

YARRA PLANNING SCHEME

**AMENDMENT C307yara
PLANNING PERMIT APPLICATION PA2201662
EXPLANATORY REPORT**

Who is the planning authority?

This amendment has been prepared by the Minister for Planning, who is the planning authority for this amendment.

The amendment has been made at the request of the Vicinity Management Pty Ltd Limited in its capacity as trustee of the Victoria Gardens Retail Trust.

Land affected by the amendment

The amendment applies to the land as follows:

- 610 Victoria Street, Richmond
- 620 Victoria Street, Richmond
- 668 – 682 Victoria Street, Richmond
- 53-79 Burnley Street, Richmond
- 1-9 Doonside Street, Richmond
- 10 River Boulevard, Richmond
- 15 River Boulevard, Richmond
- 20 River Boulevard, Richmond
- 25-35 River Boulevard, Richmond
- 40 River Boulevard, Richmond
- 10 Elaine Court, Richmond
- 29 Elaine Court, Richmond
- 3-5 Christine Crescent, Richmond
- 6 Christine Crescent, Richmond
- 15 Christine Crescent, Richmond



The amendment is a combined planning permit application and planning scheme amendment under Section 96A of the Act.

The planning permit application applies to the Doonside Precinct only as referenced in the plan above and formally known as:

- Lot 1 on Title Plan 211146G, commonly referred to as No. 53 Burnley Street
- Lots 1 and 2 in Title Plan 212632R, commonly referred to as No. 61-63 Burnley Street
- Lot 4 on Lodged Plan 13552, commonly referred to as No. 65 Burnley Street
- Lot 5 on Lodged Plan 13552, commonly referred to as No. 67 Burnley Street
- Lot 6 on Lodged Plan 13552, commonly referred to as No. 77-79 Burnley Street
- Lots 8 and 9 on Lodged Plan 13552, commonly referred to as No. 1-9 Doonside Street
- Lot 14 on Plan of Subdivision 427328, commonly referred to as No. 620 Victoria Street

What the amendment does

The Amendment proposes to make the following changes to the Yarra Planning Scheme:

- Rezone land known as Land in Title Plans 211146G and 212632R, and Lots 4-9 on Lodged Plan 13552 from Mixed Use Zone (MUZ) to Comprehensive Development Zone, Schedule 1 (CDZ1)
- Replace Schedule 1 to the Comprehensive Development Zone with a new Schedule (new format) with the height restriction amended over the Doonside Precinct and Lot 9 within River Boulevard Precinct, deletion of the sensitive use buffer, deletion of permit application exemptions for overlays and replacement with exemption from notice requirements from the commensurate overlays
- Remove Schedule 9 to the Design and Development Overlay
- Apply the Environmental Audit Overlay to land subject to the 'sensitive use buffer' of CDZ1, located within Lot 14 on Plan of Subdivision 427328
- Apply the Parking Overlay – Schedule 2 (PO2) to the land affected by the amendment
- Amend Schedule 1 to Clause 53.01 to exclude the subject land from providing public open space contributions
- Insert Incorporated Document, 'Victoria Gardens Comprehensive Development Plan, 2022' to replace 'Victoria Gardens – Building Envelope and Precinct Plan and Precinct 3 Plan – Warehouse Area' and Victoria Gardens Urban Design Guidelines

The planning permit application seeks approval for:

- **Clause 37.02** (Comprehensive Development Zone) to construct a building and carry out works
- **Clause 37.02** (Comprehensive Development Zone) to use the land as a Hotel/Bar.
- **Clause 37.02** (Comprehensive Development Zone) to reduce the number of car parking spaces required
- **Clause 43.01 (Heritage Overlay)** to allow for partial demolition and to construct a building and carry out works
- **Clause 43.02 (Design and Development Overlay)** to construct a building and carry out works

Strategic assessment of the amendment

Why is the amendment required?

The Victoria Gardens Expansion presents a significant opportunity to rejuvenate, not only the subject site to create a truly mixed-use precinct and connected community, but also contribute to the evolution of the surrounding urban environment.

The existing planning controls that apply to the subject site are out of date and now lack relevance in both the physical and planning context of the subject site. As such, the planning controls are in need of updating to accelerate the activity centre planning for the Victoria Gardens Comprehensive Development area and ensure the planning controls reflect the significant urban renewal which surrounds the site and has occurred since the construction of the existing Victoria Gardens Shopping Centre. This application will act as a catalyst for the revitalisation of Victoria Gardens and its integration with the surrounding area of Richmond, and the broader area of Yarra.

The Doonside Precinct will create a vibrant land use mix of retail, residential, office and publicly accessible open space, contributing significantly to the rejuvenation of the area. River Boulevard Precinct presents as a unique opportunity within a generally fine-grained area, to provide for significant public realm improvements, generous publicly accessible spaces and improved connectivity within and through the site, including to the Yarra River.

The amendment is required to allow the currently underutilised land to be appropriately developed in line with the strategic vision for the area in a holistic manner with the overall Victoria Gardens area.

The Doonside Precinct development offers the opportunity to enhance the centre through new retail, commercial and residential development and urban renewal of former industrial land with significant job creation generated through the project lifespan and permanent jobs once completed.'

Current Zones

Under current conditions, the Doonside Precinct is located over two zones with part of the site within a Mixed Use Zone. This leads to a very complicated set of planning controls with multiple planning approvals required to realise the Doonside Precinct project including a planning scheme amendment, planning permit (MUZ land) and development plan (CDZ land) approval required for the single Doonside Precinct development. The Comprehensive Development Zone is now over 20 years old, is not in a current drafting format and importantly does not appropriately align with strategic planning policy for intensification of Major Activity Centres.

The expansion of the CDZ into the MUZ land would allow the whole site to be considered under the same zone, requirements and decision guidelines. The zone continues to be useful given that there are large areas within the current CDZ which have not been completed yet and the CDZ is a higher order zone appropriate for the Activity Centre.

Deletion of DDO9

The deletion of Design and Development Overlay Schedule 9 from the Doonside Precinct (where it currently applies) is acceptable given the design objectives have been met within the proposal in the following manner.

It should also be noted that the subject site is separated from the low scale residential areas by the sites to the south (including the Harry the Hirer site and also Burnley Street to the west):

- *To recognise this Precinct, being on the edge of an activity centre and abutting low rise residential development, as transitional in its location and function;*

The proposal is recognised as being part of the Activity Centre through its inclusion as part of the CDZ with the buildings responding to the surrounding emerging character of built form. The sites further to the south are abutting low scale residential development.

- *To ensure building design responds to the industrial character of the precinct but respects the character of the established residential areas to the south and east of the Precinct;*

The proposed design and material palette reflects the former industrial character of the precinct with a modern interpretation. The fine-grained nature of the materials chosen are reflective of the character of the established residential areas.

- *To respect the scale of development on the south side of Appleton Street;*

The Harry the Hirer site and the constructed apartments to the south provide the transition to the lower scale residential areas on the southern side of Appleton Street.

- *To provide a pedestrian friendly environment along all street frontages;*

A significant improvement with respect to creating a pedestrian friendly environment along all street frontages is achieved through the proposal. This includes widened footpaths, landscaping, street furniture, active uses, and publicly accessible open spaces.

- *To encourage improvements to the public domain, including the provision of public open space;*

The proposed Doonside Precinct within the Victoria Gardens Expansion will incorporate approximately 3,500 sqm of publicly accessible open space for the enjoyment of the community, in the form of various open spaces, including plazas and squares, interlinked by laneway connections. These are centred around the key public realm areas on the ground floor, being the Burnley Laneway, Pocket Garden, Doonside Plaza, Double Level Courtyard, the Market Hall Square and the both the Burnley and Doonside streetscapes.

- *To ensure that new development does not adversely impact on local traffic conditions;*

Overall, it is considered that the supply of car parking is appropriate for the proposed development, considering it is supported by Council's strategy to reduce private vehicle usage.

Stantec (formerly GTA Consultants) have confirmed that considering existing traffic volumes and noting that the constrained nature of the surrounding road network, the traffic impact of this additional traffic is expected to be minor.

- *To ensure a high standard of architectural design; and*

As indicated, the proposal presents an exemplar high standard of architectural design.

- *To ensure that new development does not prejudice the ongoing operation of nearby commercial, industrial and warehouse businesses.*

At the time DDO9 was introduced into the planning scheme the majority of the surrounding area was largely industrial. Since that time a number of apartment buildings have been approved and constructed, including the Harry the Hirer (directly to the south) site rezoned to Mixed Use Zone and including a residential component within Amendment C223yara (approved 6 May 2021). Nevertheless, given the adjacency to the Victoria Gardens Shopping Centre, ensuring the ongoing functioning of the commercial uses within it have been a key consideration.

Amendment to Clause 53.01

Given the provision of 2,660qsm (out of a possible 8,783sqm) of publicly accessible open space area within the current MUZ, and the previous payment of Public Open Space Contributions as part of the original CDZ development, it is proposed that any future development would be exempt from the requirements of Clause 22.12 and Clause 53.01.

The current provision of Publicly Accessible Open Space equates to 30.285 percent of the land currently zoned MUZ, which far exceeds the contribution requirements of Clause 22.12 and Clause 53.01. We consider that any further financial contributions would be onerous and unreasonable.

As such, we propose that an exemption to the public open space contributions is incorporated within the proposed Schedule to Clause 53.01 of the Yarra Planning Scheme.

Introduction of the Parking Overlay

The parking overlay is required to be introduced to the Planning Scheme and it will incorporate new car parking rates. The introduction of a Parking Overlay Schedule which includes application of new car parking provision rates, providing a new maximum statutory car parking requirement for dwellings, office, shop (including restricted retail) and food and drink premises uses. Where they are not specifically mentioned, Column B of Clause 52.06 will apply. The objectives of the parking overlay to be achieved are as follows:

- To identify appropriate car parking rates for development and land uses within the Victoria Gardens Precinct as identified within Schedule 1 of the Comprehensive Development Zone.
- To facilitate the continued commercial operation of the Victoria Gardens Precinct, including the Victoria Gardens Shopping Centre and to ensure that appropriate car parking is provided.
- To recognise the site's proximity to the Principal Public Transport Network and to reduce car parking demand by encouraging use of sustainable and active transport modes to and from the site.

The current car parking requirements specified in the CDZ were incorporated into the Yarra Planning Scheme in April 2009 and are now considerably out of date with current practice and the requirements for the site. The proposed revision to the CDZ seeks to remove the parking rates and move them to a standalone parking overlay specific to the subject land.

Exemptions within CDZ

Under the existing CDZ Schedule 1, Section 5, the provisions of Clause 44.04 (Land Subject to Inundation Overlay - LSO), Clause 42.03 (Significant Landscape Overlay - SLO), Clause 43.02 (Design and Development Overlay - DDO) and Clause 43.01 (Heritage Overlay - HO) do not apply to any development constructed in accordance with an approved development plan.

Given the current formatting of Clause 37.02 does not allow a Schedule to exempt permit requirements under other overlays, this is not able to be transferred over to the proposed amended CDZ Schedule 1.

However, allows a Schedule to exempt applications under other provisions from the notice requirements of section 52(1)(a), (b) and (d), the decision requirements of section 64(1), (2) and (3) and the review rights of section 82(1) of the Act (see below). As such, the proposed amended Schedule 1 has now been amended to exempt applications under the SLO, DDO and HO from notice requirements and review rights. We note that LSIO already includes exemptions from notice and review.

How does the amendment implement the objectives of planning in Victoria?

The *Planning and Environment Act 1987* establishes the objectives of planning in sections 4(1) and 12(1). The amendment upholds the objectives of planning by way of the following:

- Providing for the fair, orderly, economic and sustainable use and development of the site
- Facilitating a development that incorporates best-practice ESD initiatives, contributing to sustainable built form
- Providing a vibrant, mixed-use precinct that supports a pleasant and safe working and living and environment
- Ensuring no unreasonable impact on buildings identified of specific historic or cultural value
- Supporting the redevelopment of the site with improved facilities for net community benefit
- The development accords with the above objectives through the application of the Comprehensive Development Zone to the site, containing objectives ensuring the objectives within the Planning Policy Framework are achieved.
- Further, the proposal responds to the present and future interests of Victorians by providing a facilitating a high-quality, sustainable development that will provide significant community benefits.

How does the amendment address any environmental, social and economic effects?

Planning in Victoria

The amendment is consistent with the objectives of planning in Victoria. It will provide for the appropriate use and development of the land, and will provide a pleasant working, living and recreational environment for residents, workers and visitors to the site.

Environmental effects

The amendment will have positive effects on the environment by facilitating the development of landscaped public open space and private open space on a site which currently has no vegetation. The development proposal also incorporates a wide range of environmentally sustainable design (ESD) features to ensure the environmental impacts of intensifying the land uses on the site are minimised.

In addition, the proposed design response and built form massing appropriately responds to environmental wind conditions, and environmental preliminary site investigations would ensure appropriate outcomes for sensitive uses residential above potentially contaminated land.

Further, critically, the proposed design response and built form massing appropriately respond to the Yarra River overshadowing controls (DDO1). As part of the amendment, the eastern portion of the site will be included within the EAO and as such, this will facilitate the rehabilitation of the site.

Social effects

The amendment will have positive impacts on the community through facilitating the provision of the following:

- Enhancing the public realm and supporting active travel and the environment. A total of 9,750 sqm of public open space is proposed including a public realm connection between River Boulevard and the Yarra River Trail.
- The opportunity for increasing housing opportunities in an area that is proximate to community facilities, schools, health services, public open space and public transport options.
- The consolidation of the land as a mixed-use development, providing a range of dwelling types, commercial and retail offerings and employment at the site.

- The opportunity to bring additional uses to a significant activity centre in Yarra,
- Revitalising and reshaping Victoria Gardens Shopping Centre through promoting an increase in the local population of residents, visitors and workers.
- Recreational and social interaction opportunities via the public open space, linkages through and around the site, and provision of retail spaces and public realm improvements.
- A safer environment with activated street frontages and passive surveillance provided from the new built form that will replace the existing largely blank walls.
- Providing a share of the additional dwellings that the Richmond area will need to support projected population levels
- The Build-to-Rent (BTR) element introduces a greater diversity of housing into the area. There is a need to provide other housing options to residents moving into the area.
- BTR also contributes to alleviating housing stress and creates communities of long-term residents. BTR rental arrangements will lower housing costs for people renting long-term, reduce rental stress, both financially and mentally, and creating communities of long-term residents.
- Providing new publicly accessible open space to support and sustainably meet the open space needs of the existing and future community. Green space provides a range of social, mental, physical and environmental benefits to residents.

Economic Effects

- Total construction cost of around \$900 million inclusive of GST in 2022, and an anticipated construction timeframe of approximately 7 years.
- On average, 681 Full-time Equivalent (FTE) direct and indirect jobs are likely to be created for the State on an annualised basis during construction, with many accruing locally.
- Total direct and indirect Gross Value-Added (GVA) to the State economy is estimated at \$97 million per annum on average over the construction period in constant 2022 dollars.
- Upon completion, the proposed expansion will support around 3,397 jobs (full-time, part-time and casual) on site across the retail and commercial spaces and managing the build-to-rent apartments.
- The direct jobs are estimated to induce a further 1,902 additional jobs within Victoria as a result of flow-on effects.
- There will be an estimated \$837 million per annum in direct and indirect GVA contribution to the Victorian economy generated from the daily operation and management of facilities within the development.
- On-site residents will spend an estimated \$22,800 on retail goods and services on a per capita basis by 2029. The total retail spending by on site residents is therefore estimated to reach \$73 million by this time. This is available to support existing and future businesses, not only on-site, but also in the surrounding region.

Does the amendment address relevant bushfire risk?

The subject site is not located within the Bushfire Management Overlay, nor within a designated 'Bushfire Prone Area' under planning policy. The amendment will not increase the risk to life, property, infrastructure or the natural environment from bushfire.

Does the amendment comply with the requirements of any Minister's Direction applicable to the amendment?

The amendment is consistent with the relevant Ministerial Directions, as follows:

- The proposed amendment accords with Ministerial Direction No. 1 'Potentially Contaminated Land' and does not pose any adverse environmental effects. The site is partly located within the Environmental Audit Overlay (EAO) and the land will be appropriately remediated, if necessary, in accordance with the requirements of this Overlay. As part of the amendment, the eastern portion of the site will also be included within the EAO.
- The proposal complies with Ministerial Direction No. 9 'Metropolitan Strategy' as it facilitates the redevelopment of the site in accordance with the directions contained within Plan Melbourne: 2017-2050, including the principle of 20-minute neighbourhoods.
- The explanatory report addresses the required strategic assessment guidelines in accordance with Ministerial Direction No.11 'Strategic Assessment of Amendments'.
- In line with Ministerial Direction No. 19 comments have been sought from the EPA and have been provided as part of this submission. This application addresses any views of the relevant authority.

How does the amendment support or implement the Planning Policy Framework and any adopted State policy?

The proposal is highly consistent with the objectives and policies contained within the Planning Policy Framework (PPF) and achieves the outcomes relating to Plan Melbourne, Urban Growth, Open Space, Metropolitan Melbourne, Environmental Risks, Water, Built Environment and Heritage, Residential Development, Commercial, Integrated Transport, Movement Networks and Infrastructure for the following reasons:

- The amendment ensures policy direction for activity centres can be met by providing the opportunity for high-quality mixed use development within a Major Activity Centre that can introduce a form of higher density housing. The land can be consolidated as a mixed-use precinct, including housing, commercial and retail uses that will be well serviced by public transport, retail and community services. **(Clause 11)**
- The amendment ensures that the policy direction for activity centres can be met by increasing housing yield in a convenient and established urban environment with excellent access to public transport, services and employment. **(Clause 11)**
- Any potential contaminated land can be addressed via the requirements of the Environmental Audit Overlay. **(Clause 13)**
- The proposed development will ensure the preservation of an appropriate degree of heritage fabric and is designed to sit comfortably within the existing heritage context. **(Clause 15.03)**
- The amendment ensures policy direction for a safe, functional and high-quality urban environment can be met. This amendment facilitates a form of higher-density housing along a transport corridor that is well separated from surrounding residential areas. **(Clause 15)**
- Publicly accessible open space will be provided throughout the site to extend and diversify the surrounding street network. **(Clause 15)**
- It will provide a high quality development which will respond appropriately to the surrounding area and the characteristics of the subject site, including heritage through an attractive and innovative design response which will introduce contemporary built form to this site. **(Clause 15)**
- The proposal will contribute to the quality of the public realm by achieving high standards in urban design, while based on a comprehensive site analysis to take into consideration the surrounding context. **(Clause 15)**
- Where possible, the proposal will include the introduction of excellence in energy efficient building design which implements key ESD principles. **(Clause 15)**
- The proposal provides a range of dwelling typologies and sizes to increase housing choice and improve affordability. **(Clause 16)**
- It will contribute to objectives for mixed use development of Richmond which is intended to accommodate both residential and commercial land uses. It will provide a mix and level of activity

to attract people for a variety of reasons within a safe environment and to provide a range of active frontages and land uses. (**Clause 17**)

- The proposed development serves to strengthen the provision of infrastructure for sustainable transport options, including easy access for pedestrians to ground levels, as well as plentiful facilities for cyclists and easy access for public transport uses. This design also facilitates the development of the 20-minute neighbourhood, which focuses on accessibility via non-vehicular means (**Clause 18**).
- It will make better use of existing infrastructure and will provide an improved range of housing choice and business opportunities within the immediate locality for both current and future residents. (**Clause 19**)

How does the amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?

The proposal is consistent with the MSS and local policy, including Council's vision for the Victoria Street MAC area, as it will provide a high-quality mixed-use development that is consistent with the mixed-use nature of the wider Richmond precinct.

Specifically, the proposal is considered to respond to the relevant policy context for the following reasons:

- In terms of land uses, the supporting mix of uses proposed is consistent with Objective 5 of the MSS within Clause 21.04-2 and would complement the role and function of the Victoria Street MAC and Victoria Gardens Shopping Centre, and surrounding area, as well as strengthening its long-term viability as a destination for the local community.
- The proposal is generally consistent with Council's built form policy at Clause 21.05-2 (Urban Design). The proposed building height will address the five relevant criteria for higher development for the following reasons:
 - Provides significant upper level setbacks
 - Is of architectural design excellence
 - Achieves excellence in environmental sustainability objectives in design
 - Provides a high quality restoration and adaptive re-use of the heritage building, the Former Loyal Studley Hotel
 - Makes a significant contribution to the enhancement of the public domain
 - Provides for affordable rental housing
- The proposal will provide new laneway connections through the site, linking in with the surrounding existing network. The proposal will incorporate publicly accessible open space for the enjoyment of the community, in the form of various open spaces, including plazas and squares, interlinked by laneway connections. These are centred around the key public realm areas on the ground floor, being the Pocket Garden, Burnley Laneway, Double Level Courtyard, the Market Hall Square and the Doonside/Burnley streetscapes.
- The proposal will contribute to the consolidation and viability of the Victoria Street Activity Centre, as it will provide a mixed use development with residential, office and retail components, on the fringe and within close walking distance of the activity centre.
- The development will assist in achieving Council's objectives at Clause 21.06 (Transport) as it will provide higher density housing options within close proximity of public transport and is within walking distance of services within the Victoria Street Activity Centre. It is well connected to a variety of cycling and walking networks within the surrounding area.
- The proposal has regard to Clause 21.07 (Environmental Sustainability) as it adopts sustainable building design through the use of a variety of ESD features.
- The proposal is consistent with Clause 21.08 (Neighbourhoods), which describes encourages the provision of land uses close to Victoria Gardens that supports its role and by contributing to the

fine-grained network of pedestrian friendly streets east of Burnley Street and north of Doonside Street. Further the proposal will contribute positively to the surrounding urban fabric and public realm.

- Through the retention and restoration of the hotel, the existing building will be significantly improved compared to existing conditions which is compliant with heritage policy at Clause 22.02-5.3.
- As per Clause 22.03 (Landmarks and Tall Buildings), the proposal will add to the interest of the urban form and skyline.
- The proposal will provide a reasonable level of amenity within the proposed dwellings, as desired within Clause 22.05 (Interface Uses Policy). The site has the benefit of its locality with limited sensitive interfaces other than existing residential buildings across David and Doonside Streets, therefore it is not envisaged that there are any adverse amenity impacts.
- The proposal will form a positive contribution to the character of the area, including through replacing the existing blank facades with activated building frontages, and will provide built form that is safe, convenient, attractive, accessible and sustainable, consistent with Clause 22.10 (Built Form and Design Policy).
- The proposal will, as part of the ESD features, appropriately minimise the hydrological impact of the development through water sensitive urban design and stormwater re-use wherever possible, consistent with Clause 22.16 (Stormwater Management (Water Sensitive Urban Design)).
- The proposal meets the objectives of Clause 22.11 related to the Victoria Street East Precinct Policy given:
 - it does not impact the Yarra River corridor;
 - does not result in unreasonable additional traffic implications;
 - encourages the use of public transport;
 - improves pedestrian connectivity within and through the street;
 - improves existing infrastructure;
 - has an appropriate land use mix and is of a high quality design which respects and protects the character of neighbouring residential properties; and
 - ensures sunlight and amenity is maintained to public spaces.

Does the amendment make proper use of the Victoria Planning Provisions?

The Comprehensive Development Zone has been successfully utilised to facilitate the Victoria Gardens Shopping Centre development. Given the development is yet to be completed, and the proposed development will form part of the overall precinct, it is appropriate to apply a Comprehensive Development Plan to the subject site.

The purpose of the Comprehensive Development Zone is to provide for a range of uses and the development of land in accordance with a comprehensive development plan incorporated into the planning scheme.

The Parking Overlay is the appropriate location to include site specific car parking controls.

The Schedule to Clause 53.01 is the appropriate location to specify any particulars for the Public Open Space Contributions.

How does the amendment address the views of any relevant agency?

Council's Strategic and Statutory Planning departments have been consulted extensively on the preparation of the planning scheme amendment.

The views of relevant agencies will be sought by the responsible authority through the assessment process.

Does the amendment address relevant requirements of the Transport Integration Act 2010?

The planning scheme amendment will provide for the integration of transport and land use and facilitate access to social and economic opportunities as sought in the *Transport Integration Act 2010*.

The site is well serviced by existing public and private transport networks, which will enable residents, workers and visitors to access the site by a range of transport modes.

What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?

The amendment would not place any unreasonable resource or administrative costs on the responsible authority.