

**Coburg (Victoria) Pty Ltd**

**Strategic Assessment of Employment Opportunities**

**173 -199 Elizabeth Street Coburg North**

**NOVEMBER 2009**

**Collie Pty Ltd**

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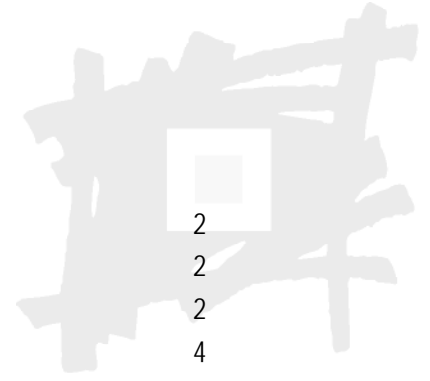
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## **1 INTRODUCTION**

### **1.1 SCOPE OF REPORT**

This report has been prepared in response to a request from Moreland City Council (the Council) to examine the potential for the former Kodak Site, 173 -199 Elizabeth Street, Coburg North (the subject site) to be used for 'employment' purposes. The subject site was previously a source of many hundreds of jobs and the Council is keen to ensure that the future use and redevelopment of the site facilitates employment opportunities.

Collie Pty Ltd (Collie) has been commissioned by the developer of the site, Coburg (Victoria) Pty Ltd, to provide a strategic assessment of the employment generating opportunities for the land. This review examines the locational characteristics and planning policy context of the site with respect to the potential for employment generating land uses.

This report has been prepared to satisfy the requirements of Schedule 10 to the Development Plan Overlay affecting the subject site. Further details regarding this matter are included in Section 1.4 below.

### **1.2 SITE DESCRIPTION**

The subject site comprises an irregular shaped area of land that is approximately 20.54 hectares in size. It is located within the City of Moreland, approximately 2 kilometres north of Coburg, and 2 kilometres west of High Street, Preston (Figure 1).

The site was previously owned by Kodak and was occupied and operated as a part of the factory site and headquarters for Kodak's Australasian operations from 1961. The Kodak complex also included approximately 7.148 hectares of land immediately to the west of the site on the opposite side of Edgars Creek. The two parts of the site were operated as a single complex with internal pedestrian and vehicle connections available via a bridge across Edgars Creek. At its peak the Kodak site is reported to have employed over 1000 people.

The Kodak complex closed in 2004 and most of the buildings and infrastructure associated with Kodak's operation have subsequently been demolished and removed from the site. The site was formally acquired by Coburg (Victoria) Pty Ltd in December 2007.

The western portion of the site forms part of the Newlands Core Industrial Employment Precinct (CIEP). On 18 March 2008, the Council approved planning permit number SP / 2007 / 234 for the creation of a 2 lot subdivision to excise the western portion of the site. This subdivision enabled sale of the land to Conga Foods and facilitated the timely relocation of its plant and distribution centre to the western portion of the site. This has retained the industrial use and employment function of the property consistent with Council's objectives.

This report therefore focuses on the land on the *eastern* portion of the former Kodak site (Figure 2). The site is bounded by Elizabeth Street to the east, Boyne and Ronald Streets to the south; the rear boundaries of residential properties (that face Tilley Street) to the north, and by Edgars Creek to the west. The bridge which spans Edgars Creek also forms part of the development site.

The site is unoccupied, largely vacant, and has no formal use or function. One substantial building exists on the site. This is a six and seven storey building, constructed circa 1962 - 63, located near Elizabeth Street. The building was the former Head Office and Administration Building for Kodak but is now unoccupied.

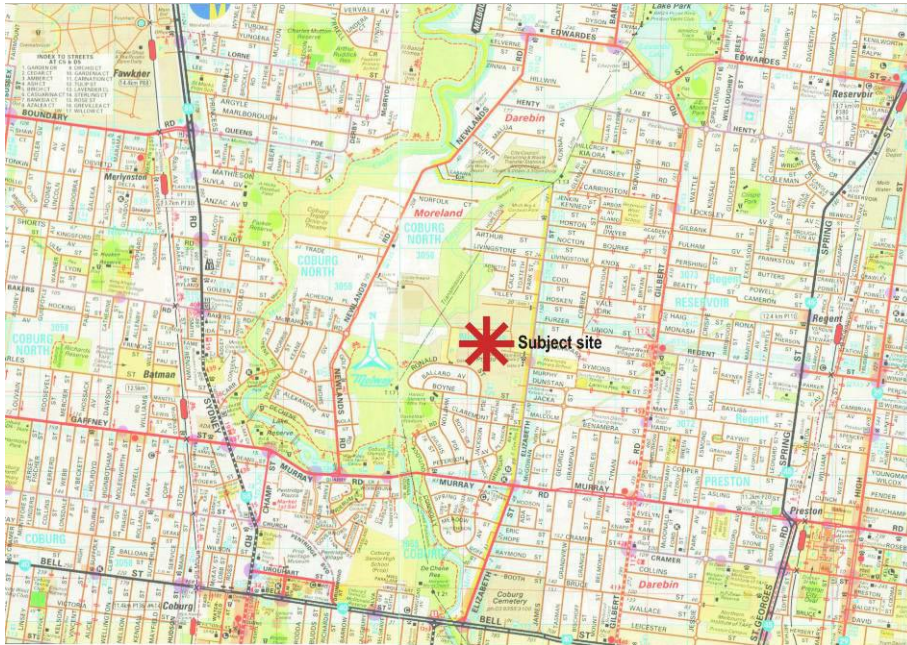


Figure 1: Regional Context

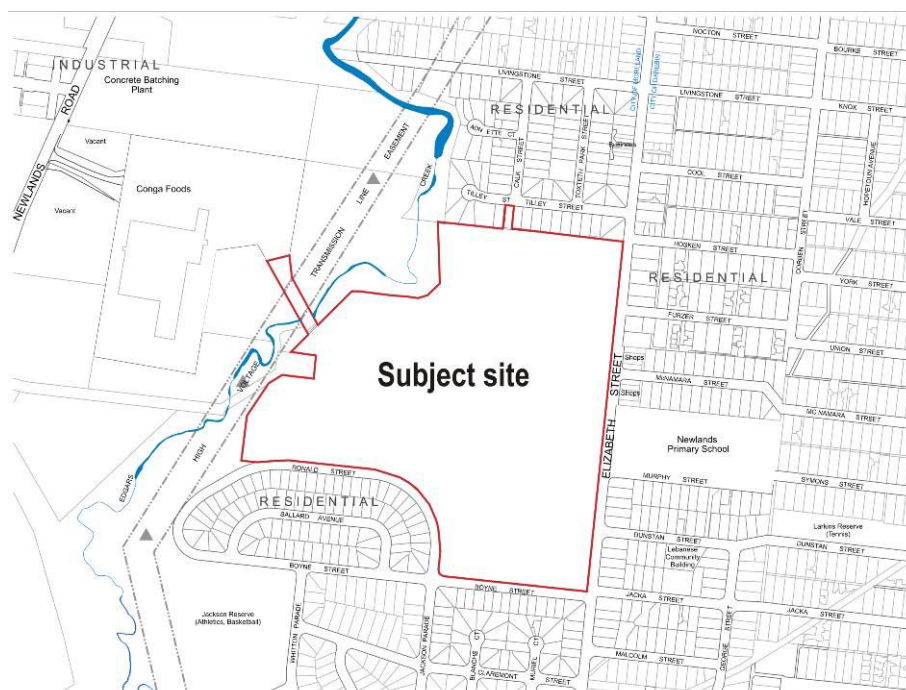


Figure 2: Local Context

### 1.3 EXISTING PLANNING CONTROLS

The subject site is located within the City of Moreland and is included within the Moreland Planning Scheme (the Scheme). Land on the eastern side of Elizabeth Street is within the City of Darebin and is included within the Darebin Planning Scheme.

In May 2009, Amendment C11 to the Moreland Planning Scheme rezoned the site from Industrial 1 Zone (I1Z) to Residential 1 Zone (R1Z) and Business 1 Zone (B1Z).

Land to the north and south is zoned R1Z under the Scheme. Land to the west (the Edgars Creek corridor) is zoned Public Park and Recreation Zone (PPRZ) and a small section is zoned Public Use Zone 1 - Service and Utility. Land further west (on the west side of Edgars creek) is zoned IN1Z and Public Use Zone 4 - Transport.

Land to the east of Elizabeth Street is zoned R1Z under the Darebin Planning Scheme. The Newlands Primary School is within a Public Use Zone 2 - Education and the small group of shops located near the corner of Elizabeth Street and McNamara Street are within a Business 1 Zone.

A Land Subject to Inundation Overlay and Heritage Overlay (HO72) extend along parts of the Edgars Creek corridor however these overlays do not directly affect the proposed development of the site.

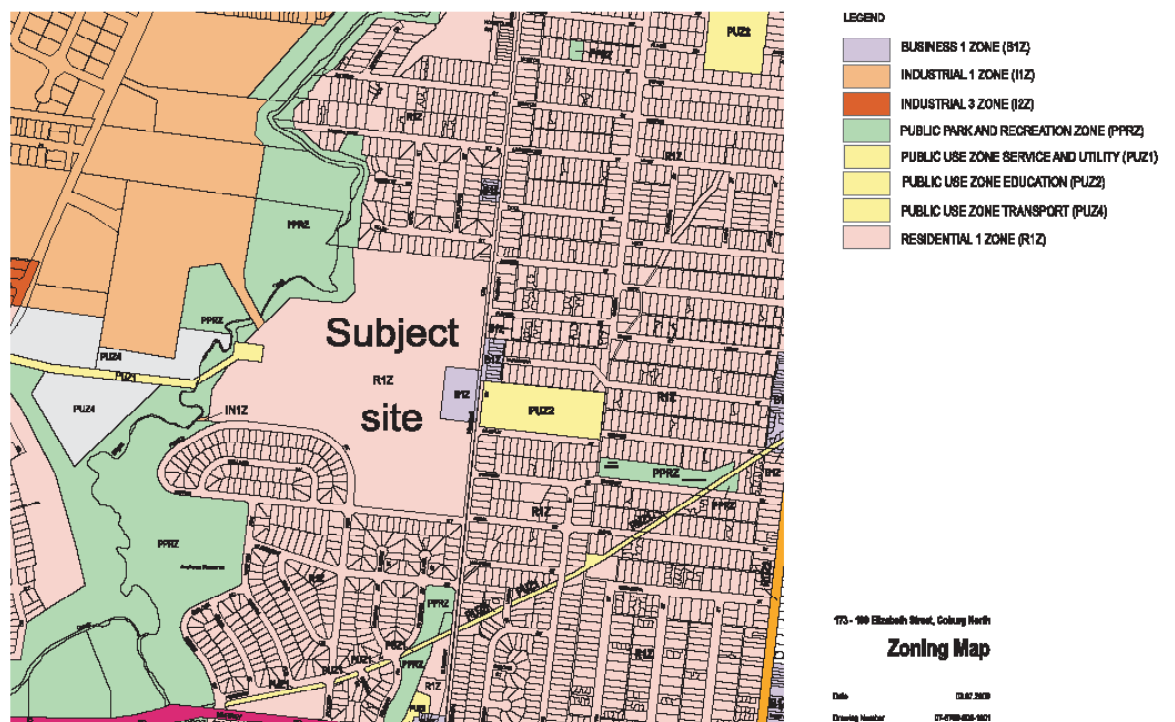


Figure 3: Extract from Moreland and Darebin Planning Schemes

## 1.4 AMENDMENT C111 MORELAND PLANNING SCHEME

Amendment C111 to the Moreland Planning Scheme was gazetted in May 2009. The amendment:

- rezoned all of the site within the IN1Z to the R1Z except of a small pocket of land fronting Elizabeth Street (approximately 7,500 square metres) which was rezoned to Business 1 Zone (B1Z);
- amended the Schedule to the Business 1 Zone to refer to the subject site as having:
  - a maximum combined leasable floor area for office of 1,000 square metres;
  - a maximum combined leasable floor area for shop of 2,000 square metres;
  - no specified leasable floor area for trade supplies.
- introduced a Development Plan Overlay (DPO) and a new Schedule to the DPO to cover all of the site;
- made a variety of other minor changes to the Planning Scheme to ensure consistency with the above amendments.

Schedule 10 to the DPO includes a requirement that the Development Plan must include:

*"A strategic assessment to identify viable employment -generating uses for the site and an economic assessment of proposed employment-generating uses."*

This report is a *strategic assessment to identify viable employment -generating uses for the site*. A separate report prepared by Macroplan provides a detailed economic assessment of the proposed employment generating uses within the context of this strategic assessment.



## **2      LOCATIONAL CHARACTERISTICS**

### **2.1     INTRODUCTION**

Employment generating land uses generally require certain locational characteristics to enable the successful operation of the business or service. These characteristics vary depending upon the type of business or service and may include matters such as:

- good access to the site by road and public transport;
- proximity to a relevant labour market;
- exposure to potential customers;
- consideration of the location of potential competitors;
- associations with relevant suppliers;
- amenity for staff and customers;
- and so on.

Employment generating land uses also have the potential to create significant amenity impacts. These include issues such as, but not limited to:

- traffic and car parking for staff, customers / clients, deliveries and so on;
- noise, fumes and so on associated with the activity conducted on the site;
- the times of day that the activity is conducted;
- the visual appearance of buildings and works associated with the use.

The following sections examine the existing characteristics of the site and surrounding area to assess the viability of employment generating land uses at this location.

### **2.2     ADJOINING LAND USES**

The site is surrounded on three sides (to the north, east and south) by well established residential areas which were predominantly developed in the 1950s.

To the north of the site, residential dwellings are from the post war period and incorporate a mixture of building materials including brick, timber and render. Houses are predominantly detached and are a mixture of single and double storey height reflecting, in part, the varied topography of the land. The residential properties which immediately abut the site (on Tilley Street) are orientated northwards away from the site.

A number of newer multi-unit infill developments are located in the residential areas to the east of the site. In combination with traditional, detached, dwellings these are contributing to a mixed built form character. Brick is the most common building material although timber and render is also present, especially in relation to the newer

developments. Houses generally tend to be set back between about 6 and 9 metres from the front property boundary. Dwellings on Elizabeth Street front onto the subject site.

Newlands Primary School is also located to the east of the site. The school playground and sports fields front onto Elizabeth street, with classrooms and other buildings set well back and accessed via Murphy Street. A small cluster of shops located on either side of McNamara Street further add to the mixed use character of Elizabeth Street. The architecture of the shops however is unrefined and provides limited aesthetic value to the streetscape.

To the south of the site, there is a strong uniformity in the architectural style of the existing housing. Brick is the dominant building material and houses are, almost exclusively, single storey in height and are either detached or semi-detached. Lot sizes are small (less than 500 square metres) relative to the wider area. Boyne and Ronald Streets, both of which abut the Development Plan site, form the northern boundary of the 'Newlands Estate' which is a housing commission estate completed during the 1950s. The estate is included within a Heritage Overlay in the Moreland Planning Scheme due to its 'state historical, social and architectural significance' as a largely intact example of garden suburb planning which has created a subdivision pattern which is well fitted to the site contours. The existing houses on Ronald and Boyne Streets (to the south) face the site.

Edgars Creek runs along the western boundary of the site. The Creek corridor provides a visual and physical buffer between the site and the existing industrial uses.

To the west of the site, beyond Edgars Creek, is the western portion of the former Kodak site. This is now operated as a food importing and distribution operation by Conga Foods. Further west is the Newlands Core Industry and Employment Precinct. The precinct includes a number of existing industrial operations having direct or indirect traffic access from Newlands Road.

In summary, the site:

- is generally surrounded by established residential areas, including several roads that front onto the site;
- could reasonably be expected to cause significant off site impacts on the surrounding areas if developed for intensive employment purposes.
- is located close (in theory) to a major employment area, although the site has poor vehicular access to this area and Edgars Creek provides a significant barrier.

## 2.3 VEHICLE ACCESS

The existing road network servicing the site generally consists of a range of local residential streets. The characteristics of these roads is summarised below.



### **Elizabeth Street**

Elizabeth Street abuts the eastern edge of the site and functions as a north-south connector road connecting to Murray Road and to Bell Street. It is a two-way road configured with a 2-lane, 9.3 metre wide carriageway set within a 15.5 metre road reserve. Unrestricted kerbside parking is generally permitted along Elizabeth Street, though a 2 hour limit applies adjacent to the existing shops near McNamara Street. Elizabeth Street is signposted as 40 kilometres per hour north of Jacka Street and 50 kilometres per hour south of Jacka Street. Elizabeth Street currently carries approximately 4,500 vehicles per day.

### **Boyne Street**

Boyne Street abuts part of the southern edge of the site and functions as an east-west local road. It is a two-way road configured with a 2-lane, 6.7 metre wide carriageway set within a 15.5 metre wide road reserve. Unrestricted kerbside parking is permitted on both sides of the street. Boyne Street currently carries approximately 800 vehicles per day.

### **Ronald Street**

Ronald Street abuts the remaining portion of the southern edge of the site. It is a horseshoe shape which connects at each end to Boyne Street. It is a two way Road configured with a 2-lane, 6.8 metre wide carriageway set within a 15.5 metre wide road reserve. Unrestricted kerbside parking is permitted on both sides of the street. Ronald Street currently carries approximately 150 vehicles per day.

### **Tilley Street**

Tilley Street is situated at the northern edge of the site and functions as an east-west local road. It is a two-way road configured with a 2-lane, 7.4 metre wide carriageway set within a 15.5 metre wide road reserve. Unrestricted kerbside parking is permitted on both sides of the Street. Tilley Street currently carries approximately 450 vehicles per day.

### **Murray Road**

Murray Road is located approximately 600 metres to the south of the site and functions as a secondary east-west arterial road. It is a two-way road generally configured with a two-lane carriageway, which flares to two stand up lanes at the signalised intersection with Elizabeth Street. Murray Road currently carries approximately 18,000 vehicles per day.

The existing road network has not been designed to cater for substantial employment generating land uses. The road cross sections are typically residential in scale and would be inappropriate for significant industrial or commercial development. The former Kodak site operated at its peak in an era when there was less traffic on the local streets. Moreover, significant truck movements were generally confined to Newlands Road as the warehousing and distribution divisions were located on the west side of Edgars Creek.

The site also has poor connectivity to and from the north. Vehicular access is generally confined to roads from the south, especially Elizabeth Street. This would exacerbate commercial and or industrial traffic congestion as few other viable traffic routes exist to and from the site.

Poor vehicular access to the site is assessed as a major constraint to the potential for the site to be used for employment purposes. Whilst the existing road network has capacity to cater for additional residential traffic it could not reasonably expect to meet the access requirements of major employment generator.

## 2.4 PUBLIC TRANSPORT

Existing public transport services within the vicinity of the site include the following:

- Bus Route 525 between Coburg and Reservoir, runs along Newlands Road to the west of the site;
- Bus Route 526 between Coburg and West Preston, runs along Elizabeth Street and Boyne Street adjacent to the site;
- Bus Route 527 between Gowrie and Northland runs along Murray Road, approximately 600 metres to the south of the site;
- Tram Route 112 between West Preston and St Kilda, runs along Gilbert Road approximately 600 metres to the east of the site.

The closest existing railway stations to the site are Regent Station (on the Epping Line) approximately 1.7 kilometres to the east, and Batman Station (on the Upfield Line) approximately 2 kilometres to the west.

In summary, only one bus route extends past the subject site. All other public transport routes are distant from the site. Although the site is served by some public transport, it is not located on the Principal Public Transport Network and would not be seen as a preferred location for employment generating land uses.

## 2.5 SURROUNDING ACTIVITY CENTRES

The area is well served by a variety of existing activity centres. Significant nearby activity centres are located at Coburg and at High Street Preston.

Coburg activity centre is located approximately 2 kilometres south of the site and is identified as a Principal Activity Centre within Melbourne 2030. The centre has developed around Sydney Road and offers a diverse mix of goods, services and activities. The centre is accessible by train (Upfield line) and Tram (Sydney Road) as well as by bus and car. The Coburg activity centre has been identified as a priority for major government and private sector investment.

High Street Preston is located approximately 2 kilometres east of the site and is a designated Major Activity Centre in Melbourne 2030.

Both Coburg and High Street Preston provide a full range of high order goods and services. Current planning policy directs that future investment and employment opportunities should be directed towards these centres. Further discussion regarding planning policy is presented in Section 3.2 below.

The closest existing retail shops are located immediately opposite the site on the eastern side of Elizabeth Street near McNamara Street. The total floor area of the centre is approximately 320 square metres of which approximately 240 square metres is currently vacant.

A further 7 local centres are within approximately 1.3 kilometres of the site. The location (and total centre floor area) of the local centres are as follows:

- Elizabeth Street and Cool Street (500 square metres);
- Elizabeth Street and Murray Road (660 square metres);
- Elizabeth Street and Bell Street (150 square metres);
- Murray Road and Gilbert Road (2,060 square metres);
- Regent West Village Shopping Centre (2,340 square metres);
- Hently Street and Gilbert Road (1,520 square metres);
- Bell Street and Gilbert Road (1,160 square metres).

Given the location of two significant activity centres in close proximity to the site and the comparatively poor access to public transport it is unlikely that the site presents any realistic possibility of becoming a major activity centre.

## 2.6 COMMUNITY FACILITIES

A community infrastructure and open space study has been completed by ASR Research (July 2008). The study identifies that within approximately 1.5 kilometres of the site the following community infrastructure currently exist:

- Newlands Primary School;
- Newlands Preschool, Lake Park Kindergarten;
- Newlands Maternal and Child Health Care;
- Newlands Neighbourhood House;
- Barry Becket Child Care Centre, Coburg Childrens Centre, Newlands Occasional Child Care Centre;
- Edgars Creek Reserve, Jackson Reserve, DeChene Reserve, Coburg City Oval, Parker Reserve;
- Harold Stevens Athletics Track;
- Coburg Basketball Stadium;
- Skate park on Gaffney Street;
- Coburg Olympic Outdoor Pool (currently closed).

Many higher order facilities including regional level health, educational, welfare, sport and leisure services plus retail, commercial and entertainment outlets are located nearby in central Coburg (approximately 2 kilometres south of the site).

An analysis of the utilisation, scope of services, building elements and capacity for expansion of the existing community infrastructure is provided in the ASR report. The analysis indicates that the standard of existing

infrastructure varies, but includes good quality facilities and sports surfaces with supporting infrastructure and amenities that cater for different catchment hierarchies.

The ASR report also investigated the possibility of providing aged care accommodation or a nursing home on the site. The report concluded that these uses were not viable having regard to current government policy and the location of existing and proposed facilities in the area.

There would appear to be no demonstrated need for a specific employment generating community facility or service to be developed on the subject site.

## 2.7 ADMINISTRATION BUILDING - BUILDING 8

As noted previously, all of the buildings on the site have been demolished as part of the site remediation process completed by Kodak. The only building remaining on the site is the former Administration building. This building is a 7 storey structure and is referred to in various reports and documents as 'Building 8'.

In March 2005 the City of Moreland commissioned Heritage ALLIANCE to complete a heritage assessment of the Kodak site. The resulting report, *Kodak (Australasia) Pty Ltd Heritage Assessment* noted that:

*"While the Administration building is of primary significance within the Kodak site, it may be that the building can be adapted for no viable use within the proposed redevelopment of the site. Certainly, there are a number of difficulties associated with converting the building to, for example, residential accommodation. Any proposed adaptation may require substantial alterations and replacement of much of the existing fabric, and this extent of change may substantially reduce the building's significance and its associated potential for interpretation. Furthermore, consideration also needs to be given to the costs associated with retaining historic buildings and how retention of the Administration building would affect the reasonable or economic use of the place, or cause undue financial hardship to the owner. The building may need to be adapted in order to comply with the current building regulations, for example. While from a purely heritage perspective, it would be desirable to retain all structures of primary and contributory significance, it is also important to recognise that the future success of the site depends upon achieving sustainable adaptive reuse outcomes."*

Coburg (Victoria) Pty Ltd has completed a range of investigations to consider the viability of refurbishing and retaining the Administration building. The investigations show that:

- the building contains a substantial amount of asbestos which would need to be removed, at significant cost;
- an extensive amount of other work would be required to bring the building up to current standards (fire, health and safety standards, lifts and so on);
- the floor plate of the building is not conducive to residential conversion;
- upgrade works to the building to facilitate residential conversion would require substantial changes to the glazing and façade of the building - thus significantly changing the external appearance of the building;

- the location of the building is not suitable for office or commercial uses as such a large office building is generally adjacent to a main road and close to or part of a larger activity centre;
- the size of the building is out of scale with the surrounding residential character of the area;
- the height and scale of the building present significant design implications for development of the area around the building with respect to shadowing, overlooking and other amenity considerations;
- a substantial area of car parking would be required to service the use of the building and this parking would need to be located within close proximity to the building presenting additional urban design challenges for the surrounding area.

On balance, it is concluded that there is no net community benefit in retaining the existing building. The history of the former use of the site is more appropriately reflected through other means.

## 2.8 SUMMARY

An assessment of a variety of key locational characteristics demonstrates that the site has a number of constraints affecting its potential to provide significant employment generating land uses, including:

- the proximity of large areas of established residential neighbourhoods;
- poor vehicular access for truck traffic and high volume car traffic;
- poor exposure to main roads;
- limited public transport appropriate for employment land uses;
- a range of activity centres in close proximity to the site - presenting more attractive locations for employment generating land uses than the subject land;
- no demonstrated need for employment generating community facilities on the subject site;
- a variety of practical considerations preventing the realistic reuse of the former Administration building.

Whilst the site offers potential for a high amenity workplace - with good views of the city and proximity to the Edgars Creek corridor, the constraints of the site present considerable obstacles to the successful development of significant employment land uses.

### 3 PLANNING POLICY

Relevant planning policies affecting the subject site include Industrial policy, Activity Centre policy and policies relating to the use of land within the Residential 1 Zone and Business 1 Zone.

#### 3.1 INDUSTRIAL PLANNING POLICY

The Moreland Industrial Land Use Strategy (August 2004) is a comprehensive review of the industrial land use needs within the Municipality. The review examined the characteristics of all industrial land in Moreland, demographic and industrial change, employment forecasting, national industry trends and implications and a range of other matters as part of an overall review of future industrial land requirements.

At the time the Strategy was being prepared, Kodak occupied the site and performed warehousing, processing, product development and administration functions on the east and west side of Edgars Creek. The Strategy noted, however:

*"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 [sic] 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.*

*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" (pages 23-24).*

The report concluded:

*"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" (page 33).*

Given the significant role of Kodak at that time within the industrial landscape in Moreland and the stated view by Kodak to Council that it intended to have a long term future on the site, the Strategy ultimately designated the Kodak land within the 'Core Industry and Employment Area'.

*"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" (page 55).*

A land use strategy that did not affirm the role of Kodak in the local economy would have undermined the efforts to encourage Kodak to reinvest in Coburg North. The designation of 'Core Industry and Employment' sent a clear message to Kodak that it was wanted on the site and was a demonstration of support to attract future investment on the land.

The Strategy, however, stated that:

*"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 the report.

Notwithstanding the designation of the site as 'Core Industry and Employment', Section 5.4 of the Strategy provides comments on a number of specific areas and 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"* (page 74).

The Strategy states:

*"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 the 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 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 development, 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" (page 80-81).*

Kodak formally sold the land to Coburg (Victoria) Pty Ltd in December 2007. Consistent with the above strategic planning assessment adopted by Council, the new owners:

- have on-sold the western portion of the site to Conga Foods to enable the land (and refurbished buildings) to remain as an on-going industrial use within the existing Industrial 1 Zone;
- do not propose to use the eastern portion of the site for industrial purposes - rather, to use it for a major residential development with a component of mixed use (neighbourhood retail and associated facilities).

The subsequent rezoning of the eastern portion of the site from Industrial 1 Zone to Residential 1 Zone and Business 1 Zone was also consistent with the strategic policy set out in the Moreland Industrial Land Use Strategy.

## **3.2 ACTIVITY CENTRE POLICY**

### **3.2.1 Clause 17 Moreland Planning Scheme**



Clause 17 of the State Planning Policy Framework deals with economic development in relation to activity centres, business use and industry amongst others. The objective of Clause 17.02 is:

*"To encourage developments which meet community's needs for retail, entertainment, office and other commercial services and provide net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities".*

Clause 17.02-2 states that:

*"Commercial facilities should be located in existing or planned activity centres unless they are:*

- *New freestanding commercial developments in new residential areas which have extensive potential for population growth or will accommodate facilities that improve the overall level of accessibility for the community, particularly by public transport.*
- *New convenience shopping facilities to provide for the needs of the local population in new residential areas and within, or immediately adjacent to, existing commercial centres.*
- *Outlets of trade related goods or services directly serving or ancillary to industry and which have adequate on site parking."*

The location of the subject site results in limited opportunity to develop significant commercial development consistent with this planning policy.

### 3.2.2 Melbourne 2030 and Melbourne @ 5 million

"Melbourne 2030 - planning for sustainable growth" (Melbourne 2030) provides clear directions regarding activity centres. 'Melbourne @ 5 million' was released in December 2008 and builds upon Melbourne 2030.

Melbourne 2030 is a 30 year plan to manage the growth and change across metropolitan Melbourne and the surrounding areas. A key direction of Melbourne 2030 is to achieve a more compact city, concentrating major change in strategic development sites in and around activity centres as well as on the fringe of Melbourne.

The primary vision of Melbourne 2030 is *"in the next 30 years, Melbourne will grow by up to one million people and will consolidate its reputation as one of the most liveable, attractive and prosperous areas in the world for residents, business and visitors".*

Melbourne 2030 addresses the need to move towards more sustainable growth patterns. Key Direction 1: A more compact city states:

*"Melbourne 2030 encourages the concentration of new developments at activity centres near current infrastructure, in areas best able to cope with that change while meeting the objectives of sustainable development.*

*More development – housing and employment will be accommodated on selected parts of established areas to encourage more effective use of infrastructure for human services, public transport and water, power and*

*communications. This will also reduce pressure for inappropriate developments in established areas with valued urban character and streetscapes.*

*Existing activity centres (with the substantial local community and business investment) will be the focus of much new development.*

*Melbourne 2030 will reinforce and expand the existing network of Principal, Major and Neighbourhood Activity Centres" (page 31).*

It is clear that Melbourne 2030 encourages new development to be associated with existing activity centres. Moreover, significant retail, office, and other employment uses are encouraged in the high order activity centres.

Policy 1.1 of Melbourne 2030 classifies Metropolitan Melbourne's activity centres into five types.

- Central Activity District
- Principal Activity Centres
- Major Activity Centres
- Specialist Activity Centres
- Neighbourhood Activity Centres

Melbourne @ 5 million focuses on the creation of a multi-centre city through the reclassification of six centres from Principle Activity Centres to Central Activity Centres. The six centres are: Box Hill, Broadmeadows, Dandenong, Footscray, Frankston and Ringwood. Melbourne @ 5 million also promotes employment corridors to support the Central Activity Districts. Three employment corridors are given particular priority. These are Avalon Airport to Werribee, Melton, Melbourne Airport and Donnybrook (Hume-Mitchell); Caulfield to Dandenong; and Monash University/Chadstone to Box Hill, Austin Hospital and Bell Street.

In relation to the City of Moreland the most relevant activity centres are Principal Activity Centres, Major Activity Centres and Neighbourhood Activity Centres.

### **Principal Activity Centres**

Melbourne 2030 confirms that the development of Principal Activity Centres (PAC) is vital to the future economic growth of metropolitan Melbourne. PACs should have a mix of activities that generate high number of trips including business, retail, services and entertainment. They should be well served by public transport and have a large catchment covering several suburbs.

PACs have a very important role as the focus for community activity services and investment and Melbourne 2030 identifies them as a location for priority government investment and support. Where catchments overlap in any part of the network of centres, priority for investment and location of significant land uses will be given to PAC.

The PAC within in the City of Moreland is identified as Coburg.

## Major Activity Centres

Major Activity Centres (MAC) have similar characteristics to PACs but serve a smaller catchment. Melbourne 2030 encourages the continued broadening of the range of uses in Major Activity Centres, however existing MAC that lack good public transport links will not be allowed to grow substantially at the expense of better located centres serving the same catchments.

*"New Major Activity Centres will have to be on Principal Public Transport Networks or be linked to it as part of the cost of developing the site" (page 48).*

MACs within the City of Moreland are identified as Brunswick and Glenroy. Preston is a MAC within the City of Darebin.

## Neighbourhood Activity Centres

Neighbourhood Activity Centres (NAC) are dominated by small businesses and shops and offer some local convenience services and at least some public transport. They have generally less than 10,000 square metres of retail floor space and are accessible to the local population by walking and cycling.

Figure 4 below identifies the surrounding PACs and MACs which are identified for protection and expansion and where major investment will be focused.

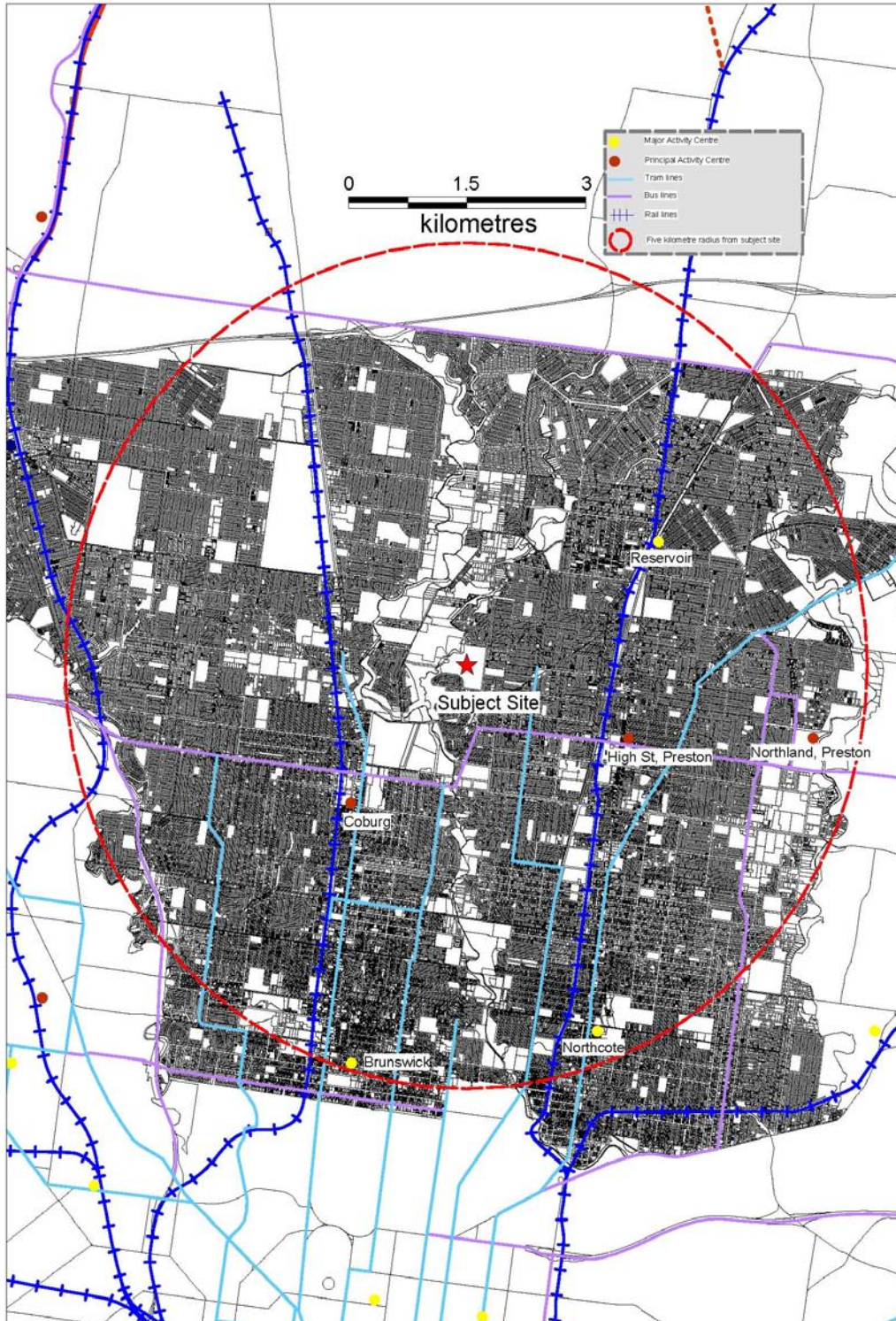


Figure 4: Location of surrounding activity centres

## Out-of-Centre Development

Melbourne 2030 attempts to restrict 'out-of centre' development. The policy ensures that retail, office and other forms of commercial and community land uses are generally located within an activity centre.

Policy 1.2 aims to *"broaden the base of activity in centres that are currently dominated by shopping to include a wider range of services over longer hours, and restrict out-of-centre development"*.

Policy 1.2 states that single use commercial facilities that are remote from other attractions and public transport leads to increases in car borne journeys and longer journeys compared to similar facilities which are co-located and more accessible. Development in this form does not contribute to a local sense of place and encourages people to use their cars more. It can also divert the activity necessary to sustain a thriving and diverse range of accessible services in existing activity centres.

*"Proposals for development of expansion of activities remote from activity centre will be discouraged by giving preference to location in or on the boarder of an existing activity centre. Out of centre proposals will only be considered where it can be convincingly demonstrated that the proposed use of development is of net benefit to the community in the region served by the proposal"* (page 55).

In our view there is no justification for out-of-centre development on the subject site. The characteristics presented in Section 2 of this report do not support the siting of a significant employment generating land use at this location. The impacts of such a use on the surrounding area could reasonably be expected to outweigh the benefits that they might bring to the local community.

## Conclusion

The strategy advocated by Melbourne 2030 and Melbourne @ 5 Million has been translated into the State Planning Policy Framework (SPPF) which forms part of the Moreland Planning Scheme. Clause 12 of the SPPF requires Councils to set a strategic framework for the use and development of land in and around the activity centres to give a clear direction in relation to the preferred locations for investment.

The Municipal Strategic Statement MSS sets out the desire to expand and promote Coburg as its PAC through its vision for Central Coburg 2020. It also acknowledges the centres of Brunswick and Glenroy as MACs.

Clause 21.05-2 of the Moreland Planning Scheme states:

*"Council will also facilitate the use of industrial land for new diverse employment activities to harness positive changes in the industrial sector, the growth of the service sector and the changing characteristics of the local population, providing that they do not undermine the function and sustainability of Moreland's activity centres"*

Clause 21.04-2 also reinforces the role of the three activity centres.

*"The major retail centres of Coburg, Brunswick and Glenroy, with excellent transport facilities and complementary civic, community and convenience services are ripe for expansion into higher order shopping and entertainment facilities. In conjunction with additional housing, these areas will develop as Moreland's principal and major activity centres".*

The designation of the subject site as a PAC or a MAC is contrary to State and local planning policy and fails in relation to sustainable patterns of development which are the at the basis of good planning. Within this policy context, it is difficult to justify the location of the subject site as anything greater than a small neighbourhood based centre.

The establishment of a small neighbourhood centre could provide a local centre within walking or cycling distance of the catchment for which it is designed to serve. Such a centre could provide employment opportunities for the local population whilst not creating the type of amenity concerns created by larger centres.

We would support the potential for a small scale local convenience retail / commercial centre based on Elizabeth Street near the existing retail strip on the east side of the road. This centre could provide neighbourhood based facilities and services generally aimed at the immediate local area, including the subject site. This could include (but not be limited to):

- local shops;
- small offices;
- home offices;
- a medical centre;
- restaurants;
- cafes.

The size of the centre should be limited to ensure that it does not compete with surrounding centres.

### 3.3 ZONE POLICIES

The site is zoned Residential 1 Zone and Business 1 Zone. The Planning Scheme includes various policies which relate to the provision of employment uses within these Zones. The relevant provisions are summarised below.

#### 3.3.1 Residential 1 Zone

The primary purpose of the Residential 1 Zone is to provide for residential development to meet housing needs. In appropriate situations however a limited amount of employment uses are also permitted. The purpose of the Residential 1 Zone includes:

*"In appropriate locations, to allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs."*

Selected employment uses including convenience shop (not exceeding 80m<sup>2</sup>), food and drink premises and medical centre can be established within the Residential 1 Zone where a planning permit is granted. Other employment uses including industry, office, retail premises and warehouses are prohibited.

### 3.3.2 Business 1 Zone

The purpose of the Business 1 Zone includes:

*"To encourage the intensive development of business centres for retailing and other complementary commercial, entertainment and community uses"*

The extent of employment uses that can be developed on the subject site is limited by the extent of B1Z land and also by the maximum floor area limits that are prescribed in the schedule to the Business 1 Zone. The limits are as follows.

- a maximum combined leasable floor area for office of 1,000 square metres;
- a maximum combined leasable floor area for shop of 2,000 square metres;
- no specified leasable floor area for trade supplies.



## 4 CONCLUSION

This report has analysed the potential for the subject site to accommodate employment uses having regard to the locational characteristics of the site and existing planning policy.

An assessment of a variety of key locational characteristics demonstrates that the site has a number of constraints affecting its potential to provide significant employment generating land uses, including:

- the proximity of large areas of established residential neighbourhoods;
- poor vehicular access for truck traffic and high volume car traffic;
- poor exposure to main roads;
- limited public transport appropriate for employment land uses;
- a range of activity centres in close proximity to the site - presenting more attractive locations for employment generating land uses than the subject land;
- no demonstrated need for employment generating community facilities on the subject site;
- a variety of practical considerations preventing the realistic reuse of the former Administration building.

Whilst the site offers potential for a high amenity workplace - with good views of the city and proximity to the Edgars Creek corridor, the constraints of the site present considerable obstacles to the successful development of significant employment land uses.

The Moreland Industrial Land Use Strategy notes that if Kodak was to vacate the subject land that it would not be appropriate to allow traditional industrial redevelopment on the land.

Melbourne 2030 notes that retail, commercial and associated development should be located within designated activity centres. The subject site does not possess the characteristics associated with a Principal Activity Centre or a Major Activity Centre. The rezoning of the land from Industrial 1 Zone to Residential 1 Zone and Business 1 Zone also limits the extent of employment uses that can be developed on the site. Within this policy context, and having regard to the locational characteristics of the site it is difficult to justify anything greater than a small neighbourhood based centre on the subject land.

Such a centre could provide limited employment opportunities for the local population whilst not creating the type of amenity concerns created by larger centres.



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## Collie Pty Ltd

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