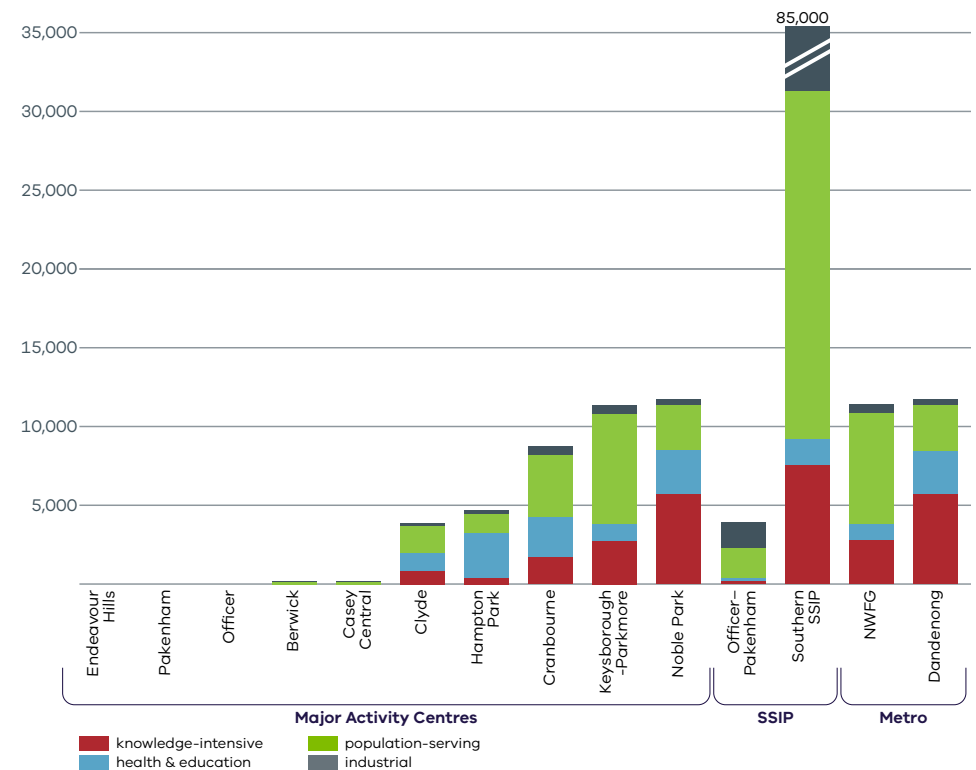
The SEEC has a wide range of locations that cater to business and employment. This includes the Dandenong and Narre Warren Metropolitan Activity Centres, 12 Major Activity Centres and two State Significant Industrial Precincts (SSIPs) (Southern and Officer–Pakenham). Combined, these areas represent 44 per cent of jobs. There are also many smaller activity centres and commercial and industrial precincts across the region. The Southern SSIP represents the largest job cluster (32 per cent of all current SEEC jobs). Other large job locations include Dandenong and Narre Warren MACs and Cranbourne, Berwick, and Pakenham Major Activity Centres.

Figure 15 SEEC current employment locations



Existing activity centres and industrial precincts have capacity to grow and evolve, and the e-PSPs and activity centre precincts that have been approved over the past decade have significant capacity for growth.

The six remaining employment Precinct Structure Plans areas (e-PSP) that are yet to have precinct plans prepared (covering 2,500 hectares) will each play a key role in the future economic growth of the region.



2.8 INDUSTRIAL AND COMMERCIAL LAND SUPPLY

Melbourne Industrial and Commercial Land Use Plan (MICLUP) estimates the Southern Region⁵ has a total of 9,610 hectares of zoned land set aside for industrial uses. Approximately 7,270 hectares is currently occupied, with 2,440 hectares currently zoned and vacant⁶. Approximately 1,260 hectares of this vacant land is located within the Officer–Pakenham SSIP, with 1,180 hectares of vacant land elsewhere (zoned and unzoned).

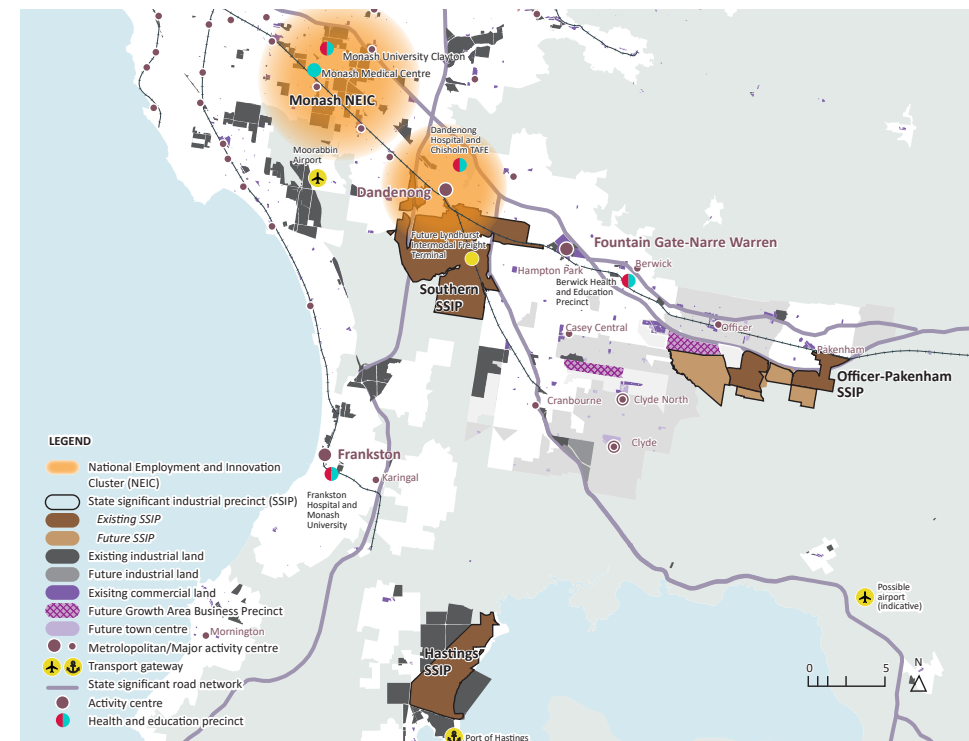
The Southern Region currently contains a total of 855 hectares of land zoned for commercial purposes, estimated to have the capacity to accommodate 3.2 million square metres of commercial floorspace. Approximately 43 per cent of all existing floorspace supply is located within the municipalities of Casey and Greater Dandenong.

Supply and consumption of industrial land

Over last three years, the average rate of consumption of industrial land in the region was 107 hectares per annum, with consumption increasing over this period. Almost 60 per cent of this consumption occurred within the Southern SSIP (63 hectares)⁷.

If consumption rates remain at the 2019 level of 110 hectares, it is anticipated that the region as a whole has approximately 21 years supply of zoned industrial land. Of this, 980 hectares of land in Mornington Peninsula zoned Special Use Zone 1 (around the Port of Hastings) makes up just over 12 years supply of zoned industrial land in the Southern Region. Unzoned land identified for future industrial purposes (80 per cent of which is located in the Officer–Pakenham SSIP) could provide another seven years of supply, depending on the outcome of the PSP planning process for these areas.

Figure 16 Current industrial and commercial land supply in the southern region



Source: SGS Economics and Planning, based on *Melbourne Industrial and Commercial Land Use Plan*, April 2020.

⁵ The Southern Metro Region contains the Cardinia Shire, Casey City, Kingston City, Frankston City, Greater Dandenong City, and Mornington Peninsula Shire LGAs.

⁶ MICLUP, p. 88.

⁷ MICLUP, p. 89.

It is estimated that land supply in the Southern SSIP will become significantly constrained in the early 2020s, and will be exhausted by the mid-2020s. When this occurs, demand transfer is likely to occur to the closest comparable industrial areas, including areas such as Braeside, Cranbourne West and the Officer–Pakenham SSIP. These locations include relatively large contiguous tracts of vacant industrial land with easy access to the Principal Freight Network for large heavy vehicles and access to existing supply chains and distribution networks.

Between 2000–01 and 2017–18 a total of 328 hectares of land identified for industrial uses was rezoned across the Southern region for non-industrial uses⁸. The largest single loss of industrial land over this period was within Casey, where just under 28 hectares of industrial land was rezoned to allow for residential development. Of the remaining industrial land losses that occurred over this period, almost 60 per cent involved sites of less than 2 hectares in size. Of all the industrial land losses over the period, around 37 per cent was rezoned to allow for mixed-use or residential development.

Table 3 Industrial land supply and recent consumption, southern region

Council / SSIP	2018 zoned occupied (ha)	2018 zoned vacant (ha)	2018 future supply (ha)	2018 total available supply (ha)	2015–17 average consumption rates (ha)
Cardinia		375.2	938.3	1,313.5	14.2
Casey	670.7	367.5	245.2	612.7	7.1
Greater Dandenong	2,448.2	469.6	–	469.6	61.8
Southern Region	7,270.3	2,337.5	1,183.5	3,521.0	107.2
<i>Southern SSIP</i>	2,454.4	502.6	–	502.6	63.5
<i>Officer–Pakenham SSIP</i>	317.7	323.8	938.3	1,262.1	13.9

Note: Southern Region includes Casey, Cardinia, Greater Dandenong, Frankston, Kingston and Mornington Peninsula.

Source: MICLUP, 2020 (DELWP, unpublished data (2020)).

⁸ For example, by the Growth Corridor Plans, 2012.

Supply of commercial land

MICLUP identifies a total of 855 hectares of land zoned for commercial purposes. It is estimated that there is almost 3.2 million square metres of floorspace occupied by or available for commercial purposes on this land. Approximately 43 per cent of existing floorspace supply is located within the municipalities of Casey and Greater Dandenong. Across the Southern Region a total of 216 commercial areas or centres are identified. Of these, 171 have less than 10,000 square metres of floorspace. Seven centres have more than 100,000 square metres of floorspace. This includes large freestanding shopping centre based locations such as Fountain Gate–Narre Warren, and traditional strip-based centres.

Table 4 Commercial floorspace supply (2018) and estimate (2016–2031), southern region

Council / SSIP	Existing commercial floorspace 2018 (sqm)	Estimated additional commercial floorspace 2016–2031 (sqm)
Cardinia	206,700	217,000
Casey	718,300	541,000
Greater Dandenong	653,900	213,000
Southern Region	3,155,750	1,371,000

Note: Southern Region includes Casey, Cardinia, Greater Dandenong, Frankston, Kingston and Mornington Peninsula.

Source: MICLUP, 2020 (DELWP, unpublished data (2020)).

In addition to the existing zoned commercial land, approximately 800 hectares of land has been identified through other strategic plans (such as Growth Corridor Plans and PSPs) for future commercial purposes. These areas are confined to Cardinia and Casey. A significant proportion of this land has been identified in areas designated as future business precincts (identified as regionally significant commercial land in MICLUP) in the municipalities of Cardinia (320 hectares) and Casey (170 hectares). These areas are intended to be suitable for a range of other employment uses, including some light industrial uses, as well as some residential uses. Land in these future business precincts accounts for just over 60 per cent of all future commercial land identified for the Southern region.

Based on projected commercial employment growth, by 2031 it is anticipated that an additional 1.6 million square metres of commercial floorspace will be required across the Southern Region. Approximately 720,600 square metres will be required for office uses and 911,100 square metres will be required for retail. Almost half of this additional floorspace will be required in the municipalities of Cardinia and Casey.

Key implications from MICLUP for the SEEC Context Strategy

MICLUP emphasises the importance of identifying, zoning and protecting land for employment over the long-term. It also acknowledges that existing commercial and industrial zones enable a range of land uses that may undermine the purpose of those zones, or lead to a higher take up rate of sensitive uses (for example, residential in the commercial zone) that may restrict the range of employment uses. MICLUP recommends future zoning should be based on a hierarchy or framework for industrial and commercial lands, as follows:

State significant industrial precincts:

- 1 **Industrial 1 Zone** (SSIP)
- 2 **Industrial 2 Zone** (where manufacturing/storage facilities require substantial threshold distances)
- 3 **Industrial 3 Zone** (as a buffer between industry and local communities)
- 4 **Special Use Zone** (where there is a specific industry/asset that requires special consideration)
- 5 **Commercial 2 Zone** (limited application).

Regionally significant industrial precincts:

- 1 **Industrial 1 or 3 Zone**
- 2 **Commercial 2 Zone**
- 3 **Commercial 3 Zone** in limited instances

Local industrial precincts:

- 1 **Industrial 1 or 3 Zone**
- 2 **Commercial 2 Zone**
- 3 **Commercial 3 Zone** in limited instances.

Application of zoning based on this hierarchy would ensure the preservation of the full range of employment uses into the long-term, especially those that require relatively large land parcels and/or may have negative amenity impacts and may not develop until employment precincts begin to mature.

The range of current zones available is presented in [Chapter 5.3](#) and [Appendix 3](#).

Notes on MICLUP land consumption approach

The industrial land area and commercial floorspace estimates in MICLUP demonstrates an approach to forecasting based on land consumption trends. It suggests the current supply of industrial land in the Southern SSIP may be exhausted within the next decade, based on past take-up rates of industrial land continuing.

This SEEC Context Strategy considers land requirements with consideration of broader employment and economic forecasts for the state, city, region and local area. It builds on the approach applied in MICLUP by examining the diverse economic roles, regeneration and renewal of both existing and future employment land. It also considers employment density based on different industry sectors and land use categories, providing an additional level of detail when considering how employment land will evolve across the Southern and SEEC regions. This approach is discussed further in [Chapter 4](#) and [Appendix 5](#).

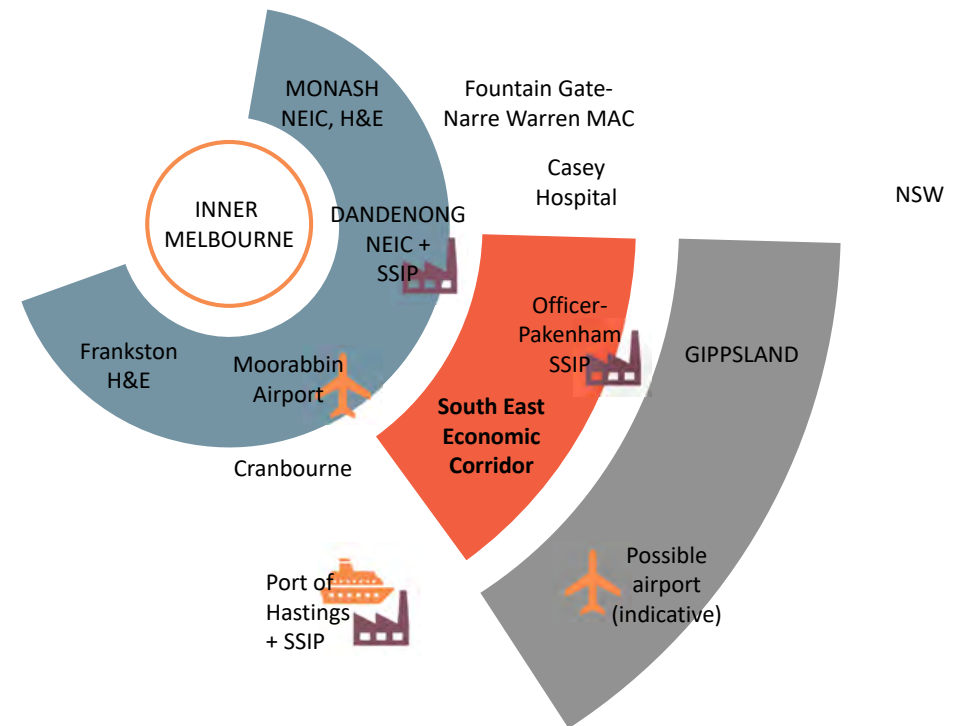
2.9 REGIONAL GATEWAY & KEY ECONOMIC ASSETS

The Southern region has some significant competitive advantages over other metropolitan regions, including easy access to Moorabbin Airport and the Port of Hastings. A potential intermodal freight terminal at Lyndhurst could support the Southern SSIP, and the distribution network across the region, combined with a possible South East Airport, would elevate the region's accessibility significantly. In this context, the South East Airport presents a game-changing opportunity for the region to link the Southern Region, Gippsland, and the Latrobe Valley to global markets.

There are good road and rail connections across the Southern region. Eastlink, the Monash Freeway, Mornington Peninsula Freeway, the Princess Highway and Freeway, Nepean Highway, Western Port Highway and South Gippsland Highway and Highway provide important connections throughout the region and beyond to other regions, including regional Victoria. Three rail lines provide connections to Frankston and Stony Point, Cranbourne, and Pakenham.

Nearby, the region is also enhanced by strong connections to the Frankston MAC and Health and Education Precinct, and the Monash NEIC and Monash Medical Centre Health and Education Precinct. The region is strongly linked to the Port of Melbourne via the Cranbourne and Pakenham train lines (part of the Principal Freight Network). Other transport gateways include Moorabbin Airport and the Port of Hastings.

Figure 17 Diagram of key gateways and economic assets in the southern region



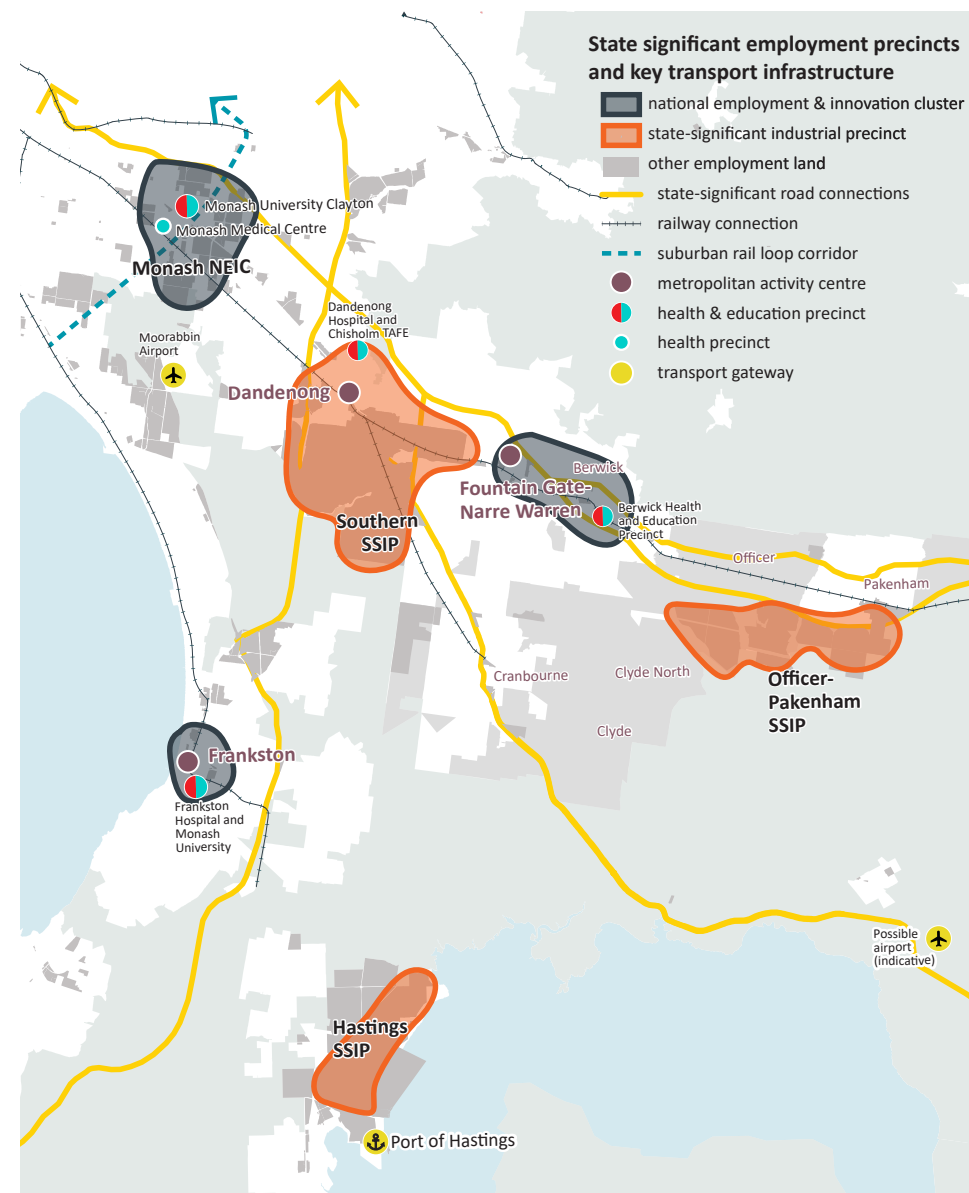
Source: SGS Economics and Planning, 2020.

Connectivity within the Southern region and across the city

Transport infrastructure is a key enabler of business investment and access to jobs, and is crucial for the success of the Southern Metropolitan Region. Improving east–west connections between Frankston, Dandenong, and the South East growth area (for both workers and freight) will improve the productivity and deliver economic success in the region over the long-term.

The economic relationship between the Officer–Pakenham SSIP and the Gippsland region also needs to be strengthened. The proximity of Casey and Cardinia to agricultural areas in South Gippsland, the Mornington Peninsula and Western Port mean that it is well-placed to link to these economies, supporting the development of niches in food manufacturing and related value-adding industries.

Figure 18 Transport network today



Source: SGS Economics and Planning, 2020.

3 FACTORS INFLUENCING CHANGE

This section considers some key macro-economic trends and uncertainties affecting the SEEC.

3.1 THE CHANGING ECONOMIC STRUCTURE

Melbourne's economy, like that of many other cities, has undergone significant structural change over the past few decades. Previously dominated by manufacturing and industrial activities, it has been transformed into one more reliant on population and knowledge-intensive activities and services. Over the last 20 years, knowledge sectors have represented 29 per cent of jobs growth and 47 per cent of economic growth. Conversely, traditional industrial jobs only represent 4 per cent of new jobs, and contributed 13 per cent of economic growth.

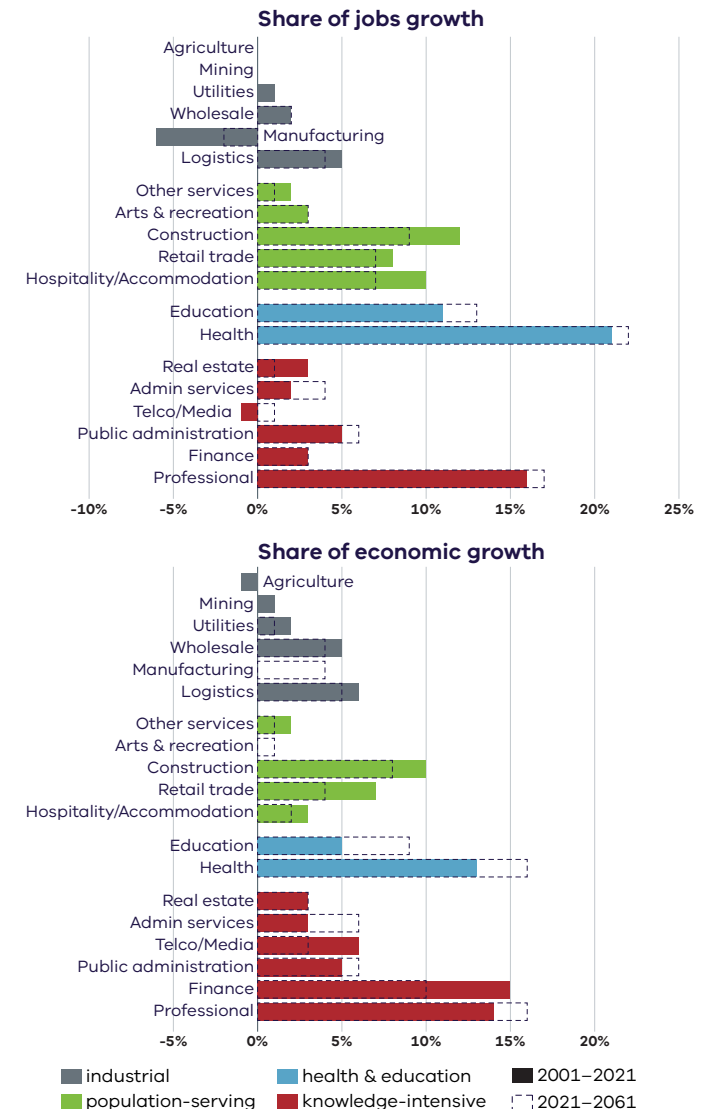
Other key trends affecting the SEEC, include a disrupted supply chain, automation, future uncertainty, climate change, bottom-up community enterprises, and growth in micro and small businesses. These have a significant influence on the Victorian Government Priority sectors:

- Construction technologies
- Creative industries
- Defence technologies
- Food and fibre
- International education
- Medical technologies and pharmaceuticals
- Professional services
- Retail, transport distribution, logistics and postal
- Space technologies
- Visitor economy⁹.

CSIRO global megatrends

- **More people using less:** The earth has limited supplies of natural mineral, energy, water and food resources essential for human survival and maintaining lifestyles.
- **Loss of habitats, animals and plants:** Many of the world's natural habitats, plant species and animal species are in decline or at risk of extinction.
- **Rise of the Asian century:** The world economy will continue to shift from west to east and north to south.
- **The ageing population:** Australia and many other OECD countries have large ageing population.
- **Digital disruption and technology:** a world of increased connectivity where technology links individuals, communities, governments and businesses
- **Demand for experiences over products:** a consumer, societal, demographic and cultural megatrend causing a rising demand for experiences over products.

Figure 19 Melbourne's historic and future structural employment and economic change



9 Department of Jobs, Precincts and Regions, *Priority industries and sectors*, 2020, available online: <https://djpr.vic.gov.au/priority-industries-sectors>

Source: SGS Economics and Planning, 2020.

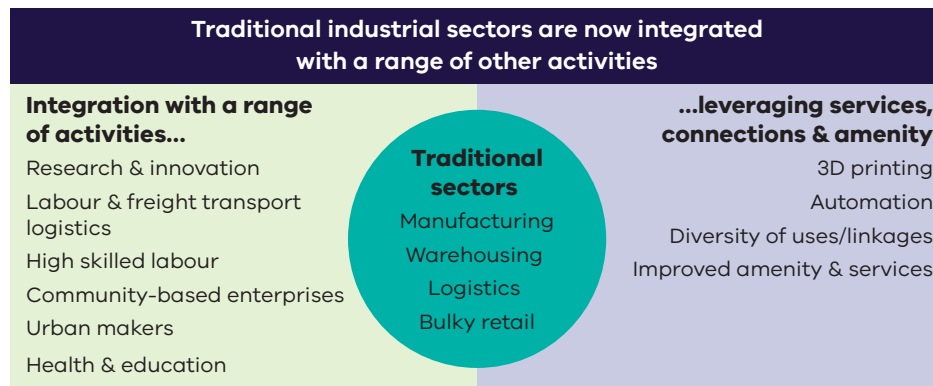
3.2 RETHINKING WHAT FUTURE EMPLOYMENT LANDS ARE

Current state policy defines the role and function of activity centres, industrial precincts, health and education precincts, and national employment and innovation clusters (NEIC). While jobs are a focus for all precincts, the emphasis of those jobs in supporting local, regional, or state economies varies. The nature of different precinct types also means they are anticipated to accommodate different types of jobs.

As the economy transitions, and the nature of work also changes. Many traditional industrial businesses now include higher tech functions, and subsequently employ higher skilled workers. This is already occurring in parts of the South East region (for example, Southern SSIP, Moorabbin Airport, Scoresby); where there is a higher proportion of highly skilled workers compared to historic industrial areas.

There are an increasing proportion of businesses employ people in traditional, industrial sector jobs (for example, manufacturing) as well as knowledge-intensive research and headquarter functions at a single site. These types of businesses are typically located in highly accessible precincts near established residential and commercial areas (for example, Monash), where workers enjoy high levels of amenity and access to goods and services.

Figure 20 Planning for traditional sectors needs to incorporate a range of other activities that now occur within one firm



Integration of a range of activities is also being seen in small- to medium-enterprises making use of smaller lots that combine office, warehouse/distribution and research and development functions on the one site (for example, in Cremorne) or where trades businesses are leveraging this mixed use, small lot model to grow their business (Cranbourne West).

Some businesses will still require very large lots; they are more capital-intensive with high gross value added, meaning they accommodate fewer jobs per hectare. This is particularly the case in the warehouse, freight and logistics (linked to e-commerce) where automation is a key characteristic.

Some precincts in the new economy have embraced closed-loop environmental management. Energy generation, water recycling and waste recovery are a key selling point, reinforcing community involvement and environmental resilience for future-proof precincts (e.g. Tonsley in South Australia, Erskine Park in Western Sydney). There are instances where this is being explored even further, in the design of goods based on upcycling, recycling to return material to the economy, and using fewer resources in the initial process, challenging traditional linear economic flows¹⁰. In light of recent challenges to Australia's resilience (drought, bushfires and floods, and now COVID-19), the importance of access to (or creation of) local manufacturing inputs, getting the greatest return from resources over their lifetime (in many forms), and preparedness for future shocks has been underlined more strongly than ever before.

Source: SGS Economics and Planning, 2020.

¹⁰ Loop Circular Economy Platform, On the Circular Economy, 2019, Available from URL: <https://www.poweringthechange.org/on-circular-economy>

Case study: Laverton North

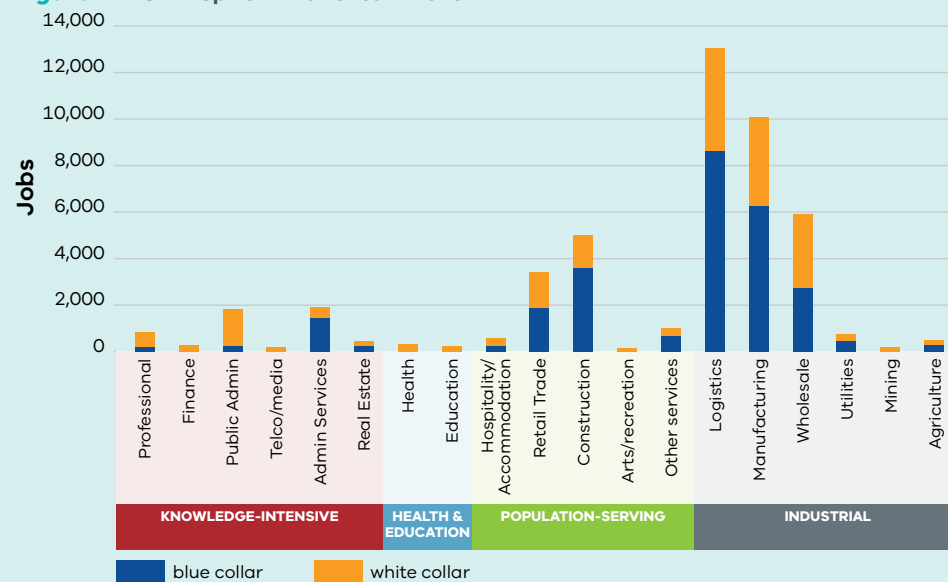
Laverton North is the most active industrial precinct in Australia. Its development is due to a combination of interrelated factors, including strategic planning, transport infrastructure delivery, and innovative private-sector business models for leasing and developing land¹¹.

Laverton North today

The skills profile in Laverton North demonstrates the large proportion of logistics and warehousing jobs available in the precinct. Around 35 per cent of logistics jobs, 40 per cent of manufacturing, and 50 per cent of wholesale jobs are white collar.

The precinct is part of the Western SSIP. Its success is based on transport connectivity/access to gateways (with government investment in key links), market certainty (long-term planning and a clear future direction), and private sector investment innovation.

Figure 21 Skill split in Laverton North



11 Peter Elliott (DELWP), *Why strategic planning matters: a case study approach to examining industrial land use planning and development in Melbourne*, paper to the State of Australian Cities Conference, 2017.

Factors influencing success

The success of Laverton North as a hub for freight and logistics firms (17% of workplaces in the precinct, compared to 5% in the North and South SSIPs) lies in:

- **Access to high capacity transport infrastructure.** The Western Ring Road provide access to key international gateways: Port of Melbourne and Melbourne Airport; the Western Highway links to Adelaide and Perth and the Hume Highway to Sydney and Brisbane. Laverton North is also connected to Perth via rail (South Dynon and SCT terminals).
- **The use of large buildings and large pieces of land.** The need for large buildings is driven by increasing efficiencies achieved by consolidating activities into one or two large distribution centres, rather than a larger number of smaller, scattered warehouses. Large lots (in excess of 25,000 sqm) enable large buildings, where firms can achieve consolidation and an associated reduction in logistics costs, and improved delivery of customer service. As a result, firms are drawn to the fringe of Melbourne where large blocks are available. Of the 95 buildings in excess of 25,000 sqm, 51 are located in the Western SSIP and some warehouses in the precinct have an area of 50,000-70,000+ sqm.
- **The use of real estate investment trusts (REITs) to provide flexible methods for users to access premises.** REITs are a financial instrument where a company purchases a property with the intention of leasing it to one or number of users, and using the rent as a source of income as well as capital growth from the appreciation of the asset¹². This business model enables users to access purpose designed and built premises while paying the lower cost of renting premises rather than the more expensive option of purchasing premises with capital that could be utilised in other ways¹³. The flexibility provided by industrial REITs enabled users to access purpose built premises at a lower cost compared to previous models of development.

12 In Peter Elliott, ASX. (Undated) A-REITs, retrieved on 24/6/2017 from <http://www.asx.com.au/products/managed-funds/areits.htm>.

13 In Peter Elliott, Lasfer, M. (2007) *On the financial drivers and implications of leasing real estate assets: The Donaldsons-Lasfer's Curve*, in Journal of Corporate Real Estate, Vol. 9 No. 2, pp. 72-96.

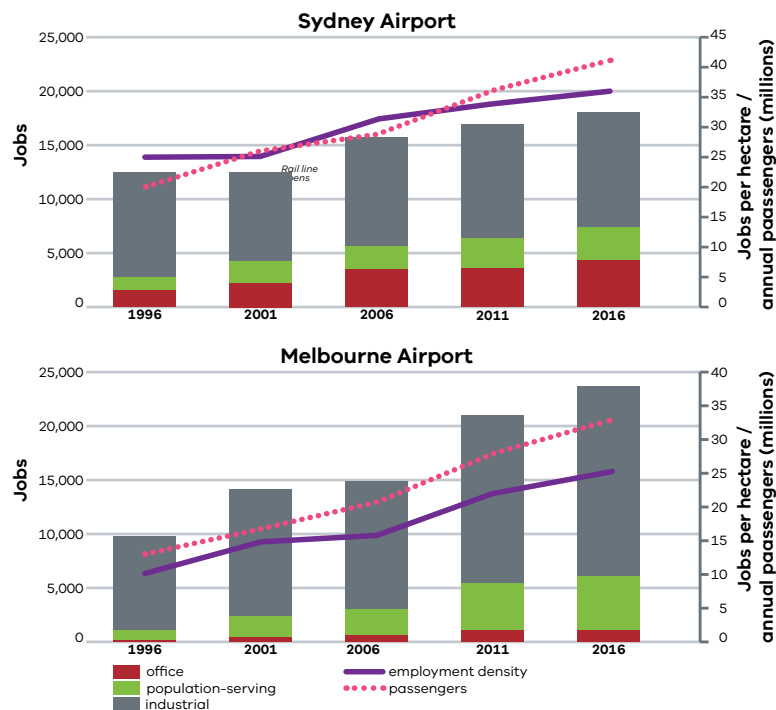
3.3 THE POTENTIAL ROLE OF AN AIRPORT ON THE SEEC ECONOMY

A new airport in the SEEC has the potential to provide significant economic benefits. Given the current uncertainty, the region should not rely on its delivery, but should be ready to respond to opportunities if and when they become available.

Potential employment role of an airport

In 2016, there were 23,600 jobs at Melbourne Airport and surrounds. 75 per cent of these jobs were in the Industrial sector¹⁴. In and around Sydney Airport 60 per cent of the 18,000 jobs were industrial in 2016.

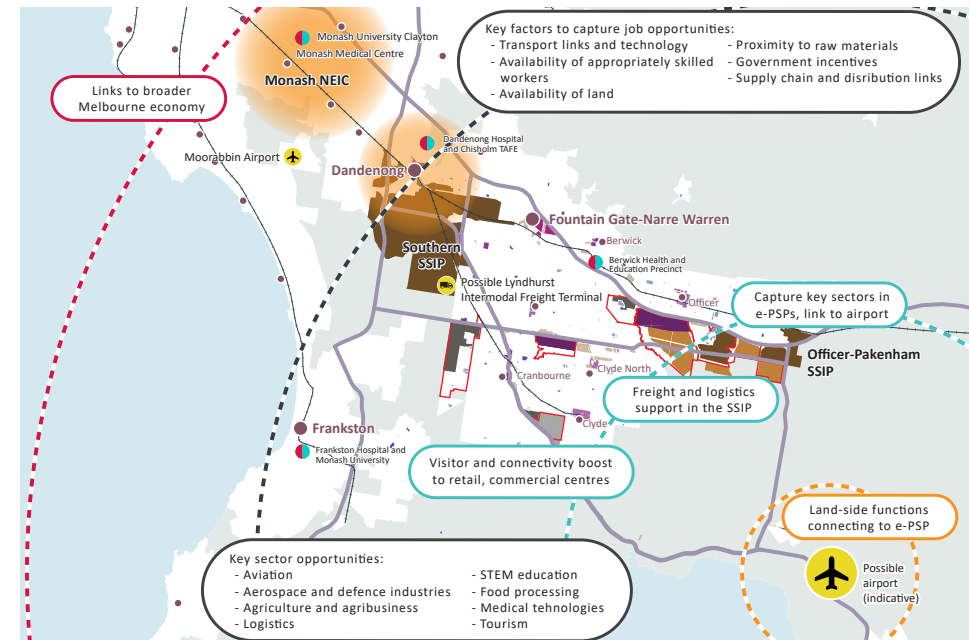
Figure 22 Jobs in and around airports, Sydney and Melbourne



¹⁴ A 2015 report by MacroPlan Dimasi found that the Essendon Fields and Airport West (Essendon Airport and Essendon Technology Precinct) contained around 9,176 jobs, accounting for 26.8 per cent of jobs in the Moonee Valley LGA, and 27.6 per cent of all workers who live in the LGA.

The following diagram provides an overview of how the potential opportunities might spatially impact the SEEC.

Figure 23 Opportunities created by a future airport



Key sector opportunities	Key push/pull factors for capturing job opportunities
<ul style="list-style-type: none"> Aviation Aerospace and Defence Industries Advanced manufacturing Agriculture/ Agribusiness STEM Education Logistics Food processing Tourism Medical technologies 	<ul style="list-style-type: none"> Transport links and technology Availability of appropriately skilled employees: Availability of land: Proximity to raw materials Government incentives Supply chain and distribution links

3.4 COVID-19 AND POTENTIAL IMPLICATIONS

This context report was prepared during the COVID-19 pandemic. At the time of writing (September 2020) the impact of COVID-19 was still unfolding and no detailed data on the long-term impacts, or the likely form of recovery, was clearly known.

However, dependent on how the pandemic unfolds and the government's response there are five possible scenarios:

Shallow recession

– if the virus is rapidly contained and the economy is able to quickly open back up.

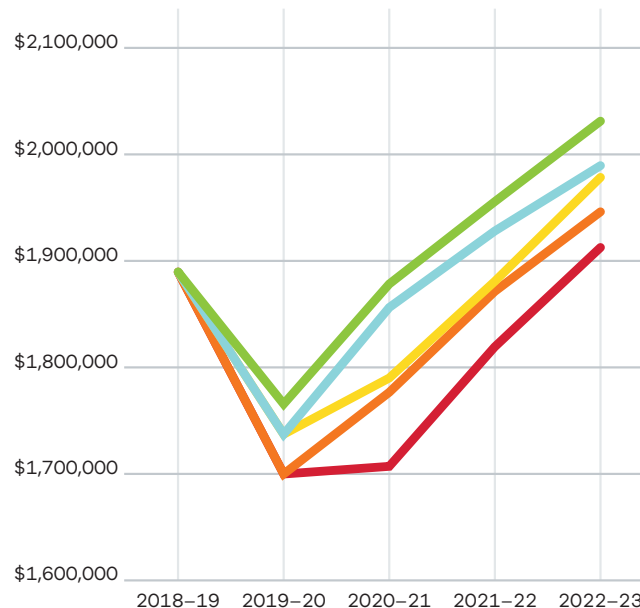
Large recession and rapid recovery

– A quick bounce back after restrictions are lifted

Large recession and normal recovery

Deep recession and normal recovery

Deep recession and slow recovery



This potential economic impact will play out differently by sector and location. Some impacts will be short and sharp (i.e. those associated with enforced business closures during lockdown), while others may result in prolonged structural effects on the economy (i.e. potential increased requirement for local manufacturing of key goods).

The following outlines a few potential key sector implications of relevance to the SEEC and future e-PSPs:

Local manufacturing could increase as businesses want greater certainty for their supply chains. This means that there would be less imports and more domestic production. This would increase the demand for employment floorspace as manufacturers increase production.

Retail could experience a shift away from 'bricks and mortar' models and more towards online sales. This could reduce the demand for conventional retail space but open up more demand for retail/wholesale type spaces well-suited to online delivery.

A shift away from 'just in time' supply chains could mean that business hold much more stock than is currently the case. This would include the demand for additional **warehouse** floorspace.

Under a deep recession and slow recovery, there could be 1 million less than projected people in Victoria in 2046. Less population growth in Melbourne would reduce residential development which in turn could impact on the number of **population-serving jobs**. This would decrease the demand for employment floorspace.

Investment in **health services** from research, pharmaceutical and supply production to hospitals and other related service has been a focus during this pandemic. Continued investment in these sectors to ensure Australia remains resilience will encourage further jobs and employment floorspace in this sector.

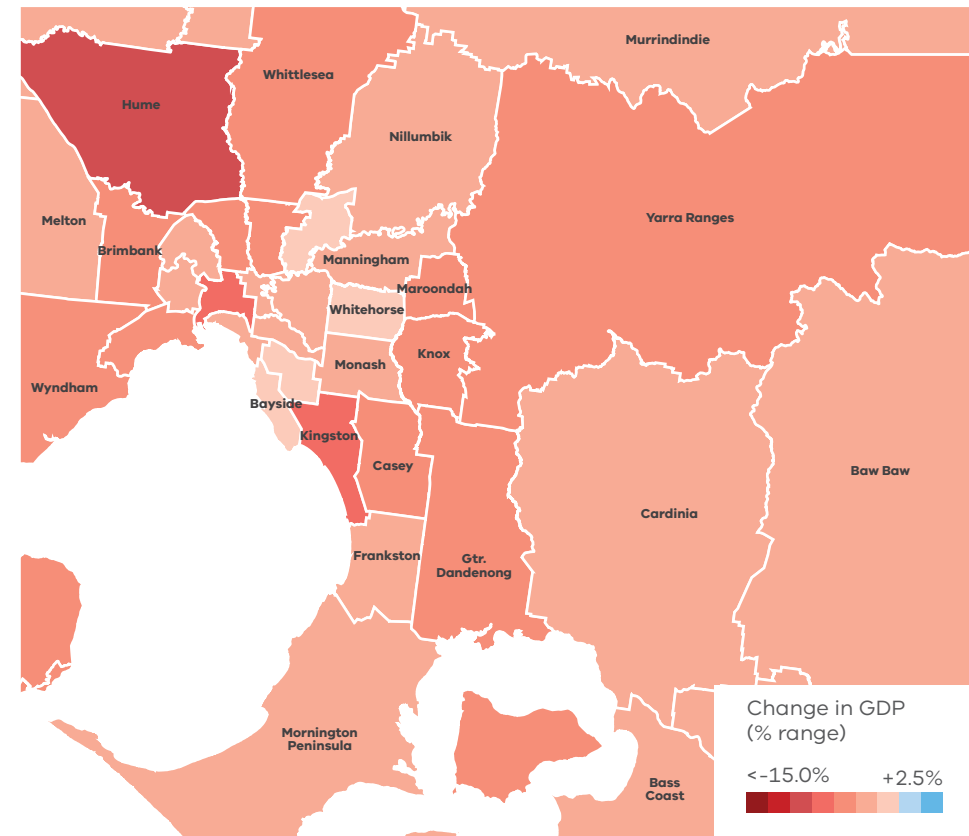
Households may search for larger homes to accommodate **working from home**. This could result in more people living and possibly working from the South East Growth Area. This could decrease the demand for employment floorspace in the central city and increase local economy opportunities.

How these trends play out spatially will depend on the structure of the local economy. The following provides a snapshot of the potential short-term impacts on local GDP estimates. This early analysis suggests over the short term the SEEC is likely to experience a drop in GDP of between 5 to 10 per cent as a result of the COVID-19 pandemic.

<https://www.sgsep.com.au/publications/insights/the-economic-impact-of-covid-19-and-bushfires>

This context report is intended to be a live strategy, that provides outcomes-focused strategic directions for the economic development of the SEEC. While the repercussions of the pandemic may impact the timing of development and the exact types of businesses that establish in the SEEC, the strategic vision remains valid.

Figure 24 Predicted change in GDP by LGA



4 ECONOMIC OUTLOOK AND KEY CHALLENGES & OPPORTUNITIES

A long-term economic outlook for the SEEC is important to inform strategic land use planning for the role and requirements of employment lands across the SEEC.

4.1 ECONOMIC OUTLOOK FOR THE SEEC

The long-term economic and employment future of the SEEC and broader economy is uncertain. However, some local trends and characteristics, along with wider macro-economic forces, can provide some understanding of the likely future economic outlook to inform long-term employment land-use planning.

Significant macro-economic structural changes (as outlined in [Chapter 3.1](#)) linked to globalisation, technology and demographics are seeing the SEEC economy transformed into one which is more reliant on population and knowledge-intensive activities and services.

This does not mean that **manufacturers and traditional industry** will disappear. Rather, these sectors are also becoming more productive and innovative, continuing their role in supporting the region's prosperity. For this to continue, higher skilled labour along with cutting edge facilities (with more floorspace), strong supply chains, and good infrastructure and links to key gateways (i.e. Principal Freight Network, SE airport, Port of Hastings) are required. Manufacturing will remain a key driver of the regional economy, requiring significant additional land and capital investments. Employment growth will be modest and will likely shift to higher skilled occupations as all industries strive for greater efficiencies.

Population-serving sectors such as retail, hospitality, education, and health will also continue to grow and transform to support the needs of the growing population. The retail and hospitality sector has seen significant change, with traditional models challenged and an increased focus on experience and services. Further, as the role of industrial and commercial employment lands evolves, there will be a greater requirement for retail and hospitality services to be integrated into these locations.

Health will continue to be the fastest growing (in terms of jobs) sector in the Melbourne economy. While key anchors the sector is much more than hospitals (30% of health jobs) and includes GPs, specialist clinics, pathology, research, aged care, and health education. The sector also needs a wide

range of other support services (i.e. cleaning, maintenance, careering, etc). Similarly, education, will see significant employment growth through the requirement of new schools and tertiary institutions to support the growing workforce and local industry needs. These two sectors present key opportunities for all employment locations across the SEEC.

Business services are a significant opportunity to drive innovation and growth across this new economic landscape, with forecasts indicating there will be a greater need for business floorspace, than retail floorspace in the SEEC. Initially these jobs should be focused in higher order centres but ultimately commercial office space should be integrated into all levels of the employment hierarchy: local to metro centres, and commercial and industrial lands. Importantly, this new knowledge economy has quite different needs and drivers from traditional industrial or historical population-serving jobs. Knowledge-intensive activities require access to deep and diverse skills and client bases – enabling them to specialise and build resilience. As a result, they gain strong benefits from highly connected locations and are attracted to diverse, high quality and high amenity environments.

Business typologies and key sectors to target

Throughout this strategy, key sectors and industries are examined that could be expanded, targeted, or attracted into the SEEC. The data analysis often presents in four broad industry categories (BIC):

- 1 knowledge-intensive
- 2 population-serving
- 3 health and education
- 4 traditional industry.

These four categories are based on ANZSIC categories, which the ABS uses to classify jobs into groups, summarised in [Table 5](#) overleaf.

Table 5 Businesses and sectors

	ANZSIC Industry	Typical land use forms	Business type	Examples
KNOWLEDGE-INTENSIVE	<ul style="list-style-type: none"> Professional, scientific and technical services Financial and insurance services Public administration and safety Information media and telecommunications Administrative and support services Rental, hiring and real estate services 	<ul style="list-style-type: none"> Office Business/office parks 	<ul style="list-style-type: none"> Institutions with a local service focus, controlled locally SMEs with an interstate and international export focus SMEs with local sales focus - business to business Big businesses with local sales focus – business to business; HQs elsewhere 	<ul style="list-style-type: none"> Local Council Specialist consultants Accountants/financial advisors Labour hire firms Banks (HQ) Software providers
HEALTH & EDUCATION	<ul style="list-style-type: none"> Health care and social assistance Education and training 	<ul style="list-style-type: none"> Shop/office Dispersed institutional facilities Major specialised institutional facility 	<ul style="list-style-type: none"> Institutions with a local service focus, controlled locally Institutions with a regional service focus, controlled locally 	<ul style="list-style-type: none"> Primary and secondary education Child care, preschools Other social assistance Medical services Residential care Tertiary education and research Hospitals, pathology, imaging, allied health, other health services
POPULATION-SERVING	<ul style="list-style-type: none"> Accommodation and food services Retail trade Construction Arts and recreation services Other services 	<ul style="list-style-type: none"> Retail – main street Retail – big box Bulky goods retail Specialised facilities Urban services Short term accommodation 	<ul style="list-style-type: none"> SMEs with a local sales focus-business to customer Big businesses with local sales focus – business to customer SMEs with local sales focus – B2B or business to customer 	<ul style="list-style-type: none"> Smaller retail stores Large retail (e.g. K-mart, supermarkets) Homemaker centres, garden centres Theatres, stadiums Construction firms Hotels
TRADITIONAL INDUSTRY	<ul style="list-style-type: none"> Transport, postal and warehousing Manufacturing Wholesale trade Electricity, gas, water and waste services Mining Agriculture, forestry and fishing 	<ul style="list-style-type: none"> Local light industrial and urban support Manufacturing light Freight and logistics Urban services 	<ul style="list-style-type: none"> New businesses Big businesses with interregional, interstate, and international sales focus; HQs elsewhere SMEs with an inter-regional export focus Big businesses with interregional, interstate, and international sales focus; HQs elsewhere SMEs with an interstate and international export focus SMEs with an inter-regional export focus 	<ul style="list-style-type: none"> Start-ups Off-shoots from existing businesses Exporting manufacturers Logistics firms

Source: SGS Economics and Planning, 2020.

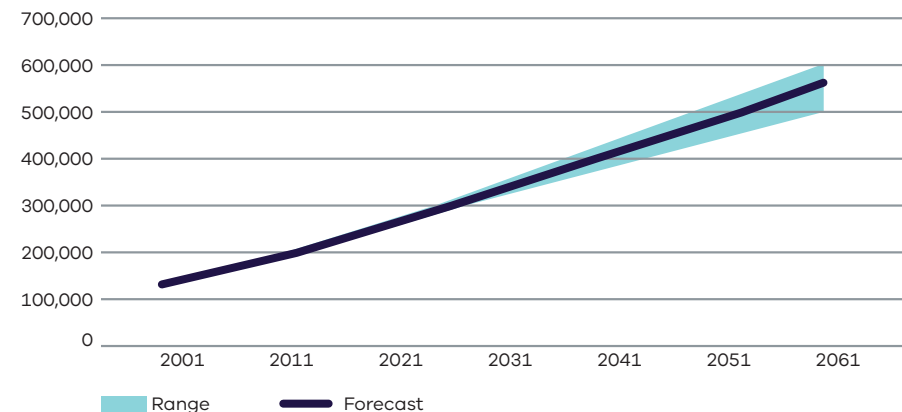
4.2 PLANNING FOR THE LONG-TERM EVOLUTION OF THE SOUTH EAST ECONOMIC CORRIDOR

By 2060, the SEEC will need to cater for between 500,000 and 600,000 jobs to support the economic function of south east metropolitan Melbourne. These jobs can capitalise on existing local strengths in manufacturing, food production, community, education, and other population services. They will also need to capture opportunities arising from globalisation, technological change, and the rapid shift toward knowledge services.

In the short-medium term, there will be strong demand for population-serving activities to support the needs of a growing population but over time the SEEC economy will evolve and reach a level of maturity that will support a more diverse mix of business activities and employment. The SEEC residential population will be almost fully developed by 2060. By then, existing activity centres and employment precincts will have undergone urban renewal, and other precincts will have evolved from being industrial in nature to catering for a wider mix of commercial and industrial activities. If job self-containment aspirations are to be realised for the SEEC, then it is necessary to plan for this evolution of the regional economy over this longer-term timeframe.

The following provides a breakdown of the assumed long-term employment forecast for the SEEC. These long-term employment forecasts align with Victoria in Future 2019 population and assume a continued structural shift in the broader economy toward more service and knowledge-based sectors, as discussed in previous sections of this report. They do not consider the effects of COVID-19, which were not yet known at the time of writing. They reflect an aspirational, yet realistic scenario for the region, which is based on the successful implementation of strong local and regional policy and infrastructure investment that supports broad based and higher order employment linked to a maturing local economy (as outlined in [Chapter 5](#)).

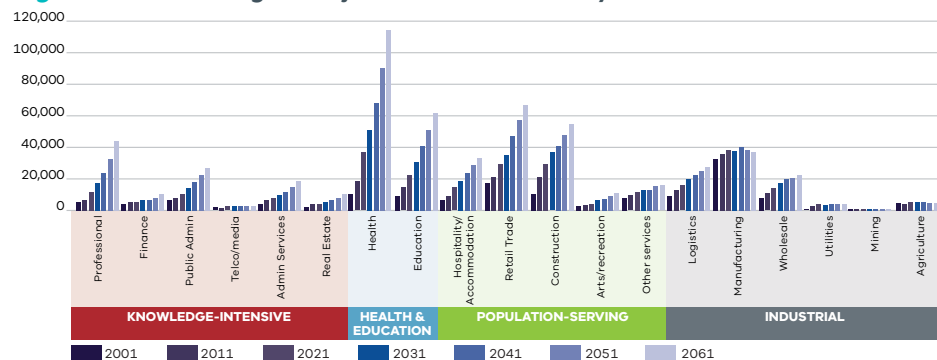
Figure 25 SEEC long-term job forecast summary



	2001	2011	2021	2031	2041	2051	2061
Jobs	133,000	185,000	257,000	319,000	393,000	475,000	563,000
Change		52,000	72,000	62,000	74,000	82,000	88,000
Growth rate		3.4%	3.3%	2.2%	2.1%	1.9%	1.7%
Share of Melbourne	7.7%	8.6%	9.4%	9.6%	10.1%	10.6%	11.1%
Share of Melbourne job change		11.9%	12.6%	10.5%	12.7%	14.1%	15.1%
Jobs per 10 people	3.7	3.9	3.8	3.8	4.0	4.3	4.6
Additional jobs per 10 additional people		4.2	3.7	3.6	5.4	6.5	7.1

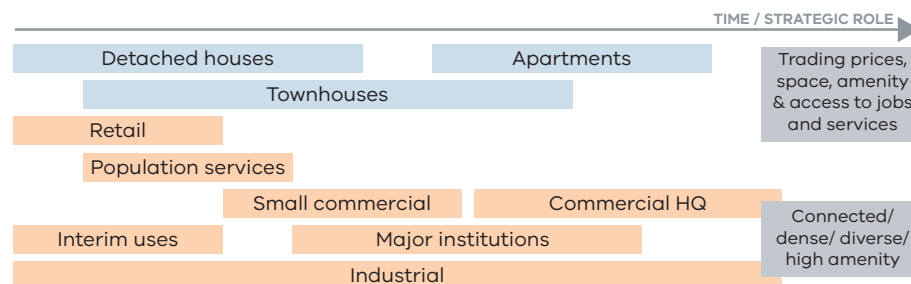
Source: SGS Economics and Planning

Figure 26 SEEC long-term job forecast summary



This transformation is not a short-term, or even a 10- or 20-year prospect. Economic demand and associated opportunities will arise in waves as the region develops; residential growth and associated services (retail, education, health), followed by small and medium scale enterprise and finally higher order and large scale institutions and businesses which can catalyse further economic activity (See Figure 27 below).

Figure 27 Urban economic development life-cycle of a new community



The vast amount of employment land that is available within the SEEC needs to be developed in a sequence, and with clear strategic intent that caters to these waves, but also be sufficiently flexible to adapt to a changing and uncertain economic future.

The Laverton North (see [Chapter 3.2](#)) example illustrates how the benefits of structural economic changes over the long-term can be leveraged by government investment, clear and consistent planning directions and innovative engagement from the private sector capturing new economic opportunities as they arise long-term.

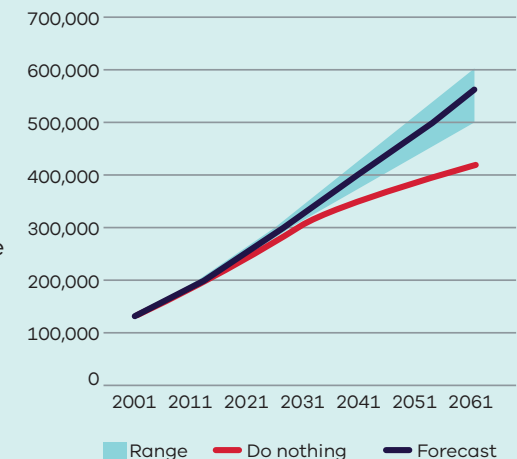
What would happen if we did nothing?

The job forecast in this context strategy is aspirational. That means positive action (beyond what is currently occurring) is taken to attract new jobs, that would otherwise locate elsewhere in metropolitan Melbourne.

This assumes the region will start to diversify away from basic population-serving jobs (i.e. retail) and jobs linked to its urban development (i.e. construction). All employment locations will start to focus on more export-oriented activities (inter-regional and international) that support broader local employment opportunities and economic activities. This diversification is contingent on actions to support renewal, consolidation and preservation of employment lands, strengthened transport connections, continued upskilling of the local workforce, investment in new major anchor institutions and other supporting infrastructure and investment. Without those actions the economy will be limited to basic population-serving economic function.

Conversely, if long-term employment land and opportunities are lost due to short term (often residential) pressure the region's ultimate economic potential would be significantly constrained.

Under this do-nothing scenario (see right) where the region is limited to largely residential development with the economic simply providing a basic service function, we would see job to population ratios decline as population growth slows and development linked jobs, such as construction, leave the region. This would see net employment self-containment rates further decline, resulting in a huge net outflow (double or triple that of today) of workers, placing significant pressure on the broader metropolitan public and private transport networks.



This scenario would also result in significant impacts on liveability and socio-economic outcomes, as people spend significant time and cost travelling to work or ultimately disengage or settle on suboptimal employment outcomes.

4.3 POTENTIAL STAGING FOR EMPLOYMENT LOCATIONS ACROSS THE SEEC

Based on the above economic outlook, aspirational SEEC employment forecast, locational assessment ([Chapter 4.4](#)) and consideration of broader economic trends and drivers across the SEEC, the following presents a holistic employment outlook to drive future floorspace and land requirements over the long-term.

The forecasts assume Greater Dandenong, Casey and Cardinia will fully realise their respective policy aspirations and Casey and Cardinia, in particular, will achieve their one job per household target over the forecast period.

As outlined in the previous section, this would mean a dramatic shift from recent years for Casey and Cardinia:

- The jobs growth rate would be almost twice the rate of population growth out to 2060
- Jobs per 10 people in Casey and Cardinia would increase from 2.6 and 3.0 today to 3.8 and 4.9 by 2060. With a rate of 4.7 and 7.0 additional jobs per 10 additional people into the future. Conversely Greater Dandenong, which has seen significant employment growth recently would start to stabilise and consolidate on its established employment activities providing increasingly higher-order and advanced opportunities.

Consistent with the economic lifecycle of new communities, this would see jobs growth continuing to increase year-on-year, while population growth will slowly reduce from its current peak growth levels today. This level of employment growth for Casey and Cardinia is high, but still plausible within the context of the broader macro-economy. It would require strong policy and infrastructure investment with a focus on capturing more higher order employment. Noting higher order employment is attracted to well-connected, high amenity, compact and diverse locations, which have large skilled labour surrounding them.

Table 6 Economic forecasts by SEEC council

	2001	2010	2020	2030	2040	2050	2060	2020–2060
Greater Dandenong	79,300	99,300	123,900	140,100	159,700	180,200	202,300	78,000
% of Melbourne	4.6%	4.6%	4.5%	4.2%	4.1%	4.0%	4.0%	3.4%
Jobs/10 people	6.2	7.0	7.1	6.9	7.0	6.7	6.6	5.9
Growth rate		2.3%	2.2%	1.2%	1.3%	1.2%	1.2%	1.2%
Casey	39,500	63,700	96,400	137,300	178,200	219,100	260,000	146,800
% of Melbourne	2.3%	3.0%	3.5%	3.9%	4.3%	4.6%	4.8%	6.3%
Jobs/10 people	2.2	2.4	2.6	2.9	3.2	3.5	3.8	4.7
Growth rate		4.9%	4.2%	3.0%	2.5%	2.1%	1.7%	2.3%
Cardinia	14,100	22,300	36,900	49,700	67,000	90,000	117,200	80,300
% of Melbourne	0.8%	1.0%	1.4%	1.5%	1.7%	2.0%	2.3%	3.4%
Jobs/10 people	3.0	2.9	3.0	3.0	3.5	4.2	4.9	7.0
Growth rate		4.7%	5.2%	3.0%	3.0%	3.0%	2.7%	2.9%

Source: Source: SGS Economics and Planning

Figure 28 and Figure 29 present the employment forecasts for the three SEEC councils by broad industry and location type. This highlights the economic evolution outlined above with strong growth forecast in knowledge and health and education sectors. The forecasts also seek to balance all employment locations within each council to ensure policy is able to support renewal and consolidation of existing centres and employment lands along with support employment growth in new employment lands, such as the future e-PSP's.

Figures 30–34 contemplate the scale of jobs growth across key locations in the SEEC. This further illustrates key existing employment nodes such as the Southern SSIP and Dandenong and Narre Warren / Fountain Gate Metro centres will continue to remain key employment nodes. The various e-PSPs will see significant growth over the coming years representing a key employment location for the region by 2060.

Ultimately, the SEEC could aspire to a circular economy. This would involve examining how waste could be channelled into the supply chain and leveraging key regional energy assets such as the Eastern Treatment Plant, Wonthaggi Desalination Plant and links to the Latrobe Valley and emerging renewable energy sectors.

Casey and Cardinia Shire have a clear opportunity to enhance existing transport connections between South Gippsland, the Bunyip food bowl and the Latrobe Valley, and to examine how value-adding activities linked to primary production could be directed into Casey Fields South, and the Officer–Pakenham SSIP.

Figure 28 Broad industry employment forecasts by SEEC council

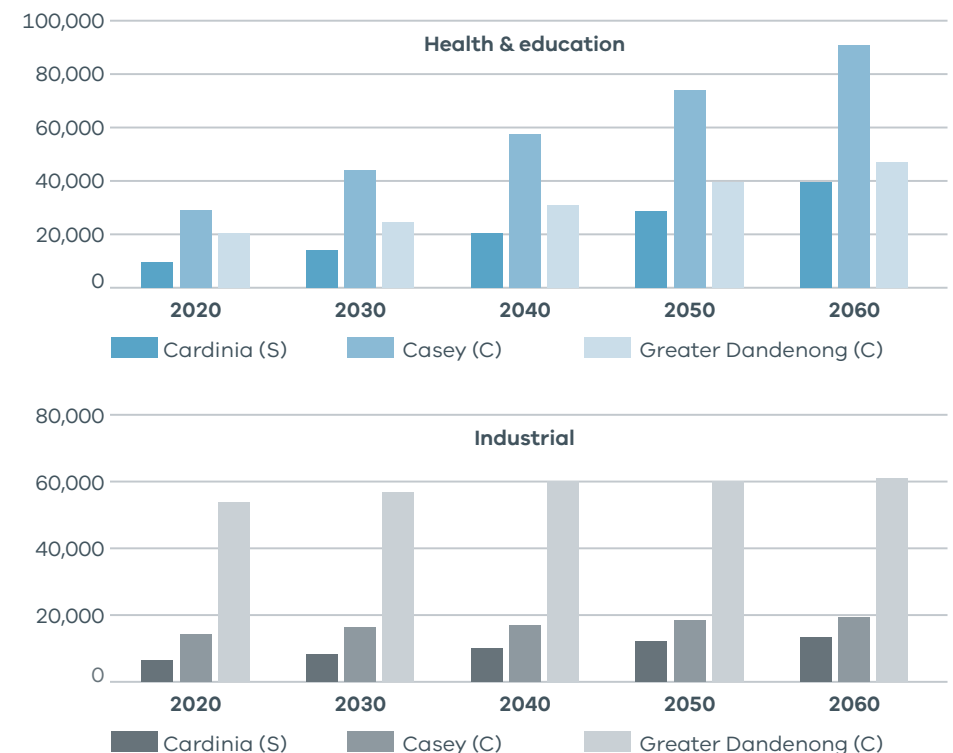
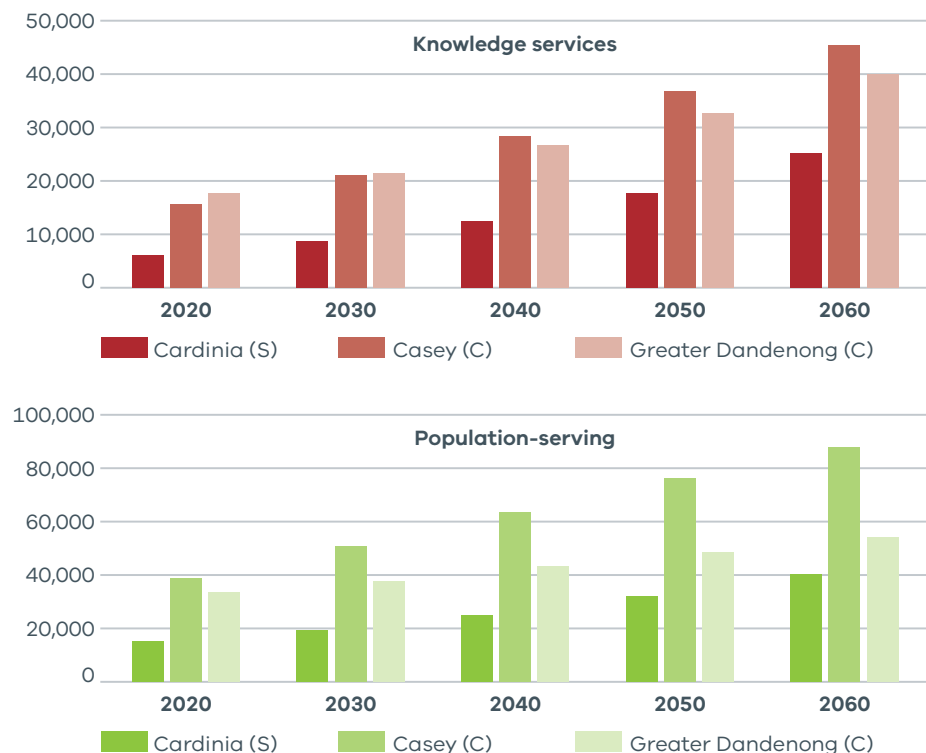
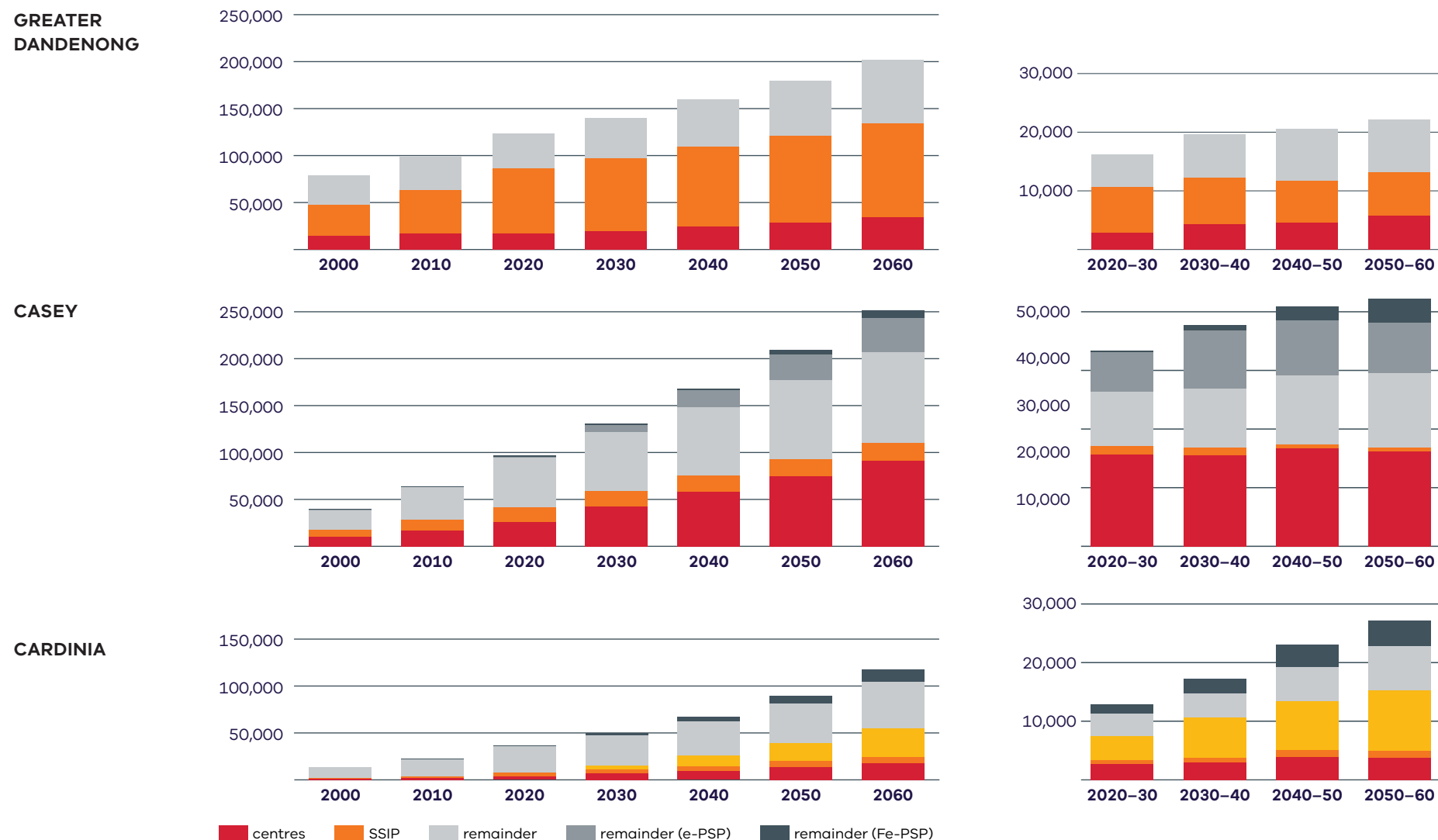


Figure 29 Employment forecasts by broad location by SEEC council



Source: SGS Economics and Planning

Note: Centres include existing and planned Metropolitan and Major Activity Centres. SSIP include existing and planned SSIP land. Remainder includes all other employment land. e-PSP included Thompsons Road, Minta Farm

and Cranbourne West. Fe-PSP include Offer South Employment, Cardinia Road Employment, Pakenham South, Pakenham West, Crookell, Casey Fields South and Devon Meadows.

Figure 30 Employment forecasts by SEEC locations

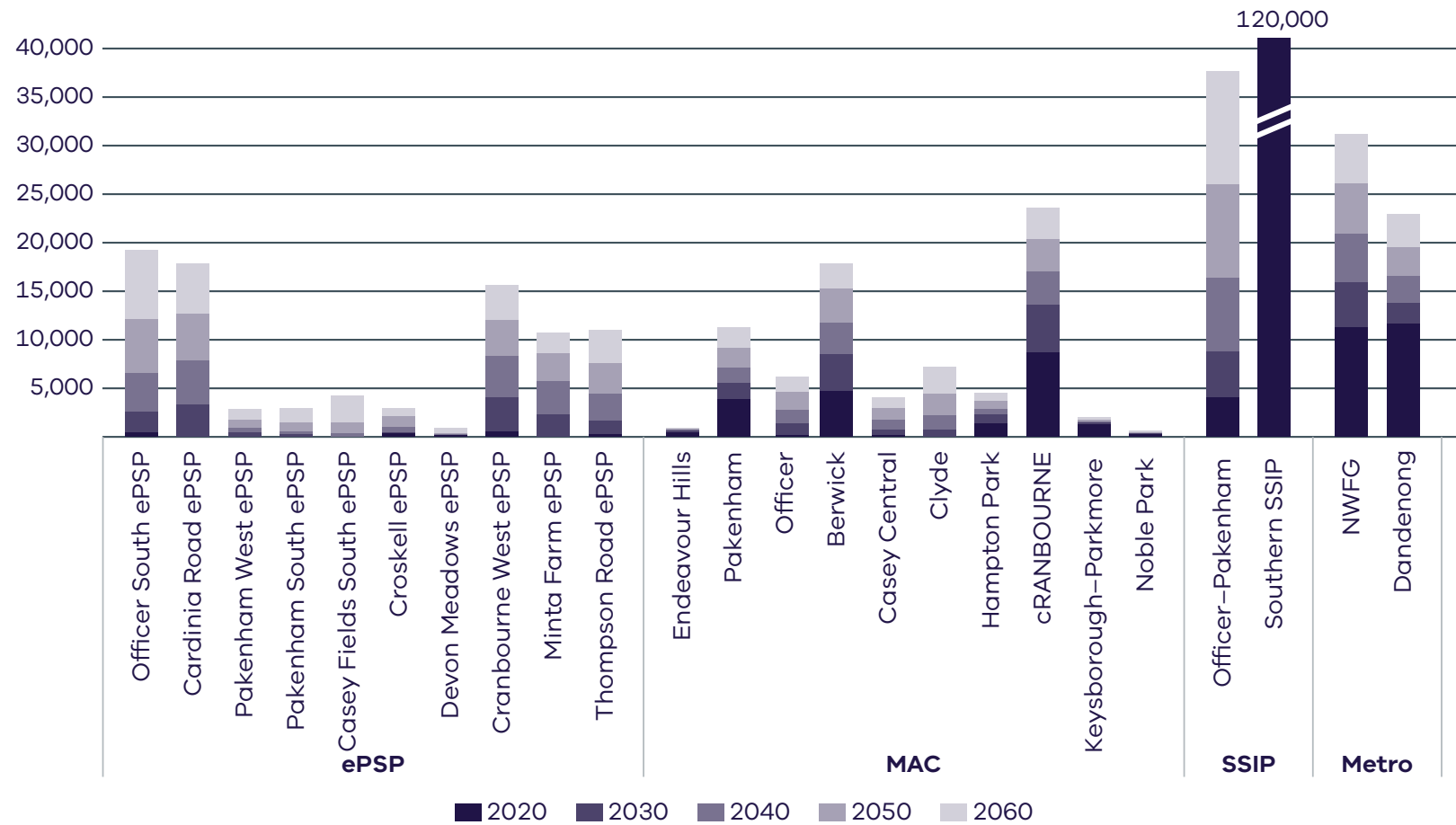


Figure 31 Employment at 2020

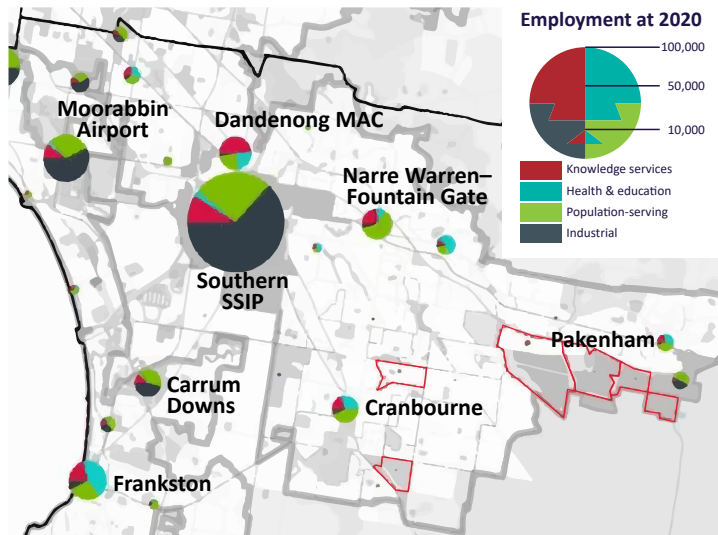


Figure 32 Forecast employment at 2030



Figure 33 Forecast employment at 2040

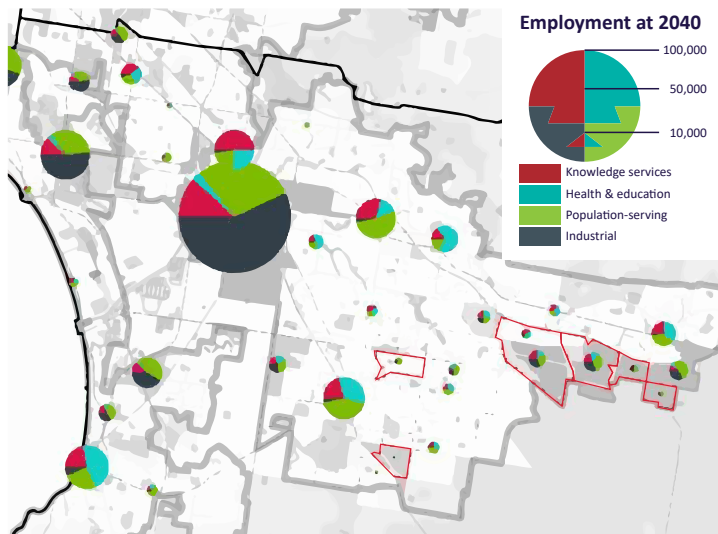


Figure 34 Forecast employment at 2060



4.4 LOCATIONAL ATTRIBUTES & OPPORTUNITIES

Development of future employment locations will be driven by a range of factors associated with the amount, location and attributes of land supply, and demand drivers of various employment industries.

Locational attributes and opportunities of the future e-PSPs

The following table provides a summary of key locational attributes and commentary on Strengths, Weaknesses, Opportunities and Threats for each future e-PSP location. These are further expanded in the e-PSP Dashboards.

Table 7 Key locational attributes of the e-PSPs

e-PSP	LOCAL CONTEXT		REGIONAL CONTEXT				
	Land Area (ha)	Lots	SSIP*	Distance to train	EJD score (2016)	Distance to Metro AC	Distance to potential SE airport
Officer South	1,069 ha	38	✓	2km	72,334	11km	27km
SWOT commentary: <ul style="list-style-type: none"> Closest SSIP to Officer Town Centre and Officer Train Station, well connected to Princes Freeway and existing employment nodes Land is relatively flat with few constraints, although some Floodway Overlays apply along creeklines and Officer South Road is subject to a Special Building Overlay (drainage issues) Lower Gum Scrub Creek forms the eastern and Cardinia Creek forms the western precinct boundary providing amenity. 							
Cardinia Road	588 ha	18	✓	2km	47,146	14km	25km
SWOT commentary: <ul style="list-style-type: none"> Direct link to Princes Freeway and well connected to Cardinia Road Station Toomuc Creek runs along the precinct's eastern boundary One residential development is currently being constructed with several houses already built. Current land uses include agriculture Cardinia Road level crossing will be removed in 2021, reducing congestion and enhancing local efficiency. 							

Note: Precinct is designated as a State or Regionally Significant Industrial Precinct (SSIP) in the *Southern Growth Corridor Plan* (2012) and/or *Melbourne Industrial and Commercial Land Use Plan* (2020).

e-PSP	LOCAL CONTEXT		REGIONAL CONTEXT				
	Land Area (ha)	Lots	SSIP*	Distance to train	EJD score (2016)	Distance to Metro AC	Distance to potential SE airport
Pakenham West	224 ha	8		4km	66,134	16.5km	22km
SWOT commentary: <ul style="list-style-type: none"> Close to Pakenham major activity centre Direct access to the Princes Freeway Cardinia Road and Pakenham train stations Flooding constraints but otherwise unconstrained based on current land uses, topography Adjacent to the existing South East Business Park Part of the precinct used for outdoor recreation (racing tracks). 							
Pakenham South	182 ha	5	✓	4km	66,134	19km	17km
SWOT commentary: <ul style="list-style-type: none"> Located on the urban growth boundary (UGB) Currently contains some agriculture and outdoor recreation Directly south of the South East Business Park within the SSIP Excellent connectivity to the Princes Freeway via the Healesville–Koo Wee Rup Road, currently being upgraded Partly flood-prone Directly adjacent to the Pakenham Water Recycling Plant, turf/ horticultural activities in Pakenham South. 							
Croskell	233 ha	22	–	5km	65,811	10km	30km
SWOT commentary: <ul style="list-style-type: none"> Northern boundary is Thompsons Road, linking it to the Thompsons Road Business Corridor Creekline runs through the precinct Land currently used for Boral Concrete, Wagstaff Cranbourne meat processing, and some horticulture. 							
Casey Fields South	272 ha	18	RSIP	5.5km	70,421	18km	26km
SWOT commentary: <ul style="list-style-type: none"> Southern boundary on the South Gippsland Highway providing excellent access to the Western Port Green Wedge and agricultural areas beyond Ballarto Road connects the precinct west to Frankston and to Eastlink Close to the future Clyde town centre and Clyde train station Residential areas: future population catchment of around 40,000 Close to Cranbourne Botanic Gardens and sports and recreation hub. 							

Successful economic precincts and centres

Successful economic precincts have several attributes that indicate highly productive places which generate new investment and jobs, and attract new businesses. The following criteria are identified benchmarks which, if achieved, are likely to result in a precinct reaching its economic potential.

Table 8 SEEC performance relative to key success factors

Performance		Definition, and considerations for the SEEC
Current	Potential	
SUCCESS FACTOR: Competitive advantage		
✓	✓✓✓	<ul style="list-style-type: none">• The precinct's distinct assets and strengths are leveraged to grow businesses and jobs, including new opportunities presented by infrastructure investments.• Will firms gain an economic advantage from locating in this e-PSP? What are the e-PSPs' key competitive advantages? Are they being leveraged to support activity elsewhere in the SEEC?• Local land use strategies support businesses whose activities align with the local skills base, and training opportunities are available within the SEEC to enhance this.
SUCCESS FACTOR: Collaboration		
✓	✓✓✓	<ul style="list-style-type: none">• Relationships and partnerships are established through physical, institutional, and economic connections. Governance arrangements are established that coordinate and optimise outcomes.• Development of a precinct focus for each e-PSP (or e-PSP cluster) will ensure the attraction of related businesses, supporting a collaborative environment.• Establishment of 'anchor institutions' would help to drive a precinct narrative that supports collaboration across the SEEC and e-PSPs.• Removing the incentive for speculators to hold land in the hope of rezoning will help to ensure landholders develop a long-term strategic focus to land use within the precinct.

Performance		Definition, and considerations for the SEEC
Current	Potential	
SUCCESS FACTOR: Quality of place		
✓	✓✓✓✓	<ul style="list-style-type: none">Investment in the public realm in key parts of the precinct will help to attract businesses in the higher value parts of the SEEC.Focus on growing and prioritising MACs and major activity centres in the short- to medium-term as the commercial and higher order employment focal points is fundamental.Focus on longer-term amenity within the e-PSPs to ensure a range of highly skilled workers can be attracted, to transition from industrial to integrated research and development, and headquarter activities.Ensure that some 'low amenity environments' are retained to ensure key urban services are not crowded out by higher value uses, especially within the Officer–Pakenham SSIP corridor.
SUCCESS FACTOR: Diversity and inclusion		
✓	✓✓✓✓	<ul style="list-style-type: none">There are a range of economic activities occurring across the SEEC, though with a lack of alignment with the skills of local workers, there are less opportunities than there could be for residents across the Greater Dandenong, Casey, and Cardinia LGAs.Supporting higher-value employment in the most amenable parts of the SEEC will support diversity across the precinct by aligning activities with the local skills base.
SUCCESS FACTOR: Affordability		
✓✓✓	✓✓✓✓	<ul style="list-style-type: none">e-PSPs will provide affordable options for employment, relative to other precincts in the region.It is likely that with ongoing uncertainty regarding land use, there will be continued speculation activity. This drives up land prices, impacting precinct productivity.Ensuring that uses better suited to the activity centre network (i.e. large retailers and some population services) locate outside of the e-PSPs is important in supporting affordability across the precincts.

Performance		Definition, and considerations for the SEEC
Current	Potential	
SUCCESS FACTOR: Critical mass		
✓	✓✓✓	<ul style="list-style-type: none">• The SEEC currently has critical mass in manufacturing, especially in Greater Dandenong. Population-serving sectors are also industry strengths, which is usual for growth areas where population growth is driving jobs demand at present.• A clear precinct strategy will deliver the certainty required by local businesses for long-term decision-making, which should facilitate strategic colocation of businesses.• Significant investment in building stock is required to make it suitable for prospective businesses.
SUCCESS FACTOR: Infrastructure		
✓	✓✓✓	<ul style="list-style-type: none">• Speculation based on conversion to residential land is likely to be inflating land values in some places, affecting the viability of development for employment purposes.• High quality public spaces (perhaps in the vicinity of local centres to serve the future e-PSP precincts), road and public transport connections between employment places and higher order centres would support new activity.
SUCCESS FACTOR: Anchor institutions		
✓	✓✓✓	<ul style="list-style-type: none">• The SEEC presently contains several anchor institutions, and others are located within the broader SEM region. However, there are no anchor institutions currently located within the SEEC e-PSPs.• Large corporate/public institutions who align with activities across the SEEC will assist with marketing for the e-PSPs and help to attract a density of related businesses.

Performance		Definition, and considerations for the SEEC
Current	Potential	
SUCCESS FACTOR: Transport & accessibility		
✓✓	✓✓✓✓	<ul style="list-style-type: none">• The Officer–Pakenham SSIP’s accessibility (relative to other metropolitan employment areas) is a key opportunity. Crucial to this will be high quality public transport connections between the Officer Town Centre and Officer South Employment Precinct, as well as between Officer, Cardinia Road and Pakenham railway stations, and Cardinia Road, Pakenham West, and Pakenham South e-PSPs.• Croskell and Casey Fields South are also well located on main roads where connections could be strengthened to enhance good accessibility to nearby centres and other employment nodes.• Visitors to the SEEC are likely to arrive mostly by vehicle, or by train to the key centres (however frequency of bus services to places beyond is limited). High quality, high capacity and high frequency public transport links between key centres and employment nodes will be required in future to realise aspirations for higher order employment within the e-PSPs and to reduce regional car-dependency.• Cardinia Road, Main Street Pakenham and McGregor Road level crossings will soon be removed, reducing congestion and enhancing local efficiency.• SEEC councils to work with DoT to propose the increase frequency of bus services between nearby train stations and employment nodes also to identify the key supporting infrastructure required. E.g. upgrade and expend bus interchange to support additional services to operate.

e-PSP factors of economic success assessment

In the table below, the potential of each e-PSP has been assessed based on its ability to contribute to the overall vision and principles for the SEEC. The precincts have been measured against the key success factors for precinct development identified in [Chapter 4.3](#). This highlights the various roles, opportunities, and importance of each e-PSP. It shows the e-PSPs along the Officer–Pakenham SSIP corridor will play a pivotal longer-term role.

Table 9 Employment PSP present characteristics

Factor	Officer South	Cardinia Road	Pakenham West	Pakenham South	Croskell	Casey Fields South	Comments
Competitive advantage	H	H	H	H	M	M	The e-PSPs within the Officer–Pakenham SSIP are best places to capitalise on the SEEC’s competitive manufacturing advantage, with high visibility and good access. Few and large lot sizes, and the potential for high amenity means the potential for uses that align with this competitive advantage are greatest there.
Collaboration	H	H	H	H	M	M	The possibilities for collaboration are relatively good across the e-PSPs, provided other factors (such as accessibility) enable industry and market connections to be realised. Opportunities for collaboration are higher in the SSIP given its future role in the planned employment hierarchy and future South East Airport.
Quality of place	H	H	M	M	H	L	Officer South, Cardinia Road, and Croskell are most conducive to the development of high quality urban spaces due to their location within planned residential areas, or connection to other employment places and major activity centres. These may be delivered either through public works, better connections through to existing public spaces, and/or the creation of vibrant, activated precincts.
Diversity & inclusion	M	M	M	M	M	L	Diversity across the SEEC will be optimised by understanding the advantages and key features of each of the e-PSPs.
Affordability	M	M	M	M	M	L	Affordability across the SEEC is presently relatively good, though areas most attractive to speculation are likely to have inflated land values. As the e-PSPs are planned and begin to perform better it is expected that land values generally increase. That said, it will be important to ensure a range of land values across the precinct in the short- and medium-term to ensure a diversity of uses, while strategically important uses are retained.
Critical mass	H	H	H	H	M	M	Critical masses of activity cannot be meaningfully assessed at the e-PSP level. Ultimately, with a more strategic approach to land use and economic activity across the SEEC, a critical mass of activity that drives precinct success can be delivered.
Infrastructure	M	M	M	M	M	L	The e-PSPs contain limited infrastructure today, but most have good connectivity to main roads. For the e-PSPs likely to play a larger role in setting the strategic direction of the precinct (i.e. the Officer–Pakenham SSIP), significant investment in the building stock and transport connections will be required to support strategic objectives.
Transport & accessibility	H	H	H	H	M	M	The e-PSPs in the vicinity of the Princes Freeway are in general the most accessible, which is a key part of the greater potential for economic activity that exists in these precincts.
Anchor institutions	H	H	M	M	M	L	There are no anchor institutions in the e-PSPs today, however there are several key anchors across and near the SEEC that can be leveraged by creating. Realistically, Officer South or Cardinia Road are the most likely candidate for an institutional use, given their higher level of connectivity to the Princes Freeway and position within the SSIP.

Consideration of Devon Meadows as a future major employment precinct

As part of the background analysis, Devon Meadows was also investigated as a potential seventh e-PSP. The site is located adjacent to Casey Fields South e-PSP, on the South Gippsland Highway in the Casey LGA.

The analysis in [Chapter 4.3](#) sought to balance the aspirational employment growth for Casey across 15 existing and future employment locations plus a 'balance area', which includes all the small/dispersed employment locations (i.e. neighbourhood centres and dispersed employment). These 15 locations included metro and major centres plus existing and future e-PSPs (including Devon Meadows). This distribution process sought to balance competing policy objectives (including known PSP targets) and economic trends by the four broad industry types (knowledge, population-serving, health and education and industrial). It assumed the majority of employment would be focused into these 15 locations, with some growth still occurring in other smaller centres and dispersed locations (e.g. schools, local shops).

This analysis indicates there is sufficient land supply in already-identified locations to fully realise the aspirational employment growth forecast for the Casey LGA outlined in this Context Strategy without the Devon Meadows acting as a major employment precinct. Additional industrial supply locations (such as Devon Meadows) would likely dilute the success of other defined employment locations, rather than create more employment in Casey. For Casey to achieve the employment growth forecasts it needs to focus on attracting more higher-order employment by creating well-connected, high amenity, compact and diverse locations, surrounded by skilled labour. This is achieved by supporting the consolidation and renewal of existing locations over time.

Accordingly, the locational analysis and precinct dashboard has not been prepared for Devon Meadows.

4.5 AN EMERGING ROLE FOR THE E-PSPS

The analysis throughout this section highlights that as the established higher-order activity centres and employment precincts mature, some of the e-PSPs will begin to evolve into business locations that cater for a wider range of higher order economic activities. The sectors which drive this may include advanced manufacturing, building on the region's existing strengths, as well as expanding into high-tech, research and development activities linked with industry to form integrated, and innovative, employment precincts of the 21st century.

The land use and infrastructure planning for each e-PSP therefore needs to be flexible enough to cater for this, and other future opportunities. The precincts need to cater for a mixture of large-format and smaller scale manufacturing, logistics and service industries in the near-term, but also improve amenity, diversity, and accessibility over time.

Where provision is made for a mix of housing and employment activities, new approaches are needed to ensure that long-term employment opportunities are preserved and that genuine mixed-use outcomes can be achieved. This may include preserving the flexibility of larger lot sizes in the short-term to enable realisation of the vision for employment areas in the long-term. Another approach to preserve long-term opportunities for land use and precinct transformation would be to use the suite of zones in the Victoria Planning Provisions (VPP) to sequence the range of land uses and development types available over each horizon of the plan's implementation.

This approach will ensure that each e-PSP can support the evolution of the wider regional economy over both short and long-term horizons.

The role and function of each future e-PSP within the SEEC is articulated in the next section, [Chapter 5 – SEEC economic strategy for 2060](#). It contains:

- A 40-year economic vision for the SEEC
- Strategic imperatives which guide the focus of the strategy and actions for the future e-PSPs
- Desired outcomes across three horizons (consolidate, reinforce, and transform)
- Actions to achieve desired outcomes and the vision across the SEEC and within each future e-PSP.

5 SEEC ECONOMIC STRATEGY FOR 2060

This strategy sets out a spatial framework for employment precincts and activity centres across the cities of Greater Dandenong, Casey, and Cardinia (the South East Economic Corridor – SEEC).

The following strategy proposes a vision supported by a set of strategic imperatives to support the economic and employment growth in the SEEC. Precinct dashboards have been prepared to define the strategic role and provide drafting instructions for future employment precincts (e-PSPs) and should be read alongside the 40-year vision for the corridor.

5.1 40-YEAR ECONOMIC VISION FOR THE SEEC

The population and workforce within the SEEC are forecast to double over the next 40 years. By 2060, the SEEC will need to provide between 500,000 and 600,000 jobs. Over this period, the SEEC will transition from a growth to established economy. This must be supported by strong transport connections between residential areas, activity centres and employment, as well as between employment places. A vision for South East Melbourne has already been articulated through the Southern Region Councils' collective SEM 5-Year Vision. The vision articulated for the SEEC supports this vision; interpreting it to meet the specific opportunities and challenges of the sub-region.

SEEC vision

The SEEC will continue to enhance the South Eastern Metropolitan Region's status as one of Australia's most economically significant and diverse regions. It will support the **economic and social prosperity** of over 1 million residents, and it will provide over 560,000 jobs. Residents in the SEEC will have access to a wide range of local employment options.

Existing and planned activity centres across the SEEC will evolve from mainly population-serving centres to locations with a wider mix of knowledge economy, health, and education activities. These locations will cater for a mix of start-ups, small and medium-sized businesses, and multinational companies.

The **Dandenong NEIC** is the largest business district in the region and includes the **Dandenong Metropolitan Activity Centre**. These places support diverse population and knowledge-intensive activities and services, and are complemented by a highly-connected network of regionally- and locally-significant activity centres and employment precincts.

The **Southern SSIP** will evolve from a manufacturing and logistics precinct to a hub for advanced manufacturing and knowledge economy industries. The **Officer–Pakenham SSIP** (encompassing the **Officer South Employment, Cardinia Road, Pakenham West** and **Pakenham South** e-PSPs) will emerge as a nationally-significant manufacturing and logistics centre. These SSIPs are well-connected to the national freight network and will be integrated internally, with surrounding areas and each other. Businesses in the Officer–Pakenham SSIP will add value to local agricultural produce, and leverage opportunities arising from the potential future airport and Lyndhurst Intermodal Freight Terminal, to become a key export and employment centre for the region.

Future e-PSPs located outside the SSIP (including the northern part of **Officer South, Croskell**, and **Casey Fields South**) will evolve over the 40-year horizon of this strategy. In the shorter term, most will primarily cater for manufacturing, logistics and population-serving businesses while higher-order economic activity and job growth is directed into established centres. As the region matures, these locations will play a fundamental role in unlocking long-term employment opportunities. They will enable neighbouring locations to further evolve and mature to offer a diversity of job opportunities.

Strategic imperatives to achieve the SEEC vision

The SEEC vision is achieved by several core strategic imperatives which guide the focus of the strategy over the three Horizons. The strategy includes timebound outcomes and suggested actions to achieve the vision.

- 1 Plan for **flexibility, uncertainty, and renewal** to ensure the **long-term supply of employment land**
- 2 Enable the **manufacturing and industrial** base to mature, diversify and transform
- 3 Promote **knowledge-based enterprises** to establish in the established locations first
- 4 Target the high-growth **health and education sectors** across centres, with supporting manufacturing, value-adding and research activities directed into SSIPs and e-PSPs
- 5 Support local prosperity through a focus on **circular economies and bottom-up community wealth building**
- 6 Plan for **high amenity industrial and mixed-use commercial precincts**
- 7 Reserve land for and promote the development of **economic gateways and anchors** (SE airport, Port of Hastings, Berwick health and education precinct)
- 8 Create a network of **digital and transport connections**
- 9 Create exemplars in **technology and local sustainability**
- 10 Ensure housing in mixed use areas **supports (rather than challenges) employment** and aligns with 20-minute neighbourhood principles.

The SEEC's transition from a growth to established economy will be signified by:

- Existing and planned activity centres across the SEEC evolving from mainly population-serving centres to locations with a wider mix of knowledge economy, health, and education activities.
- The Southern SSIP evolving from a manufacturing and logistics precinct to a location for a mix of advanced manufacturing and knowledge economy industries, and the Officer–Pakenham SSIP emerging as a nationally significant manufacturing and logistics hub.
- Today's greenfield employment lands (including the northern part of Officer South, Croskell, and Casey Fields South) evolving over the 40-year horizon. In the shorter term, most will cater primarily for manufacturing, logistics and various types of population-serving businesses. By directing economic activity and job growth to established higher order centres, these centres will mature first and anchor the future evolution of the current greenfield areas.

The e-PSPs will play a pivotal role

Building on the Southern Region Councils' vision for South East Melbourne and this strategy's strategic imperatives, a potential role and function for each future e-PSP has been proposed. The role and function show the land uses, industry sectors and infrastructure needed for these e-PSPs to support the broader SEEC vision.

A summary of each location is presented below, while detailed information is contained within each precinct dashboard. The e-PSP Dashboards contain detailed job and employment sector goals, alongside PSP drafting instructions to guide preparation for each precinct structure plan.

Table 10 e-PSP role and function

e-PSP location & Future land use	Precinct role and function
Cardinia Shire Council	
Officer South	SSIP:
SSIP (part) with Regionally Significant Commercial (part)	<ul style="list-style-type: none"> • Major industrial development linked to the Principal Freight Network (PFN) and transport gateways. • To be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment. • Highly connected, creative, and innovative employment hubs serving sub-regional markets.
	Regionally significant commercial land (Business Precinct):
	<ul style="list-style-type: none"> • Strong public transport and business connections to Officer Town Centre will enable an economic cluster to form between Minta Farm, Cardinia Road, and Officer Town Centre. • A flexible multi-use area for more intensive forms of employment generating uses. • Will accommodate a wide range of employment generating uses including service industry, office and commercial activity, and research and development. • Potential for education uses if plans to attract tertiary anchor into the Business Precinct are realised, based on strong connections to Officer Town Centre. • Land use mix to be planned to integrate with Minta Farm and Cardinia Road.

e-PSP location & Future land use	Precinct role and function
Cardinia Road Employment	SSIP:
SSIP (part) with Regionally Significant Commercial (part)	<ul style="list-style-type: none"> • Major industrial development linked to the Principal Freight Network and transport gateways. • To be protected from incompatible land uses to allow continual growth in freight, logistics and manufacturing investment. • Highly connected, creative, and innovative employment hubs serving sub-regional markets.
	Regionally significant commercial land:
	<ul style="list-style-type: none"> • Strong public transport and business connections to Officer Town Centre will enable an economic cluster to form between Minta Farm, Officer South, and Officer Town Centre. • Potential health uses (based on private hospital opportunity) within the precinct and allied services. • Will accommodate a wide range of employment generating uses including service industry, office and commercial activity, and research and development. • Land use mix to be planned to integrate with Minta Farm and Officer South.
Pakenham West	
SSIP	<ul style="list-style-type: none"> • Excellent links to PFN, Western Port Green Wedge and planned South East Airport • Major distribution, food and energy production hub, value-adding to Latrobe Valley/Gippsland • Strong public transport links to Narre Warren, Officer and Pakenham and nearby health and education precincts (possibly including Officer South and Cardinia Road), attracting health manufacturing, pathology and tech investment related to those nearby H&EP • Complementary uses/businesses to support Cardinia Motor Recreation and Education Park

e-PSP location & Future land use	Precinct role and function
Pakenham South SSIP	<ul style="list-style-type: none"> • Excellent links to PFN, Western Port Green Wedge and planned South East Airport, with Koo Wee Rup Road upgrades • Leverage and link to Pakenham Water Recycling Plant, examine complementary uses that could occur in the buffer area, especially around renewable energy creation • Potential for partnership with South East Water to further examine sectors that expand recycled water capabilities throughout the region, within this part of the SSIP • Accommodate some overflow from industrial areas around Pakenham as these areas transition
City of Casey	
Croskell Regionally Significant Commercial (part)	<p>Regionally significant commercial land (Business Precinct):</p> <ul style="list-style-type: none"> • Local industry/employment opportunities in Cranbourne–Berwick area, and Thompsons Road Business Corridor • High quality freight and PT access from Thompsons Road and central location in Casey to evolve • Focus on local economy and employment, supported by some residential/cultural/recreation, etc. with limited retail, to enable the precinct to evolve into a regional business precinct over time. <p>Balance:</p> <ul style="list-style-type: none"> • Link high amenity residential area to Selandra Rise and leverage proximity to Cranbourne.
Casey Fields South Regionally significant industrial precinct	<ul style="list-style-type: none"> • Local industry/employment opportunities providing long-term affordable industrial land (with Cranbourne West) • Supports other precincts to transition into higher-order/more diverse roles • Plan to evolve and diversity over time especially via connections to Green Wedge and potential future South East Airport • Offer high amenity to provide opportunities for a wide range of businesses to grow and innovate.

5.2 THREE HORIZONS FOR JOBS ACROSS THE SEEC

A three horizons approach

The Three Horizons approach¹⁵ proposes that in order to achieve significant transformation, places need to plan across three horizons simultaneously. For the SEEC, these are:

Horizon 1: Consolidate the existing hierarchy and support long-term options.

Horizon 2: Reinforce and augment a maturing regional economy.

Horizon 3: Transform the economy through innovation, major investment, and new opportunities.

Planning occurs in parallel across all horizons; there are short, medium, and long-term actions for each horizon, acknowledging benefits for Horizon 2 and 3 will be realised over a longer period.

For each horizon, we define a discrete set of outcomes which reflect how growth could occur and the desired end state ambitions for the SEEC.

A set of key actions for each Horizon provide line-of-sight to the tangible activities that will support delivery of this context strategy – these logically support the strategic imperatives. The suggested actions will support the strategy and are not intended to be final or exhaustive. They will need to be built out over time, through SEEC councils' and other involved stakeholders' collaboration, leveraging the SEEC fact base and Strategic Imperatives to seed and guide new actions.

¹⁵ Baghai, Coley and White (1999) *The Alchemy of Growth*. Originally designed for business planning, the framework has been adapted for the development of cities and places.

The actions to support the strategy are arranged into five categories, defined as:

- **Planning to enable growth:** Components of planning that need to be completed across the SEEC and within the e-PSPs to underpin the desired outcomes.
- **Precinct activation:** Infrastructure, investment, and land configuration requirements to establish conditions for plan implementation to deliver land use outcomes.
- **Development facilitation:** Governance, partnerships and systems that will create smooth processes for development within the SEEC and e-PSPs (for example, streamlined processes for complying development).
- **Employment delivery:** Economic development steps that will attract businesses, workers, or investment to the SEEC or e-PSPs.
- **Sustainable and liveable communities:** Actions that relate to resource and energy use/production, utility provision, or those which relate to the physical amenity of the SEEC and e-PSPs.

Lastly, the maps in this section demonstrate where actions apply, highlighting the role of primary, secondary, and e-PSP employment nodes across the SEEC. Each Horizon section contains commentary regarding the implications for the region's economic structure, the role of each e-PSP, and the implications for each SEEC council. The LGA implications are expanded in more detail in [Appendix 1](#). The role of each e-PSP, e-PSP-specific actions and future planning guidance is contained in the precinct dashboards.

Timing for implementation

The three horizons approach sets out a flexible approach to precinct development. The intent is to create a lot pattern that can set out development patterns to support land use transition for a long-term vision, without precluding employment opportunities in the short-term. Preferred areas for smaller lots or areas where industrial uses may be buffered from residential with light industrial activities, are shown on the precinct dashboards.

Jobs targets are estimates of what might be achieved by 2060. However, where infrastructure and amenity-related actions are brought forward to provide greater certainty, some precincts may achieve greater employment growth in the medium-term.

Horizon 1: Consolidate to 2030

Target outcomes over Horizon 1 to 2030 are:

- Core businesses, functions and attributes which currently support the region's prosperity are protected and retained.
- Higher order economic and employment opportunities and investment are driven to existing nodes (Dandenong, Monash, Fountain Gate–Narre Warren) with employment in other areas largely comprising population-serving and construction jobs in line with population growth.
- New flexible e-PSPs articulate strategic outcomes and preserve land for growth over the long-term.
- Key infrastructure to link employment nodes is identified and prioritised and to coordinate growth.

Council-specific outcomes through to 2030 include:

- **Greater Dandenong:** Guide higher order jobs to Dandenong and enable Southern SSIP to continue to build out through development facilitation strategies.
- **Casey/Cardinia:** Guide higher order jobs to existing major centres through business-attraction strategies and place-making projects.

The role of the six e-PSPs:

- Officer–Pakenham e-PSPs support existing core employment nodes, providing accessible/ affordable employment land on existing lot structures with higher order jobs being focused in existing priority employment nodes (NEICs, Health and Education Precincts and MACs).
- Cranbourne West is developing as an industrial and business park, supporting SME and population-serving uses.
- Thompsons Road and Minta Farm are developing as high-quality mixed-use employment precincts.
- Croskell and Casey Fields South are preserved in their current form to drive build out of existing employment nodes.

Horizon 1 actions to support the strategy

Horizon 1 actions focus on cross-government alignment on city-shaping infrastructure; precinct activation through accelerated existing transport investment; reviews for (i) incentives for development facilitation and expenditure and strategy for anchor institutions; and embedding e-PSP changes to support SEEC outcomes.

Table 11 Horizon 1 actions

		Manufacturing & industrial	Health & education	Knowledge -based	Transport connections	Gateways & anchors	High amenity mixed-use	Local businesses & skills	20-min neighbourhoods	Sustainability	Flexibility, uncertainty, & renewal
Planning to enable growth	Prepare an agreement between Commonwealth, state, and local governments to deliver city-shaping infrastructure through a SE City Deal				✓						
	SEEC councils to work with DHHS to identify locations for future health services in line with population growth		✓								
	Prepare PSPs for the Officer–Pakenham Corridor, Croskell and Casey Fields South.		✓				✓			✓	✓
	Prepare state and local infrastructure delivery strategies which are aligned to growth	✓			✓						
Precinct activation	Plan for Thompsons Road, and Grices/Glasscocks Road upgrades, including public transport links to support the long-term needs of workers and residents throughout the corridor				✓						
	Precinct activation				✓						
	Complete High Capacity Metro Trains (HCMTs) project				✓						
	Increase frequency and quality of bus services between train stations and employment nodes, between employment nodes, and to/from residential catchments, including to primary employment nodes such as MACs and the Southern SSIP				✓						
Development facilitation	Review zoning and investment incentive strategies linked to MACs, NEICs and Health and Education Precincts, to ensure higher order employment is being attracted into priority employment nodes (NEICs, H&EPs and MACs). Enable delivery through planning system reforms.	✓	✓	✓			✓	✓			✓
Employment delivery	Develop strategy to enhance local and progressive share of anchor institutions' expenditure within the SEEC.										
	As part of that strategy, audit expenditure of regional anchor institutions (universities, hospitals, HQs) and identify opportunities to expand or strengthen local supply chains and market connections in the SEM (this may include identification of new businesses not currently located in the SEM but which serve key regional institutions).					✓		✓		✓	
Sustainable & liveable communities	Embed 20-minute neighbourhood principles in residential and e-PSPs		✓	✓	✓		✓		✓	✓	✓
	Embed integrated water management (IWM), and active transport links into e-PSPs								✓	✓	
	Connect the SEEC to, and expand the function of local water recycling plants									✓	
	Employment delivery									✓	
	Conduct and audit and prepare a plan to examine the availability and accessibility of training for knowledge-based jobs for residents in the SEEC. Prepare a plan to enhance the local education system and business programs to support the aim of upskilling the community in preparation for a Knowledge Economy.			✓				✓		✓	
	Sustainable and liveable communities									✓	

LEGEND**Precinct status in Horizon 1:**

- Emerging employment land
- Consolidating employment land
- Enhancing employment land
- Transforming employment land

Primary employment nodes:

- National Employment and Innovation Cluster (NEIC)
- State significant industrial precinct (SSIP)
- Metropolitan Activity Centres
- Health and Education Precincts

Secondary employment places:

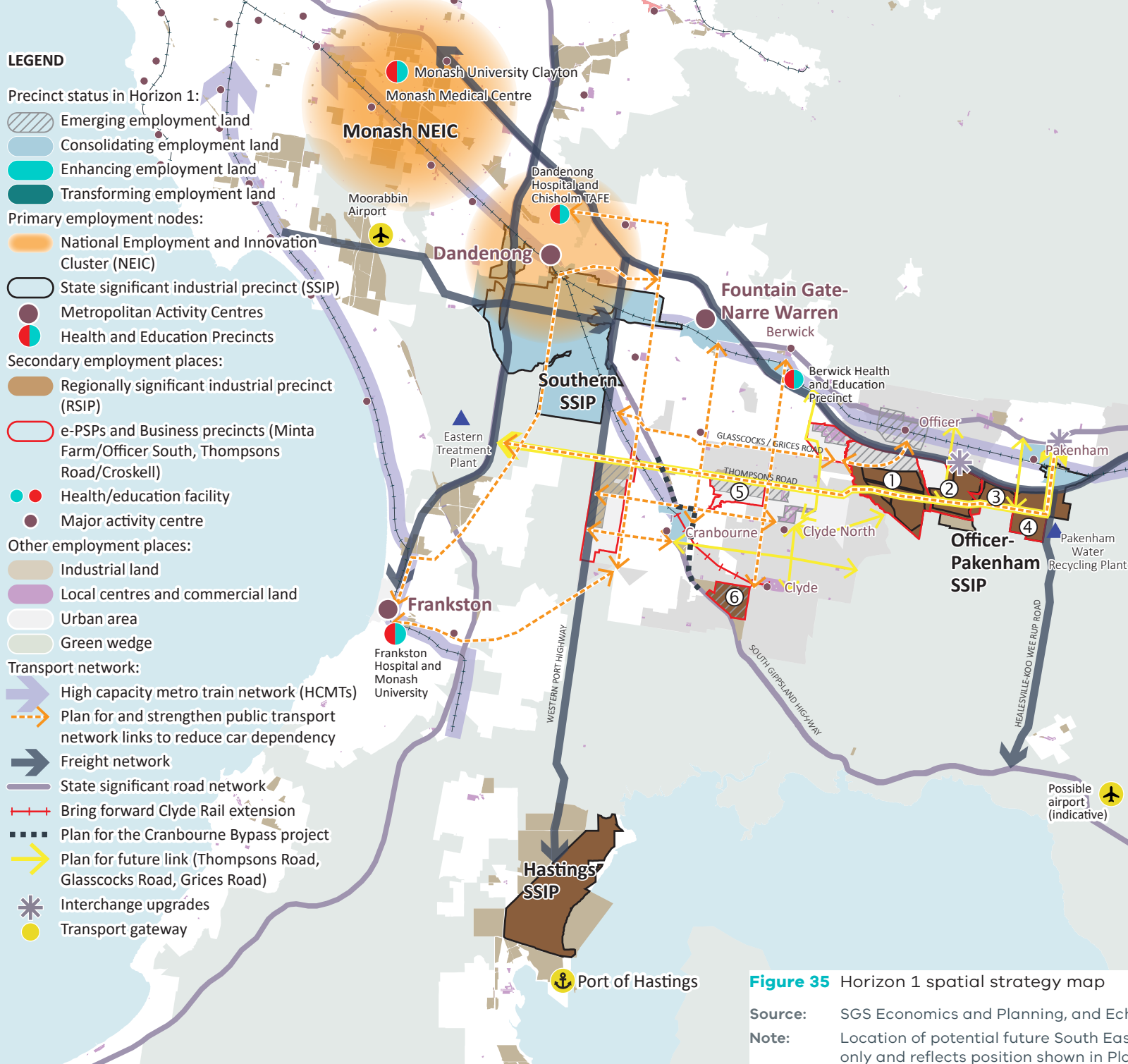
- Regionally significant industrial precinct (RSIP)
- e-PSPs and Business precincts (Minta Farm/Officer South, Thompsons Road/Croskell)
- Health/education facility
- Major activity centre

Other employment places:

- Industrial land
- Local centres and commercial land
- Urban area
- Green wedge

Transport network:

- High capacity metro train network (HCMTs)
- Plan for and strengthen public transport network links to reduce car dependency
- Freight network
- State significant road network
- Bring forward Clyde Rail extension
- Plan for the Cranbourne Bypass project
- Plan for future link (Thompsons Road, Glasscocks Road, Grices Road)
- Interchange upgrades
- Transport gateway

**HORIZON 1 ACTIONS:
CONSOLIDATE TO 2030****FLAGSHIP ACTIONS****Planning to enable growth:**

- > Prepare PSPs for the Officer-Pakenham Corridor, Croskell and Casey Fields South
- > Prepare state and local infrastructure delivery strategies which are aligned to growth

Precinct activation:

- > For Thompsons Road, reserve land for a high capacity freight and public transport connection linking Frankston and Pakenham
- > Reserve land for Grices/Glasscocks, Lecky Road and McGregors Road upgrades
- > Construct Clyde Rail Extension
- > Complete High Capacity Metro Trains (HCMTs) project
- > Increase frequency/quality of bus services between train stations and employment nodes

Prepare structure plans for the e-PSPs:

- (1) Officer South Employment
- (2) Cardinia Road
- (3) Pakenham West
- (4) Pakenham South
- (5) Croskell
- (6) Casey Fields South

Figure 35 Horizon 1 spatial strategy map**Source:** SGS Economics and Planning, and Echelon Planning, 2020.**Note:** Location of potential future South East Airport is indicative only and reflects position shown in Plan Melbourne.

Horizon 2: Reinforce to 2040

Horizon 2 outcomes see a maturing regional economy in 2040 that is reinforced and augmented by enhancing existing infrastructure, diversifying land use, creating amenity and attracting knowledge economy businesses.

Target outcomes over Horizon 2 to 2040 are:

- Existing core functions diversify by adding related activities, supply chains or aligned businesses. These are organic innovations, building on existing strengths.
- The region matures with a skilled workforce and new economic opportunities emerge.
- North-East Link, High Capacity Metro Trains project (HCMT), and local transport infrastructure upgrades create a more connected local economy with strong connections into across Greater Melbourne and Gippsland.
- Combined with a focus on design and sustainability, there are increased local skills, knowledge, and technology-based firms along with logistics, manufacturing, construction, and health sectors.

Council-specific outcomes through to 2040 include:

- **Greater Dandenong:** Leverage the increased development of industrial uses in the Officer–Pakenham corridor to enable Southern SSIP to transition from traditional industrial uses to higher order industrial functions
- **Casey:** Focus development of employment uses in Minta, Thompsons Road/ Clyde North and Clyde South.
- **Cardinia:** Link local centres, employment lands with Dandenong and broader Melbourne. Preserve the long-term vision but support local economy growth opportunities.

The role of the six e-PSPs:

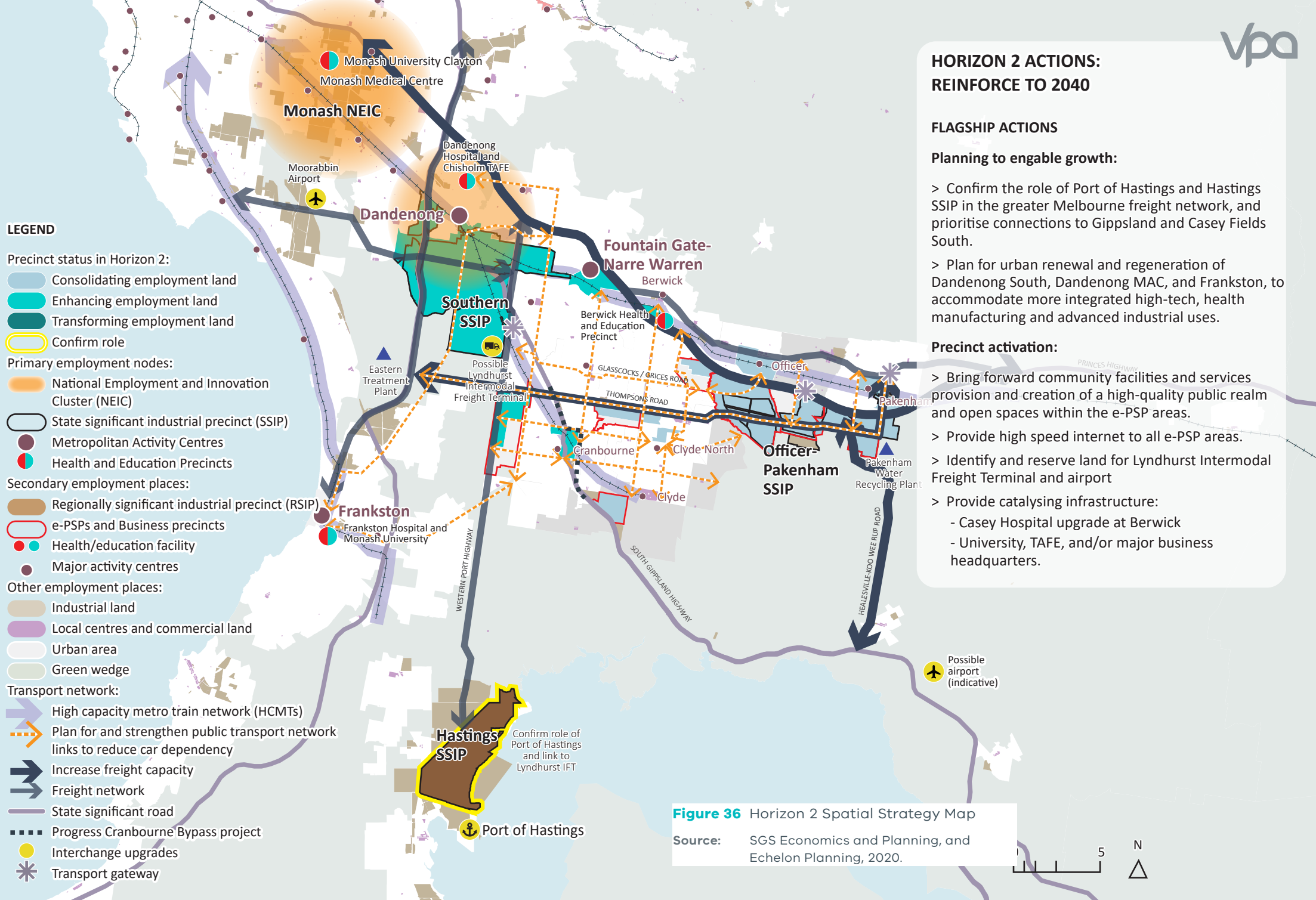
- Officer–Pakenham establishes SSIP role with manufacturing, health, and research functions. SSIP integrates with neighbouring commercial nodes (Officer, Pakenham, Minta Farm)
- Crookwell starts to provide an enhanced local commercial role
- Casey Fields South is preserved in its current form.

Horizon 2 actions to support the strategy

Horizon 2 actions include the provision of catalyst infrastructure across healthcare, education, and transport and communications sectors. Development facilitation and employment delivery focus on attracting investment for priority sectors, skills delivery including through SEM institutions, and nurturing local supply chains.

Table 12 Horizon 2 actions

		Manufacturing & industrial	Health & education	Knowledge-based	Transport connections	Gateways & anchors	High amenity mixed-use	Local businesses & skills	20-min neighbourhoods	Sustainability	Flexibility, uncertainty, & renewal
Planning to enable growth	Examine measures to enable Horizon 3 land use types (local industry and employment businesses, residential, cultural, recreational, and civic), and to transition non-urban land uses out of the e-PSP areas, especially Crookell. This may include preserving larger lot sizes in key locations, or reviewing the suite of zones in the Victoria Planning Provisions (VPP) to sequence the range of land uses and development types available over each horizon of the plan's implementation.						✓		✓		✓
	Confirm the role of Port of Hastings and Hastings SSIP in the greater Melbourne freight network, and prioritise connections to Gippsland and Casey Fields South				✓						
	Plan for urban renewal and regeneration of Southern SSIP, Dandenong MAC, and Frankston, to accommodate more integrated high-tech, health manufacturing and advanced industrial uses	✓									
Precinct activation	Bring forward community facilities and services provision and creation of a high-quality public realm and open spaces within the e-PSP areas								✓		
	Provide high speed internet to all e-PSP areas			✓							✓
	Establish an investment prospectus focused on strategic redevelopment sites where activation actions have been taken, relevant to SEEC businesses who may be attracted to locate in the e-PSPs	✓									✓
	Identify and reserve land for Lyndhurst Intermodal Freight Terminal and airport			✓							
	Plan for catalysing infrastructure: • Casey Hospital upgrade at Berwick • University, TAFE, and/or major business headquarters		✓		✓			✓			
Development facilitation	Recruit private sector investment for priority sectors (identified in Precinct Dashboards)	✓	✓	✓							
	Initiate investment attraction fund for priority sectors (see Precinct Dashboards)	✓	✓	✓							
Employment delivery	Develop a skills strategy with existing SEM institutions, identifying education and training needs linked to priority sectors							✓	✓		
	Create a network of local suppliers and small local businesses. Develop a pipeline between local education institutions and connecting workers to local jobs—expanding the use of local labour and targeting disadvantaged workers to enhance human capital within the SEEC							✓	✓		
	Provide incentives for business-to-business procurement within the Southern Region	✓	✓	✓				✓			
Sustainable & livable communities	Locate materials recycling and resource recovery plants where they may take advantage of good transport connections, research, and development links to generate energy or close manufacturing loops									✓	



Horizon 3: Transform to 2060

Horizon 3 outcomes see a mature regional economy in 2060, where existing activity centres have undergone renewal and employment precincts have captures economic opportunities unlocked by key anchors and gateways.

Target outcomes over Horizon 3 to 2060 are:

- The region is transformed through new opportunities that draw on the region's advantages and current functions.
- Residential growth is largely complete, major infrastructure and assets are in place: South East Airport, , high speed internet, other key transport links.
- Diverse, higher order and new economic opportunities are realised.

Council-specific outcomes through to 2060 include:

- **Greater Dandenong:** Dandenong MAC revitalisation completed, centre operating as Melbourne's "second CBD" with a range of entertainment, hospitality and recreation options alongside knowledge-intensive employment opportunities that successfully capture highly skilled workers within the Southern Region
- **Casey:** Employment lands influenced by expanding role and function of Berwick Health and Education Precinct, Officer–Officer South and Minta Farm cluster providing strong knowledge-intensive and mixed-use activities with high amenity environments
- **Cardinia:** The Officer–Pakenham corridor works as an integrated economy, providing an important link to advanced manufacturing jobs in the Officer–Pakenham SSIP corridor, and links from the Green Wedge into that corridor support a thriving advanced manufacturing and food hub.

The role of the six e-PSPs

- Officer–Pakenham corridor (SSIP and ACs) work as an integrated economy, offering a high-tech health, research, and distribution node, linked with:
 - Port Hastings and SE Airport
 - Gippsland and Bunyip food bowl
 - Latrobe renewable energy
 - Local health, research, and manufacturing specialisations
- Crookell redevelops into an innovation hub in the heart of strong centre network and population mass
- Casey Fields South provides long-term affordable industrial land to enable other locations to transition and growth.

Horizon 3 Key Actions to support the strategy

Horizon 3 actions include a focus on planning for a C21 innovation hub and strategic redevelopment in Officer–Pakenham, high-amenity local town centres that support knowledge-intensive workers, providing catalyst infrastructure including airport and intermodal freight

Table 13 Horizon 3 actions

		Manufacturing & industrial	Health & education	Knowledge-based	Transport connections	Gateways & anchors	High amenity mixed-use	Local businesses & skills	20-min neighbourhoods	Sustainability	Flexibility, uncertainty, & renewal
Planning to enable growth	Review land uses permitted by MICLUP in the commercial and industrial zones to streamline pathways for land uses that are suitable for the 21C innovation hub	✓	✓	✓	✓						✓
	Plan for a twenty-first century innovation hub focused on the Officer–Pakenham corridor. Apply zones that enable a mix of land uses commensurate with headquarters business activity, advanced industry activity and their related services (e.g. integrating manufacturing with research and development). Establish subdivision patterns to support these businesses' needs	✓	✓	✓	✓						✓
	Identify and promote strategic redevelopment sites in Officer–Pakenham corridor and Casey Fields South e-PSP, to enable intensification of local knowledge-based jobs	✓		✓							✓
Precinct activation	Plan for catalysing infrastructure, including: <ul style="list-style-type: none"> • The new South East Melbourne Airport and employment precinct • High demand transport links and fine grain local networks • Lyndhurst Intermodal Freight Terminal and supporting rail infrastructure. • High amenity local town centres that serve knowledge-intensive workers within the Officer–Pakenham SSIP 				✓	✓					
Development facilitation	Examine zoning, land use and development requirements to facilitate the 21C land use vision for this corridor across any remaining land in the Officer–Pakenham SSIP and other e-PSPs						✓			✓	✓
Employment delivery	Promote the Officer–Pakenham corridor interstate and internationally, based on its function as a high amenity employment precinct and leading role as a 21C innovation hub	✓				✓		✓	✓	✓	✓
	Build on the network of local suppliers to attract businesses and talent from interstate and international markets										
Sustainable & liveable communities	Undertake urban renewal across Officer, Pakenham and the Berwick Health and Education Precincts to encourage establishment of higher-order employment types	✓	✓	✓	✓	✓		✓			✓
	Attract local social enterprises and research within the not-for-profit sector to diversify and enrich activities in existing employment precincts			✓				✓			
	Continue to expand resource recovery and renewably energy generation sectors within the SEEC, promoting carbon-positive activities										

HORIZON 3 ACTIONS: TRANSFORM TO 2060

FLAGSHIP ACTIONS

Planning to enable growth:

- > Plan for a twenty-first century innovation hub focused on the Officer–Pakenham corridor. Apply zones that enable a mix of land uses commensurate with headquarters business activity, advanced industry activity and their related services. Establish subdivision patterns to support these businesses' needs.
- > Identify and promote strategic redevelopment sites in Officer–Pakenham corridor and Casey Fields South ePSP, to enable intensification of local knowledge-based jobs.

Precinct activation:

- > Provide catalysing infrastructure, including:
 - The possible airport (indicative) and employment precinct
 - High demand transport links and fine grain local networks
 - Lyndhurst Intermodal Freight Terminal and supporting rail infrastructure.
 - High amenity local town centres that serve knowledge intensive workers in the Officer–Pakenham SSIP.

Sustainable and livable communities:

- > Undertake urban renewal across Officer, Pakenham and the Berwick Health and Education Precincts to encourage establishment of higher-order employment types.

LEGEND

Precinct status in Horizon 3:

- Enhancing employment land
- Transforming employment land

Primary employment nodes:

- National Employment and Innovation Cluster (NEIC)
- State significant industrial precinct (SSIP)
- Metropolitan Activity Centres
- Health and Education Precincts

Secondary employment places:

- Regionally significant industrial precinct (RSIP)
- e-PSPs and Business precincts (Minta Farm/Officer South, Thompsons Road/Croskell)
- Health/education facility
- Major activity centre

Other employment places:

- Industrial land
- Local centres and commercial land
- Urban area
- Green wedge

Transport network:

- High capacity metro train network (HCMTs)
- Public transport network links
- Increase freight capacity
- Freight network
- Interchange upgrades
- Transport gateway
- State significant road network

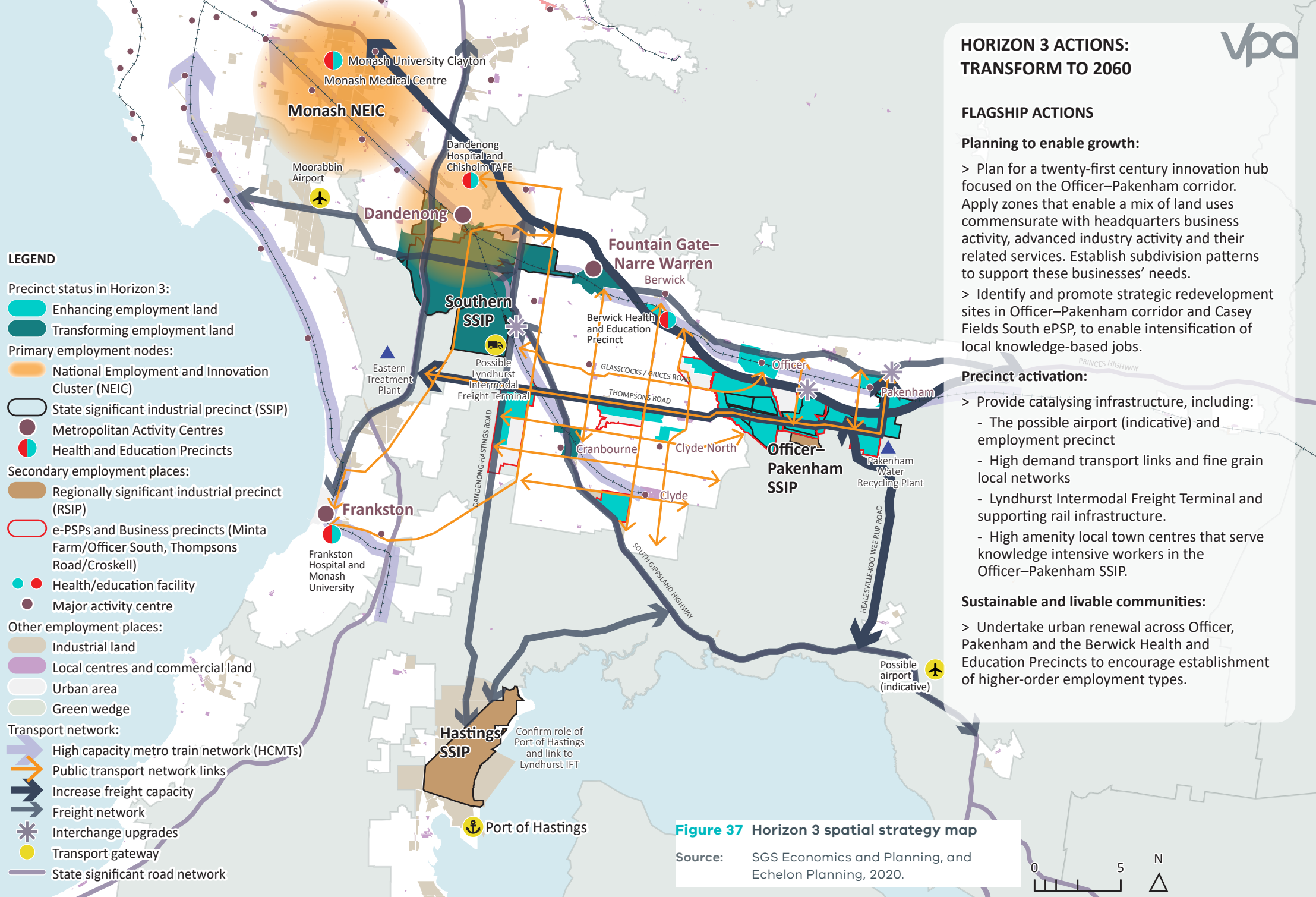


Figure 37 Horizon 3 spatial strategy map

Source: SGS Economics and Planning, and Echelon Planning, 2020.

5.3 CONSIDERATIONS FOR IMPLEMENTATION

This strategy provides context for the economic future of the SEEC. This document, along with the Precinct Dashboards, will be used to prepare precinct structure plans and a future urban structure for each of the e-PSPs.

Key to the successful implementation of this proposed strategy is establishing a land-use structure for each e-PSPs that lay out uses and connections that realise the role for each precinct. This includes housing yields (in the designated *business with residential areas*¹⁶), employment land provision, transport networks, open spaces/natural systems, activity centres and any other facilities/services (for example, community facilities). The forecast job numbers, vision and principles, and horizon-based actions in each Precinct Dashboard will form the starting point to prepare the e-PSPs.

This strategy sets out the hierarchy of centres alongside an approach that may guide land use and development sequencing over three horizons. This recommendation suggests that the e-PSP preparation should include consideration about how zones are applied within each precinct, what the VPP allows and how this relates to the ultimate vision for each place.

Following this recommendation, the Urban Growth Zone schedules could be used to establish conditions for Horizon 1, and later amended to create preconditions for Horizon 2 or 3. This approach could be used to address the challenge that the current suite of zoning may not facilitate outcomes sought in Horizon 3 without additional intervention (for example, around lot sizes, land use and development parameters) (see [Table 13](#)). This is especially relevant for the scope and flexibility for residential land uses under the Commercial 1 Zone, which might be applied in the regionally significant commercial places in Officer South Employment and Cardinia Road Employment (for example). For further discussion on this, refer to [Appendix 3](#).

Drafting instructions for the e-PSPs

The three horizons approach sets out how an urban structure may be established in Horizon 1, that will enable development or jobs intensification, and land use change, in the e-PSPs over time. This may involve, for example, use of larger sites for warehouses in the shorter-term, with a transition and redevelopment to smaller lots with office development in the medium- to longer-term.

¹⁶ MICLUP and this Strategy recommend capping residential at a maximum of 50 per cent floorspace within these business with residential precincts; many of which are designated as Regionally significant commercial land in MICLUP.

The dashboards illustrate where such intensification may be most appropriate, or where land is to be preserved for more intensive (for example, advanced manufacturing) activities that may require buffers from residential areas. They also set out a range of lot sizes relevant to the types of land uses being sought across the three horizons. The suggested tool to achieve this, is the Urban Growth Zone schedule, as set out below.

Using the Urban Growth Zone schedules to enable Horizon 1, 2 and 3 outcomes

The Urban Growth Zone (UGZ) manages the transition of non-urban land into urban land. It is used to safeguard non-urban land from use and development that could prejudice its future urban development. The SEEC context report recommends that part of the e-PSP preparation consider how schedules to the UGZ be used to sequence land use, subdivision and development outcomes at each Horizon. If this approach is taken, the UGZ schedules could then be incrementally updated to achieve the ultimate Horizon 3 outcomes. A schedule to the UGZ can be used to set out requirements for land use, buildings and works, and subdivision¹⁷.

The UGZ schedule could contain a floorspace cap for retail uses, which might be used to ensure that industrial, employment and SSIP land is not converted to retail in the shorter-term—a challenge for employment land in the growth areas. The types of uses that might be capped should be resolved through the e-PSP preparation process, but could limit the extent of shop and restricted retail (for example) floorspace occurring in light industrial locations, especially in the SSIP¹⁸.

With the exception of Cardinia Road Employment Precinct, the other e-PSPs are covered by the UGZ without a schedule (i.e. no PSP has been prepared). The information contained within the Precinct Dashboards will form the basis of PSP preparation for these precincts.

¹⁷ Practice Note 47 (Urban Growth Zone).

¹⁸ Most land uses nested under “shop” in the Planning Scheme are prohibited in the industrial zones, however restricted retail is permitted. This consideration would be further considered in drafting schedules to the UGZ.

Preparing the UGZ

The UGZ requires a precinct structure plan to be incorporated in the planning scheme before urban development in accordance with the plan can start. The detailed use and development provisions required to implement the precinct structure plan must also be set out in the schedule to the zone. Certain elements of the SEEC context report or e-PSPs may also be included in local policies or decision guidelines in the Casey and Cardinia planning schemes.

Specific provisions in the UGZ schedule will usually not be needed once development is substantially complete. Ultimately, the UGZ provisions will be translated into standard zones. However, in the case of Horizon 1 and Horizon 2, the e-PSP could set out provisions for land uses and subdivision configuration that retain and update the UGZ schedule.

Planning zones that may enable Horizon 3 land uses

Part of the e-PSP implementation will ultimately involve applying planning zones to the e-PSPs. This strategy proposes a staged approach to zone application based on the relevant Horizon, to achieve the mission statement for each precinct, as set out above.

[Table 14](#) at right shows which zones may be most appropriate to facilitate the ultimate mixture of land uses being sought in each precinct. [Appendix 3](#) contains a table with detailed information about each zone's purpose and key land uses. For the Officer–Pakenham corridor Horizon 3 aspirations, it may also be appropriate to consider applying the Special Use Zone to the e-PSPs when the UGZ is ultimately translated. This would enable a unique set of land uses that are imagined in Horizon 3, while ensuring the SSIP role and functions are also retained. Under the current VPP, such an outcome may be otherwise challenging to achieve.

The land uses highlighted in the zone analysis below would enable, in some combination, realisation of the various employment sectors highlighted throughout this strategy. For example:

Table 14 Zones suitable for employment sectors in the SEEC

Key sector	Land use term										Suitable zones
	Office	Warehouse	Manufacturing	Industry	Research centre	Employee training	Tertiary education	Service industry	Energy generation	Materials recycling	
Advanced manufacturing	✓	✓	✓	✓	✓						<ul style="list-style-type: none"> Industrial zones C2Z, C3Z
Resource recovery									✓	✓	<ul style="list-style-type: none"> IN1Z, IN2Z
Renewable energy generation				✓					✓		<ul style="list-style-type: none"> IN1Z, IN2Z
Research & development	✓			✓	✓						<ul style="list-style-type: none"> Industrial zones C2Z, C3Z
STEM & skills training						✓	✓				<ul style="list-style-type: none"> IN1Z, IN3Z C3Z SUZ
Agribusiness		✓	✓	✓							<ul style="list-style-type: none"> IN1Z, IN2Z SUZ
Headquarters	✓										<ul style="list-style-type: none"> IN1Z, IN3Z Commercial zones
Anchor institutions	✓				✓	✓	✓				<ul style="list-style-type: none"> IN1Z, IN3Z Commercial zones SUZ
Business with residential	✓					✓					<ul style="list-style-type: none"> C1Z, C3Z MUZ

Source: SGS Economics and Planning, 2020.

Intensification of land uses over time

The diagrams at right illustrate how development may be staged over time, in an area designated as a 'business precinct' (or Regionally significant commercial area). It is based on a road layout that will enable further subdivision and intensification over time.

The initial (Horizon 1) layout shows a 400-800 metre grid over the site, establishing large blocks. Here, large blocks could be used for industrial (southern and eastern component), with commercial in the western parts of the site.

In the initial zoning for this mixed-use area, land uses allow residential development in the western portion, buffered by commercial, and a town centre.

In this sketch, the residential area is limited to less than 50 per cent of land area, which yields around 1,100 dwellings or 3,000 people. This emphasises the importance of connecting this place to nearby residential areas to create a large enough catchment to require delivery of social infrastructure and support a sustainable town centre).

Figure 38 Horizon 1: establishing a flexible road and lot layout

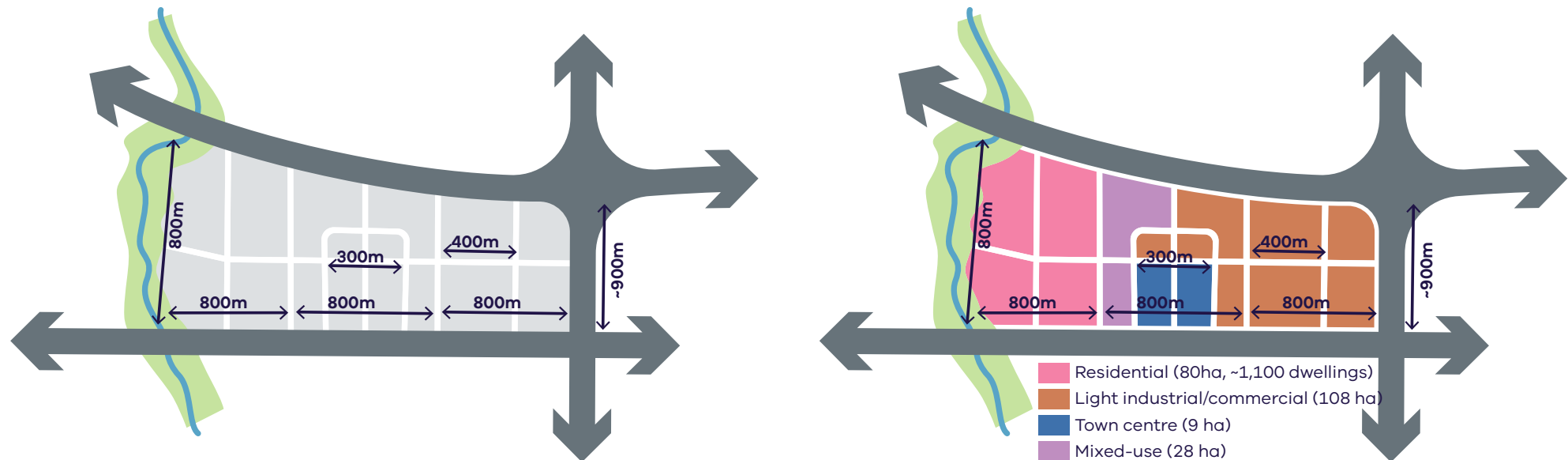
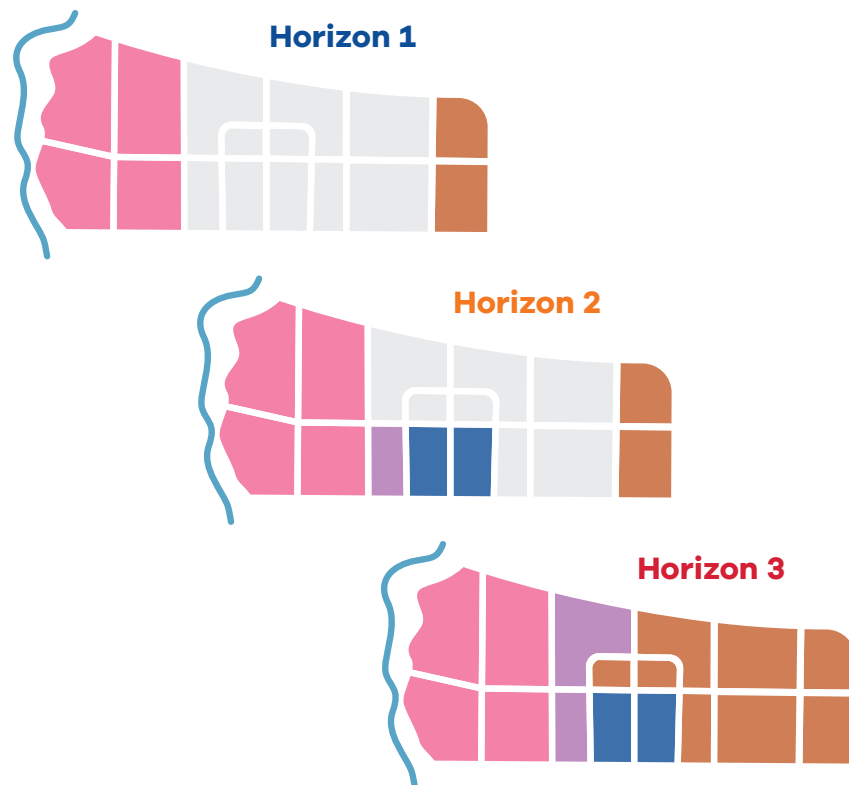


Figure 39 shows development staging over three horizons:

- **Horizon 1** assumes residential land is accessed via the creek crossing (west) and is fully complete, assumes key transport projects are complete (freeway interchange), and some commercial and industrial activity is occurring in the west.
- **Horizon 2** assumes main east–west connector roads to other precincts have been delivered. The town centre has been constructed, and there are a larger number of industrial buildings connected in the eastern part of the precinct. There is potential for some mixed-use and commercial development, emerging around the town centre.
- **Horizon 3** assumes the precinct is built-out, and that some of the larger sites to the west of the town centre are redeveloped for higher density uses (see Figure 41).

Figure 39 Development staging over three horizons



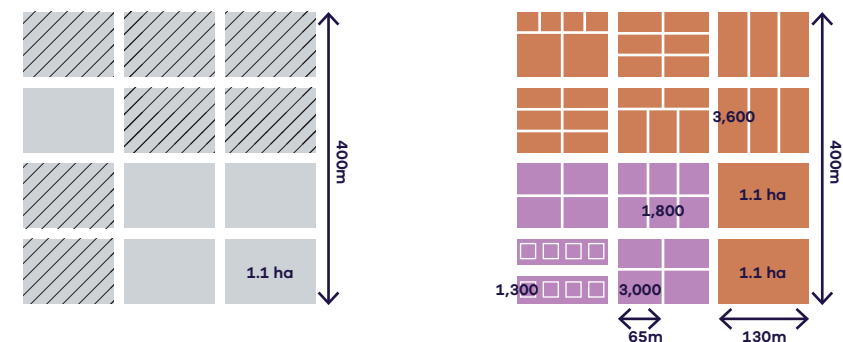
The diagrams (Figure 40 and Figure 41) below emphasise that in the e-PSPs, it will be important to retain some strategic land parcels in larger holdings over the long-term, to cater for future redevelopment. There will be a need for smaller lots in Horizon 1 and 2, and these could also be accommodated (in mid-blocks, avoiding the most strategic locations).

Figure 41 shows how a 400 by 400 square metre block might be subdivided, and then redeveloped.

In the first stage, larger industrial lots could be created. This development is anticipated in Horizon 1 (Consolidate) and Horizon 2 (Reinforce).

Figure 41 shows how one 4 hectare site could, in future, be subdivided into either a series of smaller industrial buildings, or into a series of commercial buildings.

Figure 40 Initial phases of subdivision (stage 1) **Figure 41** Evolution of a 400×400 sqm block (stage 2)



e-PSP preparation

As outlined earlier, the e-PSPs will be prepared based on information contained in the Precinct Dashboards, and any relevant actions from this strategy.

The dashboards contain actions for Horizon 1, 2 and 3, which should be considered as part of the e-PSP preparation, and should inform a staged approach to implementing the plans, based on the suggested approach above.

APPENDIX 1 – IMPLICATIONS BY LGA

The table below shows policy and infrastructure implications for each SEEC LGA.

Table 15 Place implications of the SEEC context report for each LGA

GREATER DANDENONG			
2060 Vision	Dandenong MAC, NEIC and SSIP are fully developed and undergoing urban renewal as they become an economic power house for metropolitan Melbourne. The SSIP has evolved into a high amenity technology precinct with a mix of manufacturing and commercial activities, supported by high quality public transport amenity and services. Dandenong has a significant share of office space and supports a wide range of knowledge economy, health, and education businesses. The release and development of employment lands and the delivery of transport infrastructure in Casey and Cardinia enabled this transition to occur and also supported and good access to local employment for SEEC residents.		
	HORIZON 1	HORIZON 2	HORIZON 3
Key locations	<ul style="list-style-type: none"> • Dandenong Metropolitan Activity Centre ("Second CBD") • Southern SSIP: Providing industrial land supply to mid-2020s. Predominately logistics, service industries, manufacturing, and heavy industry activities. • Commercial floorspace demand in the SEEC largely attracted to Dandenong MAC, with some spillover into the business parks within the NEIC and major ACs in the LGA. 	<ul style="list-style-type: none"> • Dandenong MAC: undergoes urban renewal and further revitalisation • Dandenong Hospital and Chisholm TAFE: continue to expand and attract associated specialist services. • Southern SSIP: begins to renew, traditional industrial activities diversify to include headquarters with office, knowledge-intensive sectors in-house. • Lyndhurst Intermodal Freight Hub: further examined with relationships to the Port of Hastings and proposed South East Airport 	<ul style="list-style-type: none"> • Dandenong NEIC and Southern SSIP undergo significant renewal and attract significant numbers of knowledge economy industries.
Sectors, activities and land uses	<ul style="list-style-type: none"> • Offices • Business parks • Retail (main street and big box) • Manufacturing associated with wholesale trade • Transport and warehousing 	<ul style="list-style-type: none"> • Dandenong Hospital and associated organisations • Dispersed health and education • Freight and logistics • Light industrial • Manufacturing (light) associated with innovation and urban services • Business/office parks 	<ul style="list-style-type: none"> • Headquarters • Specialist health and education services • Freight and logistics with Lyndhurst IFT, Airport and Port • 21C knowledge economy: Advanced/high-tech manufacturing with office/business park, Research and development, etc.

Infrastructure & anchors	<ul style="list-style-type: none"> • Multiple multi-national manufacturing companies located within the SSIP • Upgrades to the freight capacity of arterial roads and key intersections • Completion of development in various business parks in Southern SSIP NEIC • Education facilities focused on job-readiness (e.g. EAL) • Civic functions and government services in Dandenong MAC 	<ul style="list-style-type: none"> • Increase in commercial floorspace in Dandenong MAC • Expansion of Dandenong Hospital and Chisholm TAFE • Preferred options for the delivery of high capacity transport services to connect SSIP precinct to the Dandenong CBD, Frankston, Casey, and Cardinia are identified. • Links to Suburban Rail Loop increase accessibility of Dandenong MAC to metro area • Research institutions within the NEIC with links to Monash University • Business parks in NEIC with headquarters, Research and development functions • Lyndhurst IFT fully operational and supporting growth in manufacturing and logistics. 	<ul style="list-style-type: none"> • Additional transport services connect SSIP precinct to the Dandenong CBD, Frankston, Casey, and Cardinia • Significant expansion of Dandenong H&EP facilities • Establishment of South East Airport creates better access to markets.
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CASEY

2060 Vision	<p>The Narre Warren MAC and Berwick Health and Education precinct are a primary employment node for the SEEC. They are home to significant health, education, and knowledge economy businesses. The Cranbourne Activity Centre is undergoing urban renewal as lifestyle and leisure destination for the Casey community, and the various other activity centres in Casey are fully developed as mixed use centres supporting 20 minute neighbourhoods.</p> <p>Minta Farm is fully developed as a mixed-use technology park, and significant regional health facilities are established in the Thompsons Road precinct. Other locations along Thompsons Road have developed as business parks which provide local places of work for Casey residents, as well as a range of industrial and commercial services to the wider Casey community.</p> <p>Casey Fields South has been developed as an industrial estate which supports the Casey growth area as well as being a base for agricultural processing and food manufacturing businesses.</p>
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	HORIZON 1	HORIZON 2	HORIZON 3
Key locations	<ul style="list-style-type: none"> • Fountain Gate–Narre Warren MAC • Berwick H&EP • Cranbourne Major AC • Cranbourne West Business Park 	<ul style="list-style-type: none"> • Fountain Gate–Narre Warren MAC: evolving into a high-density mixed-use town centre with significant knowledge economy businesses • Cranbourne Major AC: urban renewal as a place-based centre with lifestyle and leisure focus. • Berwick H&EP: major expansions • Cranbourne West Business Park: evolution from bulky goods and service industries to a mix of offices and office/warehouse supporting SME growth. • Minta Farm and Thompsons Road: significant investment in advanced manufacturing/commercial and health facilities, respectively. • Croskell: partially developed as a business park which provide local places of work for Casey residents, as well as a range of industrial and commercial services to the wider Casey community • Casey Fields South: partially developed industrial estate, Regionally significant base for agricultural processing and food manufacturing businesses. 	<ul style="list-style-type: none"> • Fountain Gate–Narre Warren: urban renewal with larger sites redeveloped to higher density mix of residential and commercial uses. • Casey Central • Cranbourne: urban renewal as a place-based centre with lifestyle and leisure focus. • Berwick H&EP: establishment of research facilities and partnerships with industry • Minta Farm and Thompsons Road: full developed as advanced manufacturing/commercial and health precincts, respectively. • Croskell: fully developed as a business park. • Casey Fields South: fully developed industrial estate.
Sectors, activities and land uses	<ul style="list-style-type: none"> • Casey Hospital and associated specialist health services clustered around the H&EP • Narre Warren-Fountain Gate: Office, business parks and retail/services role • Cranbourne: Office, small scale industrial and manufacturing, showrooms • Cranbourne West: building materials and construction services 	<ul style="list-style-type: none"> • The Fountain Gate–Narre Warren structure plan is realised • In Berwick H&EP, STEM research and education • Cranbourne higher-order employment, services, civic and community services • Health care and community services • Strong links to agriculture in surrounding green wedge, etc. • Minta Farm and Thompsons Road starting to fulfil employment role 	<ul style="list-style-type: none"> • Business/office parks, retail and specialised health services in MAC and major activity centres • Food product, machinery, and equipment manufacturing • Professional, scientific, and technical services • Transport and logistics • Education and training, focused on high-tech and professional services integration

Infrastructure and anchors	<ul style="list-style-type: none"> • Cranbourne: provision made for HCMTs, planning and design of Clyde rail extension underway • Narre Warren MAC: major civic uses including Bunjil Place 	<ul style="list-style-type: none"> • Expansion of Health and TAFE/further education in Berwick • Delivery of east–west PT services along Thompsons Road • Corridors set aside for future establishment of high capacity public transport corridors between Narre Warren/Berwick employment precincts, Cranbourne, and Clyde. 	<ul style="list-style-type: none"> • Berwick H&EP: establishment of research facilities and partnerships with industry
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CARDINIA

2060 Vision The Officer and Pakenham Major Activity Centres are significant employment nodes for the SEEC. They include regional community, health and education facilities that are located close to train stations on the Pakenham rail line. The Officer–Pakenham SSIP has replaced the Southern SSIP as the most significant industrial precinct in Melbourne’s South East, and it is a base for a range of energy, agricultural processing, and food manufacturing businesses. A number of business parks are established within the Southern SSIP and they are connected to the SEEC via a high capacity PT service along Thompsons that connects to Dandenong, Cranbourne, Narre Warren, Berwick, Minta Farm, Officer and Pakenham. These locations are home to a range of advanced manufacturing and technology businesses.

	HORIZON 1	HORIZON 2	HORIZON 3
Key locations	<ul style="list-style-type: none"> • Officer MAC is Cardinia’s civic hub with retail and commercial land uses • Pakenham is a vibrant major centre with core retail and mixed-use precincts supported by medium density housing. • Officer–Pakenham SSIP: industrial development has commenced. 	<ul style="list-style-type: none"> • Officer MAC: health and education facilities established • Officer–Pakenham SSIP contain a mix of traditional manufacturing industry and logistics businesses. Business parks are establishing along Cardinia Road and in Officer South which support a number of advanced manufacturing industries in high amenity settings. • South East Airport precinct identified, planning underway 	<ul style="list-style-type: none"> • Officer MAC: health and education facilities expanded, • Pakenham town centre is revitalised with new civic, community and professional services • South East Airport and surrounding employment precinct established • Officer–Pakenham SSIP substantially developed. Business parks within the SSIP have access to high capacity PT services. They have a high amenity and are anchored by mixed use town centres

Sectors, activities and land uses	<ul style="list-style-type: none"> • Agriculture, including food and fibre • Logistics and warehousing • Trades and small light industrial businesses 	<ul style="list-style-type: none"> • Agriculture, including food and fibre • Renewable energy • Health–pharmaceuticals and research link • Logistics and warehousing • TAFE/university with STEM links in Officer South, overflow from Berwick 	<ul style="list-style-type: none"> • Agriculture • Renewable energy • Advanced manufacturing/hi-tech manufacturing related to food and fibre, renewable energy • STEM Research and development linked to SSIP • At airport: aviation, aerospace and defence, freight and logistics, food and fibre, manufacturing, and tourism
Infrastructure and anchors	<ul style="list-style-type: none"> • Investigate need for health and education facilities in Officer town centres in consultation with DHHS • Upgrade of access from SSIP to Princes Freeway • Corridors reserved to cater for dedicated north–south PT links between Officer Town Centre and the Officer SSIP • Corridors reserved for dedicated east–west PT link along Thompsons Road • Thompsons Road extensions underway, plus McGregor Road, Greenhills Road and Koo Wee Rup Road upgrades • North-East Link completed • SE Airport location confirmed 	<ul style="list-style-type: none"> • Potential health and education services established in the Officer Town Centre • Pakenham Water Recycling Plan, Eastern Irrigation Scheme • North–south PT services established between Officer MAC, and the SSIP • East–west PT services established along Thompsons Road between the SSIP and locations in Casey, Frankston, and Dandenong • SE Airport land acquired and planning underway 	<ul style="list-style-type: none"> • SE airport established • Potential Officer H&EP expanded: including hospital and allied health facilities • Agriculture-based technology and innovation facility established in SSIP • Freight link established from Officer–Pakenham SSIP to Dandenong (possibly Lyndhurst IFT)

APPENDIX 2 – FLAGSHIP AND E-PSP ACTIONS

The following table contains flagship actions for the SEEC, along with e-PSP specific actions which are further discussed in the six e-PSP Dashboards.

Table 16 Flagship actions for the SEEC

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
HORIZON 1: CONSOLIDATE TO 2030															
1	✓	SEEC councils to prepare an agreement with Commonwealth and state governments to deliver city-shaping infrastructure through a SE City Deal	SEEC	✓					✓			✓			<ul style="list-style-type: none">SEEC councils
2	✓	SEEC councils to liaise with DHHS to identify need and plan for heal services in line with population growth	Officer or Pakenham	✓					✓			✓			<ul style="list-style-type: none">CardiniaDHHS
3	✓	VPA, Casey City and Cardinia Shire councils to prepare PSPs for the Officer–Pakenham Corridor, Croskell and Casey Fields South, and examine key infrastructure requirements that will unlock the e-PSPs: <ul style="list-style-type: none">Thompsons Road, Grices/Glasscocks Road upgradesExplore options the South Gippsland Hwy freight route alignment to use the Cranbourne Bypass alignment as the main freight route, consistent with the VicRoads Movement and Place trial	e-PSPs	✓	✓				✓			✓			<ul style="list-style-type: none">VPACaseyCardinia
4	✓	Casey Shire Council to work with DoT to bring forward construction of the Clyde Rail Extension	Casey		✓				✓						<ul style="list-style-type: none">CaseyDoT
5	✓	Complete High Capacity Metro Trains (HCMTs) project	SEEC		✓				✓						<ul style="list-style-type: none">DoT

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
6	✓	Across the region, improve public transport accessibility between employment nodes, to and from residential catchments, and from train stations to employment nodes. SEEC councils to work with DoT to increase frequency of bus services between Cranbourne, Clyde (future), Officer, Cardinia Road, Pakenham train stations and future e-PSP employment nodes, as well as between Officer and Minta Farm.	SEEC		✓				✓	✓	✓				<ul style="list-style-type: none">Gr. DandenongCaseyCardiniaDoT
7	✓	SEEC councils to review zoning and investment incentive strategies linked to MACs, NEICs and Health and Education Precincts, to ensure higher order employment is being attracted into priority employment nodes (NEICs, H&EPs & MACs). Enable delivery through planning system reforms.	SEM/SEEC			✓			✓						<ul style="list-style-type: none">SEEC councilsVPADELWP
8	✓	Develop strategy to enhance local and progressive share of anchor institutions' expenditure within the SEEC. As part of that strategy, audit expenditure of regional anchor institutions (universities, hospitals, HQs) and identify opportunities to expand or strengthen local supply chains and market connections in the SEM (this may include identification of new businesses not currently located in the SEM but which serve key regional institutions).	SEM				✓		✓						<ul style="list-style-type: none">SEEC councilsLocal tertiary institutions
9	✓	Connect the SEEC to and expand the function of local water recycling plants as an opportunity to set emerging employment nodes apart for investment as leaders in the renewable energy sector.	SEEC					✓	✓						<ul style="list-style-type: none">SEEC councilsVPASouth East Water

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
10	✓	Prepare a plan for a closed loop energy system across the SEEC	SEEC	✓					✓						• SEEC councils
11	✓	Conduct an audit, and prepare a plan to examine the availability and accessibility of training for knowledge-based jobs for residents in the SEEC. Prepare a plan to enhance the local education system and business programs to support the aim of upskilling the community in preparation for a Knowledge Economy.	SEEC	✓			✓	✓	✓			✓			• SEEC councils, with DET and Invest Victoria
12		Work with anchor institutions and identify a timeline to undertake urban renewal across Officer, Pakenham and the Berwick Health and Education Precincts, focused on the ‘factors influencing success’ for economic precincts. Focus on amenity- and connectivity-enhancing projects, to encourage establishment of higher-order employment types.	SEM	✓	✓				✓				✓		• SEEC councils • Local tertiary institutions
13		Attract local social enterprises and research within the not-for-profit sector to diversify and enrich activities in existing employment precincts	SEM		✓				✓			✓	✓		• SEEC councils
14		Continue to expand resource recovery and renewably energy generation sectors within the SEEC, promoting carbon-positive activities	SEM		✓				✓			✓	✓		• SEEC councils
15	✓	Locate materials recycling and resource recovery plants where they may take advantage of good transport connections, research, and development links to generate energy or close manufacturing loops.	e-PSPs, Western Port Green Wedge					✓		✓		✓	✓		• SEEC/SEM councils

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead	
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40		
16		Prioritise transport infrastructure (Thompsons Road and Officer South Road) that links Officer South PSP with Officer Town Centre, Casey, Dandenong MAC, the Southern SSIP and the Frankston MAC	Officer South		✓					✓			✓			<ul style="list-style-type: none">• DoT• SEEC councils
17		Cluster smaller lots along Princes Freeway interface and Grices/Lecky Road with high quality design outcomes	Officer South		✓					✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
18		Plan for an intensely developed commercial core with supporting residential in the northern part of the PSP	Officer South					✓		✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
19		Maintain industrial zones and strengthen links to Principal Freight Network	Officer South		✓					✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
20		Review lots in the north-west to confirm residential development or business requirements	Cardinia Road	✓						✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
21		In future subdivision patterns, cluster smaller lots along Princes Freeway interface with high quality design outcomes	Cardinia Road	✓						✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
22		Maintain industrial zones and strengthen links to Principal Freight Network	Cardinia Road		✓					✓			✓			<ul style="list-style-type: none">• Cardinia• VPA
23		Cardinia Shire Council to work with DoT to resolve bypass location and intersection upgrades off Princes Freeway and McGregor Road	Pakenham West		✓					✓			✓			<ul style="list-style-type: none">• Cardinia• VPA• DoT
24		Resolve implications of conservation management reserve	Pakenham West		✓			✓		✓			✓			<ul style="list-style-type: none">• Cardinia• DELWP
25		Manage flood risks throughout Pakenham West precinct	Pakenham West		✓					✓			✓			<ul style="list-style-type: none">• Cardinia• South East Water

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
26		Subdivision pattern to provide a range of lot sizes, with smaller lots at northern and western boundaries, away from Water Recycling Plant and electricity buffers	Pakenham South			✓			✓				✓		<ul style="list-style-type: none"> • Cardinia • VPA
27		Reserve land around creekline for future reserve/open space	Croskell					✓	✓				✓		<ul style="list-style-type: none"> • Casey • VPA
28		Resolve location of utilities easement in southern part of the precinct, examine uses that may occur in the easement as a way of managing the industrial/residential interface (noting safety and land management limitations)	Croskell			✓			✓			✓			<ul style="list-style-type: none"> • Casey • VPA • DELWP/utilities authority
29		In the first phase of PSP implementation, allow nurseries, horticulture, and other Green Wedge land uses to continue under the UGZ schedule; this will preserve larger lot configuration in the short-term enabling greater flexibility to transition as Horizon 2 and 3 actions are implemented. .	Casey Fields South						✓			✓	✓		<ul style="list-style-type: none"> • Casey • VPA
30		Reserve land for and bring forward Cranbourne rail extension and new Clyde railway station	Casey Fields South						✓			✓	✓		<ul style="list-style-type: none"> • Casey • VPA • DoT
HORIZON 2: REINFORCE TO 2040															
31	✓	Prepare a staging plan to apply zones that will enable Horizon 3 land use types (local industry and employment businesses, residential, cultural, recreational, and civic), and to transition non-urban land uses out of the e-PSP areas, especially Croskell	e-PSPs	✓						✓					<ul style="list-style-type: none"> • VPA • SEEC councils
32	✓	SEEC councils to work with state government to confirm the role of Port of Hastings and Hastings SSIP.	SEM	✓						✓					<ul style="list-style-type: none"> • DoT • SEEC councils • State gov.

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
33	✓	Prepare a plan for urban renewal and regeneration of Southern SSIP, Dandenong MAC, and Frankston, to accommodate more integrated high-tech, health manufacturing and advanced industrial uses. As part of the plan preparation, focus on the ‘factors of economic success’ outlined in Chapter 4.4 of this strategy.	Dandenong & Frankston	✓						✓					<ul style="list-style-type: none">• VPA• Gr. Dandenong• Frankston
34	✓	Bring forward community facilities and services provision and creation of a high-quality public realm and open spaces within the e-PSP areas	e-PSPs		✓					✓					<ul style="list-style-type: none">• VPA• SEEC councils
35	✓	As part of knowledge-intensive business attraction, provide high speed internet to all e-PSP areas.	e-PSPs		✓					✓					<ul style="list-style-type: none">• VPA• State gov.
36	✓	SEEC councils to prepare an investment prospectus for strategic redevelopment sites to promote actions taken to attract businesses to the e-PSPs	SEEC		✓					✓					<ul style="list-style-type: none">• SEEC councils
37	✓	Greater Dandenong to work with DoT and state government to progress planning and delivery of the Lyndhurst Intermodal Freight Terminal	Greater Dandenong		✓					✓					<ul style="list-style-type: none">• State gov.• VPA• Gr. Dandenong
38	✓	Provide catalysing infrastructure that will support urban renewal and revitalisation of key precincts that will contain leading knowledge-intensive jobs, enhancing employment diversity across the region: <ul style="list-style-type: none">• Casey Hospital upgrade at Berwick• University, TAFE, and/or major business headquarter	Berwick, Officer/ Pakenham		✓					✓					<ul style="list-style-type: none">• DHHS• DET & local tertiary institutions• State gov.
39	✓	Recruit private sector investment for priority sectors (identified in Precinct Dashboards)	SEEC and e-PSPs			✓				✓					<ul style="list-style-type: none">• Invest Vic.• SEEC councils

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead	
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40		
40	✓	Investment attraction fund for priority sectors (see Precinct Dashboards)	SEEC and e-PSPs			✓				✓						<ul style="list-style-type: none">Invest Vic.SEEC councils
41	✓	SEEC councils to develop a skills strategy with existing SEM institutions, identifying education and training needs linked to priority sectors.	SEM							✓						<ul style="list-style-type: none">SEEC/SEM councilslocal tertiary institutions
42	✓	Create a network of local suppliers and small local businesses. Develop a pipeline between local education institutions and connecting workers to local jobs—expanding the use of local labour and targeting disadvantaged workers to enhance human capital within the SEEC.	SEEC							✓						<ul style="list-style-type: none">SEEC councilsInvest Vic.
43	✓	Provide incentives for business-to-business procurement within the Southern Region. Incentivise business-to-business links within the SEM region, by promoting value-adding and manufacturing capabilities in the SEEC that link to agriculture and supply chains in the Western Port Green Wedge.	SEM							✓			✓	✓		<ul style="list-style-type: none">Invest Vic.SEEC/SEM councils
44		Transport network with high capacity freight links and public transport connections along Thompsons Road between residential and employment land	Officer South	✓						✓			✓	✓		<ul style="list-style-type: none">DoT
45		Work with DET and local tertiary institutions to identify supporting research opportunities requiring connections to industrial uses or access to SSIP land within the Officer–Pakenham SSIP	Officer–Pakenham SSIP				✓			✓				✓	✓	<ul style="list-style-type: none">DETSEEC councilsLocal tertiary institutions
46		Support applications for innovative industrial development	Officer South				✓			✓				✓	✓	<ul style="list-style-type: none">Cardinia
47		Maintain and strengthen links to horticulture and agriculture and supply chains in Gippsland and beyond	Officer South							✓			✓	✓		<ul style="list-style-type: none">Cardinia

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead	
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40		
48		Transport network with high capacity freight links and public transport connections from employment area to Princes Freeway and Koo Wee Rup Road	Cardinia Road	✓						✓			✓	✓		<ul style="list-style-type: none">• Cardinia• DoT• VPA
49		Implement integrated water management infrastructure and systems to manage flooding across the site	Pakenham West					✓		✓			✓			<ul style="list-style-type: none">• Cardinia• South East Water
50		Prioritise high quality built form at precinct gateway sites: McGregor/Thompsons Roads	Pakenham West		✓					✓				✓		<ul style="list-style-type: none">• Cardinia• VPA• DoT
51		High quality development along McGregor Road and Thompsons Road intersection with smaller lots to cater for local businesses/urban services while larger formats encouraged in remaining precinct	Pakenham West				✓			✓				✓	✓	<ul style="list-style-type: none">• Cardinia• VPA
52		Leverage proximity to the Pakenham Water Recycling Plant to implement integrated water management infrastructure and systems	Pakenham South					✓		✓				✓		<ul style="list-style-type: none">• Cardinia• South East Water
53		Prioritise high quality built form at precinct gateway sites: McGregor/Greenhills Road intersection, Healesville-Koo Wee Rup/Greenhills Road intersection	Pakenham South	✓						✓			✓			<ul style="list-style-type: none">• Cardinia• VPA• DoT
54		Industrial/business and residential areas connected to integrated water management	Croskell					✓		✓			✓	✓		<ul style="list-style-type: none">• Casey• VPA• South East Water
55		Remediate Boral Concrete site for parklands	Croskell					✓		✓			✓			<ul style="list-style-type: none">• Casey
56		Protect the Thompsons Road Freight route from sensitive uses by providing a non-residential buffer	Croskell	✓						✓			✓	✓		<ul style="list-style-type: none">• Casey• VPA

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
57		Use integrated water management systems to manage flood risks and enable water reuse across the site	Casey Fields South					✓		✓			✓		<ul style="list-style-type: none">CaseySouth East Water
58		Establish public transport links to Casey Fields South to Clyde major activity centre and the new railway station—review role of Ballarto Road	Casey Fields South	✓											<ul style="list-style-type: none">Casey, DoT
HORIZON 3: TRANSFORM TO 2060															
59	✓	Following MICLUP, review permissible land uses in the commercial and industrial zones to streamline pathways for land uses that are suitable for the 21C innovation hub.	SEM	✓							✓				<ul style="list-style-type: none">SEM councilsDELWP
60	✓	Prepare a plan for a twenty-first century innovation hub focused on the Officer–Pakenham corridor. Apply zones that enable a mix of land uses commensurate with headquarters business activity, advanced industry activity and their related services (e.g. integrating manufacturing with research and development). Establish subdivision patterns to support these businesses’ needs.	Officer–Pakenham SSIP	✓							✓				<ul style="list-style-type: none">CardiniaVPADELWP
61	✓	As part of planning for the Officer–Pakenham corridor and Casey Fields South, identify and promote strategic redevelopment sites, to enable intensification of local knowledge-based jobs.	Officer–Pakenham, Casey Fields South	✓								✓			<ul style="list-style-type: none">CardiniaVPADELWPDV

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
62	✓	Provide catalysing infrastructure, including: <ul style="list-style-type: none">• The new South East Melbourne Airport and employment precinct• High demand transport links and fine grain local networks• Lyndhurst Intermodal Freight Terminal and supporting rail infrastructure.• High amenity local town centres that serve knowledge-intensive workers within the Officer–Pakenham SSIP.	SEM		✓						✓				<ul style="list-style-type: none">• SEM councils• VPA• DELWP• DoT
63	✓	Rezone remaining land in the Officer–Pakenham SSIP and other e-PSPs to realise the 21C land use vision for this corridor.	Officer–Pakenham SSIP			✓						✓			<ul style="list-style-type: none">• Cardinia• VPA
64	✓	Promote the Officer–Pakenham corridor interstate and internationally, based on its function as a high amenity employment precinct and leading role as a 21C innovation hub.	Officer–Pakenham e-PSPs and SSIP				✓					✓			<ul style="list-style-type: none">• Cardinia• VPA• Invest Vic.
65	✓	Build on the network of local suppliers to attract businesses and talent from interstate and international markets.	SEM				✓					✓			<ul style="list-style-type: none">• SEM/SEEC councils
66	✓	Undertake urban renewal across Officer, Pakenham and the Berwick Health and Education Precincts to encourage establishment of higher-order employment types	Officer, Pakenham, Berwick					✓				✓			<ul style="list-style-type: none">• Casey• Cardinia
67	✓	Attract local social enterprises and research within the not-for-profit sector to diversify and enrich activities in existing employment precincts	SEEC					✓				✓			<ul style="list-style-type: none">• SEEC councils
68		Intensely developed commercial core with supporting residential in the northern part of the PSP	Officer South					✓				✓		✓	<ul style="list-style-type: none">• Cardinia

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
69		Work with local tertiary institutions to identify links between the SSIP and opportunities for education opportunities through STEM training with Research and development, food and fibre, advanced manufacturing	Officer South				✓				✓		✓	✓	<ul style="list-style-type: none">• Cardinia• Local tertiary institutions
70		Intensely developed commercial core and residential precinct set amid extensive wetlands establishing a high amenity business park setting	Cardinia Road			✓					✓		✓	✓	<ul style="list-style-type: none">• Cardinia• Local anchor institutions
71		Research and development hub, with manufacturing and production, engineering, and trades-related services	Cardinia Road				✓				✓			✓	<ul style="list-style-type: none">• Cardinia• Business partnerships
72		Food/fibre advanced manufacturing and Research and development headquarters	Pakenham West				✓				✓		✓	✓	<ul style="list-style-type: none">• Cardinia• business partnerships
73		Innovative value-adding manufacturing businesses that take advantage of the utility buffers and connections to Green Wedge/ agricultural links	Pakenham South				✓				✓			✓	<ul style="list-style-type: none">• Cardinia• Business partnerships
74		Urban renewal within mixed/business area focused on professional, technical, scientific and education services	Croskell					✓			✓		✓		<ul style="list-style-type: none">• Casey• Business partnerships
75		High capacity public transport along Thompsons Road and Berwick-Cranbourne Road C407; and connection to Merinda Park and Cranbourne railway stations	Croskell	✓							✓			✓	<ul style="list-style-type: none">• Casey• DoT
76		Introduce zoning to enable a range of light industry connected to key sectors—food value-adding, freight and logistics, urban services, sport/ recreation, and links to the Royal Botanic Gardens	Casey Fields South	✓							✓		✓		<ul style="list-style-type: none">• Casey• DELWP

ID	Flagship action	Action	Location	Category					Horizon			Timing			Lead
				Planning to enable growth	Precinct activation	Development facilitation	Employment delivery	Sustainable & liveable communities	1	2	3	10	20	40	
77		The South Gippsland Highway frontage will contain a bulky goods precinct to serve nearby residential populations	Casey Fields South				✓				✓			✓	<ul style="list-style-type: none">CaseyBusiness partnerships
78		Link to the South East Airport and Port of Hastings via South Gippsland Highway	Casey Fields South	✓							✓			✓	<ul style="list-style-type: none">CaseyDoTDELWP

APPENDIX 3 – PLANNING ZONE ANALYSIS

The Victoria Planning Provisions (VPP) contain the following zones with a primary focus on employment.

The **Mixed Use Zone (MUZ)** is part of the residential suite of zones, but its success in achieving mixed use outcomes related to employment is limited, as residential land uses are permitted as of right with no floorspace cap. Two special purpose zones can also accommodate employment, and require controls and plans to be specifically designed and applied to the relevant precinct:

- The **Special Use Zone (SUZ)** can be applied to some employment locations where education, transport, and other mixes of activity are occurring; for example, it is currently applied at:
 - The Port of Hastings (SUZ1) for port-related activities, and
 - Monash University (SUZ6), for integrated office and manufacturing activities.
- The **Comprehensive Development Zone (CDZ)** is also used in special cases to seek land use and development mixes that cannot be achieved under existing VPP. Those three zones have been included here to enable a comparison of employment options across the VPP.

The **Commercial 1 Zone** also enables residential development above the ground floor, meaning significant floorspace in activity centres has been developed for apartment buildings in recent times. The MICLUP report acknowledged this, and one of its key actions is to review the C1Z:

DELWP will review the commercial and industrial zones to better understand how they are applied and operating. In particular consideration will be given to the role and function of dwellings as a section 1 use in the Commercial 1 Zone and the role and purpose of the Commercial 2 Zone and how it applies and operates, particularly in industrial locations. Consideration will also be given to the range of uses permitted within industrial zones, and in particular, non-industrial focussed uses¹⁹.

¹⁹ DELWP, *Melbourne Commercial and Industrial Land Use Strategy*, 2020, p. vii. Available from URL: https://www.planning.vic.gov.au/_data/assets/pdf_file/0023/461723/MICLUP-FINAL-20042020-WEB-Part-A.pdf.

Table 17 Zones with a focus on employment land uses

Zone & purpose	Key land uses		
	As of right	Permit required	Prohibited
Commercial 1 Zone (C1Z) Mixed use commercial centres for retail, office, business, residential, entertainment and community	<ul style="list-style-type: none"> Accommodation~ Child care centre~ Office Food and drink premises* Education centre Retail premises 	<ul style="list-style-type: none"> Permit required Industry^ (includes research and development centre) Manufacturing sales Warehouse^ Limited leisure and recreation facilities Place of assembly 	<ul style="list-style-type: none"> Major sports and recreation facility
Commercial 2 Zone (C2Z) Offices, appropriate manufacturing and industries, bulky goods retailing, business/commercial services	<ul style="list-style-type: none"> Office Industry^ (includes research and development centre) Food and drink premises* Art gallery, museum Restricted retail premises Supermarket* Trade supplies Warehouse^ 	<ul style="list-style-type: none"> Industry^ (includes research and development centre) Manufacturing sales Education facility Limited leisure and recreation facilities Limited places of assembly 	<ul style="list-style-type: none"> Accommodation Major sports and recreation facility
Commercial 3 Zone (C3Z) Industrial, commercial, office and other employment-generating uses to support mixed-use; limited retail and residential uses to support employment	<ul style="list-style-type: none"> Food and drink premises* Industry^ (includes research and development centre) Manufacturing sales Market Office Limited places of assembly* Research centre 	<ul style="list-style-type: none"> Dwelling, residential building* Limited leisure and recreation facilities Shop* Warehouse* Place of worship 	<ul style="list-style-type: none"> Limited accommodation types Major sports and recreation facility Limited retail premises

Zone & purpose	Key land uses		
	As of right	Permit required	Prohibited
Industrial 1 Zone (IN1Z) Manufacturing, storage, and distribution of goods	<ul style="list-style-type: none"> • Manufacturing sales • Warehouse^ • Industry^ (includes research and development centre) 	<ul style="list-style-type: none"> • Office* • Manufacturing sales • Food and drink premises • Limited recreation facilities • Limited places of assembly • Limited education centres (can include employment training centre, tertiary) • Materials recycling^ • Restricted retail premises • Research centre • Energy generation facility 	<ul style="list-style-type: none"> • Accommodation • Hospital • Limited types of shop
Industrial 2 Zone (IN2Z) Manufacturing, storage, and distribution of goods	<ul style="list-style-type: none"> • Manufacturing sales • Warehouse^ • Industry^ (includes research and development centre) 	<ul style="list-style-type: none"> • Office* • Manufacturing sales • Food and drink premises • Limited recreation facilities • Limited places of assembly • Limited education centres (can include employment training centre, tertiary) • Materials recycling^ • Restricted retail premises • Research centre • Energy generation facility 	<ul style="list-style-type: none"> • Accommodation • Hospital • Limited types of shop
Industrial 2 Zone (IN2Z) Manufacturing, storage, and distribution of goods; provide a core for uses that need a threshold distance	<ul style="list-style-type: none"> • Service station 	<ul style="list-style-type: none"> • Office* • Industry (includes research and development centre) • Manufacturing sales • Warehouse • Convenience store • Limited retail premises • Limited recreation facilities • Limited education centres (can include employment training centre, tertiary) • Research centre • Energy generation facility 	<ul style="list-style-type: none"> • Accommodation • Places of assembly • Limited types of shop • Hospital

Zone & purpose	Key land uses		
	As of right	Permit required	Prohibited
Industrial 3 Zone (IN3Z) Industries where special consideration about impacts is needed; buffer between IN1Z/ IN2Z and local communities	<ul style="list-style-type: none"> • Convenience shop • Service industry^ • Limited types of shop^ • Supermarket* • Limited food and drink premises • Warehouse^ 	<ul style="list-style-type: none"> • Office* • Industry (includes research and development centre) • Manufacturing sales • Food and drink premises • Limited recreation facilities • Limited places of assembly • Limited education centres (can include employment training centre, tertiary) • Research centre • Energy generation facility • Limited retail and restricted retail premises 	<ul style="list-style-type: none"> • Accommodation • Hospital • Limited types of shop
Mixed Use Zone (MUZ) Residential, commercial, and industrial	<ul style="list-style-type: none"> • Dwelling and various other accommodation types • Office* • Food and drink premises* • Medical centre* • Place of worship* • Limited places of assembly • Limited shops* 	<ul style="list-style-type: none"> • Industry^ (includes research and development centre) • Warehouse^ • Manufacturing sales • Restricted recreation • Restricted place of assembly 	<ul style="list-style-type: none"> • Extractive industry • Materials recycling

* Land use has a floor area cap in order to be 'as of right' (no permit required) or discretionary (permit required).

^ Land use must not have adverse amenity impact, or must be located away from sensitive uses/zones (residential, hospital or education).

~ Frontage at ground floor level must not exceed 2m.

APPENDIX 4 – CASE STUDY

TONSLEY INNOVATION PRECINCT

Formerly Mitsubishi manufacturing plant site (61 ha)

Two pathways:

Option 1: Light Industrial + Bulky goods = 2,870 jobs

Option 2: Light Industrial + Commercial + Education + (some) Residential = 6,400 jobs

Stage 1 is complete as of 2016 with 1,100 jobs of which 70% are white collar.

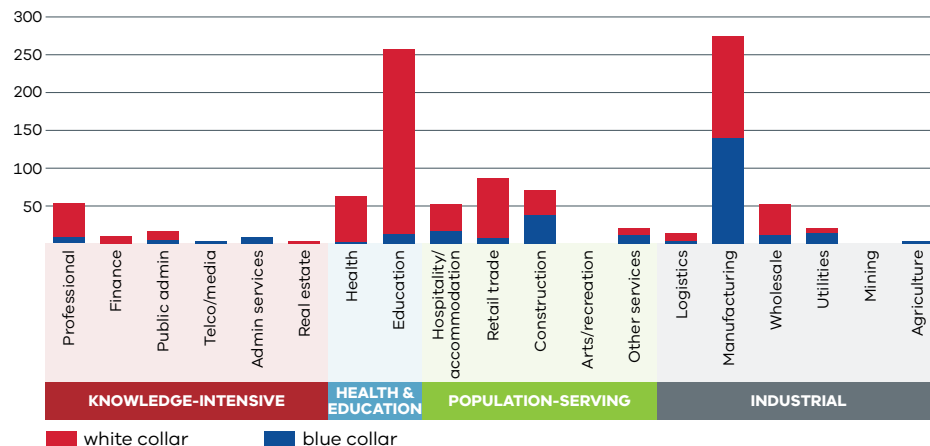
Tonsley's innovation ecosystem

The model for achieving this vision has been based on a government, university and industry "triple helix" partnership. Tonsley's holistic model incorporates:

- **Physical assets:** development of high amenity, mixed-use urban form
- **Economic assets:** a population of anchor businesses, research and training institutions
- **Networking assets:** an environment that supports entrepreneurial activity and a culture of innovation.

What differentiates Tonsley's vision from other brownfield sites is that it's not just a physical development approach.

Figure 42 Employment by collar and industry at Tonsley



Current major businesses:

- Siemens Workshop
- TAFE SA
- ZEN Energy
- SAGE Automation
- Flinders University
- Carl Zeiss Vision



APPENDIX 5 – FORECASTING APPROACH

ECONOMIC FORECASTING APPROACH OVERVIEW

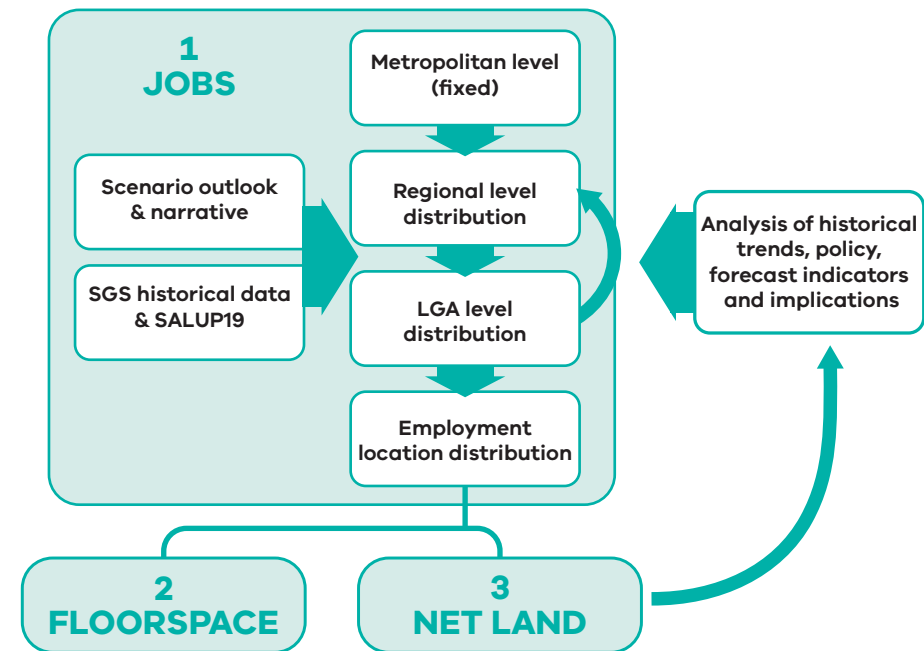
Long-term economic forecasts were developed to provide an understanding of the potential employment, land, floorspace and economic output for the SEEC and each precinct. While long-term forecasts can be useful in supporting long-term planning of a region, they should be viewed as a range given the inherent uncertainty over that length of time. This means there could be multiple plausible employment futures, and any one employment location should be planned in a way that can adapt and be responsive to this inherent uncertainty.

The long-term employment forecast scenario developed for this project is underpinned by the realisation of an economic outlook and vision for the SEEC (outlined in [Chapter 4](#) and [Chapter 5](#)). It assumes historical trends will shift and the region will capture a greater share of employment than it has historically. It assumes this will be achieved through strong policy, planning and infrastructure investment as outlined in [Chapter 5](#).

It is important to note that the employment scenario is also constrained by broader demographic and macro-economic trends to ensure it presents an optimistic, yet still highly plausible future for the SEEC which does not contradict or undermine the broader Metropolitan economy. Further, all employment and locations within the SEEC are accounted for to ensure an internally consistent employment narrative is created and which does not double count or under count opportunities. This internal consistency is fundamental to ensuring a plausible forecast.

The following diagram provides an overview of the approach which is then further detailed below. Job forecast by four broad industries are created for the region, LGAs and employment locations. Jobs are then translated into estimates of floorspace and net land. A review and feedback loop process is then used to refine various assumptions to ensure forecasts align with the economic outlook and vision for the SEEC.

Figure 43 Scenario redistribution process



Source: SGS Economics and Planning, 2020.

SPATIAL FRAMEWORK

A spatial framework for the scenario process was established using the SGS Small Area Model zones (SAM zones).

There are 20,000 SAM zones across Victoria. SAM zones are based off ABS Statistical Area 1s²⁰, further disaggregation to account for locations of potential future growth.

The spatial framework for the model had four levels:

- 1 Greater Melbourne**
- 2 Plan Melbourne Regions** (Inner, Inner South East, Wester, Northern, Eastern and Southern)
- 3 Southern LGAs** (Cardinia, Casey, Greater Dandenong, Frankston, Mornington Peninsula and Kingston)
- 4 35 employment locations** across the three SEEC LGAs defined using SAM zones. These locations included the Metro and Major Activity Centres, SSIP, RSIP and future e-PSPs locations. A 'balance' location for each LGA was also defined to capture smaller local centres, and dispersed employment and economic activity.

Results for all 53 locations have not been presented as the project and modelling focused on the future e-PSPs. These locations were included to ensure a coherent and consistent employment narrative was defined.

EMPLOYMENT FORECAST

Long-term employment forecasts for the SEEC and e-PSPs were developed as follows:

Historical employment trends

SGS has assembled a historical employment dataset by (19) ANZSIC industry categories at the SAM zone level for 2001 to 2016 for all of Victoria. The basis of this dataset is ABS Census – Place of Work data by ANZSIC industry and ABS Destination Zones from the 2001, 2006, 2011 and 2016 Census. SGS has spatially aligned each Census period to the SAM Zones and made adjustments to address undercount²¹ in the raw Census data due to people incorrectly filling out Census forms or misclassifications. This has been done by reallocating various undefined categories and benchmarking back to the ABS Labour Force Survey²² which is the most accurate estimate of total employment for Victoria. The undercount in ABS Census data varies by industry and location and Census period but in 2016 it was about 20 per cent for place of work jobs.

This data is then aggregated to each level and location of the spatial framework and into four broad industry categories (BICs) as defined in [Table 18](#) overleaf.

Initial growth distribution

Long-term Greater Melbourne, Plan Melbourne regions and SEEC LGA forecasts are initially defined based on SGS small area land use projection model. These macro employment projections align with Victoria in Future population demographics, and associated workforce capacity, and broader macro-economic employment trends consistent with those outlined in the economic outlook section of this context report.

An initial employment location estimate is based on historical growth shares.

This data is then aggregated to align with the spatial framework, BICs and aligned with the historical data.

²⁰ Statistical Area 1 is part of the Australian Bureau of Statistics, Australian Statistical Geography Standard (ASGS), Cat 1270.0.55.001.

²¹ Details associated with undercount in the ABS Census is discussed in ABS Cat 2940.0.

²² ABS Labour Force Survey (Cat 6291.0.55.003),

Process to adjust initial growth distribution

The initial employment distribution is then reviewed and refined at each spatial level to reflect the economic outlook and SEEC vision. This is done by adjusting employment growth shares by the four BICs at each spatial level and for each 10 year period to 2060 (see [Table 15](#)).

Adjustments are made to increase and redistribute employment growth into the SEEC and each employment location with consideration of economic trends, drivers, constraints, investment, and policy. These considerations vary by BIC and location. For example, Traditional Industrial employment growth is largely allocated to existing and future industrial precincts with consideration of capacity, relative attributes, and infrastructure investment. Population-serving employment is allocated to existing and future centres, employment locations and to 'balance' consistent with existing trends and local level requirements.

This is a top-down approach, which does not consider detailed precinct or site constraints, feasibility, design, or market factors. However, the holistic framework (where all jobs and locations are accounted for) ensures the scenario always remains within a realistic range (i.e. growth for any one location cannot be divorced of the surrounding economy context and broader economic trends).

Adjustments are further validated through review of available policy targets/ estimates (including approved PSP employment estimates and MICLUP), growth levels and rates in comparison to historical trends, growth levels and rates compared to other locations, and density and industry composition metrics.

Table 18 ANZSIC industry to broad industry category concordance

ANZSIC 1d code	ANZSIC Industry (1 digit) names	BIC code	SGS Broad Industry Category
A	Agriculture, Forestry and Fishing	TI	Traditional industrial
B	Mining	TI	Traditional industrial
C	Manufacturing	TI	Traditional industrial
D	Electricity, Gas, Water and Waste Services	TI	Traditional industrial
E	Construction	PS	Population services
F	Wholesale Trade	TI	Traditional industrial
G	Retail Trade	PS	Population services
H	Accommodation and Food Services	PS	Population services
I	Transport, Postal and Warehousing	TI	Traditional industrial
J	Information Media and Telecommunications	KE	Knowledge services
K	Financial and Insurance Services	KE	Knowledge services
L	Rental, Hiring and Real Estate Services	KE	Knowledge services
M	Professional, Scientific and Technical Services	KE	Knowledge services
N	Administrative and Support Services	KE	Knowledge services
O	Public Administration and Safety	KE	Knowledge services
P	Education and Training	HE	Health & education
Q	Health Care and Social Assistance	HE	Health & education
R	Arts and Recreation Services	PS	Population services
S	Other Services	PS	Population services

Table 19 Assumed growth shares by location and BIC

		Knowledge services					Health & Education					Population-serving					Traditional Industrial				
		2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60
Plan Melbourne Regions as share of Greater Melbourne																					
	Inner	51%	38%	36%	37%	35%	19%	16%	16%	17%	17%	25%	21%	19%	17%	16%	17%	7%	9%	6%	6%
	Inner South East	9%	10%	9%	9%	8%	13%	10%	9%	9%	9%	10%	8%	7%	7%	7%	4%	2%	2%	–	–
	Western	9%	15%	13%	12%	12%	15%	22%	19%	18%	18%	14%	21%	20%	19%	20%	18%	33%	32%	39%	38%
	Northern	9%	17%	16%	15%	15%	17%	23%	23%	21%	21%	15%	19%	19%	19%	19%	19%	26%	25%	29%	29%
	Eastern	12%	11%	13%	14%	14%	19%	14%	15%	15%	15%	17%	12%	12%	12%	12%	18%	10%	10%	5%	5%
	Southern	10%	10%	12%	13%	15%	17%	16%	18%	19%	20%	19%	19%	22%	25%	24%	24%	23%	23%	21%	22%
SEEC LGAs as share of Greater Melbourne																					
	Greater Dandenong (C)	2%	2%	3%	3%	4%	3%	2%	3%	4%	4%	4%	3%	3%	4%	4%	10%	9%	7%	5%	4%
	Casey (C)	2%	3%	4%	5%	5%	5%	7%	7%	7%	7%	4%	8%	9%	9%	9%	3%	4%	4%	6%	7%
	Cardinia (S)	1%	2%	2%	3%	4%	2%	2%	3%	4%	5%	2%	3%	4%	6%	6%	1%	3%	6%	7%	7%
Employment locations as share of respective LGA																					
City of Greater Dandenong																					
Metro	Dandenong	33%	29%	26%	25%	24%	14%	14%	14%	15%	15%	9%	8%	7%	7%	7%	1%	1%	1%	1%	1%
Major	Keysborough-Parkmore	1%	–	–	–	–	–	–	–	–	–	3%	3%	2%	2%	2%	–	–	–	–	–
Major	Noble Park	–	–	–	–	–	1%	1%	1%	1%	1%	–	–	–	–	–	–	–	–	–	–
Major	Springvale	5%	10%	16%	17%	22%	6%	5%	4%	3%	3%	4%	3%	3%	3%	3%	1%	-1%	–	-3%	-1%
SSIP	Southern SSIP (GDand part)	34%	37%	36%	34%	33%	7%	7%	7%	7%	7%	50%	56%	59%	57%	57%	87%	99%	90%	127%	124%
RSIP	Westall Road	2%	1%	1%	1%	1%	–	–	–	–	–	5%	3%	3%	3%	3%	2%	3%	3%	-2%	2%
	Greater Dandenong (Balance)	24%	21%	20%	22%	19%	72%	73%	74%	74%	73%	29%	27%	26%	27%	27%	10%	-2%	6%	-23%	-26%
City of Casey																					
Metro	Narre Warren	18%	25%	18%	16%	16%	4%	10%	12%	12%	12%	18%	15%	15%	15%	15%	4%	1%	-1%	-1%	-1%
Major	Berwick	3%	7%	7%	7%	7%	10%	20%	16%	15%	10%	3%	5%	4%	3%	3%	1%	-2%	-2%	-2%	-1%
Major	Cranbourne	12%	16%	15%	15%	15%	9%	15%	7%	5%	5%	10%	15%	10%	10%	10%	4%	2%	-2%	-2%	-2%
Major	Casey Central	–	3%	5%	5%	3%	–	1%	2%	2%	2%	–	1%	3%	4%	5%	–	–	–	–	–
Major	Clyde	–	3%	4%	4%	5%	–	1%	3%	5%	6%	–	4%	6%	9%	12%	–	–	1%	–	–
Major	Hampton Park	2%	2%	2%	2%	2%	2%	3%	3%	3%	3%	1%	2%	1%	1%	1%	–	–	–	–	–
Major	Endeavour Hills	–	–	–	–	–	1%	–	–	–	–	1%	–	–	–	–	–	–	–	–	–
	Casey Fields South	–	–	1%	3%	4%	–	–	–	1%	5%	–	–	1%	4%	8%	–	–	4%	13%	45%

		Knowledge services					Health & Education					Population-serving					Traditional Industrial				
		2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60	2020	2020-30	2030-40	2040-50	2050-60
RSIP	Croskell (RSIP part)	–	–	1%	3%	2%	–	–	1%	3%	2%	–	–	3%	2%	2%	–	1%	2%	2%	1%
	Croskell (Remainder part)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Devon Meadows	–	–	–	–	1%	–	–	–	–	1%	–	–	–	1%	2%	1%	–	1%	2%	10%
RSIP	Cranbourne West (RSIP part)	–	6%	7%	7%	8%	–	6%	7%	7%	8%	–	10%	10%	8%	8%	1%	47%	40%	35%	16%
	Cranbourne West (Remainder part)	1%	1%	2%	1%	1%	–	–	1%	1%	1%	–	4%	4%	3%	2%	–	–	–	–	–
IA	Minta Farm (centre/employment part)	–	10%	6%	5%	5%	–	2%	5%	5%	6%	–	5%	10%	9%	2%	–	15%	15%	20%	15%
	Minta Farm (remainder part)	–	1%	1%	1%	1%	–	1%	1%	–	–	–	4%	4%	2%	1%	–	–	–	–	–
Major	Clyde North	–	–	1%	1%	1%	–	–	1%	1%	1%	–	1%	2%	2%	4%	–	1%	1%	1%	–
RSIP	Thompsons Road (RSIP part)	–	1%	3%	4%	5%	–	2%	5%	6%	7%	–	5%	4%	5%	5%	–	6%	15%	20%	7%
	Thompsons Road (Remainder part)	–	–	4%	3%	3%	1%	–	2%	1%	1%	–	1%	1%	1%	1%	–	2%	1%	–	–
SSIP	Dandenong South (Casey part)	11%	4%	4%	3%	3%	1%	1%	1%	1%	–	15%	8%	4%	3%	2%	51%	20%	15%	5%	3%
IA	Cranbourne North	–	1%	2%	1%	1%	–	–	–	–	–	–	–	–	–	–	–	5%	5%	3%	2%
	Casey (Balance)	52%	20%	19%	20%	18%	72%	38%	35%	32%	30%	50%	18%	18%	18%	18%	36%	1%	5%	4%	5%
City of Cardinia																					
Major	Pakenham	16%	20%	13%	10%	8%	12%	15%	10%	10%	8%	11%	11%	9%	9%	9%	2%	–	–	–	–
Major	Officer	2%	10%	10%	10%	8%	1%	10%	9%	6%	4%	1%	10%	10%	9%	8%	–	–	–	–	–
SSIP	Officer South (SSIP part)	–	3%	6%	8%	10%	–	4%	6%	7%	10%	–	6%	6%	6%	10%	–	40%	40%	40%	30%
	Officer South (BusRes part)	4%	10%	16%	19%	15%	–	8%	13%	15%	20%	1%	10%	15%	15%	10%	2%	2%	2%	2%	2%
SSIP	Cardinia Road (SSIP part)	–	20%	20%	14%	15%	–	15%	25%	25%	20%	–	25%	20%	20%	20%	–	40%	40%	20%	10%
	Cardinia Road (remainder part)	–	5%	2%	2%	1%	–	5%	3%	1%	1%	–	2%	1%	1%	1%	–	–	–	–	–
SSIP	Pakenham West	–	2%	5%	6%	6%	–	1%	2%	2%	2%	1%	2%	2%	2%	2%	1%	5%	5%	15%	20%
SSIP	Pakenham South	–	1%	2%	6%	7%	–	–	1%	2%	2%	–	2%	2%	2%	3%	–	5%	5%	18%	30%
SSIP	Pakenham Industrial	4%	3%	3%	3%	2%	1%	2%	2%	2%	2%	12%	8%	10%	10%	10%	22%	3%	3%	3%	3%
	Cardinia (Balance)	73%	26%	23%	22%	28%	86%	41%	31%	31%	32%	75%	25%	25%	26%	27%	72%	5%	5%	2%	5%

FLOORSPACE REQUIREMENTS

Employment forecasts are then translated into floorspace implications as follows:

Employment by Industry is converted to Broad Land Use Categories

Employment forecasts by the four BICs is expanded into the full (19) ANZSIC industries based on baseline shares from the SGS small area projection model. This employment by industry is then converted into SGS Broad Land Use Categories (BLUC) using a conversion matrix.

SGS BLUCs better align with actual land use forms rather than industrial sectors. For example, the 'retail industry' could be located in a shopping mall, strip shopping centre, bulky goods centre or a business park, as part of head office type functions. Similar splits occur for all industries. The SGS BLUC are presented in [Table 20](#) at right.

The BLUC can also be approximately aligned to the four BIC codes discussed earlier, while this is not a direct concordance given the industry/land use points raised above and reflected in the conversion matrix.

Table 20 SGS broad land use categories

BLUC code	Broad Land Use Category	Description	BIC code*
Broad industry category: KNOWLEDGE SERVICES			KE
O	Office	Office buildings	
Broad industry category: HEALTH & EDUCATION			HE
D	Local services	Primary and secondary education, lower level health, social and community services, trades construction, other 'nomads'	
S	Institutional anchors	Tertiary level education, health, and community services	
Broad industry category: POPULATION SERVICES			PS
RB	Retail	Large shopping complexes and main street retail	
RBG	Bulky goods retail	Typically, large, one-story buildings surrounded by car-parking	
Broad industry category: TRADITIONAL INDUSTRIAL			TI
LL	Light industrial	Car service and repair; joinery, construction and building supplies; and domestic storage, Small scale production with lower noise and emission levels than heavy manufacturing	
FL	Freight and logistics	Warehousing and distribution activities. Includes buildings with a number of docking facilities; 'hard stand' areas with trucks or goods awaiting distribution; and large storage facilities	
MH	Heavy industrial	Large scale production activity. Likely to be characterised by high noise emission; emission stacks; use of heavy machinery; and frequency of large trucks, Concrete batching, waste recycling and transfer, construction and local and state government depots, sewerage, water supply, electricity construction yards	

* Typical BIC code, noting exact alignment should consider the full conversion matrix in [Table 21](#).

A base ANZSIC to BLUC conversion matrix is defined based on extensive land use audits completed by SGS across both Melbourne and Sydney over the last 10 years. This is then adjusted to reflect the industry to land use outcomes that are consistent with the economic outlook and locational characteristics of the precinct.

The following presents conversion matrix used for the future e-PSP locations.

Table 21 ANZSIC industry to BLUC conversion matrix

ANZSIC Industry		BLUC								Total
		Local services	Freight & logistics	Light industrial	Heavy industrial	Office	Retail	Bulky goods retail	Institutional anchors	
A	Agriculture	–	30%	30%	25%	10%	–	5%	–	100%
B	Mining	–	30%	30%	30%	10%	–	–	–	100%
C	Manufacturing	–	5%	30%	45%	20%	–	–	–	100%
D	Utilities	–	5%	5%	85%	5%	–	–	–	100%
E	Construction	10%	5%	50%	30%	5%	–	–	–	100%
F	Wholesale	–	90%	3%	2%	–	–	5%	–	100%
G	Retail Trade	–	5%	2%	–	5%	70%	18%	–	100%
H	Hospitality/ Accommodation	20%	–	–	–	5%	65%	10%	–	100%
I	Logistics	–	95%	3%	–	2%	–	–	–	100%
J	Teleco/Media	10%	–	10%	30%	40%	5%	–	5%	100%
K	Finance	2%	2%	2%	2%	65%	25%	–	2%	100%
L	Real Estate	5%	–	–	–	65%	30%	–	–	100%
M	Professional	–	2%	2%	1%	85%	5%	–	5%	100%
N	Admin Services	5%	2%	5%	5%	55%	2%	2%	25%	100%
O	Public Admin	30%	–	–	–	40%	–	–	30%	100%
P	Education	50%	–	–	–	10%	–	–	40%	100%
Q	Health	35%	–	10%	–	10%	5%	–	40%	100%
R	Arts/Recreation	30%	–	25%	–	5%	10%	–	30%	100%
S	Other Services	5%	10%	45%	–	15%	25%	–	–	100%

Source: SGS Economics and Planning, 2020.

Once employment is converted into BLUC it is converted into an estimated of net floorspace requirements based on standard job to floorspace ratios. Job to floorspace ratio are based on extensive land use audits completed by SGS across both Melbourne and Sydney over the last 10 years. They have also been reviewed against job to floorspace ratios included in MICLUP and in the City of Melbourne Census of Land Use and Employment – adjusting for the local context associated with future e-PSP locations.

A mid-point ratio has been used for the core scenario. However, the following table also includes a range for each BLUC. This highlights the high variability for some land use types which should be further considered as actual development occurs and more detailed local precinct planning and research is completed.

Table 22 BLUC job to net floorspace ratios (square metres)

BLC Code	BLC Name	Low	Medium	High
D	Local services	75	50	45
FL	Freight and logistics	250	200	100
LL	Light industrial	150	100	50
MH	Heavy industrial	200	150	100
O	Office	30	25	20
RB	Retail	40	30	25
RBG	Bulky goods retail	70	60	50
S	Institutional anchors	60	50	20

Source: SGS Economics and Planning, 2020.

For comparison and context, the following presents the MICLUP and existing City of Melbourne CLUE ratios:

Table 23 MICLUP and CLUE job to floorspace ratios

ANZSIC Industry		Jobs to floorspace
G	Retail Trade	30
H	Accommodation and Food Services	26
J	Information Media and Telecommunications	24
K	Financial and Insurance Services	19
L	Rental, Hiring and Real Estate Services	34
M	Professional, Scientific and Technical Services	22
N	Administrative and Support Services	25
O	Public Administration and Safety	19
S	Other Services	43

Source: MICLUP.

CLUE Industry		Jobs to floorspace
Admin and Support Services		22
Business Services		19
Finance and Insurance		16
Information Media and Telecommunications		26
Other Services		243
Public Administration and Safety		25
Real Estate Services		26
Rental and Hiring Services		95
Education and Training		56
Health Care and Social Assistance		22
Retail Trade		39
Food and Beverage Services		19
Arts and Recreation Services		301
Accommodation		145
Agriculture and Mining		32
Manufacturing		64
Electricity, Gas, Water and Waste Services		20
Construction		32
Wholesale Trade		39
Transport, Postal and Storage		271
All employment		57

Source: 2015 City of Melbourne CLUE.

NET LAND AREA REQUIREMENTS

Employment forecasts are also converted to net land area requirements based on floor area ratios (FAR). A FAR considers how floorspace relates to land requirements and can reflect a range of actual built forms. For example:

- **A FAR of 0.8** could represent a single-story building covering 80 per cent of the land area, or a two story building covering 40 per cent of the land area.
- **A FAR of 2.0** could represent a two-story building covering the entire land area, or an eight story building covering 25 per cent of the land area.

The FAR ratios have been estimated based on review of existing ratios for comparable precincts, such as the Southern SSIP and other RSIPs across Melbourne. A mid-point ratio has been used for the core scenario. However, the following table also includes a range for each BLUC. This highlights the high variability for some land use types which should be further considered as actual development occurs and more detailed local precinct planning and research is completed.

Table 24 BLUC floor area ratios

BLC Code	BLC Name	Low	Medium	High
D	Local services	0.3	0.4	0.6
FL	Freight and logistics	0.3	0.2	0.3
LL	Light industrial	0.3	0.3	0.5
MH	Heavy industrial	0.3	0.3	0.4
O	Office	0.4	0.6	1.0
RB	Retail	0.4	0.5	1.0
RBG	Bulky goods retail	0.2	0.3	0.5
S	Institutional anchors	0.1	0.3	0.5

Source: SGS Economics and Planning, 2020.

Comment on approach in relation to MICLUP

This approach is broadly consistent with that used for commercial areas in MICLUP. However, it provides a different, while not contradictory, perspective to MICLUP for industrial land. MICLUP considers industrial land consumption rates, based on recent consumption activity and does not explicitly consider employment within these locations. The industrial land consumed, in reality, will include a mix of employment industries and built form types consistent with modern economic structures and business requirements. For example, 35 per cent of employment in the Southern SSIP is blue collar industrial employment as of 2020, with jobs spread across most industry and occupational types. The approach in MICLUP also does not explicitly reflect the renewal and revitalisation of existing industrial lands into higher order employment uses, while this is qualitatively discussed at several points throughout MICLUP.

SOUTH EAST

ECONOMIC CORRIDOR

STRATEGIC CONTEXT REPORT TO 2060

18 JANUARY 2022