

Masterplan Elements #3: Employment, Innovation Precinct and Retail

26 September 2016

Overview

The owners of East Village are releasing a series of documents to profile specific inputs into a 20-year masterplan for the Bentleigh East industrial precinct.

The purpose of the 'Elements' documents are to build up the detail necessary for putting forward a comprehensive masterplan for community input and review.

In this document we examine the needs and planning considerations for **employment, innovation precinct and retail** – this has been of consistent community and stakeholder interest during the preceding phases of consultation on the development of a 20-year masterplan for East Village.

Summary

- The East Village precinct has a long history as an area of manufacturing and general employment. In preparing a draft masterplan there is a need to balance business employment, retail and other mixed uses to ensure its status as an employment hub continues.
- There is an opportunity to attract tenants and employers to the precinct by expanding and supporting existing commercial office and service locations as well as replacing redundant buildings.
- Recent relocations by major tenants and closure of major manufacturing on the site will see employment levels in the precinct reduce by a further 450 people by 2018 and a total reduction of 1,275 from the peak in 2014.
- Projected population growth in Glen Eira of one-third or at least 40,000 people by 2031 will result in additional demand for services and retail.
- There is a shortage of convenience-based neighbourhood shopping centres and a low rate of supermarket floor space in Glen Eira.
- Concerns have been raised during community consultation about the impact of additional retail existing local strip shopping centres and the need to continue the precinct's employment role.
- As such the landowners are considering proposing a dedicated employment and innovation precinct as part of the masterplan to support an ongoing employment focus, and retail floor space caps in any neighbourhood centre and maximum shop floor sizes elsewhere in the precinct to control such development.

Introductory comments

The East Village precinct has a long history as an area of manufacturing and general employment. One of the prime reasons for this current community engagement around the development of a draft masterplan is the decline in the use of the site for such purposes (a more detailed description of current uses and decline in employment can be found [here](#)).

As such employment, or activities that offer employment, will be a key feature of any changes to the precinct. The precinct is in fact currently operating at an Activity Centre (see definition below) in its own right however has never been designated as such within the local planning scheme.

There are a number of sensitives when considering development options which are capable of attracting employment, most notably the introduction of any retail space which has the potential to draw people away from current shopping areas and increased traffic in and around the precinct.

In preparing this *Elements* paper the landowners are actively considering the following:

1. To enhance the Activity Centre through a dedicated employment and innovation area with planning overlays to limit residential development within this part of the precinct. The aim of such controls will be to ensure that the precinct continues to grow as an employment hub along with a mix of other uses.
2. To consider a retail floor space cap and maximum shop floor sizes to ensure that retail development is of a Neighbourhood Centre scale (see definition below) and any development outside a Neighbourhood Centre is limited.
3. To match the development of retail space with later stages of any development in the area, so that the centre is supporting a new population base and minimising any potential impact on existing centres.

What are activity and neighbourhood centres?

New activity and neighbourhood centres are being added across Melbourne to serve emerging residential populations in growth areas.

Activity centres are...

“suburban centres that provide a focus for services, employment, housing, transport and social interaction. They are usually large centres with a mix of activities that are well served by public transport and have an especially important role to play as a focus for community activity, services, investment and change in retail, office, community, service and residential markets.”¹

Neighbourhood centres are²...

¹ DELWP Activity centres overview: <http://www.dtpli.vic.gov.au/planning/urban-design-and-development/Activity-Centres/overview>

² <http://md.macroplan.com.au/pca/OnlineInfo.aspx>

A local shopping centre comprising a supermarket and approximately 35 specialty shops. – Total gross lettable area retail is less than 10,000 square metres.

- typically located in residential areas;
- Services immediate residential neighbourhood;
- Usually has extended trading hours; and
- Caters for basic day-to-day retail needs.

Why is consideration of an employment, innovation centre and retail important for East Village?

A key role of Melbourne's planning system is to guide private-sector investment decisions in relation to commercial and industrial development and, therefore, influence key economic variables, including economic output and employment growth.³

The '20-minute neighbourhood' concept is supported by research that demonstrates neighbourhoods with a mix of services and facilities tend to be safer and more inclusive communities and tend to have vibrant local economies.

The following data and projections have been gathered to inform the development of the East Village masterplan:⁴

- Glen Eira's population is expected to grow by one-third or at least 40,000 people to about 164,000 by 2031, which will create more demand for shops, facilities and jobs.
- Glen Eira has a very low rate of retail floor space provision per capita and the lowest rate of supermarket floor space provision in Melbourne.
- The growing population will result in increasing levels of congestion and falling amenity and service for residents.
- Recent relocations by major tenants and closure of major manufacturing on the site will see employment levels in the precinct reduce by a further 450 people by 2018 and a total reduction of 1,275 from the peak in 2014.
- Two-thirds of employment is in office uses, the largest employment generator is Officeworks (400 jobs) and iselect (200 jobs).
- Industrial activities make up 29% of total employment with Chassis brakes the largest of these employers (250 jobs).
- Recent relocations by major tenants and closure of major manufacturing on the site will see employment levels in the precinct reduce by a further 450 people by 2018.

³ Plan Melbourne 2014 http://www.planmelbourne.vic.gov.au/_data/assets/pdf_file/0016/131362/Plan-Melbourne-May-2014.pdf

⁴ Sourced from Deepend Services 'Economic and Community Benefits' demographics analysis May 2016

What are the important planning considerations?

The planning of most major suburban strategic development sites in Melbourne, comparable to East Village, have recognised the need for an activity centre to underpin a vibrant mixed-use employment and residential community.

The commercial area known as Virginia Park has limited scope to develop its office profile further without a significant repositioning beyond the existing industrial building fabric.

Due to the long-term industrial uses at East Village, the site is already well-buffered from residential areas, which means mixed-use development on the site will have little impact on surrounding areas, preserving their residential character.

The following points on good practice are also important to consider:⁵

Objectives:

- *Maintain a mix of commercial centres that meet the needs of Glen Eira residents.*
- *Enhance and develop urban villages and neighbourhood centres as the focus for community life.*
- *Encourage competitive retail outlets in strip centres.*
- *Encourage more local employment and more local spending.*
- *Encourage a variety of small-scale manufacturing and service industries which do not impact on surrounding amenity or the environment.*
- *Identify preferred use and development options for industrial sites nearing the end of their economic life.*

Strategies:

- *Maintain the hierarchy of commercial centres so that centre functions are easily definable and to ensure that retail and other requirements are suitably provided at each level in the hierarchy.*
- *Retain the highest possible share of retail expenditure of residents through maintenance of the shopping hierarchy and encouragement of viable retail expansion, and particularly different forms of retailing.*
- *Encourage new and innovative retail and commercial activities to establish in the municipality having regard to the hierarchy of centres as well as opportunities to develop appropriate freestanding sites for suitable retail or commercial use.*
- *Ensure that new or expanded land uses are able to be accommodated in existing commercial centres, including the encouragement of non-retail businesses, where appropriate.*

⁵ Glen Eira Planning Scheme http://planning-schemes.delwp.vic.gov.au/_data/assets/pdf_file/0020/209171/GlenEira_PS_Ordinance.pdf

- *Maintain Virginia Park and surrounding industrial sites as a key employment node with ongoing opportunities for industrial uses integrated with appropriate commercial development.*
- *Encourage conversion of derelict industrial sites to residential or mixed use activity where appropriate.*

What are some examples of best practice?

To help inform the masterplan for East Village, the landowners are having a closer look at several developments that provide employment, innovation and retail:

- Polaris Bundoora⁶
- Amcor Alphington⁷
- Prospect Park Burwood⁸
- Harrow View⁹
- Point Cook Town Centre¹⁰
- Merrifield¹¹

What does this mean for East Village?

The following points emerge for consideration in the East Village masterplan:

- There is an opportunity to create a truly mixed-use community through the introduction of retail and the expansion of commercial uses.
- Staged development over a number of years would provide long-term construction jobs and other flow-on benefits from a more stable, safe and relevant employment base.
- Staged retail development, which is implemented as the population grows, will minimise any impact on adjoining strip shopping centres.
- Limiting the extent of large-scale retail throughout the precinct can be achieved by retaining the existing Commercial 1 zone and introducing a floor space cap to ensure that the centre is of a neighbourhood scale.
- Introducing shop-floor caps in outside of the existing Commercial 1 Zone to limit any other retail development outside of the neighbourhood centre

⁶ Polaris Town Centre: <http://www.polaris3083.com.au/town-centre/>

⁷ Alphington Paper Mill: <http://www.alphingtonpapermill.com.au/>

⁸ Prospect Park Burwood: <http://www.frasersproperty.com.au/Retail/VIC/Burwood-Brickworks/Register>

⁹ Harrow View – Kodak Site: <http://www.harrowview.info/>

¹⁰ Point Cook Town Centre: http://www.planmelbourne.vic.gov.au/_data/assets/pdf_file/0015/131235/Case-Study-Point-Cook-Town-Centre-May-2014.pdf

¹¹ Merrifield City: <http://merrifieldmelbourne.com.au/>

- A Neighbourhood Centre at East Village supported partly by the on-site population and workforce would be a very small and proportional addition to Glen Eira's retail floor space and Activity Centre network.
- A long-term mixed-use vision for the site is important to attract and maintain major employers in the precinct. Without this the precinct may otherwise continue declining as a major employment area.
- There is also an opportunity to replace the ongoing loss of manufacturing and warehousing jobs with an increase in employment in health and aged care, small professional offices and personal services, retail and education uses. These growing sectors are all better aligned to the middle metropolitan economy and Glen Eira's workforce.
- Opportunity through redevelopment to restore employment in the precinct.