

### 3. POLICY CONTEXT

This strategy has been prepared within the context of relevant planning strategies and policies, which set the parameters for what can and should be addressed through local strategic policy.

#### Metropolitan planning strategy

##### Plan Melbourne 2017-2050

Promoting urban consolidation has been an important policy direction of metropolitan strategies since the 1980s. The Victorian Government's current metropolitan planning strategy, Plan Melbourne 2017-2050 (Plan Melbourne)<sup>14</sup> builds upon the core strategies of the former strategy, Melbourne 2030, which encouraged urban consolidation and introduced an urban growth boundary. Plan Melbourne aims to create a city where most of a person's everyday needs are within a 20-minute walk, cycle or local public transport trip.

Key directions in Plan Melbourne relating to housing include:

- Deliver more housing closer to jobs and public transport;
- Manage the supply of new housing in the right locations to meet population growth and create a sustainable city;
- Increase the supply of social and affordable housing; and
- Provide greater choice and diversity of housing.

To manage the supply of housing in Melbourne, it is expected that established areas (such as Yarra) will accommodate a greater share of housing growth. Plan Melbourne provides an aspirational outlook of 70% of new housing being provided within Melbourne's established areas.

It is also expected that new housing will be directed to activity centres and other places that offer good access to jobs, services and public transport.

Plan Melbourne identifies five major activity centres in Yarra:

- Brunswick Street, Fitzroy;
- Smith Street, Collingwood/Fitzroy;
- Bridge Road, Richmond;
- Swan Street, Richmond; and
- Victoria Street, Richmond.

Yarra also has seven designated neighbourhood activity centres; including:

- Johnston Street, Collingwood/Abbotsford;
- Queens Parade, North Fitzroy/Clifton Hill;
- Gertrude Street, Fitzroy;
- Heidelberg Road, Alphington;
- Nicholson Street, North Fitzroy/Clifton Hill;
- Rathdowne Street, Carlton North; and
- St Georges Road, North Fitzroy.

#### Regional housing context

Plan Melbourne includes Yarra, along with the Cities of Melbourne and Port Phillip, in the inner metro region, which in 2015 had a combined estimated resident population of approximately 325,000<sup>15</sup>. It forecasts the region to grow to 495,000 by 2031, and to 695,000 by 2051.

An initiative of Plan Melbourne is to focus investment and growth to major urban renewal precincts within the inner metro region, including:

- Docklands, Arden, Macaulay, E-Gate and Dynon (City of Melbourne);
- Fishermans Bend (Cities of Melbourne and Port Phillip); and
- Flinders Street Station to Richmond Station Corridor (Cities of Melbourne and Yarra).

Fishermans Bend is Australia's largest urban renewal area, with 455 ha of land expected to accommodate 80,000 residents by 2025. Docklands is a 146 ha precinct and is expected to contain approximately 20,000 residents by 2051. Only a small area of Yarra (land in and around Richmond Station) is included as a major urban renewal precinct (the Flinders Street Station to Richmond Station Corridor).

One of the key short-term activities of Plan Melbourne is the preparation of metropolitan regional housing plans by the regional metropolitan groups. This strategy will provide important information to inform the content of the inner metro regional housing plan.

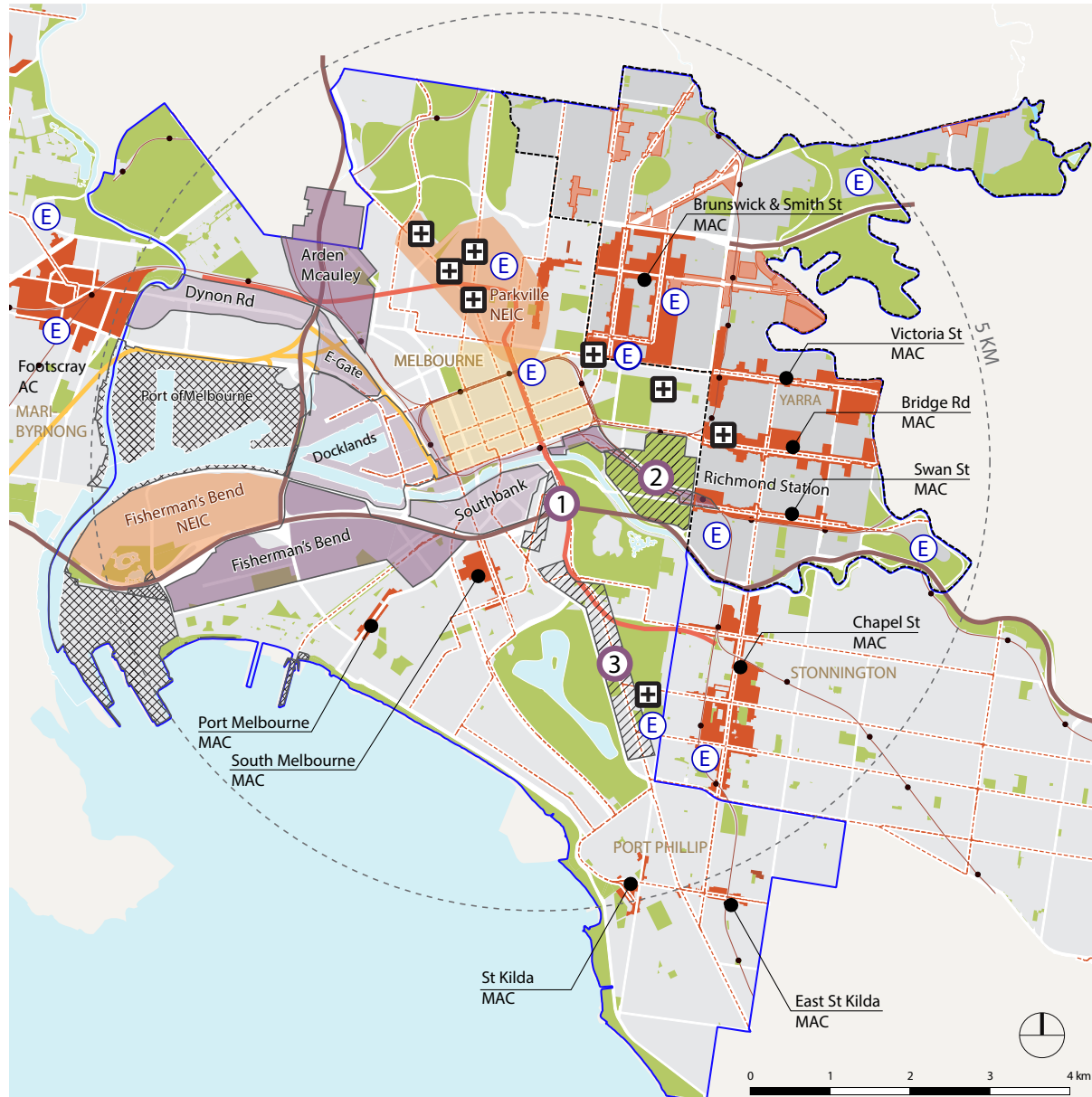
<sup>14</sup> Department of Environment, Land Water and Planning 2017, *Plan Melbourne 2017-2050*.

<sup>15</sup> Department of Environment, Land Water and Planning 2017, *Plan Melbourne 2017-2050, Five-Year Implementation Plan*.

## INNER MELBOURNE

### LEGEND

Features	Administration
Tram route	Plan Melbourne 2017-2050 inner metro region
Rail line	City of Yarra local government area
Train stations	Inner Melbourne Action Plan (IMAP) area
Freeways	
Waterways	
Open space	
Health facility	
Education facility	
Key precincts	
Arts precinct	
Sports precinct	
St Kilda Road precinct	
	<b>Activity centres</b>
	Melbourne central business district
	Major activity centres
	Neighbourhood activity centres (Yarra only)
	<b>Plan Melbourne 2017-2050 precincts</b>
	Priority urban renewal precinct
	Other urban renewal precinct
	Port of Melbourne precinct
	National employment & innovation cluster





## Planning Policy Framework

The Planning Policy Framework (PPF) is the policy content of the planning scheme. The PPF structure provides for three tiers of integrated planning policy, grouping state, regional and local planning policy by theme.

### State Planning Policy

#### Statewide

Statewide policies provide direction on planning and managing residential growth in Victoria.

Key housing directions for all Victorian councils are:

- Provide for housing diversity, and ensure the efficient provision of supporting infrastructure;
- Ensure the long term sustainability of new housing, including access to services, walkability to activity centres, public transport, schools and open space;
- Include the provision of land for affordable housing;
- Increase the supply of housing in existing urban areas by facilitating increased housing yield in appropriate locations, including under-utilised urban land;
- Ensure that an appropriate quantity, quality and type of housing is provided, including aged care facilities and other housing suitable for older people, supported accommodation for people with disability, rooming houses, student accommodation and social housing;

- Facilitate the delivery of high quality social housing;
- Demonstrate a 15 year housing supply and provide clear direction on locations where growth should occur;
- When planning for urban growth consider the VIF2016 projections; and
- Conserve places that have identified heritage significance.

### Regional

Regional policies provide planning guidance to councils within the same regional context. Yarra is grouped under the metropolitan Melbourne region.

The relevant housing strategies for metropolitan Melbourne councils are:

- Allow for a range of minimal, incremental and high change residential areas that balance the need to protect valued areas with the need to ensure choice and growth in housing;
- Create mixed-use neighbourhoods at varying densities that offer more choice in housing;
- Identify areas that offer opportunities for more medium and high density housing near employment and transport in Metropolitan Melbourne;
- Facilitate increased housing in established areas to create a city of 20 minute neighbourhoods close to existing services, jobs and public transport; and
- Create mixed-use neighbourhoods at varying densities that offer more choice in housing.

This strategy will undertake the necessary strategic work to identify and categorise areas in Yarra that can accommodate more medium and high density housing growth (near employment and transport in metropolitan Melbourne), which will provide more certainty to the community about where growth can and can't be accommodated within Yarra.

### Local Planning Policy

The Municipal Strategic Statement (MSS) in the Yarra Planning Scheme provides a statement of the key strategic planning, land use and development objectives for Yarra. The vision for housing is that Yarra will continue to accommodate a diverse range of people including families, the aged, the disabled, and those who are socially or economically disadvantaged.

The MSS lists three key housing objectives:

- **Objective 1:** To accommodate forecast increases in population;
- **Objective 2:** To retain a diverse population and household structure; and
- **Objective 3:** To reduce potential amenity conflicts between residential and other uses.

The Yarra Planning Scheme relies upon 42 designated Strategic Redevelopment Sites (SRSs) to accommodate the majority (85%) of Yarra's additional dwellings. These sites were chosen as they are good locations for growth and are able to absorb growth without major impacts on surrounding areas.

There are, however, challenges with directing housing growth to designated SRSs. Yarra's list of SRSs in the MSS is not exhaustive and there are other sites in Yarra that can be considered to be appropriate locations for higher density housing development. The overall development pattern of Yarra also shows that a substantial proportion of development has occurred in Yarra's activity centres.

The new local planning policy, relating to housing, will reflect the key directions of the strategy and will provide:

- Current population and housing forecasts;
- Clear direction and guidance on the appropriate locations for growth;
- A growth strategy that takes a holistic approach to housing growth beyond directing housing growth to designated SRSs;
- Certainty about the levels of growth in neighbourhoods and activity centres; and
- Direction on key issues such as housing diversity and adaptability, affordable housing and family friendly apartments.

## Recent planning reforms

There have been extensive planning reforms over the last few years in Victoria to provide greater flexibility and housing growth opportunities in activity centres (directing housing growth away from established residential areas) and to improve residential amenity and sustainability of apartment developments.

### Residential design codes and guidelines

While metropolitan planning policy has supported urban consolidation since the latter part of the 20<sup>th</sup> century, initiatives such as the *Good Design Guide for Medium Density Housing* (GDGMDH)<sup>16</sup> have been unpopular with the community as they allowed multi-unit development in established residential areas. ResCode, which replaced the GDGMDH in 2001, applies to residential buildings of up to four storeys on residential zoned land. Importantly for Yarra, ResCode requires that new development respect neighbourhood character, protect amenity and be sustainable.

In April 2017, the Victorian Government introduced state-wide requirements for apartment developments of five or more storeys (excluding a basement) in a residential zone and all apartment developments in other zones. The Particular Provisions at Clause 55.07 and Clause 58 (Apartment Developments) introduced requirements to improve the standard of apartment living and provide attractive living opportunities for a variety of household types in Victoria.

The requirements seek to improve:

- The layout of apartment developments, including building setbacks, communal open space and landscaping;
- The internal amenity of apartments, including daylight access, outlook, visual and acoustic privacy and storage;
- The functionality of apartments, including minimum room size and accessibility requirements; and
- The environmental sustainability of apartment developments, including water and storm-water management, waste and recycling, energy efficiency, natural ventilation and noise attenuation in noise affected locations.

These changes are considered to substantially respond to the internal amenity, accessibility and sustainability concerns identified by the Liveable Yarra panel. More guidance on the design of communal open and internal space should be provided in the Yarra Planning Scheme. The strategy's key directions seek to address this in a manner that is complementary to the provisions in the Yarra Planning Scheme.

### Planning zone reforms

Planning zones in Victoria were reformed in 2013 to improve the range of zones, better manage growth and reflect evolving development trends.

#### New residential zones

The new residential zones were introduced to provide clearer direction on levels of housing growth in residential areas, including the

introduction of mandatory height controls. The new residential zones gave councils a way to protect neighbourhoods with special character and heritage significance from inappropriate development, by directing housing growth to areas around main roads, shopping centres and transport hubs.

The new residential zones were introduced into the Yarra Planning Scheme in April 2015 via Amendment C176. The amendment applied:

- The Neighbourhood Residential Zone (NRZ) to areas within the Heritage Overlay, areas outside 400m of public transport pedestrian catchments and the Yarra River Corridor; and
- The General Residential Zone (GRZ) to select main roads and key boulevards that have experienced substantial redevelopment and offer future redevelopment opportunities, warehouse sites within heritage residential streets and all other residential areas.

The application of the NRZ and GRZ in Yarra has resulted in limitations on development in established residential areas. Most sites covered by these zones have a maximum building height of between 8 and 9 metres. Some existing warehouses and main road locations can accommodate buildings up to 11.5 metres. Additionally, the NRZ specifies a maximum number of dwellings that can be constructed on a lot.

In 2016 the Victorian Government completed a review of the new residential zones, and the subsequent reforms were introduced into Victorian planning schemes in March 2017.

<sup>16</sup> Department of Planning and Development, 1995, the *Good Design Guide for Medium Density Housing*, Melbourne.

The reforms sought to provide a fairer approach to managing residential development, and deliver consistent outcomes across Victoria's suburbs, towns and cities.

Key reforms relevant to Yarra include:

- Allowing councils to define neighbourhood character and design objectives;
- Removing the maximum number of dwellings on a lot in the NRZ;
- Mandatory building heights in the NRZ (9m and 2 storeys) and the GRZ (11m and 3 storeys) – Councils can set alternative height limits but they must be higher than 9m and 11m respectively; and
- Mandatory minimum garden area requirements in the NRZ and GRZ.

Further strategic work is required to review the schedules against the residential zones and align them with the reforms.

### New commercial zones

The new commercial zone reforms were introduced in July 2013 to provide greater flexibility and growth opportunities for Victoria's business centres, directing housing growth away from established residential areas. The new Commercial 1 Zone, which applies to the majority of Yarra's activity centres, encourages housing in commercial centres by allowing a wider range of accommodation uses.

This strategy builds on the substantial strategic work undertaken to implement the new zones and does not seek to make any further changes to the current zoning provisions.





## Council Plan

Yarra’s Council Plan is a strategic document that puts forward a vision for how the Council will respond to the opportunities and challenges facing Yarra over the next four years.

Given the significant increase in population and residential development in Yarra since the adoption of the previous Council Plan (2013-2016), the current Yarra Council Plan (2017-2021) identifies the need to actively plan and manage growth through the preparation of a new housing strategy. This strategy will help achieve Yarra’s vision for development to be appropriately managed to maintain the character and heritage of the city.

### COUNCIL PLAN

#### OBJECTIVE



A liveable Yarra:  
Development and growth are managed to maintain and enhance the character and heritage of the city.



#### STRATEGY



Actively plan for Yarra’s projected growth and development and advocate for an increase in social and affordable housing.



#### INITIATIVE



Prepare a Housing Strategy to manage residential growth.



#### INDICATOR



Deliver the Housing Strategy.

## Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) is a collaborative partnership between the Cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong.

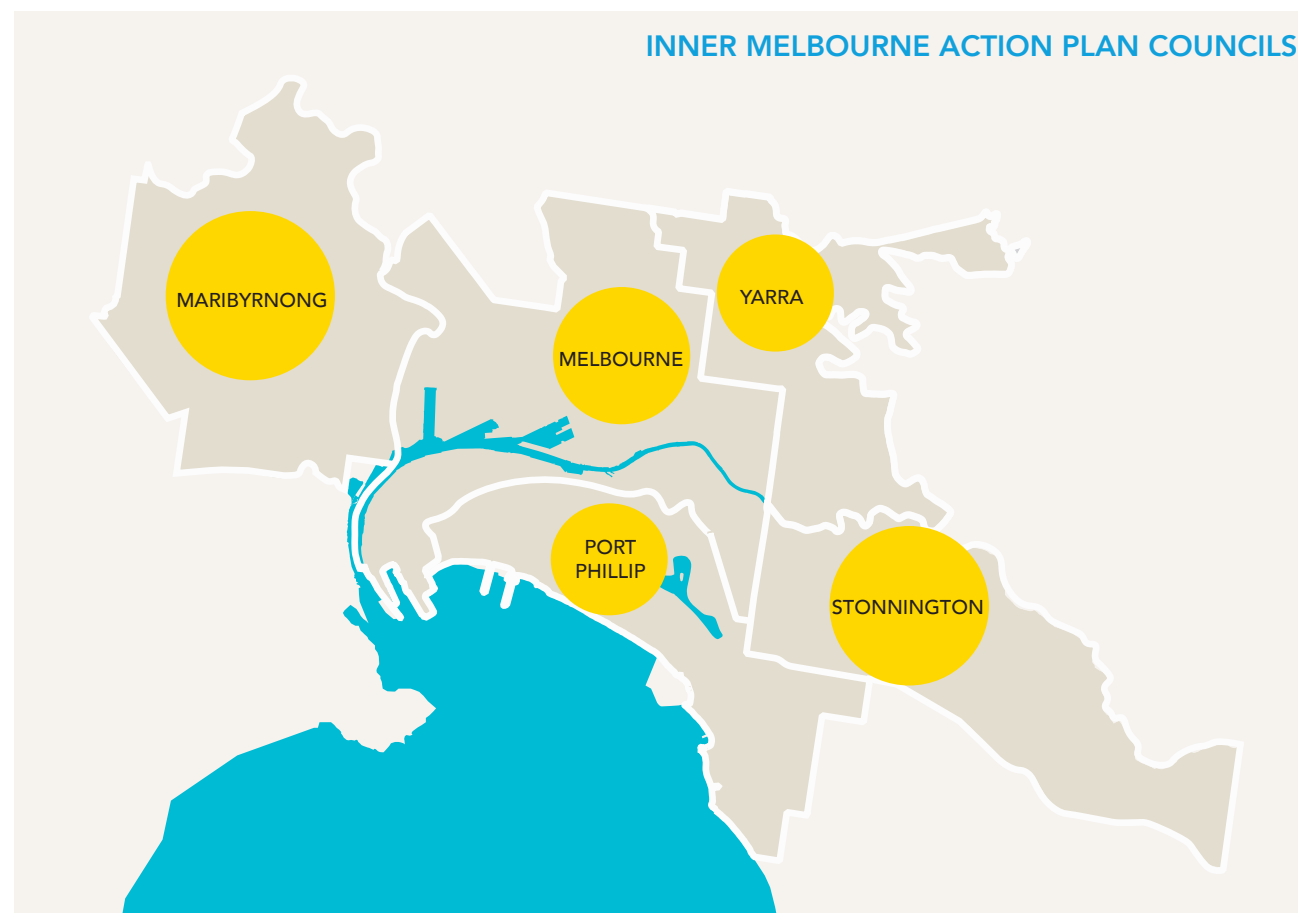
Given their geographical proximity, the IMAP councils share many similar issues and characteristics including, a high rate of employment and population growth, distinctive historic suburbs and extensive public transport networks. Comparing Yarra to the broader IMAP area provides a useful point of reference when trying to understand demographic trends and changes in Yarra and inner Melbourne.

The action plan, adopted in 2016, has been developed to continue to improve inner Melbourne's liveability while responding to the challenges of rapid growth. The action plan includes five main goals to achieve this:

- **Goal 1:** A globally significant, strong and diverse economy;
- **Goal 2:** A connected transport network that provides real travel choices;
- **Goal 3:** Diverse, vibrant, healthy and inclusive communities;
- **Goal 4:** Distinctive, high quality neighbourhoods and places; and
- **Goal 5:** Leadership in achieving environmental sustainability and climate change adaptation.

Under Goal 3, the relevant housing strategies for inner Melbourne are:

- Create a substantial increase in the supply of affordable housing; and
- Advocate to achieve improved design quality, internal amenity standards, environmental sustainability and diversity of apartments and all new/refurbished homes.





## Implications for the Yarra Housing Strategy

Plan Melbourne and the PPF provide clear support for the urban consolidation of Melbourne, particularly within and close to activity centres and along transport corridors (away from established residential neighbourhoods).

As Melbourne continues to grow, established municipalities such as Yarra will need to accommodate more housing growth. As such, Yarra must plan for expected housing needs and provide certainty about the level of housing growth occurring over the next 15 years. A significant part of this work has already been undertaken through the application of the new residential zones in 2015. This strategy seeks to build upon this significant body of work by defining locations best able to support housing growth in a way that maintains the city's liveability and also creates additional benefits, including:

- Increased supply of affordable housing;
- Greater choice and diversity of housing; and
- Well designed internal and outdoor communal spaces in new development to better cater for family and share households.

Specific directions on the scale and form of development in the residential neighbourhoods are appropriately captured through existing policy and zoning provisions. Structure Plans, local area plans and built form frameworks have also been prepared and will be translated into associated planning controls.





*To ensure a sufficient supply of land is available for residential uses, Yarra must plan for expected housing needs and provide certainty about the level of housing growth occurring over the next 15 years.*