



# Crookell PSP: Commercial and Industrial Land Needs Assessment and Implementation Plan

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# Executive Summary

## *Introduction*

- This report outlines the industrial and commercial needs assessment and employment land implementation plan for the Croskell Precinct Structure Plan (PSP). It is divided into three components:
  1. A review of relevant policy objectives related to the Croskell PSP, including the South East Economic Corridor Strategic (SEEC) Report.
  2. An assessment of the floorspace and land use provisions as identified in the SEEC Report and SEEC Strategic Context Report (collectively termed the SEEC Reports).
  3. An employment land implementation plan, including recommendations on the locations and typologies of commercial/industrial zones to be considered for the precinct's employment areas.

## *Policy Review*

- The policy recommendations for Croskell PSP in the SEEC Report and associated Croskell PSP Dashboard generally reflect higher-level State policies and plans. Specifically, State policies and plans define the Croskell PSP as a regionally significant commercial area and are expected to fulfil a broad role as a growth area business precinct for a wide range of employment opportunities.
- However, at the local level, the review identifies that Casey Activity Centre Strategy does not support the provision of neighbourhood-scale retail activity and restricted retail (bulky goods) as recommended in the PSP.

## *Regional and Precinct-Specific Analysis*

- This study included a regional and precinct-specific analysis of expected future industrial and commercial land demand and employment forecasts for the Croskell PSP. It also reviewed the SEEC report's employment and land use provisions in light of economic trends, including living and work arrangements.
- The assessment (including a peer review of the SEEC reports) included the following:
  - A 'top-down approach' to evaluate the reasonableness of previous land use assessments. This reviewed the forecasting methodologies employed in the SEEC report and the subsequent validity of the land use forecasts.



- The preparation of new regional employment forecasts using post-pandemic datasets. These forecasts were then compared with the SEEC figures. This top-down approach was also used to determine the relevancy of the employment forecast for the SEEC region and the City of Casey.
- A 'bottom-up approach' (through a Precinct Site Analysis) to evaluate the reasonableness of the micro-level distribution assumptions and the previously proposed land use provisions applied to Croskell PSP in the SEEC Report.
- Key findings of the regional and precinct-specific analysis are:
  - To the extent it can be determined, the SEEC Report recommendations are based on sound methodology (notwithstanding the use of pre-pandemic datasets). Results are broadly aligned with the estimates generated for this study, both of which find sufficient demand to support the Croskell PSP.
  - However, when factoring in the precinct-specific analysis, internal demand for retail (generated by spending from workers in Croskell PSP) indicates a lower than recommended requirement for retail and bulky goods floorspace provision than those recommended in the SEEC Report. While the latter is economically feasible (given sufficient aggregate demand from surrounding residential catchment), the provision of retail land uses must consider other strategic planning objectives, specifically:
    - The location of bulky goods stores (e.g., whether they can be stand-alone or collocated into a specialized precinct)
    - Local retail provision (i.e., whether it is appropriate to draw from residential catchments and/or other work locations and hubs).
  - Further, while demand exists to support more bulky goods floorspace, this will likely draw on surrounding residential catchments and/or expenditure from other work locations. Notwithstanding these potential impacts, if the Croskell PSP is found to be a permissible location for the provision of a bulky good-focused restricted retail precinct (under planning considerations), a larger provision of bulky goods floorspace could be supported and one that services a wider catchment of residents and workers beyond the Croskell PSP.

## Recommendations

- The proposed total floorspace recommendations for Croskell are 591,000 sqm, with a land use allocation encompassing office to heavy industrial.





- The analysis (the quantitative peer review, regional assessment, and precinct site analysis) supports the potential land use mix shown below.

### *Potential Land Use Mix, Croskell PSP*

Land Use	Floor Area (sqm)	Total NSA (Ha)*	Total NDA (Ha)*	Imputed Total Jobs*
Office	12,500	1.25	1.56	500
Local Services	30,000	3.00	3.75	600
Institutional Anchors	-	0.00	0.00	0
Retail	4,400 - 7,400	2.47	3.08	147 to 247
Bulky Goods Retail	15,000 - 35,000	7.00	8.75	250 to 583
Light Industrial	205,352	41.07	51.34	2,054
Freight and Logistics	172,281	43.07	53.84	861
Heavy Industrial	129,211	32.30	40.38	861
<b>TOTAL</b>	<b>591,744</b>	<b>130.16</b>	<b>162.70</b>	<b>5,706</b>

Source: Geografia and Echelon, 2023.

- Five key factors will determine the staging and spatial layout of the PSP:
  - Croskell's designation as a 'Regionally Significant Commercial Area - Business Precinct' under State policy. The optimal spatial layout of land uses within Croskell should enable the creation of an identifiable business hub within the precinct.
  - Preservation of the Thompsons Road interface for commercial uses that will commercially benefit from the visual exposure to passing traffic. As Thompsons Road is a primary arterial route, it is assumed that access to the precinct will be limited to manage traffic and safety on Thompsons Road.
  - Potential for residential development in the southern part of Croskell and the need to ensure a land use buffer/transition between this use and any industrial uses with adverse amenity potential.
  - Other site-based opportunities and constraints including the existing powerline easement, drainage and waterways, and the extension of Casey Field Boulevard through the precinct.
  - The need to plan for the evolution of land use and development within the Croskell PSP area over the medium and long term, according to the staging of needs over different horizons (as identified in the policy review section)
- Land use zoning options and other respective recommendations are detailed in the final section of this report.



## Contents

## Page

1.0	INTRODUCTION .....	1
1.1	Project Objective .....	1
1.2	Outline of Methodology .....	2
2.0	POLICY REVIEW .....	4
2.1	Introduction .....	4
2.2	State Planning Policy and Plans.....	5
2.3	Local Strategies .....	17
3.0	REGIONAL AND PRECINCT-SPECIFIC ANALYSIS.....	23
3.1	Introduction .....	23
3.2	Peer Review Evaluation .....	23
3.3	Precinct-Specific Analysis.....	28
3.4	Conclusion .....	34
4.0	RECOMMENDATIONS.....	36
4.1	Employment Land Implementation Plan.....	36
	APPENDIX A: CASE STUDIES.....	47
	APPENDIX B: BANK TRANSACTION DATA.....	58
	APPENDIX C: CASEY FIELDS SOUTH PSP .....	59

## Figures

## Page

Figure 1: Croskell Precinct Boundary and Employment Study Area .....	2
Figure 2: South East Growth Corridor Plan .....	8
Figure 3: Southern Region Future Directions Map .....	11
Figure 4: Activity Centres Network.....	19
Figure 5: Annual Employment Growth –Actual and Forecast Job Growth .....	25
Figure 6: SEEC Region – Employment Ranges and SEEC Report Forecasts .....	27
Figure 7: SEEC Region – Employment Ranges and City of Casey Forecasts .....	28
Figure 8: City of Casey Total Floorspace Demand by BLUC.....	29
Figure 9: Residential Catchments of Weekday, Work Hour Expenditure in Sampled Precincts .....	32
Figure 10: Conceptual Illustration of Potential Urban Structures .....	39



## Tables

## Page

Table 1: 2060 Land Use Requirements for Croskell PSP .....	14
Table 2: Relevant Activity Centre Descriptions .....	18
Table 3: Typical Casey Employment Land Lot Size Matrix .....	21
Table 4: Croskell PSP Floorspace Provisions and Growth in Floorspace Demand (2031 and 2041).....	30
Table 5: Estimated Internal Demand for Supportable Floorspace (2022 prices) .....	33
Table 6: Summary of Modelling Conclusions .....	34
Table 7: Potential Land Use Mix, Croskell PSP .....	36
Table 8: Potential Land Use Mix, Croskell PSP .....	40
Table 9: Proposed Planning Tools.....	46
Table 10: Casey Fields Sth Empl. PSP Floorspace Provisions and Demand Growth (2031, 2041).....	59



# 1.0 Introduction

This report outlines the industrial and commercial needs assessment and employment land implementation plan for the Croskell Precinct Structure Plan (PSP). The report is divided into three sections: 1) an overview of relevant policy objectives relevant to the Croskell PSP, including the South East Economic Corridor Strategic (SEEC) Report and other relevant state, local and stakeholder-commissioned background studies. 2) a regional and precinct-specific analysis of expected future demand for industrial and commercial land and employment forecast estimates for Croskell PSP. This analysis also reviews the SEEC report's employment and land use provisions, evaluating their relevancy considering recent economic trends, work and living patterns and the post-pandemic economy. 3) an employment land implementation plan, including recommendations on the locations and typologies of commercial/industrial zones to be considered for the precinct's employment areas.

## 1.1 Project Objective

The VPA commissioned Geografia and Echelon Planning to undertake an Industrial and Commercial Needs Assessment and Employment Land Implementation Plan to review and verify the jobs, floorspace and land area aspirations for Croskell identified in the SEEC Report and to provide advice on how these aspirations should be implemented via the Croskell PSP and associated planning documents. Figure 1 depicts the boundary of Croskell PSP and the employment study area (shaded in purple) evaluated in this study.

The assessment identifies a preferred employment land use mix for Croskell and contains guidance on achieving this through the urban development and design parameters needed to support each employment land use typology.



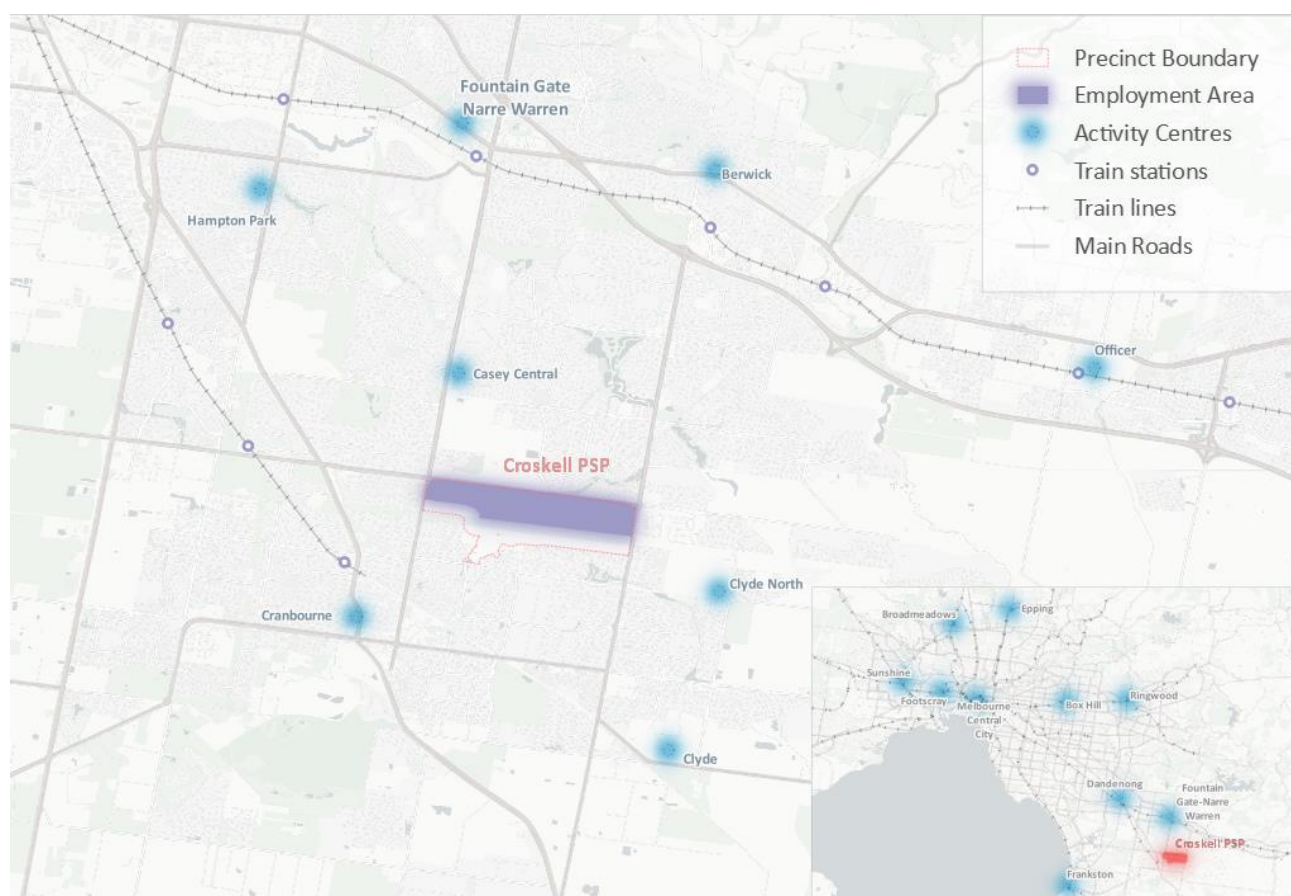


Figure 1: Croskell Precinct Boundary and Employment Study Area

Source: Geografia, 2023

## 1.2 Outline of Methodology

The key steps in the methodology were:

1. The policy review summarises relevant planning and land use policies, including (but not limited to) MICLUP (Regionally Significant Commercial Area), the SEEC report, and the Casey Activity Centres Strategy.
2. A regional and precinct-specific analysis to evaluate future commercial and industrial land use demand within the Croskell Precinct. This analysis used a two-part approach:
  - i. A top-down approach to evaluate the reasonableness of previous land use assessments. This focused on the forecasting methodologies employed in the SEEC Report and the validity of the land use forecasts compared with forecasts generated for this study using post-pandemic datasets. This top-down approach also helps determine the relevancy of employment and land use demand forecast for the SEEC Region and the City of Casey.
  - ii. A bottom-up approach (through a Precinct Site Analysis) to evaluate the reasonableness of the micro-level distribution assumptions applied to Croskell PSP. This is assessed against the forecast land use demand from this study. Further analysis was also undertaken to quantify the minimum floorspace required to serve the internal demand of workers in the Croskell PSP. This additional analysis estimates the minimum floorspace provision in Croskell PSP that could support



internal demand while minimising the impact on nearby future neighbourhoods and specialist activity centres, retail strips and employment hubs.

The combined analysis informs the recommended land implementation plan, including recommendations on the locations and typologies of commercial/industrial zones to be considered in the precinct's employment areas.

## THE DATA

Bank transaction data was sourced to model demand. Data for the 12 months to March 2023 for a sample of local government areas and precincts were used to estimate spending by cardholder origin, purchase and merchant type, volume, timing and location of spend. This data maps actual catchment areas for retail and other precincts.



## 2.0 Policy Review

The policy review finds that the policy recommendations for Croskell PSP contained in the SEEC Report and associated Croskell PSP Dashboard generally reflect higher-level State policies and plans. At the local level, the Casey Activity Centre Strategy does not support the provision of neighbourhood-scale retail activity in the PSP, nor does it support restricted retail (bulky goods).

### 2.1 Introduction

This review aims to identify the relevant State and local planning policies that set the strategic basis for the preferred employment land use mix for the Croskell PSP area. The following strategies and policies have been reviewed:

- State Planning Policies and Plans:
  - Plan Melbourne
  - Growth Corridor Framework
  - Melbourne Industrial and Commercial Land Use Plan
  - Draft Southern Metro Land Use Framework
- Planning Policy Framework (Casey Planning Scheme):
  - Clause 11.03 Planning for Places
  - Clause 17.01 Employment
  - Clause 17.03 Industry
  - Clause 21.05 Economic Development
  - Clause 22.01 Activity Centres Policy
  - Clause 22.03 Industrial Development Policy
- Victorian Planning Authority Analysis & Strategy:
  - Southeast Economic Corridor Strategic Report (SEEC)
- Local Policies and Strategies:
  - City of Casey Economic Development Strategy 2021-2025
  - City of Casey Activity Centre Strategy
  - City of Casey Vision for Remaining Growth Areas
  - City of Casey Employment Land Design Guide 2022
  - City of Casey Restricted Retail Design Guide 2023





## 2.2 State Planning Policy and Plans

### PLAN MELBOURNE 2017-2050

Plan Melbourne Plan 2017-2050 sets the strategy for supporting jobs, housing and transport across metropolitan Melbourne over 35 years. It contains the following relevant strategic directions relating to planning for employment growth in Casey:

***Policy 1.1.6 Plan for industrial land in the right locations to support employment and investment opportunities***

*Ensuring there is enough industrial land available for development near transport gateways—particularly in outer-suburban areas—will be critical if Melbourne is to remain globally competitive and attract new investments and jobs.*

***Policy 1.1.7 Plan for adequate commercial land across Melbourne***

*Population growth will continue to drive demand for well-located and competitively-priced commercial land. Growth could create demand for an additional 8 million square metres of stand-alone office floorspace and 8 million square metres of retail floorspace by 2051.*

*An adequate supply of commercial land needs to be secured to accommodate this growth, as well as a range of services, entertainment and civic activities in suburban locations.*

*To ensure Melbourne maintains a competitive commercial market and is able to facilitate local access to employment, future commercial land requirements need to be quantified by region.*

***Policy 1.2.2 Facilitate investment in Melbourne's outer areas to increase local access to employment***

*There is a need to support investments that create jobs in outer suburbs and growth areas. There is also a need to make it easier for people to access jobs—particularly high-value knowledge jobs—in established middle and inner areas from these locations.*

*There are also opportunities to support the establishment of start-ups and small and medium enterprises in outer suburbs and growth areas. Facilities such as business incubators can provide tenants with flexible work and meeting spaces where they can access a range of support services and networks to establish and grow their businesses. Local and the Victorian Government can also prioritise local jobs and businesses when procuring suburban infrastructure works.*

*Planning for outer suburbs and growth areas must ensure there is sufficient zoned land to support future development and job creation. This will provide for strong local economies and ease pressure on transport infrastructure by providing employment close to home.*

In 2019 an Addendum to Plan Melbourne was released, updating Melbourne's population, housing, and employment projections and providing key updates. This included policy statements that:

- Reinforce the need to protect and retain land for industrial uses
- Confirm the expectation for continued strong demand for commercial floorspace across metropolitan Melbourne.



Plan Melbourne identifies places of state significance that will be the focus for investment and growth. The jobs and investment framework identifies the key employment-related locations of State significance, including State-significant Industrial Precincts (SSIPs), National Employment & Innovation Clusters (NEICs), and Metropolitan and Major Activity Centres.

Note that the Croskell Precinct is not identified as a place of state significance in Plan Melbourne.

## MELBOURNE GROWTH CORRIDOR PLANS

The Melbourne Growth Corridor Plans provide a broad land use framework to guide the future planning and development of new precincts in each of Melbourne's growth areas. The Plans were prepared in 2012, and the key land use directions contained within them have been carried across into the following more recent strategic plans:

- Melbourne Industrial and Commercial Land Use Plan (MICLUP)
- Draft Metropolitan Regional Land Use Framework Plans (LUFs)

The Growth Corridor Plans establish the broad principles and framework for planning employment precincts in Melbourne's growth areas. The vision for the South East growth area identifies that improving the local self-containment of jobs in this region is a high priority. The South East Growth Corridor Plan identifies Croskell as a 'Business with Residential' precinct.

The following principles are established under this plan for planning employment in Business Precincts:

*Not all commercial and office-related employment is suitable for location within town centres. For example, offices linked to research and development activities may be better located in business precincts.*

*Business precincts identified on the Growth Corridor Plans are large flexible multi-use areas that provide for a wide range of employment opportunities. They are located so as to have excellent access to the arterial road and Principal Public Transport Network and a local resident workforce.*

*(Growth Corridor Plan Managing Melbourne's Growth)*

*Business precincts are expected to deliver more intensive forms of employment-generating uses in comparison to industrial areas. They will accommodate a wide range of employment-generating uses, including service industry, office and commercial activity, research and development and some bulky goods (restricted retail).*

*(Growth Corridor Plans, Section 3.3)*

The South East Corridor Plan identifies that some level of specialised retail and services will be required within business precincts to support the business and residential catchment within these precincts:

*These Centres will provide a relatively small retail function but will provide locations for specialist business services, conferencing, accommodation, recreation, entertainment etc. Co-location of these types of activities within the Town Centre will help to ensure the most*



*efficient provision of infrastructure and allow for multi-purpose trips. Specialised Town Centres should be highly accessible by public transport.*

*(Growth Corridor Plans, Section 3.3)*

Business precincts are expected to deliver minimum job densities of 30-40 jobs/ha (gross), and areas designated as 'business with residential' are expected to deliver 15-20 jobs per ha (gross) across the entire Croskell PSP area, on the basis that 50% of these types of precincts are expected to be developed for housing.

The Growth Corridor Plan states that these employment ranges will be a minimum guide when preparing the Croskell PSP. It notes that preserving the potential for the Precinct to deliver employment outcomes is a critical planning and development outcome and that this should be the principal measure guiding planning and development decisions for the PSP:

*Future detailed planning at the PSP stage to demonstrate that employment provision is based on realistic demand over the medium to long term. Whilst it might be expected that residential and non-core employment uses could be delivered within some of these the Croskell Precinct in the shorter term, sufficient land must be protected to ensure an appropriate supply of strategically located land is preserved.*

*The proposal for land uses other than employment-related uses (i.e., residential) will need to demonstrate that the overall objective for the land to deliver significant employment-generating outcomes for the local area and the wider corridor would not be prejudiced. The residential areas within the Precinct should be designed to complement and enhance the area for employment activities.*

*(Growth Corridor Plans, Section 3.3)*

The South East Growth Corridor Plan (Figure 2) also identified the need for the Croskell PSP to protect the Thompsons Road freight route from sensitive uses by including a buffer of non-residential. The Thompsons Road corridor provides freight access to Metropolitan Melbourne and the Port of Hastings, and the Growth Corridor Plan notes that the land use and development within Croskell PSP should protect the Thompsons Road freight route from sensitive uses by including a buffer of non-residential land uses.

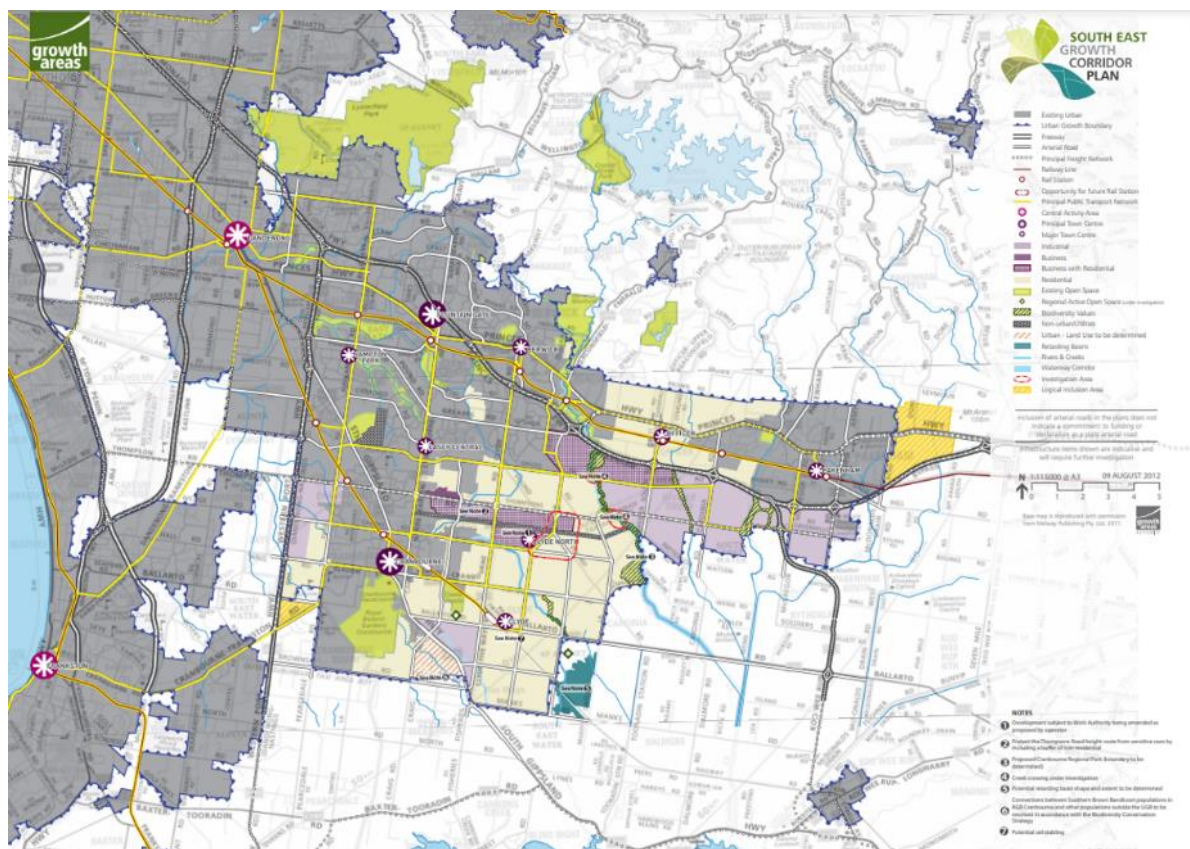


Figure 2: South East Growth Corridor Plan  
Source: South East Growth Corridor Plan, 2012

## MELBOURNE INDUSTRIAL AND COMMERCIAL LAND USE PLAN (MICLUP) (2020)

The MICLUP (2020) builds on relevant policies and actions from Plan Melbourne. It provides an overview of current and future needs for industrial and commercial land across metropolitan Melbourne and establishes a planning framework to assist the government in planning more effectively for future employment and industry needs.

MICLUP establishes a planning framework for all of Melbourne's industrial and commercial land based on the significance of the land to the State, Region or local community. It defines the broad role of State, Regional and local significance industrial and commercial precincts and the specific role of key precincts across each metropolitan region.

Most of the lands within the Croskell PSP area are defined as a regionally-significant commercial area and are expected to fulfil the following broad role:

*Growth area business precincts are identified in Growth Corridor Plans and are considered as places of regional significance able to provide for a wide range of employment opportunities. These areas are expected to deliver more intensive forms of employment uses including service industries, office and commercial activity, research and development and some bulky goods retailing. In some locations these precincts may also include residential,*



cultural, recreational and civic uses as part of a broader mix of activities supporting the overall employment activities.

(MICLUP, pg. 36)

MICLUP describes the Southern Metropolitan region, which sets out the regional forecast for employment growth, the supply and demand for industrial and commercial land across the region, and the specific role of key locations.

The MICLUP highlights the need to plan for industrial and commercial land as the population and job numbers. It estimates that an additional 76,650 jobs will be located across the Southern Metro Region by 2031, with approximately 30% of the new jobs in the Casey local government areas (LGAs).

### *Planning for Commercial Land*

The following extracts from MICLUP relate to the future supply and demand for commercial land across the Southern metropolitan region:

*In addition to the existing zoned commercial land, approximately 555 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 with residential precincts in the municipalities of Cardinia (160 hectares) and Casey (85 hectares). These areas are intended to be suitable for a range of other employment uses, including some industrial uses, as well as some residential uses. This land accounts for just over 44 per cent of all future commercial land identified for the region and nearly 20 per cent of all future supply for the entire metropolitan area.*

*Based on projected growth, by 2031 it is anticipated that an additional 1.4 million square metres of commercial floorspace will be required across the Southern Region. Approximately 800,000 square metres will be required for office uses and 571,000 square metres will be required for retail. Over half of this additional floorspace is anticipated to be provided in the growth area municipalities of Cardinia and Casey. These councils have land identified for future commercial purposes. Around one-third of the future commercial floorspace projected is expected to be located in Greater Dandenong and Kingston.*

(MICLUP, pg. 91)

### *Planning for Industrial land*

The following extracts from MICLUP relate to future supply and demand for industrial land across the Southern metropolitan region:

*Over the last three years, the average rate of consumption of industrial land in the region has been 107 hectares per annum. Consumption rates have been higher than this over the last two years and during the period 2017-18 was at 110 hectares.*

*Almost 60 per cent of this consumption occurred within the Southern SSIP (63 hectares).*

*If consumption rates remain at last year's level, it is anticipated that the region as a whole has approximately 21 years supply of zoned industrial land. If land in Mornington Peninsula*



zoned Special Use Zone 1 is removed from supply, there would be just over 12 years supply of zoned industrial land.

Unzoned areas identified for future industrial purposes could provide another 7 years of supply, but this is dependent on future planning for these areas as part of the PSP process. Of the total future unzoned supply, around 80 per cent is located within the Officer-Pakenham SSIP.

It is estimated that land supply in the Southern SSIP will become significantly constrained in the early 2020s and be exhausted by the mid-2020s. When this occurs, demand transfer is likely to occur at the closest industrial areas.

The exhaustion of industrial land within the Southern SSIP within the next decade will likely direct future demand for large-format, regionally-significant industrial uses into neighbouring areas, such as Braeside and Cranbourne West. In these locations there are relatively large contiguous tracts of vacant industrial land with main road access for large heavy vehicles and access to existing supply chains and distribution networks. Development will progressively move to the Officer-Pakenham SSIP as land in these locations is exhausted and new major road connections, such as the North East Link, are delivered.

(MICLUP, pg. 89)

The Croskell PSP area is identified in MICLUP as a 'future growth area business precinct' (see Figure 3) and is described as follows:

The Thompsons Road Business Corridor is identified in the South East Growth Corridor Plan as a future high amenity business precinct to support a mix of business services, service industry and associated uses. It will have easy access to the future major activity centre at Clyde North and will be readily accessible to the Principal Public Transport Network by a series of north-south connections. Planning for the area should ensure that a potential freight route along Thompsons Road is protected from sensitive uses.

(MICLUP, page 86)





Figure 3: Southern Region Future Directions Map  
Source: MICLUP

### Planning Framework for Commercial Land in the Southern Region

The planning framework for commercial land in the Southern region notes the following in relation to Croskell:

*Considerable provision has been identified for future commercial development at future activity centres in growth areas as well as at two key growth area business precincts in Cardinia and Casey... The growth areas business precincts also offer an opportunity to provide for significant office development and higher-order, knowledge-based jobs in the region. Combined these areas provide an opportunity to accommodate demand for future commercial floorspace and deliver more jobs in the region.” (MICLUP, p. 93)*

*Careful consideration will be required through the PSP processes to ensure adequate provision is made to accommodate medium and longer term industrial and commercial development.*

(MICLUP, p. 93)

*Planning for the region should ...support the development of growth area business precincts for predominately commercial development providing for higher order, knowledge-based jobs and businesses.*

(MICLUP, p. 94)





### *Draft Southern Metropolitan Land Use Framework Plan (LUFP) (2021)*

The draft LUFPs (2021) build on relevant policies and actions of Plan Melbourne. They are 30-year strategic land use and infrastructure plans for Melbourne's six metropolitan regions that provide a long-term framework to manage growth and land use pressures in each region.

Direction 4 from the Southern LUFP ensures the Southern Growth Corridor accommodates longer term industrial and commercial development opportunities.

The following extracts from the Southern LUFP relate to the future planning of employment land across the Southern metropolitan region:

*Improving self-containment of jobs in growth area LGAs is a priority for the region. This involves providing access to local jobs for residents within the region. Population growth in growth areas will create strong initial demand for population serving industries, although over time the economy will mature to support a more diverse mix of business activities and employment. To realise improved job self-containment within growth areas, there is a need to plan for the longer-term evolution of the regional economy.*

*(Southern LUFP, pg. 31)*

*There are three timelines to consider for emerging employment land in the South Eastern Growth Corridor: the first provides for the consolidation of the existing hierarchy and supports long-term options through to 2030; the second seeks to reinforce and augment the maturing regional economy through to 2040; and the third allows for further transformation of the economy through innovation, major investment and new opportunities through to 2060.*

*(Southern LUFP, pg. 32)*

*As the established higher-order activity centres and employment precincts mature these precincts will become important business locations containing a variety of higher-order economic activities. This will be driven by the advanced manufacturing sector and eventually high-tech, research and development activities. The precincts will 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...*

*Over half of required new commercial floorspace by 2031 is anticipated to be provided in the growth area LGAs of Cardinia and Casey. This new floorspace will predominantly be located in future identified activity centres as well as at two key growth area business corridors.*

*Business corridors in the growth areas will provide substantial office-based and knowledge-based jobs in the region. These precincts, coupled with future identified activity centres, will provide an opportunity to absorb demand for commercial floorspace. It is important for these opportunities to be captured in the PSP planning process to ensure land is safeguarded and secured to fulfil its strategic purpose. These corridors should have a primary role for economic and employment purposes with no less than 50 per cent of the land in each precinct being allocated for these purposes.*

*(Southern LUFP, pg. 32)*



Strategy 18 is to 'provide a mix of business services, service industry and associated uses in the Thompsons Road Business Corridor'.

The Southern LUFP sets the following vision/strategic role for the area in which the Croskell PSP is located:

#### Vision

*Regionally significant Commercial land (mixed-use business park), for offices and commercial uses, with potential to cater for higher-density residential and office uses.*

*The precinct has potential to develop as a business centre serving a broader catchment, leveraging its location on the Thompsons Road Business Corridor*

#### Strategic role

*Regionally-significant commercial land area (business precinct), delivering intensive employment (service industries, offices and research), located on the future 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 PFN*

*Connected to the 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*

#### Specific Requirement

*Residential development to occupy no more than 50 per cent of land designated as regionally significant commercial land.*

## SEEC REPORT & PRECINCT DASHBOARDS

The SEEC Report sets out a spatial framework for employment precincts and activity centres across the cities of Greater Dandenong and Casey and Cardinia Shire to 2060. Its purpose is to inform the planning of future employment PSPs. It has also informed the employment and economic components of the Southern LUFP.

The SEEC Report does not constitute adopted Government policy, but it provides an evidence base to inform policy development and decisions by Councils and Government agencies. This way, the strategy presents a scenario to drive employment development to key sites and existing employment nodes to support broader and previously agreed employment objectives.

The SEEC Report was prepared in collaboration between the VPA and local and State Government agencies to fast-track strategic planning and obtain consensus on planning directions for future employment PSPs.



## Strategic Role of the Precinct

The SEEC identifies the following **strategic role for Croskell** as it evolves and develops:

- 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 Principal Freight Network (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.

(SEEC Strategic Context Report to 2060)

## Future Urban Structure in the Croskell PSP Area

The 'precinct dashboard' for Croskell contains estimates for built-form requirements, as summarised in Table 1.

Table 1: 2060 Land Use Requirements for Croskell PSP

	Floorspace (sqm)					Net land (ha)		
	No.	%	Low	Med	High	Low	Med	High
Potential built-form requirements								
Office	500	17	10,000	12,500	15,000	1	2	4
Local services	600	20	27,000	30,000	45,000	5	8	15
Institutional anchors	500	17	10,000	25,000	30,000	2	8	30
Retail	500	17	12,500	15,000	20,000	1	3	5
Bulky goods retail	100	3	5,000	6,000	7,000	1	2	3.5
Light Industrial	400	13	20,000	40,000	60,000	4	13	24
Freight and logistics	200	7	20,000	40,000	50,000	7	20	20
Heavy Industrial	200	7	20,000	30,000	40,000	5	10	16
TOTAL	3,000	100	124,500	198,500	267,000	25	66	117
Potential locational type requirements								
Centre/dispersed	1,200	40	33,900	43,000	59,500	5	10	24
Business park	1,800	60	90,600	155,500	207,500	20	56	93
TOTAL	3,000	100	124,500	198,500	267,000	25	66	117

Source: Croskell PSP, Planning for Growth Over Three Time Horizons.

The SEEC recognises that realising the long-term vision will take many decades:

*The 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.*

*(SEEC Strategic Context Report to 2060).*

It identifies strategies over the short, medium and long term for the planning and delivery of the Croskell Precinct, as follows:

- **Horizon 1:** 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:** Croskell starts to provide an enhanced local commercial role.
- **Horizon 3:** Croskell redevelops into an innovation hub in the heart of a strong centre network and residential catchment.

### **Drafting Instructions for the Croskell PSP**

The Dashboard contains the following drafting instructions for the Croskell PSP area:

- *Examine retail cap (floorspace cap) in the UGZ schedule as part of Horizon 1 implementation, especially around large format retail uses*
- *Lot layout/urban structure requires allowance for intensification over time, and land use change (e.g. office, warehouse) by working of a lot base that enables 400x400 metre blocks (Refer to SEEC Context Report for further information)*
- *Strongly integrate new residential development with adjoining residential areas, to ensure neighbourhood population size can be achieved at a scale that generates sufficient demand for infrastructure and services (i.e. no less than 3,000 people)*
- *Residential development to occupy no more than 50 percent of land designated as Regionally Significant Commercial*

The e-PSP dashboards and drafting instructions are intended to be implemented through the preparation of the six e-PSPs under the reformed PSP 2.0 process.

## **STATE POLICY DIRECTIONS IMPLICATIONS FOR CROSKELL**

The Croskell Precinct is identified in State Policy (MICLUP) as a 'Regionally Significant Commercial Area - Business Precinct' with the following function:

*These areas are expected to deliver more intensive forms of employment uses including service industries, office and commercial activity, research and development and some bulky goods retailing.*

*(MICLUP, p. 36)*

*MICLUP also contemplates industrial uses locating within Business Precincts (MICLUP, p. 86) as well as 'residential, cultural, recreational and civic uses as part of a broader mix of activities supporting the overall employment activities.'*

*(MICLUP, p. 86)*



MICLUP states that planning should support the development of these areas for 'predominately commercial development providing for higher order, knowledge-based jobs and businesses.'

(MICLUP, p. 94)

The above directions are consistent with the designation of the Croskell PSP area as a 'business with residential' area under the South East Growth Corridor Plan (2012) and a 'future business corridor (business with residential)' under the draft Southern LUFP (2019).

State policy envisages that the Croskell Precinct will emerge over time as a 'business centre' for the wider region (Southern LUFP, page 35), and include a business hub which offers specialist business services, conferencing, accommodation, recreation, entertainment and some limited retail services.

(Growth Corridor Plan, section 3.3)

State policy supports industrial and freight/logistics uses along the Thompsons Road interface (Southern LUFP, p 35; MICLUP, p86; GCP, p89). and residential land use in the southern parts of the precinct (with no more than 50% of the PSP area set aside for such use, and for it to be integrated with residential areas south of the existing power line easement).

(Southern LUFP, pg. 35).

State policy does not envisage that substantial retail uses (either in the form of a town centre or major bulky goods retail precinct) would establish in the Croskell Precinct.

State policy recognises that planning for such places needs to take account of the role that such places will place in meeting needs for population-servicing industries in the early phases of the development of the growth area ('Horizon 1' growth) as well as their transformation in the longer term to support higher order knowledge based jobs ('Horizon 2' and 'Horizon 3' growth).

(Growth Corridor Plan, Section 3.3; Southern LUFP, pg. 31)

These Policies require that the Croskell PSP make adequate provision to preserve opportunities to accommodate medium and longer term industrial and commercial development typologies.

(Growth Corridor Plan, Section 3.3; Southern LUFP, pg. 31)

The policy aspirations outlined above are all broadly reflected in the SEEC Report and associated Croskell PSP Dashboard, as follows:

- Implementation of the planning strategy for the planning and delivery of Croskell:
  - Horizon 1: 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: Croskell starts to provide an enhanced local commercial role
  - Horizon 3: Croskell redevelops into an innovation hub in the heart of strong centre network and residential catchment



- *Delivery of a 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.*
- *Preservation of Thompsons Road interface for industrial, freight/logistics and urban services linked to the Principal Freight Network (PFN).*
- *Connection 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.*
- *Deliver the southern part of the precinct as residential, linked to Clyde Creek and Cardinia Creek South.*

The SEEC Report and Croskell Precinct Dashboard also provide further guidance on how this might be achieved via drafting the PSP and planning controls (e.g., Section 5.3 of the SEEC Report, drafting instructions for the Croskell PSP).

## 2.3 Local Strategies

### CITY OF CASEY ECONOMIC DEVELOPMENT STRATEGY 2021-25

The City of Casey Economic Development Strategy 2021-25 establishes strategic priorities and actions that will assist the Council in achieving objectives relating to investment, revitalisation and preservation of employment land, upskilling, innovation and economic resilience.

Croskell PSP helps to support Strategic Objective 2 'Revitalise and Preserve Employment Land and Places'. In particular, it helps to deliver a PSP for employment land, in alignment with Strategy 2.1 'Engage and partner with landowners, developers, neighbouring councils, and state government to deliver connected, timely, and sufficient supply of employment land'.

### CITY OF CASEY ACTIVITY CENTRE STRATEGY

Casey's Activity Centres Strategy sets out the Council's vision for a strong and vibrant network of activity centres in Casey and guides how to accomplish this vision through specific policy directions. The Strategy is based on the findings of a citywide retail and employment floorspace demand and supply assessment (SGS, 2017).<sup>1</sup>

The Strategy is structured around 16 objectives arranged into three themed chapters:

1. A citywide network of activity centres
2. Activity centres are the economic engines of Casey
3. Activity centres are great places for people

<sup>1</sup> It is important to note that some of the data used for this evaluation is from 2012 and based on a micro-simulated modelling exercise that distributes retail expenditure down to small area from a retail expenditure survey undertaken at a significantly larger geographical scale. Consequently, findings should be treated cautiously.





## Activity Centre Hierarchy

The Strategy sets up an Activity Centre Hierarchy, establishing each centre's type, approximate total non-residential floorspace, characteristics and functions. The Strategy also identifies the existing and proposed Activity Centre, Health and Education Precincts and Restricted Retail premises locations throughout the Municipality.

The activity centre hierarchy consists of the following:

1. Metropolitan (>100,000sqm)
2. Major (aspiring to metropolitan) (20,000-100,000sqm)
3. Medium Neighbourhood (aspiring to major) (5,000-20,000sqm)
4. Local Neighbourhood (up to 5,000sqm)
5. Health and education precinct
6. Restricted retail precinct (bulky goods) (5,000-50,000sqm)

Figure 4 is an extract from the Activity Centres Strategy showing the location of all (then) current and proposed Activity Centres.

Several existing and planned Town Centres are near the Croskell PSP (Table 2). The future provision of retail (including restricted retail) activities will need to consider the potential impact of existing/planned centres on the viability of providing such facilities within the PSP, and vice versa (i.e., the impact of any such proposal in existing/planned centres).

Table 2: Relevant Activity Centre Descriptions

Reference	Name	Suburb	Type
12	Avenue Village	Cranbourne North	Medium Neighbourhood
22	Springhill	Cranbourne	Medium Neighbourhood
23	The Hunt Club	Cranbourne East	Medium Neighbourhood
2	Cranbourne Town Centre	Cranbourne	Major
4	Casey Central	Narre Warren South	Major
7	Hardy Road	Clyde North	Major
19	Selendra Rise	Clyde North	Medium Neighbourhood
76	Cranbourne Town Centre	Cranbourne	Restricted Retail Precinct
78	Home, Cranbourne RRP	Cranbourne	Restricted Retail Precinct
75	Casey Central	Narre Warren South	Restricted Retail Precinct
80	Hardy Road	Clyde North	Restricted Retail Precinct

Source: SGS, 2017





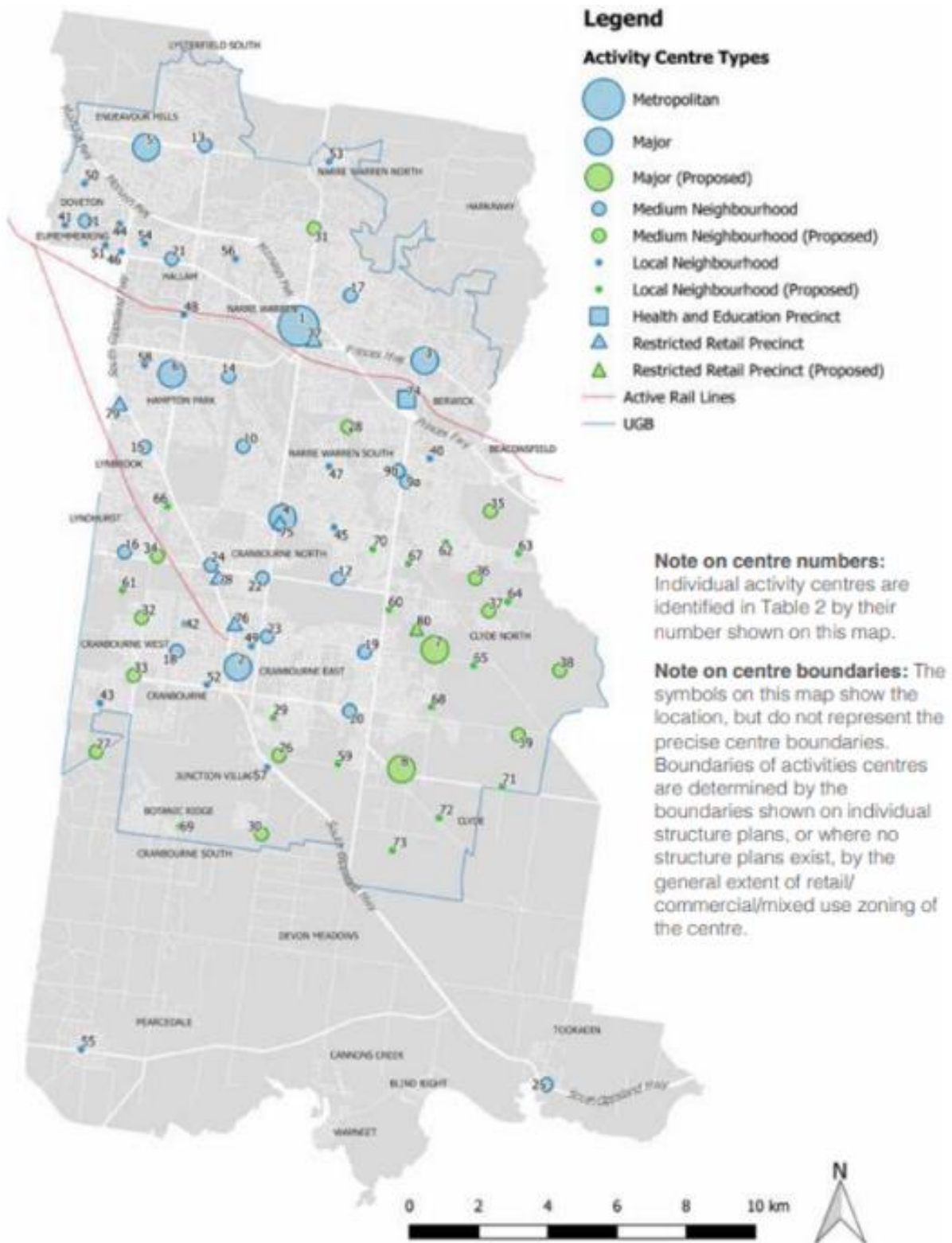


Figure 4: Activity Centres Network  
Source: Casey Activity Centre Strategy, 2017

The centres in the retail hierarchy each serve a certain catchment area depending on their scale, attributes, service offering and location. The hierarchy approach set out in the Casey Activity Centre Strategy is intended to provide community and worker access to all retail and convenience services.

The Casey Activity Centre Strategy does not identify a future town centre in the Croskell PSP area.

The attributes, scale and type of nearby existing/planned activity centres and catchments will require further consideration when determining the type and scale of retail and associated activities to be provided within the Precinct.

In addition to the Activity Centres identified in Casey's Activity Centres Strategy, a draft Development Plan has been submitted to Council for the Collison Estate in Cranbourne East. The Development Plan categorises the Activity Centre as a 'Medium' Neighbourhood Activity Centre. The proposed Collison Estate activity centre is approximately 2.5km from the Croskell PSP. It is expected to support a small supermarket, speciality shops, food and beverage, and some commercial and office uses. The activity centre is of a local neighbourhood scale and is not expected to impact the retail catchments of any proposed neighbourhood activity centres in the Croskell Precinct.

### **Restricted Retail Uses**

The Casey Activity Centre Strategy does not identify a restricted retail precinct in the Croskell PSP area.

The following policy is contained within the Strategy relating to restricted retail uses:

*Objective - To support Restricted Retail Precincts in Casey that offer convenient access to a comprehensive range of bulky goods across the municipality, complementing the viability of the activity centres network.*

*Strategies:*

*6.1 Discourage restricted retail from locating in an ad hoc or non-consolidated manner.*

*6.2 Discourage all non-restricted retail uses (i.e., any other types of conventional retail use) from locating in restricted retail precincts.*

*6.3 Ensure that the design of Restricted Retail Precinct developments complements surrounding neighbourhoods and is sensitive to surrounding residential interfaces.*

## **LOCAL POLICY DIRECTIONS IMPLICATIONS FOR CROSKELL**

The Casey Activity Centre Strategy does not support neighbourhood-scale retail activity in the Croskell PSP. Several existing/planned neighbourhood centres adjoin or are close to the Croskell Precinct. This land use and policy context will limit the opportunity to establish neighbourhood-scale retail activity on the site.



The Casey Activity Centre Strategy also does not support the creation of a restricted retail precinct in the Croskell PSP, and it contains a policy to discourage restricted retail from locating in an *ad hoc* or non-consolidated manner.

## CITY OF CASEY EMPLOYMENT LAND DESIGN GUIDE 2022

The Employment Land Design Guide applies to all commercial, light industrial and industrial developments within the municipality of the City of Casey. The vision of this document is that:

- Casey's employment areas will be vibrant and exciting places with innovative businesses and quality public spaces, which will create local connections, celebrate their heritage and landscapes, and become centres for the jobs of the future and economic growth.

Under 'Building Typology', this policy states:

- Casey's employment land should include a range of building types, which will improve the urban image, offer a diversity of businesses, and boost economic growth.

This section also contains a matrix that guides employment land lot sizes and potential uses (see Table 3) and urban typology guides for different commercial and industrial uses.

Table 3: Typical Casey Employment Land Lot Size Matrix

	Small site	Medium Site	Large Site	Super Lot Site
Lot Size	Up to 1,000sqm	Up to 5,000sqm	Up to 10,000sqm	>10,000sqm
Recommended Primary Land Use				
Small warehouse	●	● (Multiple Warehouses)	● (Multiple Warehouses)	
Medium warehouse		●	●	● (Multiple Warehouses)
Large warehouse				●
Commercial office	●	●	●	
Commercial office Precinct/Industrial Park			●	●
Preferred front office height for Warehouse Typology	2 Storey	2 Storey	2 Storey	Up to 4 Storey

Source: City of Case Employment Land Design Guide 2022, pg. 22

## CITY OF CASEY RESTRICTED RETAIL DESIGN GUIDE 2023

The Restricted Retail Design Guide applies to all retail developments within the City of Casey and is restricted retail under the Casey Planning Scheme. The Casey Activity Centre Strategy (2020) designates Restricted Retail Precincts across the municipality where most restricted retail uses should locate and directs that Restricted Retail developments complement surrounding neighbourhoods and be sensitive to surrounding residential interfaces. The Guide helps direct good design outcomes for restricted retail sites.



In 3.1.1, the guide notes:

- *Buildings are encouraged to be located with a minimum setback from the street and provide an active street interface.*
- *Multilevel built forms with compatible and mixed land uses are encouraged in strategic sites or precincts.*

In 3.1.2, the guide states:

- *Provide a suitable transition to sensitive residential interfaces through building design and setbacks that provide separation and assist in reducing building bulk and overlooking (without reliance on tall privacy screens).*

The Employment Land Design Guidelines and Restricted Retail Design Guides help to direct the urban design, accessibility, architectural and landscape design of employment and restricted retail developments in Casey. These guides will help guide elements of the Croskell PSP as the design develops.



## 3.0 Regional and Precinct-Specific Analysis

Modelling undertaken for this study finds that, to the extent that can be determined, the SEEC Report recommendations are based on a relatively sound methodology. Consequently, modelled results broadly align with the estimates generated in this study. However, assuming it is important to minimise the impact on neighbouring centres, the estimated internal demand generated in the Croskell PSP (by build-out) is estimated to be lower than the recommended requirement for retail and bulky goods.

### 3.1 Introduction

This section outlines the regional and precinct-specific analysis and review of the October 2020 SEEC Report Employment Precinct Dashboard and the SEEC Strategic Context Report to 2060. These two reports are collectively called SEEC Reports for this assessment.

The assessment (including the peer review) included the following steps:

1. A 'top-down approach' to evaluate the reasonableness of previous land use assessments. This focused on reviewing the forecasting methodologies employed in the SEEC report and the subsequent validity of the land use forecasts.
2. The preparation of new regional employment forecasts using post-pandemic datasets. These forecasts were then compared with the SEEC figures. This top-down approach was also used to determine the relevancy of the employment forecast for the SEEC region and the City of Casey.
3. A 'bottom-up approach' (through a Precinct Site Analysis) to evaluate the reasonableness of the micro-level distribution assumptions and the previously proposed land use provisions applied to Croskell PSP in the SEEC Report.

In addition to the scoped works, further modelling was undertaken to quantify the minimum floorspace required to serve the internal needs of workers expected to be based in the Precinct. This was necessary to inform recommendations that would balance local needs with the requirement to minimise the impact on nearby (including future) neighbourhood and specialist activity centres, retail strips and employment hubs.

### 3.2 Peer Review Evaluation

The following outlines key findings of the peer review assessment of the SEEC methodology and regional forecasts.



## REVIEW OF THE SEEC METHODOLOGY

In reviewing the Report (Employment Precinct Dashboard) and the SEEC Strategic Context Report, it was noted that the regional employment forecasts were constructed through the following steps:

1. **Employment forecasts.** Aggregate regional employment forecasts were generated using the ABS Place of Work by industry datasets at the SAM zone geography level (a geographical unit that does not conform to known small-area ABS administrative unit levels).<sup>2</sup> The forecasts were constructed at the SAM zone geographical level and aggregated to the broad geographies of the SEEC Region. The ABS Labour Force Survey data was used to quantitatively adjust ABS Place of Work data to account for any underestimations from the Census datasets at the local level.
2. **Growth distribution (or share distribution).** Employment forecasts were apportioned using growth distributions down to the local level. The growth shares were largely qualitatively constructed, although the report outlined the numerical assumptions applied.
3. **Floorspace requirement.** Assumed floorspace to job ratios were applied to estimate total floorspace demand by industry categories. Industry employment forecasts were re-categorised into Broad Land Use Categories (BLUCs) to conform to land use types.
4. **Net Land Area Requirements.** Use-specific land to floorspace ratios was applied to estimate total land use provisions for the Precinct.

In relation to this methodology, the following is noted:

1. **Employment forecasts.** No view on the SAM zone geographical composition can be formed, as no granular spatial data was provided to determine its efficacy. The econometric forecast methodology is not outlined in the Report and, as such, cannot be explicitly examined. However, the Report identifies SALUP19 as a key input for the SAM zone employment estimates. SALUP19 regional employment forecasts are derived from an ARIMA-based econometric model, a relatively robust modelling methodology for this type of work. Using the ABS Place of Work and ABS Labour Force datasets, combined with SALUP19-derived employment outputs, is broadly appropriate for a pre-pandemic land use forecasting assessment.
2. **Growth distribution to small area levels.** The growth distributions employed were qualitatively determined, although the numerical assumptions that underpin these distributions are outlined in the Report. A review of the numerical assumptions suggests that they are generally appropriate, although they may be slightly underestimated given the post-pandemic trend of the relocation of jobs to outer metropolitan suburbs. The drivers for this are the growth in the proportion of hybrid work-from-home jobs and the multiplier effect of population servicing jobs supporting the greater daytime population. These trends may mean the aggregate job estimates in the Report undercount the actual job numbers.
3. **Floorspace requirements.** Custom data sources and the CLUE Melbourne datasets informed the SEEC Report floorspace requirements. Although floorspace ratios by industry categories are preferred, the BLUC floorspace to job ratios applied broadly align with floorspace use requirements.
4. **Net Land Area Requirements.** Lastly, it is found that assumptions that underpin the land area requirements under the medium scenario are generally appropriate. However, the effective floorspace to land area ratios assumed in the high scenario forecasts are

<sup>2</sup> Specifically, ABS DZN geographies, the smallest administrative level that employment data is provided at by the ABS.





substantially larger than would typically be assumed. This review concludes that the high scenario land area outputs must be interpreted cautiously.

The methodology used in these reports is considered appropriate, given the pre-2021 and pre-pandemic datasets available. However, it is important to note that the economy has undergone significant structural changes in work and living patterns following lockdowns. Work-from-home trends and the reallocation of jobs away from traditional CBD-centric employment locations towards outer metropolitan locations may have resulted in greater employment levels and floorspace demand than previously estimated for locations like Crookell PSP.

## COMMENTARY ON RELEVANT EMPLOYMENT CHANGE DRIVERS

Recent ABS and Commonwealth employment datasets suggest that previously assumed job growth rates largely underpin South East Melbourne. For example, compared to actual employment growth experienced through the Pandemic, the SEEC report employment growth estimates are lower. More notably, compared to updated official regional job forecasts (as produced by the Commonwealth Department of Education), the SEEC Report employment growth assumptions are substantially lower (Figure 5).

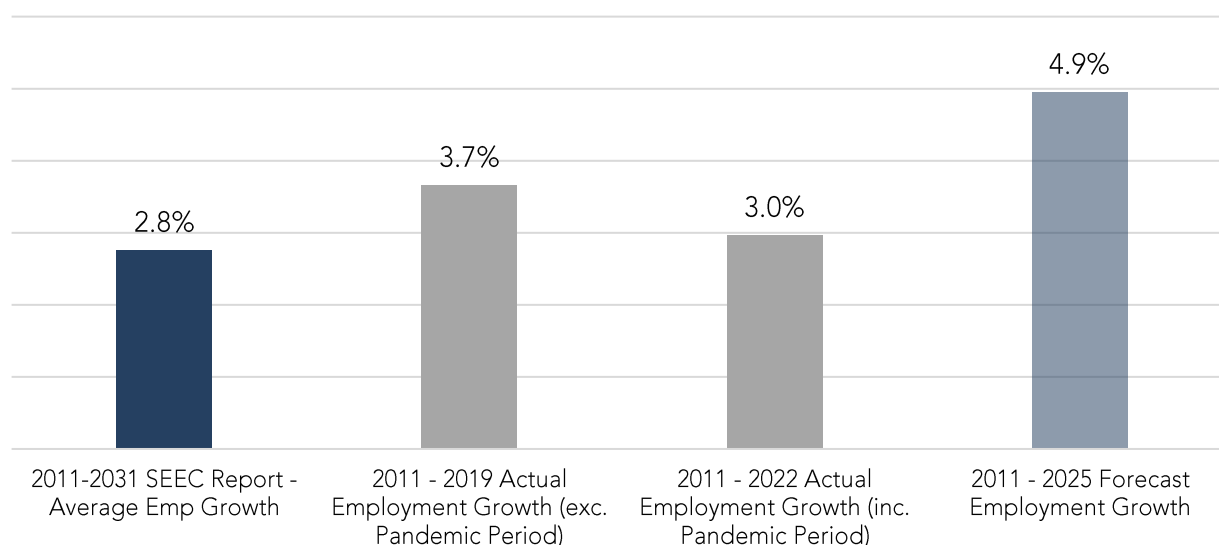


Figure 5: Annual Employment Growth –Actual and Forecast Job Growth

Source: SEEC Report Average Emp. Growth retrieved from SEEC Strategic Context Report to 2060. 2011-2019 and 2011-2022 Actual Employment Growth estimates are derived from ABS Labour Force employment data for the Melbourne South East SA4. Lastly, the 2011-2025 Forecast Employment Growth is derived from the Commonwealth Department of Education Labour Market Insights

Several trends are driving the higher than previously estimated employment growth in the region:

1. The rise of remote work and hybrid work arrangements have increased spending in outer suburban locations. This has triggered an increase in population-servicing based expenditure, particularly in sectors typically aligned to employment hubs.





2. The demand for office-based locations in suburban areas is driven by increased expenditure in population service needs and increased demand for short-term office rental and co-working spaces (to complement hybrid work arrangements).
3. The combined effect of the migration of office-based employment in CBD locations towards outer suburban and residential locations, driven by the above trends and rising living and transport costs, incentivises households to reduce work commuter activities.

Given this, an up-to-date assessment of regional employment forecasts is necessary to underpin the long-run assessments of future land use provision in the region and evaluate the relevancy of previous land use demand estimates for Crookell PSP and the surrounding regions.

## REGIONAL ANALYSIS OF EMPLOYMENT FORECASTS

The following outlines the regional employment forecasts prepared for this study, including the methodology, the forecast outputs by region and a comparison of the forecast to the SEEC Report findings.

### *Regional Employment Forecasts Methodology*

The following methodology was applied:

1. **Data based on ABS Labour Force Surveys:** Historical employment data was primarily drawn from the ABS Labour Surveys for the Melbourne South-East SA4 region. This dataset was selected as the key input as it provides a more accurate estimate of total jobs in the region and has a greater time-series sample size to perform more accurate long-range forecasts. A secondary dataset is used to validate the reasonability of using the ABS Census data to produce forecast estimates in the SEEC report.
2. **ARIMA model forecast:** Historical employment datasets (at the ANZSIC Industry Level 1) are then forecasted using an Autoregression Integration Moving Average (ARIMA) time-series econometric model. The ARIMA model is employed for two reasons:
  - i. Given the limitations of data available at the Victorian small-area level, the empirical method yields the most accurate long-run forecasts;
  - ii. It yields confidence ranges for employment forecasts, which will be used to assess the plausibility of the SEEC figures.
3. **Disaggregation exercise:** Employment forecasts are then disaggregated to LGA-level using shares of employment by industry and LGA in ABS Place of Work 2011, 2016 and 2021 data. While the limitation of Census data in providing local-level estimates of employment is recognised, it is assumed that these are reasonable to understand spatial dispersions (i.e., shares) of employment across small area levels. These are applied to disaggregate the regional employment forecasts to the LGA level. Confidence ranges are also applied to the disaggregation assumptions to account for uncertainty.
4. **Peer review of employment forecasts:** Lastly, the SEEC Report employment forecasts are compared to the employment ranges from the ARIMA model for this study.



## Employment Forecast – Results

The study identifies that the SEEC region currently hosts approximately 299,000 workers (in 2021). In comparison, the SEEC Report forecast had previously estimated total employment in the region to be 257,000 workers in the same year. This is significantly lower, and the gap is consistent for 2001 to 2021, with convergence by around 2041 (Figure 6).

However, the report has also assumed “aspirational” growth trajectories. In turn, this has resulted in future employment projections increasing substantially, growing towards a level within the forecast confidence ranges of employment in the SEEC region. As a result, future employment forecasts are found to be a plausible trajectory of employment growth in the SEEC region.

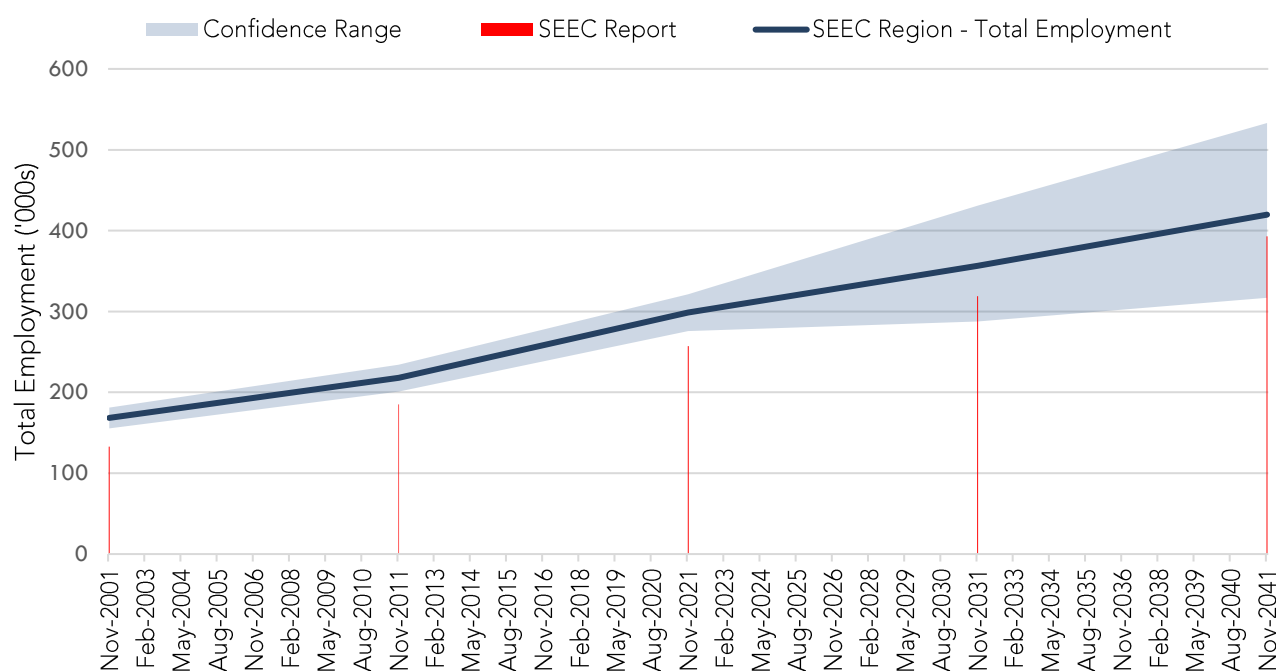


Figure 6: SEEC Region – Employment Ranges and SEEC Report Forecasts

Source: SEEC Report forecast retrieved from p.42 of the SEEC Strategic Context Report to 2060. SEEC Region Total Employment and Confidence Ranges employment forecast derived from Geografia (2023)

Similar contrasts are found at the local government area level. The study modelling estimated 122,000 jobs in the City of Casey in 2021. The SEEC Report estimated approximately 96,000 jobs in the same year. Although lower, this is within the expected range of estimates for 2021 (Figure 7).

The SEEC Report also assumed “aspirational” future growth trajectories. Employment projections grew substantially, resulting in figures within this study’s confidence ranges close to its mean estimate for the City of Casey.

Overall, the projected employment forecasts for the SEEC region and the City of Casey align with the study model output ranges.



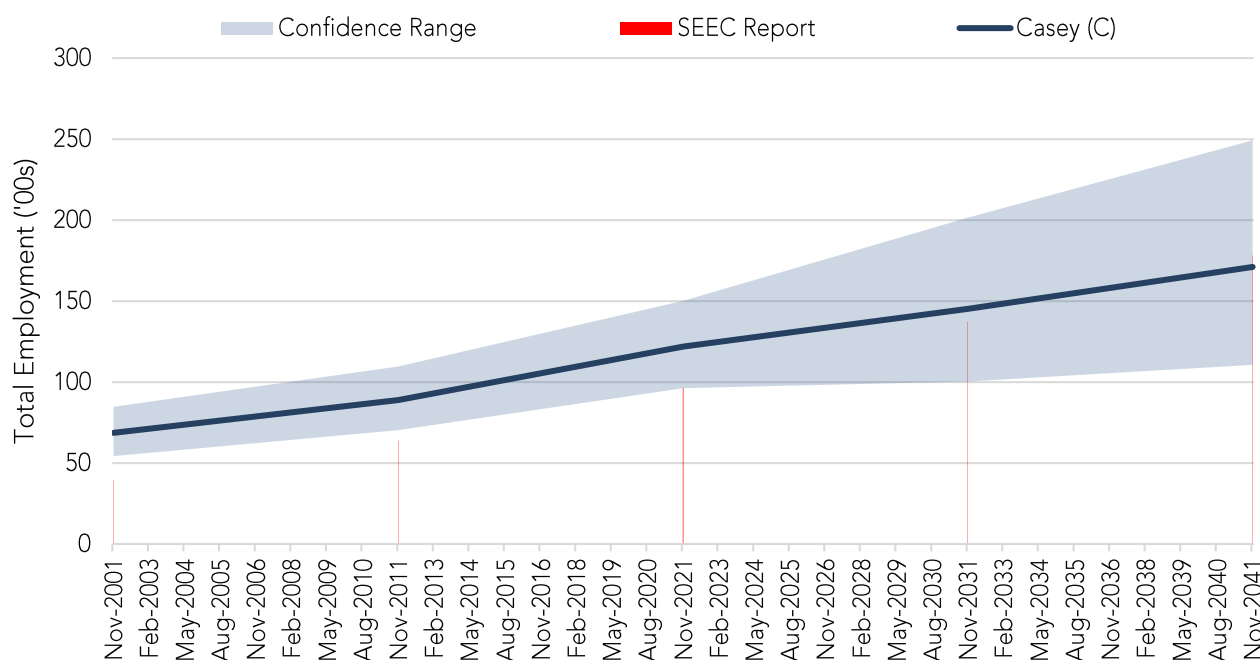


Figure 7: SEEC Region – Employment Ranges and City of Casey Forecasts

Source: SEEC Report forecast retrieved from p.44 of the SEEC Strategic Context Report to 2060. SEEC Region Total Employment and Confidence Ranges employment forecast derived from Geografia, 2023.

### 3.3 Precinct-Specific Analysis

The Precinct Specific Analysis evaluated the reasonableness of the micro-level distribution assumptions applied to Croskell PSP (as outlined in the SEEC reports). Reasonability was judged by comparing results with the forecasted land use demand generated in the modelling for this study.

Although out of scope, the analysis also quantified the minimum floorspace required to serve the internal needs of workers accommodated in the Croskell PSP. This was necessary for informing any recommendations on a minimum floorspace provision to achieve this goal while minimising the impact on nearby, future neighbourhood and specialist activity centres, retail strips and employment hubs.

## DISTRIBUTION OF GROWTH IN THE PSP

As identified in the peer review assessment of the SEEC report, regional employment forecasts were disaggregated into small precinct areas using growth distribution assumptions<sup>3</sup>. A quantitative assessment is not tenable as these distributions were largely qualitatively derived. Nevertheless, the reasonability of the Croskell PSP land use demand forecasts can be assessed considering future demand in Casey.

To do this, the employment projections (by industry and year) were converted into floorspace demand types using the same BLUC conversion matrix assumptions and categories outlined in the

<sup>3</sup> Refer to Table 19 in page 97 in the Strategic Context Report.



SEEC Report. This was done to ensure parity in comparison of floorspace outcomes. The output of this analysis is the total floorspace demand by BLUCs from 2021 to 2041 in the City of Casey (Figure 8).

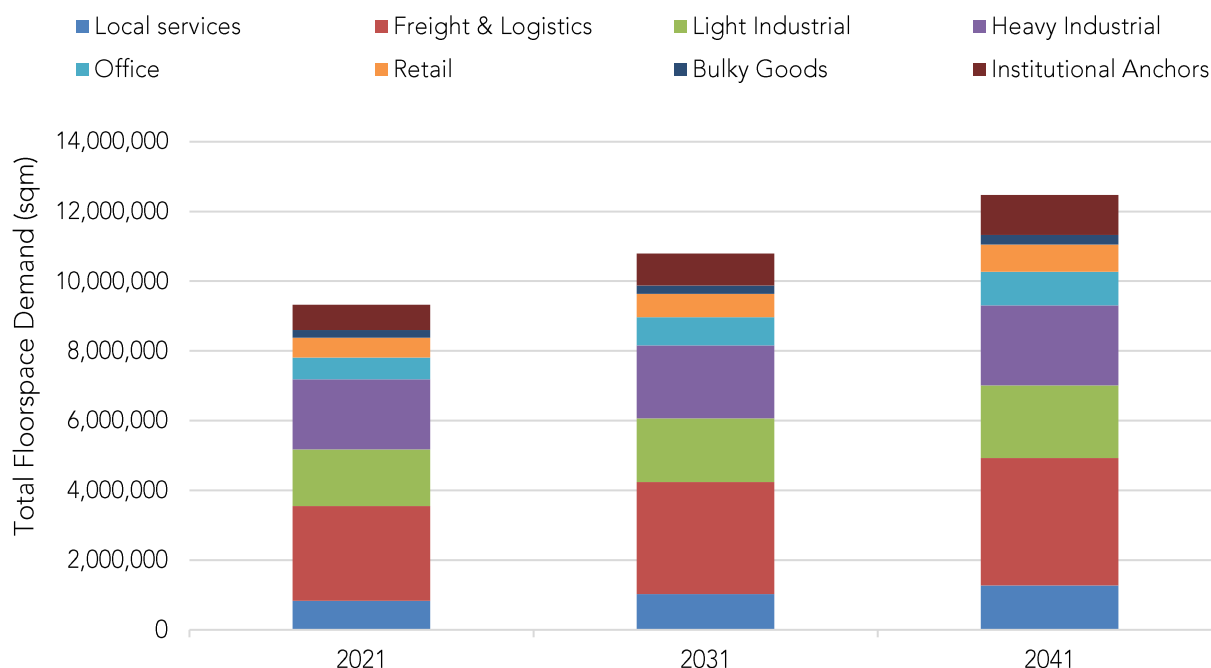


Figure 8: City of Casey Total Floorspace Demand by BLUC

Source: Geografia, 2023, using BLUC conversion matrix assumptions as outlined in the SEEC Report

The adequacy of the forecast floorspace demand was then assessed with respect to existing floorspace provision and future allocations (including Croskell PSP) in Casey. Instead of up-to-date audit data on existing floorspace provisions, the analysis assumed that the current (2021) supply adequately services the current floorspace demand.

Table 4 shows growth in floorspace demand by land use type, alongside the floorspace provisions of the Croskell PSP and the imputed share of the PSP to floorspace demand growth. The analysis finds sufficient growth in floorspace demand to support the floorspace provisions in 2031 and 2041 across all land use categories.<sup>4</sup> However, two important caveats are raised:

1. While sufficient demand exists to support the freight and logistics, heavy industries and institutional anchor floorspace provisions, other non-quantifiable economic factors would typically affect the viability of such facilities. Universities, hospitals and other large institutions are typically co-located with major activity centre hubs and usually near transport nodes like railway stations, highway access points, etc. This is to ensure the anchors' population catchments are maximised. Further, heavy industry and logistic operations are typically located close to major transport links with accessibility to

<sup>4</sup> The analysis also considers the impact of other proposed PSPs that may affect the quantum of floorspace demand in the region, namely the combination of Croskell PSP and Casey Fields PSP as proposed in the SEEC reports. Table 10 in the Appendix outlines the high-level analysis and finds that there exists sufficient growth in floorspace demand to support floorspace provisions in 2031 and 2041.



downstream/upstream providers along the transport supply chain. To the extent that the PSP lacks these strategic geographic features (when compared with other locations in the SEEC Region), the site may not be considered the most viable location for large institutional anchors, freight and logistics, and heavy industry operators.

2. While the analysis finds there exists sufficient regional demand to support the SEEC report's proposed retail and bulky goods land use provisions, the lack of available quantitative data on other activity centre floorspace provisions (both existing and proposed) limits the ability to assess the impact on nearby retail hubs of providing this in the Croskell PSP. This point is considered in more detail below.

**Table 4: Croskell PSP Floorspace Provisions and Growth in Floorspace Demand (2031 and 2041)**

BLUCs (sqm)	SEEC Report Proposed Croskell PSP Floorspace Provisions	2021-2031		2021-2041	
		Imputed % Share of PSP to Floorspace Demand Growth	Forecast Growth in Floorspace Demand (sqm)	Imputed % Share of PSP to Floorspace Demand Growth	Forecast Growth in Floorspace Demand (sqm)
Local services	30,000	15%	198,814	7%	438,544
Freight & Logistics	40,000	8%	491,164	4%	943,994
Light Industrial	40,000	19%	205,721	9%	458,049
Heavy Industrial	30,000	38%	79,507	11%	276,611
Office	12,500	7%	181,732	4%	342,991
<b>Retail</b>	<b>15,000</b>	<b>15%</b>	<b>100,967</b>	<b>7%</b>	<b>215,780</b>
<b>Bulky Goods</b>	<b>6,000</b>	<b>29%</b>	<b>20,984</b>	<b>10%</b>	<b>57,244</b>
Institutional Anchors	25,000	13%	198,915	6%	420,956
<b>Total</b>	<b>198,500</b>	<b>13%</b>	<b>1,477,806</b>	<b>6%</b>	<b>3,154,168</b>

Source: Geografia, 2023, with Croskell Floorspace Provisions sourced from the SEEC report. The data outlines the imputed share of Croskell PSP Floorspace Provision (as derived from the SEEC Reports) compared with forecast growth in floorspace demand by BLUC.

As outlined above, if retail floorspace is provided in the Croskell PSP at the scale suggested in Column 2 of Table 4 (i.e., 15,000 sqm), this may impact the viability of lower-order activity centres that are not currently known, planned or quantified<sup>5</sup>. This would include, for example, the proposed neighbourhood activity centre as part of the draft Collison Estate Development Plan (City of Casey, April 2022). Given the lack of available and up-to-date quantitative floorspace data on existing and future local retail provisions, it is not possible to quantify this potential impact. It is assumed the objective should be to minimise the impact of the Croskell PSP on the existing activity centre hierarchy while meeting the local retail needs of precinct workers in a functional commercial business park. The next section specifies a reasonable level of retail allocation to service future Croskell PSP-based workers with this objective in mind.

<sup>5</sup> Notwithstanding this potential impact of providing floorspace at this scale, it should be noted the region is expected to experience significant demand growth, particularly for bulky goods and retail services as a result of construction-related activity over the next few decades. This will certainly increase overall floorspace requirements. The scale of this potential demand warrants further investigation but is beyond the scope of this study.



## SERVICING LOCAL DEMAND FROM CROSKELL PSP

The following steps were taken to assess the internal retail demand from workers within Croskell PSP:

1. Using Spendmapp, anonymised bank transaction data was compiled for a sample of commercial/industrial employment hubs across Melbourne. The data recorded expenditure activity for the 12 months to March 2023. It includes information on spending by goods and services purchased, location of the merchant, transaction amount and residential origin of the cardholders.
2. Spending activity was filtered to focus on weekday, business hours activity only. This was done to capture, as closely as possible, work-related expenditure.
3. Six precincts were selected for the analysis: Laverton, Tarneit, Truganina, Knoxfield-Scoresby, Carrum Downs and Bayswater. These represent a mix of fully developed commercial/industrial precincts.
4. Figure 9 shows the locations and expenditure catchments for these precincts. The catchments define the residential origins of cardholders making the defined transactions in each precinct.
5. The employment estimates from the Croskell PSP Report were used to derive hypothetical existing and future retail expenditure and the supportable floorspace demand within the Croskell PSP.

The analysis shows that the expected Croskell PSP workers could:

- Support approximately 1,350sqm (the mean estimate) of bulky goods floorspace and up to 1,900sqm. This is below the recommended bulky goods floorspace provision (per the SEEC Report) of 6,000 sqm.
- Support approximately 4,400 sqm (the mean estimate) of retail floorspace and up to 7,400 sqm. This is below the recommended retail floorspace provision (per the SEEC Report) of 15,000 sqm in Croskell PSP.

Table 5 provides further details on the estimated internal demand for supportable floorspace. The analysis concludes that to support the total retail floorspace provisions (as outlined in the SEEC reports), Croskell PSP will draw from a combination of neighbouring residential catchments or work locations (e.g., commercial and industrial employment hubs like Croskell or working sites) as there is likely to be insufficient demand from internal origins (i.e., Croskell PSP workers) to support the previously recommended floorspace.<sup>6</sup>

<sup>6</sup> Note, this additional analysis does not necessarily conflict with findings from submissions of the respective landowners in the PSP, namely the Urbis Croskell Precinct Structure Plan (2 November 2022) prepared for MAB Corp and Deep End Development Assessment for 585 Berwick-Cranbourne Road, Clyde North (15 February 2023) prepared for Galileo Group. As identified in the previous section, there exists sufficient regional demand to support the SEEC report land use recommendations (which could include the submissions by the respective landowners). However, the final provision of retail land uses must consider other strategic planning objectives. This is detailed further in the recommendations outlined in Table 6.





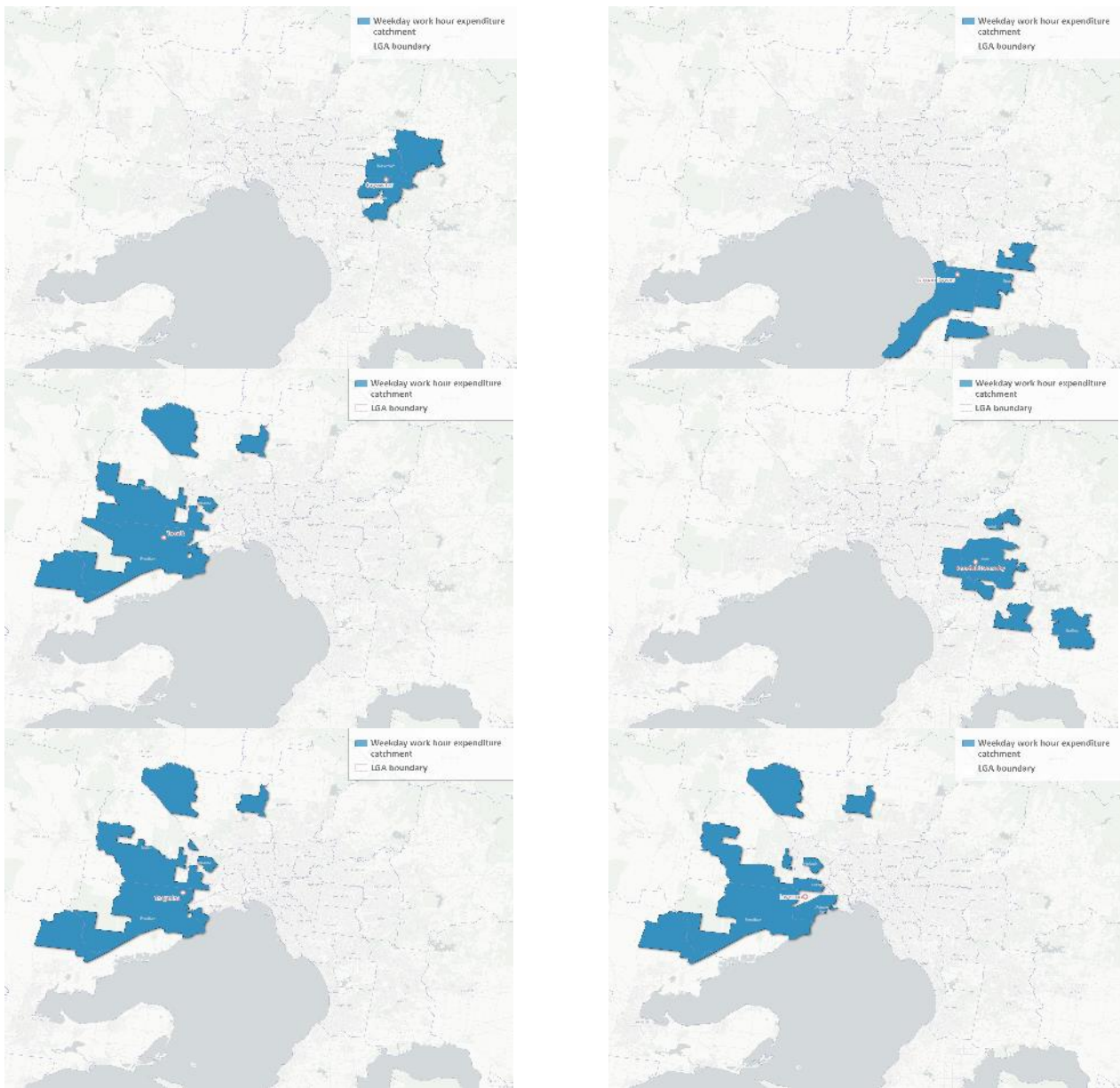


Figure 9: Residential Catchments of Weekday, Work Hour Expenditure in Sampled Precincts  
 Source: Spendmapp by Geografia, 2023. Catchments are restricted to the 80% percentile of the largest expenditure by suburb of origin. See the Appendix for further information on Spendmapp data.

Table 5: Estimated Internal Demand for Supportable Floorspace (2022 prices)

	Lower Bound	Mean	Upper Bound
Total Est. Expenditure (\$) - Bulky Goods	\$19,055	\$4,028,398	\$5,738,728
Total Est. Expenditure (\$) - Retail	\$7,475,896	\$41,608,324	\$70,316,006
Supportable Floorspace Demand (sqm) – Bulky Goods	0	1,350	1,900
Supportable Floorspace Demand (sqm) – Retail	900	4,400	7,400

Source: Geografia, 2023. Expenditure and supportable floorspace are estimated in 2022 dollars. The total estimated expenditure is derived by multiplying the total jobs in Croskell PSP (as listed by the SEEC report) with actual per capita expenditure for bulky goods and total retail (including Department Store & Clothing, Dining & Entertainment, Furniture & Other Household Goods, Grocery and Supermarkets, Personal Services, Professional Services and Specialised Food Retailing). Data is taken from a sample of employment precincts. Supportable Floorspace Demand is derived from dividing total estimated expenditure by turnover per floorspace assumptions by retail category.

As previously identified, sufficient aggregate demand exists to support the Croskell PSP. However, when factoring in the internal demand assessment, the full recommended provision of retail and bulky goods floorspace (as identified in Croskell PSP) will draw expenditure from neighbouring residential catchments and employment hubs. While still economically feasible, the provision of retail land uses must be considered considering strategic planning objectives, specifically:

- The location of bulky goods stores (e.g., whether they can be stand-alone or collocated into a specialized precinct)
- Local retail provision (whether drawing from residential catchments and/or other work locations and hubs) is appropriate.

Therefore, it is reasonable to say that providing retail floorspace of around 4,400 sqm (up to 7,400 sqm) may be appropriate as this will be sufficient to service the internal demand generated in the Croskell PSP.



### 3.4 Conclusion

Table 6 summarises the regional assessment and precinct-specific analysis by BLUC.

Table 6: Summary of Modelling Conclusions

BLUCs (sqm)	SEEC Report Proposed Floorspace Provisions of Croskell PSP (sqm)	Summary of key findings from regional analysis and precinct-specific analysis
Local services	30,000	Sufficient future demand to support this land use provision.
Freight & Logistics	40,000	Sufficient demand to support this land use provision. However, other important but non-quantifiable economic factors may impact viability (e.g., the importance of access to major transport networks and access to upstream/downstream providers in the transport supply chain). Consequently, other strategic locations with better access should be given priority.
Light Industrial	40,000	Sufficient future demand to support this land use provision.
Heavy Industrial	30,000	Sufficient future demand to support this land use provision. However, other important but non-quantifiable economic factors may impact viability (e.g., the importance of access to major transport networks and access to upstream/downstream providers in the transport supply chain). Consequently, other strategic locations with better access should be given priority.
Office	12,500	Sufficient future demand to support this land use provision.
Retail	15,000	The regional analysis finds sufficient demand to support this provision. However, the uncertainty about current and future floorspace Activity Centre provision limits the capacity to quantify the potential impact on neighbouring retail locations. While the 2017 SGS Casey Activity Centre report considers future floorspace demand, the analysis uses 2016 ABS Census data and is unlikely to capture the actual floorspace trends (particularly in a post-pandemic setting). Precinct site analysis suggests that providing 4,400 sqm of retail floorspace (potentially up to 7,400 sqm) would be adequate for internal demand and likely minimise the impact on nearby centres. Any proposed provision above this range will likely draw on surrounding residential catchments and expenditures from other work locations. Further investigation is recommended to evaluate the potential quantitative impact on existing and future activity centres close to the Croskell PSP.
Bulky Goods	6,000	The regional analysis finds sufficient demand to support additional floorspace provision of up to 57,000 sqm by 2041. This aligns with the Croskell PSP's recommended land use provision. However, the uncertainty about existing and future floorspace Activity Centre provision limits the capacity to quantify the potential impact on neighbouring locations. While the 2017 SGS Casey Activity Centre report considers future floorspace demand, the analysis uses 2016 ABS Census data and is unlikely to capture the actual floorspace trends (particularly in a post-pandemic setting).



BLUCs (sqm)	SEEC Report Proposed Floorspace Provisions of Croskell PSP (sqm)	Summary of key findings from regional analysis and precinct-specific analysis
		<p>Precinct site analysis suggests that providing 1,350sqm of floorspace (potentially up to 1,900sqm) would be adequate for internal demand and likely minimise the impact on nearby restricted retail centres.</p> <p>While demand exists to support more bulky goods floorspace provision, this will likely draw on surrounding residential catchments and/or expenditure from other work locations. Further work is recommended to evaluate its potential quantitative impact on existing and future bulky good locations outside the Croskell PSP. Notwithstanding these potential impacts, if the Croskell PSP is found to be a permissible location for the provision of a bulky good-focused restricted retail precinct (under planning considerations), a larger provision of bulky goods floorspace could be supported and one that services a wider catchment of residents and workers beyond the Croskell PSP.</p>
Institutional Anchors	25,000	<p>The regional analysis finds sufficient future demand to support this land use provision. However, other important but non-quantifiable economic factors may impact viability (e.g., the importance of institutional anchors to be collocated with other regionally important services, major activity centres, employment hubs and public transport nodes).</p> <p>Consequently, other strategic locations with better access should be given priority.</p>

## 4.0 Recommendations

The proposed total floorspace recommendations for Croskell are 591,000 sqm, with a land use allocation encompassing office to heavy industrial. The following section presents the proposed land use allocation and site area requirements, as informed by the policy review and quantitative findings from the regional assessment and precinct-specific analysis.

### 4.1 Employment Land Implementation Plan

#### POTENTIAL SITE AND LAND AREA REQUIREMENTS

The peer review, regional assessment, and precinct site analysis support a proposed land use mix summarised in Table 7.

Table 7: Potential Land Use Mix, Croskell PSP

Land Use	Floor Area (sqm)	Total NSA (Ha)*	Total NDA (Ha)*	Imputed Total Jobs*
Office	12,500	1.25	1.56	500
Local Services	30,000	3.00	3.75	600
Institutional Anchors	-	0.00	0.00	0
Retail	4,400 - 7,400	2.47	3.08	147 to 247
Bulky Goods Retail	15,000 - 35,000	7.00	8.75	250 to 583
Light Industrial	205,352	41.07	51.34	2,054
Freight and Logistics	172,281	43.07	53.84	861
Heavy Industrial	129,211	32.30	40.38	861
<b>TOTAL</b>	<b>591,744</b>	<b>130.16</b>	<b>162.70</b>	<b>5,706</b>

This provides a summary of the associated site and land use requirements. \* Note, imputed total jobs have been estimated by applying SEEC Report Job to Floorspace ratios (medium scenario), as assessed in the peer review. These estimates should be considered one possible trajectory of employment outcomes, subject to the determined land use allowances assumed in Croskell PSP. Total NSA and Total NDA have been derived from floorspace to area assumptions, as informed by case study analysis (refer to Appendix A). These figures are based on the upper end of the retail & bulky goods floor area ranges. If the lower end of the range is adopted, the floor area would be reallocated to industrial, freight & logistics land uses, and the respective NSA, NDA and Job figures would be adjusted accordingly.

#### POTENTIAL SPATIAL LAYOUT OF LAND USES

The following factors will influence the optimal spatial layout of land uses within the Croskell PSP.

1. Croskell's designation as a 'Regionally Significant Commercial Area - Business Precinct' under State policy



State policy envisages that the Croskell Precinct will emerge over time as a 'business centre' for the wider region (Southern LUFP, p. 35) and that it will include a business hub that could potentially offer specialist business services, conferencing, accommodation, recreation, entertainment and some limited retail services.

The optimal spatial layout of land uses within Croskell should enable the creation of an identifiable business hub within the precinct.

2. Preservation of the Thompsons Road interface for commercial uses that will commercially benefit from the visual exposure to passing traffic.

As Thompsons Road is a primary arterial route, it is assumed that access to the precinct will be limited to manage traffic and safety on Thompsons Road. The accessibility benefits to industrial freight/logistics from direct frontage to Thompsons Road will be limited. Appropriately designed commercial uses that consider activation of street frontage, car park design, location, and access would benefit commercially from Thompsons Road frontage.

3. Potential for creating residential development in the southern part of Croskell and the need to ensure a land use buffer/transition between this use and any industrial uses with adverse amenity potential.

State policy envisages that some of the land within the Croskell PSP will be developed for residential purposes. Designating the land in the southern parts of the PSP area for this purpose will ensure integration with existing residential neighbourhoods further south and maximise the separation between residential and industrial/freight activities along Thompsons Road. The existing powerline easement and proposed drainage corridor will provide a separation distance to the proposed residential land to the south of the precinct. There is also potential to designate 'light' industry uses in the precinct's southern part, supporting uses with less potential to impact residential amenity.

4. Other site-based opportunities and constraints including the existing powerline easement, drainage and waterways, and the extension of Casey Field Boulevard through the precinct.

The existing powerline easement will assist in creating a physical separation between residential uses, and industrial/freight land uses further north within the precinct. While it is impossible to construct buildings in this easement, opportunities exist to use land within it for activities that can support the function and amenity of the precinct.

The drainage and waterways within the easement create opportunities to establish a high environmental and aesthetic standard for the precinct. Opportunities exist for land uses that can benefit from an outlook and access to these features to be located adjacent to the drainage and waterway assets. In particular, opportunities exist for these features to become an integral feature of the Croskell business hub.

The extension of Casey Field Boulevard through the precinct will substantially enhance its accessibility and connectivity to residential neighbourhoods across the Casey growth area. The axis of Casey Fields Boulevard and Thompsons Road can become a physical and functional gateway for the Croskell business hub, and the proximity of this road to the waterways creates significant opportunities for place-making within this potential future hub.





5. The need to plan for the evolution of land use and development within the Croskell PSP area over the medium and long term.

State policy recognises the need for population-servicing industries in the early phases of the development of the growth area ('Horizon 1' growth) as well as the transformation of the precinct over the longer term to potentially support higher-order knowledge based jobs ('Horizon 2' and 'Horizon 3' growth). These Policies require that the Croskell PSP preserve opportunities to accommodate medium and longer-term industrial and commercial development typologies (Growth Corridor Plan, Section 3.3; Southern LUPP, page 31, SEEC Precinct Dashboard, page 22).

The SEEC Strategy calls for the application of an urban structure that allows for change and intensification of land use over time (for example, the redevelopment of large warehouses or industrial sites for office or institutional uses).

It recommends that employment PSPs identify strategic land parcels that can be initially developed as larger holdings and then redeveloped over the long term to cater for future higher-order employment needs as the wider South Eastern regional economy matures. It also recommends that the shorter-term need for smaller industrial lots be accommodated in locations that avoid heavily fragmenting the most strategic locations within employment precincts (SEEC report, p. 71).

This is conceptually illustrated in Figure 10, extracted from the SEEC report.

The factors outlined above can be brought together in an urban structure for the Croskell PSP that rationally integrates each policy and site-based opportunities and challenges.

To support the evolution of use and development within the precinct, there are opportunities for the PSP to support larger landholdings along northern and eastern parts of the precinct and to facilitate the intensification of these lots over time to support the transition to regional business precinct connected to the Thompsons Road Business Corridor.

This approach is supported by the Casey Planning Scheme for regionally significant industrial land-Metropolitan Melbourne (Clause 17.03-3R), which supports the transition from manufacturing land uses to other employment uses in strategically identified areas well connected to transport networks.<sup>7</sup>

<sup>7</sup> <https://planning-schemes.app.planning.vic.gov.au/Casey/ordinance/17.03>



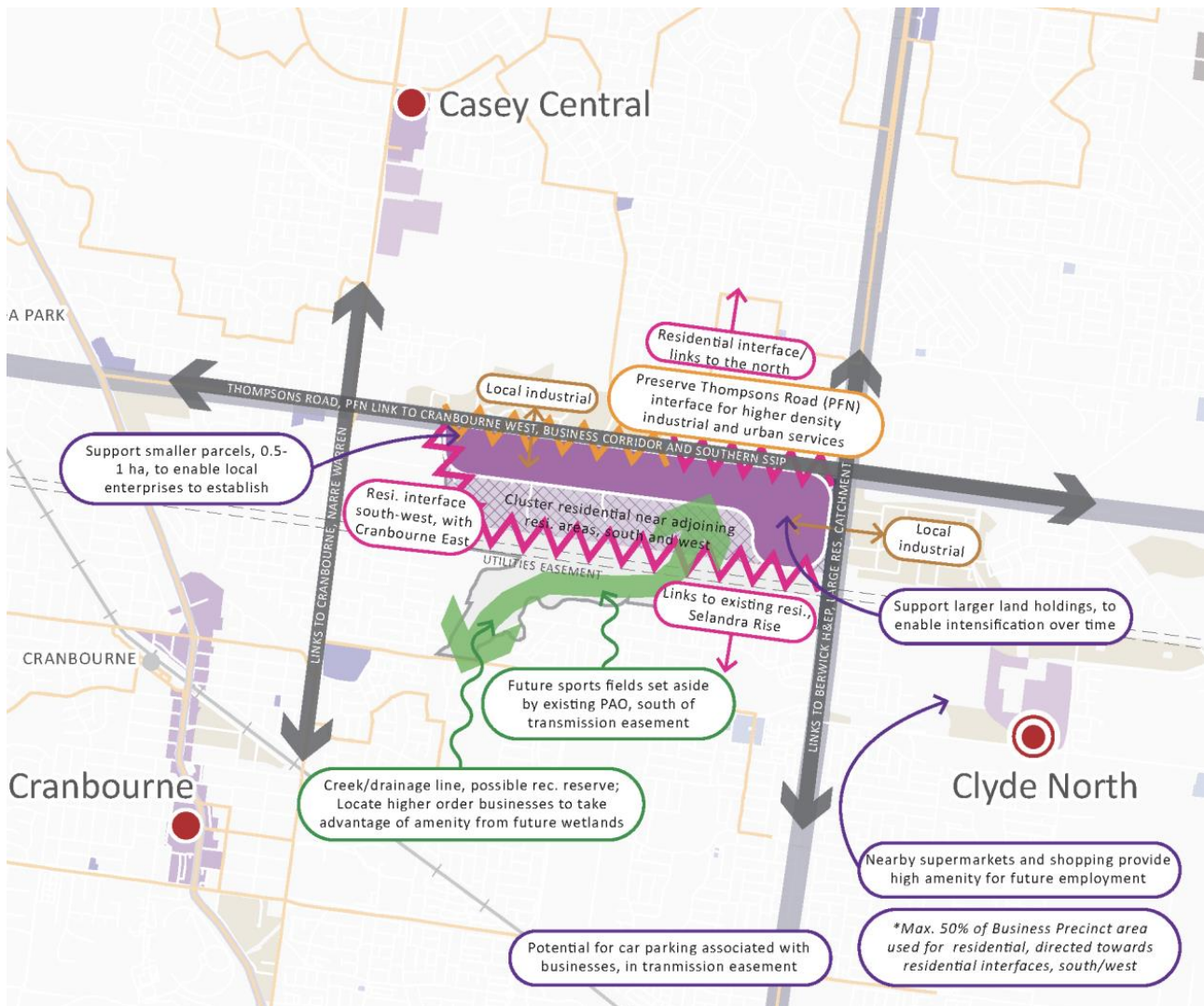


Figure 10: Conceptual Illustration of Potential Urban Structures

Source: SEEC report. This shows the potential urban structures which support longer-term renewal and intensification of industrial land.

## LAND USE ZONING OPTIONS

Table 8 summarises the relative alignment of the zone purpose to support the land uses outlined in Table 7. The potential zone options are discussed further below.

Table 8: Potential Land Use Mix, Croskell PSP

**LEGEND**

Preferred



Potential option

Not recommended  
due to proximity to

Land Uses	Office	Services	Retail	Bulky Goods	Light Industrial	Freight & Logistics	Heavy Industrial
<b>Industrial 1 Zone</b>							
To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner that does not affect the safety and amenity of local communities	X	X	X	X			
To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner that does not affect the safety and amenity of local communities.	X	X	X	X			
<b>Industrial 2 Zone</b>							
To provide for manufacturing industry, the storage and distribution of goods and associated facilities in a manner that does not affect the safety and amenity of local communities.	X	X	X	X			
To promote manufacturing industries and storage facilities that require a substantial threshold distance within the zone's core.	X	X	X	X			
To keep the core of the zone free of uses suitable for location elsewhere to be available for manufacturing industries and storage	X	X	X	X			



Land Uses	Office	Services	Retail	Bulky Goods	Light Industrial	Freight & Logistics	Heavy Industrial
facilities requiring a substantial threshold distance as needed.							
<b>Industrial 3 Zone</b>							
To provide for industries and associated uses in specific areas where special consideration of the nature and impacts of industrial uses is required or to avoid inter-industry conflict	X	X	X	X			
To allow limited retail opportunities, including convenience shops, small-scale supermarkets and associated shops in appropriate locations	X	X	X	X	X	X	X
To ensure that uses do not affect the safety and amenity of adjacent, more sensitive land uses	X	X	X	X			
<b>Commercial 1 Zone</b>							
To create vibrant mixed-use commercial centres for retail, office, business, entertainment, and community uses					X	X	X
To provide for residential uses at densities complementary to the role and scale of the commercial centre	X	X	X	X	X	X	X
<b>Commercial 2 Zone</b>							
To encourage commercial areas for offices, appropriate manufacturing and industries, bulky goods retailing, other retail uses, and associated business and commercial services					X	X	X
To ensure that uses do not affect the safety and amenity of adjacent, more sensitive uses							
<b>Commercial 3 Zone</b>							



Land Uses	Office	Services	Retail	Bulky Goods	Light Industrial	Freight & Logistics	Heavy Industrial
To provide for a range of industrial, commercial, office and other employment-generating uses which support the mixed-use employment function of the area							
To promote collaborative and high-quality working environments which support the area through good urban design and high-amenity, accessible and well-connected places							
To provide opportunities for limited retail uses which are complementary to the role and scale of the area							
To provide the option for limited residential uses that do not undermine the primary employment and economic development focus of the zone				X	X	X	X
<b>Mixed Use Zone</b>							
To provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality				X	X	X	X
To provide for housing at higher densities							
To encourage development that responds to the existing or preferred neighbourhood character of the area	X	X	X	X	X	X	X





## Office and Local Services

The SEEC report defines **local services** as including primary and secondary education, lower-level health, social and community services, trades construction, and other 'nomads'.

In the context of the Croskell PSP, the trade construction services are likely to be catered for in manufacturing, warehouse, and office/warehouse buildings within industrial zones.

The population serving health, social and community service uses, and many other local services are expected to occur within office buildings. For this reason, these types of local services and other Office uses have been considered together in considering what zones to apply to land identified primarily for these uses.

An office building is 'as of right' in the C1, C2 and C3 zones. Of these zones, the C2 zone is considered the 'best fit' for office and local services, given that its purpose is to encourage commercial areas for offices alongside manufacturing and industries and associated business and commercial services.

The C1 zone is intended to cater for a wider range of land uses (including residential use) and is intended to apply to activity centres. Croskell does not intend to include an activity centre under the state or local policy framework.

The C3 zone supports mixed-use employment in high-amenity, accessible and well-connected places. While the Croskell PSP will aspire to create both high amenity and good accessibility, this location is not likely to have the level of amenity and PT accessibility required to support the types of enterprise activity envisaged by this zone.

## Retail

State and local policy support the creation of limited convenience retail to complement the commercial and industrial activities within the Croskell PSP area. The economic analysis in this report envisages that the workforce size within the precinct could reliably support 4,400-7,400 sqm in the long term (as outlined in the previous SEEC report).


The C2 zone is considered the 'best fit' for the type of retail services envisaged in policy for the Croskell PSP. Under this zone:

- A supermarket is 'as of right' so long as the leasable floor area does not exceed 1800 square metres, and the adjoins, or has access to, a road in a Transport Zone 2 or a Transport Zone 3
- A shop is 'as of right' if it adjoins, or is on the same land as, a supermarket and if the combined leasable floor area for all shops adjoining or on the same land as the supermarket does not exceed 500 square metres.

Enabling a small supermarket and limited shop uses to establish 'as of right' is consistent with the policy aspirations for the Croskell PSP.







To provide greater certainty that any retail uses in Croskell would not evolve into an activity centre over time, it is recommended that a floorspace cap be applied to land within the Croskell PSP under the UGZ Schedule.

### *Bulky Goods Retail*

The State supports the creation of limited bulky goods (restricted retail) within the Croskell PSP area. The analysis in this report estimates 15,000 sqm of restricted retail floorspace might be appropriate within the PSP.

The C2 zone is considered the 'best fit' for the type of retail services envisaged in policy for the Croskell PSP, given the zone purpose and the 'as of right' status of restricted retail uses under this zone.

To provide greater certainty that any restricted retail uses in Croskell did not become larger than envisaged under the local activity centre framework, it is recommended that a floorspace cap be applied to land within the Croskell PSP under the UGZ Schedule.

### *Light Industrial*

The SEEC report defines light industry as including uses such as car service and repair; joinery, construction and building supplies; and domestic storage, and 'small scale production with lower noise and emission levels than heavy manufacturing'.

The planning scheme does not define 'light industry' but contains policies, zones and threshold distance requirements (clause 53.10) to ensure that industrial uses with adverse amenity impacts are properly located, designed and managed.


Of the available industrial zones, the IN3 zone is considered the 'best fit' for the type of light industrial uses envisaged in policy for the Croskell PSP, given the zone purpose and the 'permit required' status of industrial uses under this zone. The planning permit process will provide a mechanism to ensure that industrial uses within areas designated for light industrial purposes are appropriate regarding the proximity of any such use to nearby sensitive uses.

### *Freight & Logistics/Heavy Industrial*

The SEEC report defines 'heavy industry' as being large-scale production activity that is 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.

The planning scheme does not define 'heavy industry' but contains policies, zones and threshold distance requirements (clause 53.10) to ensure that industrial uses with adverse amenity impacts are properly located, designed and managed.





Of the available industrial zones, the IN1 zone is considered to be the 'best fit' for the type of industrial uses that are expected to be located within the Croskell PSP, given the zone purpose and the fact that such uses are only 'as of right' if the relevant threshold distances of Clause 52.10 are satisfied.

The planning permit process for uses that do not satisfy the relevant threshold distances will provide a mechanism to ensure that industrial uses within areas designated for industrial purposes are appropriate, regarding the proximity of any such use to nearby sensitive uses.

Further, the IN2 zone was not considered an option for the Croskell PSP, given that its purpose is to (inter-alia) promote manufacturing industries and storage facilities that require a substantial threshold distance within the core of the zone. The size, location and context of the Croskell PSP are not considered suitable for larger heavy industries that require substantial threshold distances.

## DEVELOPMENT SITING AND DESIGN TOOLS

This section considers potential siting and design tools that could be used to ensure that the future development of land uses across the precinct achieves the policy aspirations for a high-quality, regionally significant business precinct.

Table 9 summarises the potential planning tools that could be used across different parts of the Croskell PSP.



Table 9: Proposed Planning Tools

Land Uses	Office	Services	Retail	Bulky Goods	Light Industrial	Freight & Logistics	Heavy Industrial	Waterway Interface	Powerline Easement	Residential interface
Croskell PSP										
Future Urban Structure, Employment Plan & land budget*										
Design Requirements										
Design Guidelines										
UGZ Schedule										
Concept Plan Requirement										
SUZ Schedule										
Casey industrial design guidelines										
Employment Land Design Guide 2022										
Restricted Retail Design Guide 2023										

\*Note: to guide the application of the zones and inform the spatial extent of each land use



# Appendix A: Case Studies

The following case studies are included to inform the recommendations.

## 15 Vaughan Street Essendon Fields VIC

### Key site location features:

**Land use:** Used for business services in a commercial, light industrial and aviation precinct with a multistorey business and industrial park typology.

**Location:** Located close to a transport gateway airport (Essendon Airport) as well as the regionally significant industrial precinct near Airport West.

**Freight:** Located within a Principal Freight Network Place (Essendon Airport) and next to Principal Freight Network Roads (Tullamarine Freeway and the Calder Freeway).

**Public transport:** Low public transport accessibility (Chapter 06: Integrated Transport Western Metro Regional LUPF).

**Catchment opportunities:** Significant pipeline of housing delivered through redevelopment, including nearby urban renewal areas (Airport West and Niddrie-Keilor Road) with the potential to deliver affordable housing servicing the local labour force. Located next to and within the Principal Freight Network.

**Access to amenity and services:** Poor accessibility to amenity and services and open space. Poor walkability. Near to Niddrie-Keilor Road and Airport West Major Activity Centres for amenity and services.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form
4,048.91	2,602.19	64.27%	3 Storeys



## 44 Waterloo Road Macquarie Park NSW

### Key site location features:

**Land use:** Macquarie Park is a Health and Education Precinct, containing a university and hospital. The area is also a major employment hub with the largest non-CBD office market in Australia. The site is situated in a business park urban typology with multistorey, separate buildings containing knowledge-intensive and industrial employment uses.

(North District Plan, Greater Sydney Commission, 2018)

**Freight:** The site is close to the Hills Motorway and Lane Cove Road which help connect Macquarie Park with regional and nationally significant freight routes from Brisbane to Melbourne.

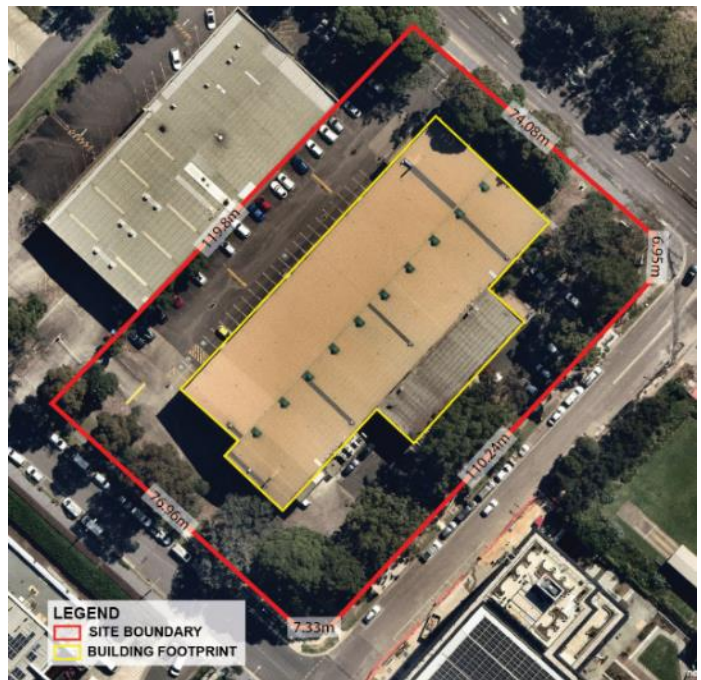
(North District Plan, Greater Sydney Commission, 2018)(Future Transport Strategy 2056, Transport for NSW, 2000)

**Public Transport:** Good public transport accessibility.

The site is very close to the Macquarie Park Metro Station and bus links.

(North District Plan, Greater Sydney Commission, 2018).

**Access to amenity and services:** The site has limited access to quality open space. A small creek reserve, cemetery and Lane Cove National Park are accessible within a 20-minute walk, however the large grain street network and prominence of high volume roadways limit the amenity of accessing these open spaces.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form
9,467.24	3,556.42	37.57%	2





## 9 Ambrose Avenue Cheltenham VIC

### Key site location features:

**Land use:** Medium density, attached, two storey light industrial and commercial typology containing business services, light industrial and food and beverage preparation uses.

**Location:** Located within a regionally significant industrial precinct. Located in proximity to Cheltenham town centre and Westfield Southland.

**Freight:** Located close to a Principal Freight Network Rail line (Caulfield - Frankston).

**Public transport:** Low to medium public transport accessibility (Chapter 06: Integrated Transport South East Metro Regional LUPF).

**Catchment opportunities:** Located in proximity to some nearby urban renewal areas (Cheltenham-Southland, Sandringham) with the potential to deliver affordable housing servicing the local labour force.

**Access to amenity and services:** Access to amenity and services in Cheltenham. Some open space is accessible within a 15 minute walk.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form
6,187.06	3,210.57	51.90%	



## 308 Cooper Street Epping VIC (Bunnings)

### Key site location features:

**Land use:** Large Format Retail

**Location:** Located within an existing- State Significant Industrial Precinct (Northern Industrial Precinct)

**Freight Network:** Located with good accessibility to key regionally freight: Principal Freight network including Hume Fwy providing connections to key location in the north growth corridor (Epping Market and interstate connections)

**Catchment opportunities:** Significant access to local market. Good access to Freight networks.

**Public Transport:** Medium public transport accessibility (Chapter 06: Integrated Transport Draft southern Metro Land Use Framework Plan)

**Access to amenity and services:** Within close proximity to Epping Metropolitan Activity Centre and services



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form (storeys)
39,206.53	17,419.77	44.43%	1 (warehouse format)

## 19-33 Murray Road Preston VIC (Various Large Format Retailers)

### Key site location features:

**Land use:** Large Format Retail

**Location:** Located within the La Trobe NEIC and within the Northland Major Activity Centre commercial precinct (Plan Melbourne, 2017).

**Freight Network:** Has good access to a Principal Freight Network Road (Bell Street), providing east-west connections.

**Catchment opportunities:** Located close to significant urban regeneration sites with the potential to deliver affordable housing servicing the local labour force. Located within a suburban residential consumer market.

**Public Transport:** Medium to high public transport accessibility and close to the strategic cycling corridor and principal bicycle network (Chapter 06: Integrated Transport Draft Northern Metro Land Use Framework Plan).

**Access to amenity and services:** Located within the Northland Major Activity Centre and located close to the Preston-High Street and Heidelberg Major Activity Centres. Good access to high amenity open space nearby.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form (storeys)
58,767.5	29,843.21	50.78%	1 (large format)

## 52 Bakers Road Coburg VIC (CONO Business Park)

### Key site location features:

**Land use:** Warehouse/Offices

**Location:** Located within a Regionally Significant Industrial Precinct in North Coburg. Identified as a Core Industry and Employment Area

**Freight:** Accessible to key regionally significant transport gateways: Principal Freight network (Bell Street, link to Melbourne Airport), Limited access to Rail Principal Freight network

**Public Transport:** Medium public transport accessibility (Chapter 06: Integrated Transport Draft southern Metro Land Use Framework Plan)

**Catchment opportunities:** Significant pipeline of housing delivered through redevelopment, including nearby urban renewal areas (Pentridge, Coburg) with the potential to deliver affordable housing to service local customer base.

**Access to amenity and services:** Strong local open space network. Accessible to Coburg Major Activity Centre.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form
14,830.51	7,392.2	49.84%	2 Storeys



## 45 Bennet Drive Altona North VIC (Millers Junction- Business Park)

### Key site location features:

**Land use: Warehousing and office space, showrooms**

Located within an existing- State Significant Industrial Precinct (Western Industrial Precinct)

**Freight Network:** Located near the Altona and Laverton Intermodal Terminal. Excellent accessibility to Principal Freight network including Princess Fwy, West Gate Fwy, Western Ring Road providing connections to the Sunshine NEIC, Fishermans Bend NEIC, Melbourne Airport, Port of Melbourne.

**Catchment opportunities:** Significant pipeline of housing delivered through redevelopment, including nearby urban renewal areas (Altona North Comprehensive Development Precinct) with the potential to deliver affordable housing to service local labour force. Access to regional freight network

**Public Transport:** Medium public transport accessibility (Chapter 06: Integrated Transport Draft southern Metro Land Use Framework Plan)

**Access to amenity and services:** Within close proximity to local sports reserves and open space.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form
21,466.89	8,468.58	39.45%	2 Storeys

## 100 Logis Boulevard, Dandenong South VIC (NSK Headquarters Australia)

### Key site location features:

**Land use:** Medium sized manufacturing, warehousing, office.

**Location:** Located within Dandenong NEIC/State Significant Industrial Precinct. The precinct is supportive of range of industrial activities including freight and logistics, light manufacturing, service industry, storage facilities, business parks and offices and large format retailing.

**Freight Network:** Accessible to Principal Freight network (Thompsons Road, Westernport Hwy/ Post of Hastings)

**Public Transport:** Very low public transport accessibility (Chapter 06: Integrated Transport Draft southern Metro Land Use Framework Plan)

**Catchment opportunities:** Significant pipeline of housing delivered through redevelopment, including nearby urban renewal areas (Dandenong NEIC) with the potential to deliver affordable housing servicing local labour force.

**Access to amenity and services:** Minimal access to high amenity open space. Good access to Dandenong Town Centre.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Building Site coverage	Built form (storeys)
6,653.76	3,341.86	50.23%	2

## 12 Bambra Crescent Cranbourne West VIC (Multiple small format tenants/owners)

### Key site location features:

**Land use:** Small Format Office and Manufacturing

**Location:** Located within a Regionally Significant Industrial Precinct in south growth area (Cranbourne West PSP)

**Freight Network:** Accessible to Principal Freight network (Thompsons Road, Weston Port Hwy/Hastings).

**Public Transport:** Very low public transport accessibility (Chapter 06: Integrated Transport Draft southern Metro Land Use Framework Plan)

**Catchment opportunities:** Access to customer base via principal freight networks

**Access to amenity and services:** Minimal access to high amenity open space.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form (storeys)
44,72.77	2,546.62	56.94%	2





## 247 – 263 Greens Road Dandenong VIC (Various retail, offices, Medical and consulting suites)

### Key site location features:

**Land use:** The precinct is supportive of range of commercial and retail activities including business, medical and pathology, hospitality and retail uses within a multistorey business and industrial park environment.

**Location:** Located within the Dandenong NEIC/State Significant Industrial Precinct.

**Freight:** Close to Principal Freight Network Roads (East Link, Greens Road and Dandenong Bypass) and a nearby Principal Freight Network Rail line (Dandenong – Cranbourne).

**Public transport:** Very low public transport accessibility.

**Catchment opportunities:** Significant pipeline of housing delivered through redevelopment, including nearby urban renewal areas (Dandenong NEIC) with the potential to deliver affordable housing servicing local labour force.

**Access to amenity and services:** Some access to open space (Dandenong Creek, park next door, reserve within walking 15-minute distance). Contains some health services and potential amenity. Poor access to Dandenong Town Centre. Poor walkability.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form (storeys)
24,217.48	7,921.87	32.71%	Up to 3

## 1/45 Bennet Drive Altona North VIC (Range of Retail Uses)

**Land use:** Located within a state-significant industrial precinct on the edge of residential land uses.

**Location:** The precinct is supportive of a range of hospitality and convenience food outlets, standard and 'big box' retail contained within a conventional suburban shopping centre typology.

**Freight network:** Close to a Principal Freight Network Road (Kororoit Creek Road) and Principle Freight Network Rail line (Altona Loop – Laverton).

**Public Transport:** Medium public transport accessibility. Close to strategic cycling corridor.

**Catchment opportunities:** There is a major housing renewal project in proximity to the site with the potential to deliver affordable housing servicing the local labour force.

**Access to amenity and services:** There is some access to open space. Within proximity to amenities and services in the Altona North town centre.



Site area (m <sup>2</sup> )	Building footprint (m <sup>2</sup> )	Site coverage	Built form (storeys)
56,527.77	18,238.83	32.27%	1



## Appendix B: Bank Transaction Data

Spendmapp, a bank transaction data application operated by Geografia, has underpinned the precinct-specific analysis. The data is based on anonymised transaction information and includes the following:

- Cardholder by suburb of origin (place of residence)
- Merchants by the suburb of location
- Merchant by Merchant Category Code (MCC) (aggregated to one of 22 categories of expenditure)
- Time of transaction (for this exercise, it is aggregated to monthly transactions).
- The actual nominal dollar value of transaction.

Spendmapp data draws on terminal transactions, which are then weighted to account for non-card and cash transactions. This is done using a weighting schema based on the Reserve Bank of Australia the latest biennial cash-non-cash transaction survey.

Spendmapp data for selected metropolitan Melbourne LGAs and suburbs has been used in this study to define the actual retail, bulky goods, and other cardholder catchments that account for 80% of the total volume of transactions.

It's also important to note that the Spendmapp data does not rely on ABS Household Expenditure survey-based micro-simulated datasets. Instead, it draws on actual and nominal dollar values. Expenditure datasets based on ABS-household survey micro-simulated methodologies estimate household expenditure at the household's residence location (e.g., postcode, SA2, LGA, etc.). They do not provide an indication of spending patterns at the location of expenditure. Consequently, land use assessments based on this data rely on assumptions about spending catchments and the location of spending.

As Spendmapp contains the actual location of residence, location of expenditure and time of the expenditure, any analysis based on this data uses the actual spending location. In the case of this study, Spendmapp data was used to identify benchmark spending patterns during work day (daytime) hours for benchmark employment hubs across Greater Melbourne. In turn, this was used to inform the minimum retail floorspace required to service the internal demand of future workers in Croskell PSP.



# Appendix C: Casey Fields South Employment PSP

Table 10 shows growth in floorspace demand by land use type, alongside the floorspace provisions of the Casey Fields South Employment PSP and the imputed share of the PSP to floorspace demand growth. The analysis finds sufficient growth in floorspace demand to support the floorspace provisions in 2031 and 2041 across all land use categories.

Table 10: Casey Fields Sth Empl. PSP Floorspace Provisions and Demand Growth (2031, 2041)

BLUCs (sqm)	SEEC Report Proposed Croskell and Casey Fields PSP Floorspace Provisions	2021-2031		2021-2041	
		Imputed % Share of PSP to Floorspace Demand Growth	Forecast Growth in Floorspace Demand (sqm)	Imputed % Share of PSP to Floorspace Demand Growth	Forecast Growth in Floorspace Demand (sqm)
Local services	60,000	30%	198,814	14%	438,544
Freight & Logistics	160,000	33%	491,164	17%	943,994
Light Industrial	100,000	49%	205,721	22%	458,049
Heavy Industrial	75,000	94%	79,507	27%	276,611
Office	30,500	17%	181,732	9%	342,991
Retail	36,000	36%	100,967	17%	215,780
Bulky Goods	12,000	57%	20,984	21%	57,244
Institutional Anchors	50,000	25%	198,915	12%	420,956
<b>Total</b>	<b>524,500</b>	<b>35%</b>	<b>1,477,806</b>	<b>17%</b>	<b>3,154,168</b>

Source: Geografia, 2023, derived from Casey Fields South Employment PSP. The data outlines the imputed share of Croskell PSP Floorspace Provision (as derived from the SEEC Reports) compared with forecast growth in floorspace demand by BLUC.

