

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

1.0 Introduction

The following sets out the current International, Federal State and Local policy context for the New Urban Manufacturing project. The business case for any change to the policies summarized in this section will need to be based on evidence provided by the additional research currently being undertaken.

2.0 Examination of the current policy setting – the nature of industrial land policy and support

2.1. International Policy

The international report does not specifically address or define “Urban Manufacturing” nor “Makers”. It does recognize the need to preserve employment opportunities within urban areas and the benefits this will provide. Rather than preserving land and space for specific types of employment opportunities it suggests that a flexible approach should be adopted. This is because the nature of employment, industry and work is changing so rapidly, that trying to define specific activities may restrict new ones in the future.

2.2. National Policy

The Smart Cities Plan sets out the Federal Government’s vision for the nation. The Plan supports productive, accessible, liveable cities that attract talent, encourage innovation and create jobs and growth. It provides a framework for cities policy at the federal level to guide action across various portfolios, to deliver better city outcomes.

A key concept supported by the Smart Cities Plan is the “30-minute city”. The aim is to create cities in which residents can access employment, schools, shopping, services and recreational facilities within 30 minutes of their homes. The Smart Cities Plan notes that the strategic vision for Plan Melbourne has an even more ambitious goal of 20 minute neighbourhoods. Consequently, though not explicitly stated, the Smart Cities Plan would support the notion of ensuring employment opportunities close to places of residence.

The Smart Cities Plan also describes “City Deals” which are intended to deliver better outcomes through coordinated investment in cities. Through its City Deals initiative the Federal Government intends to assist, State and Local governments, industries and communities to develop collective plans for growth and commit to the actions, investments, reforms and governance needed to implement them. City Deals will focus on economic growth, jobs creation, housing affordability, and environmental outcomes. Some examples of relevance to the Urban Manufacturing project include:

- targeted initiatives to strengthen existing or emerging economic hubs including transport, industry, defence, health or education facilities
- changes to regulatory and zoning arrangements that foster commercial growth and allow entrepreneurial approaches to service delivery including the sharing economy.

The foundational elements of City Deals include:

- defined geographic area
- clear outcomes and actions
- specific capital investments connected to reform
- clear governance arrangements, delivery timeframes and accountabilities
- performance measurement, including the indicators and methodology to be used

In addition, City Deals should leverage, new technologies, open and real time data and incorporating and the rise of the sharing economy.

As set out in Section 5.0, there is an opportunity to develop “prototypes”, that is, practical examples or models of a “new-urban manufacturing” projects for funding from the City Deal program.

2.3. State, Regional and Metropolitan Policy

State Policy contained in Plan Melbourne and the State Planning Policy Framework seeks to create a City that drives productivity, supports investment through certainty and creates more jobs. Appropriately located industrial land should be protected - nationally significant Employment Clusters are identified. The supply of industrial land has an important role in providing for local and regional economic development and employment opportunities. It also makes an important contribution to the Plan Melbourne aspiration for a ‘20 minute city’.

The adopted State policy, Plan Melbourne, recognises that as the economy changes, the planning system needs to recognise and respond to the changing needs of different business sectors, and support the growth of existing and new industries. A key outcome and objective of Plan Melbourne is delivering jobs and investment, by creating a city structure that drives productivity, support investment through certainty and creates more jobs.

Figure 1 Melbourne 2050 Plan



Plan Melbourne identifies key State Significant Industrial Precincts, recognising the need to ensure there is sufficient strategically located land available for major industrial development linked to the principal freight network and

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

transport gateways. These areas are to be protected from inappropriate development to allow continual growth in freight, logistics and manufacturing investment.

Plan Melbourne’s response to delivering jobs and investment has been mindful of maintaining Melbourne’s competitiveness as a place to invest. To maintain competitiveness, it is necessary to ensure that land supply for commercial and industrial development is adequate, well-located and appropriately serviced.

Initiative 1.2.1 of Plan Melbourne requires Council’s to ‘Plan for Industrial land in the right locations across Melbourne’s five subregions to support investment and employment.’

Plan Melbourne supports the need to maintain industrial land that is economically important to a municipality or subregion or to strategically redevelop unutilised industrial land.

2.3. State, Regional and Metropolitan Support for Business and Industry

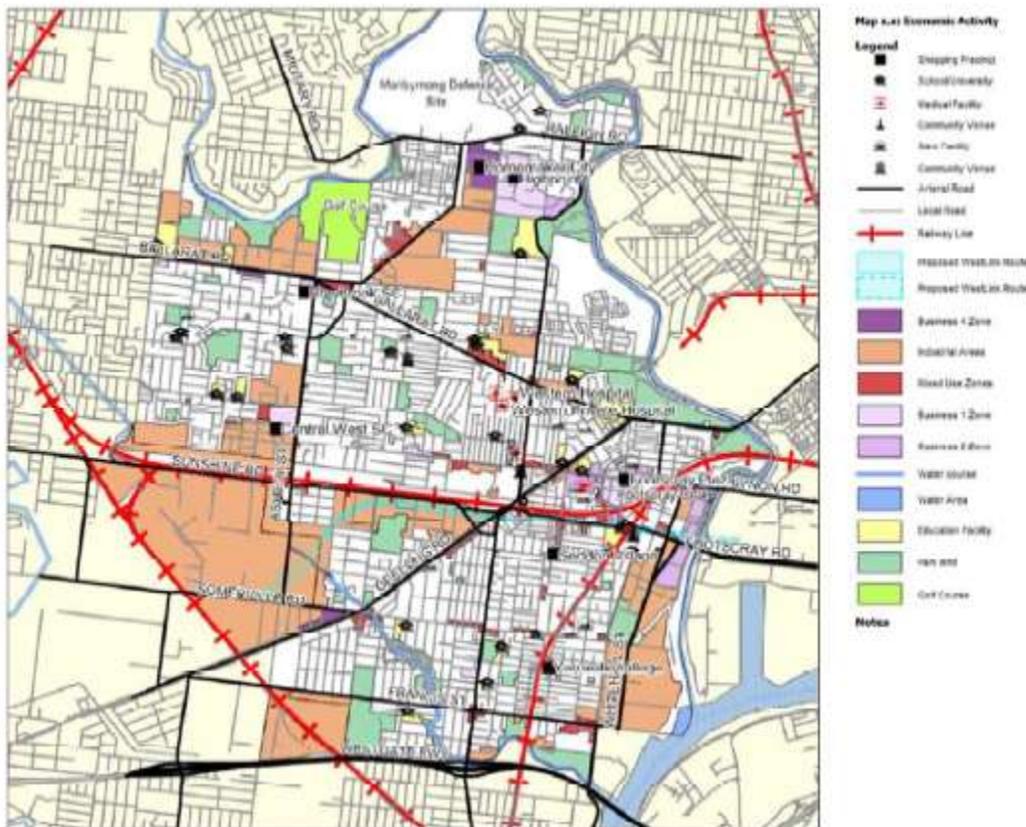
This section will summarise the support available at the State, Regional and Metropolitan level for business and industry that is relevant to New Urban Manufacturing.

IMAP Councils and Moreland Policies

2.4. City of Maribyrnong Policies

Amendment C108 is a strategic approach by the City of Maribyrnong to address the current and future economic development and employment issues facing the municipality by retaining and enhancing the municipality’s supply of industrially zoned land. The Amendment implements the Maribyrnong Economic and Industrial Development Strategy (MEIDS) Part 1 – Economic Development Strategy (2011) and Part 2 – Industrial Land Strategy (2011), and the Maidstone Hampstead Road East Framework Plan, into the Maribyrnong Planning Scheme.

Figure 2: City of Maribyrnong Land Use



Seven Core Employment Areas are designated, including Tottenham, West Footscray and Yarraville Crawley, which have also been identified in Plan Melbourne as State Significant Industrial Precincts. Gordon & Mephan Streets, and Yarraville Mobil Terminal, have been added as new Strategic Employment Investigation Areas (SEIAs), to be considered as employment areas until investigation demonstrates otherwise.

MEIDS is a strategy to retain and enhance industrial employment opportunities rather than specifically maximise employment opportunities in the City of Maribyrnong. Its purpose is to:

- develop an understanding of Maribyrnong’s current and future economy;
- develop strategies for a sustainable economic future; and
- determine the future role and land use directions for the Maribyrnong’s key industrial precincts.

It is important to note that when the Planning Panel considered C108 it formed the view that the supply of industrial and employment land is an important economic resource and agreed with the Council proposition that once it is gone, it does not come back. Maintaining an overall supply of employment land will allow for fluctuations over time.

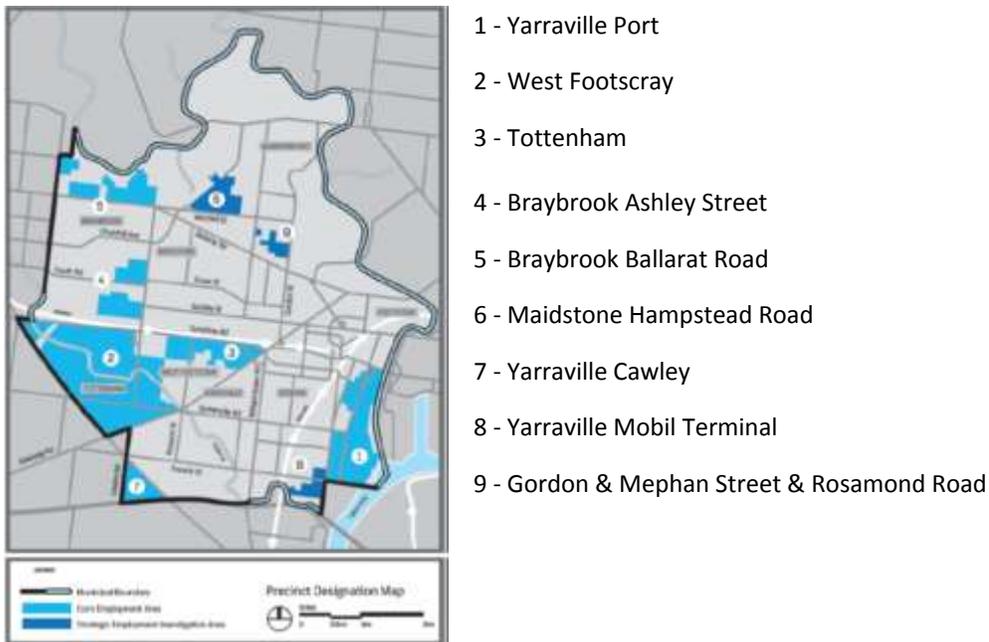
IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

In particular, the Panel felt that the longevity and adequacy of employment land cannot be left to random rezoning or current desires of individual landowners based on their own economic plans. It agreed with Council that there should be neither entitlement nor any reasonable expectation that employment land can easily be redeveloped for some non-employment purpose, namely residential.

The land subject to Amendment C108 is contained in nine industrial related employment precincts which are identified in MEIDS Part 2 – Industrial Land Strategy (the ILS). These precincts are shown in Figure 3. Smaller isolated industrial parcels did not form part of the ILS due to their remote location from these nine main precincts.

The Amendment does not propose any rezoning. However rezoning can be expected through future amendments which will be required to give effect to the detailed strategic planning work that has already been undertaken for Precinct 6 (the Maidstone Hampstead Road East Framework Plan), and that is already in progress for the other precincts.

Figure 3: Maribyrnong's Industrial Employment Precincts



2.5. City of Maribyrnong Support for Business and Industry

This section will summarise the City of Maribyrnong's support for business and industry that is relevant to New Urban Manufacturing.

2.6. City of Melbourne Policies

The City of Melbourne does not have an overarching or comprehensive (municipality-wide) industrial land strategy. Its approach is area and activity specific and includes urban renewal and growth areas, including Arden Macaulay, and City North.

The Central City is the prime location for commerce in metropolitan Melbourne and along with the St Kilda Road commercial area, is of state significance. Areas zoned Mixed Use and Commercial around the Central City have traditionally provided locations for business activities, which support Capital City functions. These areas are under

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

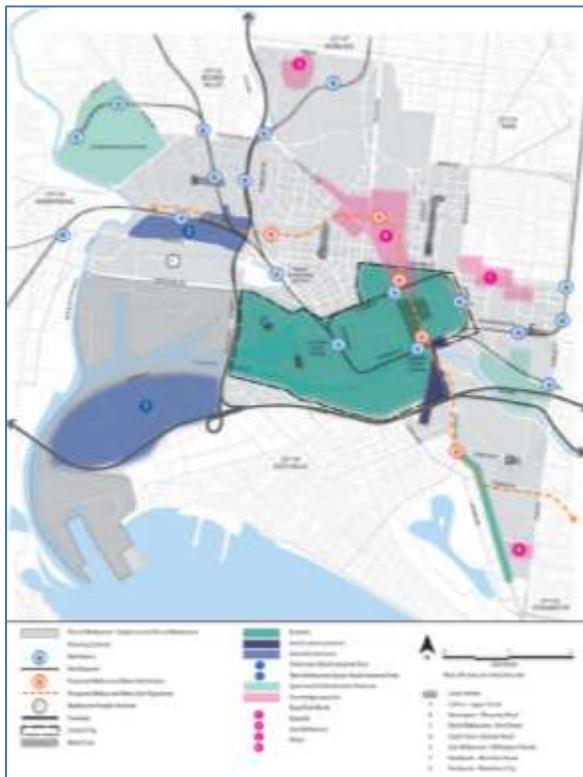
increased pressure for housing and it is important to ensure their ongoing functioning and viability as business areas, which serve both local community needs and Capital City business activity.

Although traditional manufacturing activities are expected to continue to relocate to more competitive industrial locations in outer metropolitan Melbourne, the inner region offers locational and access advantages for advanced manufacturing industries. These industries and associated research have consolidated in the municipality. They are cleaner and more compatible with dense inner urban settings and need to be, protected and supported. The challenge is to carefully manage the tension between traffic, noise and other impacts of industrial operations and the amenity of surrounding residential areas.

Business innovation is central to Melbourne's economic vitality and its role as a globally competitive Capital City. The municipality has a concentration of world standard services and research activity particularly in the financial, engineering, biotechnology and design sectors. The University of Melbourne and RMIT University, the city campuses of four other universities and a number of TAFE institutes are able to link locally with industry, business, hospitals and research institutes in the Parkville, Alfred Hospital St Vincent's Hospital precincts.

The City of Melbourne supports the dense co-location of business, education, and medical and, research centres to strengthen the City's competitive and innovative capacity.

Figure 4: City of Melbourne's Economic Development Map



The City of Melbourne has a range of objectives strategies of relevance to New Urban Manufacturing as set out below.

Reinforcing the City's role as Victoria's principal centre for commerce.

The strategies of relevance to New Urban Manufacturing include supporting:

- Central City as metropolitan Melbourne's principal centre for commerce, professional, business and financial services encouraging new and innovative business that takes advantage of the Capital City location

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

- development of Docklands and Southbank as a vibrant business and retail areas along with the Hoddle Grid
- improving links between City businesses, tertiary educational institutions, research and development organisations and training institutions
- Melbourne as an Australian and the Asia Pacific gateway for health services, financial and business services, education and biotechnology
- development of enterprise incubators and facilities for innovative business sectors
- provision of facilities and services for the changing and diverse needs of residents, visitors and workers.

Encouraging employment opportunities for local residents

The strategies of relevance to New Urban Manufacturing include:

- supporting diverse small to medium enterprises in the Capital City, Docklands, Commercial and Mixed Use Zones
- supporting development of home based businesses, maintaining amenity in Residential and Mixed Use Zones
- ensuring the nature and intensity of office and commercial activity is appropriate to its location
- encouraging a mix of commercial and business support and services close to the Central City in identified parts of South Carlton, East Melbourne, Jolimont and North and West Melbourne
- supporting business uses that provide services to the local community, which are consistent with local amenity, in Residential and Mixed Use Zones.

Improving the long term viability and security of the City's industries

The strategies of relevance to New Urban Manufacturing include:

- supporting the development of Fisherman's Bend Industrial Precinct as the City's primary industrial area and the preferred location for clean, advanced manufacturing, research and development, and ancillary services
- limiting the development of commercial and retail uses in Fisherman's Bend industrial area, which are not ancillary to industrial use
- Facilitating the ongoing role of industry in the West Melbourne Industrial Precinct.

Supporting Melbourne's Knowledge Precincts

The strategies of relevance to New Urban Manufacturing include:

- supporting the operation, development and clustering of education research centres and associated uses whilst protecting the amenity of Residential and Mixed Use zoned areas
- supporting the increased integration of the tertiary education facilities into the public realm of the City through better access connections and the design of new development
- encouraging research and development uses in appropriate zones throughout the City

As the above suggests, the City of Melbourne's objectives and strategies support the appropriate retention of appropriate land to encourage higher value-add businesses and activities that generate jobs.

2.7. City of Melbourne Support for Business and Industry

This section will summarise the City of Melbourne's for support for business and industry that is relevant to New Urban Manufacturing.

2.8. City of Moreland Policies

Moreland's Industrial Land Strategy (MILS) 2015-2030, adopted in July 2016, provides the most comprehensive approach to industrial land policy of all the council's in this study. MILS guides planning decisions about the future of Moreland's industrial land and informs the Moreland Economic Development Strategy 2016-2021. It provides long term investment certainty for the business community and reduces speculation on industrial land in the context of significant development pressure in some parts of Moreland for residential uses.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

MILS aims to create sustainable neighbourhoods where residents can access services and businesses locally and have the opportunity to find jobs locally. By providing a strategic framework, Council can make decisions about what industrial zoned land to retain, the land uses to be sought in these areas, what industrial land to allow to be rezoned for other uses and what these alternative uses should be. In this way, MILS will:

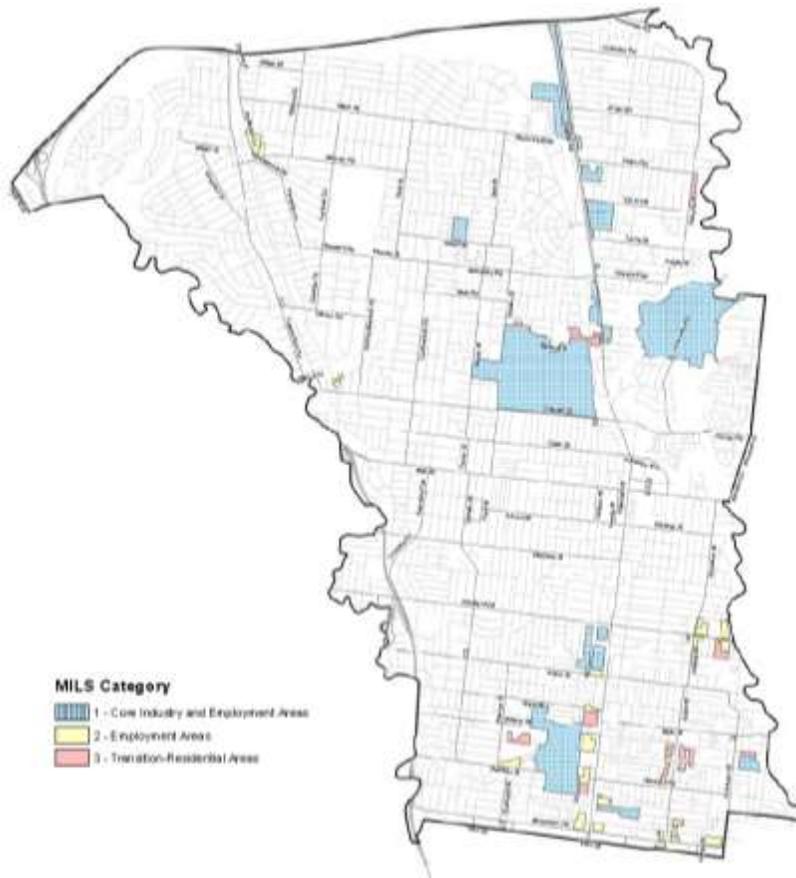
- maintain an appropriate supply of industrial and other commercial zoned land, suited to employment sectors that have positive long term growth outlooks
- provide for a broad range of different economic sectors, not just traditional ‘industrial’ uses.

MILS is primarily implemented through the Moreland Planning Scheme. It also identifies supporting actions to be undertaken by Council’s Economic Development Branch and is used to inform the decisions made by other Council Departments regarding infrastructure provision and supporting road access for freight vehicles to those industrial areas that are expected to continue to have an employment function.

In summary, the MILS:

- retains Moreland’s three large concentrations of industrial zoned land in Brunswick, North Coburg and Newlands. Some revisions to the boundaries of the Brunswick and North Coburg core areas have been made. A number of smaller concentrations of industrial land are also recommended for retention.
- allows for the transition of other industrial zoned land to prioritise alternative employment uses and in some instances to allow for a transition to multi-use or residential outcomes, depending on the geographic characteristics of the land and its suitability for continued industrial or alternative employment uses.

Figure 5: Moreland Industrial Land Strategy 2015 – 2030 (MILS) Framework Plan



2.9. City of Moreland Support for Business and Industry

This section will summarise the City of Moreland’s for support for business and industry that is relevant to New Urban Manufacturing.

2.10. City of Port Phillip Policies

Port Phillip’s vision is to create a city that promotes sustainable economic growth, high accessibility to goods and services, and prosperous conditions for all residents and businesses and; a city of distinct neighbourhoods where an understanding of local character and heritage is an important element of a sustainable future. To achieve the vision for Port Phillip, Council will:

- make ecologically sustainable decisions which contribute to a more sustainable environment through increasing housing and employment densities in locations closest to public transport
- manage land uses across the municipality to build on Port Phillip’s competitive strengths to maximise job opportunities in a changing economy through:
 - facilitating the transition of the Fisherman’s Bend Urban Renewal Area from a core industrial area to a mixed use area including increasing opportunities for commercial and industrial uses with limited amenity impacts
 - facilitating the transition of key business clusters to capitalise on the proximity to the CAD, and the emerging demand for advanced business services and knowledge based industries
 - facilitating the clustering and co-location of relevant community facilities and services in accessible community hubs across the city
- manage the built form of the municipality to offer a high level of amenity, good transport connections, and convenient access to services for residents, workers and visitors.

The City of Port Phillip’s intension is for planning to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity.

Figure 6: City of Port Phillip Locality Map



Industry Key Issues

- The industrial areas of Port Phillip represent one of the largest concentrations of industrial land in inner Melbourne and play an important role in generating employment, production and economic activity.
- Protecting the future viability and efficiency of Port operations and the associated rail and road network are crucial, but must be achieved in a sustainable manner. The potential impact of a growing Port and related freight

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

transport corridors on the local environment and on local communities needs also needs to be carefully managed.

- A significant portion of older industrial building stock is under pressure for upgrading as technology and the requirements of industry change.
- Traditional land uses in the industrial zones are being replaced by new uses including offices, small-scale warehousing and high-tech industries.
- The designation of a large area of the traditional Port Phillip industrial area as the Fisherman’s Bend Urban Renewal Area has shifted the focus to a mixed use urban renewal area. Over time the area will transition towards a mix of commercial, office, high-tech industrial, and residential uses.
- There will be interface issues that need to be managed within the Fisherman’s Bend Urban Renewal Area as it develops and evolves.
- There is increasing tension between industry and surrounding residential areas due to traffic, noise and other amenity-related issues.

Port Phillip’s overall objective is to ensure availability of land for industry by:

- identifying land for industrial development in urban growth areas which can provide:
 - good access for employees, freight and road transport
 - appropriate buffer areas between the proposed industrial land and nearby sensitive land uses
- protecting and planning existing industrial areas to, where possible, facilitate further industrial development
- providing an adequate supply of industrial land in appropriate locations including sufficient stocks of large sites
- protecting industrial activity in industrial zones from the encroachment of unplanned commercial, residential and other sensitive uses which would adversely affect industry viability
- encouraging safe industrial uses with appropriate amenity to locate within activity centres
- maintaining the availability of land for future industrial requirements, by opposing non-industrial land uses in identified industrial areas.

Port Phillip has identified the following state significant industrial land areas that require protection from incompatible land uses to allow for future growth:

- Southern Industrial Precinct - Dandenong South
- Northern Industrial Precinct - Campbellfield, Somerton and Thomastown
- Western Industrial Precinct - Laverton North and Derrimut
- Officer / Pakenham Industrial Precinct
- Port of Hastings Industrial Precinct.

The aim is to:

- protect heavy industrial areas from inappropriate development and maintain adequate buffer distances from sensitive or incompatible uses
- ensure sufficient availability of strategically located land for major industrial development, particularly for industries and storage facilities that require significant threshold distances from sensitive or incompatible uses.

In addition, Port Phillip seeks to create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education by:

- encouraging the expansion and development of logistics and communications infrastructure
- supporting the development of business clusters
- promoting a physical environment that is conducive to innovation and to creative activities
- encouraging the provision of infrastructure that helps people to be innovative and creative, learn new skills and start new businesses in activity centres and near public transport
- supporting well-located, appropriate and low-cost premises for not-for-profit or start-up enterprises
- improving access to community-based information and training through further developing libraries as community learning centres.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

Port Phillip seeks to ensure new uses support the future strategic role and function of the industrial areas, as defined in Figure 7.

Figure 7: Industrial Areas in Port Phillip.

| Industry Type (by zone) | Location | Strategic role and function – future direction | | | | |
|-------------------------------------|------------------------------------|--|--------------------------------------|--|--------------------------|--|
| | | Primary Employment Role | Core Industrial / Manufacturing Role | Light industrial / service businesses / warehouse role | Office / Commercial role | High technology/knowledge based industry cluster |
| Schedule 1 to the Capital City Zone | Fishermans Bend Urban Renewal Area | * | | * | * | * |
| Industrial 1 Zone | South Melbourne | * | * | * | | * |
| Industrial 2 Zone | William Street, Balaclava | | | * | * | |
| Business 3 Zone | Eastern Business District, SMC | * | | * | * | * |
| | Western Business District, SMC | * | | * | * | * |

2.11. City of Port Phillip Support for Business and Industry

This section will summarise the City of Port Phillip’s for support for business and industry that is relevant to New Urban Manufacturing.

2.12. City of Stonnington Policies

According to the City of Stonnington’s Building Prosperity Economic Development Strategy (2012-2016), the municipality has a total of 43,850 jobs, 65% of which are jobs generated by five key industry sectors - retail trade; health care and social assistance; professional, scientific and technical services, accommodation and food services and education and training. These sectors have been identified as the competitive base of Stonnington’s economy for the past twenty years.

Stonnington is home to 15,680 businesses, including 3500+ home based businesses. Employment in property and business, and education have increased in recent years, in association with the rise in the number of international students and small and medium sized businesses driving demand for strata office space in the region. New projects such as in the Forrest Hill precinct are expected to add 110,000m2 of office space to the City.

Challenges facing Stonnington include:

- ongoing and increasing pressure to accommodate additional development attracted by the City’s inner metropolitan location and the availability of services and transport
- how to provide for more flexibility and diversity of use in activity centres, while maintaining their separate identities and ensuring a sustainable network of centres serving local neighbourhoods
- increasing land values and competition between land uses and how to support the City’s business, commercial and remaining manufacturing roles – to provide more employment opportunities closer to home.

There is a range and high standard of professional services and creative industries and increased opportunities are available for local service and office employment. The City retains the full spectrum of service industries integrated within selected mixed use precincts and designated industrial areas. Stonnington’s Strategic Framework Plan has an overarching framework related its Municipal Strategic Statement’s five strategic themes. It identifies locations where specific outcomes are encouraged, including redevelopment and mixed use opportunities.

Stonnington’s economic development strategy focusses on:

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

- an activity centres hierarchy
- mixed use areas where higher density housing and a variety of commercial activities are encouraged
- industrial areas for larger scale industries and service uses.

Figure 8: City of Stonnington’s Strategic Framework Plan



Figure 9: Stonnington Activity Sector Hierarchy

| Activity centre hierarchy / role | Centre | Strategic directions |
|--|---|--|
| GROUP 1 - PRINCIPAL Regional centre with both local and regional roles accommodating larger scale retail uses, complementary entertainment uses and goods and services to meet everyday and specialty needs. | Prahran/South Yarra (includes Forrest Hill) | |
| | Chadstone | A premier planned regional centre, focussing on high quality goods in a high quality environment. |
| GROUP 2 - MAJOR Sub-regional centre with both local and sub-regional roles accommodating a variety of goods and services to meet both everyday and specialty needs. | Glenferrie Road, Malvern | Predominantly everyday and some specialty retailing, with a wider mix of office and service uses at the northern and southern ends. |
| | High Street, Armadale | Predominantly specialty retailing and food, particularly uses that attract tourists, visitors and weekend trade. |
| GROUP 3 - NEIGHBOURHOOD (LARGE) Larger local centres catering for everyday needs and wider specialty retail, office and service markets. | Toorak Village | Predominantly retail, catering for everyday and some specialty needs. |
| | Toorak Road, South Yarra (west end) | |
| | Chapel Street, Windsor | |
| | Hawksburn | Predominantly retail, with a food shopping character, plus a wider mix of office and service uses at the western end. |
| GROUP 4 - NEIGHBOURHOOD (SMALL) Small local centres catering for local and everyday retail, office and service activities and needs of the surrounding area. | Waverley Road, Malvern East | A hub of retail uses for everyday needs with a complementary mix of uses in the peripheral areas such as specialty retailing, offices, services, residential and small scale entertainment uses, appropriate to the character and identity of the centre. |
| | Malvern Road - Burke Road, Glen Iris | |
| | Other small Activity Centres | |
| GROUP 5 - MIXED USE Small Mixed Use Areas (Mixed Use Zones) Areas scattered throughout Stonnington containing a mix of service and industrial uses but also some retail and residential uses. | GROUP 5 - MIXED USE Small Mixed Use Areas (Mixed Use Zones) | A compatible mix of small businesses and residential uses that complement the nearby retail and residential areas and enhance the variety and quality of goods and services available in Stonnington. For mixed use areas in Forrest Hill refer Clause 22.17. |

Activity Centres - Key Issues of relevance to the Urban Manufacturing Project

- acknowledging the need for activity centres to adapt to change by providing for a broader range of uses
- seeking enhanced local service provision at the neighbourhood level, especially in the eastern parts of the City

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

- attracting and fostering businesses which can take advantage of Stonnington's locational assets and which can provide employment and services for the local community
- making more efficient use of commercial land including existing shop tops
- managing the amount and location of new residential development in activity centres to ensure it does not diminish future opportunities for retail and commercial expansion in core areas
- managing the challenge of increasing residential development in and beside activity centres combined with the increased after hours opening of commercial uses and the resultant amenity and residential interface issues arising from the close proximity of conflicting uses.

Activity centre planning and land use strategies of relevance to the Urban Manufacturing Project

- ensure sufficient zoned land is available to provide adequate space for the future expansion of businesses, as identified in any economic development strategy or Structure Plans
- support proposals that will achieve more effective use of commercial properties, including the upper floors of commercial premises and properties that become vacant
- facilitate the use of shop tops for office, residential and artist studios within main street activity centres
- on individual sites, seek a balance of land use in activity centres, with a preference for retail uses at ground level and office uses and / or residential uses in upper levels
- in high rise developments in commercial zones and mixed use zones, avoid residential-only developments or make provision for adaptation to an alternative commercial use, by requiring higher ceiling heights at least at ground floor and preferably up to podium level.

Strategies to increase local professional and business employment

- encourage businesses providing services and employment opportunities for the local community, including:
 - high technology, communication and distribution services
 - services associated with the education, health, medical and professional services and
 - services associated with creative / artistic activities and visitor accommodation
- identify locations within activity centres and mixed use areas that could accommodate an increase in office space to facilitate businesses and employment
- promote mixed use areas around principal and major activity centres that encourage a broad range of cultural, commercial and higher density housing opportunities
- identify the preferred land uses and land use balance for individual mixed use areas
- promote the Prahran / South Yarra Activity Centre (including the Forrest Hill Precinct) as the primary mixed use office employment precinct in the City.

Strategies to ensure non-residential uses in residential zones are located to achieve maximum accessibility to the communities they serve and respect the preferred character of the area and residential amenity

- encourage commercial and community uses permissible in residential zones to locate close to activity centres, community hubs, public transport and other related uses
- encourage home occupation and home office uses in residential areas that will not affect the amenity of the residential area
- encourage the conversion of non-conforming uses to more compatible uses
- ensure large and / or purpose built, non-residential uses locate in or beside activity centres or beside those parts of main roads which have a mixed use character
- accept small non-residential uses on land with a frontage to a main road.

Industrial uses Key issues of relevance to the Urban Manufacturing Project

- addressing the challenge of loss of industries (in particular small scale service industries serving local needs) which are moving out and being replaced by higher order uses, especially in and around the activity centres
- addressing the challenge in industrial areas with poor access and small sites which limit their industrial capability
- addressing the conflicts between industrial and mixed use areas with residential areas

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

- attracting high technology, communication and distribution services which can take advantage of Stonnington's locational assets and which can provide employment and services for the local community.

Strategies to provide for a wide variety of specialist industrial and local service uses in the City while protecting the character and amenity of surrounding residential areas.

- retain industrial properties for industrial use and development which:
 - is innovative, technology intensive or involves communications, information or distribution services;
 - provides opportunities for local employment; and
 - provides services of benefit to the local and regional community
- encourage and maintain the following uses in local industrial areas:
 - large scale, technology intensive industries in the Weir Street industrial area
 - a balance of small scale industry and service uses in the Paran Place mixed use area and
 - small scale, low impact, high tech industrial uses in the Prahran mixed-use areas
 - manage the use and development of mixed-use and industrial areas in a way which is sensitive to the area's character, maintains the amenity of residential uses, and respects the operation of commercial uses.

Future strategic work of relevance to the New Urban Manufacturing project includes review the Industrial 3 Zoned land in Paran Place, Glen Iris and its potential for including a greater mix of uses.

2.13. City of Stonnington Support for Business and Industry

This section will summarise the City of Stonnington's for support for business and industry that is relevant to New Urban Manufacturing.

2.14. City of Yarra Policies

Some 4,500 businesses operate within Yarra, employing about 55,000 people, reflecting a significant local economy that has transformed itself from its historical industrial base to a sophisticated business and service economy.

Activity Centres

Yarra's Major Activity Centres include the retail strip centres of Brunswick, Smith, Victoria and Swan Streets and Bridge Road. The past two decades has seen a virtual reinstatement of these activity centres regional service role driven by the aggregation of niche offerings in fashion, hospitality, entertainment, and homewares. Yarra's activity centres rely on their regional function with a high proportion of retail turnover coming from outside the municipality. Yarra also has a range of Neighbourhood Activity Centres which play an important local role.

Commerce

The expansion of the tertiary sector and its location in the inner Melbourne region close to the CBD has already resulted in Yarra being an increasing focus for finance, property and business services, cultural/recreational tourism, and wholesale and distribution activities. Yarra has also become a preferred location for many smaller and medium sized businesses, particularly those in computer technology, marketing and design. This trend is expected to continue.

Industry

Corresponding to the increase in professional employment, the traditional heavy industrial activity of the past is being replaced by modern enterprises involved in assembly, warehousing and distribution and research and application of technology. Industry has moved away from the traditional textile, clothing and footwear to printing, publishing, recorded media, and business services and office activities. While traditional manufacturing activity has declined, a core of these types of enterprises still remain in the municipality, many of which are responding to economic pressures through embracing new technologies and identifying specialist and export markets. Yarra remains home to a number of large, well-established industrial firms including Carlton and United Beverages and Amcor.

VISION for the City of Yarra in 2020

Land Use

The City of Yarra will accommodate a diverse range of people, including families, the aged, the disabled, and those who are socially or economically disadvantaged. Yarra will have increased opportunities for employment. The complex land use mix characteristic of the inner City will provide for a range of activities to meet the needs of the community.

Figure 10: The City of Yarra’s Strategic Framework Plan



Within Yarra commercial and industrial uses form clusters of interrelated activity that underpin a sustainable economy and provide employment. Yarra plans to retain and foster a diverse and viable economic base. The decline in manufacturing activity has created an opportunity for service businesses which has maintained employment levels within Yarra. There is also a continuing demand for industrial land for those activities that value an inner metropolitan location. For this reason some land, as identified on the neighbourhood plans, can be rezoned to permit a combination of industrial and office use. In these areas rezonings to permit residential uses would not be supported, as residential amenity requirements are a threat to the survival of ongoing industrial activities.

In addition to the above, a number of industrial operations exist throughout Yarra that are located on isolated industrial sites in residential areas, away from other concentrations of business, without access to main roads. If the existing isolated businesses close or relocate, rezoning options that reflect the predominant pattern of the surrounding uses will be considered.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

Yarra has adopted the following strategies to increase the number and diversity of local employment opportunities:

- support rezonings, as identified on the relevant Neighbourhood plan, to permit increased commercial and office use in existing industrial areas
- support home-based businesses
- encourage residential and business land use within the Mixed Use Zone to locate on the same site
- discourage Business 2 Zones becoming de facto residential zones whilst at the same time recognising that some residential opportunities can be accommodated in these zones
- on isolated industrial sites support opportunities for new uses that reflect the predominant surrounding uses
- apply the Caretakers' Houses policy

2.15. City of Yarra Support for Business and Industry

This section will summarise the City of Melbourne's for support for business and industry that is relevant to New Urban Manufacturing.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

3.0 The Nature of Existing Zones Relevant Urban Manufacturing

Figure 11 sets out the nature of existing zones in which New Urban Manufacturing would be permitted either “as of right” or by permit, within the IMAP and Moreland municipalities. **TO BE CONFIRMED BY PRG**

Figure 11: Zones allowing New Urban Manufacturing “as of right” or by permit, within the IMAP and Moreland municipalities

| Maribyrnong | Moreland | Port Phillip | Stonnington | Yarra | Melbourne |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|
| Residential Zones |
| Mixed Use Zone |
| Residential Growth Zone | Residential Growth Zone | | Residential Growth Zone | | Residential Growth Zone |
| General Residential Zone |
| Neighbourhood Residential Zone | Neighbourhood Residential Zone | | Neighbourhood Residential Zone | Neighbourhood Residential Zone | Neighbourhood Residential Zone |
| | | | | | |
| Industrial Zones |
| Industrial 1 Zone | Industrial 1 Zone | Industrial 1 Zone | Industrial 3 Zone | Industrial 1 Zone | Industrial 1 Zone |
| Industrial 3 Zone | Industrial 3 Zone | Industrial 3 Zone | | Industrial 3 Zone | Industrial 3 Zone |
| | | | | | |
| Commercial Zones |
| Commercial 1 Zone |
| Commercial 2 Zone | Commercial 2 Zone | Commercial 2 Zone | | Commercial 2 Zone | Commercial 2 Zone |
| | | | | | |
| Special Purpose Zones |
| Special Use Zone |
| Comprehensive Development Zone | | Comprehensive Development Zone | | Comprehensive Development Zone | |
| Activity Centre Zone | Activity Centre Zone | | | | |
| | | Capital City Zone | | Priority Development Zone | |
| | | Port Zone | | | Port Zone |
| | | | | | Schedule 2 – Carlton Brewery |
| | | | | | Schedule 3 – Flemington Green Comprehensive Development Plan |
| | | | | | Schedule 4 – 550 Epsom Road Comprehensive Development Plan Capital City Zone |
| | | | | | Schedule 1 – Outside the Retail Core |
| | | | | | Schedule 2 – Retail Core |
| | | | | | Schedule 3 – Southbank |
| | | | | | Schedule 4 – Fisherman’s Bend Urban Renewal Area |
| | | | | | Schedule 5 - City North |
| | | | | | Schedule 1 – Yarra’s Edge |
| | | | | | Schedule 3 – Batman’s Hill |
| | | | | | Schedule 5 – Digital Harbour |
| | | | | | Schedule 6 – Business Park |

Given the varied nature of New Urban Manufacturing it is important to consider the nature of use for Industry and Warehouse and Home Occupation in more detail.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

Use for industry and warehouse

Unless the circumstances do not require, an application to use land for an industry or warehouse must be accompanied by the following information:

- the purpose of the use and the types of activities to be carried out
- the type and quantity of materials and goods to be stored, processed or produced
- whether a Works Approval or Waste Discharge Licence is required from the Environment Protection Authority
- whether a notification under the Occupational Health and Safety (Major Hazard Facilities) Regulations 2000 is required, a licence under the Dangerous Goods Act 1985 is required, or a fire protection quantity under the Dangerous Goods (Storage and Handling) Regulations 2000 is exceeded
- how land not required for immediate use is to be maintained
- the likely effects, if any, on the neighbourhood, including noise levels, traffic, air-borne emissions, emissions to land and water, light spill, glare, solar access and hours of operation (including the hours of delivery and dispatch of materials and goods).

Home Occupation Purpose

To ensure that the amenity of the neighbourhood is not adversely affected by an occupation conducted in or from a dwelling, home occupation must meet the following requirements:

- the person conducting the home occupation must use the dwelling as their principal place of residence
- no more than one person who does not live in the dwelling may work in the occupation
- the gross floor area used in conducting the occupation including the storage of any materials or goods must not exceed 50 square metres or one-third of the gross floor area of the dwelling, whichever is the lesser
- the occupation must not impose a load on any utility greater than normally required for domestic use
- the occupation must not adversely affect the amenity of the neighbourhood in any way including:
 - the appearance of any building, works or materials used
 - the parking of motor vehicles
 - the transporting of materials or goods to or from the dwelling
 - the hours of operation
 - electrical interference
 - the storage of chemicals, gasses or other hazardous materials
 - emissions from the site.
- no motor vehicle may be serviced or repaired for gain
- only one commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the Transport Act 1983), not exceeding 2 tonnes capacity and with or without a trailer registered to a resident of the dwelling may be present at any time. The vehicle must not be fuelled or repaired on the site
- no goods other than goods manufactured or serviced in the home occupation may be offered for sale
- materials used or goods manufactured, serviced or repaired in the home occupation must be stored within a building
- no goods manufactured, serviced or repaired may be displayed so that they are visible from outside the site.

Permit required

Despite the requirements of Clause 52.11-1, a permit may be granted for a home occupation:

- which allows no more than two persons who do not live in the dwelling to work in the occupation; or
- which has a floor area not exceeding 100 square metres or one-third of the gross floor area of the dwelling, whichever is the lesser
- which allows no more than one additional commercial vehicle (a commercial goods vehicle, commercial passenger vehicle or tow truck within the meaning of the Transport Act 1983), not exceeding two tonnes capacity and with or without a trailer registered to a resident of the dwelling, to be present at any time.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

Decision Guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- whether there is a need for additional parking or loading facilities
- the effect of any vehicle parking, storage or washing facilities on the amenity and character of the street
- whether the site is suitable for the particular home occupation and is compatible with the surrounding use and development
- whether there is a need for landscaping to screen any outbuildings or car parking or loading areas or any other area relating to the home occupation.

THE FOLLOWING SECTION WOULD ONLY BE REQUIRED IF THE RESEARCH DEMONSTRATES THE NEED FOR ANY POLICY CHANGES – AT THIS STAGE THIS DOES NOT APPEAR TO BE THE CASE

4.0 Identifying nature of support for the Urban Manufacturing Sector - proposed policy changes, facilitation initiatives / interventions

The following sets out the recommended policy changes required to support the urban manufacturing sector and Makers. The research should demonstrate what form of direct and indirect action by State and Local Government is necessary.

4.1. Recommended Changes to Land Use Policies and Controls

The research undertaken provides evidence for changing the following land use policies and controls:

- preserve industrial land, older industrial buildings and old spaces because:
 - this is part of the Makers identity, their “counter-culture” brand or
 - these spaces are cheap or at least more affordable.
- provide affordable land and spaces in new buildings possibly in purpose designed inner city locations.
- recognize that Makers operate in residential/commercial zones and that they should be allowed to continue to operate in these zones because, unlike old manufacturers, they are no longer “dirty” i.e. create – noise, smells and other negative externalities, and are therefore either compatible/neutral or complementary/positive, with respect to the intent of these zones
- any other recommended changes to land use policies and controls.

4.2. Recommended Changes to Economic Assistance and Marketing Policies

The research undertaken provides evidence for changing the following economic assistance and marketing policies:

- what needs to be done to grow this sector
- providing some form of infrastructure, services, marketing and/or economic support
- the notion of ‘highest and best use’ to encourage jobs and innovation and avoid displacement of firms out of Melbourne, Victoria, and Australia.
- addressing the nature of insecure tenure, the availability spaces including shared space and facilities at affordable rentals to ensure Makers can plan for the future. (Do they just need low rents, in industrial land with particular space requirements?)
- any other recommended changes to land use policies and controls.

4.3. Recommended Changes to Other Policies

The research undertaken provides evidence for other policy action and support:

- should these opportunities be available to other “non-Maker” small businesses?
- other support.

I SUGGEST THE FOLLOWING STEPS SHOULD BE UNDERTAKEN

5.0 Conclusions regarding the current policy setting – the nature of industrial land policy and support

The international research, Federal and State policies and those of the six councils all recognise that industrial land in inner city areas is under threat from the pressure to rezone to for residential purposes and needs protection/preservation for employment opportunities. These policies also incorporate initiatives proactively support activities that generate higher value adding employment opportunities, in close proximity to residential areas, while minimising the nature of any negative emissions on residential areas.

The statistical evidence supporting these policies varies across each council, which in some instances makes them difficult to defend with respect to individual rezoning applications for industrial land. Moreland has provided this evidence and its approach could be extended to the other municipalities, to provide a consistent evidence based for the central region. The nature of further evidence that could be provided is set out in section 6.0.

None of these policies refers specifically to “new urban manufacturing” or “Makers”. As the international evidence suggests, rather than preserving land and space for specific types of employment opportunities a flexible approach should be adopted. This is because the nature of employment, industry and work is changing so rapidly, that trying to define specific activities may restrict new ones in the future.

The Federal, State and Local governments are all trying to increase employment opportunities within central Melbourne and are looking at new and innovative ways to achieve this. They all see the decline in traditional industries, particularly manufacturing. They seek to preserve industrial land for future employment generating activities, not simply retail and commercial. They are at a loss to know what other forms of employment might be available. Each Council knows the issues facing its industrial and mixed use areas. They would be able to identify specific industrial areas or sites that might be used to prototype new forms of employment.

The nature of New Urban Manufactures “Makers”, as describe in the research to date and the existing policies across the across five IMAP Councils and Moreland, suggests that future work in this project should focus on testing three “prototypes” as follows:

Prototype A – Heritage Industrial Spaces in Existing Industrial Areas

These represent the quintessential Maker spaces, older industrial areas and buildings that have an historic value and link to the local or even broader areas.

Prototype B – New Industrial Spaces in Existing Industrial Areas

These represent new industrial spaces in industrial areas, specifically designed to meet Maker requirements. Further work would need to be done determine if Makers could actually be attracted to this form of development and the specific characteristics that might need to be provided. On the evidence to date, this might involve design and landscape treatments that are less bland and utilitarian.

Prototype C – New Maker Spaces in Mixed Use Areas

These would represent a refined version of industrial activities that would be compatible with residential and other commercial activities.

Prototype D – New Maker Focused Home Occupation in Appropriate Residential Areas

These would represent a slightly more expanded version of Home Occupation activities that would be compatible with residential and other commercial activities.

Conclusions Regarding Support for Business and Industry

This section will summarise the range of support for business and industry that is relevant to New Urban Manufacturing. Depending on the research outcomes it will identify any changes to that might be specifically tailored

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

to support New Urban Manufacturing. In addition, it could potentially identify sources of funds to support testing the prototypes described above.

Next Steps

If the Policy Reference group agreed, the next steps in developing and refining these prototypes would involve identifying:

1. zeroing in on where the specific areas of industrial/commercial land that would suit urban Makers in each Council, that is, specific locations and sites that might be used to test the above prototypes
2. forward thinking land/building owners, investors and developers who would be interested in implanting these prototypes in the areas identified
3. applying for federal government funding from the City Deals program or any other programs of support identified at the State and local levels
4. developing the specifics of each prototype and testing them to determine if they are commercially viable and could be implanted more broadly.

Developing these prototypes would involve cooperation and support from State Government, local Councils and progressive/strategic developers/owners of industrial land.

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

6.0 Establishing a more rigorous case for preserving industrial land in Central Melbourne

As noted earlier in section 5, the statistical evidence supporting policies to preserve industrial land varies across each council, which in some instances makes them difficult to defend with respect to individual rezoning. Moreland has provided this evidence and its approach could be extended to the other municipalities, to provide a consistent evidence based for the central region. The following describes the nature of further evidence that could be provided to strengthen the case for preserving industrial land in the IMAP council municipalities.

6.1. Identify the nature of demand for industrial land

This has been done by Moreland and could be extended to other areas. Evidence from real-estate agents, owners, developers, investors and tenants, should be obtained to show the nature of demand to determine what is happening in Council industrial areas and zones. The following tables are suggested to summarise this information.

The supply of industrial land in the inner city

| Council | Zone 1 (ha) | Zone 2 (ha) | Zone 3 (ha) | Total Zoned Land (ha) |
|--------------|-------------|-------------|-------------|-----------------------|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

Nature/characteristics of Industrial Land in the inner city

| Council | Zone 1 |
|--------------|--|
| Maribyrnong | Predominately large older industrial areas |
| Melbourne | |
| Moreland | |
| Stonnington | |
| Port Phillip | |
| Yarra | |

Estimated Occupancy rates of industrial land in the inner city

| Council | Zone 1 (ha) | Zone 2 (ha) | Zone 3 (ha) | Total Zoned Land (ha) |
|--------------|-------------|-------------|-------------|-----------------------|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

Estimated Business Sizes in Industrial Zones

| Council | Zone 1 (ha) | Zone 2 (ha) | Zone 3 (ha) | Total Zoned Land (ha) |
|--------------|-------------|-------------|-------------|-----------------------|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

IMAP Urban Manufacturing Project – Draft Policy Section Table of Contents

Estimated Demand for industrial land in the inner city

| Council | Zone 1 (ha) | Zone 2 (ha) | Zone 3 (ha) | Total Zoned Land (ha) |
|--------------|-------------|-------------|-------------|-----------------------|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

Characteristic of Demand for industrial land in the inner city Business Size Built Form

| Council | Zone 1 (ha) | Zone 2 (ha) | Zone 3 (ha) | Total Zoned Land (ha) |
|--------------|-------------|-------------|-------------|-----------------------|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

Nature of Business in Residential Areas in the Inner Suburbs

Number of Business ABNs

| Council | | | | |
|--------------|--|--|--|--|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

Classification of Business in Residential Areas

| Council | | | | |
|--------------|--|--|--|--|
| Maribyrnong | | | | |
| Melbourne | | | | |
| Moreland | | | | |
| Stonnington | | | | |
| Port Phillip | | | | |
| Yarra | | | | |

6.2. The Nature of the New Urban Manufacturing Market

This section would examine the specific nature of the New Urban Manufacturing Market, where Makers are locating, in what numbers and the rental ranges they are prepared to pay.

6.3. The Locations in Which New Manufacturing is Currently Occurring

This section would summarise the research findings showing extent to which Maker activity is occurring in:

- mixed use areas
- commercial 2 areas
- activity centres
- capital city zones and
- residential areas.