

CITY OF DAREBIN

Submission to

**DRAFT MELBOURNE INDUSTRIAL AND COMMERCIAL
LAND USE PLAN 2019 (DELWP)**

Executive Summary

The City of Darebin welcomes the opportunity to provide comment on the draft Melbourne Industrial and Commercial Land Use Plan (the Plan), released by Department of Environment, Land, Water and Planning on 1 November 2019.

Darebin acknowledges that clarity and certainty is needed around planning for employment land across Melbourne, particularly in the context of limited availability of industrial land in inner and middle Melbourne. In the City of Darebin, there is an ongoing need to provide employment opportunities to match the growing local labour market. The availability of well-located employment land is key to this, and the retention and protection of important industrial land is an underlying principle of the Darebin Economic Land Use Strategy (2014).

Council is generally supportive of the principles and strategies presented in the Plan, and the proposed planning framework for industrial and commercial land. As a metropolitan-wide strategy, the Plan reflects a high-level analysis of employment land supply and demand, and the strategic and economic characteristics of identified industrial precincts.

However, as the Plan proposes to effectively 'lock up' industrial areas identified as regionally significant, this designation needs to be justified by a robust and detailed analysis of local conditions in addition to an assessment of the broader regional and subregional context. Specifically, in the identification of industrial land in East Preston as regionally significant, the Plan is considered too high-level in its analysis and needs to better account for Darebin's local policy and fine-grained economic and land-use analysis, particularly for the area that forms the the Northland Urban Renewal Precinct (NURP). The consequence of preserving land for employment uses in this precinct is that Council is prevented from achieving its goals for NURP to become a new mixed-use suburb with housing and employment growth, consistent with adopted policy and strategic direction.

Darebin submits that the Plan should specifically include scope for Council to apply detailed planning to define the extent (boundaries) of the East Preston regionally significant industrial area, and to propose residential uses within this area, where Council can demonstrate it is strategically justified.

The following sections provide a fuller discussion of Council's general support and proposed improvements for the Plan.

Approach to planning for industrial and commercial land

Council is generally supportive of the proposed approach to planning for industrial and commercial land, to retain and protect key industrial and commercial land to support economic development and employment growth across Melbourne.

The metropolitan-wide analysis of industrial and commercial land will provide a more consistent and integrated approach to managing significant employment land across the City. It will reduce the ad-hoc encroachment of residential and mixed uses into significant industrial precincts, along with providing clear direction and certainty for Councils and businesses on the location of important employment precincts.

Commercial land

Council welcomes a greater emphasis on the employment role of commercial centres and zones in providing jobs, along with a proposed review of the Commercial 1 Zone. Key to this review should be to consider requiring a permit for residential uses in commercial areas to prevent the 'crowding out' of employment uses in activity centres. Giving local planning authorities greater discretion would provide for a more strategic and effective approach to the development of employment nodes within the activity centre network.

Council notes that the Plan estimates that Darebin will require an additional 272,600m² of commercial floorspace across its activity centres by 2031. As part of its future work program, Council's Strategic Planning Unit will undertake a detailed floorspace needs analysis as part of work to refresh the municipal Activity Centres Strategy. This strategy will provide a comprehensive view of the existing and future activity centres network in Darebin and guide the growth and change of centres over time to meet retail needs and provide access to services and employment for our growing population.

Industrial Land

The proposed hierarchical classification of employment land into state, regionally and locally significant industrial areas provides a useful framework for strategic planning.

However, there is little detail about how the criteria for regionally significant industrial precincts has been applied. For example, it is unclear how much weight is attributed to each criterion and what constitutes the threshold for indicators such as 'high levels of employment'.

Given the Plan proposes similar and significant restrictions on future land use change for regionally significant *and* state-significant industrial precincts, it is important that the methodology for classification is robust.

While the Plan provides a high-level analysis across metropolitan Melbourne, it lacks detailed consideration of the local context and characteristics which may be important in assessing the exact boundaries, along with the current and future role of regionally significant industrial precincts.

In the case of the East Preston Industrial Precinct (EPIP) and the Northland Urban Renewal Precinct (NURP) in particular, it is Council's position that its designation in the Plan does not adequately reflect Council's existing land use policy and strategic direction. The next section provides more detail on the Plan's alignment with local policy.

Alignment with Council policy and strategy

Council supports the proposed designation of West Reservoir Industrial Precinct as regionally significant as this is consistent with its identification as a Core Industrial Area in the Darebin Economic Land Use Strategy, 2014 (DELUS).

Council also supports the designation of all remaining industrial land in Darebin as locally significant and agrees that Council is best placed to strategically assess the optimal future uses in these areas.

Although DELUS identifies Fairfield Industrial Precinct as a Core Industrial Area, Council is comfortable with its classification as a local industrial precinct in the Plan, as Darebin's own industrial land use strategy will guide its future planning.

However, the proposed regionally significant designation for the East Preston Industrial Precinct (EPIP) does not adequately reflect Council's existing land use policy and strategy with respect to NURP, nor allow for Council's finer-grained understanding to influence the extent of industrial land that should be protected within the precinct.

Northland Urban Renewal Precinct

Local policy context

DELUS, an adopted Council Policy reflected in the Darebin Planning Scheme, recommends rezoning of part of the EPIP (bounded by Chifley Drive, Albert Street, Gower Street and Bell Street) to facilitate commercial and residential development, an area now forming the core of NURP. This is based on an analysis that identified significant parts of underutilised land in the area and relatively lower employment intensity.

The close proximity of the Preston Northland Major Activity Centre (Northland MAC), an identified regionally significant commercial centre, supports this direction – the Northland Shopping Centre is a major retail destination but would benefit from a greater diversity of employment and an increased local resident base.

Land use change in this part of EPIP has formed a key part of planning for NURP which constitutes a significant portion of the industrial area and is envisaged to accommodate a substantial future residential population and a greater diversity of employment.

The potential for future housing growth in NURP is also reflected in the Darebin Housing Strategy 2013-2017 and the Strategic Housing Framework Plan forming part of the Municipal Strategic Statement in the Darebin Planning Scheme.

Regional policy context

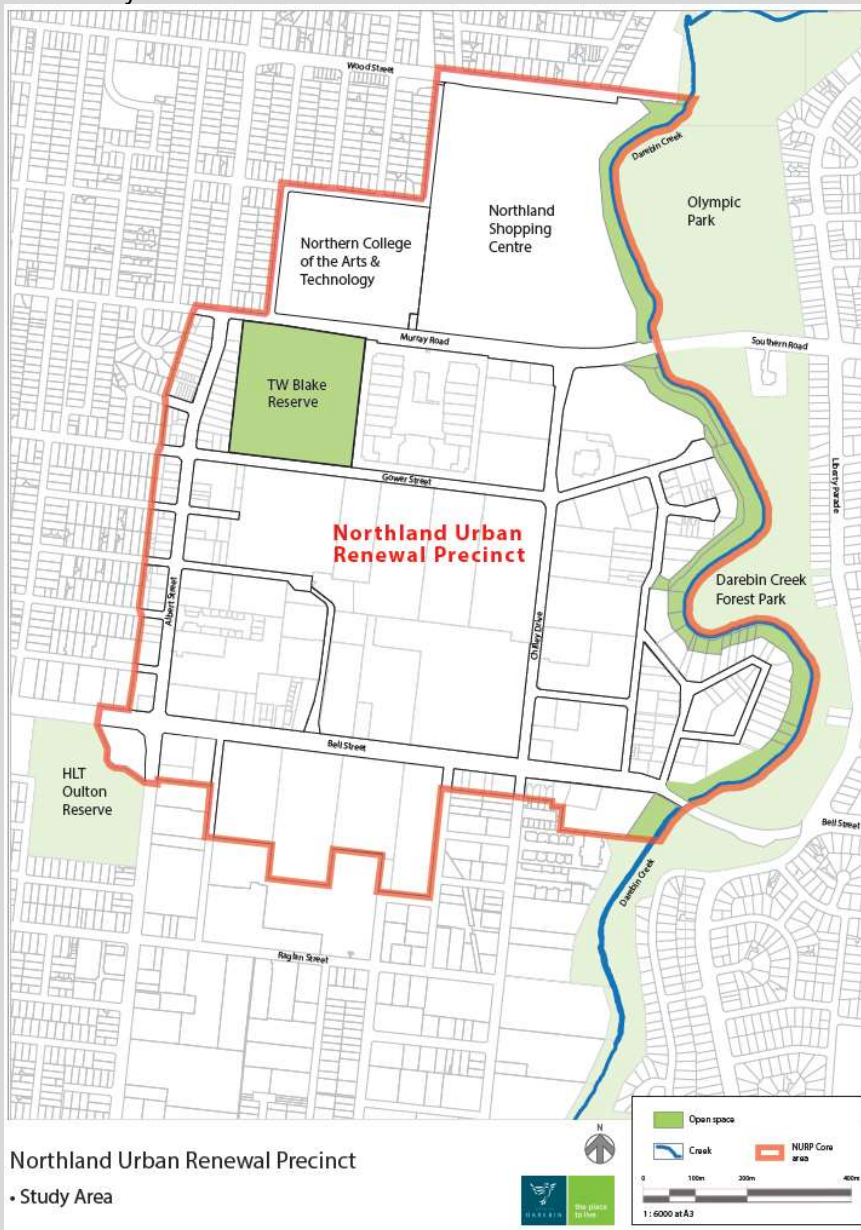
NURP is located within the boundaries of the La Trobe National Employment and Innovation Cluster (La Trobe NEIC) in Plan Melbourne, which proposes that land around the Northland Shopping Centre has significant capacity to accommodate new jobs and housing.

Further, the Draft La Trobe NEIC Draft Framework Plan, prepared by the Victorian Planning Authority, outlines a long-term vision for NURP which includes 'regeneration of parts of the industrial area ... to deliver a mix of affordable, diverse, well designed, higher density housing.'

Northland Urban Renewal Precinct

Located in East Preston, NURP includes the Preston Northland Major Activity Centre (Northland Shopping Centre) and the Northern College of the Arts and Technology (NCAT). Otherwise the precinct is generally bounded by Murray Road, Bell Street, Chifley Drive and Albert Street, with lots on the southern side of Bell Street also included. The area south of Murray Road forms part of the EPIP. Much of the area is within an 800m catchment of the Northland Major Activity Centre (Northland MAC), with the northern most locations (around Murray Road, Gower Street, Chifley Drive) benefiting from greatest proximity and potential synergies with the MAC.

NURP has been identified for increased employment and higher density housing to achieve a resilient economy and a diverse, sustainable, creative and healthy community.



Current economic studies for NURP

In 2017/18, Council undertook further economic work for the precinct to analyse the existing employment and economic context, future development scenarios and an action plan that will support realisation of preferred outcomes in the precinct.

This report finds that employment land will remain dominant in the precinct, and the needs of businesses in these sectors need to be considered. The Strategy forecasts that, although an increase in more office-based jobs in the precinct could occur, demand for industrial floor space is likely to persist. As industrial activities typically require more land, even with decline in the industry sector, land consumption will remain relatively high.

The study also notes that the Precinct's transport and access challenges reduce the extent to which the transport, warehousing and wholesale trade sectors are able to operate competitively within NURP, and retail and commercial uses will contribute strongly to jobs growth under a preferred modelling scenario (although taking up smaller land area).

Recently, Council has amended its project plan to include further economic studies to understand creative industries, urban manufacturing and remaining industrial demand in the area better. This work will consider retaining parts of the precinct within industrial or commercial zones, including the new Commercial 3 Zone.

Darebin Creative and Cultural Infrastructure Framework 2018

The Darebin Creative and Cultural Infrastructure Framework (January 2018) acknowledges the strong relationship between industrial zoned areas and cluster of creative spaces. The Framework identifies the importance of lower-rent industrial zoned areas to support creative industries and urban manufacturers (makers) and recommends retaining and enhancing emerging creative clusters in industrial precincts in Reservoir and in NURP (and the EPIP) south of Bell Street. The Framework also highlights the opportunities to support artists through the provision of affordable housing and live-work spaces within the broader NURP area.

Implications for NURP project

Contrary to Council's existing local policy, strict implementation of the proposed Plan's principles for NURP as a regionally significant industrial area that must be retained, may jeopardise rezoning that would allow residential uses within the Precinct. This would effectively eliminate the area as a mixed-use development opportunity.

This would restrict Council's ability to plan for the diversification of jobs, activities and housing around the Northland MAC, in line with its strategic location and place within the activity centres hierarchy. It could also have implications for Council's long term housing supply, as the area in and around the Northland MAC is identified for substantial housing change in Darebin's Housing Framework Plan.

Council does not seek to promote residential uses to the detriment of employment. Facilitating greater employment opportunities is a key objective of Council's NURP planning, as is the protection of currently operating industries. Council agrees that it is important to retain and protect employment and industrial land supply in metropolitan areas, most likely including parts of NURP.

Proposed changes to the Plan

There are parts of NURP, particularly closer to the Northland MAC, that are likely to be suitable for a mixed-use rezoning and Council requests a more nuanced approach to identifying boundaries of the proposed regionally significant industrial land.

The northernmost part of the NURP precinct is a key interface area, where the core industrial precinct adjoins to the Northland MAC, and major recreational assets including TW Blake Park

and the Darebin Creek. Transition to mixed-use would, improve the amenity and vibrancy of the activity centre, and meet housing growth objectives while maintaining the core industrial area.

The Darebin Planning Scheme identifies the precinct as a significant urban renewal opportunity, with strong policy support to encourage substantial housing development in proximity to the Northland MAC.

Council has also undertaken significant strategic work and community consultation over the years on the vision for the urban renewal area to provide up to approximately 10,000 jobs and 20,000 homes, along with numerous technical studies to inform a precinct structure plan.

The Plan should specifically include scope for Council to apply detailed planning to define the extent (boundaries) of the East Preston regionally significant industrial area identified for retention and protection, and to propose residential uses within this area where Council can demonstrate it is strategically justified.

Council welcomes the Plan's support for the consideration of the application of Commercial 3 Zone within regionally significant and local industrial precincts, where justified. The location and form of some of Darebin's traditional industrial areas are conducive to the growth of creative industries, small/boutique manufacturers and start-ups; businesses that may benefit from a mixed-use environment allowing limited residential uses. The Plan should further highlight the importance of lower-rent industrial areas to support creative industries and urban manufacturers (makers) in Darebin.