



***MORELAND  
INDUSTRIAL  
LAND USE  
STRATEGY***

Prepared by  
**Hansen Partnership**  
*and*  
**National Economics**  
for Moreland City Council  
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*Council adopted this version of the Moreland Industrial Land Use Strategy in August 2004. It is based on the draft provided to Council by Hansen Partnership Pty Ltd and National Economics Pty Ltd April 2002, the public exhibition version dated June 2002 and the version adopted by Council in November 2002. Changes have been made based on further work following the recommendations of the C27 Planning Panel and other editing changes.*



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# **1 INTRODUCTION**

## **1.1 The Purpose of this Strategy**

The purpose of this strategy is to provide:

- an understanding of the pressures affecting industrial zoned land in the City of Moreland;
- insight into the future outlook for existing industries in Moreland as well as for possible new employment related uses; and
- clear direction to Council and the community about the long term planning, zoning and redevelopment of land that is presently included in Industrial 1 and 3, Business 3 and 4, and Mixed Uses Zones throughout the municipality.

***The purpose of this study is to provide...***

***... clear direction about the long term planning and zoning of industrial land throughout Moreland***

Whilst the project largely involves the preparation of a land use strategy, directions for possible economic development initiatives that were derived throughout the course of the project are also presented in the document.

## **1.2 The Need for this Strategy**

Traditionally Moreland has had a strong industrial and manufacturing base, and even now retains one of the largest concentrations of textile clothing and footwear (TCF) industries in Australia.

However substantial restructuring of industry, particularly the TCF sector, has seen many factories and businesses close or relocate from the municipality. This has resulted in a considerable loss of local jobs, negative impacts on the local economy, and the existence of vacant and underutilised land throughout industrial areas.

New metropolitan transport infrastructure, such as the Metropolitan Ring Road and City Link, have changed accessibility patterns in Melbourne. They have made new fringe industrial areas more accessible to the wider metropolitan region than central suburban locations such as Moreland. These changes have also had an impact on the attractiveness of Moreland as a place for industry to locate.

Further, the population of the municipality has changed. The population was traditionally blue collar and relied heavily on local factories and industries for employment. Residents are now better educated, have higher skill levels and are increasingly employed in non-industrial sectors of the economy. This is especially the case in the southern parts of Moreland.

Melbourne's medium density housing boom of the past few years has resulted in significant pressures to rezone industrial land in the southern parts of the municipality for residential purposes. Industrial premises are being purchased by speculators on the anticipation of residential rezonings.

***Melbourne's medium density housing boom of the past few years has resulted in significant pressures to rezone industrial land in the southern parts of the municipality for residential purposes.***



***Council is committed to retaining a strong local economy and local employment opportunities.***

This is adding to the pressure to close or relocate existing industrial operations.

Council is committed to retaining a strong local economy and local employment opportunities. It sees maintaining an appropriate industrial base as vital to this objective. Council is also committed to providing local employment suited to the needs of its residents, especially those on low incomes and with lesser education and skill levels.

Council undertook a number of studies regarding industrial land as part of the introduction of its new format planning scheme in the late 1990s. Numerous requests to rezone industrial land for residential purposes were considered by the Panel that reviewed the new format scheme. Given the pressures confronting Council to rezone industrial land for residential purposes, one of the key recommendations of the Panel was that Council undertake an evaluation of the cumulative impact of the proposed rezonings in industrial areas on the achievement of its employment and industry objectives (Recommendation A8, page 174, Panel Report for New Format Planning Scheme). Hence this strategy.

### **1.3 Methodology**

The Brief that formed the basis of the Study included a more detailed set of objectives. These included the following:

- To provide a strategic policy framework to be included in the Moreland Planning Scheme (MSS and local policy) and to identify any necessary rezonings and other changes to existing planning provisions.
- To define and strengthen viable and sustainable Core Industrial Areas, including identifying their best future use, defining their boundaries, identifying industry clustering opportunities and addressing issues of interface with surrounding land uses.
- To identify the best future viable and sustainable use and possible rezoning of isolated and marginal industrial sites and address issues of interface with surrounding land uses.
- To define the role and best future viable and sustainable use of industrial sites adjacent to Sydney Road and the Hume Highway, north of Bell Street.
- To review strategic directions of the Upfield Corridor (development within the Upfield Corridor Policy), in the context of the broader strategy.
- The provision of three specific case studies to illustrate potential strategies for upgrading industrial areas and sites, with regard to consolidation of industrial areas and clustering opportunities, reuse, redevelopment, integration with surrounding areas and addressing the interface with surrounding sensitive land uses, provision of car parking, issues of setback, landscaping, transport and access. The case studies will be selected in conjunction with the Steering Committee and will include a case study from a Core Industrial Area, a marginalised site and a site in a mixed use area (eg within an Urban Village).



- To identify strategies and opportunities to encourage viable and sustainable industrial uses to locate in the municipality, on an individual or cluster basis where possible.
- The brief also identified that the following tasks had to be undertaken as part of the study:
- A survey of industrial land in Moreland, including uses, vacancies, on-site infrastructure (including age and condition of buildings), access to service infrastructure
- A general profile of Moreland's industrial sector, including employment rates, and what trends have occurred over time.
- Consultation with relevant industrial landowners and business operators to understand their current situation and future plans.
- An overview of changing trends in industry and how those changes are currently impacting on Moreland and how they are likely to impact on Moreland in the future, specifically in terms of uses, employment rates.
- Within the context of the above tasks, an analysis and identification of viable and sustainable future uses and appropriate planning controls for all of Moreland's Industrial areas, including both core industrial areas and non-core areas.
- The Consultants response to the brief identified that the study was to be undertaken in the following three stages:
- Stage 1 – Where We Are Now – A description of the existing situation, which included the following two key components:
  - an industrial land inventory, involving a survey of all properties within the Industrial, Business 3 and 4, and Mixed Use Zones within the municipality.
  - a profile of Moreland's existing industrial sector
- Stage 2 – Where We Are Going - A description of the economic and social outlook for industry and the use of industrial zoned land in the municipality. Key components included:
  - Overview of industrial and employment trends
  - Targeted consultation with industrial land owners and business properties
  - Opportunities and constraints analysis
  - Case studies
- Stage 3 – How We Are Going to Get There – A strategy that clearly sets out the issues confronting industry in Moreland and Council's policy on industry and development in Industrial Business 3 and 4, and Mixed Use Zones.

***Three stages of the study:***

- ***Stage 1 – Where We Are Now***
- ***Stage 2 – Where We Are Going***
- ***Stage 3 – How We Are Going to Get There***

The following background reports were prepared as part of this study:

***Refer to background reports  
for more detailed information***



- Report 1 - Where Are We Now
- Report 2 – Where Are We Going
  - Future Trends in Industrial Activity in Moreland
  - Findings from Questionnaire
- Report 3 – How We Are Going to Get There
  - Preliminary Strategic concepts and Recommendations, January 2002

The early chapters of this report summarise information that has been presented in a number of the above background papers. Those reports provide additional detailed information regarding matters such as the existing situation, the existing profile of industry in the municipality, and the future outlook for industrial activities in Moreland.

***A land use survey was undertaken of all industrial land in Moreland – Refer to Report 1***

As part of the study a ***land use survey*** was undertaken of all industrial sites in the municipality. That survey provided a detailed understanding of the nature of existing businesses and an understanding of the distribution of industrial activity throughout different parts of the municipality. It added considerably to the more general municipal wide industrial activity statistics that are available at the municipal level from the Australian Bureau of Statistics and other sources.

***A questionnaire was also sent to all industrial properties – Refer to Report 2***

A questionnaire was also circulated to all industrial properties in the municipality. This provided useful information about the location decisions, preferences and outlook of businesses operating in industrial zones in Moreland.

The nature of the project, its methodology and the emphasis given to individual tasks identified in the original study brief evolved under the direction of the steering committee. For example, the original intention to undertake three case studies was consumed into other aspects of the project. It became apparent that the principles and strategic directions emerging from the project were sufficient to set the key parameters needed to assist Council in deciding on the appropriateness (or otherwise) of rezoning case study sites. The detailed information being provided by land owners in relation to case studies sites was more appropriate to be used to assist Council in resolving detail matters in negotiation with owners.

It should be noted that the consultation undertaken to draft the Strategy was limited to questionnaires to business operators and owners. No consultation was undertaken with the general community. It is expected that this more general consultation will be undertaken by the Council, once they have considered the draft Strategy.



## **2 WHERE WE ARE NOW**

### **2.1 Introduction**

This section of the report examines the situation as it presently exists in Moreland. It summarises the detailed information presented in Report 1 – Where We Are Now. It describes:

- the existing pattern of industrial zoned land;
- the profile of existing industries and the importance of different sectors to the local economy and to local jobs;
- the findings of the land use survey undertaken as part of the study, including the number of firms in different sectors of the economy and their distribution throughout the municipality;
- existing relevant planning policies;
- how the characteristics of the municipality's population are changing and the implications of this on local employment needs;
- findings from the questionnaire that was sent to all industrial properties; and
- feedback from estate agents on the demand for industrial land throughout Moreland.

### **2.2 Industrial Zoned Land in Moreland**

Figure 1 shows the location of existing Industrial 1 and 3, Business 3 and 4 and Mixed Use Zones in the municipality. The total area of land within each of these zones is approximately:

- Industrial 1 and 3 – 308ha
- Business 3 and 4 – 26ha
- Mixed Use – 19ha

Council's MSS identifies three "core industrial" areas. These are the areas that contain the main concentrations of industry in the municipality (See Figure 2). They are:

- Brunswick – 36ha
- Coburg – 80ha
- Newlands – 88ha

In total these three core industrial areas contain just under 204ha of industrial land. This is about 70% of all industrial zoned land in Moreland.

**Area of industrial zone land (etc) presently existing in Moreland:**

- **Industrial 1 and 3 – 308ha**
- **Business 3 and 4 – 26ha**
- **Mixed Use – 19ha**

**204ha or 70% of all industrial land is located in three core industrial area**



**Figure 1 - Zoning Plan**

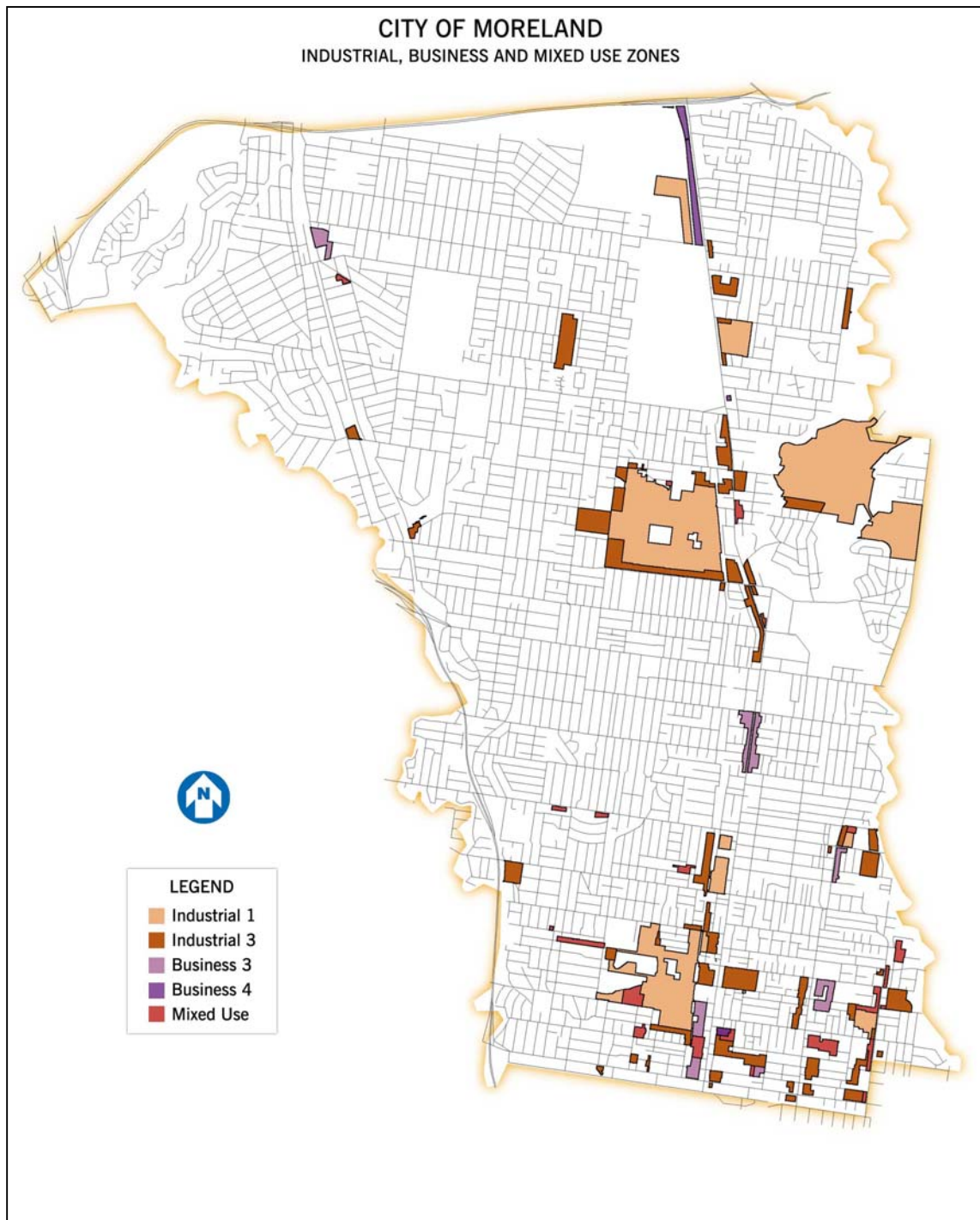
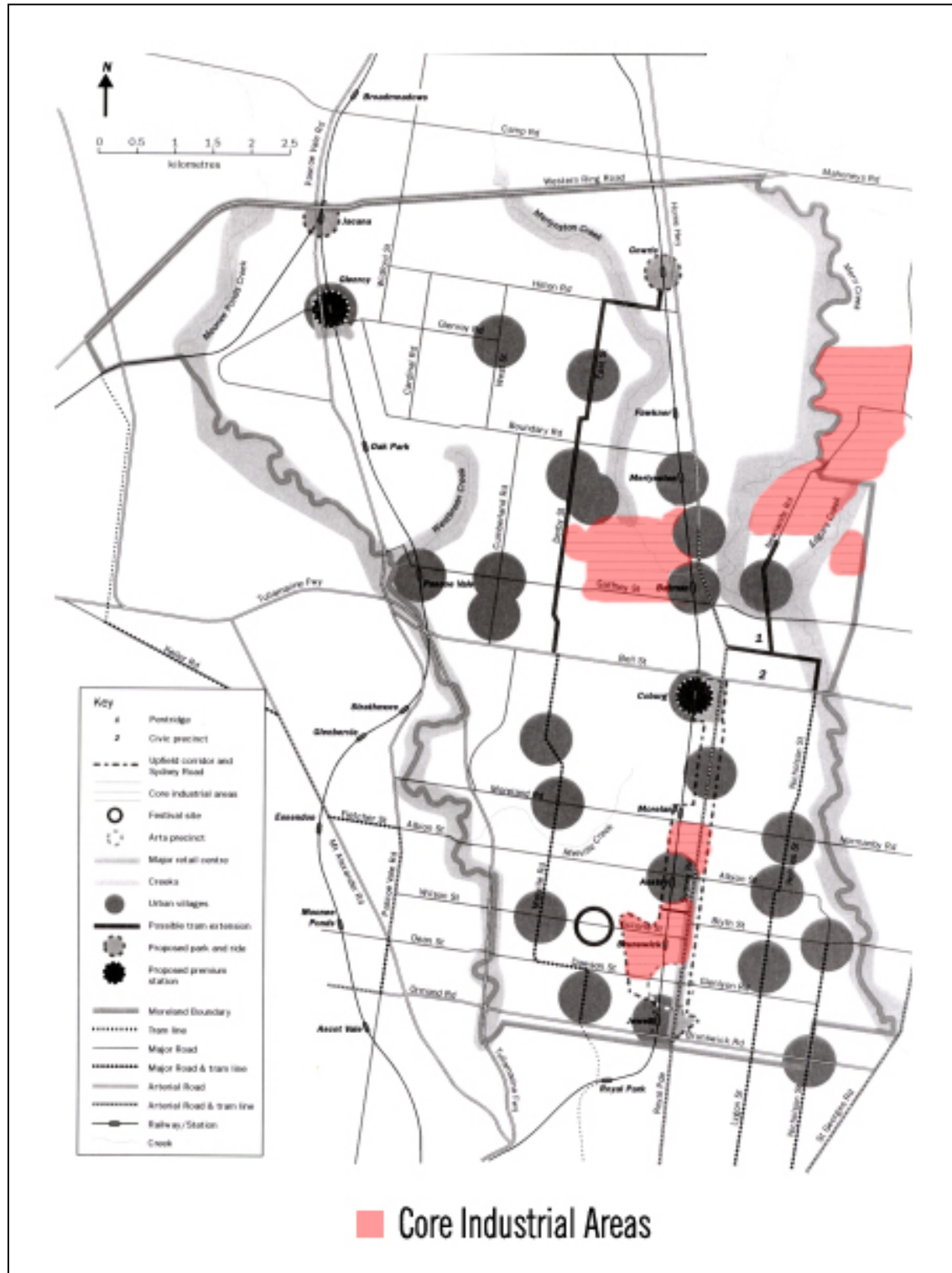




Figure 2 - Existing Core Industrial Areas





The remainder of industrial zoned land is scattered throughout the municipality:

- 36ha exists along the Hume Highway to the north of Bell Street;
- 43ha is located in isolated sites and small concentrations throughout Brunswick, in the southern parts of the municipality; and
- 10ha or so exists in small pockets throughout the northern parts of the municipality.

The total area of industrial zoned land in the municipality has declined by about 15ha over the past ten years. This represents a reduction of about 5% over that period, which is a relatively small proportion given the intense pressures for rezoning that have existed throughout much of that time.

### **2.3 Existing Planning Policy Background**

Council presently has a strong policy framework that responds to what it sees as the key issues affecting the municipality. Relevant policies are contained in the following sections of Council's Planning Scheme:

- Section 21.06 – Includes municipal wide policies for industry and commerce in Council's Municipal Strategic Statement.
- Section 22.3 – Is a local policy that relates to industrial development within the municipality. It includes as a reference the document Moreland City Council Industrial Development Guidelines, June 1996.
- Section 22.5 – Is a local planning policy that applies specifically to land included in the Upfield Corridor.

The policy direction contained in this framework relates to the:

- ... significant restructuring of industry that has occurred and the substantial job losses that have resulted, particularly in the traditional manufacturing sector and especially in core activities such as textile, clothing and footwear - Council's existing policies seek to maintain industry in the municipality as a basis for maintaining employment opportunities for the traditionally blue collar workforce that has resided in Moreland.
- ... loss of population that has occurred due to the ageing population and a reduction in household size - Council policies support increased residential densities to stabilise population loss. They introduce concepts such as 'urban villages' to promote a greater mix and intensity of land uses in key locations along transport corridors and around local business centres.

The above issues result in a policy framework that on one hand seeks to protect industrial areas from residential encroachment, and on the other seeks to encourage greater residential densities in and around key transport corridors and business centres. The contradiction that arises in terms of this study, is that many areas in which higher density residential redevelopment is promoted, are the areas in the southern parts of the municipality that contain the industrial areas Council's policies seek to retain.



This situation leads to land use conflicts and an increase in pressure between industrial enterprises and residents.

The basis behind the industrial policy also needs to be reviewed as part of this study. Manufacturing enterprises in particular make a significant contribution to the local economy and have strong employment multipliers. However the relationship of local jobs to the employment characteristics of local residents is quickly changing. The number of people in the workforce living in Moreland has declined dramatically over the past twenty years, as have the number of residents who work in traditional industrial sectors of the economy; there are basically fewer people in the workforce and fewer who work in the manufacturing sector. As the process of gentrification proceeds in Moreland, and moves progressively from south to north, the workforce is becoming better educated and more skilled. Manufacturing jobs that previously dominated the local economy are becoming less relevant to local residents. New employment opportunities in non-industrial sectors of the economy will become increasingly more relevant to local residents than the traditional manufacturing jobs of the past.

## **2.4 Industrial Profile**

This section of the report explains the profile of the economy of Moreland as it presently exists. It is a summary of information presented in Section 4 of Report 1, and also draws on the findings of the survey of properties that was undertaken and which is presented in Section 5 of that report:

- Estimates of the size of the industrial base of the City of Moreland:
  - Output is dominated by the textile, clothing and footwear industries (TCF), appliance manufacturing and photographic related industry. Each of these sectors is under pressure from external forces, often independent from land use pressures faced throughout the local government area.
  - Comparisons with other local government areas show a higher reliance on manufacturing than the metropolitan average (44 per cent versus 31 per cent of output).
  - Although having a large employing industrial base, the ratio of local jobs to residents is not high when compared to other regions in metropolitan Melbourne. Moreland is ranked twelfth with 0.6 jobs per resident. At the time of the 1996 Census Moreland was lower than regions such as Glen Eira and Boroondara. Employment loss in major industries and urban consolidation has the potential to reduce this ratio to levels experienced in Moonee Valley (0.53) and Darebin (0.50).
  - Of the 'commercial' properties surveyed as part of the study, the main sectors of the economy in which businesses operated were:
    - 'manufacturing', 27% of all industrial premises or 463 businesses;
    - 'retail trade', 23% or 400 businesses; and
    - 'wholesale trade' 13% or 216 businesses.
  - Of those premises within the 'manufacturing' category, the greatest number were associated with the TCF industry (128 or 28%). 'Metal produce manufacture' (84 or 11%), 'machinery and

***Output is dominated by the textile, clothing and footwear industry, appliance and photographic manufacturing***

***Each of these sections is under pressure.***



***...68% of all TCF businesses were located in the southern parts of the municipality, with Brunswick East being the predominant location.***

***...the region is dominated by a large number of motor vehicle and related industries.***

- equipment manufacture' and 'food beverage and tobacco manufacture' (39 or 8%) were the next largest group.
- A significant 68% of all TCF businesses were located in the southern parts of the municipality, with Brunswick East being the predominant location.
  - The survey (Section 5, Report 1) indicated that almost 2,300 premises existed in Industrial 1 and 3 Zones, Business 3 and 4 Zones and the Mixed Use Zones throughout the municipality:
    - A high proportion of residential properties exist throughout the zones surveyed - 20% or 559 properties of all properties surveyed. Whilst the largest number of residential properties were located in Mixed Use Zones (188), considerable numbers were also located in industrial zones (316).
    - Of the 'commercial' properties surveyed the greatest number of businesses were located in Brunswick, east of Sydney Road (635), followed by Brunswick, west of Sydney Road (555) Coburg (536), the Hume Highway corridor (307) and Newlands (213).
    - Around 9% of all premises surveyed (excluding residential properties) comprised unused buildings, with around 3% of all properties comprising vacant sites.
    - Of the 400 premises involved in retail trade by far the greatest number were involved in 'motor vehicle services' (some 250 or 65%). The largest number of these were located in Coburg, but with considerable numbers also in Brunswick and along the Hume Corridor.
    - The large number of motor vehicle related businesses highlight the fact that a great deal of the activity in the Moreland region is focussed on household consumption rather than being an input for other industrial processes.
    - Of the businesses involved in 'wholesale trade' 45% (97) were in the area of 'personal and household goods wholesaling', 28% (61) 'machinery and motor vehicle wholesaling' and 25% (52) 'basic material wholesaling'.
    - An assessment of the mix of activities in the Mixed Use Zone indicated that over 50% of all properties were used for residential purposes, with the balance being used for a wide mix of commercial premises.
  - A breakdown of businesses allowed for supply chain analysis that identified:
    - A large number of businesses that are not necessarily connected in supply chains. Counter to that, strong modern education based supply chains were identified in the motor vehicle repairs and TCF industries, especially finished textiles.



Figure 3 - Industrial Precincts





Whilst local supply chains are not especially strong, a small number of industries have the potential to deliver very strong multipliers for local economic activity. The businesses with potential for the largest economic spin-offs to the local region include:

- . Household appliances.
  - . Textile, clothing and footwear industries.
  - . Bakery products.
  - . Sheet metal products
- The local interaction capacity of the five industrial precincts within Moreland has been estimated. The greatest level of interaction potential occurs within the Brunswick region where the TCF industry is strongest. The eclectic collection of business in the Newlands region results in a very low level of interaction. The relative isolation of the Kodak plant and its inability to foster complementary development is indicative of the low levels of interaction experienced in the Newlands area.
  - An analysis of the skills of residents versus the demand for skills by local industries demonstrate the benefits of employment that Moreland derives from surrounding local areas. Airport workers are over represented, as are waiters, chefs and computing professionals.
  - From the questionnaire sent to all businesses within the zones being studied (see Report 2) it was identified that:
    - A relatively high proportion of firms surveyed (36%) have been located on their existing site for less than 5 years. This indicates a fairly high rate of movement of businesses and high rate of change.
    - Of the firms that have been located on their existing sites for less than five years:
      - . a higher proportion were located in the southern parts of the municipality than the north, suggesting a greater turnover of firms in the southern parts of Moreland; and
      - . the type of firms are typically involved in traditional sectors on the economy, similar to the existing profile of industry in Moreland, with little evidence of 'new economy' operations emerging (i.e. in the information and telecommunications sectors etc).
    - The size of firms is generally small, with 60% of all businesses occupying less than 500m<sup>2</sup> of floor space and the vast majority employing less than 10 people.
    - The main reasons given for deciding on the location of businesses were cited as being the size of the premises, access to customers and price. Proximity to home and the fact that Moreland was 'a central location' (especially to the City) were also indicated as key reasons.
    - Some 43% of respondents export interstate, with a fairly equal proportion directed towards all States.
    - 24% export overseas, with New Zealand and Asia being the most significant markets.



## **2.5 Changing Characteristics of the Municipality's Population**

Background information about the profile of the municipality's labour force was derived from National Economics' YourPlace database. This showed that:

- Moreland has a higher proportion of non-job ready adults, demonstrating a lack of opportunities to move from structural unemployment into full employment. Moreland's proportion of non-job ready rate is also higher than the Northern Melbourne average.
- High unemployment combined with the large number of persons with occupations that tend to provide part-time employment results in a level of labour utilisation that is very low and one that inhibits natural internal employment growth.
- The substantial growth in house prices has led to a strong growth in the economic security of those employed people who own housing within the region.
- The region has the potential to polarise on the basis of high and low skilled households, which will have a dramatic impact on the nature of society. At the same time as having a rapidly growing high skills base, a large number of jobs are low skilled and clerical. The growth of a high skills base of local employment is also evident, as is a local oversupply of computer and technically trained persons.

These features are indicative of the high rate of change that has been occurring in the characteristics of the municipality's population. As detailed in Section 3 of Report 1:

- Since 1981 the population of the municipality has declined by about 10,000 people, from around 147,000 to 137,000 in 2001. The population is forecast to remain relatively stable at about this level for the next 20 years.
- During the same time the number of people in the key working age groups of 15 to 64 declined by around 15,800 from 100,500 to around 84,700.
- In the early 1980s 'manufacturing' was by far the major employment sector for Moreland residents. It employed over 23,000 people, which was more than twice that of the next largest sector that was 'wholesale and retail trade'. It was nearly three times that of 'community services' which was the third largest employment sector.
- The number of residents employed in 'manufacturing' has now halved and more people are employed in the sectors of 'wholesale and retail trade' and 'community services' than in 'manufacturing'.
- The skills of residents reflect the level of gentrification occurring throughout the municipality. The number of residents without any formal training has declined by nearly 20,000, whilst there has been an increase of over 9,000 people with tertiary qualifications. However the number of residents without training still outnumbers the number with formal training or tertiary education by over 4 to 1.
- Moreland North has traditionally had a different population structure to Moreland South. A lower proportion of residents with tertiary education qualifications live in the north compared to the south, and a higher

***Since 1981 the population of the municipality has declined by about 10,000 people...***

***...the number of people in key working age groups have declined by around 15,800***

***The number of residents employed in 'manufacturing' has now halved...***

***The number of residents without any formal training has declined by nearly 20,000***



**Population change is occurring much faster in the south than in the north**

proportion of residents exist in the north with no qualifications or vocational training.

- Change is occurring much faster in the south than in the north. The proportion of residents with tertiary qualification has increased twice as fast in the south as in the north. Those without training have declined three times faster in the south than in the north.

## **2.6 Constraints to Industrial Development in Moreland**

There are considerable constraints to the operation of industry in Moreland. These vary throughout different parts of the municipality and also between core and non-core industrial areas. Generally they include the following:

- Poor access and congestion:
  - **Sydney Road** – This is the main north-south arterial road in the municipality. It provides principal access to the core industrial areas of Brunswick, and also access between the Central City to the northern core industrial areas in Coburg and Newlands. Sydney Road is heavily congested and constrained by shared tram access, especially south of Bell Street.
  - **Bell Street** – This is the main east-west arterial through the central parts of the municipality. The western extremity, approaching the Tullamarine Freeway interchange, has the potential to be heavily congested.
  - **East-west roads** (ie Victoria, Albion, Moreland, Gaffney etc) – These roads are generally narrow, discontinuous and only provide a secondary level of connectivity to the metropolitan arterial road network.
  - Accessibility to the **City Link Tollway** – The City Link Tollway (formerly known as the Tullamarine Freeway) runs along the western boundary of the municipality. However the advantage of proximity is limited due to the location / configuration of interchanges and congestion on the intervening municipal road network.
  - Accessibility to the **Metropolitan Ring Road** - Reasonable access to the Ring Road exists to the north from the core industrial area in Coburg and from industrial properties along the Hume Highway Corridor. However access is poor from the Newlands Estate due to the convoluted nature of the secondary road access from that estate to the north. Industrial areas in Brunswick suffer from congestion of main and secondary roads that provide access to the City Link Tollway.
- Potential land use conflicts:
  - The intensity of land use throughout the municipality (in the southern parts in particular), the proximity to residential areas, access to industrial sites through residential streets, and the high level of residential redevelopment presently occurring, pose the potential for significant constraints on the operation of industry compared to fringe suburban industrial estates.
- Old / redundant building stock:



- Without considerable investment or possible redevelopment, existing buildings on many sites are poorly suited to the needs of modern industry. Without redevelopment, likely tenants will be low intensity uses that underutilise the land and are unlikely to pay sufficient rent to justify ongoing maintenance etc.
- Local resident and business base:
  - Moreland has an established population base that will stabilise and only marginally increase over the next 20 years. As a consequence there will be no significant increase in population to stimulate new service industry. Significant areas of industrial zoned land exist in the population growth areas to the north of Melbourne in the municipalities of Hume and Whittlesea. These areas will intercept any demand that may occur as a consequence of population growth in those areas.

## **2.7 Implications**

Although Moreland has a heavy reliance on manufacturing, the economy is considerably more diverse than many municipalities in metropolitan Melbourne. Despite the lack of a major retail centre within the municipality's boundaries, the proportion of the economy associated with retailing is higher than nearly all of the other major industrial regions.

Overall the picture of the Moreland region is of a large number of loosely connected enterprises. Whilst adequate clustering of industries in clothing manufacturing and motor vehicle related activities appear, remaining industries are satisfying demand from a broader range of metropolitan interests. This scale disadvantage could tend to force businesses to move to other regions.

This disjointed structure presents issues when considering the future demand for industrial land in Moreland and the appropriateness or otherwise for rezonings. Businesses that meet this profile will tend to be footloose and be relatively free to move to other locations outside Moreland.

In terms of the profile of the population of the municipality it is apparent that Moreland's residents are become increasingly less dependant on the industrial / manufacturing sector for employment.

Council's industrial planning policies are based on retaining local employment suited to the needs of local residents. This policy remains relevant despite the workforce being mobile and travelling outside the municipality for work. Local employment provides the 'opportunity' to work locally, it does not guarantee that will occur. It remains appropriate to retain local industrial jobs wherever possible, given the contribution of industry to the local economy and the still large proportion of residents employed in industrial sectors of the economy. However Council's industrial policy needs to change to also facilitate the use of underutilised industrial land for other new non-industrial employment activities that are suited to the emerging needs of its changing labourforce. Similarly the policy needs the flexibility to acknowledge the appropriateness of some residential rezonings, where strategic justification exists for such.

***Overall the picture of the Moreland region is of a large number of loosely connected enterprises.***

***Whilst adequate clustering of industries in clothing manufacturing and motor vehicle related activities appear, remaining industries are satisfying demand from a broader range of metropolitan interests.***

***This scale disadvantage could tend to force***

***...Moreland's residents are becoming increasingly less dependant on the industrial / manufacturing sector for employment.***

***Council's industrial policy needs to change to also facilitate the use of underutilised industrial land for other new non-industrial employment activities that are suited to the emerging needs of its changing labourforce.***

***Similarly the policy needs the flexibility to acknowledge the appropriateness of some residential rezonings, where***



### 3 WHERE WE ARE GOING

This section of the report examines the outlook for industry and the manufacturing sector within the Moreland region.

The future take-up of development potential in Moreland will be linked to the role manufacturing plays within the Australian, Victorian and Moreland economy. In order to provide an understanding of the potential for manufacturing industry in Moreland, it is important to outline the importance of manufacturing within the wider economy, and from there to examine the outlook for Moreland.

#### 3.1 The National Outlook for Manufacturing

***Manufacturing is a vital element of an economy...***

***... the economic benefit of manufacturing is greater than for other economic activities***

Manufacturing is a vital element of an economy whether it at the national, state or local government level. The reason for this is that the economic benefit of manufacturing to an economy is greater than for other economic activities. Manufacturing is the only industry that can be used to create technology. It is the industry that transforms raw products and raw knowledge into wealth creation. If an economy's manufacturing sector degrades relative to the rest of the world or to other regions, its technology creation potential declines. This in turn leads to a fall in the overall per capita GDP growth rate.

Technology creating manufacturing sectors in particular have an added importance because they are strategic industries. Strategic manufacturing industries produce complex and elaborately transformed products which are skill, knowledge and innovation intensive. These industries are strategic because they have strong upstream and downstream linkages with other industries in the economy.

***Strategic manufacturing industries in Australia are suffering***

Strategic manufacturing industries in Australia are suffering. The decline in the manufacturing sector and especially its lack of capacity to grow with the needs of the changing Australian economy, is evident in Table 1. That table lists those industrial sectors that are increasing their share of domestic demand (ie growing sectors) and those that are in decline. It can be seen that all sectors are in decline except for wood, wood products and furniture and petroleum refining. Reference to Report 1 (Sections 4 and 5) and to Table 7 (later in this chapter) indicated that neither of these sectors are well represented in Moreland's industrial areas.

***...most manufacturing sectors are losing way...***

Table 1 demonstrates that most manufacturing sectors are losing way in terms of the share of domestic demand they accommodate compared to imports. Many of the sectors identified as being in decline are those upon which Moreland's industrial base is built. These include textiles clothing and footwear, fabricated metal products, and miscellaneous manufacturing (See Figure 27 in Report 1). This decline in trading position is directly due to a lack of investment and a decline in the technological advantage of the manufacturing sector in Australia.



<b>Table 1 - Import Share of Domestic Demand: Australia 1990-2000 (per cent)</b>		
	1990	2000
<b><u>Sectors that Have Declined</u></b>		
Beverages and tobacco	9.2	16.3
Wool scouring and cotton ginning	48.7	54.4
Other textiles	16.0	29.5
Clothing and footwear	29.5	54.2
Paper and paper products	25.2	39.5
Printing and publishing	10.5	12.1
Chemicals	42.7	54.6
Basic iron and steel	8.9	15.0
Fabricated metal products	13.4	20.1
Motor vehicles and parts	49.2	55.7
Miscellaneous manufacturing	28.2	33.4
<b><u>Sectors that have Increased</u></b>		
Wood, wood products and furniture	25.6	22.7
Petroleum refining	27.5	13.0
<b>Total manufacturing</b>	<b>29.6</b>	<b>42.8</b>

In terms of the outlook for manufacturing in Australia, Table 2 lists those manufacturing sectors that have the highest growth sectors throughout the world. It also lists the import share of those sectors in Australia compared to the OECD average. Most of the major growth sectors, such as aerospace, office and computing equipment, drugs and medicine and communications equipment are poorly represented in Moreland. From Table 2 the only two sectors in which Australia is performing better than the OECD industry is in food and beverages and wood products and furniture. Both of these sectors are sectors that provide some opportunities for Moreland. The southern parts of the municipality in particular are well suited to businesses involved in the manufacture and distribution of food to central city restaurants and cafes etc. The display and manufacture of locally designed furniture has also grown rapidly in other inner city locations such as Fitzroy and Collingwood. Whilst such industries will not develop to a scale that would replace the major manufacturers in decline in Moreland, they provide a basis for new activities to emerge.

The level of technological development, assistance in developing skills transfer and the attraction of direct foreign investment, will be at the forefront in determining whether or not a rebound in manufacturing occurs in Moreland or elsewhere in Australia.



**Table 2 - Import Share of the Domestic Market 1996 (per cent)**

	Australia	OECD average (16 countries)
<b><u>Worse than OECD Average</u></b>		
Aerospace	80	33
Office and computing equipment	71	61
Drugs and medicine	48	20
Communication equipment	70	34
Professional equipment	79	42
Electrical machinery	57	25
Other manufacturing	69	24
Metal products	17	14
Textile, clothing and footwear	46	39
<b><u>Better than OECD Average</u></b>		
Food and beverages	9	12
Wood products and furniture	9	16

Source: OECD: Benchmarking Knowledge Based Economies: Statistical Appendix page 154.

Unlike most OECD countries Australia has not focused on building a globally competitive manufacturing sector. The contribution of manufacturing to GDP is in the order of 13%, whereas the OECD average is 19%. Over the past decade growth rates of manufacturing production have exceeded GDP growth rates in most OECD countries. For example in the US and Canada manufacturing production is growing at 1.5 times GDP growth. In Ireland, manufacturing production is growing at twice the rate of GDP and in Sweden it is growing 4.3 times faster. In Australia manufacturing production is growing at less than half that of GDP.

***...Moreland remains well placed to take advantage of high value manufacturing***

If this situation is capable of being addressed at the national policy level, Moreland remains well placed to take advantage of high value manufacturing. The real concern for Australia is that the deficit in trade of Elaborately Transformed Manufactures (ETMs) is growing rapidly, particularly in the areas of information technologies and telecommunications, machinery, aerospace, vehicles and bio-medical products.

Given the highly competitive environment expected in the decade ahead it is likely that even with another decade of strong export growth, Victorian manufacturing will struggle to achieve even the modest growth experienced in the past decade.



### **3.2 Outlook for Moreland**

This section provides an outlook for key industry sectors relevant to Moreland.

#### **3.2.1 Textile Clothing and Footwear Industry**

The outlook for the industry in Australia is one of decline:

- Real annual growth in turnover fell from 5.4 per cent during the 1980s to 2.8 per cent during the 1990s. Whilst exports surged and the export share of turnover increased at an annual rate of 16.3 per cent during the 1990s, this was from a low base (with exports being less than 1 per cent of turnover in 1980) and was no substitute for the loss of domestic market share to imports.

The clothing industry faces a number of important macro-economic and social trends:

- reductions in tariffs;
- reduction in the purchase of clothing as a share of total household budgets - in the past three ABS household expenditure surveys (held every 5 years) the proportion of total expenditure devoted to clothing has reduced; and
- fundamental shift in the returns to manufacturing in the value chain.

In terms of the consequences for Moreland, the largest employers are likely to experience the most significant impacts. These industries include those involved in manchester and bedding products. Accordingly some of the larger manufacturing sites in the municipality may be affected. Examples of operations / sites where pressure for change may occur include:

- The Tontine and Parsons sites in the south-east of the city near the intersection of Nicholson Street and Brunswick Road.
- The large sites of Austrim textiles in the core industrial area north of Gaffney Street in Coburg.
- The large sites on Victoria Road and in the Brunswick core industrial area.

Moreland has also only recently lost one of its advantages for clothing industries, which was the distributional benefits of a 'central location', prior to the opening of the Metropolitan Ring Road and City Link. However the firms that remain in 2002 are likely to be reasonably robust and do provide ongoing opportunities for Moreland, although at a reduced scale. They will have already undertaken significant changes in the past twenty years.

The above forecasts recognise the potential for new TCF businesses to set up in the region. These are likely to be smaller speciality manufactures and distributors who create products of high quality or design input, or who finish and distribute products manufactured overseas.

***In terms of the consequences for Moreland, the largest employers are likely to experience the most significant impacts. These industries include those involved in manchester and bedding products.***



*...nationally the output in the clothing industry will reduce by 35 per cent to 2010.*

*Overall it is considered that around 50 per cent of the total number of business in the TCF sector in Moreland could face redevelopment pressure...*

The consultants forecast that nationally the output in the clothing industry will reduce by 35 per cent to 2010. This represents a highly likely outcome for the region. Overall it is considered that around 50 per cent of the total number of business in the TCF sector in Moreland could face redevelopment pressure over the coming decade. This will have significant implications on the future land use and development of the 128 TFC sites identified in the municipality from the land use survey.

### **3.2.2 Automotive Industry**

Should the advanced industrial economies of the Asia Pacific Region successfully pursue a "zero tariff" definition of free trade (either through APEC or WTO) then the entire supply chain in key ETM industries, such as the automotive industry in Victoria, will come under enormous pressure".

The consultants are of the view that the current settings and relative success of key Victorian manufacturers points towards a strong future built around exports. The transformation of the sector from one built around protection to one focussed on exports has meant that strong forces for rationalisation and consolidation exist in relation to component manufacturers. In turn, issues of cost and most importantly quality of infrastructure and workforce have also been heightened.

The importance of the car industry, especially to the economies of Northern Melbourne, will continue to grow. The industry itself may not grow considerably but its existence will provide the fundamental basis for equipping any possible advances Australia can make in the areas of elaborately transformed manufacturers, in other areas of transport and equipment manufacturing and in the development of scientific and electronic equipment. Whilst a number of industries in the future will contribute to show stronger growth performance, it is the industries attracting additional foreign direct investment (food, auto, pharmaceuticals), as well as other specific measures, that could lift manufacturing's overall performance.

**Table 3 - Forecasts of Victorian Manufacturing, Selected Industries, Employment**

<b>Baseline forecast</b>	<b>2000-2005</b>	<b>2005-2010</b>	<b>2010-2015</b>	<b>2000-2015</b>
Other food	24757	23363	21702	20437
Textiles clothing and footwear	34184	29501	25092	20741
Fabricated metals	27800	27108	27095	25425
Motor vehicles	26734	25336	23489	20072
Scientific and electronic equipment	8676	12237	14713	14762
<b>Total manufacturing</b>	<b>301741</b>	<b>292327</b>	<b>284550</b>	<b>264598</b>
<b>Aggressive industry policy</b>				
Other food	24757	23482	21879	20767
Textiles clothing and footwear	34184	29682	25595	21846
Fabricated metals	27800	27225	27482	26427
Motor vehicles	26734	25840	24504	21975
Scientific and electronic equipment	8676	12850	18141	20598
<b>Total manufacturing</b>	<b>301741</b>	<b>296329</b>	<b>299360</b>	<b>291893</b>

Source: NIEIR



During the next decade it is also expected that industries in which scale economies are the key driver of cost competitiveness will increasingly resort to "contract manufacturing". This involves contracting out all or part of the manufacturing function as opposed to previous contracting out strategies that focused on maintenance, cleaning, IT support and other non-manufacturing functions. With less investment required in fixed assets (plant, equipment, factories, etc.) many manufacturers will instead focus on building the brand, marketing and R&D, leaving the contract manufacturer to deal with fixed investments and the logistics of volume and scheduling production. In the auto industry this already exists through second tier suppliers being responsible for the delivery of larger sub-assembly sets. All of this pushes the requirement for new management and organisational capabilities down the supply chain, and makes the competitiveness of the whole supply chain network a new focus of competitive advantage.

What is the best environment for a contract manufacturer? When the contracts are with other countries and are building valuable export dollars simply by transferring the skills and technological adaptation that is generated through the involvement with the local car industry. This is already happening in many businesses in Northern Melbourne. Companies are not only supplying parts to Ford in Broadmeadows and Geelong, they are also exporting parts to places as surprising as Korea and Japan. The lesson of these examples and the future evolution of this trend is the importance of perfecting supply chains and investing in innovation.

Moreland's role within this future is limited due to its past poor record in providing a well-integrated business environment that would support the formation of new high-tech automotive related business clusters. Whilst Moreland remains in close proximity to an industry with strong export potential, the advantages that Moreland offers for substantial brownfield redevelopment are minimal. Moreland has failed to secure the investment in the Merri Creek road infrastructure, which has now generated a significant disadvantage with respect to new industrial land generated by the Craigieburn bypass.

The relative advantages of the region to the north of Moreland are highlighted in a recent address by Peter Hanenberger, Chairman and Managing Director, Holden Ltd. He commented that:

*"As an industry we are also getting smarter about the way we do business together. One of these natural fits is the concept of the business park where suppliers are encouraged to base themselves nearer their major clients. The Business Park allows manufacturers to reduce supply chain costs by cutting storage areas on-site, reducing inventory levels, achieving more regular deliveries to the point of fitment and achieving greater line sequencing. .... Ford has embarked on a similar project with the National Business Park, 55 hectares near its Broadmeadows assembly plant. We see this as a natural evolution for the industry....."*



Given the lack of infrastructure and the difficulties of securing large parcels of land within Moreland's boundaries, the future role should be seen as a value-adding or support role for the industry. The advantages of Moreland are lifestyle for high-skilled workers, and potentially the urban amenity of Sydney Rd. Moreland needs to actively investigate the sources of business services and support utilised by the car industry in the North. For instance, does Moreland provide the education and training that supports a car industry, does it have business that provides employment, catering and social support services to the car industry?

The most important benefit that the Moreland community can derive from the future of the automotive industry is the employment it can receive from it. In general, the automotive industry is one with a strong and flexible skill base, in fact Australia leads the world in the flexibility and application of a partially automated production process. The value and wealth derived by Moreland from the car industry would be further enhanced by a stronger retail sector.

**Table 4 - Forecasts of Victorian manufacturing, selected industries, export growth rates (% p.a.)**

<b>Baseline forecast</b>	<b>2000-2005</b>	<b>2005-2010</b>	<b>2010-2015</b>	<b>2000-2015</b>
Other food	4.9	9.9	7.9	7.4
Textiles clothing and footwear	1.8	1.5	0.9	1.4
Fabricated metals	3.9	7.0	5.4	5.4
Motor vehicles	2.7	3.7	2.7	3.0
Scientific and electronic equipment	4.6	8.9	6.8	6.7
<b>Total manufacturing</b>	<b>3.5</b>	<b>6.1</b>	<b>5.0</b>	<b>4.8</b>
<b>Aggressive industry policy</b>				
Other food	4.8	9.6	6.5	6.9
Textiles clothing and footwear	0.8	1.7	1.3	1.3
Fabricated metals	2.6	5.0	3.4	3.6
Motor vehicles	3.5	7.0	4.6	5.0
Scientific and electronic equipment	8.9	18.0	11.4	12.6
<b>Total manufacturing</b>	<b>4.3</b>	<b>9.7</b>	<b>7.1</b>	<b>7.0</b>

### **3.2.3 Large-scale Consumer Oriented Manufactured Goods**

Large-scale manufacturing focussed on the domestic market faces significant obstacles in the future. The relocation of Chef is an example of the potential negative impacts of this trend on Moreland.

Table 5 illustrates the difficulties for Moreland in maintaining or developing large-scale consumer oriented manufacturing. If any new opportunities are to be exploited then a new paradigm will be required.



**Table 5 - Changing Economic and Business Drivers**

Old paradigm	New paradigm
Key factors are capital, resources and labour.	Rising importance of knowledge and creativity.
Exports dependent on resource based industries.	Addition of knowledge based activity and the knowledge based parts of the resource industry.
With a few exceptions businesses serve local markets.	Firms going global and subject to global competition.
Primary focus on cost competitiveness	Imperative to deliver superior value to customers through innovation.
Relatively long product cycles.	Trend to shorter product cycles.
Getting more out of existing business.	Creating new businesses and placing a premium on risk taking and entrepreneurial behaviour.
Very difficult to find venture capital.	Venture capital becomes a key part of new business development.
Little incentive for collaboration.	Shift to strategic alliances and other forms of collaboration.

For Australia to regain significant ground in the production of large-scale consumer oriented goods such as televisions, kitchen appliances etc, it will have to once again develop expertise in niche industries in which a comparative advantage exists.

The above table clearly places some of the industries that have relocated from Moreland into an old paradigm. These companies include those that have relocated to Adelaide with significant inducements in terms of taxes and labour costs. The nature of this experiment by the South Australian economy is to see whether or not the clustering of a large number of these firms artificially creates some of the elements of the new paradigm. Victoria has not chosen to compete on these grounds but has rather focussed on industries in the food, motor vehicle and pharmaceutical / biotechnology sectors. These industries have been amongst the only ones to experience significant direct foreign investment in Victoria in the past. As referred to previously, this is a good indicator of investment in technological expertise. Therefore the policy appears reasonably consistent and highlights the need for Moreland to follow this lead.

### **3.2.4 Kodak**

It would be optimistic to assume Kodak will remain on its current site, in its current form, in the medium to long term. The first reason is the move to digital photography rather than chemical based photo processing. The second is that very-large plants with similar technology are being developed in China. At present Kodak Australia remains reasonably competitive due to a slow take-up of skilled persons and technological teething problems in these new plants. In time the competitive position the Kodak plant will be undermined. Its scale is too small and to survive it will require large amounts of reinvestment. This is unlikely without significant government support, which is also unlikely.

***It would be optimistic to assume Kodak will remain on its current site, in its current form, in the medium to long term, although at present Kodak indicate they have long term plans to remain.***



Despite this forecast, Kodak have indicated to Council that they have long term plans to remain on their current site. Significant reinvestment has been undertaken throughout the 1990s to support Kodaks' continued operation on the Newlands site.

### 3.2.5 Local / Regional Demand

Local demand in Moreland will be constrained by forecast population growth in the region.

***Local demand in Moreland will be constrained by forecast population growth in the region.***

Table 6 presents Department of Infrastructure (DoI) forecasts for population growth to 2020.

<b>Table 6 - Population Projections for 2000-2020 (DoI)</b>				
<b>Statistical Local Area</b>	<b>Year</b>			
	<b>2000</b>	<b>2010</b>	<b>2020</b>	<b>% Growth (2000-2010)</b>
Melbourne – Inner	3,433	5,255	6,309	4.3%
Melbourne – Remainder	41,619	50,319	56,626	1.9%
Moreland – Brunswick	42,145	43,553	44,590	0.3%
Moreland – Coburg	49,180	51,201	51,769	0.4%
Moreland – North	47,270	50,658	50,529	0.7%
Hume – Broadmeadows	68,746	67,154	65,307	-0.2%
Hume – Craigieburn	31,794	50,474	74,884	4.7%
Hume – Sunbury	27,117	29,677	31,729	0.9%
Casey	167,214	222,694	255,365	2.9%
Cardinia	43,729	52,619	69,143	1.9%
Darebin – Northcote	47,103	48,894	49,890	0.4%
Darebin – Preston	82,367	86,687	87,371	0.5%
Whittlesea – North	11,533	28,818	58,556	9.6%
Whittlesea – South	101,294	104,940	101,200	0.4%
Mooney Valley	111,903	114,309	115,179	0.2%

The only metropolitan regions that anticipate significant growth are the corridors of Casey (Cardinia) and Hume (Whittlesea). Hume is the most relevant to Moreland. The existence of substantial areas of vacant industrial zoned land in Hume and the limited access to the Moreland economy from that area, reduces the opportunities for significant demand to be created in the northern parts of the City of Moreland as a consequence of population growth in Hume.

The forecasts demonstrate a continuation of Melbourne's historical trend towards fringe development. If increased densities can be achieved in established urban areas within Moreland and adjoining municipality, this will enhance the locally driven demand to support businesses and employment in Moreland.



Whilst population growth is forecast to be low in Moreland and surrounding areas in the future, as indicated in Section 3 of Report 1, the composition of the population will continue to change: increased skill levels and higher incomes characterise this change. Such a workforce will be better suited to the needs of modern businesses and industry, which will be reliant on higher levels and skills and knowledge to produce and market higher quality and better designed products for export to a global market. These changes will contribute to a change in the composition of industry in Moreland.

### **3.2.6 Growth in Central Melbourne and Docklands**

Whilst the population of inner metropolitan Melbourne is expected to grow, the absolute size of the increase will be relatively small in the context of 'growth areas' on the metropolitan fringe.

However considerable development opportunities will exist within the City of Melbourne and in the adjoining Docklands area. These will not just relate to population increase, but also significant growth in business numbers and in employment. Moreland, especially the Brunswick area, is well placed to accommodate industries and businesses that service the central city and Docklands area. The redevelopment of industrial areas in North Melbourne, Fitzroy, Collingwood and Richmond for residential purposes has reduced the number of industrial locations in the inner city that are suited to accommodate the needs of service industries and local manufactures focussed on this market. Ongoing demand for small to medium sized service business and small to medium sized manufacturers will be derived from this sector.

***Moreland, especially the Brunswick area, is well placed to accommodate industries and businesses that service the central city and Docklands area.***

### **3.2.7 The Changing Nature of Work**

Consistently over time, work arrangements involve increased skills, responsibility, flexibility and teamwork. There is greater emphasis on continuous learning and skills development to support innovation and competitiveness. Increasing numbers of workers have greater autonomy and perform higher skilled work. However, a shift to contracted employment reduces employment security and increases the vulnerability of job loss.

Successful regions have a high proportion of workers whose work is creative and high in intellectual content. Such work is well remunerated and highly valued. It includes industrial designers, engineers, systems analysts, software engineers, biotechnology and medical scientists, materials engineers, automation specialists, multimedia product developers and financial analysts. Employment in such fields is essential for high value added industries and employment growth. People employed in such fields tend to be fairly well represented in the profile of new residents moving into Moreland. This provides the opportunity, as well as the need, to develop new employment opportunities in the region to realise the local economic benefits available due to Moreland's changing population profile, as well as to provide jobs suited to the changing needs of local residents.

***Successful regions have a high proportion of workers whose work is creative and high in intellectual content.***



### **3.2.8 Breaking the Trends: Opportunities in the Moreland Region**

As previously discussed, reduced tariffs have hit hard because they have been timed alongside other important changes in the economy. Changes in tariff regimes should be seen as a response to changes in the value chain. New opportunities continue to exist for traditional industries in a low protectionist regime. However, using the clothing industry as an example, what is required is a change in emphasis away from mass production of low cost products. The focus must be on:

- Concentrating customised design, product development, product finishing, management and marketing skills within Australia. This will allow the development of higher quality products with a premium value, that are targeted to niche markets. These products can be designed, managed and marketed locally, even if they are manufactured overseas.
- Utilising the internet and global communications to manage production schedules in foreign countries with lower production costs, as well as to market internationally.
- Retaining product finishing processes locally to adapt out sourced products to the requirements of the local market.
- Building strong local business support and marketing clusters to ensure the high levels of skills, knowledge and expertise required to service such a process.
- Building strong links with educational establishments and industry to ensure continued innovation and improvement in all locally based skills including design, product engineering, management and marketing.

Realising such opportunities in the clothing sector does will not require large-scale production plants as in the past. Rather the emphasis will be on knowledge and the application of it. The benefit for Moreland can be high-value production and moderate local employment, on smaller and more amenable sites.

The above example in the clothing industry can be replicated in all areas of manufacturing and service delivery. The forces of specialisation and customisation are the features that can grow employment in Moreland. Proximity to a customer base and the lifestyle advantages of living close to work in Moreland are powerful forces for the development of new opportunities.

As the level of specialisation in the workforce increases, as traffic congestion gets worse and reduction in the scope of mass workforce requirements increase, the desire to commute declines. This social force will become an important trend in economic development. New high skilled businesses are being positioned within easy reach of the homes of senior executives and technology workers. This is a strong positive force for change in Moreland local employment and is consistent with Moreland's policies for a sustainable city, including Urban Villages and reducing the number of trips made by car.

The advantage moves back to inner suburban areas so long as a number of key attributes are developed:

- local amenity must be high as it is a key attractor; and

***Concentrating customised design, product development, product finishing, management and marketing skills within Australia.***

***Utilising the internet and global communications to manage production schedules in foreign countries with lower***

***High skilled smaller firms are moving back into the inner city.***



- local retail and personal services supply must be exceptional

In terms of specific new industries, biotechnology is a realistic option for Moreland. Moreland's proximity to the University of Melbourne and Parkville is a strength, as one of Victoria's greatest strengths is the co-location of key biotechnology research and education organisations with industry in a number of precincts of research and education excellence. These support the development of a critical mass, shared resources and focal points for the interchange of ideas. These precincts also support spin-off companies offering infrastructure, incubators and access to business support services.

***...biotechnology is a realistic option for Moreland***

Investment in biotechnology at Parkville will create significant employment and generate high export income. Moreland can and should try to capture as much of the value of this exciting development as it can. Ideally this would involve establishing facilities within Moreland. On a cautionary note, the commercialisation of biotechnology into pharmaceutical development, for instance, may require industrial sites that are considerably larger than Moreland can provide.

### **3.2.9 The Model of a 'New Economy' Company Demanding Land in Moreland**

The profile of a company that represents the new and emerging sectors of the economy in which future growth prospects exist in Moreland includes the following:

- relatively small;
- highly valued networking contacts, valuing proximity to the CBD and Parkville / University, but perhaps not being able to afford the prices of those areas;
- preferably involved in activities such as biotechnology that have good access to direct foreign investment;
- requirement for an increasingly eclectic labour supply;
- appreciates the relatively easy access to air and sea ports; and
- management valuing the interesting and diverse lifestyle available from living in the region.

### **3.2.10 Other More Traditional Opportunities**

Despite the need to embrace new economic activities to diversify the base of Moreland, more traditional small-scale, entrepreneurial or serendipitous businesses should not be underestimated. So long as the relative price of industrial land in the area represents a viable location for small firms starting up, this sort of activity will take place. One of the identified strategies for industrial and commercial development within the city has been the fostering of home-based businesses. Interestingly the survey of industrial land and casual observation demonstrates that the link between small and medium enterprise and home-based work is not significant.

***...more traditional small-scale, entrepreneurial or serendipitous businesses should not be underestimated.***

Successful firms must start somewhere, hence the growth of formal incubator programs in Moreland and throughout Melbourne. Some businesses however

***"Moreland can foster new innovative firms by utilising old industrial stock"***



will not require such intensive support. They may be involved in importing and wholesaling, or small trade based business. For those businesses the primary motivation of site selection will be a combination of practical proximity and costs. The large number of small sites in the region, especially those in the more diversified and small pockets of the municipality, will be appropriate for such businesses. Presently underutilised industrial areas along the Upfield Corridor are ideal for these 'young firms' and should be retained for this purpose.

### **3.3 Employment Forecasts for Moreland**

The industry based employment forecasts show in Table 7 have been constructed for 2010 by the consultants for the purpose of this study. These forecasts reflect a slowing Australian economy with moderate economic growth averaging 2.6 per cent over the period. In these employment forecasts Department of Infrastructure forecasts for population have been utilised. The inflationary targeting of the Reserve Bank to the range of 2 to 3 per cent per annum is maintained.

Table 7 shows comparative employment growth rates for Moreland compared to the Victorian average (note that the Victorian average is slightly less than the national average). Whether a sector is expected to experience growth or decline is indicated by an arrow in column 4. Those lines shaded in grey indicated growth sectors which are anticipated to experience a higher rate of growth than the Victorian average. The significance of the decline in textile and clothing in Moreland compared to Victoria in general is clearly apparent from this table.

Table 8 shows the forecast number of jobs expected in key economic sectors within Moreland. The key trends apparent from that table include:

***...the dramatic decline in total employment in the Municipality experienced throughout the 1990s is likely to stabilise and existing employment levels will remain relatively constant and possibly increase marginally***

***Whilst an increase in employment is forecast in many sectors of manufacturing, due to the significant decline forecast in the key sectors represented in Moreland of textile clothing and footwear and other manufacturing, the overall outlook for those businesses that traditionally occupy industrial zoned land is for a decline.***

That the dramatic decline in total employment in the Municipality experienced throughout the 1990s is likely to stabilise and existing employment levels will remain relatively constant and possibly increase marginally (2%) over the next 10 years.

This will be mainly due to an increase in employment in those sectors of the economy that do not utilise industrial land i.e. retail, business services, health, other personal services etc.

Whilst an increase in employment is forecast in many sectors of manufacturing, due to the significant decline forecast in the key sectors represented in Moreland of textile clothing and footwear and other manufacturing, the overall outlook for those businesses that traditionally occupy industrial zoned land is for a decline in employment by over 2000 employees to 2010. (ie around 7%).

Whilst employment levels are not directly associated with the amount (land area) of industrial zoned land that may be required in Moreland in years to come, they are a useful guide to the proportional change in demand / supply to which the strategy needs to respond.



**Table 7 - Comparative Employment Growth Rates Per Cent p.a., 1998 to 2010**

(Grey shading indicates sector growing at a rate faster than for Victoria)

Sector	Victoria <sup>1</sup>	Moreland	Growth/Decline		Description
Food manufacturing	1.20	1.12	↑		Well placed to grow with the prospects
Textiles and clothing	-2.56	-4.42	↓		High concentration will lead to larger than State average losses
Wood	-0.32	0.56	↑		Small growth in boutique production
Paper	-0.34	-2.14	↓		Continued consolidation and rationalisation of smaller firms as margins are lowered
Chemicals	-0.40	-1.63	↓		Decline in smaller scale production
Non metallic minerals	1.09	0.56	↑		Survival of smaller boutique production
Basic metals	-0.54	0.43	↑		Survival of smaller boutique production
Fabricated metals	-0.68	-1.44	↓		Continued consolidation and rationalisation of smaller firms as margins are lowered
Transport equipment	0.17	0.53	↑		Very small industry following recent large scale closures
Other machinery	1.23	-0.13	↓		Moreland will struggle to attract leading new manufacturers due to land prices
Other manufacturing	1.27	-0.11	↓		Negative growth despite assuming Kodak remains.
Electricity, gas and water	-0.80	0.58	↑		Small employer, most state job losses will remain concentrated in LaTrobe Valley
Construction	1.28	0.68	↑		Continue growth due to urban consolidation, refurbishment and proximity to urban growth areas
Wholesale	1.56	0.55	↑		High cost of inventory holding due to land prices will stifle this industry.
Retail	2.13	0.63	↑		Low intensity of current retail stock will severely diminish employment opportunities in the medium term
Accommodation	1.85	0.73	↑		Potential for moderate growth
Transport	1.36	0.60	↑		Less than state average due to shifting population bases
Finance	0.52	-0.04	↓		Continued consolidation and rationalisation of smaller firms as service delivery moves to the Internet
Business services	0.63	0.87	↑		Proximity and low rents should sees business services begin to concentrate in Moreland
Government	3.14	0.59	↑		Government services could grow much more substantially if decentralisation was a new policy of state government. With this the majority of growth in administration will be centered in Melbourne / regional cities of fast growing urban centres
Education	1.02	0.23	↑		Low population growth means that this sector will be slow to grow
Health	1.25	0.75	↑		Similar issues of population growth will diminish the proximity advantages Moreland has.
Cultural and recreation services	2.14	0.79	↑		Relatively strong growth, considering low population growth, in this sector will be built on the socio-demographic advantages of the region as it gentrifies.
Other personal services	2.78	1.25	↑		Strong growth linked to income growth
Total	2.31	0.13			Weak employment growth linked to low population growth and negative industry outcomes in key sectors.

<sup>1</sup> Growth rates for Australia will tend to be slightly higher than Victoria on average



**Table 8 - Employment Forecasts within Moreland (Employed Persons)**

	1991	1998	2010	Change '98 / 2010
<b>Activities likely to Locate in Industrial Areas</b>				
<i><b>Decline between 1998 – 2010</b></i>				
Textiles and clothing	5,474	3,757	2,184	
Paper	1,365	769	593	
Chemicals	517	565	464	
Fabricated metals	1,573	728	612	
Other machinery	3,220	1,785	1,756	
Other manufacturing	796	603	595	
<i>Sub-total</i>		8,207	6,204	2003
<i><b>Increase between 1998 – 2010</b></i>				
Food	1,596	1,175	1,344	
Wood	271	288	308	
Non metallic minerals	636	227	242	
Basic metals	557	218	229	
Transport equipment	2,404	141	150	
Electricity, gas and water	220	136	145	
Construction	2,408	2,542	2,757	
Wholesale	3,495	2,576	2,750	
Transport	2,153	1,256	1,395	
<i>Sub-total</i>		8,559	9,320	761
<i>Overall change in industrial areas</i>				-1,242
<b>Activities likely to Locate in Non-industrial Areas</b>				
<i><b>Decline between 1998 – 2010</b></i>				
Finance	999	692	688	4
<i><b>Increase between 1998 – 2010</b></i>				
Retail	7,376	5,148	5,549	
Education	3,157	2,399	2,466	
Accommodation	875	980	1,069	
Business services	2,157	3,932	4,364	
Government	1,916	801	860	
Health	2,722	3,673	4,017	
Cultural and recreation services	398	476	523	
Other personal services	2,372	2,243	2,603	
<i>Sub-total</i>		19,652	21,451	1,799
<i>Overall change non- industrial areas</i>				
<b>Total Municipality</b>	<b>49,546</b>	<b>37,405</b>	<b>37,982</b>	<b>577</b>



### **3.4 Attitudes of Existing Operators and Agents**

As part of this study a questionnaire was sent to all businesses and to all owners of land in Industrial 1 and 3, Mixed Use and Business 3 and 4 zones in the City of Moreland. A total of 216 responses were received. Of those responses some 159 were from operating businesses (as distinct from absentee land owners). Key observations in terms of the outlook of those firms who responded include:

- 45% of firms expect to grow over the next two years, 11% expect to decline and 4% expected to close. The greatest number of firms expecting to decline were involved in the TCF industry.
- Total employment in the respondent firms has increased over the past two years and is expected to do so over the coming 2 years.
- There are contradictory results in terms of the number / proportion of firms planning to move from the existing sites in the future. However between 18% and 33% of firms suggested they may seek to relocate in the short to medium term. Unless the land vacated by these firms is occupied by new businesses, this suggests that the continued restructuring and loss of industrial operations from Moreland is likely to continue into the future.
- 75% of the firms that indicated they were planning to relocate suggested they wanted to move out of Moreland. Campbellfield was the single most popular destination listed, but other locations throughout the northern and western suburbs were generally cited.
- 26% of all respondents indicated a desire to redevelop their existing properties. Of this proportion 30% indicated a desire to redevelop for residential uses, whilst 46% indicated a desire to redevelop for business or industrial purposes.

***...between 18% and 33% of firms suggested they may relocate in the short to medium term***

***75% of the firms that indicated they were planning to relocate suggested they wanted to move out of Moreland***

Discussion with local real estate agents resulted in the following comments:

- Moreland is experiencing some movement away from the municipality as industries downsize and seek cheaper rents in outer suburban locations, or else close down.
- Rents are quite expensive compared to other municipalities, especially in the southern parts of the municipality.
- Automotive and mechanical repairs, along with engineering, are the sectors from which most enquires for industrial properties are generated.
- Textiles clothing and footwear has experienced a significant decline in the municipality.
- Outer suburbs are proving to be a cheaper option for industry to locate
- Industrial areas in the southern parts of the municipality (east and west of Sydney Road, Brunswick) experience relatively strong demand, especially for smaller service industries that place significance on proximity to the CBD. Coburg also benefits from this tendency, although to a lesser extent.

***Moreland is experiencing some movement away from the municipality as industries downsize and seek cheaper rents in outer suburban locations, or else close down.***

***Industrial areas in the southern parts of the municipality (east and west of Sydney Road, Brunswick) experience relatively strong demand, especially for smaller service industries that place significance on proximity to the CBD.***

***Coburg also benefits from this tendency, although to a lesser extent.***



The Newlands Estate experiences the greatest competition from industrial areas in surrounding municipalities. Newlands does not benefit from proximity to the CBD as do the industrial areas in the southern, and competes with industrial areas in nearby Darebin and Hume on the basis of rent

### **3.5 Continuing Decline in Demand for Industrial Land**

From the information presented in this report and from earlier reports prepared as part of this study, it is the consultants view that there will be a continuing decline in demand for industrial land in Moreland.

This does not mean that all industrial land within the municipality should be rezoned, as considerable ongoing demand exists for industrial land within the municipality, especially land within concentrated areas of industry, with good access and without residential abutments. What it means is that the flexibility exists to consider the rezoning of some of the smaller or more fragmented areas of industrial zoned land which are less suited to long term industrial use for strategic planning reasons.

This view on the ongoing demand for industrial land has been formed for the reasons set out below:

- Over past decades there has been a significant restructuring of the National economy away from manufacturing towards more service orientated activities. For example between 1990 and 2000 the proportion of total domestic demand satisfied by products that were manufactured overseas increased from 29.6% to 42.8% (see Table 1). Australian manufacturing companies are satisfying a smaller proportion of demand generated from within Australia and more and more goods are being manufactured off-shore. Australian manufactures are not increasing exports at a sufficient rate to counter this situation. This trend is indicative of declining demand for industrial land and for industrial development at the National level.
- The level of restructuring that has occurred within the Melbourne metropolitan area is indicated by the rate at which the proportion of the workforce employed in the manufacturing sector has declined over recent decades. Between 1981 and 1996 the proportion of the workforce of metropolitan Melbourne employed in the manufacturing sector declined from 27.1% to 18.1%. During the same period the proportion of the workforce of service sectors such as retail and wholesale trade, finance property and business services and community services has increased from 50.4% to 63.7%. This trend is indicative of declining demand for industrial land and development at the metropolitan level.
- Much of the industrial zoned land in Moreland was included in industrial zones in the 1950s when the first planning schemes were introduced throughout metropolitan Melbourne. Considerable restructuring has occurred since, with many major industries moving out of the municipality. However the pattern of zoning has not changed at the same rate, meaning that flexibility exists to consider the rezoning of some industrial zoned land throughout the municipality.
- Forecasts prepared for this study suggest a continuation of National trends away from manufacturing towards service orientated sectors of the



economy. It is forecast that jobs in those sectors of the economy that traditionally occupy industrial land will decline by a further 2000 employees (ie around 7%) over the next 10 years.

- The textile clothing and footwear industry is likely to be particularly affected, with a forecast decline in output of around 35%. Employment is forecast to decline by around 42% by 2010. It is anticipated that up to 50% of the 128 sites used by the TFC industry in Moreland may be available for reuse. The majority of these are likely to be located in the Brunswick area east of Sydney Road, outside of Moreland's core industrial zone.
- Demand for large-scale consumer oriented manufactures (eg Chef) focussed on metropolitan, interstate or overseas markets is likely to continue to decline.

The land use survey identified that around 1740 businesses operated within the industrial 1 and 3, Business 3 and 4, and Mixed Use Zones in Moreland. The survey indicated that in the order of 25% of firms indicated they may relocate in the short to medium term, of which 75% indicated a desire to move out of Moreland. Assuming this occurred up to 440 businesses could move from their current sites, of which 110 might relocate to other premises in Moreland. Thus around 330 existing business could move out of Moreland to another area.

***Assuming 25% of firms did relocate in the short to medium term and 75% of those did leave Moreland, up to 440 businesses could move from their current sites.***

***Around 330 existing business could move out of Moreland...***

### **3.6 Implications for Moreland**

Implications for the planning of industrial zoned land include the following:

- The demand for industrial zoned for industrial purposes will continue to decline in Moreland. Whilst demand will remain for industrial land in consolidated industrial areas throughout the municipality, this weakening of demand flexibility will exist to consider opportunities to change the zoning of some of the more peripheral areas of industrial land to enable other employment uses or residential activities etc.
- Existing manufacturing operations focussed on external markets will remain for as long as they remain a viable business, existing sites meet future expansion needs, the cost of relocating outweighs the cost of remaining, and unreasonable constraints are not imposed by land use conflicts and access difficulties.
- Structural change and trends for major manufacturers to downsize and / or relocate overtime will result in numerous industrial sites becoming vacant. Where well located for future industrial uses, such sites should be redevelopment for high amenity industrial premises suited to the needs of small to medium sized businesses. Sites that are not well suited to industry will provide an opportunity for land use change.
- Kodak, Moreland's largest industry, may not remain on its current site in its current form in the medium to long term due to changing technology and international competition. Council should anticipate the likelihood of change on the Kodak site.
- The outlook for industrial activities generated by local / regional demand will only be moderate due to the stable population outlook for Moreland.



***The outlook for industrial activities generated by local / regional demand will only be moderate...***

***Ongoing demand will exist for small to medium sized businesses that benefit from proximity to business opportunities derived from the northern region of Melbourne...***

***New business opportunities will emerge in terms of small to medium sized manufactures that rely on a high skills and knowledge...***

- Ongoing demand will exist for small to medium sized businesses that benefit from proximity to business opportunities derived from the northern region of Melbourne, from the growth in the residential and business populations of the central city area, or that are part of supply chains focussed on Moreland.
- New business opportunities will emerge in terms of small to medium sized manufactures that rely on skills and knowledge in the areas of product design, product development, product finishing of out sourced goods, management of overseas production operations, internet and global marketing to high value niches.
- Particular opportunities will exist for such businesses that are focussed on the TCF industry (due to its traditions in Moreland), and the biotechnology industry (due to proximity to the Melbourne University and Parkville).
- The changing profile of the municipality's population will provide opportunities for local employment to increasingly focus on higher skilled and knowledge based industries. This will require land use opportunities to be provided for offices uses and the like.
- There is a shortage of high amenity industrial buildings, industrial parks or industrial precincts in Moreland. New business opportunities identified above will require modern high amenity premises. The opportunity should be taken to redevelop large vacated industrial sites that are appropriately located for long term industry, to accommodate small to medium sized business in an attractive and high amenity planned environments. The Brunswick area in particular would benefit from such developments as sites of sufficient size become available.
- If land that is poorly located for industrial use in the long term and for which there is little or no demand for industrial use, is not rezoned, it is likely the land will become blighted. If existing buildings on a site cannot be leased for a sufficient amount to justify their ongoing maintenance and their eventual upgrading to a standard appropriate for contemporary industry, the buildings will be progressively "run down", will eventually become unleaseable and will remain vacant.



## 4 HOW WE ARE GOING TO GET THERE

Chapter 3 identified the outlook for industry in Moreland. It identified that:

- demand for land zoned for industry will decline;
- that large industries are likely to close down, relocate or restructure and scale down;
- that demand will remain for small to medium sized businesses; and
- that if Moreland is able to modernise its industrial stock it can provide an attractive location for businesses and smaller industries that benefit from the convenience of its location or from the linkages with other firms and industry clusters that already exist in the area.

Whilst identifying the need to maintain industrial land in key locations around the municipality, it also identified that due to the decline in demand, the opportunity exists to rezone land for other employment related uses, as well as for residential purposes.

Given that outlook, this chapter addresses how decisions regarding the future use and development of redundant industrial land should be made in the context of Moreland. It identifies the need to take into consideration wider municipality objectives for the municipality. It provides guidelines for making decisions on the future zoning of land and on the types of zones that are appropriate to apply in different situations.

Importantly it addresses the difficult issue of how on one hand Council can support existing businesses and industries, whilst on the other having a strategy that identifies opportunities for rezonings and change.

The strategic directions contained in this section are based on the research undertaken as part of this study and are in response to the outlook identified in the previous section.

### 4.1 Industrial Land Within the Wider Municipal Context

#### 4.1.1 The Need for an Integrated Policy Approach

The purpose of this study is to develop a strategy for industrial land in the City of Moreland. The underlying imperative of the study is to adopt an approach that seeks to protect and maintain industrial land, where appropriate, in the face of strong pressures for redevelopment for alternative uses such as residential.

Being an industrial study as distinct from an overall municipal strategy plan, the study takes a pro-industry stance. However there remains the need to adopt an integrated approach that has regard to Council's overall strategic planning policies, and which balances the often competing needs of different land uses.

***Being an industrial study as distinct from an overall municipal strategy plan, the study takes a pro-industry stance.***

***...there remains the need to adopt an integrated approach that has regard to Council's overall strategic planning policies***



Moreland is an established municipality with little vacant land for redevelopment. Any new development that occurs, whether it be residential, industrial, commercial, institutional, public open space etc, will occur at the expense of some other established use.

In inner and middle ring municipalities such as Moreland, it is industrial land (along with public or institutional land eg Pentridge and former school sites) that provide the opportunity for a municipality to change - to revitalise and to reinvent itself over time. It is important that this revitalisation continues to occur if a municipality is to maintain its population base, its economic base and the ongoing refurbishment and upgrading of its infrastructure and its building stock that is required over time.

***Residential redevelopment and intensification is a vital and critical element of Council's municipal vision.***

***The redevelopment of underutilised industrial land for residential use provides one of the few ways in which substantial redevelopment can be achieved in Moreland.***

Residential redevelopment and intensification is a vital and critical element of Council's municipal vision. The redevelopment of underutilised industrial land for residential use provides one of the few ways in which substantial redevelopment can be achieved in Moreland. Unless opportunities can be realised for large scale residential redevelopment it will not be possible to achieve Council's wider policy for the creation of:

*...an environmentally sustainable and socially just city in which people of all incomes can live, work, shop and socialise locally.*  
(Clause 21.01)

Council must balance its economic and industrial policies with its social, housing and environmental policies. It must be able to make rational and balanced decisions in relation to the future zoning of industrial land. Whilst strongly protecting 'appropriate' industrial land, it must be accepted that the rezoning of some industrial land may be appropriate to achieve its wider municipal goals.

#### **4.1.2 The Intrinsic Suitability of Land for Different Uses**

Land has an intrinsic suitability for different types of land use due to factors such as:

- location attributes;
- accessibility; and
- surrounding land use patterns.

Acknowledgment of the intrinsic suitability of land for different uses is critical to:

- achieving planning policies that are supportable and defensible in the long term;
- the efficient and economic use of land; and
- avoiding planning blight.

***When industry originally established in Moreland it occurred in an unplanned and ad hoc manner...***

When industry originally established in Moreland it occurred in an unplanned and ad hoc manner, at a time when no planning strategies or controls existed. There is no doubt that many industrial areas would not have been established if what are now commonly accepted strategic planning principles had been applied. Numerous incompatibilities exist between industrial and



residential properties, amenity issues arise, and access difficulties exist for many industrial areas.

This strategy must take the opportunity to review the long term suitability of industrial land in Moreland. In this way Council can focus its efforts on consolidating and enhancing the most appropriate industrial concentrations in the municipality, and managing the ongoing use and / or gradual transition of locations which are appropriate to change to some other use.

Council's strategy will have more credibility and be more defensible if future land owners, residents and panel members can see that its approach is based on a rational and logical assessment of the intrinsic suitability of land for different purposes.

The retention of land in an industrial zone that is poorly suited for long term industrial use will result in the inefficient use of that land. This is likely to result in planning blight. Much of the industrial land in Moreland is occupied by old industrial buildings that require considerable investment to refurbish them to current standards. Investment will not occur on sites that are poorly suited to industry, as the risk to an investor of attracting a tenant prepared to pay sufficient rent to fund the cost of redevelopment is too great. New industrial tenants will not pay sustainable rents to locate in premises that are heavily constrained for industrial use. Without ongoing reinvestment to maintain premises to current day standards, premises will deteriorate, be underutilised or remain vacant. Amenity levels will decline and the properties will become blighted.

There will be circumstances in which land should be rezoned and the strategy needs to identify this. However this must be done through a logical strategic framework so as not to raise land owner expectations and prejudice the ongoing operation of remaining viable industry.

#### **4.1.3 Recognising Moreland's Mixed Use (Multi-use) Character**

The above comments must be considered in light of the fact that parts of Moreland have a mixed use character. This is especially the case in the southern parts of the city around the Brunswick area. Acknowledging this fact is important in assessing the long term suitability of land for industrial purposes. (Note: To avoid ongoing confusion between the term Mixed Use Zone and general areas that have a mixed use character, regardless of the zoning, the term Multi-use will be used).

Traditionally planning evolved to separate land uses to improve health, safety and amenity for residents and workers of urban areas. To adopt such an approach in Moreland would see industrial land retract to three core areas of West of Sydney Road, Brunswick, Coburg and Newlands.

Such an approach is not appropriate in Moreland due to the economic significance and contribution to local jobs made by industry and businesses located outside the core industrial areas. From earlier sections of the report it is apparent that 30% of industrial zoned land within Moreland is located outside the core industrial areas of Brunswick, Coburg and Newlands. From the survey of industrial land reported in Report 1 (Section 5) it is apparent a considerable land use mix exists even within industrial zoned: residential

***This strategy must take the opportunity to review the long term suitability of industrial land in Moreland.***

***Council's strategy will have more credibility and be more defensible if it is based on a rational and logical assessment of the intrinsic suitability of land for different purposes.***

***The retention of land in an industrial zone that is poorly suited for long term industrial use will result in the inefficient use of that land.***



properties make up 17% of all properties in Industrial 1 Zones and 22% in Industrial 3 Zones.

The issue must be approached in Moreland from the perspective of maintaining and managing an ongoing mix of uses wherever possible and appropriate to do so. It should not be achieved by removing the mix.

This will require a balance between the expectations of businesses and the expectations of residents:

- businesses will not be free to operate in a relatively unconstrained manner, as is the case in core industrial areas; and
- residents in multi-use areas cannot expect the same level of amenity as residents of wholly residential areas.

The valid right of industry to continue to operate in multi-use areas must be respected. However it is appropriate that industries operating close to areas zoned for residential uses adopt operating standards that respond to the residential amenity of the area:

- all EPA guidelines and standards regarding emissions must be complied with;
- hours of operation should be limited to reasonable times;
- vehicle access to the sites should be managed to minimise the impacts on residential amenity;
- buildings and sites should be well maintained and attractively presented; and
- activities should be confined to the site and should not spill out onto the street.

***Council should strongly support the existence of all businesses in multi-use areas that are 'good'***

Council should strongly support the existence of all businesses in multi-use areas that are 'good neighbours' and who make a conscious effort to respect the amenity of residents. Council should use whatever means available to enforce planning and environmental regulations against those industries which disregard amenity requirements of neighbours.

Most industrial areas within multi-use areas are zoned Industrial 3 rather than Industrial 1. This provides the greater opportunity for Council to control the type of businesses that locate in these areas. Through these means Council should endeavour, over time, to promote industries and businesses that have reduced potential for adverse amenity impacts with residential neighbours.

Residential uses that are non conforming in industrial zones cannot expect a residential amenity in these areas.

#### **4.1.4 Evolution Towards a Wider Employment Base**

The supply of industrial land in Moreland is a finite resource and it is the industrial land resource that provides the greatest opportunity for new local jobs in the future.



Given Council's policy imperative for local job retention and creation, industrial land should not be rezoned to a residential zone or to another zone that does not facilitate employment generating uses, unless Council is first certain that no opportunity exists for industrial or other employment opportunities.

Office activities provide an alternative employment generating use that may be appropriate in some industrial areas throughout Moreland, especially those that are constrained by residential interface issues. However the demand for offices in the northern region of Melbourne has traditionally been limited and is unlikely to be sufficient for wide spread application to redundant industrial land throughout the municipality. Opportunities are likely to be restricted to relatively small scale professional suites and service businesses.

Locations suited to office concentrations are those with high amenity, good road access and exposure, proximity to public transport and to retail and commercial nodes. The southern end of the municipality, closer to the CBD is likely to have greater potential for office and other employment uses than the northern areas. Main arterials like Brunswick Road, Lygon Street, Nicholson Street have potential for such uses. Sydney Road, to the north of the Coburg / Bell Street shopping centre may also have potential, contingent upon the upgrading and enhancement of the amenity of the road in that area.

Urban village strategies prepared for commercial centres along these routes should review industrial zonings in these areas in more detail, with a focus on providing opportunities for employment generally, rather than focussing on industrial or residential uses only.

As the socio-economic characteristics of the local population change, so does the type of jobs in which residents are employed. A higher proportion of tertiary educated residents with professional skills will increase the opportunity for small professional service businesses to locate throughout the municipality. However the demand for offices generated through this source is likely to be slow to emerge and limited in quantum.

#### **4.1.5 Making the Most of Underutilised Industrial Land**

Moreland's population base is expected to remain stable if not decline over the next 10 to 20 years. As mentioned in Section 4.1.1, underutilised industrial land provides a key opportunity in the municipality to provide new land use development opportunities.

Redevelopment of underutilised industrial land should seek to optimise the development potential available, whether it be for employment uses or, in the case of land that may not be suited for ongoing employment use, for medium and higher density residential uses.

Many of the larger industrial sites throughout the municipality have the potential to accommodate medium to higher density development. They may have: a large land area; a considerable bulking bulk and form (given existing industrial buildings); a history of high levels of activity, use and traffic generation, whether it be for staff or commercial vehicles.

***Given Council's policy imperative for local job retention industrial land should not be rezoned to a residential zone unless Council is first certain that no opportunity exists for industrial or other employment***

***Redevelopment of underutilised industrial land should seek to optimise the development potential available...***



Priorities for the reuse of industrial land should include, in order of preference, employment generating uses, mixed use development with residential and employment uses, or else medium to high density residential development. Development densities on sites should be optimised having regard to the character and amenity of the area that existed as a consequence of previous industrial use of sites, balanced against opportunities to improve and enhance the character and amenity of the area, and subject to design and site layout issues.

#### **4.2 Guidelines for Determining the Future Use of Industrial Land**

A key purpose of this strategy is to provide a framework for making clear and consistent decisions regarding the future zoning of industrial land, and to remove uncertainty that exists both within Council and the community in terms of deciding which land will or will not be retained for industrial use in the future.

Following are a series of practical guidelines that set out factors that have been taken into account by the consultants in determining the appropriate future use and zoning of land throughout the municipality.

These guidelines have been used in determining the different future land use categories into which industrial land has been included, as described later in this chapter. They will also be used by Council in assessing future requests for the rezoning of industrial land in certain situations referred to in the strategy.

##### **4.2.1 General Land Use Criteria**

Different locations around Melbourne have different attributes that make them more or less suited to industries of different types and scales. Similarly, locations within Moreland are more or less suited to different types of industries and businesses. The major land use planning criteria that affect the suitability of land for industrial purposes in Moreland include the following:

- the surrounding land use pattern;
- accessibility;
- interfaces with non-industrial uses; and
- the type of industrial use and its off-site impacts.

##### *The Status of Roads*

The road network and the status of roads on which industry is located and which are used to access industrial areas, are critical factors that integrate the above criteria. Higher order roads provide good access and effective separation or buffers to residential and other sensitive uses. As the status of a road becomes less, interface issues between industry and residential properties sharing a common road have the potential to intensify.

From a land use planning perspective, land that is well suited for industry generally has the following characteristics:



- It is located in an area that contains a **concentration of other industries and businesses**. This limits residential abuttals to sites around the outer edge of the concentration, and provides the opportunities for businesses within the area to operate free of the constraints posed by nearby residences.
- **The area has abuttal or direct access to a main road, a secondary road, or in some cases a collector road.** Main and secondary roads carry higher volumes of traffic, are used by through traffic (residential and commercial), generally have a wider dimension, have reduced levels of residential amenity due to traffic volumes and function, and provide a reasonable physical separation between land uses. Collector roads are of a lower status and as a consequence provide a lesser degree of 'separation'. However in some cases collector roads may provide a reasonable separation. Local roads that contain a mix of residential and industrial uses generally result in inappropriate interfaces.
- **Have manageable interfaces with residential zoned properties.** This means that the relationship between residential properties and industry, whether located on the opposite side of an intervening road or sharing a common side or boundary fence, is such that it does not result in either unreasonable impacts on the amenity of residential zoned properties or unreasonable constraints on the operation of industry.
- **Commercial vehicle traffic is not required to use local roads through residential zoned areas** for primary access to industrial properties. Such an occurrence has the potential to cause unreasonable amenity and safety impacts in local residential areas.

From a land use planning perspective, land that is not well suited to industry may have the following characteristics:

- Located in an essentially residential zoned area and is occupied by an industry or industry that has unreasonable impacts on the amenity of nearby residential zoned properties.
- Relies on access via local streets through residential zoned areas and generates a level of commercial traffic that is not appropriate for such a street and leads to unreasonable amenity impacts for residents of the street.

The type of industry or business that occupies a site is critical. Regardless of the location of a site, if the type of industrial use or business that exists has no unreasonable impacts on residential amenity (having regard to what might be regarded as reasonable amenity levels in a multi-use area), then there is no planning impediment to the continued operation of the use.

#### Residential Interfaces

Moreland, especially the southern parts of the municipality, include a mix of industrial and residential properties in close proximity to each other. They often share common boundaries or are located on the opposite side of the same street.

In such multi-use areas it is necessary to manage this mix of uses rather than seek to phase out one use or the other. It is particularly important to



understand the interface issues between the two uses and the situations that may or may not provide justification for consideration of the rezoning of land.

Common interface situations include the following:

- Where ***industrial zoned properties and residential zoned properties abut along a rear boundary***. This is a common occurrence throughout Moreland. Numerous industries that are well located for ongoing industrial use and which have direct frontage and access to a main road, back onto residential zoned properties. Depending on the type of industry and the activities that occur on those parts of the site closest to the residential boundary, this is not necessarily an inappropriate interface. In many cases abutments between industrial and residential zones along rear boundaries result in less conflict than uses divided by a street.
- Where ***industrial zoned properties abut the side boundary of a residential zoned property that fronts the same street***. Again, depending on the type of industry and the activities that occur on that part of the site closest to the residential boundary, this is not necessarily an inappropriate situation. However a street may be a more appropriate boundary between zones than a side property boundary, but only where such a situation can be achieved without the loss of viable industrial uses.
- Where industrial zoned properties exist on the other side of the road from residential zoned properties – In this case the status of the road is critical. If the road is a main road or a secondary road, the interface is an appropriate boundary between industrial and residential zones. If the road is a collector road, the role and function of the particular road must be considered. If the road is a local residential street, then it is likely that interface issues will occur. The problem should only be resolved by rezoning if it will not merely transfer the interface problem to another similar situation wherever a new boundary is created.
- Where ***industrial zoned properties exist on the other side of a railway line from residential zoned properties*** - This is a common situation along the Upfield Corridor. The railway line provides an appropriate boundary between residential and industrial zones.
- Where an ***industrial zoned property(s) gains access through a residential zoned area using 'local' residential streets***. This situation has the potential to cause considerable detriment to residential amenity and lead to traffic management conflicts.

#### **4.2.2 Economic and Employment Considerations**

***Industries located on industrial zoned land have a legitimate and a legal right to continue to operate, to expand, to modernise, and for uses to change from one type of industry to another***

Industries located on industrial zoned land have a legitimate and a legal right to continue to operate, to expand, to modernise, and for uses to change from one type of industry to another (depending on the actual zoning).

This right exists regardless of the intrinsic suitability of the land. Under the provisions of the planning scheme an industrial zoning means that the intended long term use of that land is for industrial purposes. If the Council's intent is merely to allow the existing use to continue for as long as it desires, but for the land to ultimately revert to a residential purpose, then the land should be zoned residential. This would allow the industry to legally



continue to operate under 'existing use' rights. However additional planning controls apply to such 'existing uses'.

Businesses rely on the legal status afforded by the zoning of the land to invest with confidence in the knowledge that their long term future is assured.

Regardless of the intrinsic suitability of land for industrial use, or the result of the application of the land use guidelines setout above, prior to the consideration of any rezoning of industrial land, Council should have regard to the contribution the land makes (or has the potential to make) to the local economy and to the provision of local jobs.

Given Council's policy imperative for the retention / creation of local jobs, no industrial land should be rezoned to a residential zone unless Council is satisfied that the land is:

- not well suited to continued industrial use;
- not suited to other employment generating uses; and
- not suited to a mixed use development that contains an employment component but otherwise contains residential uses as well.

In multi-use areas the aspirations of other industrial land owners and operators in the areas should also be given consideration. Rezoning be carefully considered where they have the potential to prejudice the ongoing operation of existing viable industries that desire to remain in the area in the long term.

#### **4.3 The Application of Planning Controls**

Following is a summary of the relevant zones and overlays that exist within the Victoria Planning Provisions and their appropriateness for application throughout Moreland.

##### **Industrial 1**

This zone is presently applied to all core industrial areas in Moreland and to a few other clusters of industrial land throughout the municipality.

The use 'industry' is allowed in this zone without the need for a planning permit, provided the activities are not listed in Clause 52.10 of the scheme. Clause 52.10 generally applies to activities with the potential to cause adverse off-site impacts (see discussion below).

A freestanding office is allowed to locate in an Industry 1 zone subject to a permit. However the maximum allowable floor area is restricted to 500m<sup>2</sup>. This limits the opportunity for larger office developments.



***Application in Moreland***

The Industrial 1 Zone is appropriate to apply to core industrial areas and to other locations that are reasonably well separated from residential properties and where special controls are not required over the types of businesses that locate. The opportunity exists for 'non-industrial' employment use in this zone, but is restricted by the 500m<sup>2</sup> limit on freestanding offices. This zone would not be appropriate to apply where Council is seeking a transition from industrial to a wider range of employment uses.

***Industrial 3 Zone***

This zone is presently applied to scattered industrial sites throughout the municipality which have residential abutments, and to industrial properties around the periphery of core industrial areas in some cases.

The main difference between the two industrial zones is that the uses 'industry' and 'warehouse' etc require a planning permit in an Industrial 3 Zone, but not in an Industrial 1 Zone.

On the face of it planning controls in this zone seem more stringent than in the Industrial 1 Zone. However, this difference is largely irrelevant in the context of Moreland. The requirement does not mean that a planning permit is required every time a new business moves into an existing factory. Once a property has been used for an 'industry use', regardless of the type of industrial activity undertaken, it retains the legal right to continue to be used for another type of 'industry use' without the need for a further planning permit. The application of Clause 52.10 (discussed below) is unclear in relation to the Industrial 3 Zone and a change of use. A planning permit is however required to reuse a building that has been vacant and lost any use rights it may have enjoyed, or to change from an industrial use to a warehousing storage use or the like.

The same provisions apply for an office use as with the Industrial 1 Zone.

***Application in Moreland***

This zone is appropriate to apply to areas intended to be used essentially for industrial purposes and small scale offices (subject to control), and which adjoin residential areas.

***Section 52.10 of the Scheme***

Whilst the Industrial 1 Zone allows industry to establish without a permit, Section 52.10 of the scheme specifies a number of types of industrial activity that have the potential to have amenity impacts. This clause has two functions:

It necessitates the need for a planning permit for any industry listed in the table to that clause, which has a 'note' adjacent to it.



It requires a planning permit if any of the industrial activities listed are proposed to be located closer to a residential zone or other sensitive use than the threshold distance stated in the table.

This clause does not affect the potential to locate new residential development close to industrial areas. However, it does provide additional restrictions (ie by requiring a permit) on listed uses if they seek to be located within industrial zones. If residential rezonings occur close to the boundaries of existing industrial zones it will effectively extend the degree to which the threshold distance protrudes into industrial areas. If RMIT expanded in the Brunswick Core area, for example, that would also mean threshold distances would extend over a greater proportion of the site.

It should be noted that the distances specified in 52.10 are threshold distance not buffer distances. They do suggest that certain industries should be located that distance from sensitive uses. Rather they are a mechanism that requires a permit application, which allows a proper assessment of the suitability of the use for the site, and the imposition of conditions if considered necessary.

The operation of the Clause in relation to the Industrial 3 Zone is not relevant, as all industry requires a planning permit, and a change from an existing use to a use listed in Clause 52.10 would necessitate a planning permit.

### ***Business 2 Zone***

This zone encourages the development of a mix of office and associated commercial uses. Offices are permitted as of right and residential uses are subject to a permit. No size limit applies for offices, unless specified in the schedule to the zone.

#### ***Application in Moreland***

This zone is appropriate to apply where a mix of office and residential activities is appropriate and Council is not concerned that office uses may predominate in the future. Because residential uses are subject to a permit, Council can exercise discretion and assess the proposed uses against policy. It would not be appropriate to apply in places where existing industry intends to remain and where these locations are identified as appropriate to remain for industry in the longer term.

### ***Business 3 Zone***

This zone allows for a mix of industrial and office uses. Both uses are permitted subject to a permit. No size limit applies for offices, unless specified in the schedule to the zone.

Residential uses are prohibited.

#### ***Application in Moreland***

This zone is appropriate to apply where a mix of industrial and office uses is appropriate and Council is not concerned that office uses may predominate



in the future or may prejudice the ongoing operation of nearby industrial activities.

Residential uses are prohibited in this zone. Accordingly it would not be appropriate to apply where a mixed use development that includes a residential component is contemplated. However, given the shortcomings of the Mixed Use Zone (as discussed below), this zone may be appropriate to initially apply to areas identified for mixed use developments including a residential component, until an appropriate rezoning and agreement regarding the mix of uses can be reached between Council and an applicant.

#### ***Business 4***

This zone is designed to accommodate bulk goods retailing outlets. Both restricted retailing and industry are permitted without a permit. Residential uses are prohibited.

It would be appropriate to use this zone in a location identified as appropriate for bulky goods retailing.

#### ***Application in Moreland***

The Industrial 1 and Business 4 Zones provide the opportunity for restricted retailing, but subject to the grant of a permit. Unless a specific development proposal is presented to Council for a multi tenancy peripheral sales or warehouse sales complex, there would seem little reason for Council to take the initiative and rezone industrial land to a Business 4 Zone. Supportive policy statements for restricted retail operations in industrial areas along certain main roads should provide sufficient policy support to facilitate one-off redevelopment proposals for restricted retail outlets.

#### ***Business 5 Zone***

This zone allows a mix of offices and dwellings, both of which are as-of-right uses unless a dwelling is to be in the same building as an office, in which case a planning permit is required. Industry is a prohibited use.

#### ***Application in Moreland***

This zone would be appropriate to apply to locations where a mix of offices and residential activities was identified as appropriate. However it would not be appropriate to apply where existing industries remained and were identified as appropriate to remain in the longer term, despite the possibility for a transition towards offices uses and possible a mix of housing.

#### ***Mixed Use***

***The name of this zone is misleading in that it provides greater rights for residential uses than for commercial or industrial activities.***

The name of this zone is misleading in that it provides greater rights for residential uses than for commercial or industrial activities. Residential uses are permitted as-of-right, whereas a permit is required for both industrial and office uses.



The only element of the zone that implies a mix of uses is the purpose statement, which refers to providing for "... a range of residential, commercial, industrial and other uses".

Experience in Moreland suggests that this zone is seen as a defacto residential zone by land owners and developers.

#### ***Application in Moreland***

The zone is appropriate to apply where there may be a mix of existing industrial, business and residential uses, and where Council does not oppose the gradual transition to an essentially residential area.

The zone is not appropriate to apply where Council is seeking to maintain employment uses in the long term, even if a residential component may also be appropriate, unless a legal agreement is also entered into that specifies the mix of land uses to be maintained. This would need to be done prior to the land being rezoned, otherwise the matter may be taken out of Council's hands by application to the Victorian Civil Administrative Tribunal.

#### **Overlays**

Overlays provide the opportunity for additional controls over matters such as buildings, works, demolition, tree clearing etc.

Only two overlays provide the opportunity to address the 'use' of the land as distinct from buildings and works, they are the Incorporated Plan Overlay (IPO) and the Development Plan Overlay (DPO). The difference between these overlays is that an IPO requires a development plan to be incorporated into the planning scheme. This means that the development concept itself is subject to public exhibition, to third party submission, and to a panel hearing etc. The responsibility for approving a development plan for land affected by a DPO rests with the responsible authority and a planning scheme amendment is not required.

Whilst these two overlays can address land use, they are only effective in controlling the use of land in situations where the underlying zoning necessitates a planning permit for the use being controlled. If the use is either as-of-right or prohibited, the overlay cannot control the use. In a Mixed Use Zone the use 'accommodation' is an as-of-right use. Whilst a planning permit is required for a residential unit development, the permit is only required for buildings and works and not for land use. Accordingly, these overlays cannot apply additional restrictions over the residential component of a future development if the underlying zoning is Mixed Use.

#### ***Application in Moreland***

IPO's and DPO's would may be appropriate to apply to control use and development of land where either:

- the use of land did not need to be controlled but controls were required over buildings and works etc; or
- where the mix of uses that were to be controlled were all permit required uses rather than as-of-right uses in the underlying zoning.



In situations where Council is encouraging mixed use developments but is concerned to prevent a wholly residential use, application of these overlays will remain limited for the reasons for the following reasons:

In a Mixed Use Zone 'accommodation' is an as-of-right use, so the overlays would have no affect in controlling the proportion of residential use on a site.

In other industrial and business zone 'accommodation' is prohibited and again the overlays cannot allow the opportunity for a use that is prohibited by the underlying zoning. The exception is the Business 5 Zone, but that zone prohibits industry, which limits its suitability on different sites.

### ***Policies***

The zones available in new format planning scheme are inadequate in situations where (1) a mix of uses is proposed where residential is one component of the development and (2) the opportunity for industrial or businesses uses is to be maintained in the long term.

The only possible way of expressing such an intention in the VPPs at present, would be to introduce land use policies in the MSS and local planning policies contained in the scheme. However policies are not intended to be used to change the statutory provisions of zones. Accordingly, it is unlikely such an approach would be successful if challenged at VCAT.

### ***Agreements***

Planning authorities can enter two types of agreements with owners and / or developers:

- legal agreements under Section 173 of the Act; and
- other forms of legal agreement.

Section 173 Agreements can:

- prohibit, restrict or regulate the use or development of land;
- impose conditions subject to which the land may be used or developed for specified purposes.

The differences between a Section 173 Agreement and other forms of legal agreement are that the Planning and Environment Act sets out procedures for entering into agreements and for resolving disputes about the removal and modification of agreements. Section 173 Agreements can be exhibited as part of planning scheme amendments and generally provide a more transparent process through which to enter a legal agreement.

However they do provide the opportunity for review by the Minister and / or the Tribunal. For this reason they provide less certainty to Council in situations where it seeks to impose strong control over the proportion of different land uses that may comprise a development.



#### **4.4 When and How to Rezone?**

##### **Who Takes the Initiative?**

Who should take the initiative to rezone industrial land that this strategy identifies as having the potential to be rezoned? The options are (1) that Council takes the initiative and rezones land identified as appropriate, before any request is made by a land owner or (2) that Council waits for a rezoning request to be lodged and then proceeds to determine the request in accordance with the principles set out in this strategy.

***For Council to take the initiative and seek to rezone land occupied by a viable industry, may well bring forward the decision of that business to close, relocate, or not to reinvest on that site.***

The second option is more likely to provide a supportive framework for existing industries that remain viable and which desire to remain on their current sites for as long as possible. For Council to take the initiative and seek to rezone land occupied by a viable industry, may well bring forward the decision of that business to close, relocate, or not to reinvest on that site.

Council should only take the initiative in situations where:

- unacceptable interface issues exist between existing industry and residents, which needs to be resolved;
- redevelopment of the land for industrial purposes would prevent an ultimate change of land use that is logical from a planning policy perspective and supported by this strategy;
- in situations where there is a clear benefit to the wider municipal community from the redevelopment of a site or the transition of an area away from industrial use.

Council will assess all rezoning requests against this strategy and any consequent amendments made to the local planning policy framework included in the Moreland Planning Scheme.

##### **Site Specific Rezonings**

From past experience, many site specific rezoning requests have been made based on speculative interests rather than as a result of a strategic land use assessment. However, site specific rezoning requests may have merit if the strategic basis of a particular proposal is supported by the directions of a co ordinated land use strategy.

In Moreland's situation it is considered that site specific rezonings of industrial land are appropriate as a means of allowing a gradual change in the use of areas that have been identified in this strategy as transition areas, whilst providing the maximum support for existing viable industrial businesses to continue to operate.

***In Moreland's situation site specific rezonings of industrial land are appropriate.***



## **5 INDUSTRIAL STRATEGY**

This section of the report sets out the land use strategy for industrial land in Moreland. It provides a concise statement of:

- the factors influencing the preparation of the strategy;
- the overall objectives for industrial land in the municipality;
- specific policies for different categories of industrial land

It forms the base for a local industrial policy that could be included into the Moreland Planning Scheme.

### **5.1 Factors Influencing the Strategy**

As determined from the research, analysis and observations made throughout this study, the key factors that should influence the future planning for industrial development in Moreland include the following:

- The benefits to the local economy of maintaining a strong and viable industrial base as part of Moreland's economic structure. This is done within the context that the demand for industrial land in the municipality is likely to continue to decline, and that some opportunities will exist for the rezoning of industrial zoned land, either for other employment uses, for a mix of uses, or for residential use.
- The benefits of continuing to providing local jobs in the industrial and manufacturing sectors, to provide local employment opportunities for those residents (especially those on lower incomes and with lesser skills and levels of education) who are presently engaged, and who will continue to be engaged, in the industrial sector of the economy.
- The need for this strategy to take the opportunity to review the long term suitability of industrial land in Moreland. In this way Council can focus its efforts on consolidating and enhancing the most appropriate industrial concentrations in the municipality, and managing the ongoing use and / or gradual transition of locations which are appropriate to change to some other use.
- The fact that Council's strategy will have more credibility and be more defensible if future land owners, residents and panel members can see that its approach is based on a rational and logical assessment of the intrinsic suitability of land for different purposes.
- Recognising that there will be circumstances in which land should be rezoned and the strategy needs to identify this. However this must be done through a logical strategic framework so as not to raise land owner expectations and prejudice the ongoing operation of remaining viable industry.



- Maintain industrial jobs where appropriate, recognising the need to diversify and provide a wider range of jobs in non-manufacturing sectors, in order to provide jobs that reflect the rapidly changing employment profile of Moreland's population.
- The need to encourage and provide new industrial buildings and upgrade the appearance and the amenity of industrial areas to suit to the needs of modern industry.
- Moreland's context as a mixed municipality and recognition of the implications of this on maintaining and managing an ongoing mix of uses wherever possible and appropriate to do so, rather than merely removing the mix as might be the approach in other municipalities.
- Recognition that underutilised industrial land provides one of the few opportunities in Moreland for the development of new businesses that provide non-industrial job for local residents. Given Council's policy imperative for local job retention and creation, industrial land should not be rezoned to a residential zone or to another zone that does not facilitate employment generating uses, unless Council is first certain that no opportunity exists for industrial or other employment opportunities.
- Recognition that underutilised industrial land also provides the opportunity for medium to high density mixed use and residential development that will help to sustain Moreland's stable to declining residential population.
- That the pressure to rezone industrial land for residential purposes is so great, particularly in the southern parts of the municipality, that any opportunity to use the land for alternative employment use could be lost, unless Council takes a strong stance on the provision of local employment in the municipality.

## **5.2 Municipal Objectives**

Having regard to the above influences it is considered that the following objectives are relevant to guide the future planning and development of industrial land in Moreland.

- To provide a mix of land uses in Moreland that provides the highest possible ratio of local jobs to residents.
- To retain and consolidate designated 'core' and 'secondary' industry and employment areas as the primary areas for continued industrial use and industrial redevelopment in Moreland.
- To provide the opportunity for a wider range of employment related uses (including offices) to establish on former industrial areas designated as 'employment areas', which have good main road exposure and access, especially those in the southern parts of the municipality.



- To provide the opportunity (subject to agreement with Council) for a residential component to be included as part of the redevelopment of larger sites within designated 'employment areas', provided they maintain employment generating activities on the site.
- To support the continuation of viable industrial and associated uses in 'other industrial area's throughout the municipality, subject to compliance with appropriate environmental standards.
- To support the redevelopment of larger, vacant industrial sites in designated core and secondary industry and employment areas for modern, high amenity industrial buildings / complexes, suited to the needs small to medium sized businesses (when compared to the larger operations that existed in the past).
- To ensure that good road access is maintained to core and secondary industry and employment areas.
- To improve the operational characteristics of industrial and associated activities close to residential properties or other sensitive uses, to minimise the potential for adverse amenity impacts.
- To support the continuation of industrial activities in areas designated as 'transition – multi-use' whilst allowing office and residential redevelopment to occur.
- To use the opportunity presented to rationalise zones to overcome existing amenity issues and achieve more logical and defensible zone boundaries.
- Not to allow industrial zoned land to be rezoned to residential purposes unless it is identified as appropriate for mixed use or residential purposes in this strategy.

### **5.3 Future Use and Zoning of Industrial Land**

From a land use planning perspective the major influence Council can have on the future use and development of industrial land is by way of land use zonings. From the research and analysis undertaken as part of this study it is apparent that:

- Industrial activities in Moreland will continue to change as industry restructures and industrial location patterns in Melbourne change. It is expected that the industrial base will continue to decline as large traditional manufactures relocate or close. Opportunities will increase for smaller to medium sized businesses.
- The profile of the population of Moreland is also changing, with more resident workers being involved in tertiary sectors of the economy rather than the traditional manufacturing sectors.

The implications of this on the future zoning of industrial land in Moreland are:



- Not as much industrial zoned land will be required in Moreland than was the case in the past.
- Whilst the total demand for industrial land will decline, key areas of consolidated industrial use that are well suited to continued industrial activity should be retained as they continue to make a major contribution to the industrial base of the municipality.
- There is a need to provide zoned land for a wider range of business activities than just industrial alone. Given the changing profile of the population an increasing need will exist for office uses in the future. Underutilised industrial land that is well suited for office development should be rezoned for such purposes.
- Given Moreland's stable to marginally declining population base, opportunities for mixed use developments, including residential uses, should be pursued where such can be achieved without compromising the opportunity to provide employment uses.
- The rezoning of some of the smaller pockets of industrial land in Moreland and individual industrial sites that are not well suited to long term industrial use for amenity, access and other relevant reasons.

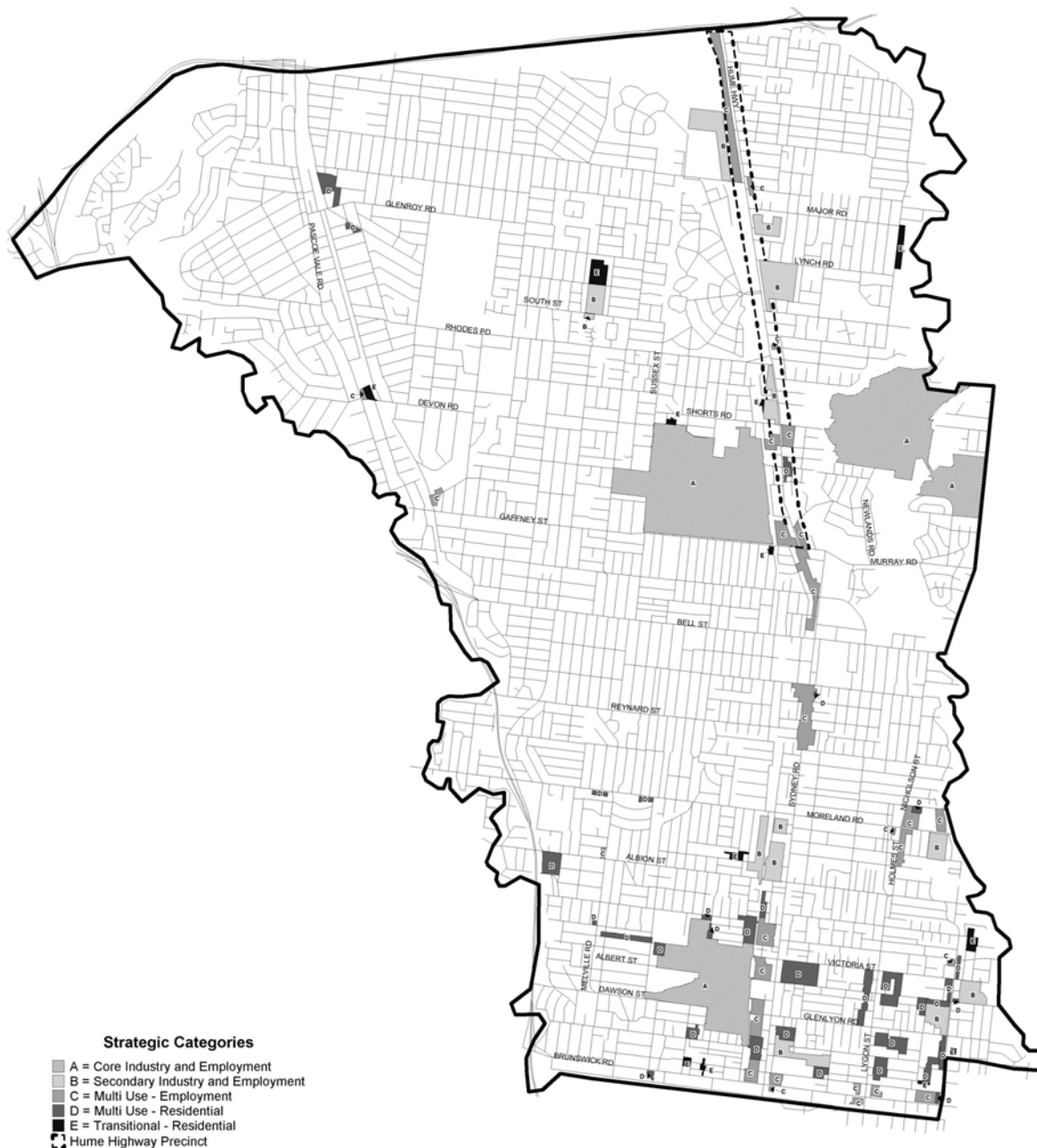
This section of the report discusses the likely future use of various areas of industrial land throughout the municipality, within the context of the above issues. It develops strategic categories that relate to different areas in the municipality in which different types of uses are considered appropriate.

The overall Moreland Industry and Employment Framework Plan is illustrated in Figure 4.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



**Figure 4 - Industry and Employment Framework Plan**





## **Category A - Core Industry and Employment Areas**

### **Discussion**

There are three major concentrations of industry in Moreland that are presently identified as 'core industrial areas' in Council's MSS. These areas are well suited to continued industrial use to new and emerging business and employment generating uses that are appropriate to locate in zones that facilitate industry. These areas should be retained for this purpose in the long term.

Industrial uses in these areas should be free to operate within minimal planning constraints within the context of other industrial areas in Moreland, except where residential interface issues exist. Accordingly the Industrial 1 Zone is appropriate to apply to the majority of these areas, as is presently the case. The Industrial 3 Zone is appropriate on the periphery of Core Industry and Employment areas, adjacent to residential interfaces, to provide greater planning control in such situations.

The boundaries of the Core Industry and Employment areas have been reviewed as part of this study. Some minor modifications to boundaries are in Section 5.4 of this report. Once these modifications have been made it is not considered appropriate for Council to consider any further requests to rezone land designated for 'Core Industry and Employment' purposes, until the next strategic review of industrial land in Moreland is undertaken. This measure is suggested to prevent ongoing uncertainty and speculation about the ability to redevelop land in Core Industry and Employment areas for residential purposes.

Council should encourage continued industrial activity within Core Industry and Employment areas, free from the constraints imposed by residential or other sensitive uses. In the few circumstances where discretion might exist for residential uses in core areas (ie continuation or expansion of non-conforming uses) Council should oppose such as a matter of policy. Council should undertake a further assessment of heritage buildings in Core Industry and Employment areas to determine if prohibited uses, including residential uses, are necessary for their ongoing conservation and amend the schedule to the Heritage Overlay accordingly. Residential incursions in or adjacent to core areas will only serve to constrain the ongoing operation of industry and lead to future pressures for rezoning or a change of land use.

Larger underutilised industrial sites within Core Industry and Employment areas should be redeveloped for modern industrial premises with high amenity standards.

### **Purpose**

To protect strategic concentrations of industry/business and associated uses which are relatively unconstrained by residential or other sensitive uses and provide the opportunity for new and emerging business and employment generating uses that are appropriate to locate in zones that facilitate industry. The intrusion of uses that are incompatible with industrial activities into these areas is not supported, in particular, residential uses and uses that are more appropriately located in activity centres are not supported.

### **Recommendations**

Core Industry and Employment areas are the preferred locations for major manufacturing and associated industries and industries that generate higher rates of commercial vehicle traffic and activity.

Council should strongly oppose the intrusion of uses that are incompatible with industrial activities into Core Industry and Employment areas and the establishment of uses that may prejudice the ongoing operation of industrial and associated uses. Examples include the redevelopment of historic buildings for residential purposes (for which discretion exists under the planning scheme). Residential non-conforming uses within core areas should be encouraged to redevelop for employment generating activities and be phased out over time.

No rezoning of land included in Core Industry and Employment areas should be allowed by Council. The boundaries of these areas have been reviewed as part of this strategy. It is not appropriate to alter the boundaries of the core areas, except as part of a further strategic review of industrial land in the municipality.

Council should encourage the redevelopment of large sites that become vacant for high amenity industrial parks or complexes. It is appropriate that large sites be developed to accommodate a range of small to medium sized industrial business opportunities including advanced manufacturing, biotechnology, information technology and service businesses.

Where industrial zoned land abuts residential zoned land, the layout of buildings and work on the industrial land and activities undertaken on those parts of the site adjacent to residential properties, should be managed and controlled to minimise adverse amenity impacts. In situations where an Industrial 1 Zone abuts a Residential 1 Zone, consideration should be given to a possible rezoning to an Industrial 3 Zone.

High levels of road access for commercial vehicles will be retained to Core Industry and Employment areas and Council should not undertake traffic management work such as intersection treatment and speed humps that interfere with commercial vehicle access.

Residential and other development that occurs within the vicinity of core areas will do so in the knowledge that these areas will continue to function as the main industrial areas within Moreland. Development in the vicinity should not prejudice the ongoing function of core areas for this purpose.

Minimum lot size for subdivision of 1,000m<sup>2</sup>.

### **Planning and Development Controls**

Industrial 1 Zone or an Industrial 3 Zone where abutting a sensitive interface with residential properties or the like.

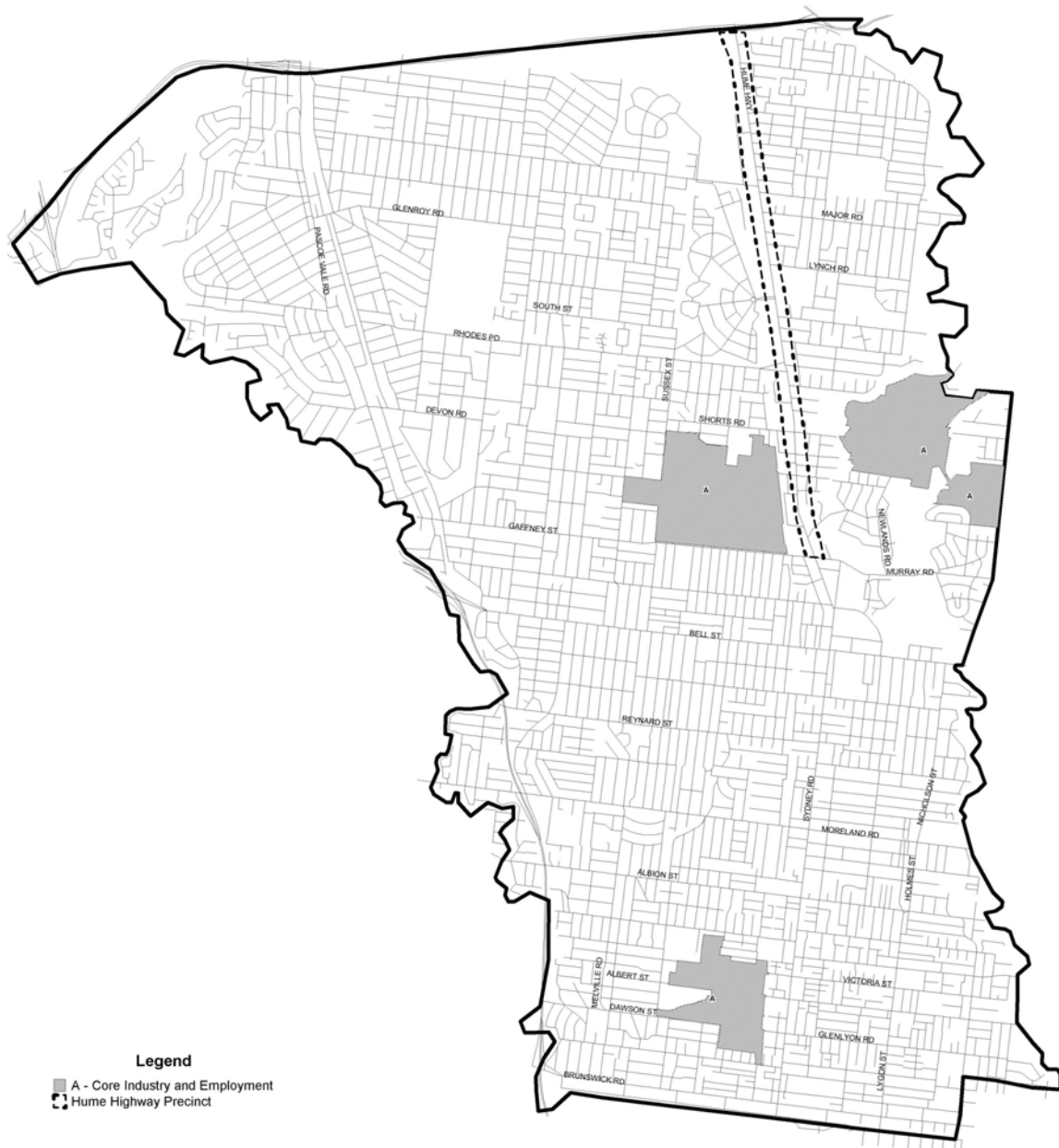
### **Locations**

See **Figure 5** on the following page.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



Figure 5 - Core Industry and Employment Areas





## **Category B - Secondary Industry and Employment Areas**

### **Discussion**

There are a number of smaller concentrations of industrially zoned land which are of strategic importance to Moreland in terms of providing local jobs and continued opportunities for smaller industries and associated activities. Whilst not being part of the Core Industry and Employment areas, these precincts include relatively intact concentrations of industry and provide good opportunities for smaller service industries and businesses to continue to operate in the long term.

Most of these areas are located off main roads and many have a higher incidence of residential abutments than is the case with core areas. For this reason the Industrial 3 Zone is generally the most appropriate zone to apply to these areas as it provides greater control over the type of industrial uses that can locate in such areas. Most Secondary areas are already included in an Industrial 3 Zone.

### **Purpose**

The purpose for these area is the same as that for Core Industry and Employment Areas.

### **Recommendations**

Secondary Industry and Employment areas are the preferred location for smaller manufacturers, service industry and service business.

Other employment generating uses such as offices will be permitted in these areas (to the degree permitted by zone provisions) provided they do not prejudice the continued operation of existing businesses.

Council will control the type of industrial uses that locate in these areas having regard to possible amenity implications on residential properties and other sensitive uses that might existing in the vicinity.

Good levels of road access for commercial vehicles will be retained to Secondary areas. Council will balance the needs of industry with the needs of residents when making traffic management decisions relating to matters such as intersection treatments, speed humps etc.

Council should oppose non-industrial or associated intrusions that might impact on the operation of industries in these areas in the future.

Council should not support residential or mixed use rezonings of land included in Secondary Industry and Employment areas.

Council should work with existing businesses to improve the operating characteristics of the businesses and work to resolve interface issues.

Where industrial zoned land abuts residential zoned land, the layout of buildings and works on the industrial zone land and activities undertaken on those parts of the site adjacent to residential properties, should be managed and controlled to minimise adverse amenity impacts.

### **Planning and Development Controls**

Industrial 3 Zone in the majority of cases / Industrial 1 zone in where no residential abutments.

Business 4 Zone to facilitate bulky goods retailing outlets and industrial uses in the Hume Highway corridor.

### **Locations**

See Figure 6 on the following page.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



**Figure 6 - Secondary Industry and Employment Areas**





## **Category C - Multi Use - Employment Areas**

### **Discussion**

Refers to industrial areas that are appropriate to evolve to provide a wider mix of employment opportunities, including offices and the like. Existing or new industrial uses remain appropriate in these areas, but the opportunity exists for office type uses to be developed in the future.

Areas suited to this category generally include those on main roads in the southern parts of the municipality. Many of these areas contain large sites used by businesses in the TCF industry, and may become vacant in the future. They have good access and exposure, and being in the southern parts of the municipality greater proximity to the CBD. Increased opportunities will exist for small to medium scale offices and professional suites in the southern parts of Moreland as the population profile continues to change. These areas often have residential abutments and interfaces at the rear, which cause operational difficulties for some industrial uses.

A Business 3 Zone is appropriate to apply to these areas, as it provides for the continuation or redevelopment of the land for industrial uses, as well as allowing for office redevelopment. This Zone prohibits residential uses.

Given Council's objectives of retaining local employment opportunities and the objectives of this strategy of broadening the employment base utilising former industrial zoned land, it is not appropriate for land included in this category to be rezoned to Mixed Use. Residential uses are as-of-right in a Mixed Use Zone and sites could be the redeveloped entirely for residential purposes without any control by Council.

However on large sites the potential for a residential component may exist, provided the development maintains a employment activities. As a guide, to achieve Council support for such a development, the floor area devoted to employment uses should equal to the floor area of former industrial buildings on the site.

This requirement is intended to intensify the use of such land along main roads. Employment uses should be maintained either:

- along the main road frontage of sites; and / or
- on the lower levels of a mixed use building.
- Residential uses should only be permitted:
- on upper levels of a mixed use building; or
- at the rear of sites, where they can be used to achieve a more appropriate interface with adjoining residential properties in local streets.

Given the constraints of existing zones, to achieve a residential component on land within this category Council will adopt the following approach:

Where a mix of uses are proposed within the one building – rezoning to a Business 2 Zone or a Mixed Use Zone, subject to an agreement ensuring continuation of the mix of uses in the future. Rezoning will only occur after agreement has been reached.

Where a mix of uses are proposed on different parts of the site – either the above approach, or rezoning of different parts of the site to reflect its proposed use (ie Business 3

Zone for commercial components, Residential 1 Zone for residential parts etc).

If it is not possible to achieve a residential component within the above guidelines, a Business 3 Zone will be applied to the land. This zone provides the opportunity for a mix of industrial and / or office uses, but prohibits residential uses.

### **Purpose**

To identify areas that are appropriate to accommodate a wider mix of employment opportunities, including a mix of industry and offices or wholly offices (or other employment uses which support Council's other land use policies). Industrial uses wishing to continue or to establish are supported. .

Residential uses in these areas should not generally be supported unless certain criteria can be met and at least equivalent employment opportunities to previous industrial uses must be provided as a minimum.

### **Recommendations**

To retain the opportunity for existing and future industrial operations.

To provide the opportunity for a wider range of employment generating uses to establish, including offices, to provide new jobs within the municipality.

Council should be open to consider the possibility of mixed use developments that include a residential component on sites where the commercial element has an equivalent floor area to the previous industrial or business uses that existed on the site.

Council should not consider any request for a wholly residential development on existing industrial zoned land within a designated 'Multi Use - Employment Area'.

### **Planning and Development Controls**

Industrial 3 Zone - To reflect existing industrial use.

Business 4 Zone - To provide for bulky goods retail outlets and industrial uses in the Hume Highway corridor.

Business 3 Zone - To provide the opportunity for office redevelopment.

Business 2 Zone - To facilitate a mix of business, industry and residential uses.

Mixed Use Zone - To facilitate a mix of business, industry and residential uses. To be used in association with a Section 173 legal agreement specifying the mix of uses, only as part of a request under Section 96A of the Planning and Environment Act (1987) for a combined planning scheme amendment and planning permit application.

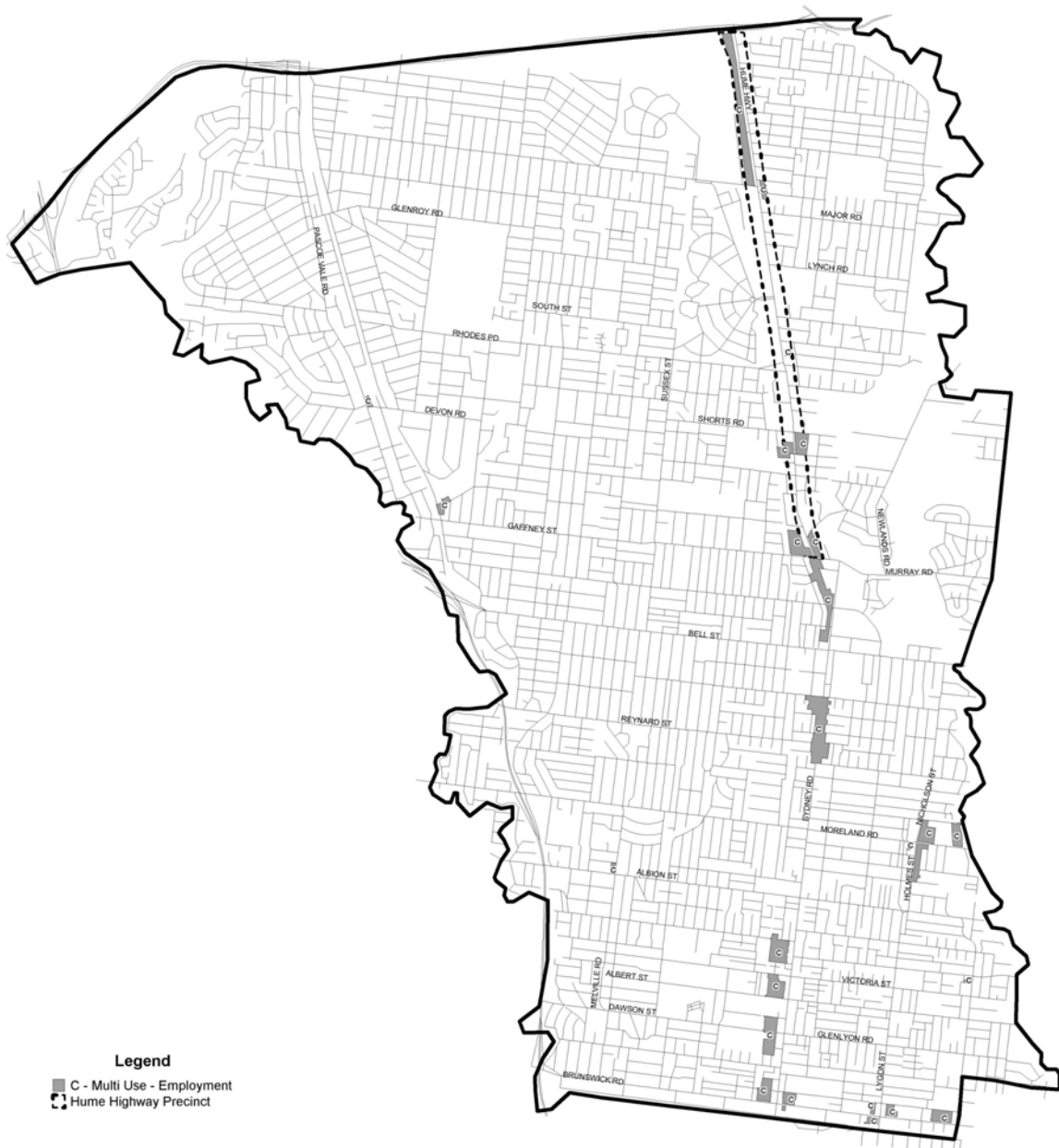
### **Locations**

See Figure 7 of the following page.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



Figure 7 - Multi Use - Employment





## **Category D - Multi Use - Residential Areas**

### **Description**

This category applies to areas that are presently zoned industrial, but where because of the surrounding land use pattern, access arrangements and / or the pattern of existing land uses, the opportunity exists for the mix of uses to change over time to include offices (or other employment uses), as well as residential uses. In these areas the opportunity should remain for industry to continue or to re-establish.

Areas suited to this category include many of the smaller pockets of industrial land located at the rear of commercial properties that front main roads, especially in the southern parts of the municipality. These areas are usually located between commercial and residential uses (at the rear) and have access via local residential streets.

Depending on the nature of the area and the aspiration of existing industrial land owners, either the whole area could be included in a Mixed Use Zone, or else individual properties will be rezoned in response to specific development proposals. It is considered that this approach will maximise the opportunity for existing viable industries to continue to operate, whilst still allows the land use pattern in the area to slowly evolve. Care should be exercised in the rezoning of land to allow for a residential component in situations where it may prejudice the ongoing operation of an existing business that has long term aspirations to remain on its present site.

The difference between this category and the 'employment' category previously described is as follows:

The purpose of 'Multi Use - Employment Areas' is to allow areas to evolve from a previous industrial use to a wider mix of employment opportunities, including a mix of industry and offices. Residential uses are generally not supported in 'Employment Areas' unless strict criteria can be met.

The purpose of 'Multi Use - Residential Areas' is to allow areas to change over time to include offices and residential uses. It is expected that most redevelopments will include residential uses, although wholly residential developments on the one lot are not supported.

### **Purpose**

To identify areas where the opportunity exists for the mix of uses to change over time to include offices (or other employment uses) as well as residential uses. Each new development must be of a 'mixed use' nature. Wholly residential developments are not supported unless in accordance with an approved structure plan. The opportunity remains for industrial and employment generating uses to continue or establish. New employment generating uses must be of a type compatible with residential uses.

### **Recommendations**

Provide for the continued operation of existing industries and for new industries to establish which are of a type compatible in areas that include a mix of industry, offices and residential uses.

Have regard to the impact of residential uses on the ongoing operation of existing businesses before rezoning land.

To allow offices and residential developments to establish provided they are designed in such a way as to have regard to adjoining industrial uses where they exist.

### **Planning and Development Controls**

Industrial 3 or a Business 3 Zone where the area remains predominantly commercial, with site specific rezonings to allow individual residential developments

Business 4 Zone to provide for bulky goods retailing and industrial uses.

Business 2 Zone - To facilitate a mix of business, industry and residential uses.

Mixed Use Zone - To facilitate a mix of business, industry and residential uses. To be used in association with a Section 173 legal agreement specifying the mix of uses, only as part of a request under Section 96A of the Planning and Environment Act (1987) for a combined planning scheme amendment and planning permit application.

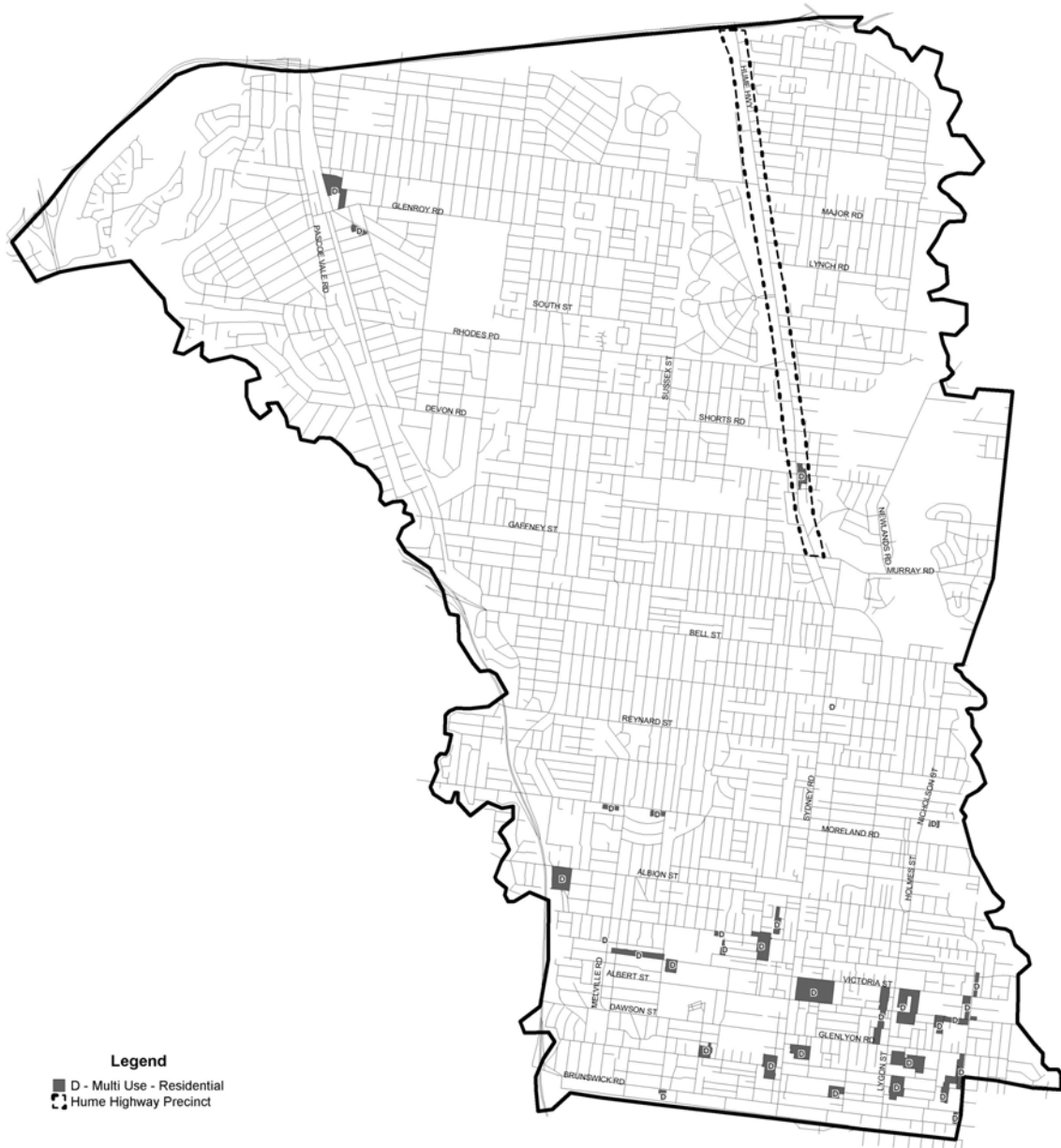
### **Locations**

See Figure 8 on the following page.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



Figure 8 - Multi Use - Residential





## **Category 5 - Transition - Residential**

### **Discussion**

This category applies in situations where the existing industrial zone is poorly located for continued industrial use, or for the conversion to other non-industrial employment uses. Generally these areas will be isolated industrial sites or small clusters in essentially residential areas. Where located on main roads they are likely to be in essentially residential areas and distant from shopping and other commercial facilities, with fairly poor public transport.

On large former industrial sites the opportunity may exist to maintain an element of employment. This will be particularly the case if existing office buildings or heritage buildings lend themselves to reuse. Such opportunities should be pursued wherever appropriate. Otherwise the land is appropriate for residential redevelopment.

### **Purpose**

To identify areas where, because of the surrounding land use pattern and/or access arrangements, it is appropriate that the area convert over time to residential uses. The opportunity remains for industrial and employment generating uses to continue or establish. New employment generating uses must be of a type compatible with residential uses.

### **Recommendations**

Provide for the continued operation of existing industries and for new industries to establish which are of a type compatible in areas that are predominantly residential uses.

Have regard to the desires of existing industrial land owners before rezoning land, including those who may desire to retain an industrial zoning to support the ongoing operation of their business.

To allow residential developments to establish provided they are designed in such a way as to have regard to adjoining industrial uses where they exist.

### **Planning and Development Controls**

Industrial 3 or a Business 3 Zone where the area remains predominantly commercial, with site specific rezonings to allow individual residential developments, until such time as land use change occurs.

Mixed Use or Business 2 Zone in areas that contain a higher proportion of residential properties and where support exists for existing owners of industrial land.

Residential 1 Zone.

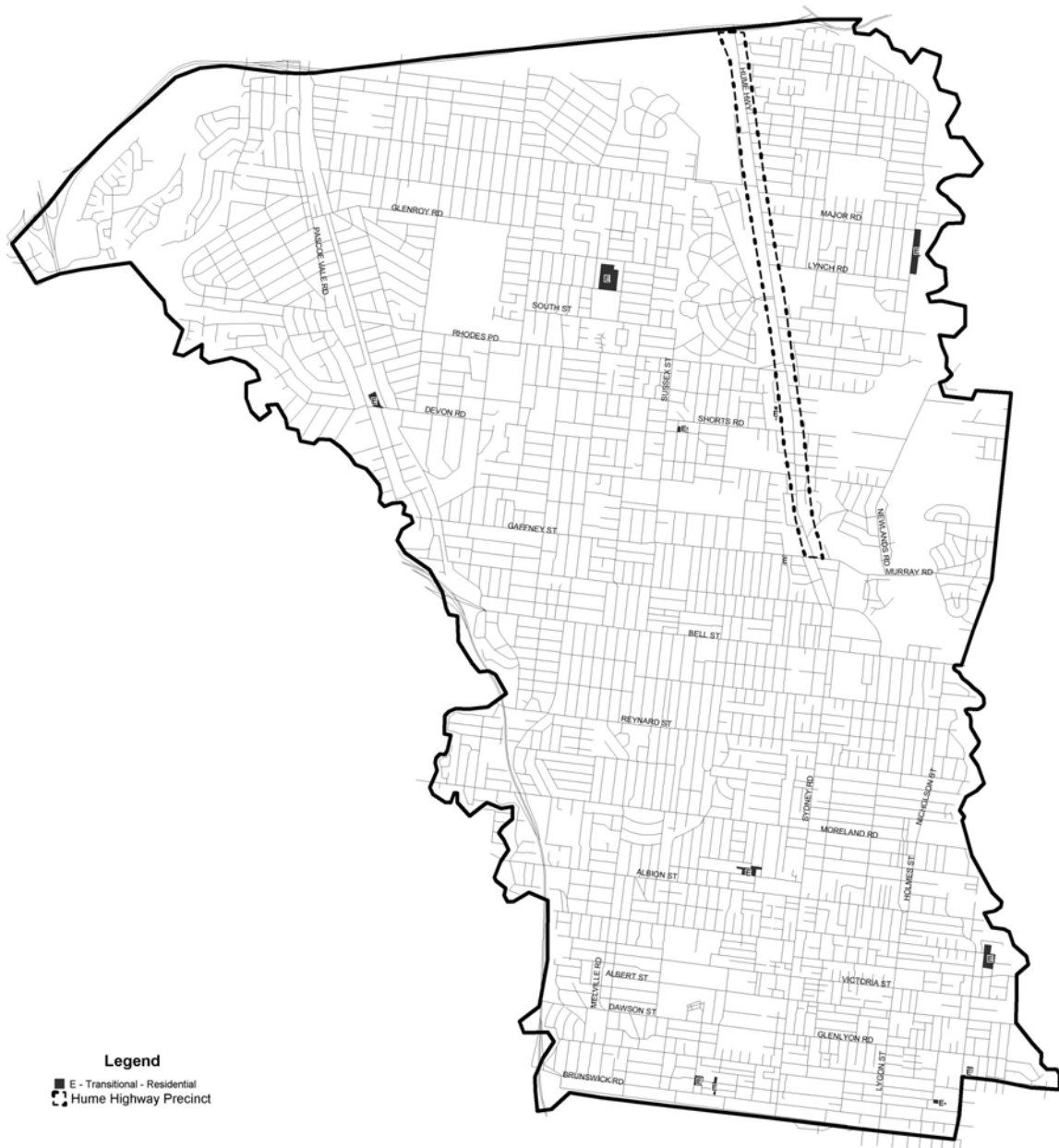
### **Locations**

See Figure 9 on the following page.

The detailed boundaries for each of the Strategic Category precincts are attached as **Appendix A**.



Figure 9 - Transition - Residential









#### **5.4 Specific Areas / Sites**

A number of issues of strategic importance have become apparent to the Consultants during the course of the study. It is considered that specific comment on these issues is warranted in this report.

##### ***Brunswick Core Industry and Employment Area***

###### **Chef site**

The Chef site is located in Hope Street, Brunswick. The site contains two parts: one to the east of the railway line and one to the west. This discussion only addresses the area to the west of the railway line. That part of the site to the east is considered well suited to continued industrial use.

The land to the west of the railway is included in an IN1 Zone. Land on the opposite side of Percy Street is used for residential purposes, is zoned residential and is also covered by a heritage overlay. Land on the opposite side of Hope Street is zoned IN3Z and is occupied by small scale, low amenity industrial uses.

The site is accessed from either Hope Street or Percy Street via Victoria Street. Hope Street is a narrow street that provides poor access for heavy commercial traffic. It is a relative low order street (compared to other streets in the Core industry and Employment area such as Victoria Street and Dawson Street) and provides little 'exposure' to any business that may locate on the site.

Hope Street runs from Sydney Road to the Moonee Ponds Creek. It does not have the level of east / west access and connectivity to higher order roads that is the case with Victoria and Dawson Street. Percy Street is also a narrow local street and is not well suited to heavy commercial traffic.

The existence of houses fronting the west side of Percy Street means that the potential exists for adverse amenity impacts from the use of that street by commercial vehicles, or from off-site impacts that may be generated by tenancies within any industrial redevelopment that may front Percy Street.

It should be noted that the existence of low amenity industrial uses to the north (across Hope Street), east (across the railway line) and on the south side of Talbot Street, combined with the abuttal to the railway line, detract from the amenity of the area in terms of a possible residential redevelopment of the site.

The residential area to the west of Percy Street is a small pocket of dwellings that, apart from dwellings fronting Percy Street, has 'reasonable' amenity levels. The properties fronting Percy Street would benefit from the non-industrial use of the site. Amenity at the eastern end of Hope Street, approaching the site from Sydney Road, is poor due to the existence of small scale, low amenity, unattractive industrial premises that exist along either side of the road and on the opposite side of Hope Street to the site.



The site is located at the extremity of the Brunswick Core Industry and Employment Area. It is apparent that the boundaries of the core area have been determined in order to include this site, given that at the time it was a major industrial site occupied by a significant business such as Chef. Given its location on the extremity of the core area it would be possible for the land to be rezoned for a non-industrial or residential use without unduly prejudicing the continued viability of the balance of the area.

Despite the current zoning of the land the site is not intrinsically well suited for industrial use: it has poor access, poor exposure, a sensitive residential abuttal on one side and is in an area with low levels of amenity. The existing zoning is more a legacy of the historical industrial use of the site (as is the case with most industrial land in Brunswick) rather than a conscious strategic planning decision.

It is considered that further investigations are required to determine the appropriate redevelopment potential of this site. It is not considered relevant that the property be retained in the Brunswick Core Industry and Employment Area. This opens the opportunity for a mixed use development to be considered. The opportunity may exist to plan the use of different parts of the site to minimise conflicts with adjoining residential uses, the possible reuse of existing industrial buildings, and to present an appropriate interface to the railway and to industrial properties on the south side of Talbot Street. In terms of this strategy the site is deemed to be included in a 'Multi Use - Residential category'.

The portion of the site located adjoining the north of Talbot Street should be retained in an Industrial 3 or Business 3 zone. This will provide an appropriate buffer between the Core Industry and Employment Area to the south and any future residential uses on the northern part of the site.

#### Talbot Street

Talbot Street (west of Percy Street) is a local street with residential properties along the north side and the rear of industrial properties that front Victoria Street along the south side. The residential zoned properties on the north side of the street have a dual road frontage, also abutting Henkel Street to the north.

Victoria Street is one of the main industrial streets in the Brunswick Core Industry and Employment Area. It is vital to the ongoing viability of the core area that industrial uses front both sides of the street. Accordingly it is appropriate that industrial uses remain along the north side of Victoria Street.

Merit would exist, however, in including industrial properties abutting the south side of Talbot Street in an Industrial 3 Zone, rather than the existing Industrial 1 Zone. This would give Council greater control over the type of industrial uses that locate and help address the interface with residential properties on the north side of Talbot Street.

As industrial properties change and are redeveloped over time, they should be encouraged to provide vehicle access via Victoria Street rather than Talbot Street, if and where practical.



Hope Street, west of Wendel Street

The Industrial 1 Zone that applies to the Brunswick Core Industry and Employment area extends to cover four properties on the south side of Hope Street, west of Wendel Street. The zone covers two existing businesses, a vacant lot for which a rezoning request has been made and a dwelling.

This land does not make a critical contribution to the core area. No action should be taken that would encourage the closure or relocation of existing businesses on part of the land. However it would be appropriate to define the boundary of the Core Industry and Employment Areas to the south of frontages to Hope St. Those areas with a frontage to Hope St should be included in the 'Multi Use - Residential' category and could be considered for a Mixed Use rezoning, depending on the aspirations of existing land owners.

Industrial 3 Zone at the Eastern end of Lyle Street

This zone applies to an existing business that directly abuts residential properties along its eastern boundary. The land does not make a critical contribution to the core area. The road / laneway that constitutes Wendel Street (to the west of the Industrial 3 Zone) provides an appropriate boundary between industrial and residential uses in this area. Should industrial operations cease on this site a residential rezoning would be appropriate to consider. Figure 10 shows the recommended alignment of the northern boundary of the Brunswick Core Industry and Employment Area.

RMIT site

This site, whilst used for educational purposes is presently affected by industrial zonings. Normally a major institution such as RMIT University would be included in a public use zone and if Council is approached to rezone the site to a public use zone, this should be supported. Such an action is appropriate to occur so that the zoning of the land reflects the long term use of the property.

However, it is stressed that if RMIT ever vacates the site, it should not be developed for residential purposes. This land is located on a key industrial street within the Brunswick Core Industry and Employment Area. Should it be ever be redeveloped for a non-educational use, it should be for industrial uses.

RMIT University is a multi-level dual sector education, training and research service organisation offering programmes ranging from certificate level vocational programs through to tailored programs for industry and community clients to post-graduate research programs.

The RMIT Brunswick campus is the result of the State Government's redevelopment of a former industrial manufacturing site to provide modern and appropriate Training and Further Education (TAFE) facilities for both the industries of Printing and Textiles, thus the carry-over of the Industrial Zoning. Recently, RMIT amalgamated with both the former TAFE Institutions responsible for these programs. RMIT University, being both dual sector and able to offer a greater range of educational programs,



intends to broaden the base of activities which supports the programs at Brunswick.

It is noted in RMIT's response to the Ministerial Statement on Knowledge and Skills for the Innovation Economy (June 21, 2002), that, among other initiatives, there are plans to establish a Centre of Excellence, Fashion and Textile Industry Centre. This Centre is to be located at Brunswick.

The implementation plan for the Centre of Excellence will be to align both the Fashion and Textiles industries to RMIT's Design Focus and RMIT's Strategy for Manufacturing. To achieve this aim, RMIT is now undertaking a \$1.7m project to create a digital design computer teaching centre. This will be followed by another major project that requires the relocation of a significant Higher Education Fashion program from the City campus to the Brunswick campus.

The current student numbers located at Brunswick are in the order of 1,200 full time and 1,700 part time students with an overall total of 2,900 students regularly attending the campus. There is also a significant number of academic and support staff. Although the Brunswick campus is physically constrained, relative to contemporary greenfields sites, RMIT intends to further develop the site to ensure an appropriate standard of facilities are provided on site. The further physical development strategies are as yet not fully resolved but must be mindful of and sensitive to interface with adjoining uses, particularly those residential zoned areas located to the south of the site.

The University's presence and activities on site are intended to extend to continued interaction with industry and to continue to provide opportunities for other business, thus providing flow-on economic activity and employment opportunities.

The RMIT Strategic Plan promotes strong associations with industry and the community and RMIT's presence at Brunswick should encourage these groups to consider the opportunities to establish related activities. These opportunities could range from collaborative education training, research and development programs and projects through to Innovation Centres. Associated social and recreational amenities and student and staff accommodation may also be considered subject to resolving any conflicts with adjoining and nearby industries. Alternatively, these uses may be located nearby in the Brunswick area in appropriate zones. RMIT has indicated an interest to assisting in building such long-term relationships.

#### Police Depot Site

This site represents a major redevelopment opportunity in the Brunswick Core Industry and Employment Area. Preferred potential uses include:

Possible use by RMIT as an extension to its campus. Whilst RMIT is an educational rather than an industrial use, it is a major employer and is well establish on the opposite side of Dawson Street. Considerable benefits to local industry and employment are derived from linkages between educational and business enterprises. The expansion of RMIT in this area is to be encouraged.



The option for this site would be redevelopment for high amenity small to medium sized industrial premises.

### ***Coburg Core Industry and Employment Area***

#### ***Gaffney Street Frontage***

Gaffney Street is a busy road that provides high levels of exposure to passing traffic. A number of bulk goods retailers have already located along this road. It is considered that the Gaffney Street frontage of this precinct is appropriate for such uses.

Unless a specific development proposed comes before Council for a major multi-tenanted restricted retail complex, it is considered appropriate for this land to remain in an industrial zone. In the exercise of discretion for restricted retail premises, Council will adopt a supportive policy position i.e. as a matter of policy it will support the issue of a planning permit for restricted retail uses in this location.

#### ***Sheppard Street and Norris Street***

Since the closure of the Shorts Street railway crossing an undesirable situation has been created whereby industries located in the northern part of the Coburg Core Industry and Employment Area, in Sheppard and Norris Streets, rely on access through residential areas.

From discussions with Council officers it is understood that business within this area have substantial investment in their properties and have a long term commitment to the area.

Council should investigate the opportunity of provide alternative access to this area via what appears to be an easement that runs along the western boundary of the Tontine site. This would provide direct access to Bakers Road. Design features would need to be incorporated to ensure no adverse amenity or safety impacts on the adjoining school or parkland. Consultation would be required with all parties in this area including residents, the school and other adjoining land owners as well as relevant referral agencies

#### ***Redevelopment of Larger Sites***

The opportunity is likely to arise for industrial redevelopment of large sites throughout this area in the future, should existing operations rationalise or restructure. Such sites should be redeveloped for new, high amenity industrial premises suited to the needs of modern industry and business. It would be appropriate that the redevelopment of such sites accommodate smaller and medium sized business to those that might presently occupy the land.



### Lily Street

It would appear that previous land acquisition has been undertaken along Lily Street to create a partial open space buffer between industrial and residential properties. A number of isolated industrial sites remain to the north of Lily Street.

It is not considered that these sites should be included as part of the Coburg Core Industry and Employment Area. Rather they should be categorised as 'transition - residential' in the context of this strategy. This presents the opportunity for the consideration of rezoning requests by Council, depending on the aspirations of existing land owners.

### **North-east Corner of Gaffney Street and Railway Line**

A large industrial zoned parcel of land exists on the north side of Gaffney Street to the east of the railway line. That land is underutilised and is the subject of a rezoning request. It abuts residential properties to the north and to the east, and vacant land that is included in a residential zone at the corner of Sydney Road. It is also within an Urban Village, as designated in the MSS. This land is not presently included in the Coburg Core Industry and Employment Area and should not be included in such an area. The site has potential for other employment related uses, with the possibility of a residential component (ie an 'employment area' within the context of this strategy).

## ***Newlands Core Industry and Employment Area***

### *Upgrade and Improve the Utilisation of the Area*

The Newlands precinct contains considerable areas of vacant and underutilised land. It provides one of the few opportunities within Moreland for significant new industrial development. Whilst it has indirect access to the Metropolitan Ring Road to the north it has reasonable access to the south and to adjoining industrial areas in Darebin.

Council should work with the owners of larger underutilised lots to explore opportunities for new industrial estates / complexes to be established in this area.

The strategy envisages the rationalisation of industrial zones in the southern parts of the municipality. The Newlands precinct should be promoted by Council as a location to which businesses that are presently operating in sub-standard buildings or on highly constrained sites in the southern parts of the municipality, could be redirected without the need to leave Moreland. New estates offering quality buildings in an attractive setting will enhance the attractiveness of this area to such businesses.

Vehicular and other access improvements to this area should be further investigated along Newlands Road and consistent with existing road Public Acquisition Overlays as shown in the Moreland Planning Scheme.



### Kodak

Kodak is the major industrial use in the Newlands area. It occupies a significant area of land on both sides of Edgars Creek.

Kodak is the largest industry in Moreland and Council is strongly committed to working with the company to support its ongoing presence on its existing site. However being a multi-national company, the ultimate decision regarding the long term future of Kodak will be taken off-shore.

Whilst this strategy does not either envisage or support the possible closure of Kodak, given the size of the site it is appropriate to comment on its possible future use, should Kodak rationalise its operations.

The site comprises two parts, one to the west of Edgars Creek and the other to the east. The two sites are connected by a bridge. The western section is accessed directly from Newlands Road and is an integral part of the Newlands Industrial Area. The eastern part is accessed from Elizabeth Street (off Murray Road, one kilometre east of its intersection with Newlands Road). Other than for the internal bridge across the creek, this eastern part of the site is separate to the wider Newlands Industrial Area.

The western portion of the site contains the majority of warehousing and storage elements of Kodak's operation and is therefore the origin / destination of truck movements and deliveries. The eastern portion contains manufacturing and processing operations and a multi-storey office building in a parklike setting that fronts Elizabeth Street.

Should the site become available for redevelopment in the future, the western section should be redeveloped for industrial and related purposes, as it is clearly a key element of the Newlands Core Industry and Employment Area.

A wider range of issues arise in relation to the future use of the eastern section of the site. This part of the site has excellent attributes: it is large with an attractive landscaped character; it has frontage to Edgars Creek; it is elevated and has excellent views towards the city. Its major constraint for future industrial / commercial use, relates to the level of vehicle access provided by Elizabeth Street, and the potential for adverse amenity impacts on the surrounding residential neighbourhood.

The present Industrial 1 zoning would allow redevelopment of the eastern part of the site for industrial uses. Depending on the type of uses, this could raise significant amenity issues, especially if commercial traffic sought access via Elizabeth Street. The existing zone may be appropriate to remain whilst Kodak occupies the site, given the manner in which it presently uses this part of its land. However the existing zoning does not provide adequate planning control to achieve the orderly and proper planning of the site, should Kodak vacate the property.

This is a major strategic development site. It may have the potential to be used for a number of uses in the future such as offices, a technology park, an institutional use (possibly reusing the existing office building), a major residential redevelopment, or a mixed use development combining



employment and residential uses. Given the size and strategic importance of the property, should the land be vacated by Kodak, its future use and development should be determined by Council in discussion with the owners / developers of the land, and with local community input.

It would not be appropriate to allow traditional industrial redevelopment on the land, as is permitted by the existing Industrial 1 Zoning. Council should maintain close liaison with Kodak and if at any time in the future it appears that the land may become available for redevelopment, as a matter of urgency Council should initiate the necessary action (ie rezoning etc) to ensure appropriate planning control.

### ***Hume Highway Precinct***

A number of areas of industrial zoned are scattered along Sydney Road / Hume Highway to the north of Bell Street. A continuous strip exists along the western side of the road from Bell Street to Gaffney Street, with isolated pockets existing thereafter.

The Bell Street and Sydney Road intersection is adjacent to one of the major retail / commercial nodes in the municipality. Also in the vicinity is the civic precinct, as well as the development stimulus presented by the Pentridge site.

It is considered that Sydney Road, between Bell Street and Gaffney Street, has the potential to function as a commercial adjunct to the Coburg shopping and business area. Transition of existing industrial uses fronting the highway could provide the opportunity for higher amenity offices. The opportunity could exist for higher density mixed use development including a residential component. The upgrading of Sydney Road as a tree lined boulevard could add substantially to the amenity and appearance of this northern gateway to the Coburg centre. Underutilised industrial land and a vacant site on the north-west corner of Gaffney Street and the Hume Highway could be included within this concept.

The appropriate zoning of the area between Bell Street and Gaffney Street should be clarified by the Central Coburg Integrated Plan, which is currently being developed by Council.

The existing industrial zoning of other industrial areas to the north of Gaffney Street is appropriate to remain. Industrial zoning allows for restricted retail premises as well as for industry and offices (up to 500m<sup>2</sup>). A transition towards showroom based uses and other restricted retailing operations would be appropriate for properties along this part of the Highway. The fact that the Highway in this location does not include a service road means that sites used for restricted retail operations should have sufficient space within the property boundary to ensure safe and convenient car access and egress, and adequate on-site car parking. Rezoning of sites fronting the Highway to a Business 4 Zone is not considered warranted unless in response to a specific development proposal. Residential zoned land existing along this section of the Highway would be appropriate to rezone for business and related use, due to low levels of residential amenity, where such a proposal assists in consolidating the operations of business and industry.



### ***Upfield Corridor***

The Upfield Corridor relates to land in the Brunswick area along Sydney Road and the Upfield Railway line. Land in this area has received specific strategic attention in the past and a local planning policy exists specifically for this area (Clause 22.5). Various land use zonings have been initiated in the precinct to Mixed Use and Business 2 and 3 Zones. No changes to these zones are proposed as a consequence of this report. Whilst the report does include some land in this area in particular categories identified in this strategy, this does not conflict with the policies that presently exist for the Upfield Corridor.

### ***Urban Villages***

Council has identified numerous 'urban villages' throughout the municipality and is in the process of undertaking individual structure plans to identify detailed planning policies for each. As each area is subject to specific study, it is appropriate that the detailed policies derived in those studies have priority over the more general policy directions contained in this report. However, regard should be given to the strategies, policies and recommendations contained in this strategy and to any consequent amendments to the planning scheme when urban village structure plans are prepared.

## **5.5 Council's Economic Development Role**

To a large degree the forecasts and outcomes discussed in this report are predicated on a significant commitment to development by local government. Relevant to this commitment may be the lack of support by State and Federal governments, who are less concerned about local government boundaries than broad regional strategies.

The role of government, along with other initiatives that Council should pursue to maximise the benefits that can be derived from the supply of industrial land, are listed below. In referring to these actions it should be highlighted that this study is an industrial land use study, not an economic development strategy. As such the following comments are those that have emerged as a consequence of the land use assessment and background economic work undertaken throughout this project. It should not be viewed as a substitute for an economic development strategy.

### ***Risk Reduction in the Future of Industrial Activity***

#### ***"Commitment to long term planning and zoning"***

It is important in the analysis of long-term trends to be aware that the capacity of land owners to underutilise vacant or substandard land is significant. Due to taxation structure and 'fickle' planning regimes, it is likely that long-term profit-maximising behaviour of some land owners is in direct conflict with the best interest of the local economy and the public interest.



Sometimes speculation pays off and sometimes it doesn't. Often in an economy people taking on these risks is good for the community. However if the risks are simply because regulators cannot make up their minds or because individuals believe that regulators are always changing their minds, then this is a waste of resources. Why? Because risks imposed on the future of an area are transferred to the community. Speculation often continues for extended periods in times of indecision because the costs that continue to rise are not financial. The community costs are only opportunity costs relating to what could have happened.

Just as government has a role in reducing risks for business in areas of red tape and transparency etc, its also has a role in reducing the risks to the community through clear long term planning and zoning.

#### Growth of Business Services and Support Networks

Modern businesses need business service supports close at hand. These must be provided within the region. Moreland is aware of this and has already expressed a desire to strengthen this element of the local economy. This should be clarified within the planning structure to ensure that hurdles to its development do not exist.

*Market, promote and coerce; "the last person to leave" mentality cannot be allowed to grow.*

Business development and general industrial planning (of which this strategy is part), must build confidence that changes in the industrial structure are enhancing the region's future. The vision of the municipality, with increased business services, strong local amenity and employment, must be promoted if current industrially zoned land is to be successfully utilised.

One part of the support network that Council may be able to facilitate is the transition of businesses from one area of Moreland to another. This can be done both on a formal and informal basis. One of the advantages in taking on this role is that the information gathered by Council officers can be used to better understand the needs of future developments in the region.

#### Amenity Improvement

Without a concerted effort towards the improvement of the amenity of the municipality, (physical and cultural and community amenity) the chances of high-value adding employment intensive outcomes in the region will be diminished.

Creative, intelligent, intellectual and entrepreneurial people tend to enjoy living in stimulating areas. It is these people who drive the location of industry and business in the new and emerging sectors of the economy. These people choose where they want to live for lifestyle and amenity reasons, not necessarily because of proximity to work. In the context of Melbourne and Victoria, Moreland has the potential to offer an interesting, stimulating and attractive place to live. The stimulation is derived from the cultural diversity of the Sydney Road and Lygon Street areas, the heritage housing stock, proximity to services and facilities of central Melbourne, opportunities for arts, culture, cafes, clubs, interesting shops, businesses



and housing choices. All of these features provide a strong future for Moreland. Enhancement of these features of the municipality will have positive benefits on the ability of Moreland to maintain and enhance its industrial and economic base in the future.

#### *Commitment to Tertiary Education and Links between Business and Education*

Council should continually nurture and develop relationships with the broadest possible set of tertiary education providers.

As described above, the future of manufacturing and industry in Australia lies in the application of enhanced knowledge, improved design and advanced production techniques to produce superior customised products. This needs to be supplemented by enhanced marketing, with electronic marketing providing access to international markets to supplement local customer bases. It is in this way that increased local employment opportunities in higher value sectors of the economy can be realised.

Council needs to work with existing local industrial and local and central city educational institutions to explore means of working together to develop new and improved products, process, marketing and management applications.

#### *Regional Differentiation*

The position of Moreland within the broader context of the supply of industrial land may require development, in the medium term, of a marketing strategy and a concerted effort to differentiate the region in the eyes of government, business and developers. Through an amenity enhancement policy and a commitment to retail and business services growth, this should be achievable.

#### *Balancing the Needs of Residents and Businesses*

Often at local government level the interests of residents receive preference over those of businesses. An example of this is in relation to local traffic management. Often extreme lengths are pursued to slow down or discourage through traffic from streets. In many situations this significantly disadvantages operators of businesses. It is important that Council pays due regard to the interests of business operators and industries throughout the municipality for the wider public benefit.

#### *Keeping Existing Businesses in Moreland*

The findings of the questionnaire conducted as part of this Strategy, indicated that between 18% and 33% of respondents expected to relocate in the short to medium term, 75% of them indicating a preference to move out of Moreland. Council should target those firms who are planning to leave the municipality and develop a strategy to retaining them. This could form part of the project that has been suggested aimed at revitalising the Newlands Estate and encouraging business that may seek to move from the southern parts of the municipality, to relocate to new industrial estates in that area.



### Monitoring and Review

The survey of industrial properties undertaken as part of this study (See Report 1) and the questionnaire (See Report 2) provide considerable useful information on the existing structure of industry in Moreland and on the expectations of operators and land owners. It is recommended that these tasks be undertaken regularly at about 3 yearly intervals, so that an accurate time series can be generated that shows the ongoing process of change in the municipality's industrial and economic base..

## **5.6 Implementation**

### **5.6.1 Council's Approach in Applying this Strategy**

This Strategy sets up a long term (10-15 year) Strategic Framework for the future of industrial land in Moreland. It is recommended the Strategy be subject to ongoing monitoring of economic trends to ensure its relevance over time. However, the Strategy is not expected to require comprehensive review for 10 – 15 years.

Council should apply this strategy in the consideration of all requests to rezone industrial zoned land and when assessing planning permit applications for the use and development of land zoned Industrial 1 and 3, Business 3 and 4 and Mixed Use.

Generally Council should be reactive rather than proactive in the rezoning of industrial land. However Council may take the initiative in situations where:

- unacceptable interface issues exist between existing industrial and residential properties, which need to be resolved (as determined applying the guidelines outlined in Section 4.2 of this report);
- redevelopment of the land for industrial purposes would prevent an ultimate change of land use that is supported by this strategy (refer to Section 5 of this report); and
- in situations where there is a clear benefit to the wider community from the redevelopment of a site or transition of an area away from industrial use (for example where obvious land use conflicts or traffic / access conflicts will be resolved, where the amenity and character of an area will be noticeably enhanced etc).

In Moreland's situation, site specific rezonings of industrial land are more likely to be considered, especially in areas identified as 'multi-use use' or 'transition areas – residential'. Site specific rezonings are seen as an appropriate means of managing a 'gradual change' in the land use pattern of areas based on the strategic review conducted in this Strategy. This approach also supports the continuation of viable industrial operations in areas where a change of land use may be occurring.



### **5.6.2 Additional Actions to Implement the Strategy**

In addition the following actions will need to be taken for Council to implement this strategy:

- Modification of Section 21.06-2 of Council's MSS, which refers specifically to industry in the municipality.
- Replace Council's existing local planning policy in its planning scheme (Clause 22.3) with a new local policy that reflects the strategy contained in this report.
- Retain the local planning policy that relates to the Upfield Corridor (Clause 22.5). That precinct has received specific strategic attention in the past.
- Modify Council's industrial development guidelines. These guidelines presently include a suggested 1,000m<sup>2</sup> minimum lot size for the subdivision of larger sites in industrial areas. In relation to lot size the questionnaire identified that over 60% of all respondents occupied buildings with a floor area of less than 1,000m<sup>2</sup>, and 40% occupied buildings with a floor area of less than 500m<sup>2</sup>. Whilst it is appropriate for larger sites to be resubdivided into smaller parcels to accommodate the needs of small to medium sized business, it is important that large sites in Core Industry and Employment areas are not subdivided into lots that are too small for practical use. Greater flexibility exists in relation to other industrial areas, where smaller businesses are to be encouraged. It is recommended that the 1,000m<sup>2</sup> minimum be maintained for Core and Secondary Industry and Employment areas unless an alternative case can be made by a proponent. In other areas the lot size should be attributed to the zone. In zones where industry is a Section 1 use, the minimum lot size should be retained at 1,000m<sup>2</sup>.
- Revitalisation Plan for the Newlands Estate – The Newlands Estate has been identified as an area requiring revitalisation in order to achieve new industrial subdivision and amenity improvements. Council should initiate a study to examine options and costs associated with such action.
- Development Contributions – A brief working paper was prepared as part of this study that examined opportunities to recoup betterment from the rezoning of industrial land for residential purposes, and the possibility of recouping development contributions from residential redevelopments towards the provision of local government infrastructure, services and facilities. Further work is required to advance these concepts, if Council believes there is merit in pursuing them.

### **5.7 Implications of this Strategy**

This strategy provides a framework to guide the future planning and development of industrial land in Moreland over the next 10 – 15 years and beyond. It will result in a change in the land use pattern of Moreland. If the



strategy is implemented as envisaged, it is anticipated that it will change Moreland in the following ways:

- The 'Core Industry and Employment areas' of Brunswick, Coburg and Newlands will remain as the key locations for major industry in the municipality. Larger sites will be redeveloped over time to comprise new modern high amenity industrial premises suited to the needs of smaller and medium sized businesses.
- The 'Secondary Industry and Employment areas' throughout the municipality will remain as the key locations for smaller scale manufacturing operations, service industry and services business of a type that are suitable for industrial areas that may have residential abutments or closer proximity to residential properties or other sensitive uses, than is the case with Core areas. Buildings within these areas will be refurbished or rebuilt over time and the overall amenity, appearance and quality of the building stock will increase.
- 'Employment corridors and nodes' will establish on former industrial zoned land along key main roads in the southern parts of the municipality such as Brunswick Road, Lygon Street, Nicholson Street and also along Sydney Road to the north of Bell Street. A mix of industrial uses will remain in these areas, but new office developments and mixed use developments that include a residential component will overtime predominate.
- Multi-use areas comprising service industry, offices and housing will occur in former industrial zoned areas located at the rear of commercial areas fronting main roads such as Lygon Street, Brunswick Road and Nicholson Street.
- Some isolated industrial clusters and individual sites in residential areas will be developed for medium to higher density housing as identified by the Strategy.

Should the strategy be implemented to its full extent it is estimated that of the 308 hectares of industrial zoned land that existed in the municipality in 2002, a total of around 54ha will be rezoned to a non-industrial zone, eg Business 3, Mixed Use, Residential etc.

As a result a total area of remaining industrial land would be:

- Industrial 1 – 202ha
- Industrial 3 – 53ha







