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to live

# PRESTON CENTRAL

Land Use Challenges and  
Opportunities Report

Issued

July 2020



## **Acknowledgement of Darebin's Aboriginal and Torres Strait Islander Community**

Darebin City Council acknowledges the Wurundjeri people of the Kulin Nation as the traditional landowners and the historical and contemporary custodians of the land on which the City of Darebin and surrounding municipalities are located.

Council recognises, and pays tribute to, the diversity of Darebin's Aboriginal and Torres Strait Islander community, valuing the unique and important role Aboriginal and Torres Strait Islander community members and organisations play in progressing reconciliation, respect and the building of mutual understanding across the City, amongst its people, and in the achievement of shared aspirations. Council also recognises and pays tribute to, and celebrates, Darebin's long standing Aboriginal and Torres Strait Islander culture and heritage.

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# 1. INTRODUCTION

What is this report about?

Preston Central (the 'Centre' – see Figure 1) is currently a place of change – socially and physically. It is a place where city-shaping demographic and social trends are intersecting with the 'old suburbs of the inner north', where migrant and working families traditionally settled, and thrived.

It is experiencing the pressures of urban renewal visible all around Melbourne – but realised here in a very 'Preston' sort of a way. The opportunities of higher-density living, revitalised urban liveability, and an increased community demand on public transport mean that this project and its aspirations come at an opportune time for the area, and the community.

A number of key renewal projects are underway within the Centre that have the ability to be transformative for the urban environment, and the character of Preston Central. These include the VPA preparing a new structure plan for the Preston Market precinct and the redevelopment of both Preston and Bell Train Stations as part of the State Government's Level Crossing Removal Project (LXRP).

Similarly, High Street is undergoing somewhat of a transformation – underpinned by the renaissance of 'shopping local' and particularly the rise of the 'foodie culture' across Melbourne, and the inner north. This is altering retail tenancies, the local retail offering, and the way in which people use the street

As the culture and demographics of communities change, as transport choices expand, and as the role of the public realm adjusts to different needs, there is the opportunity to re-evaluate how we use public space and the balance between its shared functions.

The pressures of higher density living, the changing role of retail, evolving elements of liveability and an increased focus on walkability and cycling movement means that Preston Central needs to embrace a transition in its urban fabric.

This report aims to consider the positive ways these factors can improve the way people use, live in and enjoy Preston Central, with a specific lens on the way planning policy and controls can influence *land use* changes in the Centre.

It identifies challenges and opportunities for planning for how land in Preston Central will be used in the future. These findings will support the development of a new Structure Plan for Preston Central.







## 1.1 Key Drivers of Change

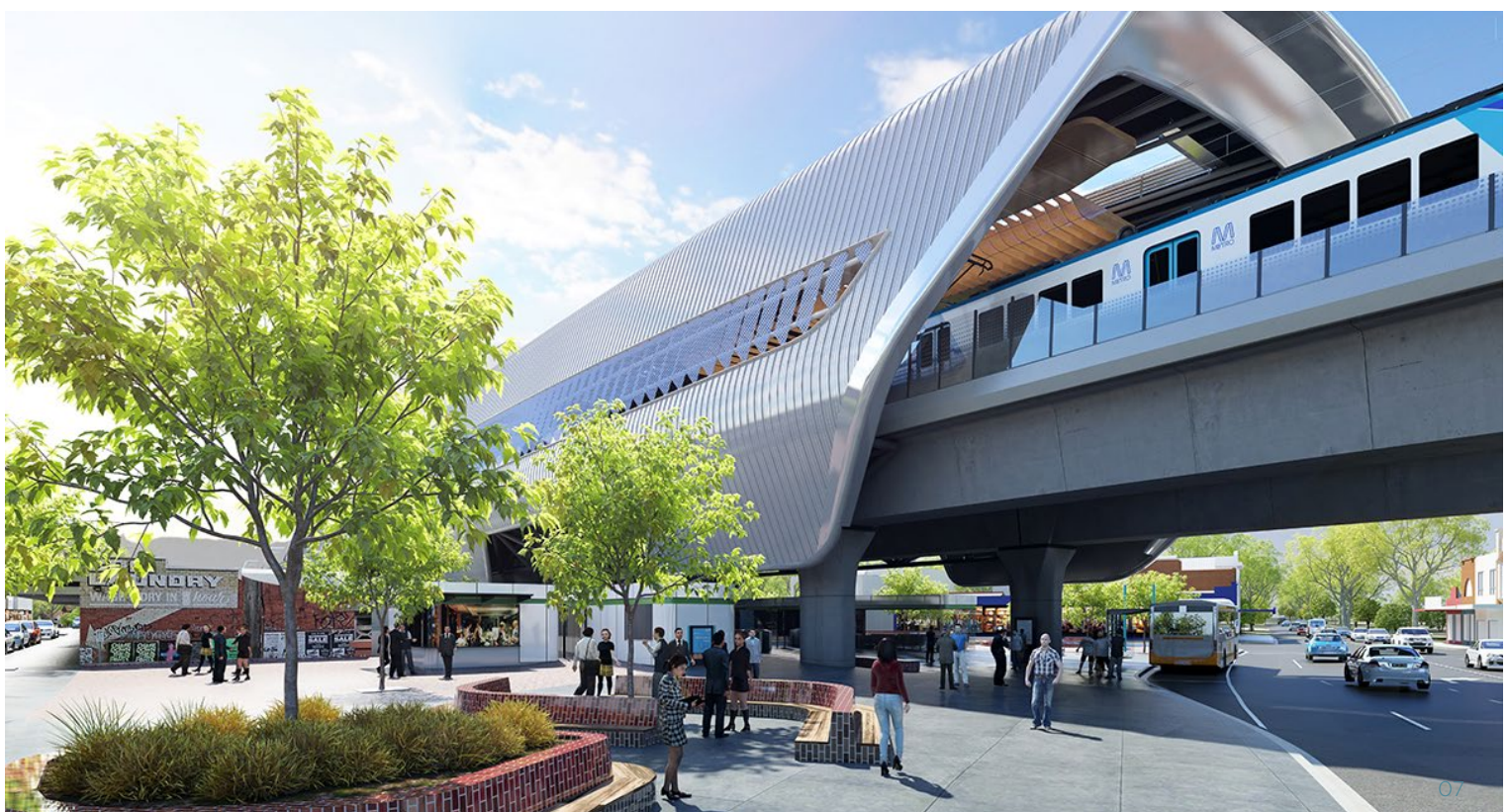
Since the *Preston Central Structure Plan* (September 2006) (the 'Structure Plan') was adopted there have been a number of substantial changes that have taken place within Preston Central that impact the, accuracy and robustness of the Structure Plan and its vision.

These include:

- **State Government policy changes** – identifying Preston as an Activity Centre and as an area which should accommodate greater levels of development, and to leverage proximity to fixed rail infrastructure for increased densities.
- **Transport upgrades** – State Government commitment to remove the railway level crossings at Bell Street, Cramer Street, Murray Road & Oakover Road.
- **Substantial increases in population forecasts for Preston and Darebin more broadly** – the need to accommodate additional growth.

- **Changes in demographic and housing trends in Preston** – smaller households, a greater proportion of renters and an aging population.
- **Preston Market Precinct** – The VPA is currently developing new planning controls for the Preston Market area. Its future redevelopment could potentially influence the look and feel of Preston Central, as well as provide the catalyst for future development.
- **Deviations from the Structure Plan** – A number of planning permits have been issued that permit building heights that exceed what as anticipated in the Structure Plan.

While the Structure Plan was designed to allow for change, the changes that have since occurred are significant and will have a number of implications on the future planning and development of Preston Central that were not previously contemplated.



## 1.2 Vision and Strategic Directions

### 1.2.1 Structure Plan Vision

The Structure Plan sets out a vision to express Council's aspirations for the development of Preston Central.

*"Preston Central will strengthen its role as the main focus of community activity, independent shops and government and business services for the northern suburbs of Melbourne. At the same time, it will become more socially inclusive, economically prosperous and environmentally sustainable. This will be achieved by intensifying and broadening its mix of activities, enhancing its accessibility and physical environment, and demanding environmentally-responsive buildings, while maintaining its traditional street-based form and articulating and celebrating its diverse culture and character."*

Much of the 2006 vision remains relevant, with the current phase of Future Preston work revisiting and updating this vision through community engagement.

### 1.2.2 Future Preston Vision

The Future Preston Vision is a statement of the preferred long-term future for Preston Central. It has been developed by Council from the findings of community engagement for projects such as the Future Preston Community Directions Report and advocacy for the Preston Market Structure Plan.

It incorporates a number of aspirational elements that convey a sense of how Preston Central should look, function and feel in the future. The Vision will be presented to the community for engagement as part of the suite of background documents informing a new Structure Plan for Preston Central.

The opportunities presented in this report align with and support the vision elements included in the Future Preston Vision.

It also identifies further opportunities to respond to the Future Preston Vision. Specifically this is through:

- Supporting the provision of more affordable and diverse housing options.
- Concentrating and diversifying non-residential activity, including encouraging a greater range of retail and hospitality land uses and developing a more established commercial office sector.
- Protecting and enhancing Preston Central's multicultural diversity by providing improved opportunities for creative and cultural uses in the precinct.
- Maximising opportunities for small and local businesses via the retention of the fine-grained High St character and reinvigorating Council assets such as the Darebin Arts and Entertainment Centre (DAEC).

#### Elements of the Future Preston Vision

- Preston Central is a focal point of cultural, civic, jobs and retail activity in Darebin and the north of Melbourne.
- The Preston Central community continues to live its values of equality, sustainability and fairness.
- Preston Central has built on the core of its valued neighbourhood character, as it has urbanised and grown.
- Everyone is welcome here.
- Preston is known and loved.
- Preston Central has generous and inviting green and open spaces.
- Preston Central's precincts and experiences are spatially and relationally connected and integrated.



## 1.3 What is Planning's Role?

Local government plays a number of roles in shaping the way land in Preston Central is used, including as a planning authority and responsible authority, as a community advocate and in providing support services for local businesses and community groups.

As the planning authority for Preston Central, Council is responsible for setting the strategic policy framework for the Centre through changes to the local provisions of its Planning Scheme, including planning policies, zoning, overlays and the local application of particular provisions. Council is also responsible for implementing the guidance and policies of the Structure Plan through specific planning controls that can encourage or discourage

certain land uses from being located in particular locations, as well as providing expedited approval pathways for land uses that are in-line with its strategic objectives.

As the responsible authority, Council administers the Planning Scheme and makes decisions on individual applications for a planning permit. Council's role includes consideration of proposals to use or develop land, issuing permits in accordance with the Planning Scheme and ensuring that land is not used or developed in conflict with the Planning Scheme requirements.

It is noted that not all proposed land uses require a planning permit, which can limit Council's role.



## 1.4 What else is Council doing in Preston Central?

Council is active in making Preston Central a thriving, inclusive and affordable place for the community to live, work and play.

Council is:

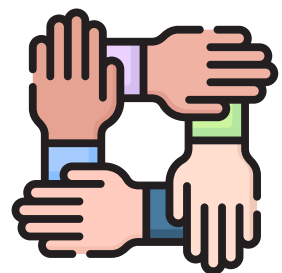
- Providing support for Preston traders to participate in the Preston Market 50th anniversary celebrations.
- Offering business support through the Darebin Business Recovery Grants Program.
- Investing in the High Street Beautification capital works program.
- Advocating for the Preston Central community in the redevelopment of Preston Market and the Level Crossing Removals Project.
- Establishing a business led Traders Association.
- Developing and implementing a 2 year marketing plan for Preston Central including the Preston Market.



**Investing**



**Advocating**



**Supporting**

## 1.5 Response to COVID-19

The COVID-19 pandemic has had a substantial impact on almost all sections of Australian society, with enforced social distancing measures resulting in the full or partial closures of businesses across a range of industries. The hospitality and entertainment sectors have been particularly impacted. What the medium and long-term effects of the pandemic will be are unclear, however, it seems likely that many businesses will be forced to close and may not re-open, with this having particular impacts on strip shopping centres such as Preston Central.

That said, the necessity of working from home for many employees may present opportunities for more flexible working arrangements and greater demand for smaller co-working facilities in the post-COVID-19 environment. Many commentators have noted increased usage of public spaces for exercise and recreation. And there may also be a 'bounce-back' effect for hospitality and entertainment businesses as social distancing measures are relaxed and people look to return to their 'normal' activities. At this stage however the post-COVID-19 landscape remains highly speculative.

As the long-term outlook for the demand for new dwellings (in light of reduced inbound migration) and commercial office floorspace (in light of more widespread 'working-from-home' arrangements) is somewhat unclear, Council will need to ensure planning controls and policy appropriately cater to this uncertainty by encouraging flexibility and adaptability of built form and land use. In the short term, measures to assist in facilitating new business development – such as fast-tracked land use permits, removing regulatory barriers for small businesses – should be strongly considered, in addition to streetscape and public realm investments to reactivate the Activity Centre and encourage community members to return to the precinct.

Council may also need to consider measures outside of planning such as working with commercial land owners to develop incentives to prioritise local businesses and taking an active role in promoting new and recommenced trading through waiving fees and loosening restrictions for footpath trading, and support for traders associations.



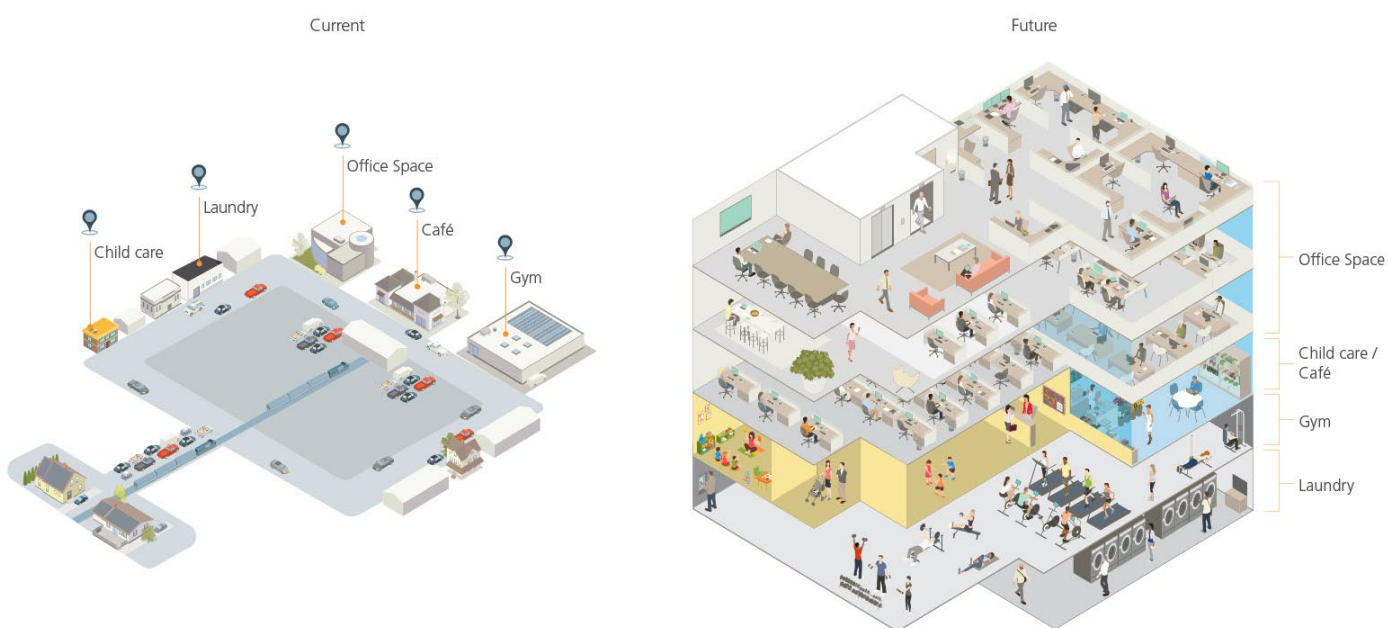


## Planning for flexibility and adaptability

As our cities face a growing range of challenges, including responding to the climate emergency, rapid population growth and advances in communication technology, the places we're planning for today may not be what we're going to need in the future. It's therefore important that we 'bake in' flexibility and adaptability so Preston Central can grow and change to respond to the needs of tomorrow.

Flexible buildings that accommodate multiple land uses, dwellings with studies and spaces to work from home, and car parks that can be converted into other land uses in the future could also contribute to a more adaptable Preston Central. Planning for flexibility of land use can also reduce red-tape for businesses who are seeking to use existing spaces in new and exciting ways.

### Current working environment vs future



Source: L.E.K. research



## 2. PRESTON CENTRAL CONTEXT



Preston Central is a Major Activity Centre with a well-defined role as a main street shopping centre, with a large focus on community activity, fresh food, price-sensitive shopping, independent shops and government services. It performs an important cultural and community role as a hub for the diverse population due to the presence of the Preston Market, Council offices and other government services.

The Centre currently has unrealised opportunities for commercial office development which limits the availability of medium-large office tenancies. The redevelopment of the Preston Market site offers a major opportunity. Council has been working intensively over the last two years to understand what the community loves most about Preston Market and what is most important to protect as the precinct is planned by the Victorian Planning Authority and developed by the landowner.

The key attractors of visitors to the Centre include:

- Preston Market—Melbourne's second-largest fresh food market, which draws 5.5 million visitors every year;
- Melbourne Polytechnic Preston Campus;
- Major supermarkets: Woolworths and Aldi;
- Preston Railway Station (a 'premium' station);
- A number of major community facilities, including the Darebin Arts and Entertainment Centre (DAEC), Preston Library, Darebin Council's main service centre, the Spectrum Migrant Resource Centre and Centrelink; and
- Preston 'Auto Alley', which includes major car dealers.







Considering the Major Activity Centre status of Preston Central, the development potential of the Centre remains relatively unrealised with only a handful of larger developments occurring in recent years. The centre has a fine-grained High Street retail character, with small lot sizes and separate ownership, which can constrain larger scale redevelopment. A number of at-grade car parks offer opportunities for more intensive development. The Auto Alley in the Precinct's north incorporates larger lot sizes however at this point development outcomes have been muted.

The Centre's existing residential hinterland is charming and well-intact, consisting of primarily single dwellings of one and two storeys. This is reflected in the existing planning controls which seek to protect existing heritage buildings and streetscapes while generally limiting more intensive residential development.

The Centre is well-located with respect to public transport with train, bus and tram services in close proximity. It is noted that future level crossing removals offer further opportunities in this regard, including the provision of improved cycling and pedestrian linkages.

Preston Central is one of two major activity centres in Darebin along with Northland (refer Figure 2). The Northland Urban Renewal Precinct (NURP) is currently part of the VPA's framework plan for the La Trobe National Employment and Innovation Cluster. Northland Activity Centre is identified as being a shopping centre and entertainment precinct of regional significance that presents opportunities for more intensive residential and commercial redevelopment.

While the future role and function of the NURP is yet to be determined, it is considered likely that it may represent competition for the development of a commercial office hub in the future. More broadly however, the two activity centres are relatively independent, with Preston Central retaining a more localised focus of retail and fresh food and community and government services.



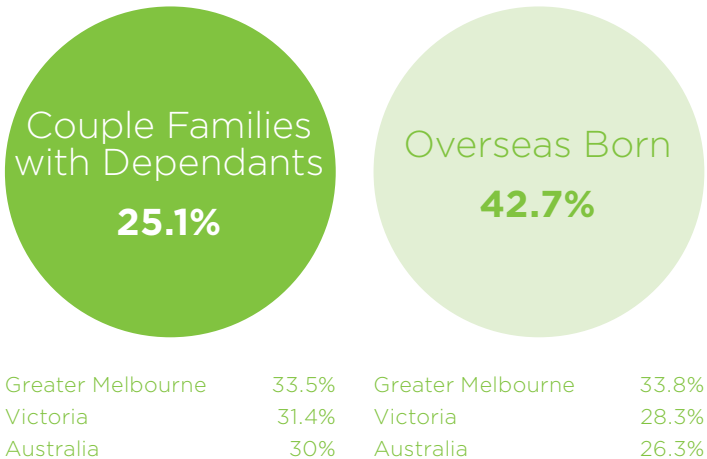
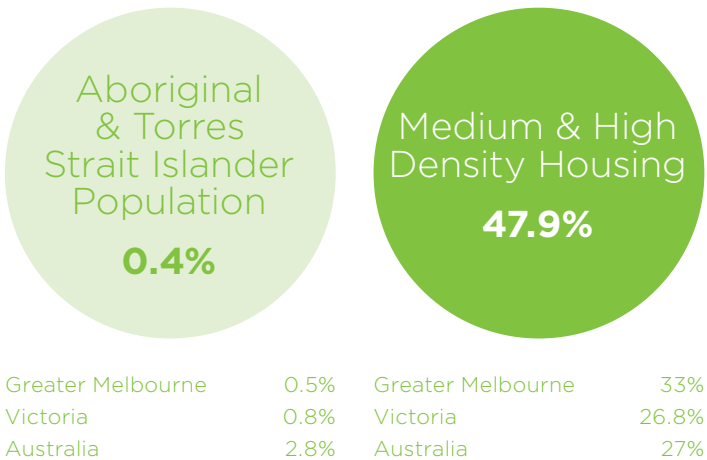
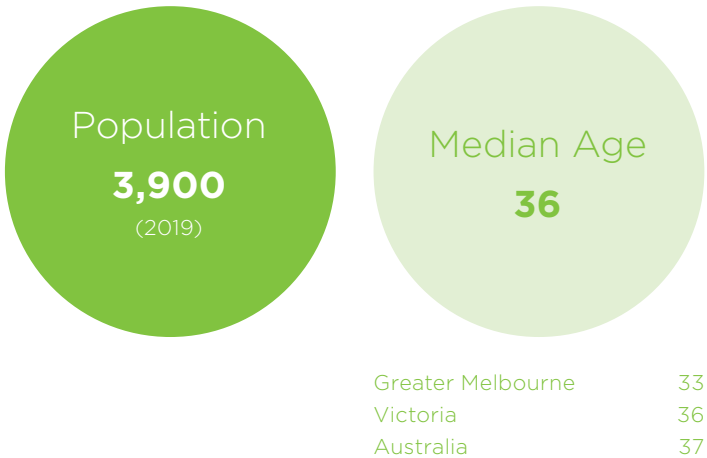
## 2.1 Population and Demographic Trends

The community of Preston Central is richly diverse, being made up of people from a range of backgrounds, cultures, languages, religions, ages, and socio-economic status. In 2019, the ABS estimated resident population of Preston Central was 3,900, with this forecasted to grow rapidly in the coming years, indicating an ongoing demand for new dwellings. Population growth places pressure on existing infrastructure, programs, services and the environment, while allowing for the community and economy to grow and evolve.

In terms of age, Preston Central has a higher percentage of residents aged between 25-34 than Greater Melbourne, and a comparatively lower number of children and older residents. Whilst lifestyle choices are shifting and people are delaying having families, these age groups are still typically associated with young families and people preparing to have families. At the same time, the population of older residents is forecast to grow in the future, demonstrating a need for new housing to cater to diverse housing needs.

Preston Central's cultural and linguistic diversity is a unique asset. Preston is recognised as an important area of Indigenous history, with Aboriginal and Torres Strait Islanders residents contributing 0.5% of the total population. Over 47% of residents speak a language other than English at home, compared with 32% in Greater Melbourne, and 42.7% of residents were born overseas, compared with 33.8% in Greater Melbourne. This includes large Chinese, Italian, Greek, Indian, Vietnamese and Middle Eastern communities.

Preston Central is also seeing change in the number of residents with tertiary qualifications as the area continues to gentrify, which is reflected in the types of jobs held by residents.



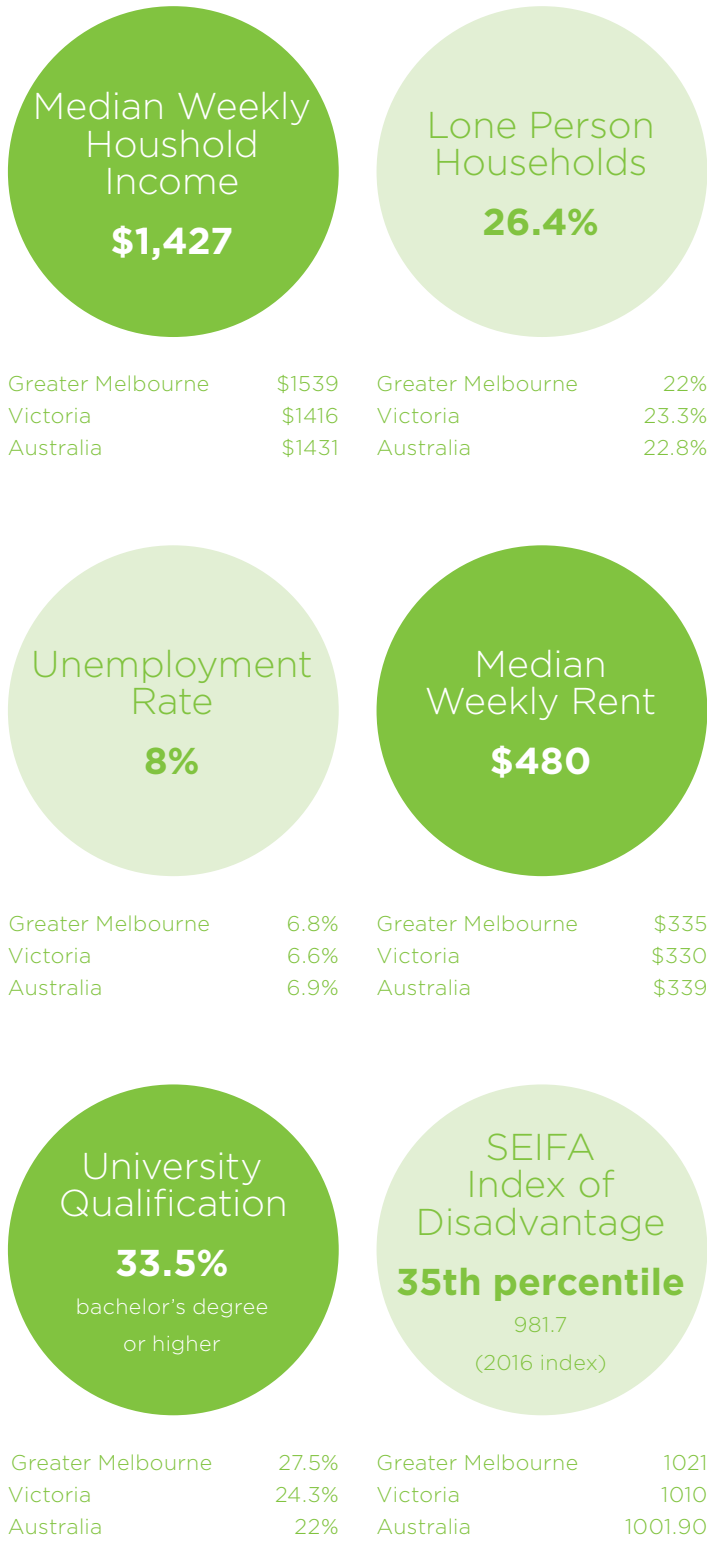
## 2.2 Employment, Jobs and Income

The Preston Central community is relatively disadvantaged compared to the rest of Darebin and Greater Melbourne. Preston Central ranks in the 35th percentile for socio-economic disadvantage Australia-wide on the SEFIA Index, which measures the relative level of socio-economic disadvantage and/or advantage based on a range of Census characteristics.

Household income levels in Preston Central in 2016 compared to Greater Melbourne shows that there was a smaller proportion of high income households (those earning \$2,500 per week or more) and a higher proportion of low income households (those earning less than \$650 per week).

However, an increasing number of Preston Central residents are working in professional and managerial roles as the economy shifts away from the traditional economic base in manufacturing. These roles typically earn higher wages, reflected in the growing number of Preston Central residents in higher income brackets.

As Preston attracts more skilled residents, property prices are likely to increase further which can be a challenge for housing affordability. This can prevent others, especially young families and non-skilled workers, from moving into the area and risks displacing existing residents, particularly renters.



### **3. LAND USE CHALLENGES**





## Affordability and inclusiveness

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Maintaining the affordability and inclusiveness of Preston Central as a place to live and work is a key challenge for Council. This is because rising rents and house prices create the risk of displacement for existing residents and businesses, while the growth and change to the Centre's population will require a range of new housing products to cater to the community's diverse housing needs.

To prevent displacement of the existing community, affordable and diverse housing is needed as well as rents that are not cost prohibitive for local businesses. While in various respects this is beyond the control of planning, it demonstrates that it is vital that large redevelopments deliver community benefit, such as in the form of affordable housing, community facilities or public open spaces.



## A 'point of difference'

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Preston Central is known and loved for a range of reasons, such as its fresh food market and its cultural diversity (among many others). How the Centre can leverage its unique characteristics to attract new businesses, investment and growth is therefore a key question. Preston Central faces competition from Northland and other activity centres in Melbourne's north to act as a new hub for commercial offices.

The limited development opportunities available and the possible greater returns from residential development demonstrate the need to protect opportunities for commercial office development. Maintaining a more local focus that emphasises small-medium size businesses in commercial developments rather than seeking to attract higher-order tenants may be an alternative, with Preston's unique cultural offering acting a key selling point.

## What does gentrification mean for Preston Central?

Gentrification is generally defined as a process of neighbourhood change through the influx of more affluent residents and businesses.

While new investment and new residents in an area can have positive effects, gentrification can also result in the displacement of existing residents and businesses, making them unable to enjoy the benefit from new investments in housing, new public and civic spaces or transport infrastructure. Changes to the character or 'feel' of a neighbourhood can also lead to long-term residents who are able to remain, feeling out of place or losing a sense of belonging.

Rising house prices and changes in demographics make gentrification a risk for Preston Central. It's therefore important for Council to work towards preventing displacement of residents and businesses. This may be through ensuring the provision of affordable housing or providing support for existing businesses and working with community and traders' groups.

At the same time, new residents and businesses coming to Preston Central represents opportunities for new connections to be formed, provided that this occurs in a way that is sensitive to the existing social and cultural fabric of the Centre.





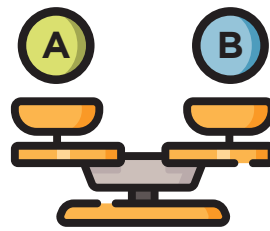
## Local jobs

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Preston Central's workforce is changing in line with the broader gentrification of Melbourne's inner-northern suburbs, with an increase in the percentage of residents with professional qualifications. As such, there is growing demand for employment and businesses opportunities in professional services or specialised retail and hospitality.

Preston Central currently provides important local employment opportunities in a range of industries, however some of these may not represent the most efficient use of the land and are at risk of being lost to larger redevelopment sites (or choosing to relocate themselves). A critical focus will be balancing this transition and ensuring that future redevelopment maintains the existing local business and employment opportunities.

This can be seen in the Auto Alley and Bell Street precincts which currently offer larger lot sizes but lack the vibrant retail character present in the Civic and Market Precincts. Auto Alley and Bell Street may therefore provide suitable locations for larger format employment generating land uses in the future.



## Land for housing versus jobs

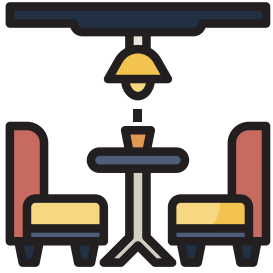
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To provide for more housing and employment in Preston Central there is a need to balance planning for new housing against planning for employment generating land uses (particularly for large commercial office spaces).

Given the current underdevelopment of commercial office development in Melbourne's north, the economics may currently favour residential development over office space in Preston Central. That noted, due to the limited number of development opportunities suitable for large format commercial offices, unless employment generating land uses are prioritised, the opportunity to become a commercial office hub for the north could be lost to Preston Central.

Mechanisms for providing land use mix in individual developments, such as Floor Area Ratio (FAR) controls or vertical zoning, may assist in ensuring that opportunities for commercial office space are not lost to purely residential development. Controls of this nature would need to be carefully calibrated to ensure they did not inadvertently restrict development opportunities.



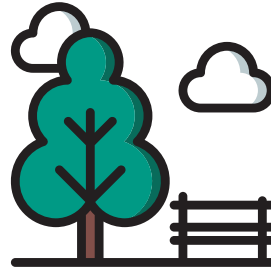


## Night-time economy

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Preston Central's night-time restaurant and dining as well as bars and music venues are generally underrepresented considering the Centre's location and overall focus on food. This leads to a lack of night-time activity in the precinct which may contribute to lower perceptions of safety, as well as reduced economic and cultural opportunities.

On the other hand, night-time activity can be seen to contribute to increased noise and other amenity impacts. Council will therefore have to balance the need for inclusive and convivial night-time activity against mitigating potential impacts on surrounding residents.



## Spaces to gather and play

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Preston Central currently has a major civic and community focus through the presence of the Council offices, library, intercultural centre, Darebin Arts and Entertainment Centre, Preston Oval and other institutions.

Public open spaces and cultural spaces that offer a greater range of opportunities for different activities throughout the day and night can better serve the surrounding residents and community.

## Supporting cultural and creative spaces

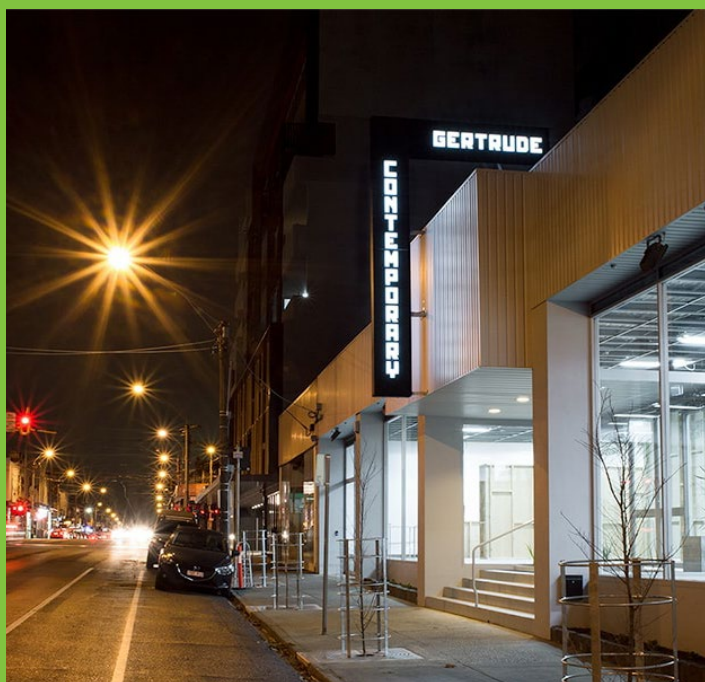
*The Darebin Creative and Cultural Infrastructure Framework (March 2018)* notes that “there is a growing understanding of the benefit that creative industries make to the economic prosperity, community vibrancy and overall liveability of a place.”

Creative and cultural spaces such as galleries, live music and performing arts venues, rehearsal and artist studios and makers' spaces assist in place-making and reinforcing the community identity of Preston Central as a place that values its cultural diversity. These spaces also present economic opportunities as well as increasing visitation to the Centre.

However, affordability is a critical factor of the viability of creative spaces, with the availability of cheap tenancies important to creative individuals or businesses being able to take a risk on a new idea or concept.

Darebin's Council Plan 2017-2021 commits to 'enable and activate space, including vacant shop fronts and council facilities, to accommodate different businesses and industries' and to 'increase the number of vacant shops reactivated with creative businesses'. It also makes the reinvigoration of DAEC as a hub for the creative arts in Preston a priority item.

Together, these actions can assist Preston Central in its recovery from the COVID-19 related downturn and offer new opportunities for economic and cultural engagement



## **4. LAND USE OPPORTUNITIES**



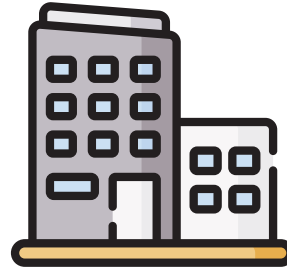


## Greater housing affordability and diversity

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Allowing for greater residential densities can provide opportunities for improving the affordability, liveability and diversity of Preston's housing stock while reducing the need for private vehicle use by having more people living in close proximity to jobs, services and public transport infrastructure.

How planning controls can support the delivery of affordable housing is a matter for careful consideration, particularly in the absence of mandatory requirements under State policy. Affordable housing policy must be supported by a robust economic analysis and identification of appropriate mechanisms to increase the availability of affordable housing within developments.



## Commercial office hub for Melbourne's north

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Preston Central has the opportunity to capitalise on its strategic location, and the presence of existing government and community services, to act as a hub for the commercial office sector in Melbourne's northern region. The presence of the Preston Market and the vibrant High Street character also acts as a locational advantage for the Centre in providing for recreational amenities for future office workers and businesses.

Existing strategies identify larger sites within the Activity Centre's north and south as primary opportunities, allowing the Activity Centre core to have a retail and hospitality focus.

## The changing nature of office spaces

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As the nature of our work changes, so too does the way we interact with our workplaces.

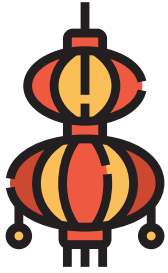
Co-working spaces are becoming increasingly popular, offering opportunities for free-lancers or smaller businesses to enjoy the benefits of a shared working space while minimising individual rent costs associated with traditional office spaces.

Even within traditional offices, flexible working arrangements are becoming more common. Furthermore, increased flexibility for working from home resulting from COVID-19 social distancing may result in greater demand for suburban work spaces and subsequent need for the type of ancillary businesses that support them.

How we separate our living and working spaces has also changed. Providing greater opportunities for working from home in new dwellings – potentially through requirements for a percentage of dwellings in new developments to provide office or studio spaces or communal working facilities – or localised exemptions to home business planning controls could facilitate the uptake of non-traditional working arrangements in Preston Central.

Modern mixed use office spaces respond to the demands of modern workers for health and wellness services, retail and hospitality, and entertainment to be located close to the workplace – the desire to live, work and play in close proximity. A new commercial office hub isn't therefore just about providing for offices, it's also about the range of additional uses this can support.





## **An enriched food and cultural offering**

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Preston Central's authentic cultural identity and unique food offering should be protected and enhanced, leveraging off the dense and diverse retail character of High Street. While the existing dining scene is well-loved, greater opportunities are available to build on the existing base, particularly with respect to night-time activity including restaurants and small bars. This should be coupled with increased opportunities for street trading and outdoor dining to create a more inviting and enjoyable pedestrian atmosphere.

Similarly, opportunities for small-scale food production – bakeries, craft-breweries, urban wineries – to locate in employment focused areas could enhance the food-focus of the Centre and leverage off the Preston Market. These will need to be carefully considered to avoid potential land-use conflict and amenity impacts while ensuring that low-risk land uses defined as 'industry' under the Planning Scheme are not prohibited or unduly burdened with regulatory requirements.



## **An inclusive and convivial night-time economy**

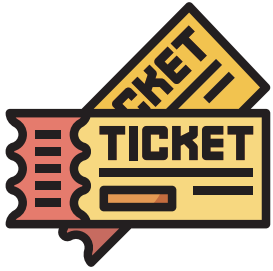
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Establishing land uses that operate outside of normal business hours could create a more active and exciting night-time environment.

Co-locating creative and cultural uses offers one potential pathway, as co-working offices could transform into gathering and performance spaces, community meeting rooms or yoga studios.

Thinking laterally about how different land uses might co-locate can also offer opportunities for reduced costs for businesses. This is because business can make their spaces work harder and land uses are not constrained to standard "business hours".





## More cultural and creative spaces

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The *Darebin Arts Strategy 2014-2020* notes that “ensuring that the needs of the community’s cultural and creative life are taken into account in the early planning and design process will lead to a more liveable city for our residents in the future”. For Preston Central, opportunities exist for creative and cultural spaces – such as galleries, performing spaces and studios – to add vibrancy to the Centre and leverage off the Centre’s existing cultural identity, as well as assisting to reactivate High Street following the easing of social distancing restrictions from the COVID-19 pandemic.

Creative and cultural spaces should incorporate space for making and rehearsing, as well as space to exhibit or perform work. This could look like small-scale creative manufacturing with a retail element (i.e. furniture makers, clothing or jewellery designers) located in areas with less of a residential focus such as the Auto Alley or Bell Street precincts.



## Enhanced connections with Melbourne Polytechnic

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Melbourne Polytechnic Preston Campus is a key destination within Preston Central and a major educational institution in Melbourne’s north. That noted, it remains somewhat separate from the rest of the Activity Centre both in terms of built form as well as operational integration. Better linking Melbourne Polytechnic with the needs of the Centre’s businesses through training or vocational programs could assist in drawing additional activity into the core of the Activity Centre.

The Centre’s proximity to Melbourne Polytechnic Preston Campus and La Trobe University may also offer opportunities for student housing development, assisting in providing a diversity of housing options.

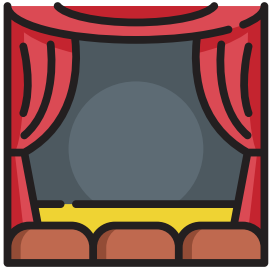
## Encouraging manufacturing and small-scale production

While the decline of Melbourne's manufacturing sector is well-documented, recent research suggests that niche cultural manufacturing continues to thrive in the form of creative manufacturing and artisanal food production.

These types of land uses present options for a transition towards alternative forms of local employment and business opportunities to create a cluster of micro-enterprises. Locally embedded supply chains can leverage the connection to Preston Market and the existing diverse food culture as well as the strength of Darebin's cultural ecology

Providing the right circumstances for these uses is crucial, with the cheap rents offered by existing industrial areas being a key factor in their success. While Preston Central does not contain any existing industrial zoning, carefully considered planning controls incorporating land use exemptions, limitations on residential development, and variations to buffer requirements or other policy levers may assist in removing barriers to these types of uses locating in the Activity Centre.





## Redevelopment of the Darebin Arts and Education Centre

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The redevelopment of DAEC represents a key opportunity to incorporate a wider range of activities to derive greater use of an existing Council asset.

As noted in Council's *Creative and Cultural Infrastructure Framework (2018)*, while DAEC currently hosts a range of activities including festivals, forums, exhibitions and performances, community events, council activities and workshops, there is limited capacity at present for 'making spaces' and the production of new cultural work.

Redeveloping DAEC could offer a range of opportunities for different uses, including maker's spaces, rehearsal studios and co-working while retaining large-scale performance spaces to create a creative hub.

## Re-think At-grade Parking

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Preston Central contains at grade car parks that are large and centrally located, and could be used for higher density buildings to support new dwellings and commercial spaces.

They could also be used for public open space or community purposes depending on the ownership of land and the overall availability of parking space in the Centre. Providing public multi-deck parking or 'precinct-based parking' within private developments may help to offset lost parking spaces.



## 21st century civic precincts

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Preston Central's Civic Precinct currently performs a crucial role as a hub for community services in the area. As the population of the Activity Centre and the wider Preston area increases, these services will need to grow and adapt to meet the community's needs.

Civic centres including libraries and council offices are increasingly taking on a greater range of roles and serving to act as an incubator and hub for small businesses, with the co-location of Council business

support services and the businesses themselves acting to stimulate opportunities and build cross-sector relationships.

For example, the recent redevelopment of the Broadmeadows Town Hall in Melbourne's north introduced a new co-working space, an art gallery and an events space to reinvigorate the existing heritage building.



## The night-time economy

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Planning is increasingly recognising the importance of how our cities function at all times of the day and night, rather than just during daytime or business hours.

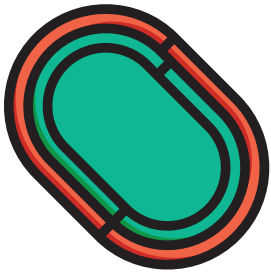
The night-time economy is generally considered to include the social, cultural and business activities that take place between 6pm-6am. A core part of this is in the hospitality and entertainment sectors in the form of restaurants, bars and live music venues. However, a range of other businesses are also increasingly operating outside traditional business hours, with retail, galleries and office spaces staying open later than 5pm. Making sure that Preston Central's night-time economy is diverse and includes a range of activities can contribute to taking the focus of the night-time economy away from alcohol and creating a more family friendly environment.

These businesses form a crucial part of the Preston economy while offering opportunities for leisure, recreation and cultural engagement to the local community, as well as improved safety outcomes via a more active and vibrant night-time environment. However, night-time activity may also cause amenity loss for residents.

Careful planning is required to ensure night-time activity in Preston Central contributes to a vital and inclusive night-time atmosphere where all members of the community feel welcome, regardless of their age, gender, background or ability.





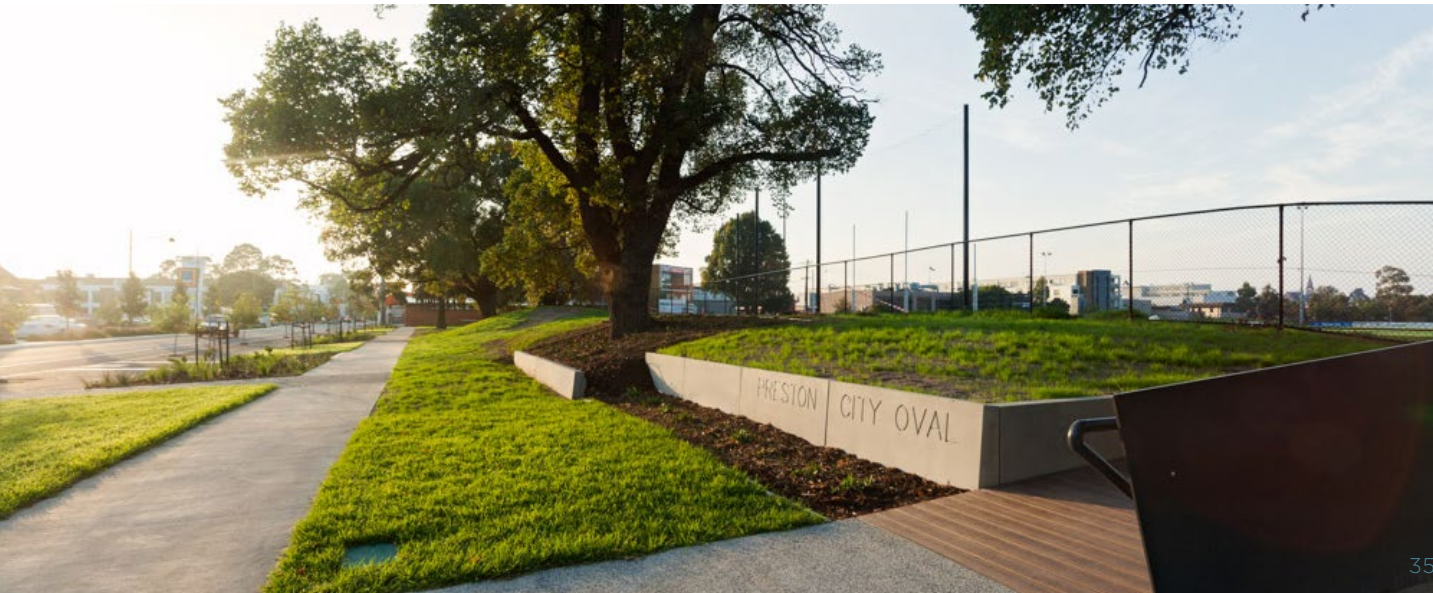


## Better Preston Oval accessibility

With recent greater usage of public open spaces, ensuring existing assets are used to their full potential is a cost-effective way of servicing the local recreational needs of residents. It is also an opportunity to enhance community cohesion through use of shared spaces by local members of the community.

The usability of Preston Oval for the general public has been affected by it being a home ground for a Victorian Football League team.

With the Preston Knights no longer using the Oval as their home ground, better integrating Preston Oval with the surrounding area would offer a vital opportunity to boost outdoor recreation in the Centre, as well as future opportunities to connect with new public open space resulting from the removal of level crossings. Removing perimeter fencing, improving view lines towards the oval and providing more opportunities for informal recreation could also assist in making Preston Oval more active throughout the day.





## 5. NEXT STEPS

This report provides guidance for the development of an updated Structure Plan for Preston Central.

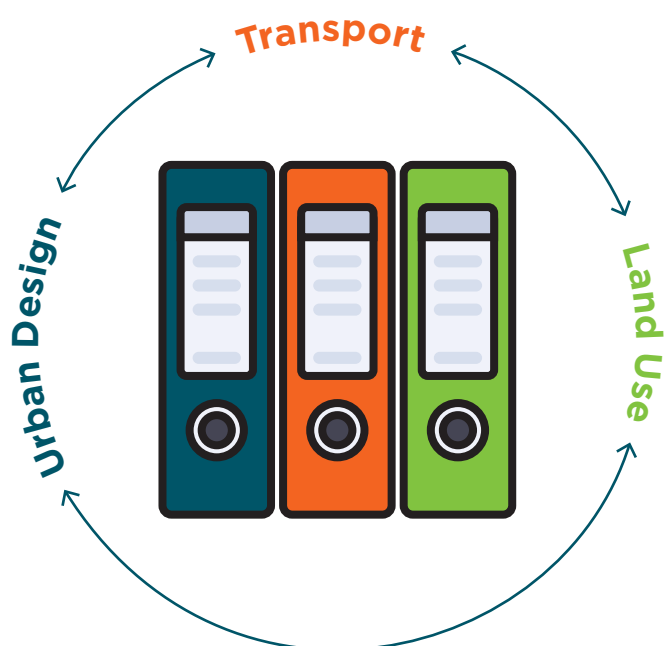
The report identifies the following key land use challenges for Preston Central:

- Maintaining the affordability of housing and commercial spaces.
- Reinforcing Preston Central's unique character and 'point of difference'.
- Protecting local employment opportunities.
- Balancing the need for housing against the need for employment generating spaces.
- Activating Preston Central's night time economy.
- Providing public open spaces and gathering places for the local community.

The report highlights the following opportunities:

- Investigate mechanisms to increase the supply of affordable housing in new development.
- Support the development of new commercial office spaces including co-working spaces or communal offices in residential development.
- Leverage Preston Central's existing cultural identity and food-focus to expand the food and dining offering in the Centre.
- Support land uses operating outside of business hours including innovative combinations of land uses across the course of the day and night.
- Provide opportunities for creative and cultural spaces to assist in reactivating High Street post-COVID-19 and explore ways to reduce regulatory requirements on small scale manufacturing and food production.
- Better integrate Melbourne Polytechnic with the core of the Activity Centre.
- Redevelop the Darebin Arts and Education Centre.
- Re-think how Preston Central's at-grade car parking is used.
- Make Preston Oval more accessible to the community.

These opportunities should be considered along with other relevant strategic documents and technical reports from specialist consultants in order to develop a robust, integrated and sustainable Structure Plan for the future of Preston Central.



## APPENDICES



## **APPENDIX A. THE PLANNING SETTING**

## 2006 Preston Central Structure Plan

The primary strategic document guiding land use and development in the Centre is the Preston Central Structure Plan (2006). While the vision in this Structure Plan remains relevant, continued investment and strategic work is required to deliver the desired outcomes and to revise and fine-tune the planning controls that apply to the Centre.

Similarly, many of the recommendations with respect to land use remain relevant. This includes those under 'Theme 1' which highlight the need for a greater variety of land uses and increased residential densities.

Further work is necessary to ensure the policies have their intended outcomes of ensuring a broader range of land uses are located within the Centre, to provide for greater affordability, diversity and quality in the Centre's housing stock and developing the Centre as a hub for commercial office tenancies in Melbourne's north.

Revised building controls may also assist in providing the required yield/scale for the market to begin to take up these opportunities for redevelopment, particularly with respect to commercial office space.



## Policy Context

### Plan Melbourne 2017-2050

Plan Melbourne 2017-2050 is the Victorian Government's metropolitan planning strategy to guide the city's growth to 2050.

Plan Melbourne 2017-2050's key directions in relation to land use in Preston Central are:

- 2.2 Deliver more housing closer to jobs and public transport
- 2.3 Increase the supply of social and affordable housing
- 2.5 Provide greater choice and diversity of housing
- 4.2 Build on Melbourne's cultural leadership and sporting legacy
- 5.1 Create a city of 20-minute neighbourhoods
- 5.2 Create neighbourhoods that support safe communities and healthy lifestyles
- 5.3 Deliver social infrastructure to support strong communities
- 5.4 Deliver local parks and green neighbourhoods in collaboration with communities
- 2.2.3 Support new housing in activity centres and other places that offer good access to jobs, services and public transport

### Council Plan 2017-2021

The Council Vision articulated in the Council Plan 2017-2021 is for a 'greener, bolder, more connected city' supported by six goals:

1. We will be leaders in creating a sustainable city through local innovation projects that address climate change.
2. We will improve the wellbeing of people in our community by providing opportunities for them to live their lives well
3. We will ensure our planning system facilitates high-quality and sustainable development that extracts social, environmental and economic benefits for our community.
4. We will support and attract a diversity of local businesses and industries by fostering an environment in which they can thrive
5. We will lead on equity and recognise our diverse community as our greatest asset for solving future challenges
6. We will be a leading, modern, and open council to meet our challenges, now and in the future.

The Council Plan 2017-2021 includes a number of Big Actions, including:

- Develop a plan for the revitalisation of central Preston incorporating housing, public transport, business, community facilities, creative spaces, open space and more attractive streetscapes (Goal 3.1)



## Darebin Economic Land Use Strategy

*Darebin Economic Land Use Strategy 2014 (DELUS) seeks to ensure that 'Darebin's economy will be vibrant, diverse and adaptive to the structural changes occurring at a national and local level.'*

*DELUS lists three key directions for Darebin's economic land use which are applicable to Preston Central:*

- Maintaining the retail hierarchy with intensification of use in key activity centres;
- Growing the municipality's commercial office sector; and
- Growing the services sector.

## Darebin Housing Strategy

The *Darebin Housing Strategy 2013* is designed to 'guide Council's role in relation to housing issues and ensure that Darebin is well placed to respond to the range of housing issues as well as meet the needs of its diverse and changing population' in order to deliver on the housing vision for the municipality:

*Housing in Darebin will meet the needs of current and future communities in terms of location, design, diversity and sustainability. The management of housing growth in Darebin will be instilled with principles of inter and intra generational equity to ensure housing is affordable, accessible and sustainable for all who call Darebin home. Residential areas of Darebin will be known for their attractiveness, liveability and variety of housing choices that fulfil the needs of its diverse and inclusive community.*

The Housing Strategy identifies significant opportunities for increased housing densities along urban corridors in close proximity to public transport. The Housing Strategy also identifies the extent of housing changed (substantial, incremental, or minimal) that should be expected for areas within Preston Central.

## Planning Policy Framework

This report has been prepared in the context of the Planning Policy Framework (PPF) and Local Planning Policy Framework provisions of the Darebin Planning Scheme. Those which are most relevant to land use in the Preston Central Activity Centre are summarised below:

**Clause 11.03-2S (Activity Centres)** encourages the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres to provide a variety of land uses that are highly accessible to the community.

**Clause 15.01-5S (Neighbourhood Character)** recognises and protects cultural identity, neighbourhood character and sense of place.

**Clause 15.02-1S (Energy and Resource Efficiency)** encourages land use and development that is consistent with the efficient use of energy and the minimisation of greenhouse gas emissions.

**Clause 16.01-2R (Housing Opportunity Areas – Metropolitan Melbourne)** seeks to encourage sustainable growth by directing mixed use development to urban renewal precincts (inter alia)

**Clause 16.01-3R (Housing Diversity – Metropolitan Melbourne)** encourages mixed-use neighbourhoods at varying densities that offer more choice in housing.

**Clause 16.01-4S (Housing Affordability)** encourages more affordable housing closer to jobs, transport and services, including a mix of housing of private, affordable and social housing in (*inter alia*) urban renewal precincts.

**Clause 17 (Economic Development)** states that planning is to contribute to the economic well-being of communities and the State as a whole by fostering economic growth and development.

**Clause 17.01-1S (Business)** aims to encourage development which meet the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities.

**Clause 17.02-2S (Innovation and Research)** seeks to create opportunities for innovation and the knowledge economy within existing and emerging industries, research and education.

**Clause 18.01-1S (Land use and Transport Planning)** aims to create a safe and sustainable transport system by integrating land-use and transport.

**Clause 18.02-1S (Sustainable Personal Transport)** aims to promote the use of sustainable personal transport.

**Clause 18.02-1R (Sustainable Personal Transport – Metropolitan Melbourne)** aims to improve local travel options for walking and cycling to support 20 minute neighbourhoods.

**Clause 21.01 (Introduction)** provides an overview of the City of Darebin. The Municipal Profile estimates the population Darebin to grow to a population of 173,980 by 2031. The Municipal Profile identifies a key element of Darebin's future development and urban intensification will be brought about by taking advantage of the capacity to development activity centres. Preston Central is identified in Clause 21.01 as 'one of largest 'traditional, multi-dimensional' activity centres in northern Melbourne and a major focus for business, shopping, community, culture and recreation. Land use and development is guided by the Preston Central Structure Plan' and 'opportunities for retail and residential activities in the centre at greater scale and intensity are encouraged.'

**Clause 21.03 (Housing)** identifies Preston Central as a 'Substantial Change Area'. Substantial Change Areas have the capacity to support increased residential densities and increased housing diversity.

**Clause 21.04 (Economic Development)** outlines Council's strategies for increasing and diversifying the local economy. A key tenet of Council's strategy is promoting Preston Central Activity Centre as the pre-eminent activity centre in Darebin which also acts as a visitor attraction.

**Clause 21.05 (Transport and Infrastructure)** seeks to provide infrastructure for sustainable transport methods including walking, cycling and public transport. Preston Central is bisected by what is defined as a 'Primary Multimodal Street' by Clause 21.05 which assigned a high priority to public transport, in conjunction with walking and cycling.

**Clause 22.09 Preston Central (Incremental Change)** outlines the 'role and character of each precinct (within Preston Central) should be achieved through incremental change'. Development should have particular focus on 'environmental sustainability, including energy efficiency principles, water conservation principles and water sensitive urban design' to 'encourage economic growth and improvement in the centre's appearance and performance'.

## Planning Controls

Land use and the direction and form of development are controlled through the Darebin Planning Scheme which sets out permitted and prohibited uses in the zones. Each zone sets out which land uses do not require a planning permit, which uses require a permit and which uses are prohibited. Refer to Figure 4 for a Zone Plan of Preston Central.

The Activity Centre incorporates a number of zones which are outlined below.

### **Clause 37.06 - Priority Development Zone – Schedule 1 ‘Preston Market’ (PDZ1)**

The PDZ1 seeks:

- To encourage intensive development and use of the land for retail, residential, office, entertainment, community and civic activity.
- To encourage high quality urban design that is responsive to the site’s environs, provides active frontages, and facilitates built-form scale and design outcomes appropriate to a Principal Activity Centre.
- To provide opportunities for sustainable travel and increased use of public transport.
- To facilitate local accessibility and permeability throughout the centre.

Land uses that do not require a permit in the PDZ1 include Dwelling, Food and drinks premises, Market, Office and Shop.

### **Clause 37.06 - Priority Development Zone – Schedule 2 ‘Preston Central’ (PDZ2)**

The Priority Development Zone seeks:

- To encourage intensive development and use of the land for retail, residential, office, entertainment, community and civic activity.
- To encourage high quality urban design that is responsive to the site’s environs, improves local accessibility and permeability through the site, and provides active edges throughout the site.
- To provide opportunities for sustainable travel and increased use of public transport.

The PDZ2 incorporates a number of sub-precincts to reflect the distinct areas of the Preston Central Activity Centre.

Land uses that generally do not require a permit in the PDZ2 include Dwelling, Food and drinks premises, Library, Market, Office and Shop.



### **Clause 32.07 - Residential Growth Zone (RGZ)**

The Residential Growth Zone seeks:

- To provide housing at increased densities in buildings up to and including four storey buildings.
- To encourage a diversity of housing types in locations offering good access to services and transport including activity centres and town centres.
- To encourage a scale of development that provides a transition between areas of more intensive use and development and other residential areas.
- To ensure residential development achieves design objectives specified in a schedule to this zone.
- To allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs in appropriate locations.

Land uses that generally do not require a permit in the RGZ include Dwelling, Informal outdoor recreation, Medical centre and Residential aged care facility.

### **Clause 32.09 - Neighbourhood Residential Zone (NRZ)**

The Neighbourhood Residential Zone seeks:

- To recognise areas of predominantly single and double storey residential development.
- To manage and ensure that development respects the identified neighbourhood character, heritage, environmental or landscape characteristics.
- To allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs in appropriate locations.

Land uses that generally do not require a permit in the NRZ include Dwelling, Informal outdoor recreation, Medical centre and Residential aged care facility.

### **Clause 36.02 - Public Park and Recreation Zone (PPRZ)**

The Public Park and Recreation Zone seeks:

- To recognise areas for public recreation and open space.
- To protect and conserve areas of significance where appropriate. To provide for commercial uses where appropriate.

Land use that do not require a permit in the PPRZ include Informal outdoor recreation, Open sports ground, and certain associated uses provided they are conducted on behalf of the public land manager or Parks Victoria.

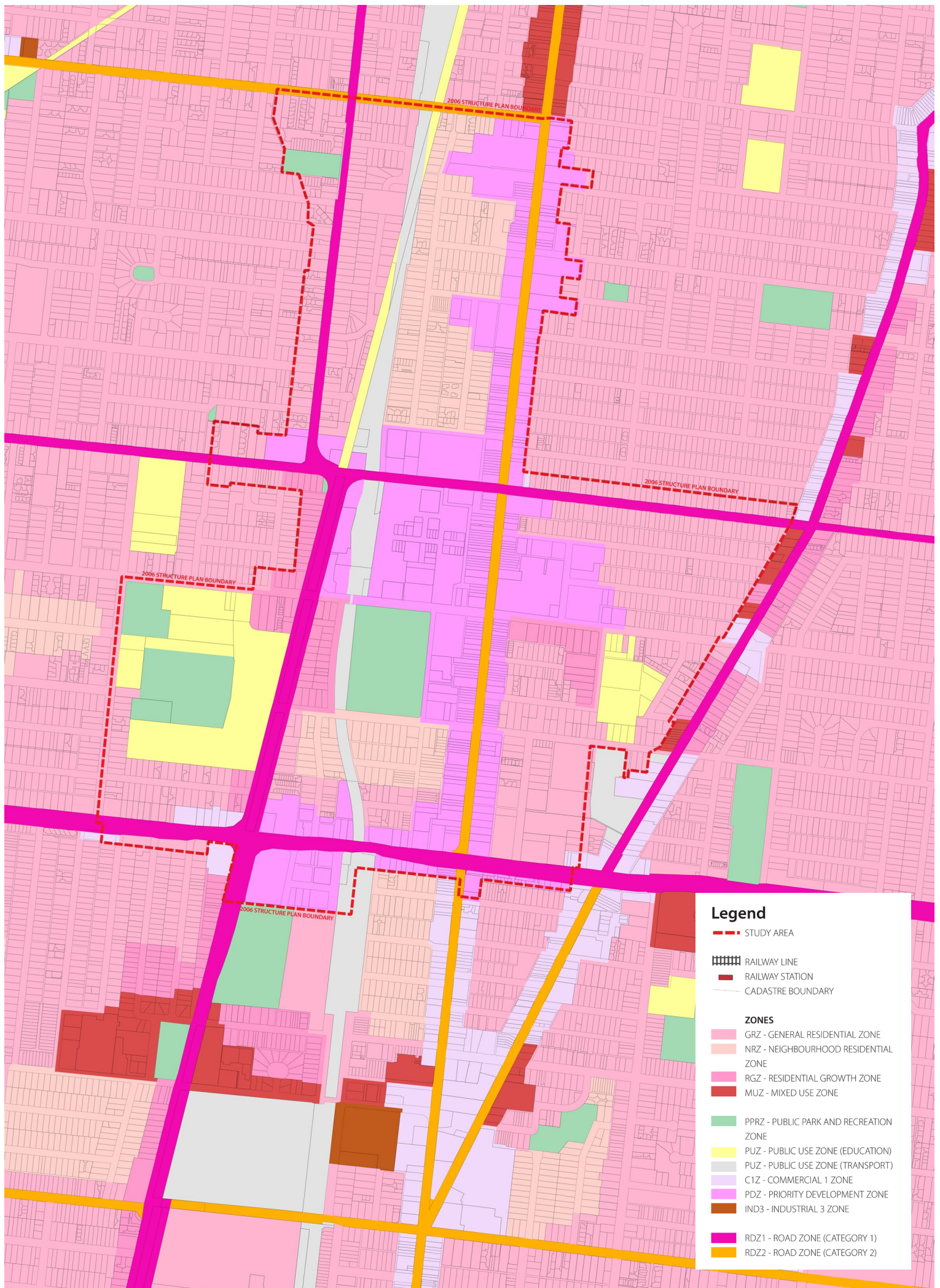


Figure 4. Zone Plan



the place  
to live