



Date: 2 August 2019

Submission on behalf of the Planning Authority
Amendment C231 to the Yarra Planning Scheme

Council's submission: Part A

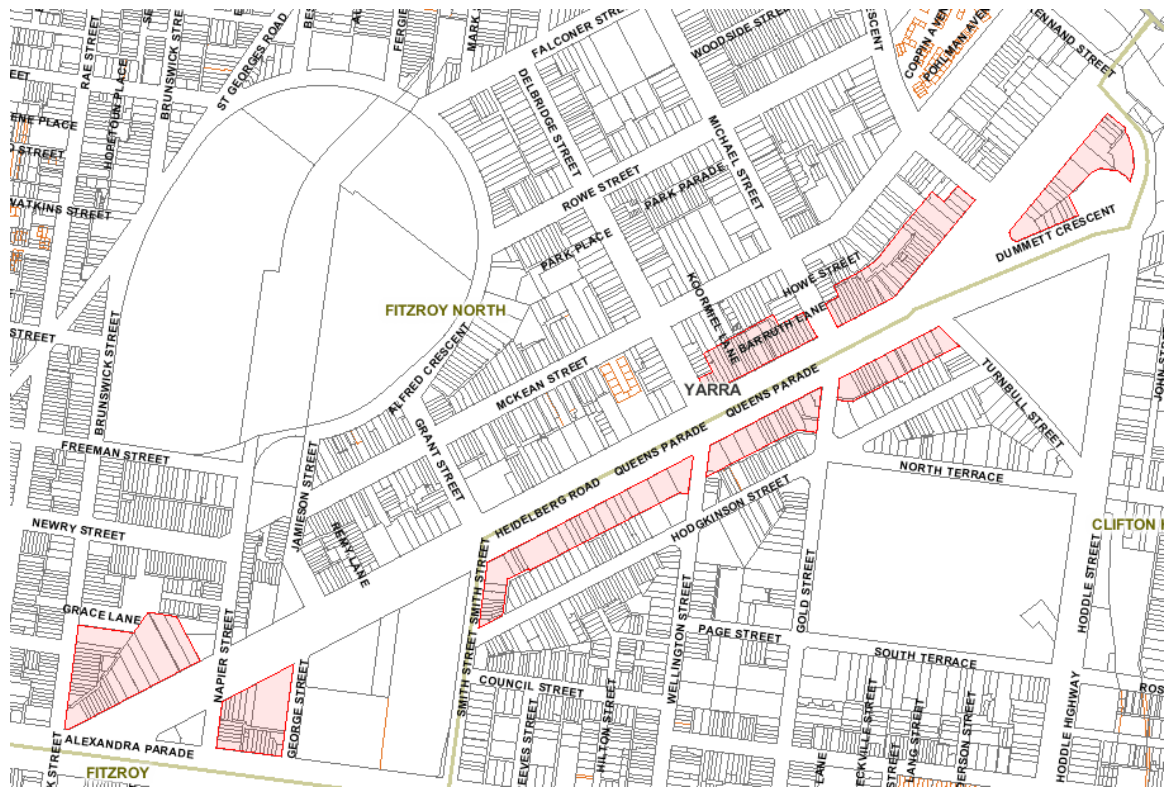
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INTRODUCTION

1. This submission is made on behalf of Yarra City Council (**Council**).
2. Council is the Planning Authority for Amendment C231 (**Amendment**) to the Yarra Planning Scheme (**Scheme**). Council has prepared and is the proponent of this Amendment.
3. The land affected by the Amendment is included in 5 precincts along Queens Parade, Fitzroy North and Clifton Hill, between Alexandra Parade and Hoddle Street. The precincts are summarised below:

Precinct	Name	Land
Precinct 1	Brunswick Street Precinct	460-498 Brunswick Street 8-24 Queens Parade
Precinct 2	Boulevard precinct	26-88 Queens Parade 67-81 Queens Parade 472-484 Napier Street 157-177 Alexandra Parade 537-541 George Street
Precinct 3	St John's Precinct	1-87 Queens Parade 652-668 Smith Street
Precinct 4	Activity Centre Precinct	89-197 Queens Parade 272-428 Queens Parade
Precinct 5	North Eastern Precinct	199-271 Queens Parade 2-12 Dummett Crescent 501-513 Hoddle Street

4. The land affected by the Amendment is shown on the map below, depicted by the areas marked in red.



The land affected by Amendment C231 sits inside the areas marked in red

5. The purpose of the Amendment as set out in the explanatory report is:

The scale and density of development approved and currently being proposed along Queens Parade has increased significantly in recent years and Council wants to introduce built form controls to manage change along Queens Parade and guide the scale of future buildings to provide certainty about development outcomes.

The built form controls will be introduced through a Design and Development Overlay DDO16 to be included in the Yarra Planning Scheme. There will be minor changes to the Heritage Overlay including some changes to the heritage grading of some buildings which will be reflected in changes to the incorporated document in the planning scheme (Appendix 8).

Heritage buildings along Queens Parade are an important part of the character of the area and the controls have been designed to protect views to key historic landmarks and protect significant and intact streetscapes. There has been a detailed heritage review of Queens Parade undertaken by GJM Heritage Consultants which is one of the strategic documents that underpins the amendment. The GJM review has resulted in heritage being a significant driver of the planning controls.

The controls will benefit the community because they provide certainty about future development outcomes.

6. In summary, Amendment C231 proposes to introduce permanent built form controls for the Queens Parade Activity Centre by way of DDO16.
7. More specifically, the Amendment (as exhibited):
 - 7.1. introduces permanent built form controls to 5 precincts along Queens Parade by way of Schedule 16 to the Design and Development Overlay (DDO16) (replacing interim DDO16 and DDO20);

- 7.2. rezones land at 660-668 Smith Street and 1-41 Queens Parade from Commercial 2 Zone (C2Z) to Commercial 1 Zone (C1Z);
- 7.3. applies a site specific heritage overlay (HO496) to 57-87 Queens Parade (the St John's Church complex) to provide for internal heritage controls on the organ;
- 7.4. deletes 201-217 Queens Parade and 10-12 Dummett Crescent from HO330¹;
- 7.5. applies a site specific heritage overlay (HO504) to 205-211 Queens Parade (former Clifton Motors Garage)²;
- 7.6. applies the Heritage Overlay (HO498) to 472-484 Napier Street, Fitzroy North;
- 7.7. applies the Heritage Overlay (HO327) to the full extent of the Moderne façade of the former K.G. Luke factory site at 26 Queens Parade;
- 7.8. applies the Heritage Overlay (HO330) to include all of Raines Reserve;
- 7.9. deletes 390A Queens Parade and the rear of 304, 312 and 316 Queens Parade from HO327 (North Fitzroy Precinct), and includes them in HO330 (Queens Parade Precinct), and gives them a heritage grading;
- 7.10. introduces a new reference document into Clause 22.02 of the Yarra Planning Scheme called 'Yarra High Streets: Statements of Significance' by GJM Heritage dated October 2017 (updated November 2017);
- 7.11. amends the heritage grading of the following properties:
 - 662 Smith Street (former Fire Station) from contributory to individually significant;
 - 7-11 Queens Parade from contributory to not contributory;
 - 137 Queens Parade from contributory to not contributory;
 - Rear of 304 Queens Parade from ungraded to not contributory;
 - Rear of 312 Queens Parade from ungraded to contributory;
 - Rear of 316 Queens Parade from ungraded to not contributory;
 - 350 Queens Parade from ungraded to contributory;
 - 380 Queens Parade from ungraded to not contributory;

¹ This is an error in the explanatory report. The land at 205-211 Queens Parade accommodates the former Clifton Motors Garage. The land was included on the Victorian Heritage Register (**VHR**) in May 2018. Ordinarily when a building is included on the State Heritage Register, it is given an individual Heritage Overlay number. Presently, this building is included in HO330, which covers much of the Queens Parade precinct. Council submits there is no need for the Amendment to remove the former Clifton Motors Garage from HO330 at this stage. Council understands Heritage Victoria is preparing a planning scheme amendment in the coming months to include the former Clifton Motors Garage in an individual heritage overlay, and concurrently, the amendment will also remove the site from HO330. The remainder of the land (i.e. 201-203 and 213-217 Queens Parade and 10-12 Dummett Crescent) will remain within HO330.

² Refer to above footnote.

- 390A Queens Parade (two storey building in north-east corner) from ungraded to contributory;
- 390A Queens Parade (all other buildings except two storey building in NE corner) from ungraded to not contributory;
- 402 Queens Parade from contributory to not contributory;
- 88 Queens Parade from ungraded to not contributory; and
- 32, 33 and 34 Jamieson Street from ungraded to not contributory.

7.12. Amends the Incorporated Document, *City of Yarra Review of Heritage Overlay Areas 2007, Appendix 8, Revised December 2017*, as follows:

- deletes 496-500 Brunswick Street (from HO327);
- adds rear 26-52 Queens Parade to HO327 and grades not contributory;
- deletes 28-58 Queens Parade from HO327;
- adds 88 Queens Parade and 32, 33 and 34 Jamieson Street to HO327 and grades not contributory;
- adds 137 Queens Parade to HO330 and grades not contributory;
- deletes 201-217 Queens Parade and 10-12 Dummett Crescent from HO330³;
- adds 205-211 Queens Parade to HO504 and grades individually significant⁴;
- adds rears of 304, 312 and 316 Queens Parade to HO330 and grades not contributory, contributory and not contributory respectively;
- adds 350 Queens Parade to HO330 and grades contributory;
- deletes 380-378 Queens Parade from HO327 and adds 380 Queens Parade (includes land at rear) to HO330 and grades contributory;
- adds 390A Queens Parade (two storey building in north-east corner) to HO330 and grades contributory;
- adds 390A Queens Parade (all other buildings except two storey building in north-east corner) and grades not contributory;
- adds 472-484 Napier Street to HO498 and grades individually significant; and
- deletes the St John's Church complex at 61-87 Queens Parade from HO330 and includes in a new, site specific heritage overlay HO496.

³ Refer to above footnote.

⁴ Refer to above footnote.

PANEL DIRECTIONS

8. This submission responds to direction #1 of the Panel Directions issued on 22 July 2019 (**Panel Directions**) directing Council to circulate its 'Part A' submission to all parties by noon on Friday 2 August 2019 and specifies items to be included in its submission.
9. The 'Part A' submission is arranged under the following headings, in accordance with the Panel Directions:
 - 9.1. background to the Amendment (including chronology of events);
 - 9.2. strategic context and assessment;
 - 9.3. a response to the issues raised in the Authorisation letter from the Minister for Planning;
 - 9.4. copies of any other material Council intends to rely upon; and
 - 9.5. changes to the amendment documentation proposed as a result of the issues raised in submissions.
10. Together with its Part A submission, Council circulates the evidence of its expert witnesses:
 - 10.1. Larry Parsons, Urban Ethos (Urban Design);
 - 10.2. Jim Gard'ner, GJM Heritage (Heritage);
 - 10.3. David Helms, David Helms Heritage Planning (Heritage);
 - 10.4. Charmaine Dunstan, Traffix Group (Traffic);
 - 10.5. Andrew Spencer, SGS Economics and Planning (Capacity Analysis); and
 - 10.6. Sarah Ancell, Echelon Planning (Planning).
11. Council's 'Part B' submission, to be made during the hearing, will address, as appropriate, a summary of the key issues raised in submissions and Council's response to those issues, as well as Council's response to the matters raised in any expert evidence tabled.
12. Council's 'Part B' submission, will also address the following matters, in accordance with direction #16 of the Panel Directions:
 - 12.1. identification of all changes to the Amendment documentation made from the exhibited version;
 - 12.2. Council's final position on the Amendment;
 - 12.3. its rationale for the use of mandatory controls in some areas of the precincts;
 - 12.4. clarity about the following terms that are defined and how they might be interpreted by the Council, community and VCAT being:
 - preferred maximum building heights;
 - minimum preferred setback;
 - mandatory minimum;

- maximum;
 - mix preferred and mandatory;
 - preferred;
 - discretionary;
 - storeys;
 - mid-rise;
 - low-rise;
 - low-scale; and
 - wind-effects;
- 12.5. an assessment of the amendment against Planning Practice Notes 59 and 60;
- 12.6. rationale for inclusion of heritage design controls in the DDO;
- 12.7. clarity about the properties that have been specified for grading changes; and
- 12.8. relevant citations of panel reports and/or VCAT decision council intends to rely on.

BACKGROUND TO THE AMENDMENT

13. A chronology of events forms **Attachment A** to Council's submission.
14. On 22 November 2016, Council resolved to authorise officers to undertake a 3 stage urban design and heritage assessment of Queens Parade, with a view to prepare planning controls to guide the future development of the area.
15. Stage 1 and Stage 2 was proposed to include an urban design and heritage analysis of the Queens Parade precinct at the western end of Queens Parade, with a view to introducing a DDO for that precinct, including the site at 26-56 Queens Parade, Fitzroy North.
16. Stage 3 was proposed to include an assessment of other key sites within Queens Parade, with a view to including these sites comprising the Queens Parade corridor within a DDO.
17. The Council's resolution sought the outcome of the Stage 1 and Stage 2 analysis to be reported to Council in early 2017. A subsequent report to Council regarding Stage 3 was to be prepared as soon as possible after that.

Amendment C229

18. On 7 February 2017, Council resolved (amongst other things):
- 18.1. to note the completion of the urban design and heritage analysis for the precinct at the western end of Queens Parade, including the site at 26-56 Queens Parade, North Fitzroy (Stage 1 and Stage 2);
- 18.2. to receive a further report following the completion of the urban design and heritage analysis for the other parts of Queens Parade (Stage 3); and

- 18.3. to request the Minister for Planning urgently introduce an interim DDO through a Ministerial Amendment under section 20(4) of the *Planning and Environment Act 1987 (Act)* for the precinct at the western end of Queens Parade, including the sites at 460-498 Brunswick Street, and 8-24 and 26-56 Queens Parade, while a permanent DDO for the precinct and other parts of Queens Parade is advanced.
- 19. The DDO submitted to the Minister for Planning was prepared based on the Queens Parade, Clifton Hill Built Form Review, February 2017, prepared by Hansen Partnership.
- 20. The request for interim controls sought to introduce the interim DDO for a 2 year period to enable the development of a permanent DDO for the precinct and other areas of Queens Parade.
- 21. Amendment C229 was gazetted by the Minister for Planning (with changes) on 28 March 2017. It inserted interim Schedule 16 to the Design and Development Overlay into the Scheme, applying mandatory and discretionary height, street wall height and setback requirements to land in Queens Parade West, being the land in Precinct 1 and part of Precinct 2 (8 to 56 Queens Parade and from 460 to 494 Brunswick Street, North Fitzroy).

Amendment C241

- 22. The Stage 3 analysis was completed in December 2017, resulting in the *Queens Parade, Clifton Hill Built Form Review*, prepared by Hansen partnership and the *Queens Parade Built Form Heritage Analysis & Recommendations*, prepared by GJM Heritage.
- 23. On 19 December 2017, Council resolved (amongst other things):
 - 23.1. to note the officer report on the Queens Parade Clifton Hill Built Form Review and Queens Parade Built Form and Heritage Analysis & Recommendations by GJM Heritage;
 - 23.2. to note the supporting Queens Parade, Clifton Hill Built Form Review, prepared by Hansen partnership and the Queens Parade Built Form Heritage Analysis & Recommendations by GJM Heritage;
 - 23.3. to endorse the Queens Parade, Clifton Hill Built Form Review as a basis for Amendment C231;
 - 23.4. to request the Minister for Planning introduce interim Schedule 20 to the DDO (**DDO20**) through a Ministerial Amendment under section 20(4) of the Act for precincts 2C, 2D, 3A, 4 and 5 along Queens Parade;
 - 23.5. to request the Minister for Planning introduce interim heritage protection for 472-484 Napier Street and 350 Queens Parade through a Ministerial Amendment under section 20(4) of the Act; and
 - 23.6. to seek authorisation from the Minister for Planning to prepare Amendment C231.
- 24. The request for interim controls sought to introduce the interim DDO20 for a 2 year period to enable the development of a permanent DDO for Queens Parade.
- 25. On 30 July 2018, Amendment C241 was gazetted, inserting interim DDO20 into the Scheme, applying mandatory and discretionary height, street wall height and setback requirements to the balance of the Queens Parade precincts, namely Precincts 2-5 (not Precinct 1 and part of Precinct 2, the Queens Parade West land that is subject to interim DDO16). It also applied an interim Heritage Overlay to 472-484 Napier Street.

Strategic documents

26. Amendment C231 was informed by the following 2 key documents.
- 26.1. The *Queens Parade Built Form Framework* (December 2017) prepared by Hansen (**Framework**). The Framework involves:
- a contextual analysis and identification of 5 distinct precincts;
 - built form framework principles and preferred future character statements for each precinct; and
 - precinct guidelines with built form objectives for each precinct.
- 26.2. The *Built Form Heritage Analysis and Recommendations Report* (December 2017) prepared by GJM Heritage (**Heritage Review**). In summary, the Heritage Review recommends:
- a range of built form controls for heritage areas within the different precincts;
 - changes to the schedule to the Heritage Overlay, such as the inclusion of additional properties;
 - amendments to gradings and existing citations; and
 - text for inclusion in the Yarra High Streets: Statements of Significance reference document.

Queens Parade Built Form Framework (December 2017)

27. The Framework was endorsed by Council at its meeting on 19 December 2017, as a basis for Amendment C231.
28. The Framework replaces an earlier (February 2017) version of the Framework, which was used to inform (interim) Amendment C229, relating to the western portion of Queens Parade.
29. The Framework provides a contextual analysis in respect of policy, heritage, landscape and streetscape, subdivision pattern, building heights and development trajectory and the road network.
30. Key landmarks identified in the Framework include St. John the Baptist Church at 61 Queens Parade (**St John's**) and the former ANZ Bank Building at 370 Queens Parade (**ANZ Bank building**). Protecting the significant heritage strip shopping centre streetscape in Precinct 4 was also a key theme in the Framework.
31. Following an analysis of the existing character, and having regard to the preferred future character, the Framework devises a series of guidelines that specify built form recommendations on a precinct-by-precinct basis. It sets out guidance relating to built form elements such as building heights, street wall heights and setbacks (front, side and rear).
32. The Framework also involved an analysis of potential future building forms, including various street wall heights, building heights and setbacks and their impact on views to significant landmarks and significant heritage streetscapes.
33. This formed the basis of the controls in the proposed DDO which were designed to ensure retention of the prominence of the heritage streetscape and heritage buildings while allowing opportunities for new development.

34. The analysis indicated that more intensive development is likely to occur at the western and eastern ends of Queens Parade, based on the larger size of properties and existing planning approvals. It also indicated the middle portion (Precincts 3 and 4) is likely to have less intensive development in order to protect the heritage streetscapes, views to key heritage buildings and the amenity of adjacent residential areas.

Built Form Heritage Analysis and Recommendations Report (December 2017)

35. Concurrent to the preparation of the Framework was the Heritage Review undertaken by GJM Heritage.
36. The Heritage Review analyses the existing heritage values and qualities along Queens Parade, identifying gaps, inconsistencies or inaccuracies with the current heritage controls and providing recommendations for addressing identified issues. The Heritage Review considers the built form parameters needed to ensure the heritage values of the area are appropriately managed, including whether mandatory or discretionary controls are appropriate.
37. Based on built form testing utilising modelling by the authors of the Framework, Chapter 12 of the Heritage Review sets out built form recommendations on a precinct-by-precinct basis, which are expressed to “ensure an appropriate balance is struck between new development and the retention of heritage values”.
38. The recommendations of the Heritage Review were integrated within the Framework.

Other background documents

Yarra Housing Strategy, September 2018 (Yarra Housing Strategy)

39. The Yarra Housing Strategy provides a housing growth framework for the next 15 years to ensure clear policy direction about where residential development will be focused, and where it will be limited, in order to meet the changing needs of the Yarra community.
40. The Strategy recognises the importance of heritage in the context of managing growth, including in Yarra’s activity centres. The Strategy specifically calls for future growth to respond to the heritage significance within activity centres.
41. The Yarra Housing Strategy was prepared in the context of State and regional policy, including Plan Melbourne, and is based on demographic profiling and housing trends. It identifies land opportunities for over 13,000 new dwellings over the next 15 years, and highlights that 805 hectares of land is zoned residential accounting for 41% of all land in Yarra.
42. The Yarra Housing Strategy identifies that current or proposed strategic land use planning is or will be underway for all its major and neighbourhood activity centres, including Queens Parade.
43. Four strategic directions are articulated, outlining Yarra’s preferred growth strategy as follows:
- 43.1. strategic direction 1 – Monitor population growth and evolving development trends in Yarra to plan for future housing growth and needs;
 - 43.2. strategic direction 2 – Direct housing growth to appropriate locations;
 - 43.3. strategic direction 3 – Plan for more housing choice to support Yarra’s diverse community; and
 - 43.4. strategic direction 4 – Facilitate the provision of more affordable housing in Yarra.

44. The Yarra Housing Strategy identifies:
- 44.1. future rezoning in the Queens Parade (page 57);
 - 44.2. strategic redevelopment sites in Queens Parade (page 49);
 - 44.3. future redevelopment areas in the vicinity of Queens Parade (page 61);
 - 44.4. housing capacity in Queens Parade (page 65); and
 - 44.5. housing change areas in Queens Parade (page 69).
45. A copy of the Yarra Housing Strategy is attached to this submission as '**Attachment B**'.

Yarra Spatial Economic and Employment Strategy, August 2018 (SEES)

46. The SEES, prepared by SGS Economics & Planning, has been developed to assist the City of Yarra to understand and capitalise on Yarra's economic strengths and respond to key trends and economic drivers over the next 10-15 years.
47. The purpose of the SEES is to provide guidance on managing growth and change in employment and economic activity and has been prepared having regard to planning contextual considerations, capacity for employment growth and trends and drivers.
48. The SEES identifies Yarra's stock of employment land is a strategic resource that accommodates a large and diverse range of business and jobs and provides employment opportunities.
49. To manage Yarra's employment land over the next 10-15 years, the following strategic directions have been developed:
- 49.1. strategic direction 1 – Support employment growth in Yarra's Activity Centres;
 - 49.2. strategic direction 2 – Retain and grow Yarra's major employment precincts;
 - 49.3. strategic direction 3 – Identify preferred locations for housing growth;
 - 49.4. strategic direction 4 – Support the expansion of health related employment and services in Yarra's health precincts;
 - 49.5. strategic direction 5 – Retain other C2 zoned precincts and sites; and
 - 49.6. strategic direction 6 – Retain Yarra's existing industrial precincts for manufacturing and urban services.
50. In respect of strategic direction 1, the SEES recognises Queens Parade, Clifton Hill as a neighbourhood activity centre. It states that Yarra's activity centres are appropriate locations for new housing, noting, among other things, that housing growth supports economic activity by increasing the local population.
51. In respect of strategic direction 5, figure 40 and table 7 provide guidance for C2 zoned land in the vicinity of Queens Parade (pages 69-70).
52. A copy of the SEES is attached to this submission as '**Attachment C**'.

Yarra Business and Industrial Land Strategy, June 2012 (YBIL Strategy)

53. The YBIL Strategy, prepared by SGS Economics and Planning, relates to land affected by the Industrial 1 and 3 zones and the former Business 2, 3, 4 and 5 Zones, which it recognises affects approximately 223 hectares of land in Yarra.
54. The YBIL Strategy sets out a 10-15 year direction for Yarra's business and industrial areas and provides practical guidance for Council and local stakeholders for land use planning in these areas. The YBIL Strategy gives effect to a precinct typology as the basis for exploring development and investment opportunities with a focus on employment and economic activity.

PREPARATION OF THE AMENDMENT

Resolution to prepare Amendment

55. On 19 December 2017, Council resolved to seek authorisation from the Minister for Planning to prepare Amendment C231, and, if authorisation were received from the Minister for Planning, to exhibit the Amendment C231 in accordance with s 19 of the Act.

Authorisation

56. On 23 January 2018, Council wrote to the Department of Environment, Land, Water and Planning (**DELWP**) requesting Ministerial Authorisation to prepare the Amendment.

57. Ministerial Authorisation was issued by the Minister for Planning on 30 July 2018.

58. The letter stated:

... I believe there are some matters the council should address during the amendment process.'

59. These were:

- 59.1. consider the appropriateness of including Heritage Design Requirements in DDO16 on a permanent basis, given the local policy at 22.02 'Development guidelines for sites subject to the Heritage Overlay', existing requirements for consideration under Clause 43.01 and the application of local policies;
- 59.2. provide strategic justification for any departure from the recommendations of the Framework, such as street wall heights in Precinct 2C; and
- 59.3. amend the explanatory report to provide a more detailed amendment description and justification for the proposed rezoning and application of the Environmental Audit Overlay.

60. Council's response to these matters is set out below.

Heritage Design Requirements

- 60.1. The Heritage Design Requirements were substantially reduced and redrafted following the Minister's authorisation. Council has worked closely with DELWP officers in the redrafting of the Heritage Design Requirements.
- 60.2. The Heritage Design Requirements have not been removed from the DDO16 altogether because Council's existing heritage policy at clause 22.02 does not include substantial policy relating to commercial buildings. Existing clause 22.02

primarily focusses on residential buildings. Many of the heritage buildings within Queens Parade are commercial buildings. Council submits there is not sufficient detail in existing clause 22.02 to deal adequately with commercial heritage.

- 60.3. Council is presently redrafting its heritage policy, which will have a substantial focus on commercial and former industrial heritage. However, until clause 22.02 is amended, Council considers the heritage design requirements in DDO16 are necessary to ensure commercial heritage buildings are appropriately protected and their future development appropriately managed. Council will address this further in its Part B submission.

Strategic justification for departing from the Framework

- 60.4. Council submits any departures from the recommendations of the Framework are strategically justified and have been based on rigorous additional built form testing. It relies on the detailed 3D modelling prepared by Ethos Urban and the expert evidence of Mr Parsons, Mr Gardner, Mr Helms and Ms Ancell in this regard.

Environmental Audit Overlay

- 60.5. Council has amended the explanatory report to provide a more detailed amendment description and justification for the proposed rezoning and application of the Environmental Audit Overlay.

Exhibited Amendment

61. The Amendment was formally exhibited between 1 October 2018 and 30 November 2018 in accordance with the Act.
62. Notice of the Amendment was:
- 62.1. sent to all affected and adjoining property owners and occupiers;
 - 62.2. sent to 2,500 key stakeholders, including local community groups, historical societies and trader associations and groups;
 - 62.3. sent to prescribed Ministers and public authorities;
 - 62.4. published in The Age newspaper on 1 October 2018; and
 - 62.5. published in the Victorian Government Gazette on 4 October 2018.
63. In addition, the Amendment documentation was made available at Council's Richmond Town Hall and Baragoonga Nganjin North Fitzroy Library, on Council's website and on DELWP's website.
64. Two information sessions were held at Baragoonga Nganjin Fitzroy North Library.
65. The exhibited Amendment documentation comprised the following:
- 65.1. Notice of the Preparation of an Amendment to a Planning Scheme;
 - 65.2. Explanatory Report;
 - 65.3. Instruction Sheet;
 - 65.4. clause 22.02 – Development Guidelines for Sites Subject to the Heritage Overlay;
 - 65.5. schedule to clause 43.01 – Heritage Overlay;

- 65.6. schedule 16 to clause 43.02 – Design and Development Overlay;
- 65.7. schedule to clause 72.04 – Incorporated Documents;
- 65.8. maps (10 maps in total):
 - Yarra C231 002znMap02 Exhibition;
 - Yarra C231 003d-hoMap02 Exhibition;
 - Yarra C231 004d-hoMap02 Exhibition;
 - Yarra C231 005hoMap02 Exhibition;
 - Yarra C231 006hoMap02 Exhibition;
 - Yarra C231 007hoMap02 Exhibition;
 - Yarra C231 008eaoMap02 Exhibition;
 - Yarra C231 010ddoMaps01_02 Exhibition; and
 - Yarra C231 011ddoMap02 Exhibition;
- 65.9. City of Yarra Review of Heritage Overlay Areas Appendix 8, revised September 2018;
- 65.10. Yarra High Streets: Statements of Significance GJM Heritage (October 2017 [updated November 2017]) (Yarra High Streets: Statement of Significance);
- 65.11. Queens Parade, Clifton Hill Built Form Review, Hansen (December 2017); and
- 65.12. Queens Parade Built Form Heritage Review – GJM Heritage (December 2017).

Submissions

- 66. In response to notice, Council received a total of 406 submissions (including late submissions).
- 67. Of the submissions received:
 - 67.1. one submission supports the Amendment and seeks no changes;
 - 67.2. two submissions partially support the Amendment subject to proposed changes; and
 - 67.3. the remainder of submissions object to the Amendment in its exhibited form (many of these submissions seeking changes); and
 - 67.4. three submissions requested that the amendment be abandoned or extensively redrafted by Council.
- 68. At its meeting on 12 March 2019, Council considered the 397 submissions (received by Council at that time) to the Amendment and heard from submitters. Council resolved to:
 - 68.1. receive all written and verbal submissions to the Amendment;
 - 68.2. extend its appreciation to all submitters and those who presented;

- 68.3. note that a further report would be presented to an Ordinary Council meeting on 28 May 2019, that would:
- provide an officer report and a recommended response to the specific issues raised in submissions for Council's consideration; and
 - enable Council to determine whether to refer the Amendment and all submissions to an independent Planning Panel to be appointed by the Minister for Planning.

Summary of issues raised in submissions

69. The key issues raised in submissions are broadly summarised below:
- 69.1. the importance of the Queens Parade activity centre to the local community;
 - 69.2. the importance of maintaining heritage fabric;
 - 69.3. urban consolidation/accommodating growth;
 - 69.4. height of new development;
 - 69.5. setbacks;
 - 69.6. interface with residential development/amenity concerns;
 - 69.7. impacts on the public realm;
 - 69.8. variations to the building heights and setbacks recommended by Council's consultants and their translation into the DDO16;
 - 69.9. use of mandatory versus discretionary controls;
 - 69.10. laneways, parking and traffic issues;
 - 69.11. net community benefit;
 - 69.12. community consultation; and
 - 69.13. the rezoning of certain parcels of land.
70. The Council Officer responses to submissions are adopted by Council for the purposes of this submission and the Part B submission.. Council will expand on the issues raised by submitters through the Part B submissions at the Panel Hearing.

Consideration of submissions

71. In December 2018, to assist with Council's consideration of submissions, Council engaged Ethos Urban to prepare a 3D model of the 5 precincts along Queens Parade.
72. In response to the issues raised in submissions and following testing of a range of alternative scenarios, a preferred version of DDO16 was prepared by Council officers (**Preferred DDO16**).
73. On 28 May 2019, at its ordinary meeting, Council resolved to (among other things):
- 73.1. endorse the officers' recommended changes to the amendment including the Preferred Version of DDO16, conditional upon the following further amendments:

Precinct 4 – Activity Centre Precinct Design requirements

- (i) Revise the fifth requirement, as follows, to include heritage fabric and Wellington Street:

*. retain the visual prominence and heritage fabric of the return façades of heritage buildings that front Queens Parade, Delbridge, Gold, Michael and Wellington Streets;

- (ii) Include a new requirement:

*. maintain service access from the laneways in order to facilitate commercial use of the properties fronting Queens Parade.

Table 4 – street wall height, building height and setbacks for Precinct 4

- (i) Include a new preferred built form requirement:

* Minimum rear setback (C1Z interface) - 3 metres above 11 metres;

- 73.2. adopt as its submission to the panel the position of support for Amendment C231 with the changes as identified above;
- 73.3. request the Minister for Planning appoint an independent planning panel to consider all submissions referred to in relation to Amendment C231;
- 73.4. refer all submissions to the panel; and
- 73.5. write to all landowners and occupiers directly affected by the Preferred DDO16 to:
- advise of Council's decision to proceed to panel;
 - advise of Council's position in support of the Preferred DDO16; and
 - advise that if they make a submission in relation to the recommended changes, the new or varied submission will be referred directly to the panel.
74. Council gave notice of its Preferred DDO on 29 May 2019 by sending a letter to:
- 74.1. all submitters;
- 74.2. landowners of land within the DDO16 area; and
- 74.3. Occupiers of land within Precinct 4.
75. In response to notice of the Preferred DDO16, Council received a number of additional submissions (new submissions 401, 402, 403, 404, 406, 407 and 408)⁵ as well as further submissions from submitters 9 and 291 and 338.
76. A summary of the key differences between the exhibited DDO16 and Council's Preferred DDO16 is set out below:

⁵ In total, Council has received 414 submissions in response to the exhibited or preferred DDO16.

Precinct	Exhibited DDO16	Preferred DDO16
1		No substantive changes proposed
2A		No substantive changes proposed
2B	Includes NRZ land in NE corner of precinct. DDO does not apply to this land.	Deleted reference to this land and renamed precinct 2D to 2B.
2C	<p><u>Upper level setback</u> 5 metres (preferred)</p> <p><u>Street wall height</u> 18 metres (preferred)</p> <p><u>Side and rear setbacks</u> B17</p>	<p><u>Upper level setback</u> 6 metres (preferred)</p> <p><u>Street wall height</u> Reduced to 10 metres in Napier Street (mandatory)</p> <p>No other changes to street wall</p> <p><u>Side and rear setbacks</u> B17 to be replaced with building separation requirements (see below)</p> <p><u>Side setbacks (preferred)</u> Apply side setbacks above the street wall where windows are proposed.</p> <p>For habitable room windows, a 4.5m setback to the boundary applies. For a commercial or non-habitable room window, a 3m setback to the boundary applies.</p> <p><u>Rear setbacks (preferred)</u> At ground level, set back 4.5 metres from the centre of the lane.</p>
2D	<p><u>Rear setbacks</u> None exhibited</p>	<p>Re-named 2B</p> <p><u>Rear setbacks</u> Building to set back 4.5 metres from the centre of the lane (preferred).</p>
3	<p><u>Height</u> 18 metres (5 storeys) (preferred)</p> <p><u>Street wall height (mandatory)</u> 11m at 15-33 Queens Parade</p>	<p>New precinct 3B created</p> <p><u>Height</u> Reduced height of 14m (4 storeys) (mandatory) for heritage shops at 652-662 Smith Street. Created new precinct – precinct 3B.</p> <p>Height in precinct 3A remains at 18m but proposed to be mandatory.</p> <p><u>Street wall height (mandatory)</u></p>

	<p>14 metres elsewhere</p> <p><u>View to St John's (mandatory)</u> View line from the centre of the footpath</p> <p><u>Rear setbacks (preferred)</u> 45° above 8 metres from rear boundary to a laneway 45° above 5 metres from rear boundary (no laneway)</p>	<p>11m at 15-33 Queens Parade 35-37 Queens Parade – retain existing</p> <p>14 metres elsewhere in precinct 3A Retain height of existing heritage façade in precinct 3B</p> <p><u>View to St John's (mandatory)</u> Viewpoint to St John's clarified and moved from footpath to pedestrian island at lights as intended in GJM report.</p> <p><u>Rear setbacks (preferred)</u> Modified Standard B17 where there is a laneway 3 metre setback at ground level then modified Standard B17 where there is no laneway</p> <p><u>Overshadowing (preferred)</u> ResCode Standard limiting overshadowing of private open space to be applied</p>
4	<p><u>Height</u> 21.5 metres (6 storeys) mandatory</p> <p><u>Upper level setbacks (preferred and mandatory)</u> 6 metres, mandatory in significant streetscape area. Preferred elsewhere.</p> <p><u>Side and rear setbacks (preferred)</u> 45° above 8 metres from rear boundary to a laneway 45° above 5 metres from rear boundary (no laneway)</p> <p><u>245 Gold Street</u> Zoned Commercial 1 Zone, no rezoning proposed.</p>	<p><u>Height</u> 14 metres (4 storeys) mandatory</p> <p><u>Upper level setbacks (mandatory)</u> 8 metres, all mandatory. Removed reference to significant streetscape.</p> <p><u>Rear setbacks (preferred)</u> Modified Standard B17 where there is a laneway 3 metre setback at ground level then modified Standard B17 where there is no laneway</p> <p><u>245 Gold Street</u> Rezone to Neighbourhood Residential Zone as requested by property owner. Minimum rear setback for C1Z interface 3m above 11m</p>
5A	<p><u>Height</u> 18 metres (preferred) (applies to the car park of the former UK Hotel only)</p> <p><u>Extent of UK Hotel land on DDO precinct 5 map</u></p>	<p><u>Height</u> Reduced from 18m to 11m to match the height of the parapet or eaves of the former UK Hotel. Height now to be mandatory.</p> <p><u>Extent of UK Hotel land on DDO precinct 5 map</u></p>

	Map incorrectly shows land at 2 Dummett Crescent in precinct 5B but should be in precinct 5A.	Map amended to include land at 2 Dummett Crescent in precinct 5A (precinct extended to match land ownership)
5B	<p><u>Height</u></p> <p>1:1 heritage street wall to new built form behind Clifton Motors and 203 Queens Parade, visible from the opposite side of Queens Parade (preferred)</p> <p>28m elsewhere (preferred)</p> <p><u>Street wall (mandatory)</u></p> <p>Match parapet height of former Clifton Motor Garage and eaves line of former UK Hotel</p> <p>11m elsewhere</p> <p>Upper level setback</p> <p>6m mandatory at Clifton Motors</p> <p>6m preferred elsewhere</p> <p><u>Side and rear setbacks</u></p> <p>0m</p>	<p><u>Height</u></p> <p>1:1 street wall requirement deleted but translated into building height</p> <p>201-215 Queens Parade – 18m (mandatory)</p> <p>28m preferred elsewhere (preferred)</p> <p><u>Street wall (mandatory)</u></p> <p>Street wall height now applies to all Queens Parade frontage in precinct 5B</p> <p>4-10 Dummett Cres – remains at 11m</p> <p><u>Upper level setback</u></p> <p>8m mandatory at Clifton Motors</p> <p>6m preferred elsewhere</p> <p><u>Side and rear setbacks</u></p> <p>Apply side setbacks above the street wall where windows are proposed:</p> <p>For habitable room windows, a 4.5m setback to the boundary applies.</p> <p>For a commercial or non-habitable room window, a 3m setback to the boundary applies.</p>
5C	<p><u>Street wall height</u></p> <p>36 metres</p> <p><u>Height</u></p> <p>49 metres (preferred)</p> <p><u>Upper level setback</u></p> <p>10 metres preferred</p> <p><u>Side and rear setbacks</u></p> <p>None proposed</p>	<p><u>Street wall height</u></p> <p>18 metres (reduced to provide a better relationship to the street and reduce wind impacts)</p> <p><u>Height</u></p> <p>43 metres preferred</p> <p><u>Upper level setback</u></p> <p>6 metres preferred</p> <p><u>Side and rear setbacks</u></p> <p>Apply side setbacks above the street wall where windows are proposed:</p> <p>For habitable room windows, a 4.5m setback to the boundary applies.</p> <p>For a commercial or non-habitable room window, a 3m setback to the boundary applies.</p>

78. In addition, the Preferred DDO16:
- 78.1. amends a number of the design objectives in clause 1.0;
 - 78.2. amends a number of the definitions in clause 2.1;
 - 78.3. amends a number of general requirements in clause 2.2;
 - 78.4. inserts street wall requirements in clause 2.3;
 - 78.5. amends the upper level requirements in clause 2.4;
 - 78.6. inserts corner site requirements in clause 2.5;
 - 78.7. amends the ground floor design requirements in clause 2.6;
 - 78.8. inserted vehicular access, car parking and loading access requirements in clause 2.7;
 - 78.9. amends a number of the heritage design requirements in clause 2.8;
 - 78.10. introduces 'preferred character statements' for each precinct;
 - 78.11. amends the design requirements for each precinct;
 - 78.12. inserts application requirements in clause 5.0;
 - 78.13. amends decision guidelines in clause 6.0; and
 - 78.14. inserts the Heritage Review as a reference document.
79. A clean copy of the Preferred DDO16 (post Council resolution) and a track change version of the Preferred DDO16 (post Council resolution) is attached to this submission as '**Attachment D**'.
80. Council submits that there is clear strategic justification supporting the Amendment (including Council's Preferred DDO16) and this position will be advanced through Council's Part B submissions along with the expert evidence for Council.

STRATEGIC ASSESSMENT

81. Finally (for the purposes of Part A of Council's submission), this section provides an overview of the strategic basis for this Amendment, including the relevant State and local policies. It is noted that the Explanatory Report exhibited with the Amendment includes a strategic assessment. That assessment is adopted for the purposes of Council's submission.
82. A response to the strategic issues raised in the submissions to the Amendment, and more particularly, those that questioned the strategic merit of particular aspects of the Amendment, will be addressed in Council's Part B submissions.

Planning Policy Framework (PPF)

83. It is submitted that the strategic justification for the Amendment is firmly grounded in the PPF. Clause 11 (Settlement) implements the key principles of *Plan Melbourne 2017-2050* (**Plan Melbourne**) including providing housing choice by planning for expected housing needs and making that housing more affordable. It also provides for reduced ongoing living

costs by increasing housing supply near public transport and services, and encourages consolidation of residential activities within existing urban areas. In particular:

83.1. the Amendment supports the following strategies of clause 11.01-1S (Settlement):

- Develop sustainable communities through a settlement framework offering convenient access to jobs, services, infrastructure and community facilities.
- Develop compact urban areas that are based around existing or planned activity centres to maximise accessibility to facilities and services.
- Ensure retail, office-based employment, community facilities and services are concentrated in central locations.

83.2. the Amendment supports the following strategies of clause 11.03-1S (Activity Centres):

- Build up activity centres as a focus for high-quality development, activity and living by developing a network of activity centres that:
 - Comprises a range of centres that differ in size and function.
 - Is a focus for business, shopping, working, leisure and community facilities.
 - Provides different types of housing, including forms of higher density housing.
 - Is connected by transport.
 - Maximises choices in services, employment and social interaction.
- Support the role and function of each centre in the context of its classification, the policies for housing intensification, and development of the public transport network.
- Undertake strategic planning for the use and development of land in and around activity centres.
- Give clear direction on preferred locations for investment.
- Encourage a diversity of housing types at higher densities in and around activity centres.
- Reduce the number of private motorised trips by concentrating activities that generate high numbers of (non-freight) trips in highly accessible activity centres.
- Improve access by walking, cycling and public transport to services and facilities.
- Support the continued growth and diversification of activity centres to give communities access to a wide range of goods and services, provide local employment and support local economies.
- Encourage economic activity and business synergies.
- Improve the social, economic and environmental performance and amenity of activity centres.

84. The Amendment provides a sound framework for the orderly planning of the Queens Parade Neighbourhood Activity Centre in a manner consistent with the directions of Plan Melbourne (see further below).
85. Clause 15 (Built Environment and Heritage) provides that 'planning should protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value'. The Amendment supports this clause by introducing planning controls which seek to ensure development responds appropriately to the valued heritage character of Queens Parade, its heritage streetscapes and other sensitive interfaces. The proposed controls also seeks to protect views to key heritage landmarks and the integrity of historical streetscapes.
86. Clause 15.03-1S (Heritage Conservation) provides the overarching objective to 'ensure the conservation of places of heritage significance'. Relevant strategies include:
- Identify, assess and document places of natural and cultural heritage significance as a basis for their inclusion in the planning scheme.
 - Provide for the conservation and enhancement of those places that are of aesthetic, archaeological, architectural, cultural, scientific or social significance.
 - Retain those elements that contribute to the importance of the heritage place.
 - Encourage the conservation and restoration of contributory elements of heritage place.
 - Ensure an appropriate setting and context for heritage places is maintained or enhanced.
 - Support adaptive reuse of heritage buildings where their use has become redundant.
 - Consider whether it is appropriate to require the restoration or reconstruction of a heritage building in a Heritage Overlay that has been unlawfully or unintentionally demolished in order to retain or interpret the cultural heritage significance of the building, streetscape or area.
87. The Amendment seeks to advance the above objective and strategies.
88. Clause 16 (Housing) emphasises the importance of providing quality housing that meets the growing and diverse needs of Victorians in locations in or around activity centres. Queens Parade is ideally located with good access to jobs, services and transport. The Amendment seeks to accommodate future housing growth at an appropriate scale in the Queens Parade Neighbourhood Activity Centre.
89. Clause 17 (Economic Development) seeks to encourage development which meets the community's needs for retail, entertainment, office and other commercial services and provides a net community benefit in relation to accessibility, efficient infrastructure use and sustainability of commercial facilities. The Amendment supports this clause by facilitating opportunities for a mix of office, retail, and residential uses throughout the centre.
90. Clause 18 (Transport) encourages the creation of a safe and sustainable transport system and promotes the use of sustainable personal transport. The Amendment implements the objectives of this clause by facilitating development in a centre well serviced by public transport.
91. Finally, it is noted that the Amendment also supports the following key housing and heritage related directions and policies from Plan Melbourne:

- 91.1. Direction 1.1 – Create a city structure that strengthens Melbourne’s competitiveness for jobs and investment seeks to strengthen the competitiveness of Melbourne’s employment land.
- 91.2. Direction 1.2 - Improve access to jobs across Melbourne and closer to where people live is also relevant.
- 91.3. Direction 2.1 - Manage the supply of new housing in the right locations to meet population growth and create a sustainable city.
- 91.4. Policy 2.1.2 – Facilitate an increased percentage of new housing in established areas to create a city of 20-minute neighbourhoods close to existing services, jobs and public transport.
- 91.5. Policy 2.1.4 – Provide certainty about the scale of growth in the suburbs.
- 91.6. Direction 2.2 – Deliver more housing close to jobs and public transport.
- 91.7. Policy 2.2.3 – Support new housing in activity centres and other places that offer good access to jobs, services and public transport.
- 91.8. Direction 4.3 – Achieve and promise design excellence.
- 91.9. Policy 4.3.1 – Promote urban design excellence in every aspect of the built environment.
- 91.10. Direction 4.4 – Respect Melbourne’s heritage as we build for the future.
- 91.11. Policy 4.4.1 – Recognise the value of heritage when managing growth and change.
- 91.12. Direction 5.1 – Create a city of 20-minute neighbourhoods.
- 91.13. Policy 5.1.1 – Create mixed-use neighbourhoods at varying densities.
- 91.14. Policy 5.1.2 – Support a network of vibrant neighbourhood activity centres.

Local Planning Policy Framework (including MSS)

- 92. Strategic support is also found for the Amendment within Council’s MSS. More particularly:

Clause 21.04 Land Use

- 93. Council submits the Amendment is consistent with clause 21.04-1 (Accommodation and housing) which seeks to accommodate increases in population (Objective 1). Strategy 1.2 directs higher density residential development to Strategic Redevelopment Sites identified at clause 21.08 and other sites identified through any structure plans or urban design frameworks.
- 94. The Amendment is also consistent with clause 21.04-2 (Activity centres), including objective 4 which seeks to maintain a balance between local convenience and regional retail roles in Yarra’s activity centres. In particular, the Amendment supports the following strategies:

Strategy 4.1 Increase the range of retail, personal and business services, community facilities, and recreation activities, within individual centres.

Strategy 4.3 Support the role of all activity centres, including Neighbourhood Activity Centres, in providing local day-to-day needs of residents of all abilities.

95. The Amendment will also advance objective 5 of clause 21.04-2, seeking to maintain the long term viability of activity centres. In particular, the Amendment supports the following strategies:

Strategy 5.2 Support land use change and development that contributes to the adaptation, redevelopment and economic growth of existing activity centres.

Strategy 5.3 Discourage uses at street level in activity centres which create dead frontages during the day.

Strategy 5.4 Permit residential development that does not compromise the business function of activity centres.

Clause 21.05 Built Form

96. Objective 14 of clause 21.05-1 (Heritage) seeks to protect and enhance Yarra's heritage places. Council submits the Amendment supports the following strategies in clause 21.05-1:

Strategy 14.1 Conserve, protect and enhance identified sites and areas of heritage significance including pre-settlement ecological heritage.

Strategy 14.2 Support the restoration of heritage places.

Strategy 14.3 Protect the heritage skyline of heritage precincts.

Strategy 14.6 Protect buildings, streetscapes and precincts of heritage significance from the visual intrusion of built form both within places and from adjoining areas.

97. The Amendment seeks to protect the important heritage fabric and character of Queens Parade (and surrounds) while balancing appropriate economic and housing growth.

98. Council submits the Amendment supports the following objectives and strategies of clause 21.05-2 (Urban design):

Objective 16 - To reinforce the existing urban framework of Yarra

Strategy 16.2 Maintain and strengthen the preferred character of each Built Form Character Type within Yarra.

Objective 17 – To retain Yarra's identity as a low-rise urban form with pockets of higher development

Strategy 17.2 Development on strategic redevelopment sites or within activity centres should generally be no more than 5-6 storeys unless it can be demonstrated that the proposal can achieve specific benefits ...

Strategy 17.3 Apply the Landmarks and Tall Structures policy at clause 22.03

Objective 19 - To create an inner-city environment with landscaped beauty.

Strategy 19.1 Require well resolved landscape plans for all new development.

Strategy 19.2 Encourage opportunities for planting suitable trees and landscape areas in new development.

Objective 20 - To ensure that new development contributes positively to Yarra's urban fabric.

Strategy 20.1 Ensure development is designed having particular regard to its urban context and specifically designed following a thorough analysis of the site, the neighbouring properties and its environs.

Objective 21 - To enhance the built form character of Yarra's activity centres.

Strategy 21.1 Require development within Yarra's activity centres to respect and not dominate existing built form.

Strategy 21.2 Require new development within an activity centre to consider the context of the whole centre recognising that activity centres may consist of sub-precincts, each of which may have a different land use and built form character.

Strategy 21.3 Support new development that contributes to the consolidation and viability of existing activity centres.

Clause 21.08 Neighbourhoods

99. Clause 21.08 (Neighbourhoods):
- 99.1. identifies Queens Parade as a Neighbourhood Activity Centre;
 - 99.2. identifies the spire of St John's Church as a landmark which should be protected. Relevant strategies include maintaining the visual prominence of the Spire of St Johns. The Amendment seeks to introduce planning controls that protect the view of the St John's spire from relevant vantage points; and
 - 99.3. encourages the redevelopment of 26-56 Queens Parade in a way that contributes positively to the urban fabric and public domain of Yarra, and where subject to the Heritage Overlay, protects the heritage of the site and of the area.
100. Council submits the Amendment supports these strategies.
101. It is considered the Amendment strikes an appropriate balance in respect of facilitating growth, including new housing opportunities, having regard to its neighbourhood activity centre classification, while protecting its valued heritage context.

Clause 71.02 (Operation of the Planning Policy Framework)

102. Clause 71.02-1 sets out the purpose of the PPF as follows:
- The Planning Policy Framework provides a context for spatial planning and decision making by planning and responsible authorities. The Planning Policy Framework is dynamic and will be built upon as planning policy is developed and refined, and changed as the needs of the community change. The Planning Policy Framework seeks to ensure that the objectives of planning in Victoria (as set out in section 4 of the Act) are fostered through appropriate land use and development planning policies and practices that integrate relevant environmental, social and economic factors in the interests of net community benefit and sustainable development.
103. Clause 71.02-3 requires Council as the Planning Authority (as well as in the context of considering an application a Responsible Authority) to:
- ... integrate the range of planning policies relevant to the issues to be determined and balance conflicting objectives in favour of net community benefit and sustainable development for the benefit of present and future generations.
104. Council submits the Amendment strikes an appropriate balance in accommodating and facilitating growth while recognising and protecting the heritage significance of Queens Parade.
105. Finally, the Amendment implements the objectives of planning in Victoria by introducing permanent built form controls along Queens Parade that provide for the fair and orderly use and development of land. This is because they seek to facilitate future development while maintaining and protecting the valued heritage character of the streetscape.

Ministerial Directions

106. The Amendment is consistent with the Ministerial Direction on the Form and Content of Planning Schemes in s 7(5) of the Act. Council submits the proposed ordinance and map changes have been prepared in accordance with the relevant requirements of the Ministerial Direction.
107. Council submits the Amendment has also been prepared in accordance with other relevant Ministerial directions:
- 107.1. Ministerial Direction No. 1 – Potentially Contaminated Land;
 - 107.2. Ministerial Direction No. 9 – Metropolitan Planning Strategy;
 - 107.3. Ministerial direction No. 11 – Strategic Assessment of Planning Scheme Amendments; and
 - 107.4. Ministerial Direction No. 15 – The Planning Scheme Amendment Process.

Planning Practice Notes

108. Finally it is noted there are two Planning Practice Notes which are particularly relevant to this Amendment, namely:
- 108.1. PPN59 – *The role of mandatory provisions in planning schemes (PPN59)*; and
 - 108.2. PPN60 – *Height and setback controls for Activity Centres (PPN60)*.
109. PPN59 sets out criteria that can be used to decide whether mandatory provisions may be appropriate in planning schemes.
110. PPN60 provides guidance on the department's preferred approach to the application of height and setback controls for activity centres.
111. Both Practice Notes will be addressed in detail in Council's Part B submission.

CONCLUSION

112. This completes the Part A submissions for the Council.

.....
Susan Brennan SC
Jane Sharp

Instructed by Maddocks Lawyers

2 August 2019

List of Attachments:

- Attachment A – Chronology of Events
- Attachment B – Yarra Housing Strategy
- Attachment C - Yarra Spatial Economic and Employment Strategy
- Attachment D – clean copy of the Preferred DDO16 (post Council resolution) and track change version of the Preferred DDO16 (post Council resolution)

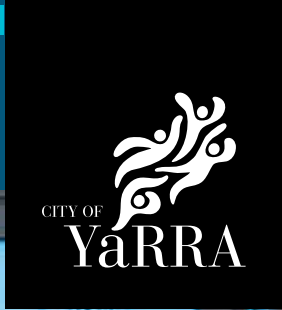
ATTACHMENT A – CHRONOLOGY OF EVENTS

Date	Event / Description
22 November 2016	Council resolves to authorise officers to undertake a 3 stage urban design and heritage assessment of Queens Parade, with a view to preparing planning controls to guide the future development of the area.
February 2017	<i>Queens Parade, Clifton Hill Built Form Review</i> , February 2017, prepared by Hansen Partnership to help inform Amendment C229.
7 February 2017	<p>Council resolves to (amongst other things):</p> <ul style="list-style-type: none"> • note the completion of the urban design and heritage analysis for the precinct at the western end of Queens Parade, including the site at 26-56 Queens Parade, North Fitzroy (Stage 1 and Stage 2); • receive a further report following the completion of the urban design and heritage analysis for the other parts of Queens Parade (Stage 3); and • request the Minister for Planning to urgently introduce an interim DDO through a Ministerial Amendment under section 20(4) of the Act for the precinct at the western end of Queens Parade, including the sites at 460-498 Brunswick Street, and 8-24 and 26-56 Queens Parade, while a permanent DDO for the precinct and other parts of Queens Parade is advanced.
28 March 2017	Amendment C229 gazetted by the Minister for Planning (with changes), introducing the DDO16 on an interim basis to the western end of Queens Parade.
December 2017	The Stage 3 urban design and heritage analysis is completed. The <i>Queens Parade, Clifton Hill Built Form Review</i> , December 2017, is prepared by Hansen Partnership and the <i>Queens Parade Built Form Heritage Analysis & Recommendations</i> , December 2017, is prepared by GJM Heritage, to help inform Amendment C241 and Amendment C231.
19 December 2017	<p>Council resolves to (amongst other things):</p> <ul style="list-style-type: none"> • note the officer report on the Queens Parade Clifton Hill Built Form Review and Queens Parade Built Form and Heritage Analysis & Recommendations by GJM Heritage; • note the supporting Queens Parade, Clifton Hill Built Form Review, prepared by Hansen partnership and the Queens Parade Built Form Heritage Analysis & Recommendations by GJM Heritage; • endorse the Queens Parade, Clifton Hill Built Form Review as a basis for Amendment C231;

Date	Event / Description
	<ul style="list-style-type: none"> request the Minister for Planning introduce interim DDO20 through a Ministerial Amendment under s 20(4) of the Act for precincts 2C, 2D, 3A, 4 and 5 along Queens Parade; request the Minister for Planning introduce interim heritage protection for 472-484 Napier Street and 350 Queens Parade through a Ministerial Amendment under s 20(4) of the Act; and seek authorisation from the Minister for Planning to prepare Amendment C231.
23 January 2018	Council writes to the Department of Environment, Land, Water and Planning requesting Ministerial Authorisation to prepare Amendment C231.
30 July 2018	Ministerial Authorisation issued by the Minister for Planning for Amendment C231.
30 July 2018	Amendment C241 gazetted by the Minister for Planning, introducing the DDO20 on an interim basis to the balance of Queens Parade.
4 September 2018	Yarra Spatial Economic and Employment Strategy adopted by Council
4 September 2018	Yarra Housing Strategy adopted by Council
1 October 2018 - 30 November 2018	Amendment C231 is formally exhibited.
December 2018	Council engages Ethos Urban to prepare a 3D model of the 5 precincts along Queens Parade.
12 March 2019	<p>Council considers 397 submissions (received by Council at that time) to the Amendment and hears from submitters.</p> <p>Council resolves to:</p> <ul style="list-style-type: none"> receive all written and verbal submissions to the Amendment; extend its appreciation to all submitters and those who presented; note that a further report will be presented to an Ordinary Council meeting on 28 May 2019, that will: <ul style="list-style-type: none"> provide an officer report and a recommended response to the specific issues raised in submissions for Council's consideration; and enable Council to determine whether to refer the Amendment and all submissions to an independent Planning Panel to be appointed by the Minister for Planning.
28 May 2019	Council resolves to (among other things):

Date	Event / Description
	<ul style="list-style-type: none"> • endorse the officers' recommended changes to the amendment including the Preferred Version of DDO16, conditional upon a number of further amendments; • adopt as its submission to the panel the position of support for Amendment C231 with the changes as identified above; • request the Minister for Planning appoint an independent planning panel to consider all submissions referred to in relation to Amendment C231; • refer all submissions to the panel; and • write to all landowners and occupiers directly affected by the Preferred DDO16.
29 May 2019	Council gives notice of the Preferred DDO16 to submitters and landowners within the DDO16 area.
16 July 2019	Directions Hearing is held for Amendment C231.
12 August 2019	Panel Hearing to commence.

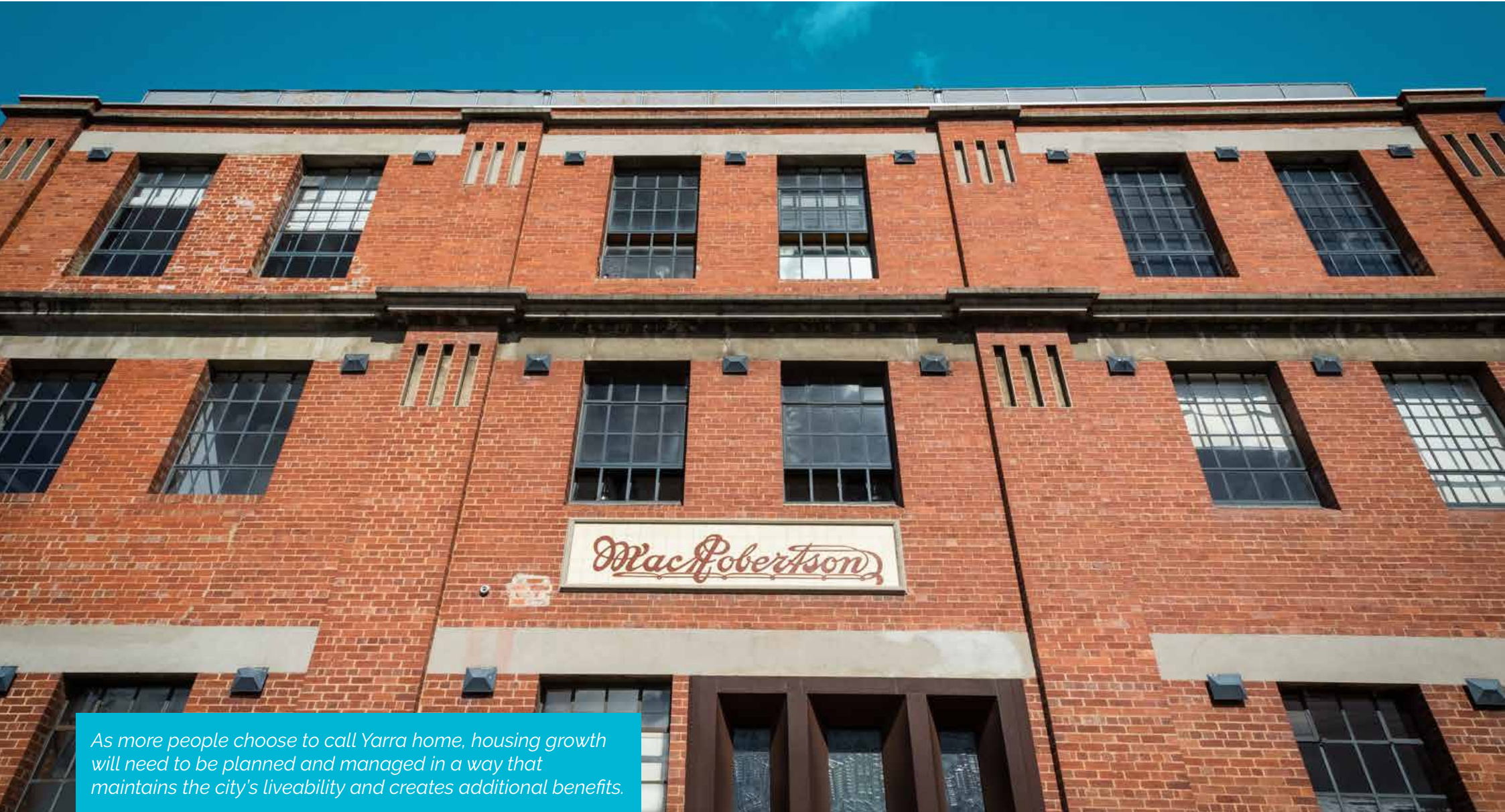
ATTACHMENT B – YARRA HOUSING STRATEGY



Providing certainty around the locations and nature of housing change expected within the City of Yarra over the next 15 years.



Adopted 4 September 2018



As more people choose to call Yarra home, housing growth will need to be planned and managed in a way that maintains the city's liveability and creates additional benefits.

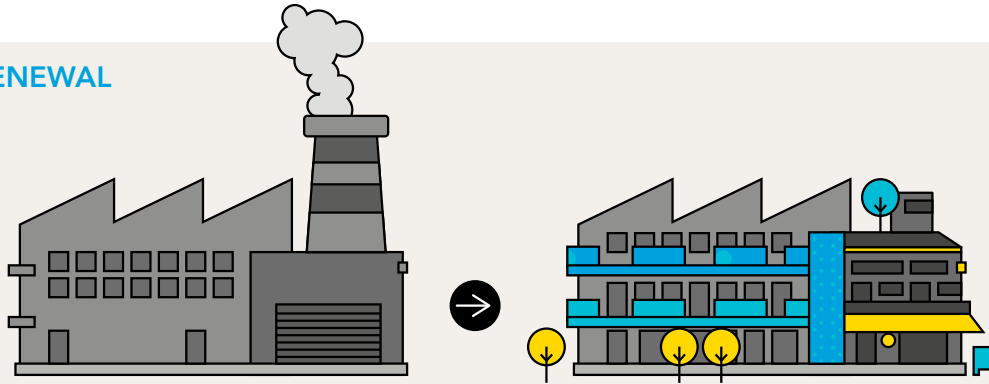
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QUICK STATS

Key housing trends in Yarra 2005-2014

URBAN RENEWAL



87%

87% of housing development was urban renewal (development of underutilised medium and large scale urban areas, precincts or sites for mixed land use purposes) and 13% was infill (development of vacant or underutilised land in existing urban areas)

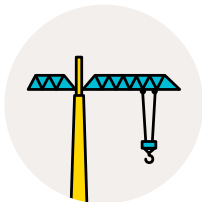
72%

72% of new dwellings were in activity centres or on strategic redevelopment sites.

PROJECTS



581 housing projects in 10 years have transformed 54 ha of land



Projects with 10+ dwellings were most prevalent in Richmond and Collingwood, while smaller projects with 2-9 dwellings were mostly in Richmond and Fitzroy North



Since 2010, the number of new dwellings in Yarra has grown at a rate of 1160 per year



Approvals for apartments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015)

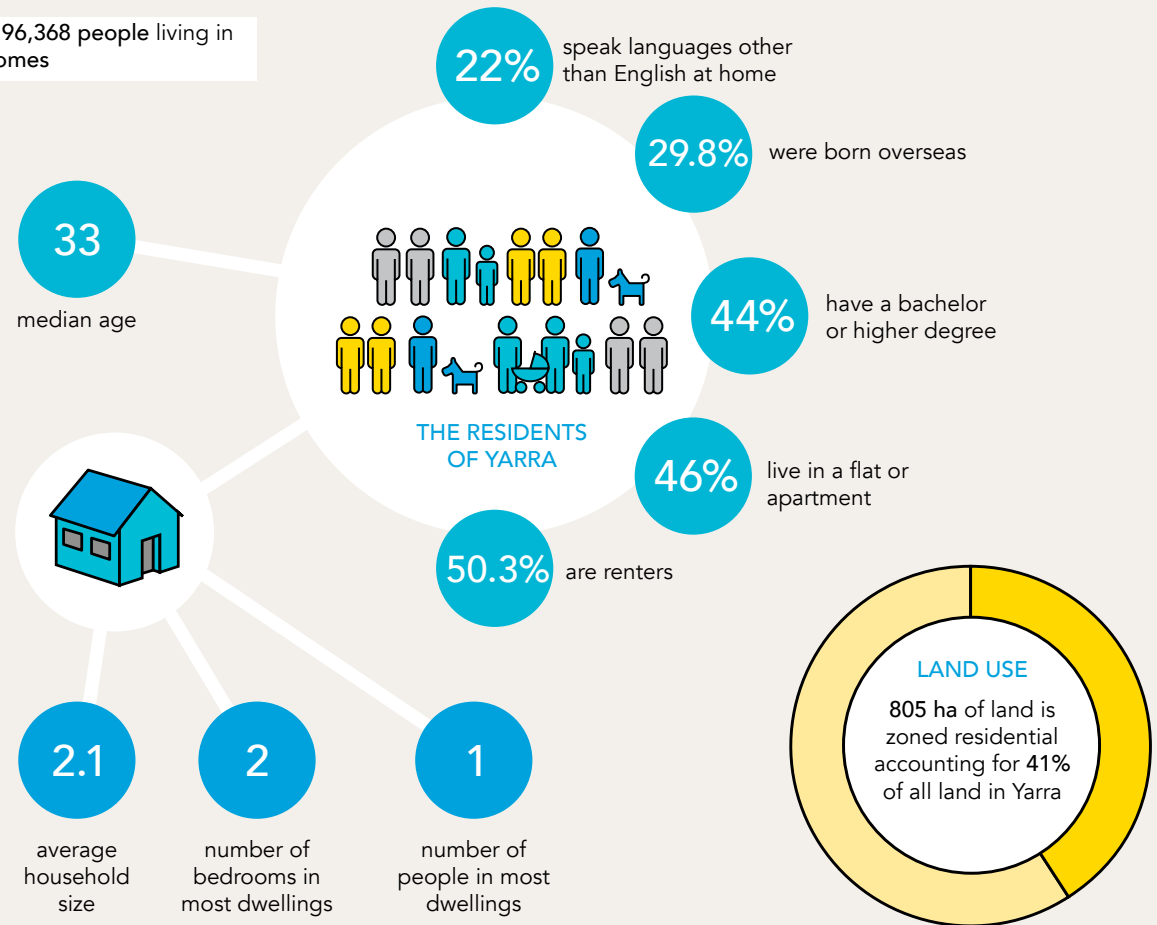
Source: 2005-2014 Housing Development Data.

Yarra today



THE NUMBERS

Yarra has 96,368 people living in 44,033 homes



Yarra 2031

The State Government report, *Victoria in Future 2016: Population and Household Projections to 2051* (VIF2016) indicates there will be 29,412 new residents and 13,431 new dwellings required by 2031.

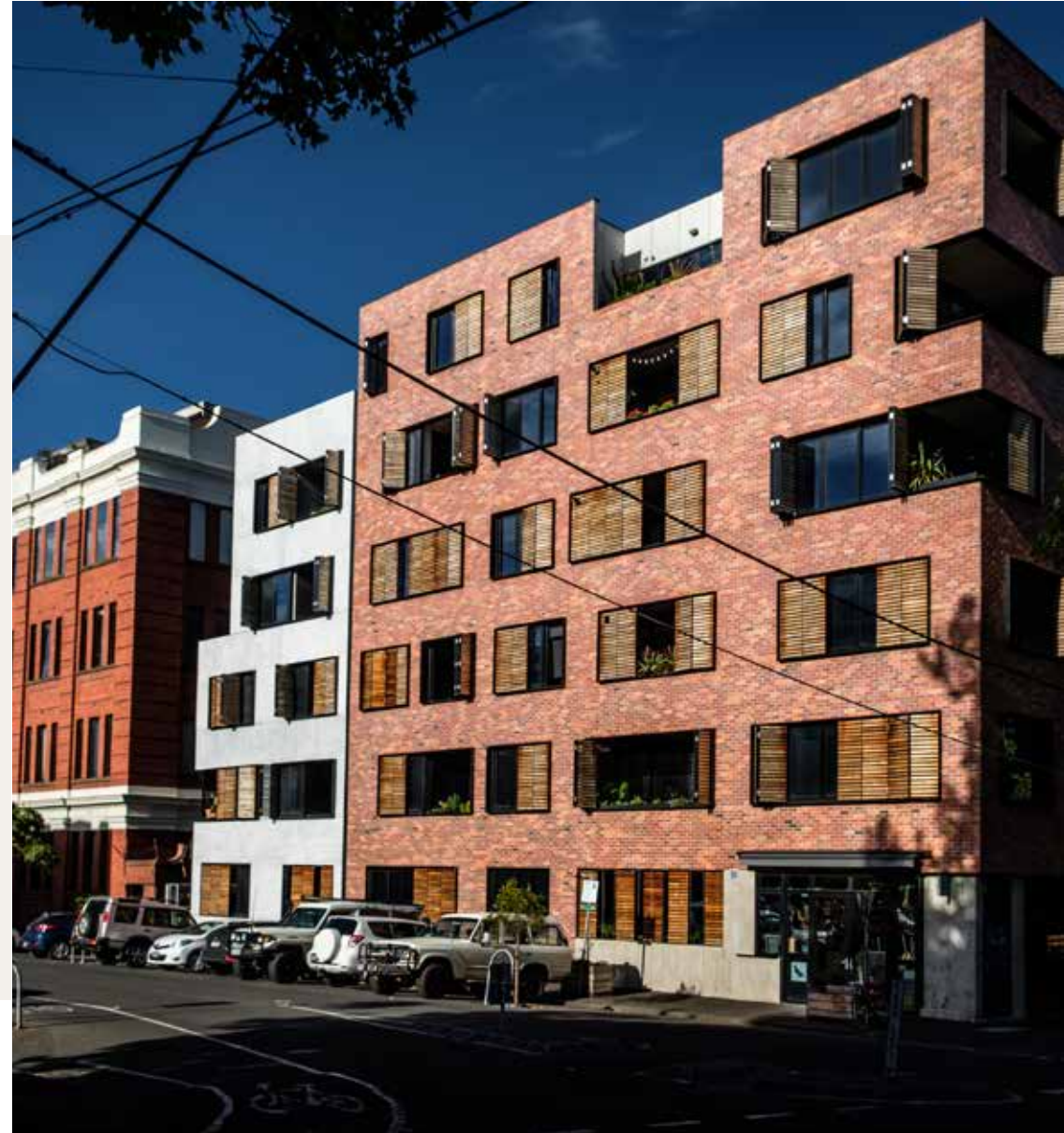
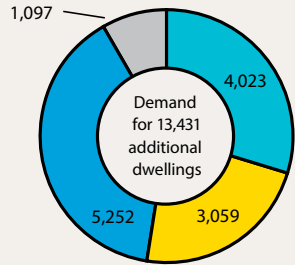
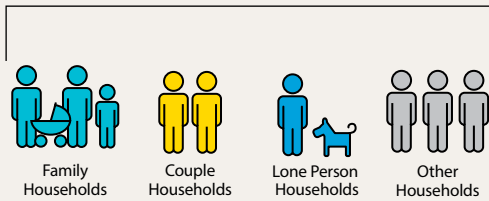
FORECAST 2016-2031 POPULATION AND HOUSEHOLD PROJECTIONS



Yearly population growth rate of 2%

29,412
new residents

13,431
new dwellings



1. INTRODUCTION

Why prepare a housing strategy?

As more people choose to call Yarra home, housing growth will need to be planned and managed in a way that maintains its liveability, while creating additional benefits. These benefits include:

- Increased supply of affordable housing;
- Greater choice and diversity of housing; and
- Well designed internal and outdoor communal spaces in new development.

Yarra needs a housing strategy to inform how best to accommodate housing growth in the municipality and to underpin new housing policy in the Yarra Planning Scheme.

What is the purpose of the housing strategy?

To prepare a housing growth framework that sets a preferred vision for Yarra over the next 15 years. To achieve this, the strategy will:

- Identify projected population and housing growth for Yarra;
- Provide an overview of the existing housing context and recent trends in Yarra;
- Demonstrate sufficient housing land availability to accommodate projected growth for the next 15 years;

- Identify areas for housing growth and development, consistent with the strategic context and characteristics of Yarra's neighbourhoods;
- Provide a strategic approach to where and how Yarra guides and directs future growth;
- Provide direction on key issues such as housing diversity and adaptability, affordable housing and family friendly apartments;
- Inform new planning policies in the Yarra Planning Scheme; and
- Have regard to broader metropolitan and state wide planning policy.

The strategy will provide clear policy direction about where residential development will be focused, and where it will be limited, in order to meet the changing needs of our community.

How will the directions of the Yarra Housing Strategy be implemented?

The Yarra Housing Strategy will be implemented as:

- A reference document in the Yarra Planning Scheme; and
- Local planning policy in the Yarra Planning Scheme.



How has the community been consulted?

Council has developed and refined the strategy through extensive community consultation.

A discussion with the Yarra community on housing began in 2015. The Liveable Yarra project provided an opportunity to have an in-depth conversation with the community on how Yarra can adapt to the challenges and opportunities brought about by growth.

The Liveable Yarra project included a panel of residents selected to represent the broader Yarra community. The actions and key messages of this panel informed the draft Yarra Housing Strategy.

Consultation on the draft Yarra Housing Strategy was held from 26 March to 30 April 2018 and included:

- Drop in sessions;
- An online survey;
- Articles in *Yarra Life*, a fortnightly e-newsletter;
- Social media posts; and
- News items on Yarra's website.

The online survey showed a gap in feedback from Yarra's younger population. To provide more insights from this age cohort, a youth workshop was undertaken by Council. The round table discussion included 10 young people, aged between 18-30.

2015

LIVEABLE
YARRA
PROJECT

Deliberative engagement process to identify the planning issues in Yarra and to develop actions for how Council should address these issues.

2018

GUIDING
YARRA'S
GROWTH

Public consultation on the draft Yarra Housing Strategy and in particular the strategy's four strategic directions.



2. WHAT DOES OUR COMMUNITY VALUE?

The Liveable Yarra panel members were proud of the city they live in and wanted to see the following elements promoted and enhanced:

- Diversity of people and places, with a sense of multiculturalism and community throughout;
- Significant historical, heritage and natural spaces of the local areas; and
- Proximity and ease of access that living in Yarra affords – for example, to the CBD, the night time activities, or sporting and cultural events.

The panel members indicated that residents valued environmentally sustainable design and new infrastructure. They were more willing to accept higher density housing with the provision of affordable housing options and activated communal spaces.

A key action identified by the panel was for Council to actively plan for Yarra's projected housing growth, including identifying the range of housing needs and options to support a diverse community. The panel acknowledged that this would deliver:

- A clear direction about how to accommodate projected housing growth;
- Better informed planning for infrastructure and community facilities;
- A more diverse housing profile; and
- Certainty regarding the locations and nature of growth, leading to a reduced need for Council resources associated with major developments.

FINDINGS FROM THE LIVEABLE YARRA PANEL

PROMOTE AND ENHANCE



Diversity of people and place



Significant history, heritage and natural spaces



Proximity and ease of access to sporting and cultural events

HIGHLY VALUED



Environmentally sensitive and sustainable design for the whole community



More detailed findings can be found in the *Liveable Yarra Engagement Summary Report*, Capire & City of Yarra, October 2015.

Community priorities for housing growth and change in Yarra

The Liveable Yarra panel provided clear direction to Council on the key issues for consideration when planning for housing growth and change.

Seven actions in the *Liveable Yarra Engagement Summary Report* (Capire & City of Yarra, October 2015) related to the following issues.

- Heritage;
- Economic development;
- Communal open space;
- Diversity and adaptability;
- Affordable housing;
- Access and movement; and
- Sustainability.

In early 2018, Yarra sought community feedback on the actions. The majority of the respondents believed that the actions were still very important in terms of Yarra meeting future housing needs, reaffirming the findings of the Liveable Yarra panel.

This section provides an overview of how these key issues and actions have been considered in the development of the strategy, and outline where they are being addressed through other projects or policy.

2018 COMMUNITY RESPONSES TO: HOW IMPORTANT ARE THE FOLLOWING LIVEABLE YARRA ACTIONS?

Continue to protect existing high value heritage areas across Yarra

Promote the inclusion of accessible and adaptable housing, and housing suitable for all life stages

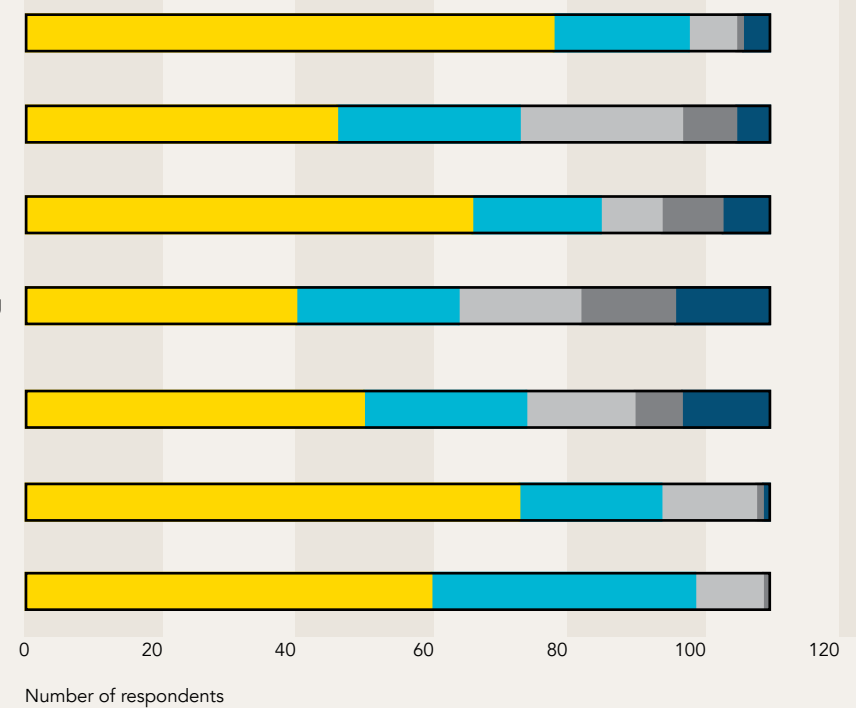
Encourage the provision of communal spaces in housing development

Support the provision of affordable housing, including through co-housing and housing associations

Increase space for pedestrians and bikes, dedicated lanes/corridors.
Decrease car space on the streets

Encourage housing development with high environmental qualities

Retain land for non-residential uses to support arts, cultural and other employment and economic uses



- 5 - very important
- 4
- 3 - neutral
- 2
- 1 - not important

Heritage

“Continue to protect existing high value heritage areas across Yarra”

Home to some of Melbourne’s first suburbs, Yarra boasts many prized heritage streetscapes and residential, commercial, and grand civic buildings. The former industrial areas provide important links to Yarra’s past.

Yarra protects its unique and diverse heritage by applying the Heritage Overlay to properties of identified heritage significance. The Heritage Overlay is a tool that requires a planning permit to subdivide land, demolish, build or alter a property that has heritage significance. About two thirds of all properties in Yarra are covered by the Heritage Overlay and, in fact, more properties are covered by the Heritage Overlay in Yarra than in any other municipality in Victoria. The strategy will need to respond to the high level of heritage protection in Yarra.

While Yarra’s activity centres have key attributes that make them ideal for accommodating housing growth, they also include unique and intact heritage streetscapes and buildings. The Heritage Overlay applies to large sections of Yarra’s major activity centres including Brunswick, Smith and Swan Streets, as well as Bridge Road. Future growth in these areas will need to be managed to respond to the heritage significance of these centres.

Recognise heritage protection with other important factors – like sustainability, the demand for urban growth and metropolitan planning policy – is an ongoing responsibility for Council.

Built form frameworks have been prepared for Swan, Victoria, and Johnston Streets, along with Queens Parade and Bridge Road. The frameworks are informed by detailed heritage reviews to determine how best to protect and enhance heritage streetscapes (as well as individual buildings) in each activity centre, while accommodating opportunities for future housing and employment growth.

This work will form the strategic basis for new site specific built form controls that will guide the scale and form of new development in these activity centres.



The housing strategy will need to respond to the high level of heritage protection and provide guidance on the appropriate level of growth in residential neighbourhoods and activity centres.

Economic development

“Retain land for non-residential uses to support arts, cultural and other employment and economic uses”

Yarra hosts a diverse range of industry sectors, with an increasing emphasis on professional services, health care and education, creative industries and a diverse offering of retail and hospitality. It also has a long tradition as a location for arts and culture, with many galleries, artist run spaces and live music venues.

Yarra’s diverse range of businesses are vital to Melbourne’s economy. While Yarra represents just 0.2% of greater Melbourne’s land area, it constitutes 4.3% of Melbourne’s total economic output. Yarra’s economy is well-connected and benefits from an inner-city location with access to transport infrastructure, customers, other businesses and a large workforce. This spatial context is driving economic growth.

The municipality’s employment land is a strategic resource, accommodating a large and diverse range of businesses, and providing employment for an extensive and growing number of workers with a wide range of skills. To ensure there is capacity to grow Yarra’s economy, a Spatial Economic and Employment Strategy (SEES) has been prepared, which provides strategic directions and future opportunities for employment land. The strategy recognises a series of employment areas that accommodate business needs and additional employment to support the growth of the local economy.

Yarra’s employment areas include:

- Major and neighbourhood activity centres;
- Major employment precincts – Cremorne (Church Street) and Gipps Street, Collingwood;
- Commercial and industrial land outside activity centres; and
- Health and education precincts.

Yarra is an attractive location for residential development. If residential development is not managed and planned it can displace existing economic activity. To reduce pressure for ad hoc conversion of employment land, Council proposes to retain the existing zoning in these employment areas, except where residential development on employment land has been identified in strategic work, including structure plans and local area plans. Council recognises the primacy of employment activity above housing in these areas.

Yarra’s activity centres however are appropriate locations for new housing, given their proximity to services, facilities and public transport. Council recognises that there are economic benefits that flow on from additional housing in activity centres, including increased local expenditure, and supporting the generation of new land uses and commercial formats. Separate strategic work - structure plans and local area plans - will identify any rezoning potential.



Communal open space

“Encourage the provision of communal spaces in housing development”

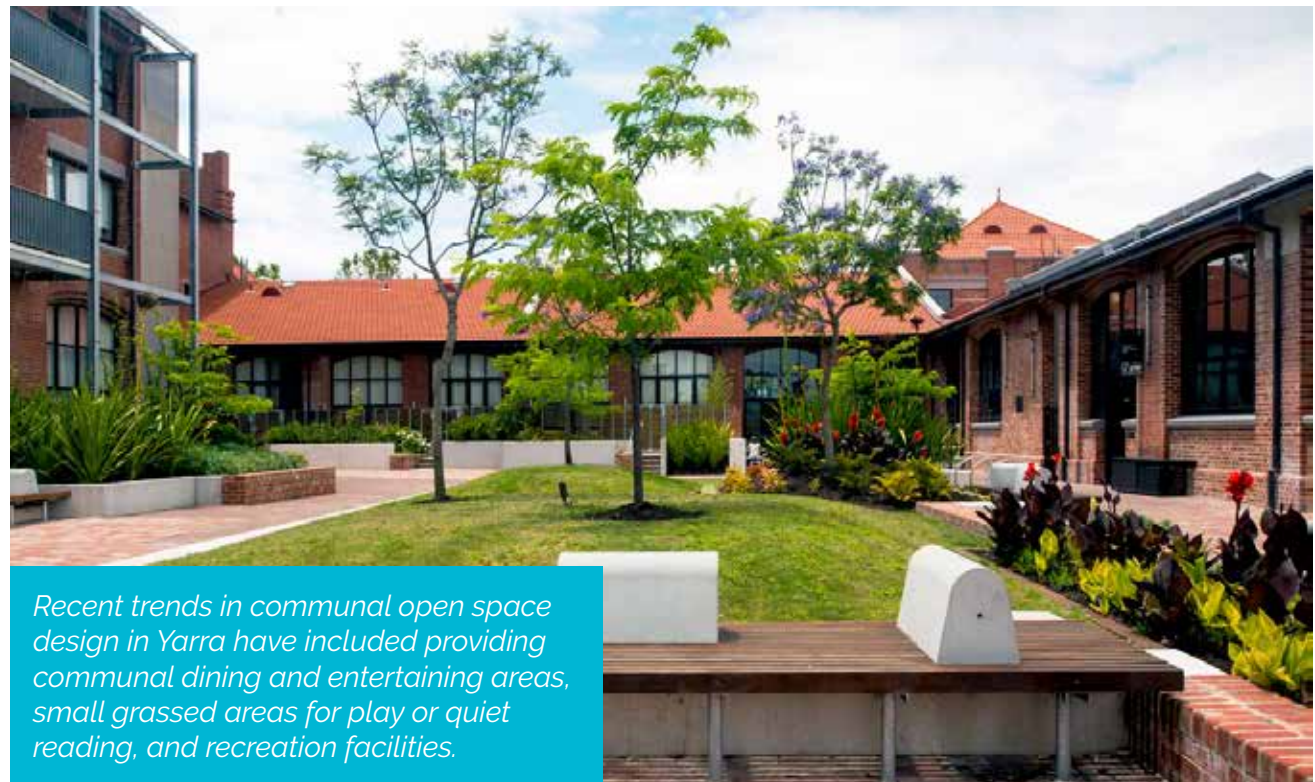
The new state-wide apartment design requirements in the Victorian Planning Provisions (VPP) require a minimum area of communal open space for development over 40 dwellings. The requirements do not provide guidance on the design, location, usability and accessibility of communal open space for particular households.

Given apartments will be the predominant housing form built over the next 15 years in Yarra, there is a need to ensure that the needs of all household types are considered in the design of communal open spaces in future high density developments.

It is anticipated that families will account for 30% of household growth over the next 15 years¹. The City of Vancouver’s *High-Density Housing for Families with Children Design Guidelines*² has been successful in providing clear guidance on designing family-orientated communal open space. The guidelines recommend that family units are concentrated on lower floors and around common play areas, which incorporate a mixture of durable hard and soft surfaces. In larger developments, it is good practice to provide a hierarchy of communal open spaces to allow households with different needs to use and enjoy the spaces.

Recent trends in communal open space design in Yarra have included providing communal dining and entertaining areas, small grassed areas for play or quiet reading, and recreation facilities. These facilities create a good environment for residents to interact and provide a balance between private open space in apartments and public open space in the surrounding area.

Improving the quality of the design and functionality of communal open spaces in apartment developments will enhance the long-term attractiveness of apartment living for all households in Yarra. The strategy will provide specific directions on how this can be achieved through the planning system.



Recent trends in communal open space design in Yarra have included providing communal dining and entertaining areas, small grassed areas for play or quiet reading, and recreation facilities.

¹ Department of Environment, Land, Water and Planning, 2016, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne.

² City of Vancouver, 1992, *High-Density Housing for Families with Children Guidelines*, Vancouver.

Diversity and adaptability

"Promote the inclusion of accessible and adaptable housing, and housing suitable for all life stages"

As more homes are constructed in Yarra, it is important to ensure that they are designed and built to meet the changing needs of occupants across their lifetime and enhance the liveability of the dwellings for the longer term. Providing a diverse mix of housing options for all residents (including people with disabilities, older persons and families) helps support social inclusion and will maintain Yarra's vibrant community into the future.

Planning for student housing

Yarra has four large tertiary institutions within its boundary, including:

- University of Melbourne, Burnley campus;
- Australian Catholic University, Melbourne campus;
- Melbourne Polytechnic, Fairfield and Collingwood campuses; and
- Kangan Institute, Richmond campus.

These institutions cater for a number of students from overseas, interstate and regional Victoria. Some of these students may require purpose built student housing to undertake their studies in Yarra. Student housing has a role in supporting tertiary institutions and their students. It allows students to more easily secure housing close to their place of study and also live with other students. Yarra supports the tertiary institutions and also student housing that has good access (by walking, cycling or public transport) to these institutions.



Better housing for larger groups, including family and share households

As apartment development in Yarra is expected to increase, there is a need to integrate housing diversity to cater for a wider range of households.

If apartment living is to be adopted by family and share households, the design of high-density housing needs to consider their needs, including sufficient internal space and adequate outdoor space³. The participants in the youth workshop noted that there is a lack of suitable share housing options in Yarra. They suggested that having access to large communal open and private spaces are key housing needs for groups of 3-4 people.

The *Auckland Design Manual* includes the following apartment design checklist for larger households⁴:

- Provide a diversity of apartment types and sizes;
- Provide good levels of amenity both inside and outside for larger groups and children;
- Provide a mix of housing tenure including affordable housing; and
- Ground floor apartments should be specifically designed for families with children and people with limited mobility.

Apartment development in Yarra should provide for larger apartments (three or more bedrooms) and for these to be located on the ground floor, particularly around or near communal space. Lower level apartments are considered more accessible for the disabled, the elderly and families with children.

Planning for an aging population

New apartments also need to better accommodate the needs of older people and people living with a disability (in 2016, 10.5% of the population in Yarra was 65 and over, and 3.5% needed help in their day-to-day lives due to a disability).

In Yarra, more older people are living in apartments. The number of people aged 60 and over living in apartments increased from 2,380 people in 2006 to 3,745 people in 2016⁵. A person may choose to relocate to an apartment for many reasons including financial factors, health issues, death of a spouse, lifestyle change or wanting to downsize.

The Federal Government actively encourages older people to downsize. People aged 65 and over are able to make a large contribution to their superannuation fund from the proceeds of selling their family home. The purpose of this measure is to encourage people to downsize into housing that is more suitable to their needs, freeing up larger homes that can accommodate families. An alternative is for larger homes to support intergenerational living.

Research on downsizing among older Australians revealed that satisfaction with a dwelling is often related to⁶:

- Limited home maintenance;
- Having enough internal space to entertain;
- Having access to shared common spaces;
- The layout and accessible design of the dwelling;
- Adequate storage;
- Good owners' corporation;
- Proximity to shops, transport and services; and
- Living in a safe area with good security.

3 Waltham Forest Council, 2009, *High Density Housing Qualitative Study Presentation of Findings*, Urban Initiatives, London.

4 Auckland Council, 2018, *Auckland Design Manual: Apartment mix and designing for families*, Auckland.

5 Australian Bureau of Statistics, *Census of Population and Housing 2006 and 2016*.

6 Judd, B. et al, 2014, *Downsizing amongst older Australians: AHURI Final Report No.214*, Melbourne.

Planning for more inclusive housing

The provision of apartments that adopt universal design principles helps support independence and improves a resident's quality of life by allowing them to remain in their local area longer. Yarra supports the Australian Network for Universal Housing Design and Rights and Inclusion Australia's position statement that the homes we build for today should be fit for all of tomorrow's Australians. The *Livable Housing Design Guidelines*⁷ is a benchmark for making housing more accessible and usable for everyone.

The guidelines note that a liveable home is designed to be:

- Easy to enter;
- Easy to navigate in and around;
- Easy and cost-effective to adapt; and
- Responsive to the changing needs of home occupants.

New state-wide, apartment development planning requirements now require that 50% of dwellings include basic adaptability provisions.



⁷ Livable Housing Australia, 2017, *Livable Housing Design Guidelines: Fourth Edition*, Sydney.

⁸ Department of Social Services, 2017, *2016–17 Report on the Operation of the Aged Care Act 1997*, Canberra.

Planning for more residential aged care facilities and retirement villages

While Yarra supports and encourages people being independent long into retirement, it is sometimes necessary for a person to relocate to a residential aged care facility or retirement village to receive adequate support.

In Yarra, seven residential aged care facilities provide 304 beds and two retirement villages provide 202 apartments. While an additional 501 beds have been recently approved via the planning permit process, Yarra will still have a predicted shortfall of 109 beds by 2025 (Federal Government target based on 80 aged care beds per 1,000 people aged 70 years or over⁸).

Yarra's adopted *River of Life Positive Ageing Strategy and Action Plan 2007-2016* identifies that a person's ability to age in place is determined by the availability of appropriate accommodation. To meet future demand from an aging population, Yarra will require more residential aged care facilities and retirement villages.

The Planning Policy Framework (PPF) recognises that residential aged care facilities are different to dwellings in their purpose and function, and will have a different built form (including height, scale and mass) to other forms of residential development.

Residential aged care facilities in inner Melbourne typically take the form of apartment buildings, given high land values and the industry's standard operating model. Yarra should encourage that this type of development is located in activity centres

that are well serviced by public transport, and accessible to hospitals and other specialist medical facilities.

The existing maximum building height controls in the current suite of residential zones often do not support state planning policy to facilitate aged care development. The Victorian Government is in the process of reforming existing planning controls to support a more streamlined approach to developing residential aged care facilities. The proposed controls will be in the form of a new Particular Provision that has been prepared to provide a focused point of assessment for residential aged facilities in residential areas. The Particular Provision will form part of the Victoria Planning Provisions and be included in every planning scheme across the state, including the Yarra Planning Scheme.

Emerging housing model - cohousing

Cohousing is an emerging housing model that aims to mix private and shared spaces in a way that meets the need for both privacy and a sense of community and support.

Typical characteristics of cohousing include:

- Future residents are involved in the design process to ensure the building meets their needs;
- Both private and shared spaces, and encourages community interaction;
- Residents are usually actively involved in the governance of the property; and
- Mix of dwelling size and density.

Research⁹ on cohousing has found that, for older people in particular, it can provide:

- An affordable home;
- Accessible design;
- Ageing in place and connections to their friends and local community across generations;
- Good access to care (e.g. shared residential carers); and
- Positive social and environmental outcomes.

Cohousing can provide housing that is affordable, accessible and facilitates social interaction. In Yarra, cohousing and its benefits are not well understood by the community and this may limit residents' acceptance of cohousing development. Planning policy support for cohousing can remove some barriers to this type of development.



⁹ Institute for Sustainable Futures at the University of Technology Sydney, 2017, *Advancing Cohousing for Seniors*, viewed 24 July 2018, <<https://www.uts.edu.au/research-and-teaching/our-research/institute-sustainable-futures/our-research/social-change-4>>.

Affordable housing

“Support provision of affordable housing including through cohousing and housing associations”

The strong demand to live in Yarra has resulted in rapid house price growth and high land values in the past decade. The high purchase prices in Yarra (the median house price in 2017 was approximately \$1,400,000 with units at \$582,750)¹⁰ mean that many households are unable to purchase property in Yarra, especially lower income households. While renting for many households is more viable than purchasing a home, the cost of renting in Yarra is still cost prohibitive for many households.

Currently most of Yarra’s workers (86%), including key workers, live outside the municipality. Key workers, including teachers, fire/emergency workers, nurses, paramedics and police, provide essential services for the community and, due to the nature of their work, often need to live close to their workplace. Research has shown that key workers are increasingly being priced out of inner city areas, such as Yarra¹¹, as they typically earn moderate rather than high incomes¹².

To maintain Yarra’s social and economic diversity, there needs to be more affordable housing (as defined at section 3AA of the *Planning and Environment Act 1987*) in Yarra.

Planning for more affordable housing

An objective of planning in Victoria is to facilitate the provision of affordable housing.

Within the current legislative framework, local government can provide for more housing for very low, low and moderate income households by:

- Entering into an agreement, under section 173(1A) of the *Planning and Environment Act 1987*, with a land owner for the development or provision of affordable housing;
- Advocating for policy and legislative changes; and
- Facilitating partnerships between developers and affordable housing associations/providers.

With respect to affordable housing (that is not social housing), the exact income ranges of very low, low and moderate income households are specified by the Governor in Council, based on Australian Bureau of Statistics data.

In November 2017, Council adopted the *Policy Guidance Note on Affordable Housing in Significant Redevelopments in Yarra*. The note is one way that Yarra encourages the provision of affordable housing in new developments.

The note outlines Yarra’s expectations relating to affordable housing at significant redevelopment sites. With significant rezoning of commercial and industrial land to residential use, developers are expected to provide at least 5% affordable housing at sites yielding 50 dwellings or more, and work with a registered housing association/provider to deliver affordable housing.

Since adoption of the note, the property sector has become more receptive to providing more than 5% affordable housing at significant redevelopment sites. During public consultation of the draft strategy, many residents also stated that 5% is not a high enough target for affordable housing in Yarra, and that 10-15% would be more appropriate.

Yarra has worked with a number of site owners to provide at least 10% affordable housing. At the former GTV9 site, Richmond, affordable housing will represent at least 10% of the total number of new apartment dwellings. At the former Gasworks site, Fitzroy North a range of dwelling types will cater for a variety of housing needs including the provision of up to 20% affordable housing. Council will continue to seek additional affordable housing for our very low, low and moderate income community.

¹⁰ Department of Environment, Land Water and Planning, 2017, *A Guide to Property Values: Annual data and analysis from Valuer General Victoria 2017*, Melbourne.

¹¹ MacLennan, D, Ong, R, Wood, G, 2015, *Making connections: housing, productivity and economic development*, AHURI Final Report No. 251, Australian Housing and Urban Research Institute Limited, Melbourne.

¹² Gurrán, N, Phibbs, P, Gilbert C, Zhang, Y. 2018, *Options to improve key worker access to home ownership*, the University of Sydney, Sydney.

This strategy recommends introducing requirements into the Yarra Planning Scheme that seek at least 10% affordable housing when sites are rezoned for residential use, and in significant developments of 50 or more dwellings.

Emerging affordable housing models

There is currently a focus on strengthening the role of planning in facilitating and delivering affordable housing.

Emerging affordable housing models in Victoria include:

- Shared equity schemes, whereby an eligible purchaser shares the cost of purchasing a home with an equity partner;
- Inclusionary zoning that requires development in a certain zone include affordable housing;
- Utilising surplus government land to deliver additional affordable housing; and
- Specialist companies facilitating collaborative development projects for key workers¹³.

Yarra should continue to advocate for policy and legislative changes that enable councils to secure affordable housing. As the community and the affordable housing sector respond to the issue of affordability, Council needs to be receptive to innovative models that may arise.



The term affordable housing refers to housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households.

¹³ Gurrán, N, Phibbs, P, Gilbert C, Zhang, Y. 2018, *Options to improve key worker access to home ownership*, the University of Sydney, Sydney.

Access and movement

“Increase space for pedestrians and bikes, dedicated lanes/corridors decrease car space on the streets”

Yarra is well serviced by all modes of public transport and has an extensive cycling and pedestrian network. The public transport network in Yarra has resulted in a large number of people using sustainable transport modes on a day-to-day basis. More residents per capita ride bicycles to and from work than in any other metropolitan Melbourne area. In 2016, 8.6% of people in Yarra travelled to work on a bicycle, compared to the greater Melbourne average of 1.4%. Yarra’s compact urban form also promotes shorter travel distances and is conducive to active modes of transport.

The strategy should continue to promote Yarra as a place where people can get most of their day-to-day goods and services, or access schools and open spaces, within a short walk or cycle. Identifying areas in activity centres that are appropriate to accommodate housing growth will help achieve this outcome. There is a need to ensure car parking is supplied and managed to promote more sustainable transport modes.

While Yarra has excellent public transport options, it also includes a number of major arterial roads, which are highly utilised and important for the wider metropolitan region. These through-roads generate increased traffic volumes on Yarra’s local road networks and create traffic congestion. Addressing the impacts of traffic congestion in Yarra will require a significant societal shift from private car based travel to more sustainable forms of transport. This cannot be addressed by the strategy alone.





Sustainability

“Encourage housing development with high environmental qualities”

With increased growth and development there is a corresponding community expectation to increase the standards of design and amenity, communal open and internal space and responsiveness to local character.

Recent changes to the Yarra Planning Scheme [including the introduction of the Environmentally Sustainable Development (ESD) local planning policy and the new apartment design requirements] have provided a robust, consistent planning framework to optimise ESD outcomes at the planning stage of development.

The Built Environment Sustainability Scorecard (BESS) is a free assessment tool created by local governments to assist planning permit applicants demonstrate that their development meets best practice sustainability requirements as part of their planning permit application. In Yarra, a large number of applicants are utilising the BESS tool to create environmentally sustainable development reports for both smaller and larger developments.

These ESD planning initiatives are achieving substantial environmental benefits and contributing to enhancing the liveability of Yarra. Monitoring data of the ESD policy demonstrates that eligible dwellings commonly exceed the minimum energy efficiency requirements of the National Construction Code. This requires dwellings to achieve a minimum NatHERS rating of 5 stars and an average of 6 stars. With these planning provisions in place, no further guidance is required in the strategy to respond to this issue at this time.

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)¹⁴ 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 (including 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 Village, North Fitzroy/Clifton Hill;
- Rathdowne Village, Carlton North; and
- North Fitzroy Village (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 325,000¹⁵. 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.

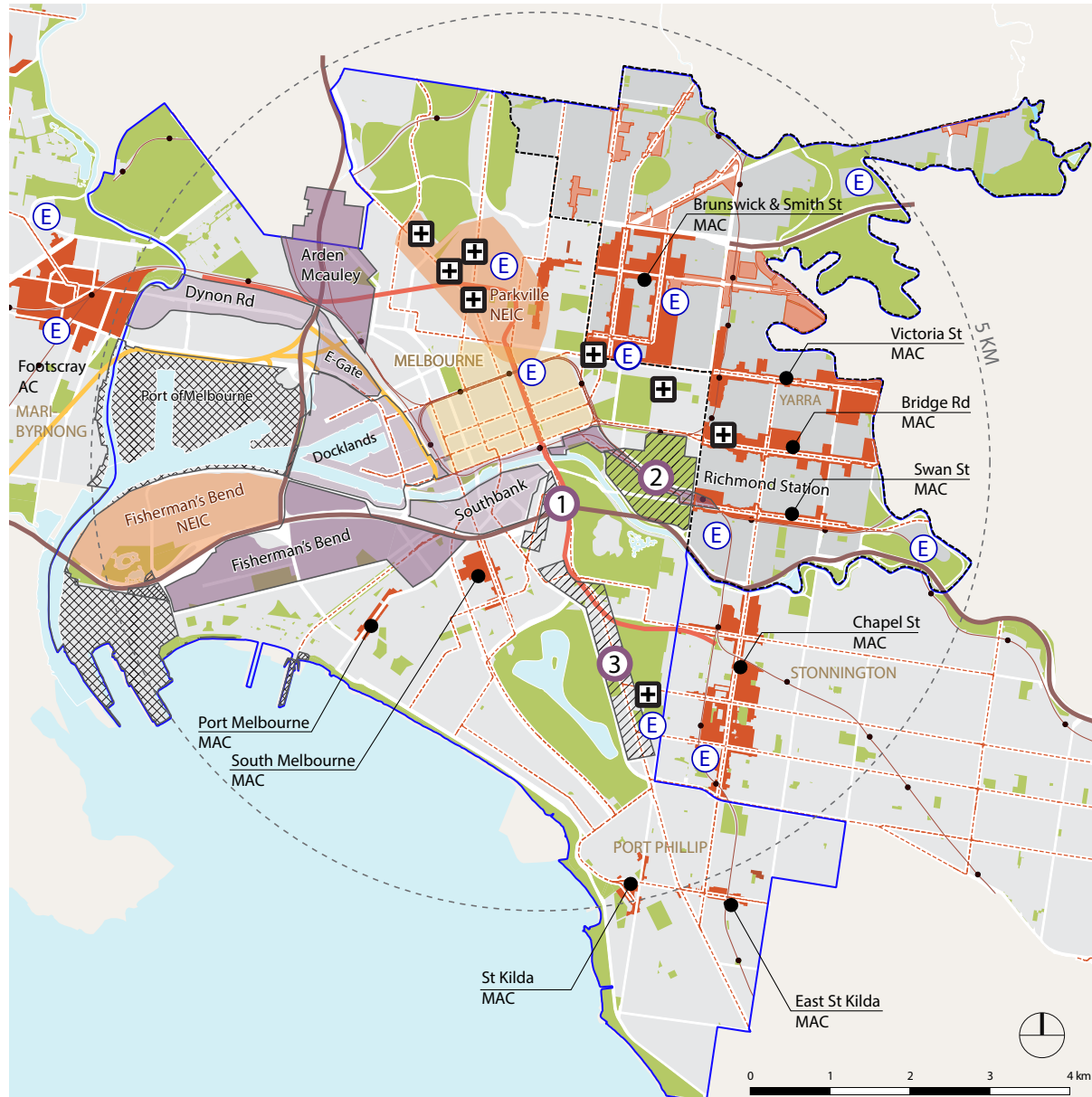
¹⁴ Department of Environment, Land Water and Planning 2017, *Plan Melbourne 2017-2050*, Melbourne.

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

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	Activity centres	
	Waterways		Melbourne central business district
	Open space		Major activity centres
	Health facility		Neighbourhood activity centres (Yarra only)
	Education facility	Plan Melbourne 2017-2050 precincts	
	Key precincts		Priority urban renewal precinct
	Arts precinct		Other urban renewal precinct
	Sports precinct		Port of Melbourne precinct
	St Kilda Road 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 20th century, initiatives such as the *Good Design Guide for Medium Density Housing* (GDGMDH)¹⁶ 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.

¹⁶ 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 2017-2021

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.

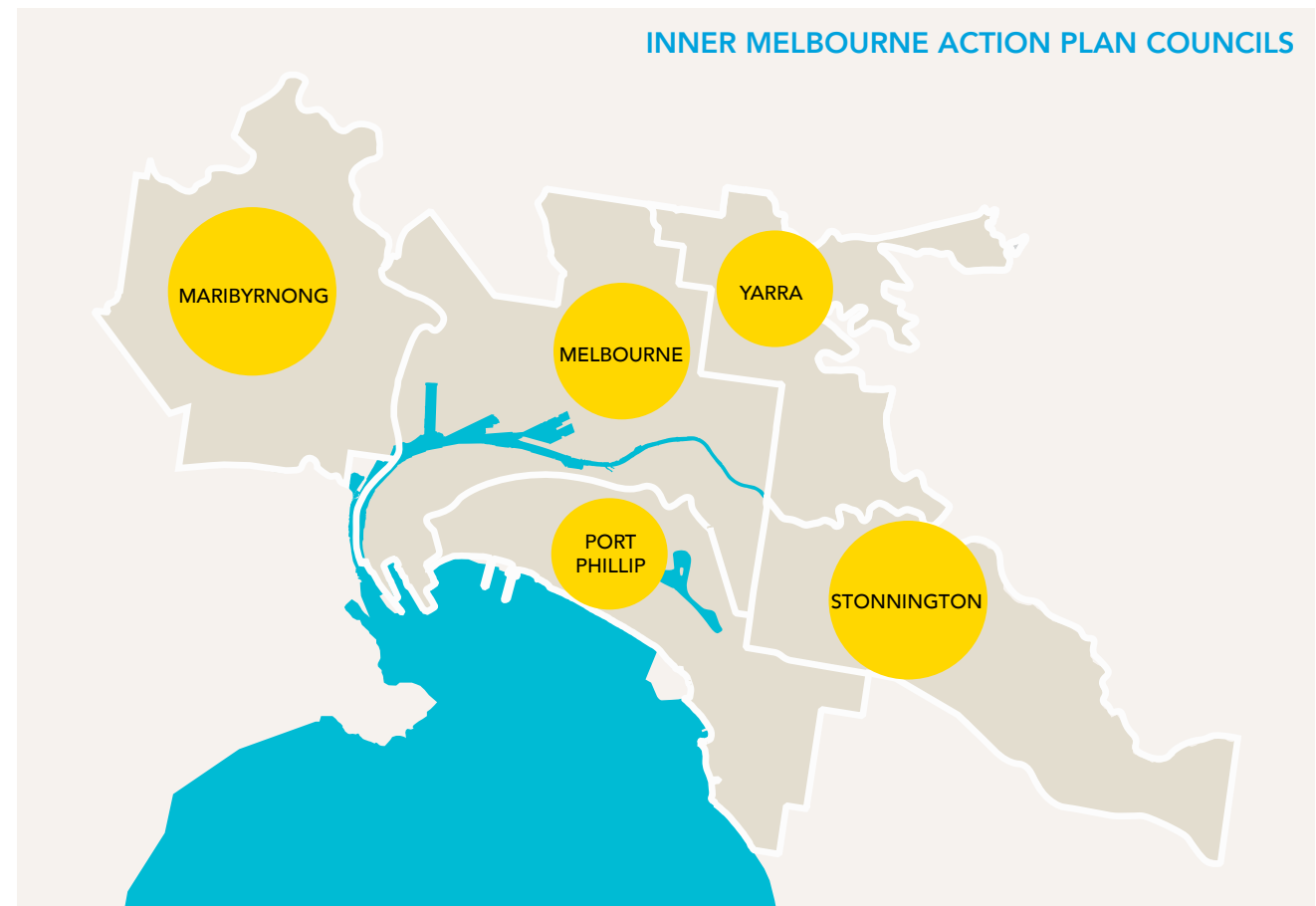
Given their geographical proximity, the IMAP councils share many similar issues and characteristics including, a high rate of employment and population growth, distinctive historic suburbs and extensive public transport networks. Comparing Yarra to the broader IMAP area provides a useful point of reference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

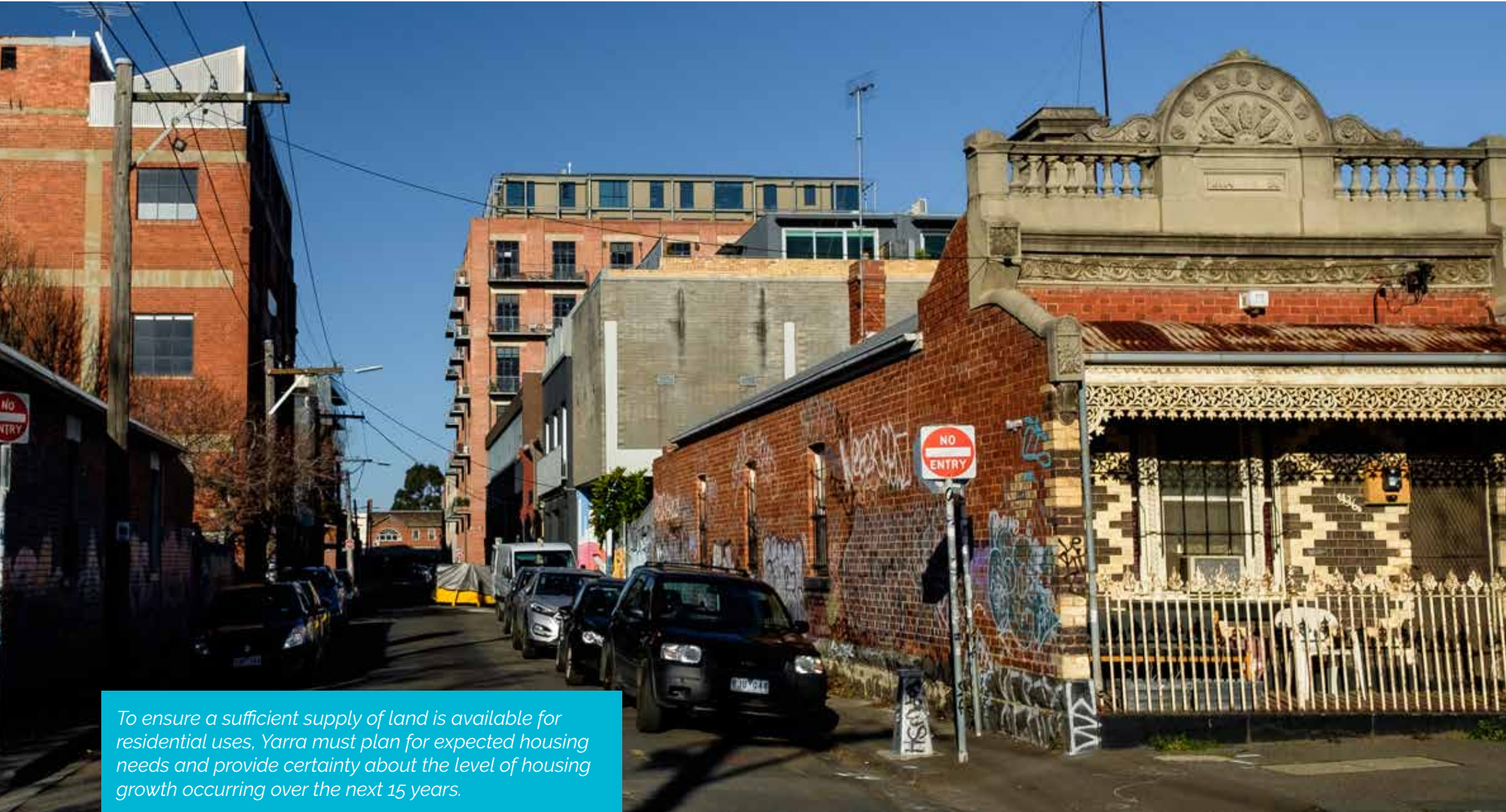
Plan Melbourne and the PPF provide clear support for the urban consolidation of Melbourne, particularly within and close to activity centres and along transport corridors (away from established residential neighbourhoods).

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.

4. A PROFILE OF HOUSING IN YARRA

Historical development

The rich and varied history of Yarra is reflected in its built form and mix of residential, industrial and commercial areas. The people, places, activities and economy in Yarra have all undergone significant change in the past years, decades and centuries.



1830-1850: GRID ROADS AND FIRST SUBURBS

Fitzroy was Melbourne's first suburb, following the subdivision of land between Melbourne City and Alexandra Parade in 1839.

Some suburbs, such as Carlton, were comprehensively surveyed and laid out while other areas, such as Collingwood and Richmond, were relatively unplanned. These areas had disjointed and often narrow streets and lots, and were places where cheaper housing was built.

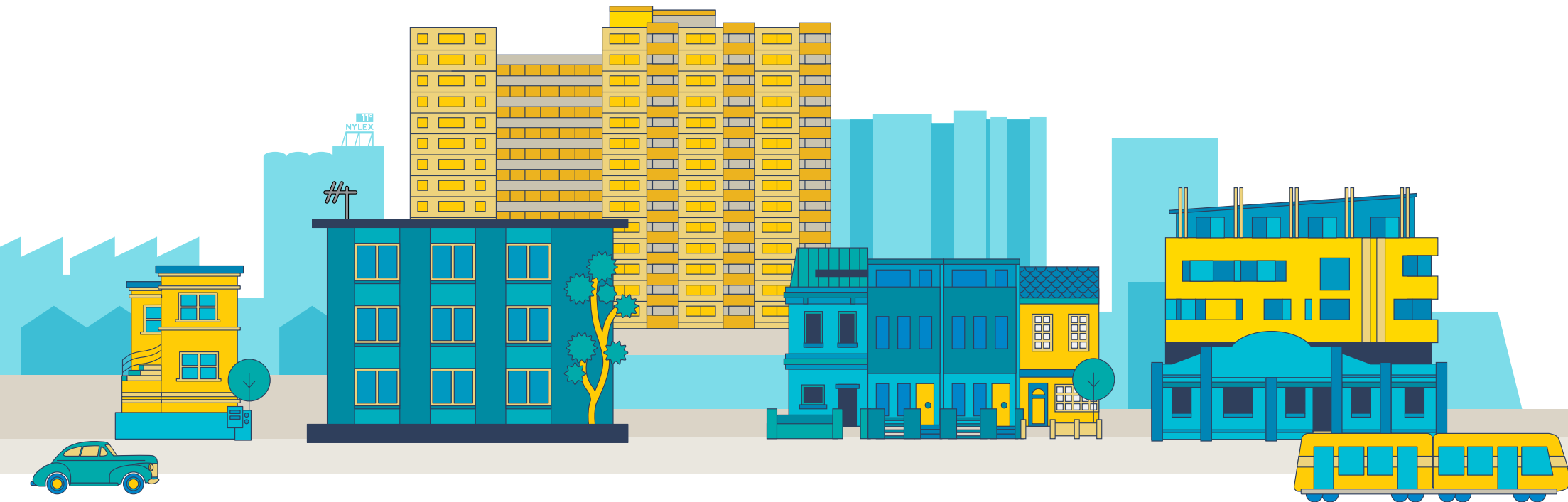
1850-1890: GOLD RUSH TO MARVELLOUS MELBOURNE

Introduction of grand houses in parts of Yarra in areas like Princes Hill, Carlton North, Fitzroy North and Richmond Hill.

More modest housing was constructed in Fitzroy, Collingwood, Abbotsford and Richmond for workers employed in developing industries nearby.

Melbourne's first cable tram routes were developed along the main roads in the latter part of the 19th Century, attracting long corridors of shops and businesses, forming the beginnings of what we recognise today as Yarra's major activity centres.

Many of Yarra's historical landmark buildings, including St Ignatius' Church and the Town Halls with their characteristic clock towers, were built during this period.



1920-1950: DEPRESSION AND AUSTERITY

The population decline of the interwar period resulted in different patterns of residential development across Yarra, with some expansion of industrial buildings.

During the Depression, the poorer parts of Fitzroy, Collingwood and Richmond were affected by poverty and classified as slums.

1950-1980: POST-WAR CHANGE

In the 1950s, while many families were moving to Melbourne's new suburbs, newly arrived migrants from southern European countries were moving to Yarra. Many joined the workforce of the thriving textile, clothing and footwear industries. These new residents brought new foods, languages and a change to the street life and culture.

The Housing Commission's slum clearance projects in the 1950s and 1960s also had a huge impact on Yarra. Whole blocks of houses were demolished and replaced with towering housing estates, dramatically changing the streetscape. Yarra's built form was also being changed by the Melbourne-wide boom in the development of apartment buildings.

1980-2018: RETURN TO THE INNER-CITY

The increasing popularity of the inner suburbs in the 1980s as places to live spurred the support for heritage protection for areas of cultural significance and provided the foundations for Yarra's existing heritage controls.

The turn of the millennium saw no slowing in demand for inner city living, business and leisure. Property development continued, diversifying to include creative work spaces, such as design and architectural studios, and niche manufacturing in industries that had a long history in Yarra, such as fashion and food production.

As urban consolidation gained more support in Melbourne in the early 2000s, development was actively directed to activity centres and former industrial areas within the inner city.

Recent changes in Yarra reflect a global trend of people wanting to live closer to city centres to access employment, an inner city lifestyle, nightlife and vibrant places. But change is not new; the area known now as the City of Yarra has been evolving since European settlement in the 1830s.

Yarra community profile

Understanding the population and household characteristics of Yarra, and how they compare to other local government areas, provides a good insight into Yarra’s residential role and function, and how it is likely to change in the future.

Based on 2016 Australian Bureau of Statistic (ABS) Census data¹⁷, Yarra contains a multi-cultural population with 28.9% of the population born overseas and 19% from a non-English speaking background. The largest non-English speaking country of birth in Yarra was Vietnam, where 3.0% of the population were born. In Yarra, 22% of people spoke a language other than English at home.

Yarra also has a young population and workforce, with the largest age group being 25 to 29 year olds, and the median age of residents being 33 years. The people in Yarra are also increasingly high earners, attracted to what Yarra has to offer such as its proximity to the city centre and its employment, entertainment and education attractors. In 2016, the median weekly personal income for people aged 15 years and over in Yarra was \$1,039, median family income was \$2,509 per week and median household income was \$1,958.

Yarra has one of the highest turnover rates of residents in Melbourne. In 2016, 52.6% of residents were new to their address in the last 5 years, 41.4% moved from elsewhere in Australia and 11.2% moved from overseas.



A DEMOGRAPHIC SNAPSHOT



28.9% of residents born overseas

3% of residents born in Vietnam



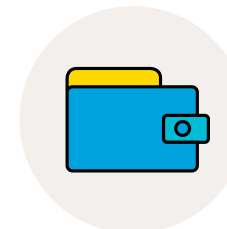
19% of residents come from a non-English speaking background

22% speak a language other than English at home



Largest age group is 25 to 29 year olds

Median age of residents is 33 years old



Median weekly income:

Personal: \$1,039
Family: \$2,509
Household: \$1,958



52.6% of residents were new to their address in the last 5 years

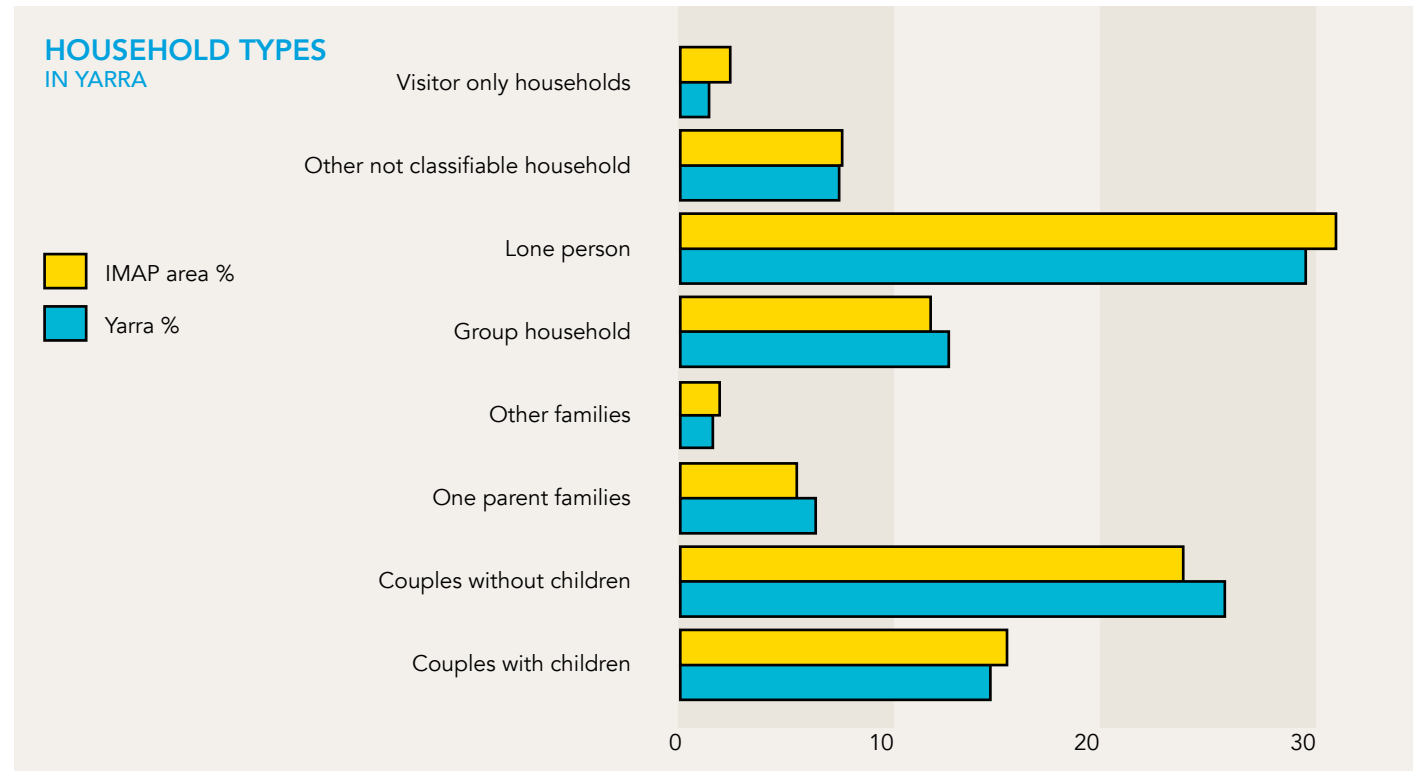
¹⁷ Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

In 2017, the estimated resident population of Yarra was 96,368¹⁸, living in 43,033 dwellings with an average household size of 2.1. The number of dwellings in Yarra have been growing at approximately 1,160 dwellings per annum since 2010¹⁹.

Household structure

Household and family structure is one of the most important indicators for understanding and planning for housing needs, providing insights into the level of demand for different types of housing within a municipality.

In 2016, the dominant household type in Yarra was lone person households followed by couples without children. This social trend is reflected throughout the IMAP area. Overall, the proportion of lone person households in Yarra was 29.5% compared to 31.0% in the IMAP area while the proportion of couples without children was 25.7% compared to 23.8% in the IMAP area.



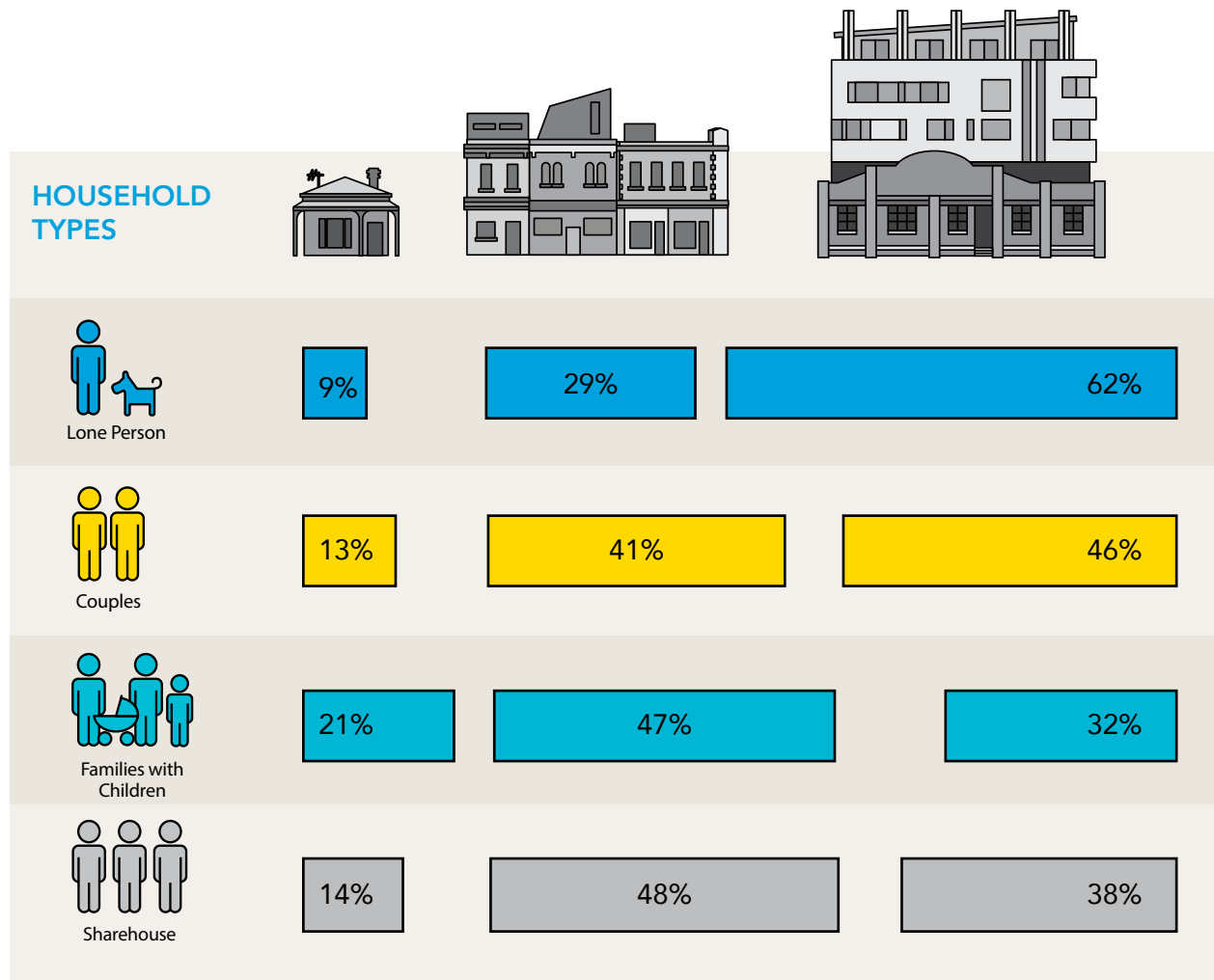
18 Australian Bureau of Statistics, Census of Population and Housing, 2016. Compiled and presented in profile.id by .id, the population experts.

19 Managing Residential Development Taskforce & Victoria, Department of Environment, Land, Water and Planning (issuing body) 2016, *Central Subregion: Residential Zones State of Play*, Melbourne.

Housing structure summary

In Yarra:

- Families with children were most likely to live in semi-detached, row or terrace or townhouses;
- Lone persons were most likely to live in an apartment;
- Couples were most likely to live in an apartment or semi-detached, row or terrace or townhouse;
- Share households were most likely to live in semi-detached, row or terrace or townhouses, or apartments; and
- One third of families with children lived in apartments.

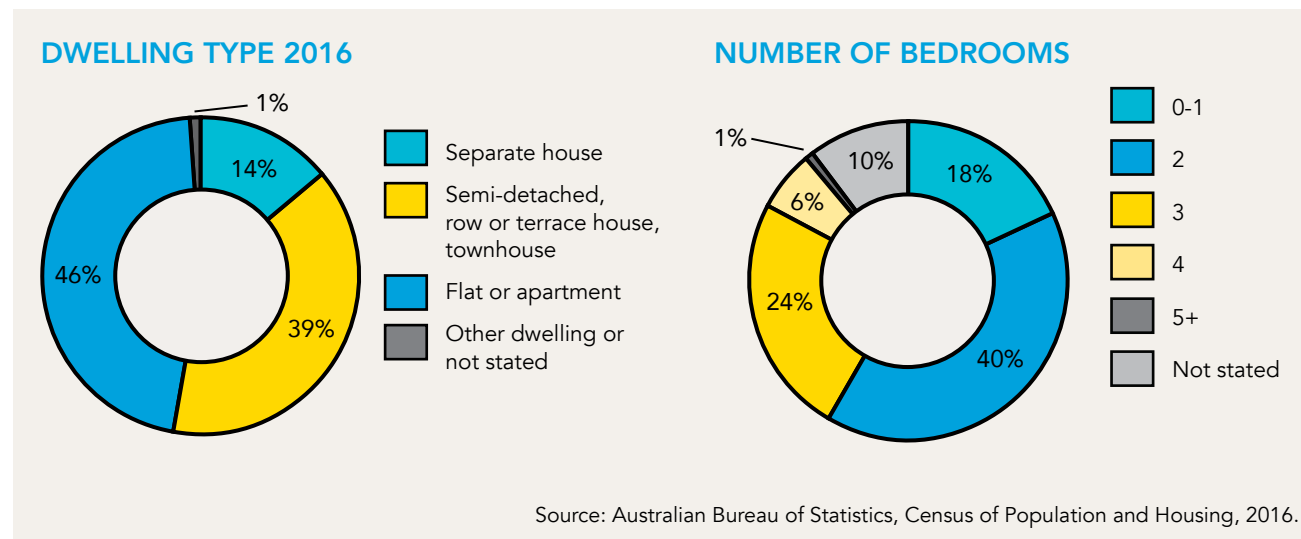


Housing diversity – dwelling type and bedroom split

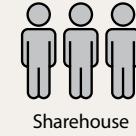
Yarra performs fairly well for an inner city municipality in terms of housing diversity. In 2016, more than 46% of the population lived in a flat or apartment, while only 14% of the population lived in separate housing.

New dwellings in Yarra increasingly have two bedrooms and are located in apartment developments (in 2016, 44% of dwellings were two bedroom dwellings and 46% were apartment dwellings).

These statistics correspond with the high number of lone person households in Yarra, with only 15% of households in Yarra being made up of couples with children in 2016, compared with 33% in Greater Melbourne. This trend is likely to continue.



HOUSEHOLD SPLIT BY DWELLING TYPE



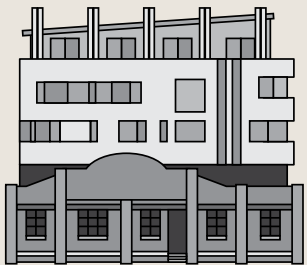
SEPARATE HOUSE

Separate houses are 14% of Yarra's housing stock and are predominantly occupied by families with children or couples without children.



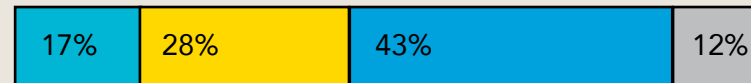
SEMI-DETACHED, ROW OR TERRACE HOUSE, TOWNHOUSE

Semi-detached, row or terrace houses and townhouses form 39% of Yarra's housing stock and are predominantly occupied by families with children or couples without children.



FLAT OR APARTMENT

Flats or apartments are 46% of Yarra's housing stock and are predominantly occupied by lone person households and couples without children.



Housing tenure

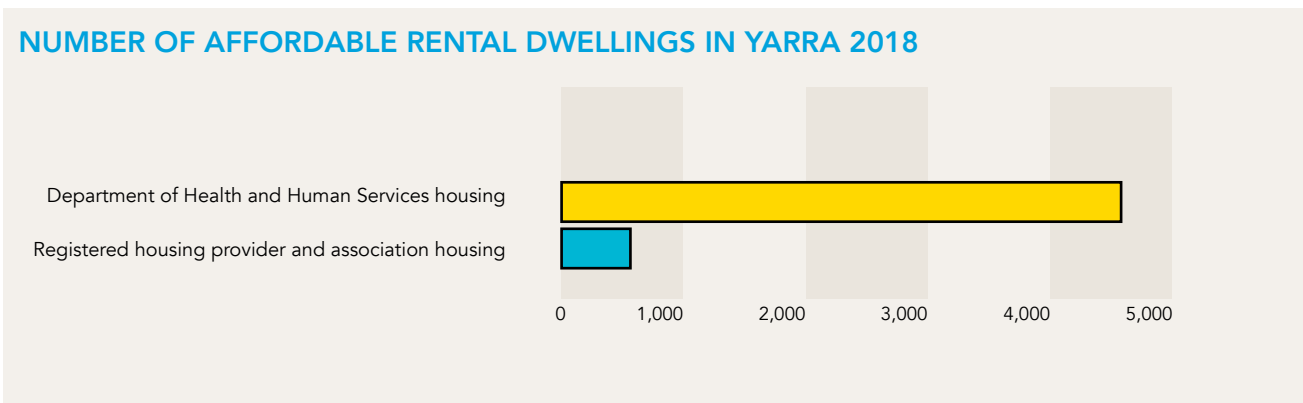
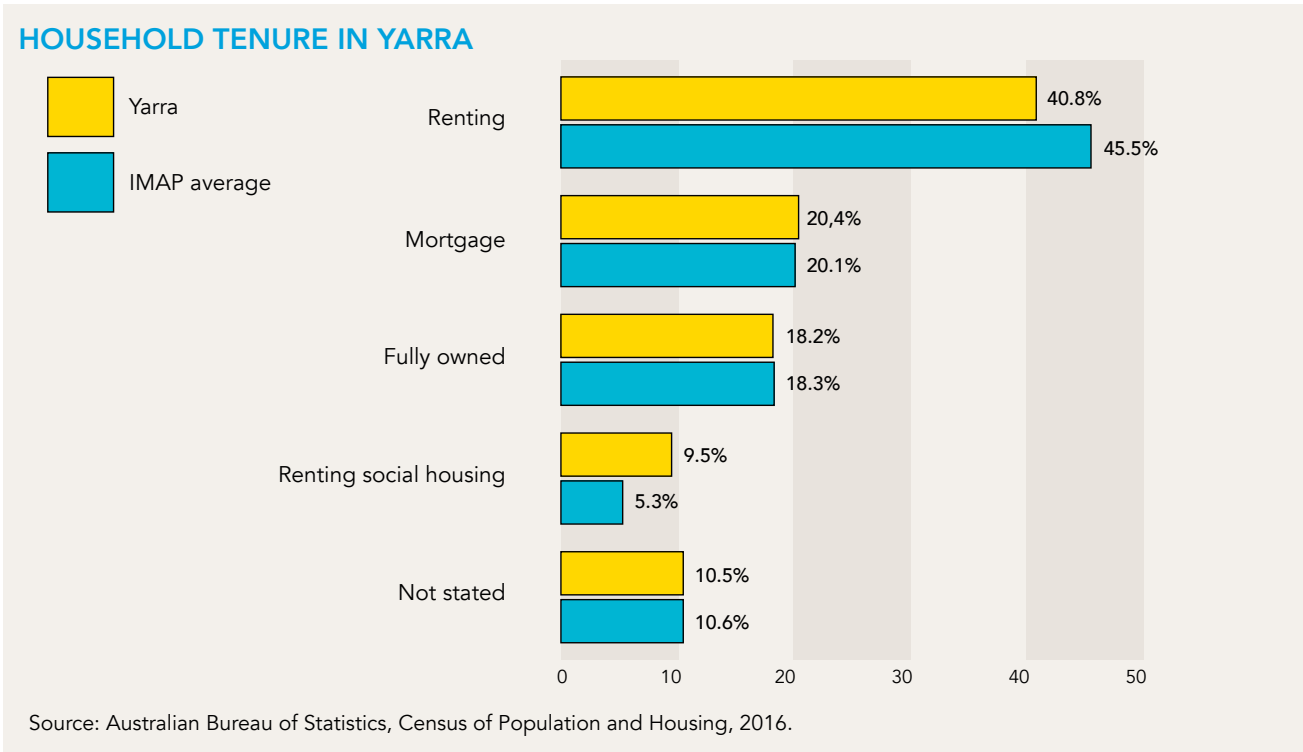
In 2016 the majority of people in Yarra rented (50.3%), followed by people who had a mortgage (20.4%).

The median mortgage repayment per month in Yarra was \$2,167 and median rent per week was \$421. These are comparatively high for metropolitan Melbourne prices, but consistent with IMAP councils.

Affordable and social housing

Yarra has a higher proportion of social housing compared to the broader IMAP area. In 2016, 9.5% of Yarra's households were renting their dwelling from a government authority, compared to the IMAP average of 5.3%. In Yarra, the Department of Health and Human Services owns and manages 4,615 dwellings. However, more and more, lower income households are facing reduced housing choice due to the limited availability of social housing in Yarra.

Registered housing associations and providers are increasingly delivering more affordable housing options. In Yarra, housing associations and providers manage and/or provide 573 affordable rental dwellings. Housing associations are companies that construct and/or acquire new affordable housing using a mix of government and private sector investment. They also manage housing properties owned by them or leased from other parties, such as the Director of Housing (DOH). Housing providers primarily manage rental housing portfolios for other parties, such as the DOH. Housing providers often specialise in particular client groups which may include disability housing, aged tenants and youth housing.



People sleeping rough in Yarra

In Yarra, most homelessness is hidden, including people staying in boarding houses or temporary accommodation, living in unsafe conditions, or sleeping on friend's couches.

Homelessness is a complex issue and StreetCount helps councils to better understand the problem and plan support, services and longer term solutions. In June 2018, IMAP councils undertook a joint count of people sleeping rough in inner Melbourne. StreetCount 2018 recorded 392 people sleeping rough across inner Melbourne, with 29 people recorded in Yarra.

Key findings across the five municipalities include:

- 78% were male and 22% female;
- 54% of people were aged 26-40 and 34% aged 41-60;
- 79% were Australian born;
- 14% identified as Aboriginal and Torres Strait Islander;
- 35% of people were sleeping on the street, 13% in parks and 48% in various other locations including river banks;
- 42% of people surveyed were on the social housing waiting list; and
- 14% of people surveyed had been transient for more than five years.

The StreetCount 2018 results highlight the need for Yarra to advocate and facilitate more affordable and social housing in inner Melbourne.

Implications for the Yarra Housing Strategy

Yarra has a young, well educated population and workforce. Despite relatively high income levels of residents in Yarra, renting is the most viable option for the majority of people, given high costs associated with purchasing a home. While renting is the cheaper option of the two, the cost of rent is still high and can be unaffordable for many very low to moderate income households. The strategy should seek to encourage an increase in affordable housing options to maintain social diversity.

Yarra also has a highly transient population. While many people generally prefer to stay in the same area, a lack of suitable housing options, particularly for families, can make this difficult. New apartment developments in Yarra predominantly have two bedrooms and as such are typically occupied by lone person households. For all life stages and household types, people should be able to access housing that meets their needs. The strategy should consider how best to facilitate, at the planning and design stage, apartment and other developments that meet the needs of a wider range of household types.



5. WHAT ARE WE PLANNING FOR?

Yarra has experienced rapid population and housing growth in the past decade, with an increase of 17,208 persons between 2011 and 2016²⁰. This represents a 3.7% yearly increase and corresponds with a peak in housing development completions.

This is an unprecedented growth rate for Yarra, but is forecast to reduce to a yearly growth rate of approximately 2%. Over the next 15 years, Yarra will need to accommodate its growing population.

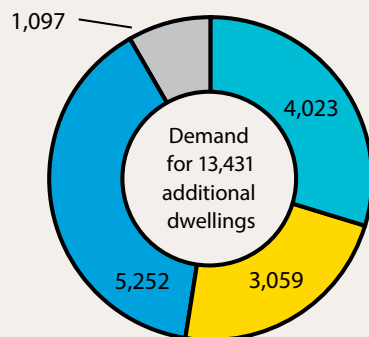
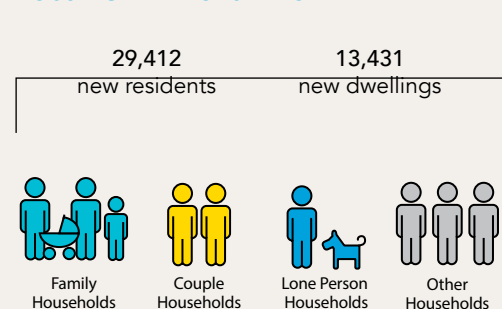
Population and household projections

The VIF2016 population and household projections indicate there will be 29,412 new residents in Yarra and 13,431 new dwellings required by 2031²¹. The VIF2016 projected change in household types in Yarra from 2011 to 2031, indicates continual growth in lone person households, while the proportion of couples without children is expected to slightly decline. The number of families will increase to 26% which accounts for a 30% share of new households in the next 15 years.

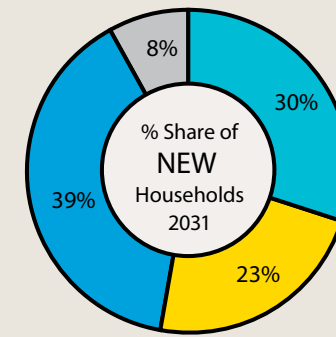
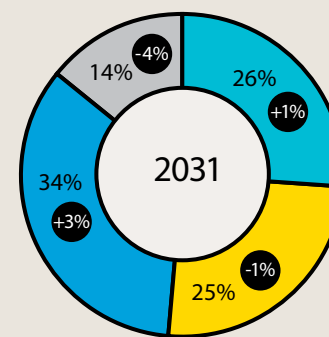
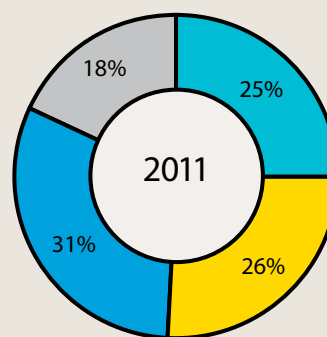
The additional 29,412 new residents will likely form households that are:

- 30% family households (including single parent families), or 4,023 households of this type;
- 23% couples households, or 3,059 households of this type;
- 39% lone person households, or 5,252 households of this type; and
- 8% share households, or 1,097 households of this type.

FORECAST 2016-2031 HOUSING AND POPULATION



PROPORTIONAL GROWTH IN HOUSEHOLD STRUCTURE



20 Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016.

21 Department of Environment, Land, Water and Planning, 2016, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne.

Implications for the Yarra Housing Strategy

In the past decade, Yarra has undergone significant population and housing growth, which is expected to continue over the next 15 years. The State Government's population and household projections indicate that by 2031, there will be 29,412 new residents in Yarra requiring 13,431 new dwellings. Yarra supports the development of new housing to meet the demands of its growing residential population. However, as more housing is constructed in Yarra, it is important to ensure that it is designed to meet the needs of the municipality's population over their lifetimes. This includes transitions between shared, sole person, couple and family housing, and downsizing later in life.

Yarra is planning for more housing choices to support a diverse community, by facilitating and advocating for more affordable housing, liveable apartments with sufficient communal internal and open space, and dwellings that are adaptable and accessible.



6. HOUSING TRENDS IN YARRA

Increased residential development

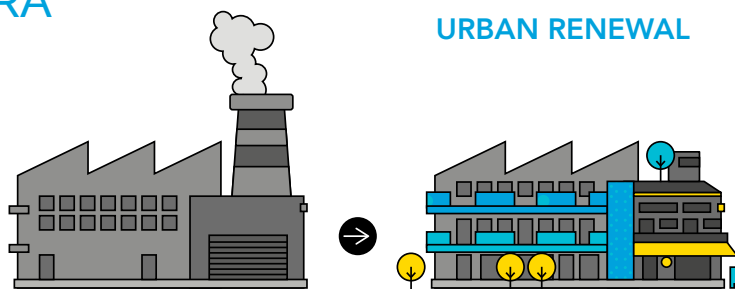
As the demand for living and working in Yarra has increased, so has the supply of commercial and residential development. Development in Yarra is at its highest level in ten years.

Yarra's growth trajectory has mirrored metropolitan Melbourne's growth with the rate of new dwellings steadily increasing from 2010. Over the decade from 2005-2014²², Yarra saw an average increase of 830 dwellings per annum, with Richmond seeing the greatest increase. Since 2010, the annual increase has risen to 1,160 dwellings per year.

Approvals for apartment developments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015). There appears to be a consistently high rate of conversion from development approval to construction in Yarra.

Over the decade, there were 581 projects in Yarra that produced a net dwelling increase.

²² Department of Environment, Land, Water and Planning, 2014 Housing Development Data - Yarra, Melbourne.



87%

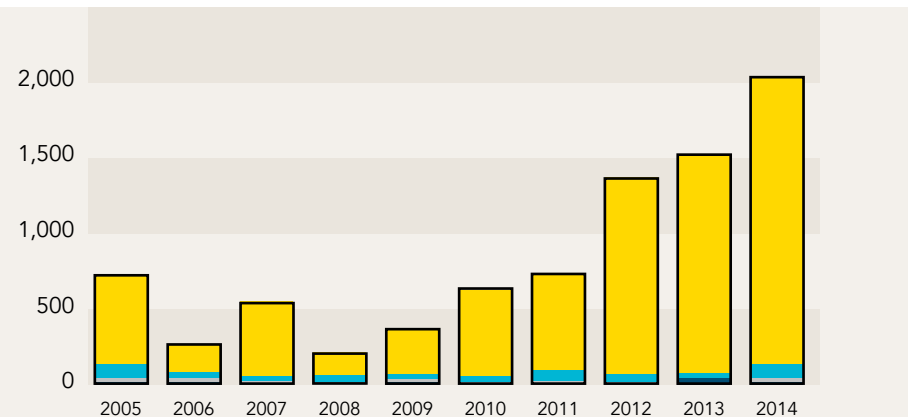
87% of housing development was urban renewal (development of underutilised medium and large scale urban areas, precincts or sites for mixed land use purposes) and 13% was infill (development of vacant or underutilised land in existing urban areas)

72%

72% of new dwellings were in activity centres or on strategic redevelopment sites.

ANNUAL NET INCREASE IN DWELLINGS

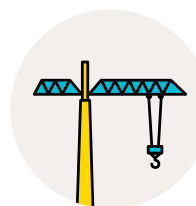
- 10+ dwellings
- 3-9 dwellings
- Dual occupancy
- Single dwelling



Source: Housing Development Data 2014



581 housing projects in 10 years has transformed 54 ha of land.



Projects with 10+ dwellings were most prevalent in Richmond and Collingwood, while smaller projects with 2-9 dwellings were mostly in Richmond and Fitzroy North.



Since 2010, the number of new dwellings in Yarra has grown at a rate of 1,160 per year.



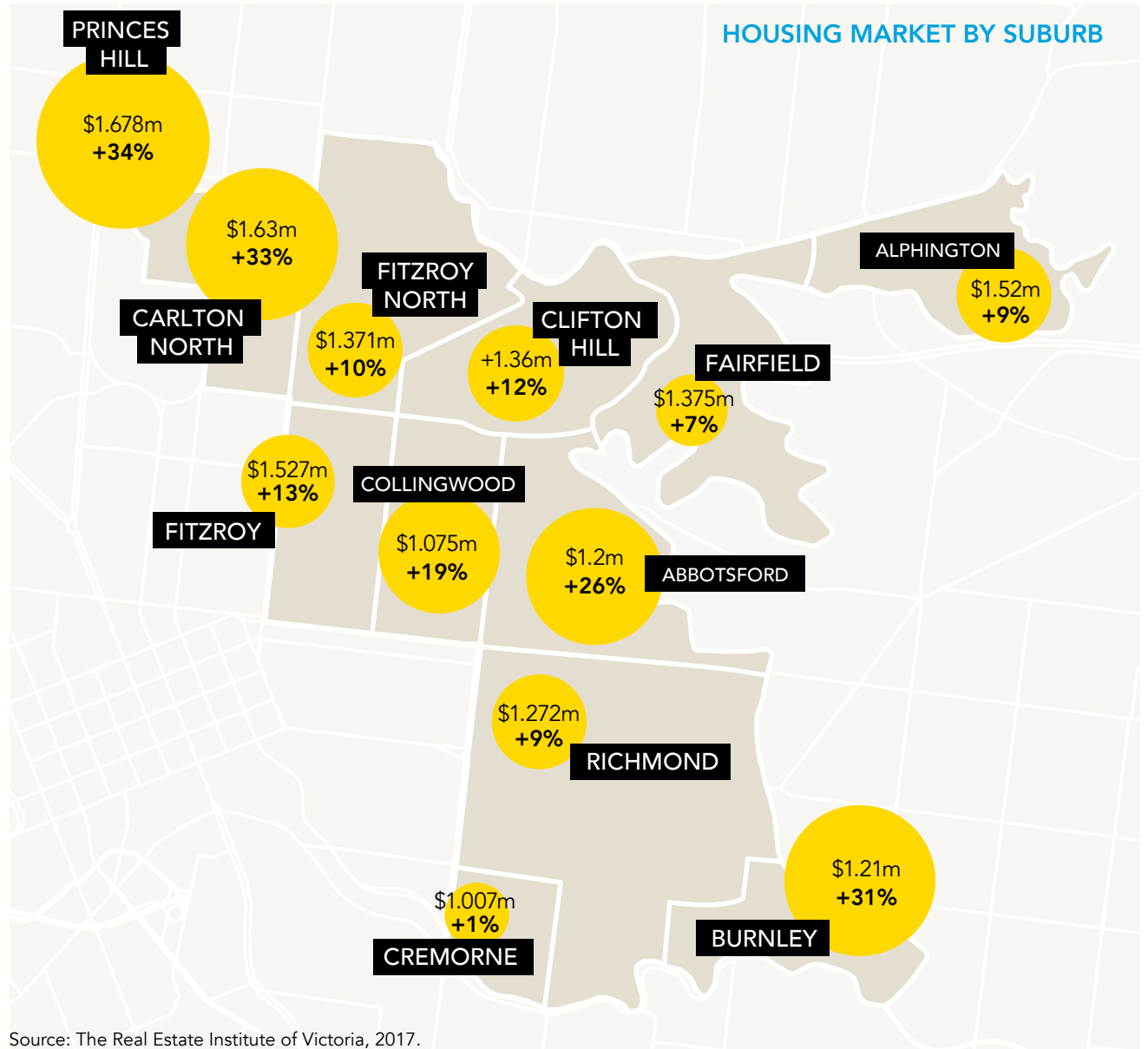
Approvals for apartments over 4 storeys have doubled from 2,394 (2006-2010) to 4,904 (2011-2015).

Unprecedented population growth and strong economy supporting the housing market

Melbourne’s high population growth, liveability and booming economy has underpinned a strong housing market in recent years²³. Population forecasts and economic outlooks indicate that this is expected to continue to support the Melbourne housing market in the medium term.

In the past two years Richmond and Abbotsford have emerged as two of the highest performing housing markets in Melbourne, houses are outperformed by apartments due to the high number of new apartment developments under construction. Higher quality developments and larger apartments are attracting a growing population of downsizers.

Yarra’s reputation as a prime residential property location continues with significant increases in property values in the last 12 months. Capital growth of more than 10% was almost universal across the municipality, but indicators reflect a cooling housing market currently²⁴.



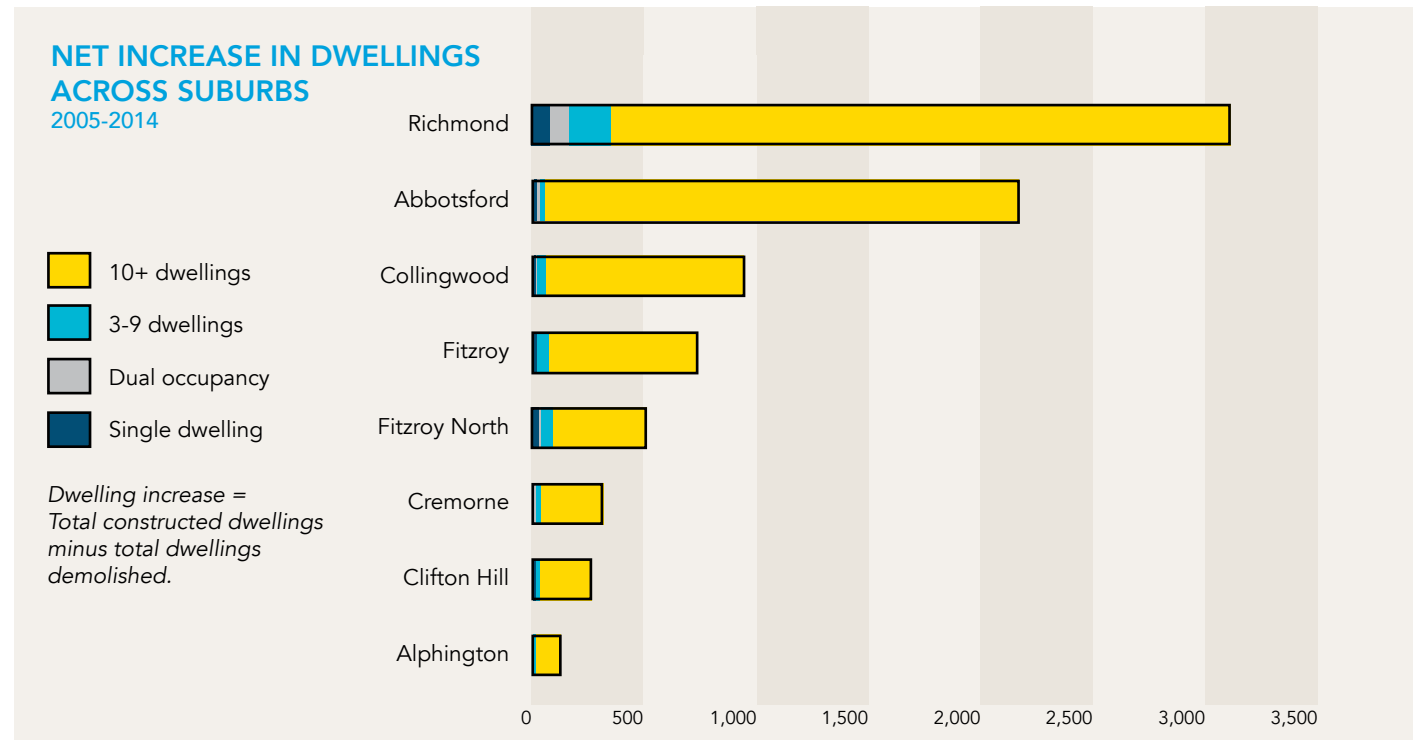
23 Lucas, C and Heffernan, M, 17 August 2017, *Melbourne named world’s most liveable city by The Economist for seventh year*, The Sydney Morning Herald, accessed 29 January 2018, <<http://www.smh.com.au/business/the-economy/melbourne-named-worlds-most-liveable-city-by-the-economist-for-seventh-year-20170815-gxx1kg.html>>.

24 Jellis Craig, 2017, *The Report Richmond and Surrounds*, 2017, Melbourne.

Location of housing growth in Yarra 2005-2014

Overall, the location of the housing growth in Yarra between 2005 and 2014 was spread fairly evenly between residential areas, activity centres and nominated strategic redevelopment sites, each accommodating approximately 30% of total housing growth.

Only 10% of the projects recorded in the Housing Development Data²⁵ were projects over 10 dwellings. The majority of larger projects were within (or close to) activity centres and on strategic redevelopment sites.



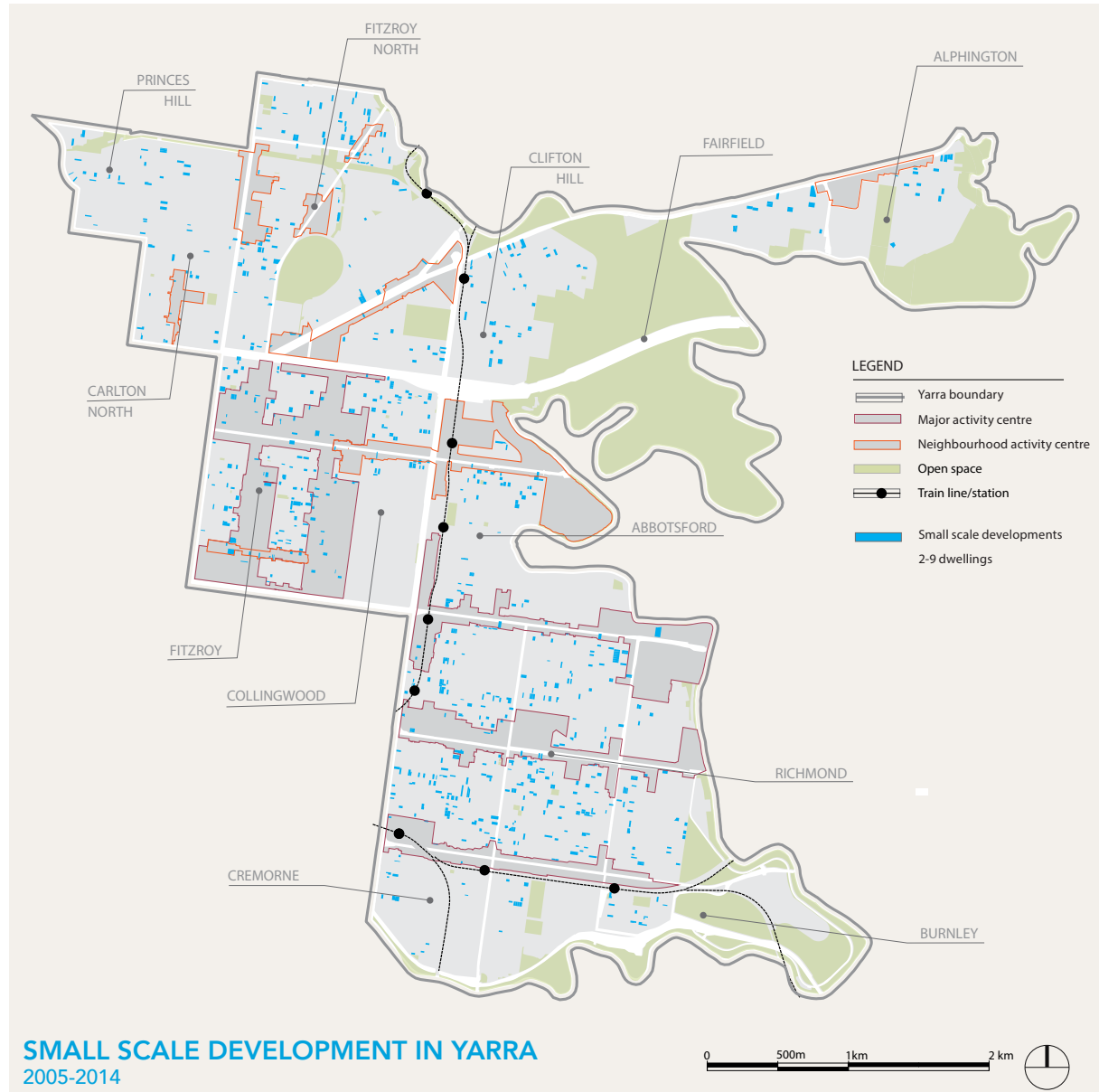
25 Department of Environment, Land, Water and Planning, 2014 Housing Development Data - Yarra, Melbourne.

Small scale development in residential neighbourhoods (2-9 dwellings)

Housing development in Yarra during this time was predominantly small-scale, comprising dual occupancy and 3-9 dwelling developments. Yarra's residential neighbourhoods absorbed most of the small scale development, with the largest number of projects in Richmond. Small scale development has increased housing diversity in Yarra's residential neighbourhoods, and provided more housing choice for residents. Approximately 75% of the small scale projects, delivered only 2-3 dwellings (dual occupancy and townhouse developments). The remaining projects delivered between 4 and 9 dwellings (townhouses and low-rise small apartment developments).

There was a high level of renewal of individual houses across the municipality, with 148 dwellings recorded as demolished and replaced by a new single dwelling. These projects were most prevalent in Richmond and North Fitzroy. In addition to replacement dwellings, there has been a high level of residential extensions across the municipality; cumulatively changing the housing stock, with most redevelopments and extensions increasing the size of dwellings and bedroom numbers.

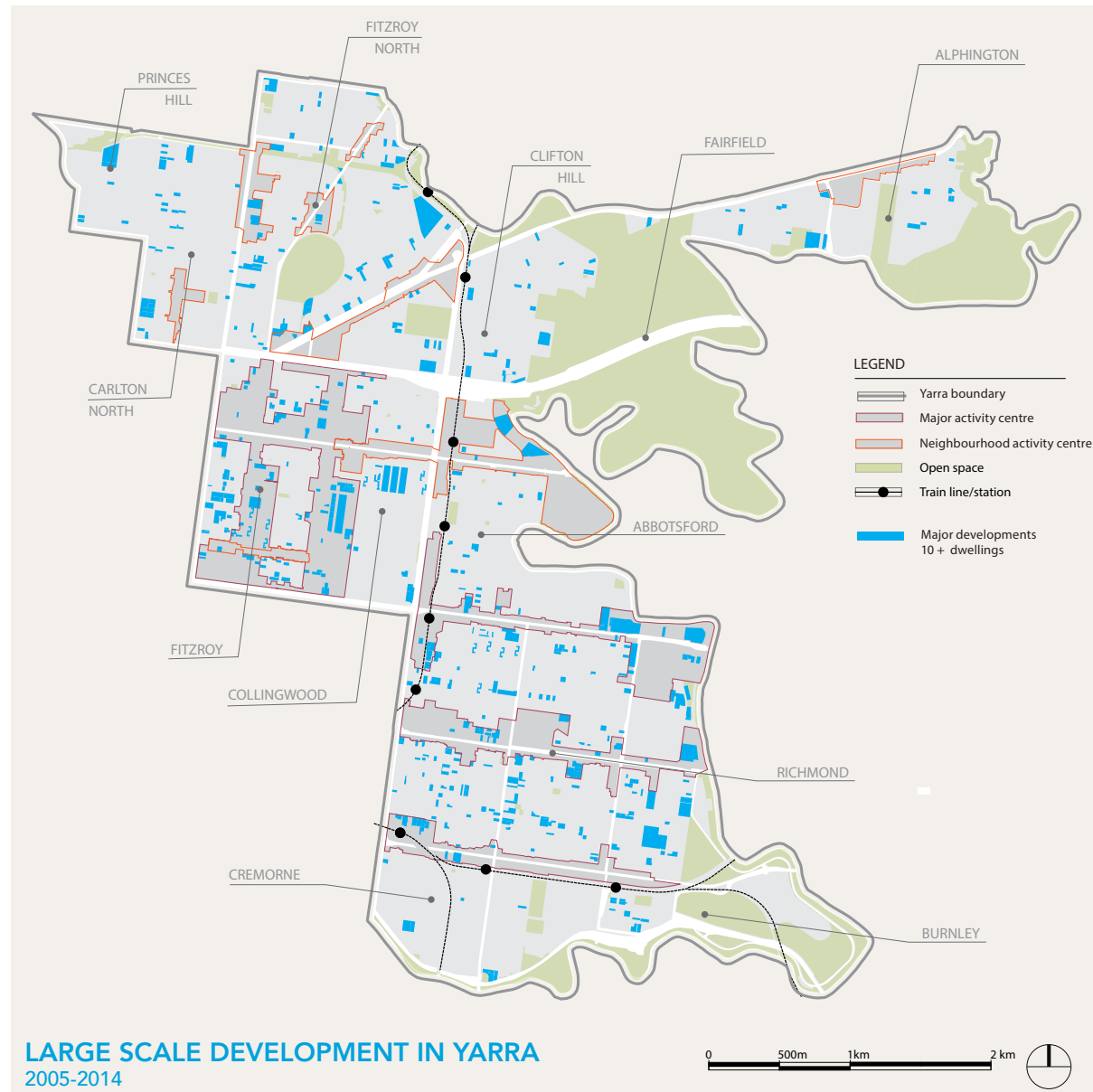
The established residential neighbourhoods of the municipality (including Carlton North, Fitzroy North, Clifton Hill and Alphington) have seen minimal housing development.



Larger developments in activity centres and Strategic Redevelopment Sites

The limited opportunities for substantial growth in Yarra's residential neighbourhoods have resulted in more intensive development in Yarra's major activity centres and former industrial areas, adding new housing near jobs, transport and services. Larger sites are common in these areas. Larger sites tend to be easier to develop and provide a greater level of design flexibility. Residential developments in these areas have typically taken the form of mid-rise (5-14 storeys) apartment buildings, with lower levels of mixed use development.

While more intensive development occurred in all of the major activity centres, the greatest levels of redevelopment occurred along the western section of Bridge Road, western end of Swan Street and the eastern end of Victoria Street, with mid-rise buildings up to 12 storeys.



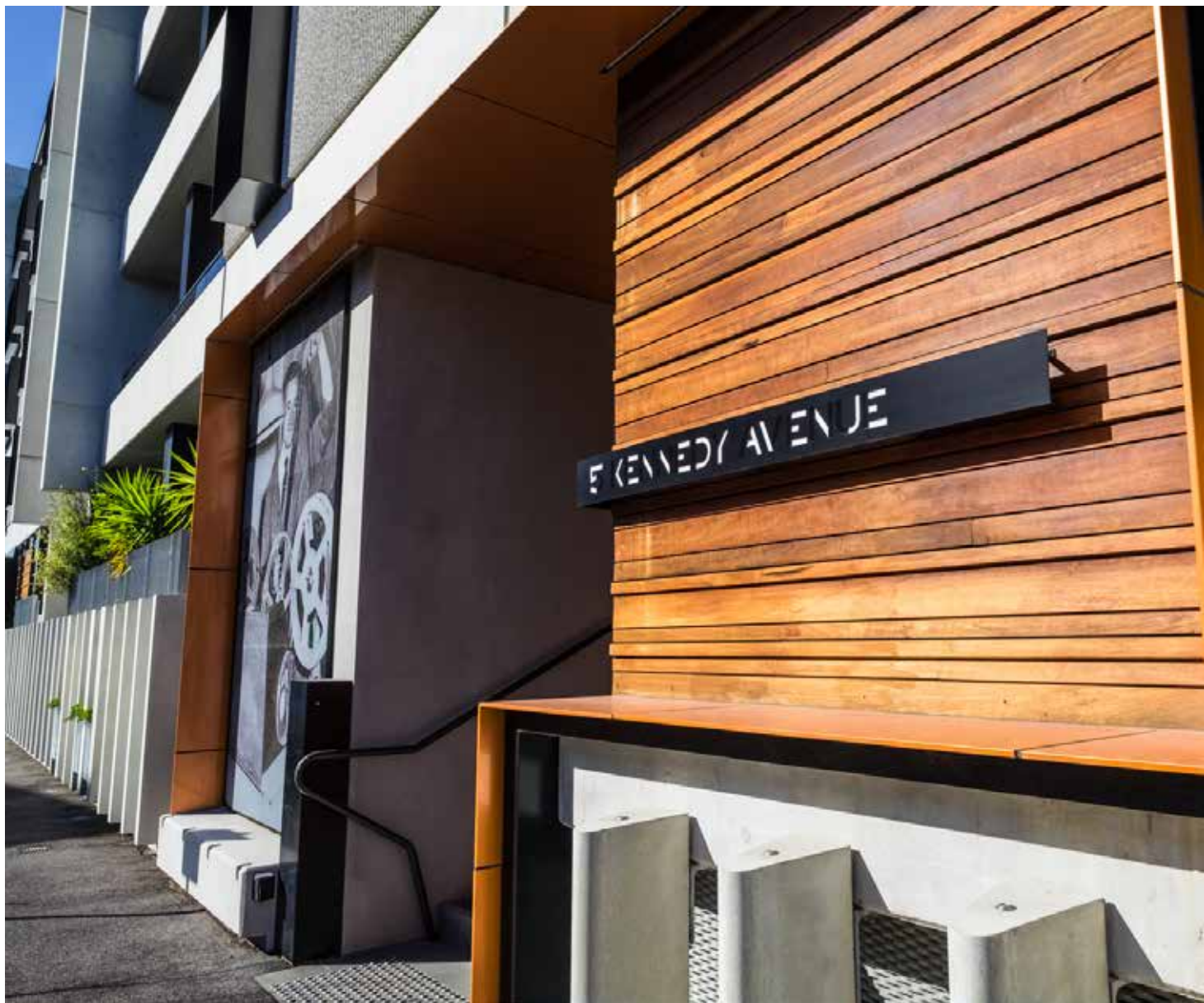
Development on strategic redevelopment sites in the Yarra Planning Scheme

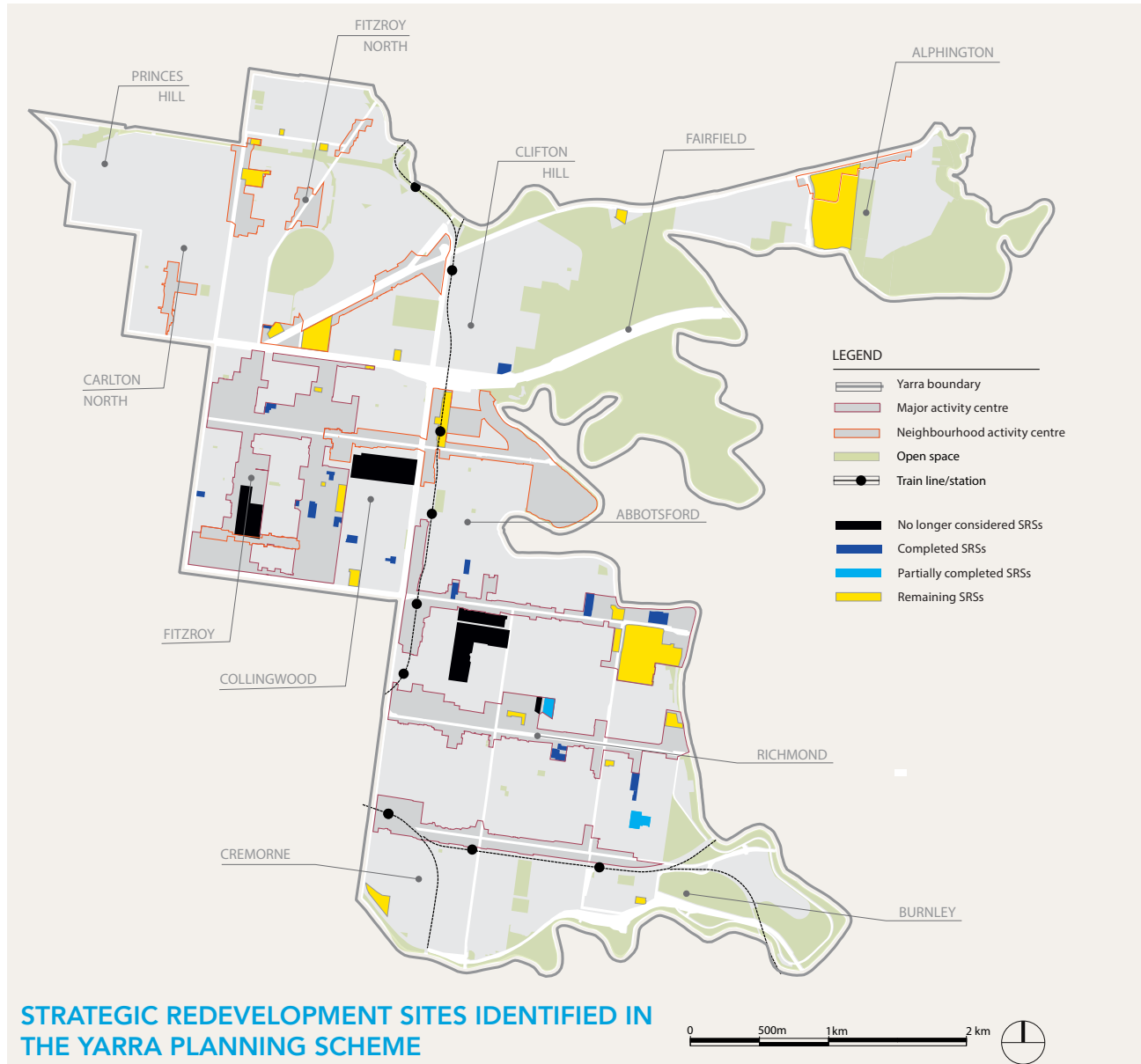
The Yarra Planning Scheme identifies 42 Strategic Redevelopment Sites (SRSs). Since their introduction in 2009, they have absorbed significant housing growth.

In total, the SRSs provided 42.6 ha of land for housing development. The diversity of locations of the SRSs has resulted in a range of development outcomes with different responses to built form, massing, building height and amenity. A large proportion of the sites were developed with a mix of uses, including offices, retail, hospitality and gyms and a couple of full line supermarkets. Abbotsford accounted for the largest proportion of constructed dwellings, with 1,044 dwellings, followed by Collingwood with 742 dwellings and Richmond with 326 dwellings.

Just under 70% of the sites identified as SRSs have either been fully developed or are under active consideration by Council. This is a significant take-up rate since the policy was introduced. These sites accounted for a large amount of residential growth in line with planning scheme strategies. The remaining 13 sites will make an important contribution to future housing supply in Yarra.

The following sites will be excluded from future calculations of housing growth as they are no longer considered SRSs: the Griffiths Street site in Richmond (now under construction for Richmond High School); and the housing estates in Richmond, Collingwood and Fitzroy.







Implications for the Yarra Housing Strategy

Demand for residential development in Yarra is likely to remain strong in the short to medium term, driven by a range of influences such as:

- Strong population growth;
- Sustained demand for inner city living and working; and
- Broader metropolitan policies that support urban consolidation and inner city development.

Small scale development will continue in residential neighbourhoods, but is likely to be less than the 30% of total residential development seen over the past 10 years, given the new residential zones implemented to protect residential neighbourhoods and heritage areas in Yarra.

Established residential neighbourhoods shouldn't be relied on to contribute substantially to housing growth in Yarra, although some small-scale development will add to Yarra's housing supply over the next 15 years.

The trend of major residential developments in activity centres and on SRSs is set to continue with a high volume of planned developments already in the pipeline. Additional residential growth in activity centres should be encouraged due to their proximity to the city centre, jobs, schools, public transport, entertainment and services. New housing in these areas provides the opportunity to create a more sustainable and healthy municipality, with walkable neighbourhoods and reduced reliance on private vehicles.

More detailed guidance is required to provide certainty to the community and land owners about the level of growth appropriate in these areas. Identifying the locations most appropriate to accommodate substantial growth will be important. Key directions for managing growth and change in the activity centres will need to be responsive to the varied context of the centres and respond sensitively to the highly valued significant built heritage and character of each centre.

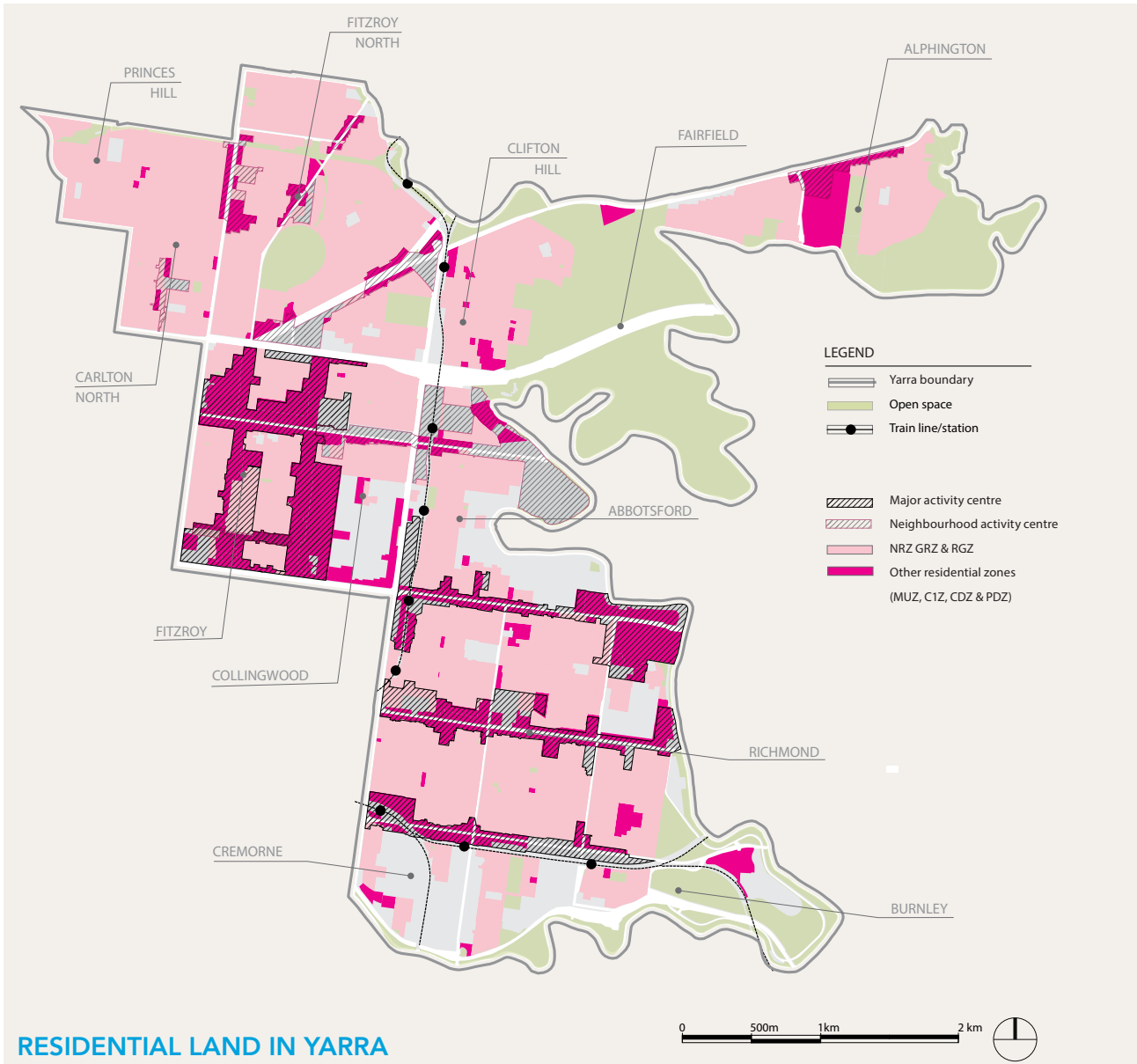
7. PLANNING FOR FUTURE HOUSING GROWTH

Yarra needs to identify land for over 13,000 new dwellings in the next 15 years. It is important to plan for a continuous supply of housing land in the long-term to ensure that a perceived lack of supply does not impact unnecessarily on housing affordability.

Land use in Yarra

Yarra's vibrant neighbourhoods contain a diverse mix of evolving land uses, including residential, retail and entertainment precincts, mixed employment precincts, health and education institutions. The juxtaposition of a diverse range of land uses has long been a part of the character of Yarra and creates economic and social diversity. Land use planning influences residential and economic activity through regulations in the form of state, regional and local planning policies, land use zones, special overlays, and location specific spatial plans, such as structure plans. Land use zones provide guidance on how land can be used, particularly what is and is not permissible. Each zone has a purpose, and its application provides planning certainty of what can occur. This directly influences housing land availability in Yarra.





Residential land

There is a significant amount of land (805 ha) zoned for residential use in Yarra, accounting for 41.6% of all land. The following provides a breakdown of the residential land by zone.

TABLE 1

ZONE	AREA (HECTARES)
Neighbourhood Residential Zone (NRZ)	420 ha
General Residential Zone (GRZ)	186 ha
Commercial 1 Zone (C1Z)	105 ha
Mixed Use Zone (MUZ)	76 ha
Comprehensive Development Zone (CDZ)	15 ha
Priority Development Zone (PDZ)	3 ha
Total	805 ha

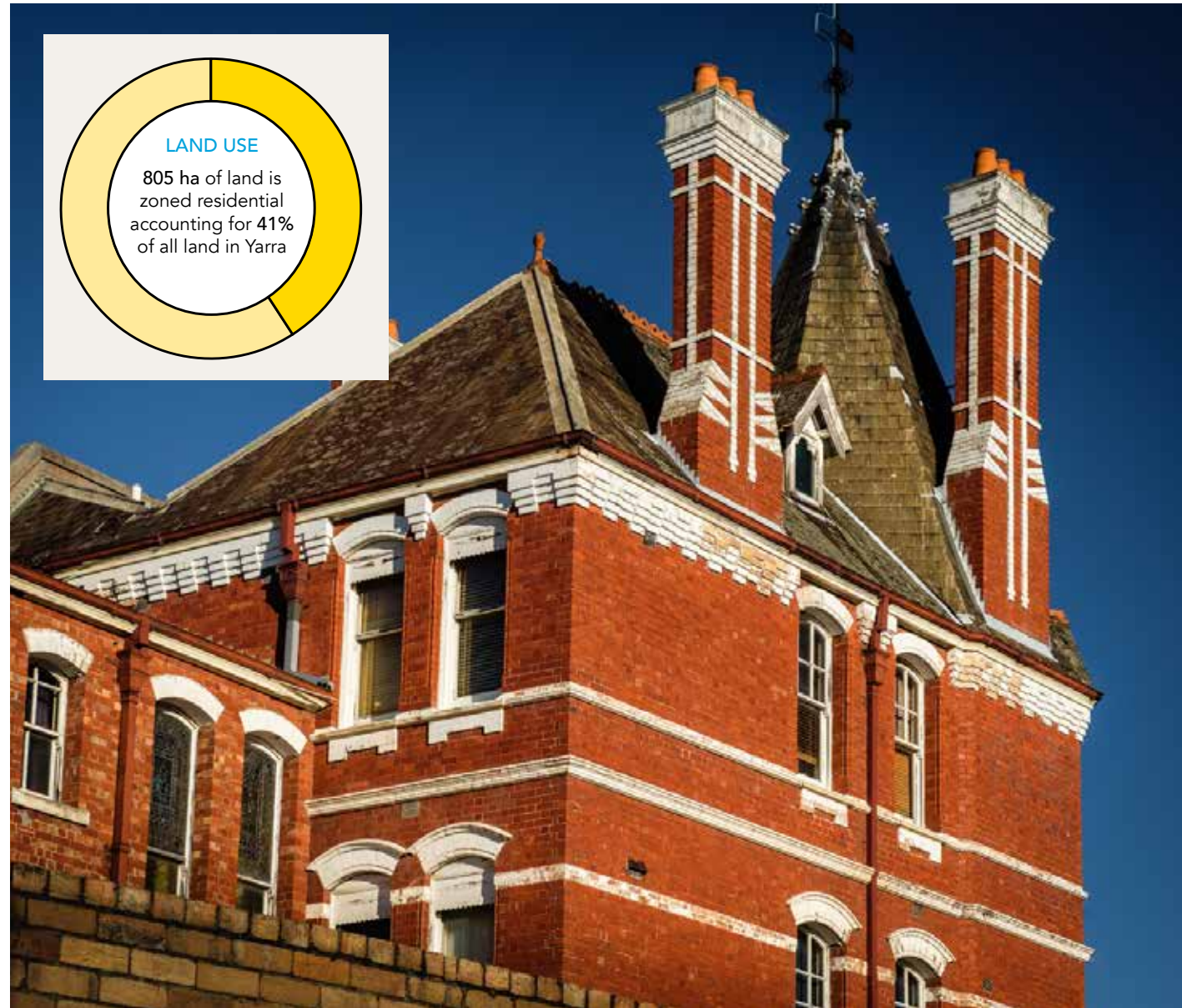
Over half of Yarra’s residential land is in the NRZ, which incorporates largely low-scale residential neighbourhoods with special and intact neighbourhood character and heritage significance.

These neighbourhoods include Princes Hill, Carlton North, Fitzroy North, Clifton Hill, Fairfield, Alphington and Fitzroy. There are also pockets within Abbotshill, Richmond, Cremorne and Burnley between the activity centres.

These areas are considered the least suitable for growth and change. While there are some opportunities for new low scale infill development, it is expected to mainly take the form of extensions and renovations.

Almost a quarter of residential land is in the GRZ. This includes the established residential neighbourhoods of Fitzroy, Richmond, Abbotsford and larger sites on main roads and close to activity centres across the municipality. The land within these areas is made up of predominantly small, individual, residential lots that are unsuitable to accommodate substantial residential growth. There are some larger sites in the GRZ that are suitable for low-rise apartment development.

Yarra also has a significant amount of land in other zones that allow for residential development, including within the C1Z, MUZ, CDZ and PDZ. These zones define land use in and around the municipality's public transport corridors and activity centres, including land along Victoria Street, Swan Street, Bridge Road, Brunswick Street, Smith Street and Johnston Street. These zones generally allow for high density residential development and encourage a mix of land uses.



Non-residential land

Open space and land for community use

In Yarra, 24% of land is zoned for public open space (Public Park and Recreation Zone) and community use (Public Use Zone and Special Use Zone). This includes the many parks and gardens in Yarra as well as community and education facilities. These areas provide spaces to relax, play, walk and cycle. They also support an abundance of trees, plants, animals and waterways that are essential to the local environment and biodiversity. These areas are not suitable for housing.

Employment land

Less than 10% of land in Yarra is zoned for employment use (Commercial 1 and 2 Zones and Industrial 1, 2, and 3 Zones). The C1Z is the only employment zone that permits residential uses and is predominantly in activity centres where employment is mainly in retailing and services.

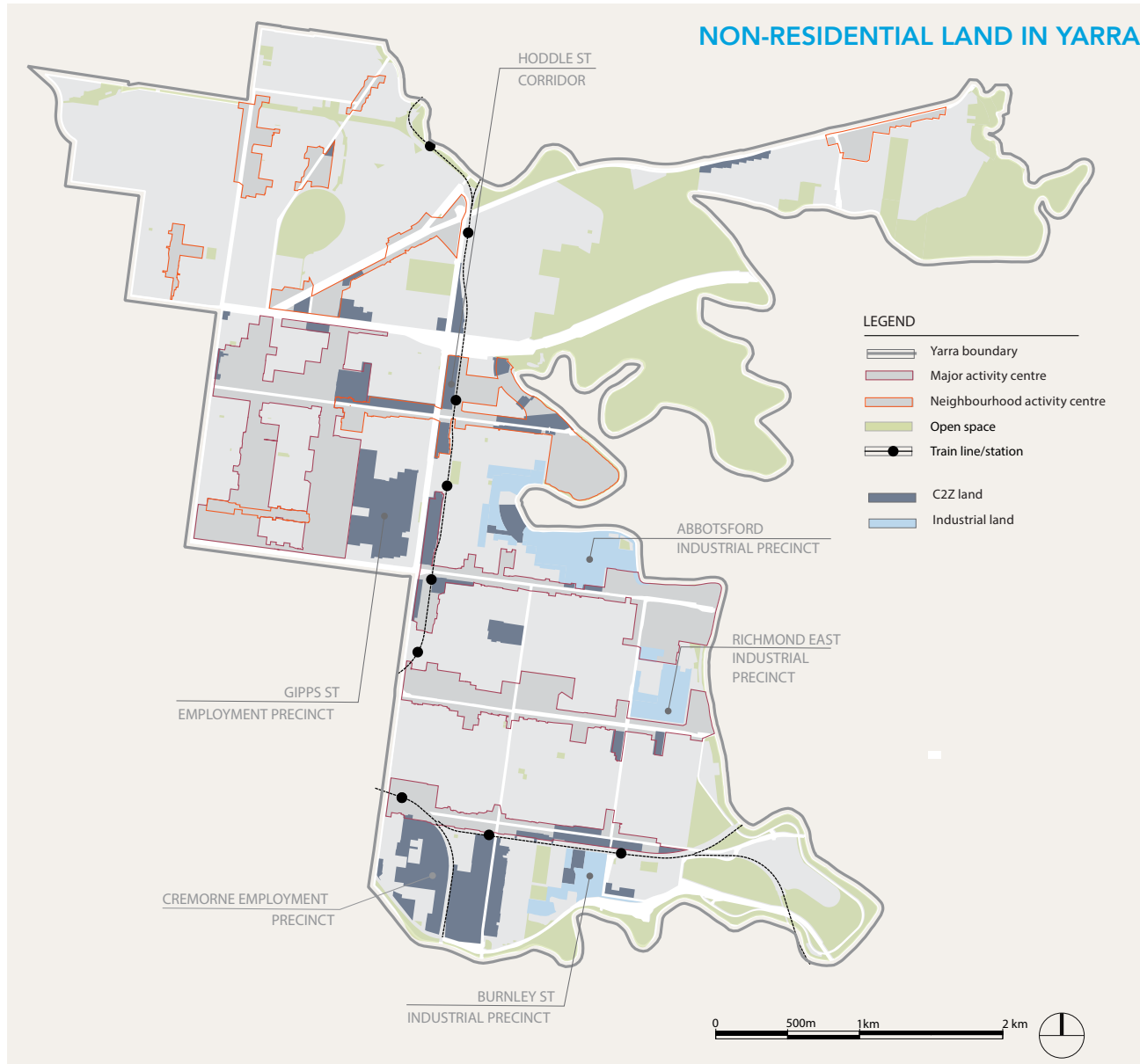
Compared to other councils in the inner metro region, Yarra has a significant amount of Commercial 2 Zone (C2Z) land, which is used for a variety of commercial purposes. Yarra's major employment precincts of Gipps Street/ Easy Street (Collingwood) and Cremorne Street/Church Street south (Cremorne) are within the C2Z. Residential uses are not permitted in these precincts. These precincts are highly sought after as business locations (particularly in the technology and creative sectors) due to their transport connectivity, business synergies and proximity to vibrant activity centres.

Office use is generally considered the highest value use in the C2Z (subject to specific site attributes). Over the past seven years, Yarra has averaged approximately 20,000sqm of office floorspace approved per annum. The current level of office development interest is unprecedented in Yarra.

Yarra's employment precincts are uniquely positioned in the municipality to cater to the needs of contemporary businesses and workers. Their strategic role should be supported and fostered.

Yarra has three core industrial areas including Victoria Crescent/CUB Site (Abbotsford), Palmer Street (Richmond) and South Burnley. These areas are often bordered by C2Z land and provide a range of commercial and industrial uses, contributing to the local economy and employment. No change to the zoning in these areas is recommended until Council undertakes further strategic planning into their future roles and development potential.

Given Yarra is experiencing significant overall economic and employment growth, it is important to keep the balance between land available for housing growth and ensuring adequate employment land to accommodate growth in businesses and jobs. No further review of employment land for residential potential is proposed in this strategy.





Future residential land supply

From time to time there is a need to revise land use zoning to better reflect the changing needs of the community. This must be supported by sufficient strategic justification and a demonstrated contribution to delivering net community benefit.

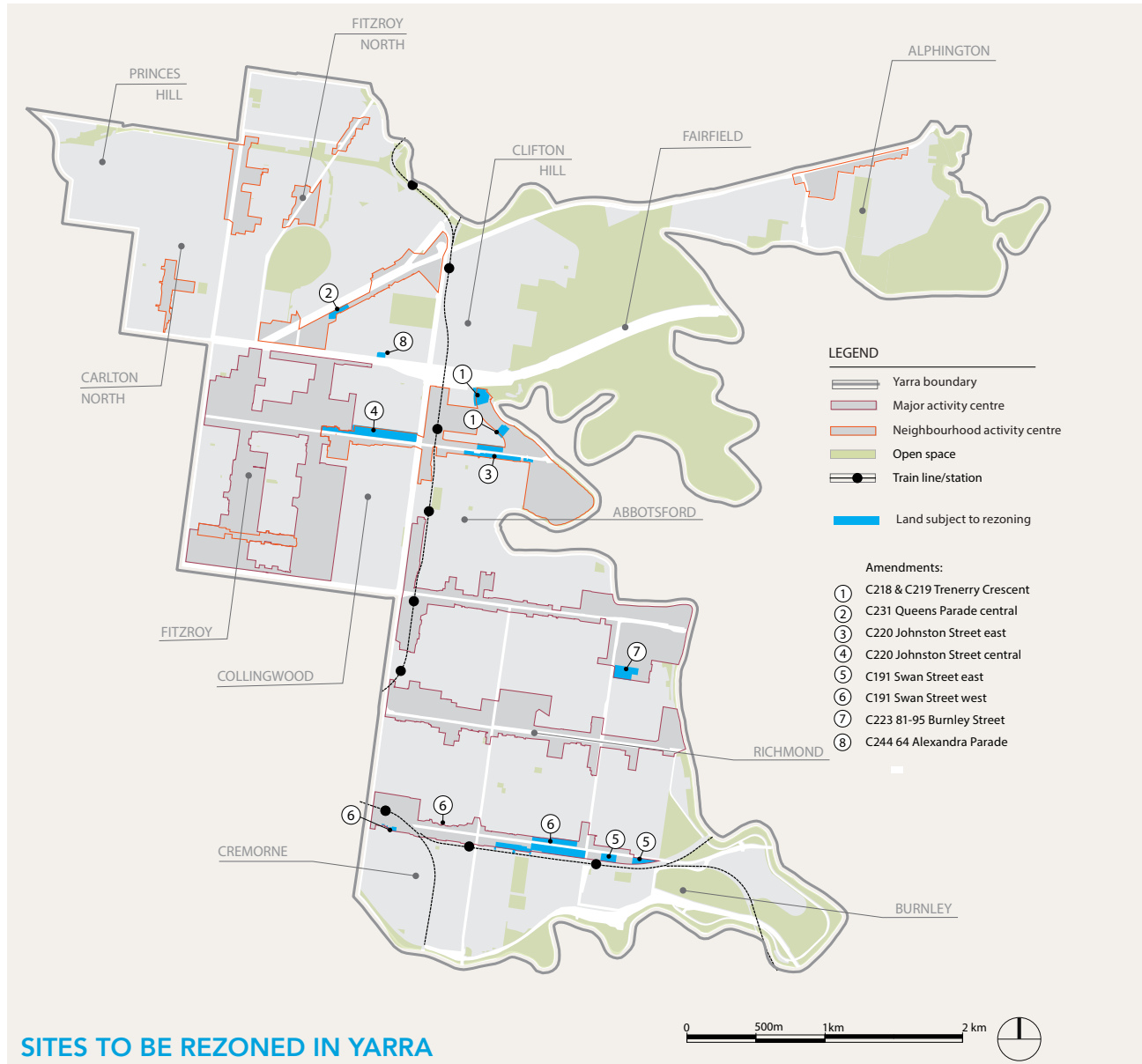
Precincts affected by current strategic land use planning

Council has or is undertaking work to inform the preparation of structure plans, built form frameworks and local plans for all its major and neighbourhood activity centres. In respect to Swan Street, Johnston Street and Queens Parade, a Structure Plan, Local Area Plan and Built Form Framework (respectively) have been prepared that support the rezoning of some C2Z areas to C1Z (to allow for commercial and residential uses). In addition, site specific strategic work has been undertaken for a number of sites in Fitzroy North, Burnley and Abbotsford to support rezoning the land to allow for commercial and residential uses.

Table 2 identifies the land area to be rezoned. The zone changes are being proposed through individual planning scheme amendments for each area. The proposed rezonings are generally located in Yarra's activity centres. If approved, they would support further commercial and residential development in the centres, consistent with state planning policies.

TABLE 2

AREA TO BE REZONED	TOTAL LAND AREA	PLANNING SCHEME AMENDMENT
Johnston Street central	31,840 m ²	Amendment C220
Johnston Street east	17,094 m ²	Amendment C220
Queens Parade central	5,242 m ²	Amendment C231
Swan Street east	41,410 m ²	Amendment C185
Swan Street west	10,682 m ²	Amendment C185
81-95 Burnley Street	13,000 m ²	Amendment C223
Trenerry Crescent	13,582 m ²	Amendments C218 & C219
64 Alexandra Parade	3,000 m ²	Amendment C244
Total	135,850 m² (13.58 ha)	



Future investigation areas

Yarra has a substantial amount (805 ha) of land zoned for residential use. To accommodate the additional 13,341 dwellings required by 2031²⁶, Yarra does not need to rezone employment land (apart from zoning proposals already approved or proposed by Council) at this time to provide additional housing supply. An analysis of Yarra's capacity for future residential growth is discussed further in section 8 of this strategy.

The Yarra Spatial Economic and Employment Strategy (SEES) recommends that the majority of C2Z land in Yarra is retained, unless and until future strategic planning work supports change.

The C2Z areas adjacent to the industrial precincts at Abbotsford (Victoria Crescent/Carlton United Breweries), Richmond East (Palmer Street) and Burnley South, and C2Z land at Church Street North provide the following functions:

- Supports established business areas and serves a useful economic and employment function;
- Contributes to the economic diversity of the Yarra economy; and
- Offers locations for different land uses and businesses.

These areas are part of broader employment precincts of sufficient size and importance that further strategic planning investigations are required to determine if alternative land uses, economic activities and built form outcomes are appropriate. All future rezoning of employment land will be informed by the SEES.

²⁶ Department of Environment, Land, Water and Planning, 2015, *Victoria in Future 2016: Population and Household Projections to 2051*, Melbourne.





Implications for the Yarra Housing Strategy

There is enough land zoned for residential development in Yarra to meet the forecast housing demand for the next 15 years. There is no need to review land used for open space, community or employment uses to contribute to housing land availability at this time.

A large proportion of residential land is in the NRZ and GRZ. These zones do not allow for significant residential growth and should not be expected to contribute substantially to future housing growth.

Smaller scale infill development and residential extensions are likely to continue in these areas. Yarra's residential neighbourhoods should be maintained by promoting lower rise development as the preferred character for these areas, directing housing growth to other locations.

The current and proposed residential land in Yarra's activity centres, mixed use zone precincts and key development sites are the most appropriate locations for directing future housing growth. They are well serviced by public transport, community services, provide access to jobs, shops and entertainment for residents and can accommodate substantial growth with the least impact. The level of housing growth in these areas will vary depending on a site's context and suitability to accommodate housing growth.

Directions for guiding future residential growth in these areas will be informed by the detailed heritage reviews and built form frameworks being undertaken for Yarra's activity centres and will provide guidance on the levels of growth appropriate in each precinct.

Planned developments 2017

Yarra has a strong housing supply pipeline. The Victorian Government's *Urban Development Program: Metropolitan Melbourne Redevelopment 2017* (UDP2017)²⁷ identifies 145 planned major residential development projects (10+ dwellings), which propose to deliver 12,192 dwellings in Yarra in the longer term (VIF2016 forecasts that by 2031 Yarra will need an additional 13,341 dwellings). These include projects which are under construction, have planning permits or planning applications under

active consideration by Council. The map on the next page shows the proposed locations of planned major residential developments in Yarra.

Less than 10% of planned major residential developments are proposed in Yarra's residential neighbourhoods. This supports the community's desire to protect existing residential neighbourhoods and significant heritage areas from substantial growth and development, and is a sign that the existing planning controls are effective in supporting this outcome.

The trend of developments with 10 or more dwellings located within or close to activity centres will continue. Over 90% of planned developments are proposed in these areas. This supports a more sustainable pattern of development, providing better access to public transport, services, jobs and entertainment for future residents, while making efficient use of land in inner Melbourne.

The level of planned growth varies significantly across activity centres due to the diversity of existing land uses, character, heritage places, lot sizes and the rate of land transformation that has already occurred.

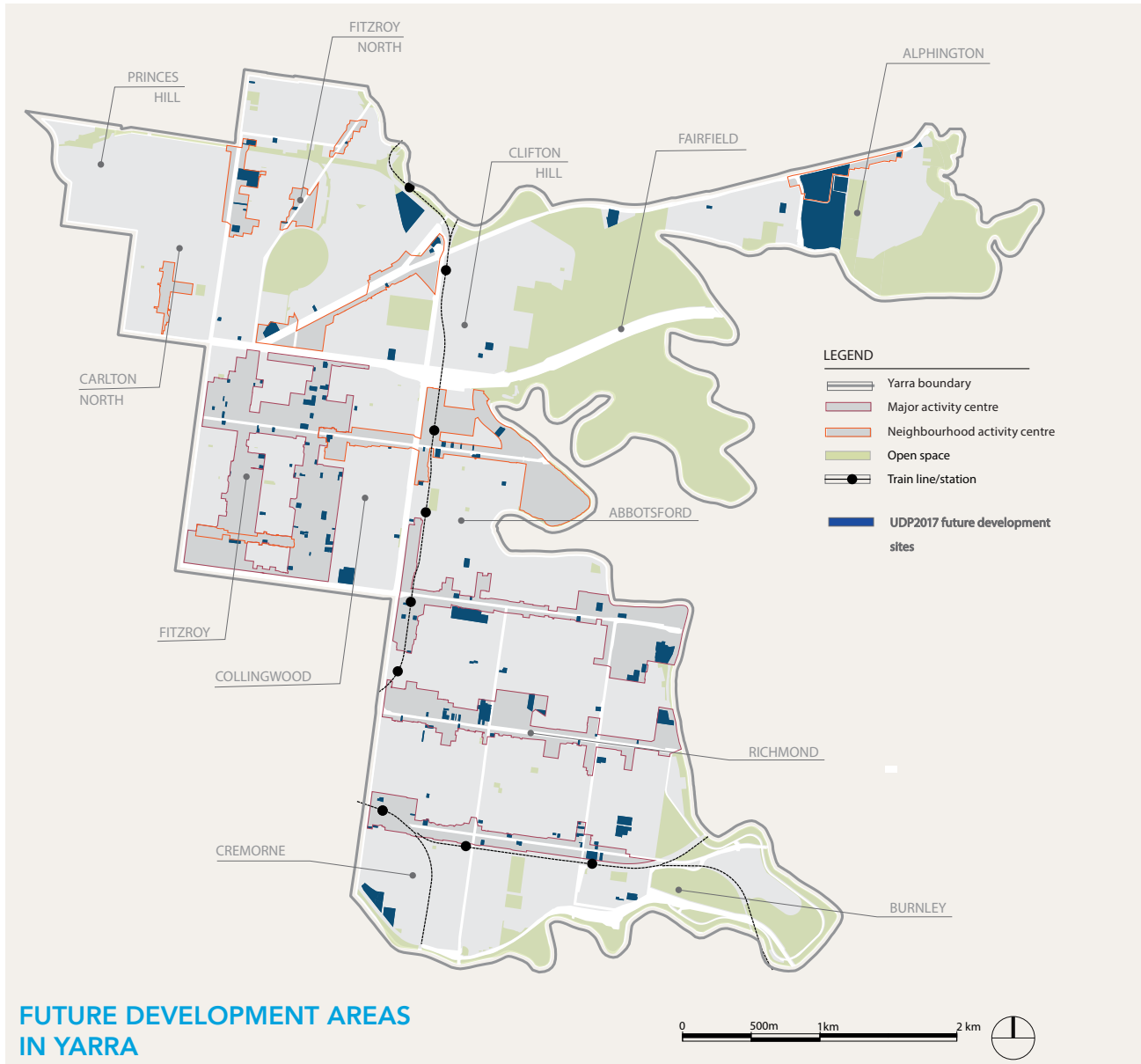
The majority of planned projects (83%) are developments with less than 100 dwellings. The remaining projects range in size as follows:

- 12 projects of between 100-200 dwellings;
- 12 projects of between 200-500 dwellings; and
- 2 projects of over 500 dwellings.

It is difficult to predict what percentage of the planned developments will proceed through to construction. In the past, there has been a fairly high conversion rate of permits to construction in Yarra. The UDP2017 represents a potential supply pipeline of residential redevelopment. The timing for the development of these sites, however, is up to land owners and developers and can be influenced by changes in market conditions. It is likely to take longer than 5 years for all proposed developments to be realised (if they do proceed to construction at all).



²⁷ Department of Environment, Land, Water and Planning, 2017, *Urban Development Program: Metropolitan Melbourne Redevelopment 2017*, Melbourne.



Planned housing growth by neighbourhood

The distribution of housing growth is focussed in Alphington/Fairfield, Richmond, Collingwood, Cremorne/Burnley and Abbotsford. These suburbs will account for approximately 80% of the total planned dwellings and could deliver over 9,000 dwellings in the next 15 years. Carlton North/Princes Hill and Clifton Hill have very limited growth projections for developments.

How do Yarra's planned developments compare to other inner city areas?

The UDP2017 identifies that the inner metro region (Cities of Melbourne, Port Phillip and Yarra), will account for 42% of the dwelling supply for metropolitan Melbourne.

Yarra's planned major residential redevelopments of 12,192 dwellings will contribute 5% of metropolitan Melbourne's total planned development of 234,113 dwellings. The City of Melbourne's developments will contribute the largest share, with 248 planned developments providing 29% of metropolitan Melbourne's dwelling supply. By comparison, the City of Port Phillip will contribute 8%.



Implications for the Yarra Housing Strategy

Given the high level of land transformation that has occurred in Yarra, there are limited remaining large development sites or major urban renewal precincts to absorb substantial housing growth.

In the short to longer term (0-15 years), future housing supply in Yarra is anticipated to be provided from the following sources:

- The remaining 13 SRSs;
- The 10 year pipeline of planned major residential developments identified in the Victorian Government's UDP2017;
- Development sites within activity centres and mixed use precincts that have been identified as suitable for future residential growth; and
- Minimal and incremental development in established residential areas.



8. HOUSING CAPACITY

Future housing growth in Yarra's activity centres

The Planning Policy Framework seeks to direct housing growth to major and neighbourhood activity centres. Yarra's activity centres vary in size, catchment and function, and each has a different capacity for development and change. Assessing the ability of Yarra's activity centres to accommodate future housing growth is critical to plan for the spatial distribution of housing growth in Yarra.

Housing capacity model assumptions

SGS Economics and Planning has created an interactive model to allow Council to estimate housing capacity within Yarra's major and neighbourhood activity centres over the coming 15 years.

Importantly, the model's estimates are based on the following assumptions for available land, capacity and take-up (eventual development realisation):

- All available land is included;
- All unavailable land is excluded, such as:
 - Multiple dwelling sites;
 - Recently developed sites;
 - Social housing housing sites; and
 - Community facilities.
- Building height limits, informed by current strategic work for the centres, assuming:
 - 4 metres per storey for non-residential; and

- 3 metres per storey for residential.

- 1 or 2 storeys for non-residential, based on the Yarra Spatial Economic and Employment Strategy;
- 85% site coverage;
- 90% building efficiency;
- 70m² average dwelling size; and
- Future take up rate of residential development based on UDP2017 data (in the short term) and housing trends from the last 5 years to estimate the medium and long term.

Housing capacity analysis

An analysis of Yarra's activity centres indicate that the centres, alone, can supply approximately 14,300 dwellings by 2031 (greater than the 13,341 new dwellings required by VIF2016 for the whole of the municipality). The total amount of available land and estimated supply of new dwellings for the major and neighbourhood centres in Yarra are shown in Table 3.

TABLE 3

	TOTAL AVAILABLE LAND (HECTARES)	ESTIMATED SUPPLY OF NEW DWELLINGS (2016-2031)
MAJOR ACTIVITY CENTRES	96 ha	9,900
NEIGHBOURHOOD ACTIVITY CENTRE	41 ha	4,400
ESTIMATED TOTAL	137 ha	14,300

Source: SGSEP, 2018.

The capacity analysis shows that the level of housing growth is expected to differ across and also within the activity centres, due to the varying amount of land available for residential development.

The major activity centres have the most available land to supply new dwellings in Yarra. Of these centres, it is expected that Bridge Road and Victoria Street will accommodate a greater share of housing growth. A large amount of development is already occurring along the western end of Bridge Road and the eastern end of Victoria Street, which has influenced the estimated supply of net new dwellings in the centres.

It is expected that Queens Parade and Heidelberg Road will supply the most new housing of the neighbourhood centres. These centres include three large SRSs within their centre boundaries, which will accommodate over half of the estimated supply of new dwellings. In Queens Parade, the sites at 111 Queen Street and 433 Smith Street, Fitzroy North (former Gasworks site) and at 26-52 Queens Parade, Fitzroy North will supply approximately 1350 new dwellings. The site at 626 Heidelberg Road, Alphington (former Alphington Paper Mill site) is anticipated to supply approximately 850 new dwellings within the centre boundary. The supply of new dwellings across the remainder of the two centres is expected to be moderate.

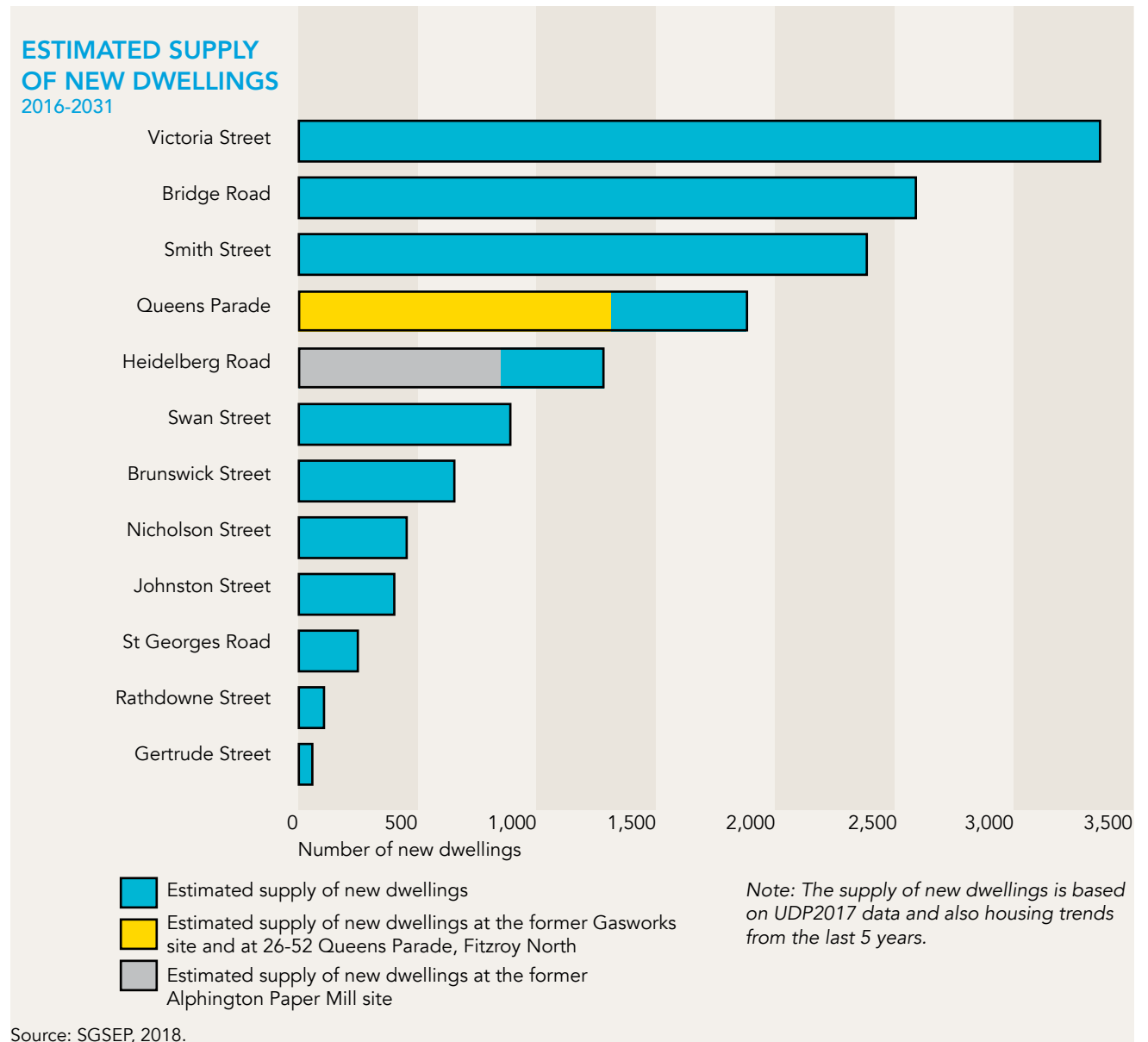
The Johnston Street and Swan Street activity centres appear to have a low estimated supply of new dwellings. This may change as the C2Z land within the centre boundaries (which does not permit residential uses), is rezoned as part of the current Yarra Planning Scheme Amendments C220 (Johnston Street) and C191(Swan Street). It is proposed to maintain the capacity model to accurately reflect land available for residential development, the density of development and eventual development realisation.

Implications for the Yarra Housing Strategy

The housing capacity analysis indicates there is enough capacity within Yarra’s activity centres to accommodate sufficient housing growth. The analysis confirms that, while Yarra’s established residential neighbourhoods will continue to accommodate some housing growth, Yarra does not need to rely on these areas to supply projected housing growth.

The capacity analysis also demonstrates that the application of building height controls to the activity centres will not limit the supply of dwellings, but will provide more certainty for residents and developers and maintain the mid-rise character of Yarra.

The capacity model will be used to monitor housing delivery over time and assess implications of built form controls on housing capacity figures. The model will be a reliable source for understanding long-term housing capacity in Yarra.



Source: SGSEP, 2018.

9. A PREFERRED GROWTH STRATEGY FOR YARRA

The Yarra Housing Strategy provides direction on key issues such as housing diversity and adaptability, affordable housing, and apartments that are suitable for larger household groups to ensure there will be more housing choice to support Yarra's diverse community. The strategy has been informed by the issues and actions identified by the Liveable Yarra panel, a group of residents selected to represent the broader Yarra community.

Four strategic directions articulate Yarra's preferred growth strategy, which responds to the unique context of Yarra and provides a strategic approach to where and how Council will guide future housing growth.

Strategic direction 1: Monitor population growth and evolving development trends in Yarra to plan for future housing growth and needs.

Strategic direction 2: Direct housing growth to appropriate location.

Strategic direction 3: Plan for more housing choice to support Yarra's diverse community.

Strategic direction 4: Facilitate the provision of more affordable housing in Yarra.



Strategic directions

Strategic directions 1 (SD1): Monitor population growth, land capacity, and evolving development trends in Yarra to plan for future housing growth and needs.

SD1 will be implemented through the following strategies:

- SD1.1** Monitor population growth forecasts and demographic changes in Yarra;
- SD1.2** Monitor housing delivery trends;
- SD1.3** Maintain the Yarra housing capacity model to reflect residential land available for development, the density of development and development realisation; and
- SD1.4** Monitor the outputs of the Yarra housing capacity model to maintain an adequate supply of residential land for future housing and population growth.

Rationale

Monitoring changes to population and housing growth forecasts will enable Council to more accurately plan for an adequate supply of housing land. Projections are important in assisting Council to plan for anticipated growth more effectively. Monitoring development trends and demographic changes will be necessary to respond to any major shifts in population and housing growth projections,

ensuring the ongoing currency of the strategy.

The UDP2017 indicates that Yarra's dwelling supply is mostly available through projects that are being considered, likely to occur or already under construction. Yarra's residential capacity model provides estimates of the potential of Yarra's activity centres to provide additional housing supply above the forecasts included in the UDP2017.

As shown by the assessment of the Yarra's activity centres to accommodate future housing growth, Yarra can rely on existing capacity and does not need to make significant changes to rezone other land at this time to provide additional housing supply. If housing delivery trends continue to be strong in Yarra, within the next 5 to 10 years it will be important to identify key precincts to undertake further strategic planning to identify long term housing land availability.

What will this achieve?

- Certainty to the community that Council is actively planning for future housing growth and has an understanding of changing housing needs in Yarra;
- Certainty to the Victorian Government that Yarra can provide a 15 year supply of housing land; and
- A clear plan for ensuring forecast population and housing growth can be accommodated appropriately in Yarra.



Strategic direction 2 (SD2): Direct housing growth to appropriate locations.

SD2 will be implemented through the following strategies:

- SD2.1** Develop a hierarchy of housing change areas and apply them to all residential land in Yarra;
- SD2.2** Introduce the hierarchy of housing change areas as a strategic housing framework plan into the Yarra Planning Scheme; and
- SD2.3** Develop policy objectives and strategies to guide and direct the appropriate level of change on all housing land in Yarra.

Rationale

The strategy seeks to direct new housing to areas within or close to activity areas that have good access to public transport, open space, and other services and limit housing growth in established residential areas, consistent with Plan Melbourne, state and regional policy, and also community feedback.

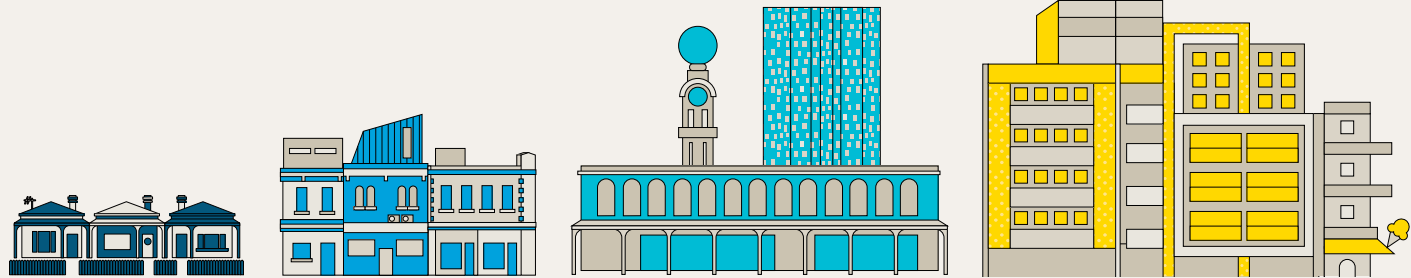
Further to this, the strategy categorises all residential land into four distinct housing change areas to provide more clarity and certainty to the community about the level of growth anticipated across the municipality.

The housing change areas differentiate between those that have the capacity to accommodate minimal, incremental, moderate, and high change housing growth.

The housing change areas are based on the following:

- **Current and proposed zone and overlay requirements:** Types of use and development allowed in each zone;
- **Context:** Walking distance and access to services, public transport and employment centres, proximity to activity centres;
- **Land attributes:** Land constraints (including sensitive interfaces), lot size, development activity and emerging character;
- **Strategic planning work:** Areas subject to structure plans, built form frameworks and proposed built form controls;
- **Capacity:** Amount of growth that is likely to occur in an area, given a set of assumptions; and
- **Community feedback:** Where growth is acceptable to the community and where it is not.

HOUSING CHANGE AREAS



Minimal Change Areas

Incremental Change Areas

Moderate Change Areas

High Change Areas

Less suitable for growth

More suitable for growth

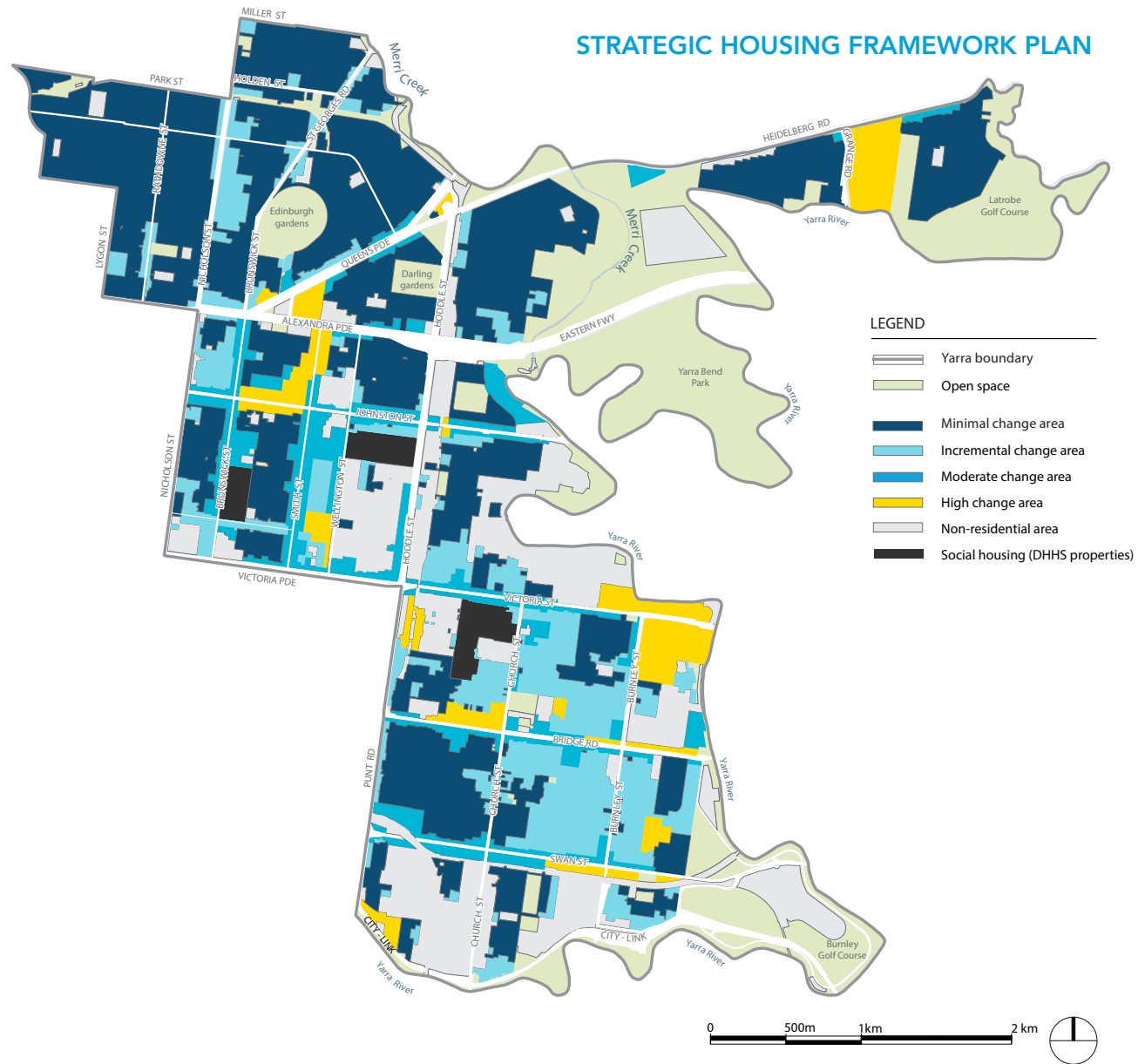
Strategic housing framework plan

The housing change areas are shown on the strategic housing framework plan to visually represent the level of growth anticipated across the municipality. This is a common approach implemented by other metropolitan councils in their planning schemes. Yarra is currently rewriting its planning scheme and it is intended that the framework plan will be included in the revised planning scheme.

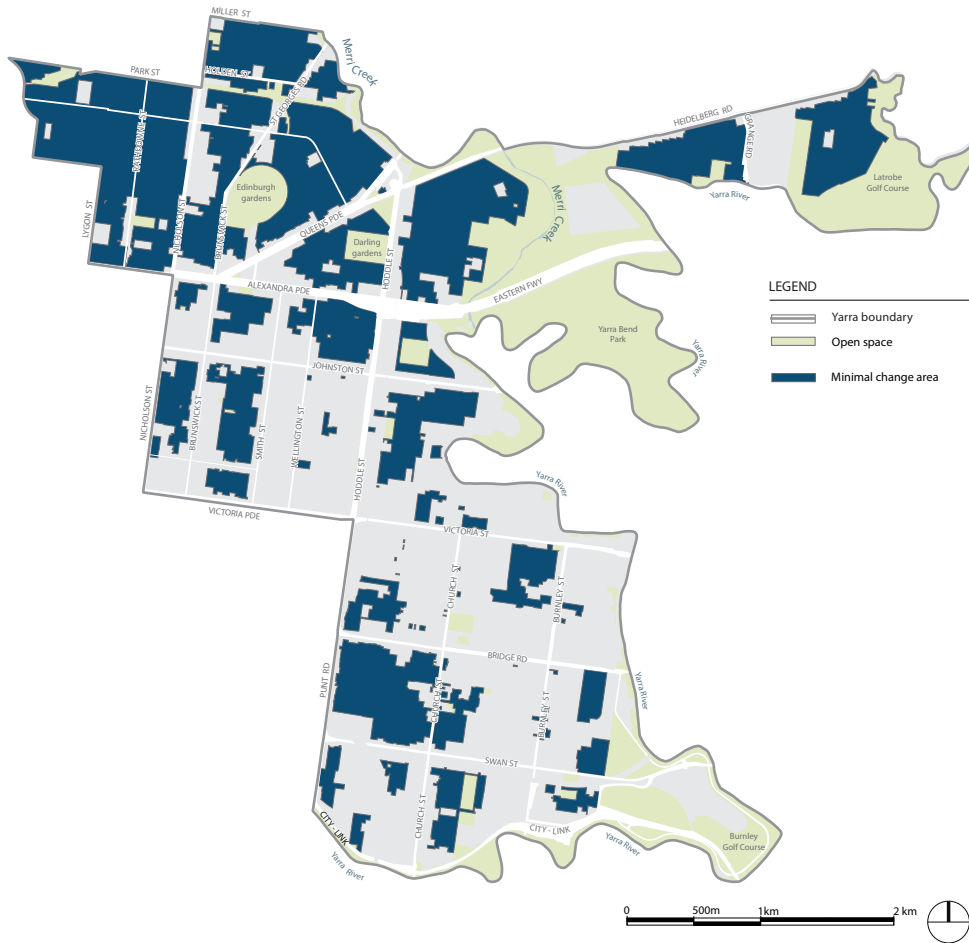
The four housing change areas have been applied to the strategic housing framework plan based on a set of categories. Some sites within these areas may have been recently developed. The scale and form of residential growth may differ across a change area and development proposals will need to appropriately respond to their context and the capacity of an individual site to accommodate housing growth.

What will this achieve?

- A clear policy framework for Yarra to guide and direct housing growth;
- Certainty for land owners, developers and the community about the level of housing growth expected in each neighbourhood and activity centre;
- Clarity over the areas that are most suitable for accommodating substantial residential growth over the next 15 years.



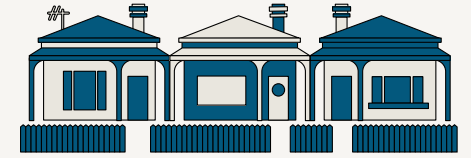
MINIMAL CHANGE AREAS



Minimal change areas

Level of growth:

- Residential areas that have limited capacity to accommodate future housing growth over time.



Minimal change areas generally display one or more of the following characteristics:

- Within established residential areas (Neighbourhood Residential Zone) that have heritage significance;
- Have consistent fine-grain subdivision pattern and small lots sizes; and/or
- Have detached and dual occupancy dwellings.

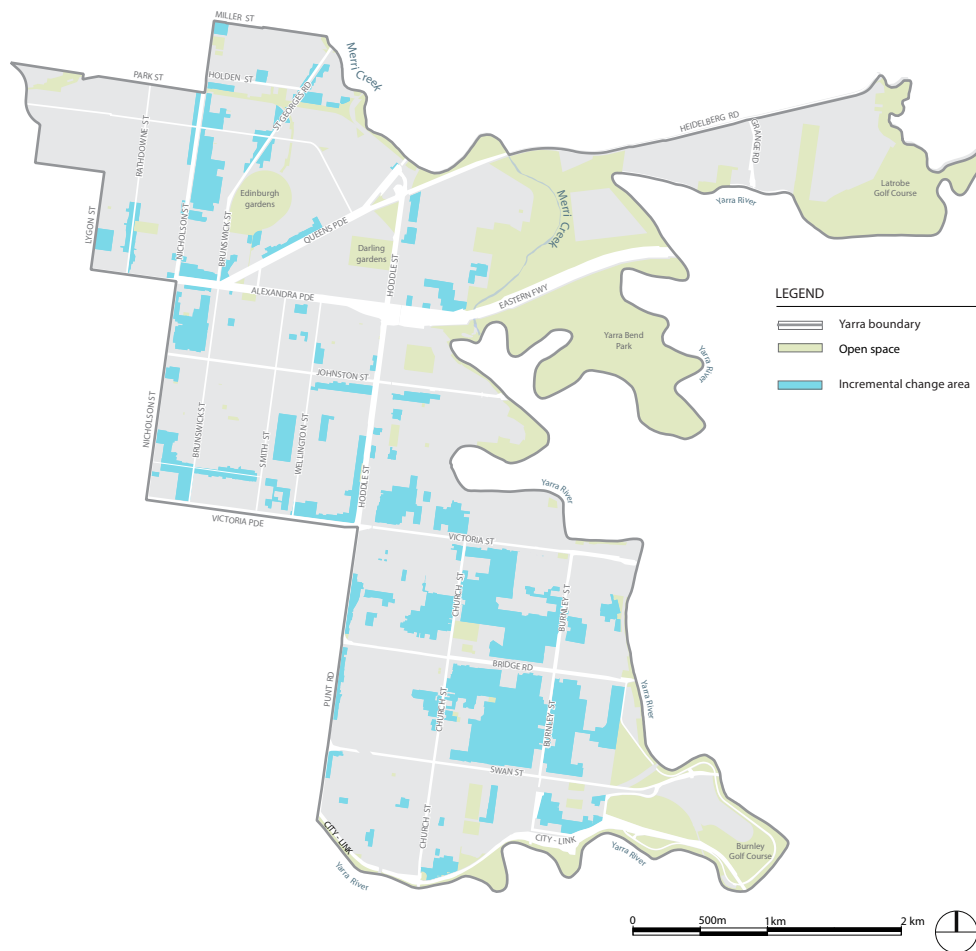
Minimal change areas are proposed to apply to over 58% of Yarra’s residential land.

What type of development is likely in minimal change areas?

Minimal change areas are not proposed to prohibit additional residential development, but allow a level of development that respects the type, scale, and prevailing character of the area. It is expected that development of one or two dwellings on typically small individual lots (including alterations and additions to existing dwellings) will continue.

The provisions of the zone and/or Heritage Overlay in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas.

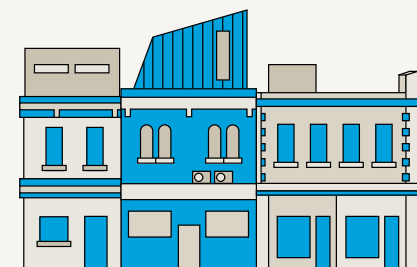
INCREMENTAL CHANGE AREAS



Incremental change areas

Level of growth:

- Residential, mixed use and commercial areas that have the capacity to accommodate a more modest level of housing growth over time.



Incremental change areas generally display one or more of the following characteristics:

- Within established residential areas (General Residential Zone);
- Within mixed use and commercial areas that have heritage significance, including cohesive and highly intact heritage streetscapes and buildings;
- Have consistent fine-grain subdivision pattern and small lots sizes; and/or
- Have detached, dual occupancy and smaller scale apartment dwellings.

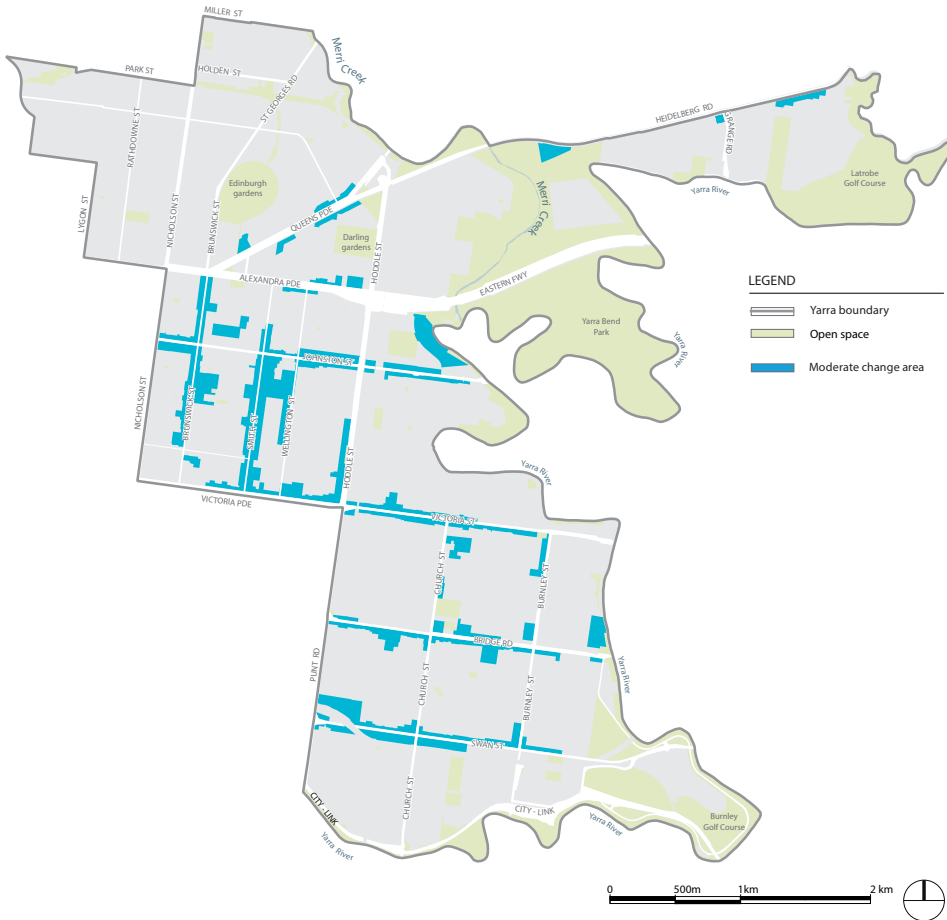
Incremental change areas are proposed to apply to over 21% of Yarra’s residential land.

What type of development is likely in incremental change areas?

It is expected that incremental change areas will gradually evolve over time as development of one; two or more dwellings on individual lots (including smaller scale apartment developments and alterations additions to existing dwellings) will continue.

The provisions of the zone and/or Heritage Overlay in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas.

MODERATE CHANGE AREAS



Moderate change areas

Level of growth:

- Mixed use and commercial areas that have the capacity to accommodate moderate housing growth over time.

Moderate change areas generally display one or more of the following characteristics:

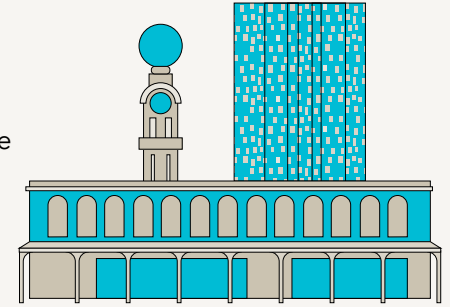
- Within or close to activity centres that have heritage significance, sensitive interfaces and other site constraints;
- Have excellent access to services, open space and public transport; and/or
- Have mixed lot sizes.

Moderate change areas are proposed to apply to over 12% of Yarra’s residential land.

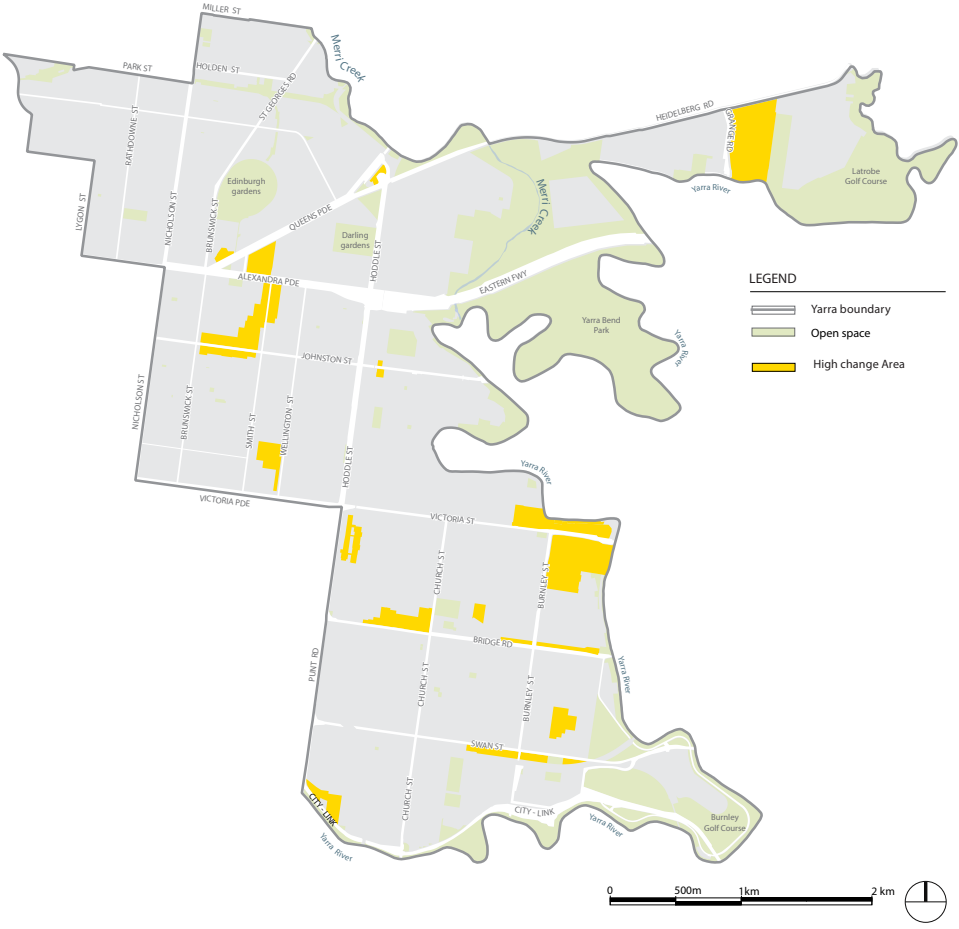
What type of development is likely in moderate change areas?

It is expected that moderate change areas will support increased residential densities and housing diversity through mixed use, infill and shop-top apartment development on individual and consolidated lots that respond to existing heritage character of streetscapes.

The provisions of heritage and/or built form overlays in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas. In those areas where no overlays apply, urban design and/or heritage local planning policies will determine built form outcomes for the areas.



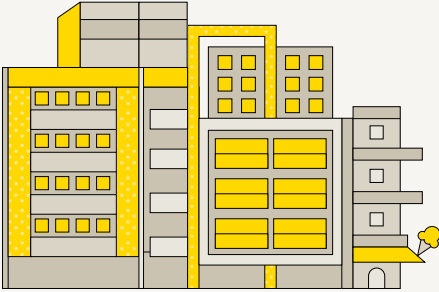
HIGH CHANGE AREAS



High change areas

Level of growth:

- Mixed use and commercial areas and sites that have the capacity to accommodate substantial housing growth over time.



High change areas generally display one or more of the following characteristics:

- Within or close to activity centres that have an absence of site constraints;
- Have excellent access to services, open space and public transport; and/or
- Have large lot sizes.

High change areas are proposed to apply to over 8% of Yarra’s residential land.

What type of development is likely in high change areas?

It is expected that high change areas will support increased residential densities and housing diversity through mixed use, infill and urban renewal apartment development that will establish new character for a site or precinct.

The provisions of heritage and/or built form overlays in the Yarra Planning Scheme will determine the scale and form of residential growth in these areas. In those areas where no overlays apply, urban design and/or heritage local planning policies will determine built form outcomes for the sites and areas.

Strategic direction 3 (SD3): Plan for more housing choice to support Yarra's diverse community.

SD3 will be implemented through the following strategies:

- SD3.1** Support flexible housing design that allows for adaptations to support changing housing needs over time;
- SD3.2** Introduce a requirement in the Yarra Planning Scheme for housing diversity to be demonstrated in applications for residential rezoning and major residential developments (50 or more dwellings), based on available demographic information;
- SD3.3** Encourage the development of aged care, student accommodation and key worker housing within or close to activity centres, health and education precincts;
- SD3.4** Encourage more family-friendly design of communal open spaces in apartment developments;
- SD3.5** Support additions to existing houses to provide accommodation for larger household types;
- SD3.6** Encourage apartment development that includes the provision of sufficient internal common space; and
- SD3.7** Provide policy support for cohousing development in Yarra.

Rationale

As more housing is constructed in Yarra, it is important to ensure that it is designed to meet the changing needs of the population over their lifetimes. Providing a diverse mix of housing options for all residents in Yarra also helps support social inclusion and diversity within neighbourhoods, and allows people to age in place.

As most of the new housing being delivered in Yarra is in the form of apartments there is a need to ensure high density development can accommodate different housing needs, including design considerations to make higher-density living more attractive for larger household groups, students, and people with disabilities and older people in Yarra.

Specific needs for larger household groups include providing sufficient internal and outdoor space and also a diversity of apartment types and sizes. Larger apartments, for families in particular, are best located together, over-looking communal open space.

The specific needs of older people and people living with a disability include dwellings that have adequate storage space, are close to shops, transport and other services, have an accessible layout and are also easy and cost-effective to adapt. These issues are best dealt with at the design and planning stage.

Introducing a requirement into the Yarra Planning Scheme for housing diversity to be demonstrated would complement the new apartment design requirements. Housing diversity could be demonstrated by including the expected demographic mix, to enable consideration of particular housing needs in a planning application for a major redevelopment or rezoning. Early consideration of these issues will help ensure that future housing stock is suitable for a wider range of households.

While Yarra supports and encourages people remaining in their home for as long as possible, it is sometimes necessary for a person to relocate to a residential aged care facility or retirement village to receive adequate support. To meet future demand from an ageing population, more aged care facilities and retirement villages will be required to assist residents to age in place in Yarra. Supporting this type of housing development within and close to activity centres and health precincts will help residents receive adequate support and maintain connections with their community.

What will this achieve?

- More housing choice for our diverse community to support social inclusion and maintain Yarra's vibrant community;
- Better alignment between the design of new developments and housing needs in Yarra;
- Allowing more residents to age in place;
- More family friendly apartments; and
- Better communal open and internal space within apartment developments that cater to the needs of a wider range of households.



Strategic direction 4 (SD4): Facilitate the provision of more affordable housing in Yarra.

SD4 will be implemented by:

- SD4.1** Foster effective partnerships between registered housing associations or providers and the property development industry to deliver more affordable housing;
- SD4.2** Introduce requirements into the Yarra Planning Scheme for all rezonings to residential use, and in significant developments of 50 or more dwellings, to provide at least 10% affordable housing;
- SD4.3** Support opportunities for shared equity schemes and other emerging affordable housing models;
- SD4.4** Advocate for policy and legislative changes that enable Council to introduce inclusionary zoning or an alternative mechanism to secure affordable housing; and
- SD4.5** Support the improvement and retention of social housing in Yarra.

Rationale

Yarra has experienced rapid growth in property prices in recent years, consistent with other parts of the IMAP area. As a result, many households cannot afford to rent or purchase a home in the municipality. Yarra aims to address this through the provision of affordable housing that is appropriate for the needs of very low, low and moderate-income households.

The provision of affordable housing will maintain Yarra's diversity and support the economy by providing greater housing choice for those working or starting businesses in the municipality. It will also enable key workers, who are employed in occupations important to the functioning of the municipality, to live closer to their workplaces.

The Victorian planning system provides an opportunity to secure a percentage of affordable housing when sites are being rezoned or redeveloped. In 2017, Council adopted the *Policy Guidance Note: Affordable Housing Outcomes at Significant Redevelopments*. It outlines Yarra's expectations relating to affordable housing at significant redevelopment sites. With significant rezoning of commercial and industrial land to residential use, developers are expected to provide at least 5% affordable housing at sites yielding 50 dwellings or more, and work with a registered housing association or provider to deliver affordable housing.

This strategy strengthens and builds upon the note by recommending the introduction of requirements into the Yarra Planning Scheme for all rezonings to residential use, and in significant developments of 50 or more dwellings, to provide at least 10% affordable housing. This will communicate a clear expectation to developers about their obligation to provide affordable housing stock as part of significant new developments, and reduce the need for this to be negotiated on a case by case basis.

There is also a need to support the improvement and retention of social housing in Yarra to ensure the needs of existing and future residents in need of this type of accommodation are supported.

What will this achieve?

- An increase in affordable housing will help maintain and support a socially, economically and culturally diverse community; and
- Reduce the need for complex negotiations between Council and developers about providing affordable housing stock as part of significant new developments and rezonings.



ATTACHMENT C - YARRA SPATIAL ECONOMIC AND EMPLOYMENT STRATEGY



Yarra Spatial Economic and Employment Strategy



Final report
August 2018





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EXECUTIVE SUMMARY

The City of Yarra (Yarra) plays a vital role in the economy of Metropolitan Melbourne. It sustains a diverse range of businesses that contributed \$10,085 million Gross Value Add (GVA) to Melbourne's economy in 2015, equivalent to 4.3% of its total output. By way of comparison, Yarra represents just 0.2% of Greater Melbourne's land area and hosts 2% of its population. This economic activity is comprised of a diverse and evolving mix of employment and land uses that make a unique contribution to the metropolitan region. Yarra's mix of retail and entertainment precincts, mixed employment precincts, and health and education facilities provide employment and services that are metropolitan in their reach and, arguably, vital to Melbourne's 'brand' as a creative urban economy.

This Spatial Economic and Employment Strategy (the Strategy) has been developed to assist the City of Yarra to understand and capitalise on Yarra's economic strengths and respond to key trends and economic drivers over the next 10 to 15 years.

Trends and drivers

The Yarra economy is continuously evolving. In recent decades employment in Yarra has become increasingly knowledge intensive and services oriented with an economy that benefits from a well-connected, inner city location with access to workers, customers and other businesses. The number of knowledge workers in Yarra has doubled between 1996 and 2016, increasing from around 18,300 to around 44,000 over that period¹. Health care is expanding rapidly to become the largest single employment sector in Yarra. It currently employs 20,000 people (19% of Yarra's jobs). By 2031, provided capacity constraints can be overcome, the number of Yarra workers employed in the healthcare sector is projected to grow to more than 32,000 (23% of total jobs and one third of the growth in total employment). Retail and hospitality have also grown substantially with this sector increasing in size from 14,000 jobs in 1996 to an estimated 26,000 in 2016. In recent decades manufacturing employment has declined in absolute terms but has also evolved to more highly specialised niches including perishable products and advanced manufacturing.

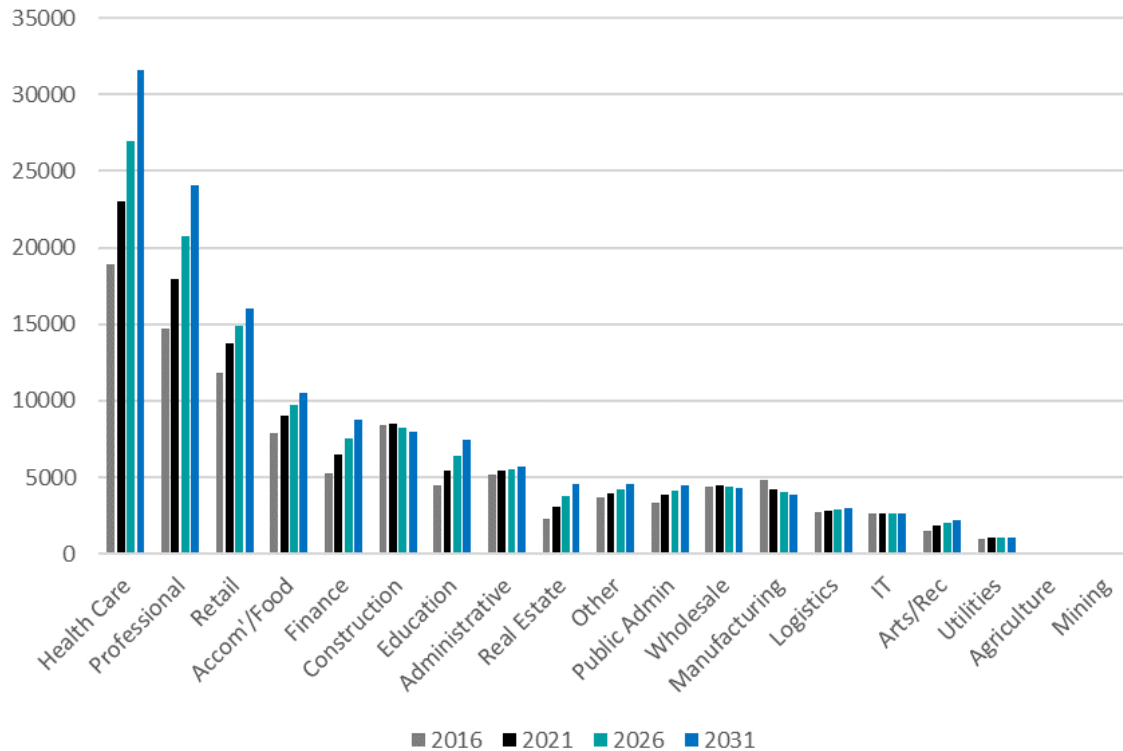
The drivers behind these changes – the rise of advanced business services, greater global economic integration between countries, outsourcing, technological advancements, and an ageing population – are factors that are likely to become more influential in the coming decades. Deepening structural economic change can continue to be leveraged by Yarra to support local economic growth.

Continued and high growth in employment is projected over the next 15 years in Yarra (see figure below). Accommodating this growth will require changes in the type of employment floor space on offer across the municipality. Over the next 15 years SGS' modelling estimates that there will be demand for an estimated 389,000 sqm of additional commercial floor space, 89,000 sqm of additional retail floor space, 206,000 sqm of additional institutional floor space, and a net reduction in demand of 642,000 sqm of industrial floor space. In line with employment floor space trends, these projections assume the average floor space per job will contract between 2016 and 2036 by an average of 20%.

Demand for housing is also significant in accessible high amenity areas like Yarra. In this context it is important that demand for housing is managed (or appropriately calibrated) so as to limit 'ad hoc' conversion of employment land for residential purposes, or speculative land trading, both of which can undermine the ongoing viability of existing employment precincts.

¹ SGS assume that the number of knowledge workers in Yarra is broadly equivalent to the number of workers employed in the following ANSZIC industry classifications: Information Technology; Financial and Insurance Services; Professional, Scientific and Technical Services; and Health Care and Social Assistance.

YARRA EMPLOYMENT PROJECTIONS BY INDUSTRY, ('000)



Source: SGS Employment Projections

Planning context

The State Government's metropolitan planning strategy *Plan Melbourne* provides high-level direction on desired urban outcomes over the next 40 years, including housing and employment. Plan Melbourne reinforces the role of the central city and its inner-city sub-precincts as fundamental in driving economic growth and in supporting liveability. Several precincts within Yarra were identified as 'Other urban renewal areas' in early iterations of the Plan: Collingwood (Gipps Street precinct), the North Richmond to Victoria Park corridor, East Richmond Station-Cremorne, and Alexandra Parade. In the 2017 'refresh' of Plan Melbourne this designation was removed. As a result, there is presently no specific guidance from the state government concerning the anticipated role of these areas. The Action Plan that accompanied the latest version of the Plan suggests the state government intends to pursue a series of short term actions that would provide more guidance for planning for employment lands, in particular for areas transitioning from industrial uses to alternative uses. Plan Melbourne recognises the health and education capabilities of Yarra in the updated Plan Melbourne with Epworth recognised as a Health Precinct, and the St Vincents Hospital and Australian Catholic University Precincts recognized as a Health and Education Precinct.

It is understood that an 'Inner Melbourne Framework Plan' is being prepared by the Victorian Planning Authority (VPA) to provide guidance on the planning for Melbourne's various inner city renewal areas. This process could reveal more about the capacity of these precincts to accommodate housing and employment, outline infrastructure needs, and identify the respective roles of the renewal areas identified in Plan Melbourne. The development and refinement of this plan would align with Action 1 in the Plan Melbourne implementation plan.

Past studies conducted by the City of Yarra, in particular the Business and Industrial Land Strategy (BILS), highlighted key economic trends and provide guidance for land use planning including recommendations for the development of specific plans or strategies across Yarra.

Within this broad framework, the SEES seeks to provide clarity on the future roles of health and education precincts, the urban renewal areas designated in early iterations of Plan Melbourne, and former industrial areas that are transitioning to alternative employment uses. The strategic directions set out in the SEES will replace the BILS.

Capacity for employment growth

For the purposes of assessing capacity for additional employment floor space, employment precincts were developed based on the existing land use zones and the functional characteristics of Yarra's activity centres and employment areas. There is currently an estimated 3.6 million sqm of employment floor space in Yarra. Based on a series of assumptions about development potential under current planning zones, there is theoretical capacity for a total of 4.9 million sqm of employment floor space. This suggests the capacity for additional floor space is in the order of 1.3 million square metres. Across Yarra's precincts, there is sufficient aggregate opportunity to accommodate projected growth to 2031.

In particular, there is significant capacity for commercial employment in the Gipps and Cremorne precincts. A review of office demand in Yarra completed by Urban Enterprise (February 2018) found that Yarra is currently experiencing a surge in planning applications for office developments, with a total of over 190,000sqm of office space under assessment. Three suburbs account for 89% of the total approved office floor space: Cremorne (28,353sqm), Richmond (48,000sqm) and Collingwood (57,000sqm). Abbotsford has also emerged as a popular location for office development. It is apparent that C2 zoned land has attracted the majority of the office development: with 68% of approved office floorspace and 80% of floor space currently under assessment is located on sites with a C2 zoning.

Significant demand for institutional floor space is forecast which suggests pressure for growth in Yarra's health and education precincts. Conversely, demand for land for industrial activities is forecast to decrease further.

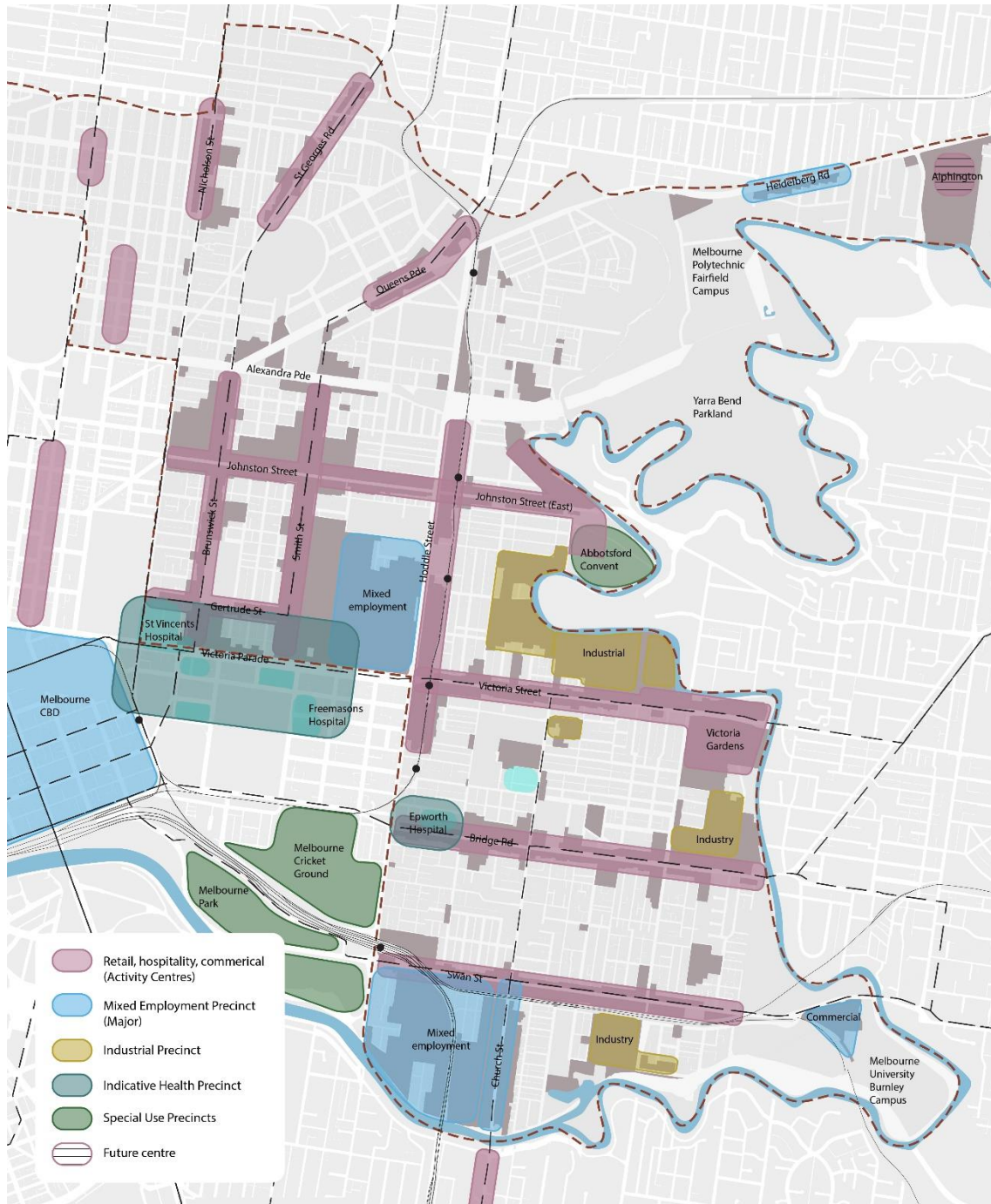
The Spatial Strategy

Yarra's stock of employment land is a strategic resource that accommodates a large and diverse range of businesses and jobs and provides employment for an extensive and growing number of workers with a wide range of skills. Given there is sufficient aggregate opportunity to accommodate projected growth to 2031, the task for Yarra in managing its employment land is to consider how best to respond to prevailing economic trends that will see continued changes in the nature of inner city employment and strong employment growth and demand for other uses, in particular housing. The main drivers of these changes include: the growth of health sector employment; strong growth in knowledge intensive employment; continued decline in traditional industrial uses; and pressure for conversion of employment land to housing.

In response the following strategic directions are recommended for the management of Yarra's employment lands over the next 10 to 15 years:

1. **Support employment growth in Yarra's Activity Centres.** Activity Centres are areas that provide a focus for services, employment, housing, transport and social interaction. In Yarra, major activity centres set out in Plan Melbourne include: Bridge Road, Brunswick, Smith, Swan and Victoria Streets. Neighbourhood activity centres include: Johnston Street (east), Queens Parade, Nicholson Street St Georges Road and Alphington. Yarra's local centres, such as Rathdowne Village and Lygon Street will support modest growth.
2. **Retain and grow Yarra's major employment precincts:** Preserve Yarra's larger mixed employment precincts at Gipps Street, Collingwood and Cremorne/Church Street South, Richmond. Retaining the employment role of these precincts is in keeping with their gradual transition from industrial areas to greater a mix of employment activity that includes professional services, creative industries, medical-related activities and small-scale manufacture.
3. **Identify preferred locations for housing growth:** to reduce pressure for ad hoc conversion of employment lands Council is identifying preferred locations for housing that compliment (rather than disrupt) employment activity and demonstrate sufficient capacity to accommodate housing demand in those locations.
4. **Support the expansion of health related employment and services in Yarra's health precincts:** Anticipate demand for the expansion of health-related activities in and around the designated health precincts.
5. **Retain other C2 zoned precincts and sites:** to support a greater diversity of businesses and economic activity. Some exceptions include locations where specific strategic planning work has been undertaken and supports a zone change. Future strategic planning work may identify opportunities for future change, however this are not a priority for Council in the short or even medium term (that is, the next 5 to 10 years).
6. **Retain Yarra's existing industrial precincts for manufacturing and urban services:** Provided projected demand for employment and housing for the next 15 years can be accommodated in existing centres and employment precincts, there is no need to reconsider the role of industrial precincts at this time. While the need for such a transition is not imminent, it may be prudent for Council to consider how alternative uses for these precincts might be determined, infrastructure requirements, and flag the potential for the inclusion of social and/or affordable housing.

YARRA'S ECONOMIC STRUCTURE – MAJOR EMPLOYMENT PRECINCTS



Source: SGSEP Pty Ltd, 2016.

1 INTRODUCTION

1.1 Project context

The City of Yarra (Yarra) plays a vital role in the economy of Greater Melbourne. It sustains a diverse range of businesses that contributed \$10,085 million Gross Value Add (GVA) constituting 4.3% of the Greater Melbourne economy in 2015². By way of comparison, Yarra comprises just 0.2% of Greater Melbourne's land area and accommodates 2% of its population.

The City of Yarra (Yarra) has adopted an Economic Development Strategy (EDS), which along with the Council Plan, provides overarching direction for economic development in Yarra. The EDS highlights the importance of the creative and knowledge sectors to the future of Yarra's economy.

The Yarra Business and Industrial Land Strategy (BILS), adopted in 2011, provides guidance on planning for Commercial and Industrial zoned areas. In broad terms, BILS suggests that Yarra's stock of business and industrial land could accommodate greater diversity of employment activity. The recommendations of BILS have guided Council's planning efforts for employment precincts.

Building on these documents, this Spatial Economic and Employment Strategy (SEES) sets out a vision for the future of Yarra's economy building on existing policies, analysis of existing conditions and emerging trends, and addresses a number of specific policy issues. The strategic directions in the SEES will supersede the BILS.

The SEES has been prepared to inform new policy in the Yarra Planning Scheme. It includes six strategic directions which will be translated into planning policy within the Yarra Planning Scheme.

1.2 Objectives of this Strategy

The purpose of this SEES is to provide guidance on managing growth and change in employment and economic activity. The objectives of the Strategy are to:

- Articulate the role of Yarra's centres, precincts and other economic clusters in a metropolitan context
- Articulate the role of Yarra's employment areas, both for the local community and their wider economic role
- Set out projections for the likely land and floor space demand for employment
- Provide a spatial strategy to accommodating growth and change in economic activity to 2031
- Identify those locations that are best suited to accommodating growth and change
- Identify issues, challenge or opportunities for specific employment precincts or activity centres
- Identify actions that Council needs to undertake to support growth and change in employment and economic activity
- Identify new policy directions for the Yarra Planning Scheme
- Detail the logic and evidence base used to develop the Strategy.

Economic activity in Yarra is arranged spatially among a range of different types of employment precincts: activity centres, specialised medical facilities, industrial precincts, mixed employment precincts, educational institutions, and areas where the Comprehensive Development and Priority Development zones have been applied. Reference will be made to these different types of employment precincts throughout this document, acknowledging their differing and complementary roles.

² SGS Economics and Planning, based on ABS data.

1.3 Employment, economic activity and land use planning

Land use planning shapes employment and economic activity through regulations that influence the type, intensity and combination of land uses that are permissible on land. These regulations take the form of State Planning Policies, Local Planning Policies, land use zones, the application of special overlays, and location specific spatial plans such as Structure Plans, Local Area Plans and Urban Design Frameworks (an overview of the current planning framework is provided in Chapter 3).

The land use zones applied in Planning Schemes are set out in the Victorian Planning Provisions (VPP). The key employment zones in the VPP are the two commercial zones (Commercial 1 and Commercial 2 Zones) and the three industrial zones (Industrial 1, 2, and 3 Zones). The Mixed Use Zone also permits employment uses, however recent evidence suggest the majority of new development on land within this zone tends to be residential.

The deployment of these employment zones is one of the primary means by which Councils influence the location and mix of employment. Some of the key recommendations of this Strategy address the need to retain or change the mix and location of zones to support the growth and change of employment and economic activity across Yarra.

In addition to determining the appropriate zoning to support employment, land use planning can also:

- Minimise the negative externalities associated with employment uses on adjoining and neighbouring land uses
- Maximise the potential for positive externalities (e.g. business clustering)
- Manage interfaces between land uses
- Establish a hierarchy for activity centres to assist decision making about the mix and intensity of retail activities, broadly defined, and also inform decision-making around infrastructure and service provision
- Shape policies relating to traffic generation, parking requirements, loading and servicing
- Outline policies relating to urban design, such as streetscape interfaces, urban character considerations and open space requirements.

The primary instrument that regulates development in the City of Yarra is the Yarra Planning Scheme. The spatial strategies in this document will inform new local policy in the Yarra Planning Scheme.

1.4 Community Consultation

Preparation of the SEES has included a range of consultation with a variety of businesses, hospitals, landowners and industry stakeholders.

2015



Consultation with a variety of businesses, hospitals, landowners and industry stakeholders

2017



Council's discussion with the Yarra community on business and employment occurred in 2015 through the *Liveable Yarra Project*. This project provided an opportunity to have an in-depth conversation with the community on how Yarra can adapt to the challenges and opportunities brought by growth and change. The deliberative engagement process included the 'people's panel' which consisted of residents selected to represent the broader community.

The SEES responds to the *Liveable Yarra Panel's* vision for business and employment in Yarra, which is for a "...diverse and growing business community". The Panel's recommendations included, amongst others:

- (a) Encourage mixed use in development including small spaces for business; and
- (b) Retain land for non-residential uses to support arts, cultural and other employment and economic uses.



Council held two workshops were held in late November and early December 2017, with businesses from two major employment precincts in the Yarra: Collingwood (around Gipps Street and Easey Street) and Cremorne.

Presentation was made the Council's Business Advisory Committee

2018



Council ran consultation on the draft SEES from 26 March – 30 April 2018 and included: drop in sessions, on line survey; articles in Yarra Life; social media posts; new items in Yarra's website; post card distribution.

The purpose of this document is to provide a spatial strategy to accommodating growth and change in economic activity. Issues raised during consultation relating to built form, transport and public realm will need to be addressed through separate strategies.

1.5 Structure of the SEES

The remainder of the report is organised as follows:

- **Chapter 2: Planning framework** describes the current planning framework and, with respect to the issues discussed in the previous chapter, highlights the limitations of current planning policies and approaches. This chapter also considers Council’s Planning Scheme Review and relevant previous studies.
- **Chapter 3: Trends and drivers** summarises the key content from the Issues and Options Paper³ in relation to broader economic and spatial trends and sets out growth projections that establish projected future demand for employment floor space in the City of Yarra.
- **Chapter 4: Precinct assessments** consider the trends and drivers, projections, and consultation findings to understand the spatial implications of forecast employment growth for specific employment precincts, activity centres, and Yarra’s activity centre hierarchy.
- **Chapter 5: Strategy** sets out the spatial strategy to accommodate growth and change in employment and economic activity in Yarra and identifies policy directions and implementation actions.

The appendices provide more detailed information on the employment forecast, the classification of retail centres and employment precincts, and the capacity analysis.

³ SGS Economics and Planning (2015) Spatial Economic and Employment Strategy - Issues and Opportunities Paper

2 PLANNING FRAMEWORK

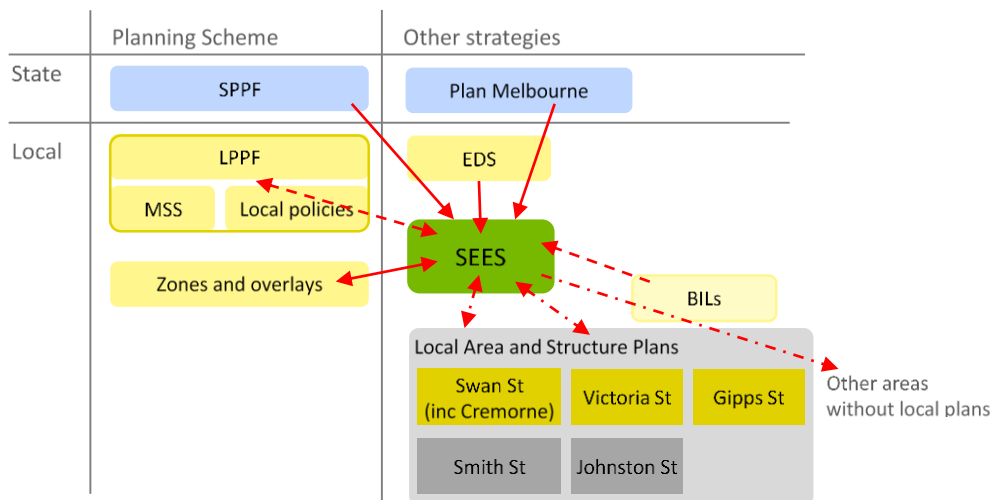
This chapter provides a high-level review of the current planning and policy framework relevant to Yarra's employment lands. It highlights key issues and gaps in the current policy which the SEES, in part, seeks to address.

2.1 Overview

Figure 1 highlights the main elements of the planning framework relevant to the SEES. The SEES draws from these policies and plans and will inform future iterations of the local policies and strategies.

The SEES provides a localised spatial understanding of the State's and Yarra's overarching employment objectives. This will help provide context for existing local area plans and direction for locations which currently do not have a local plan.

FIGURE 1. CITY OF YARRA PLANNING FRAMEWORK



2.2 Plan Melbourne

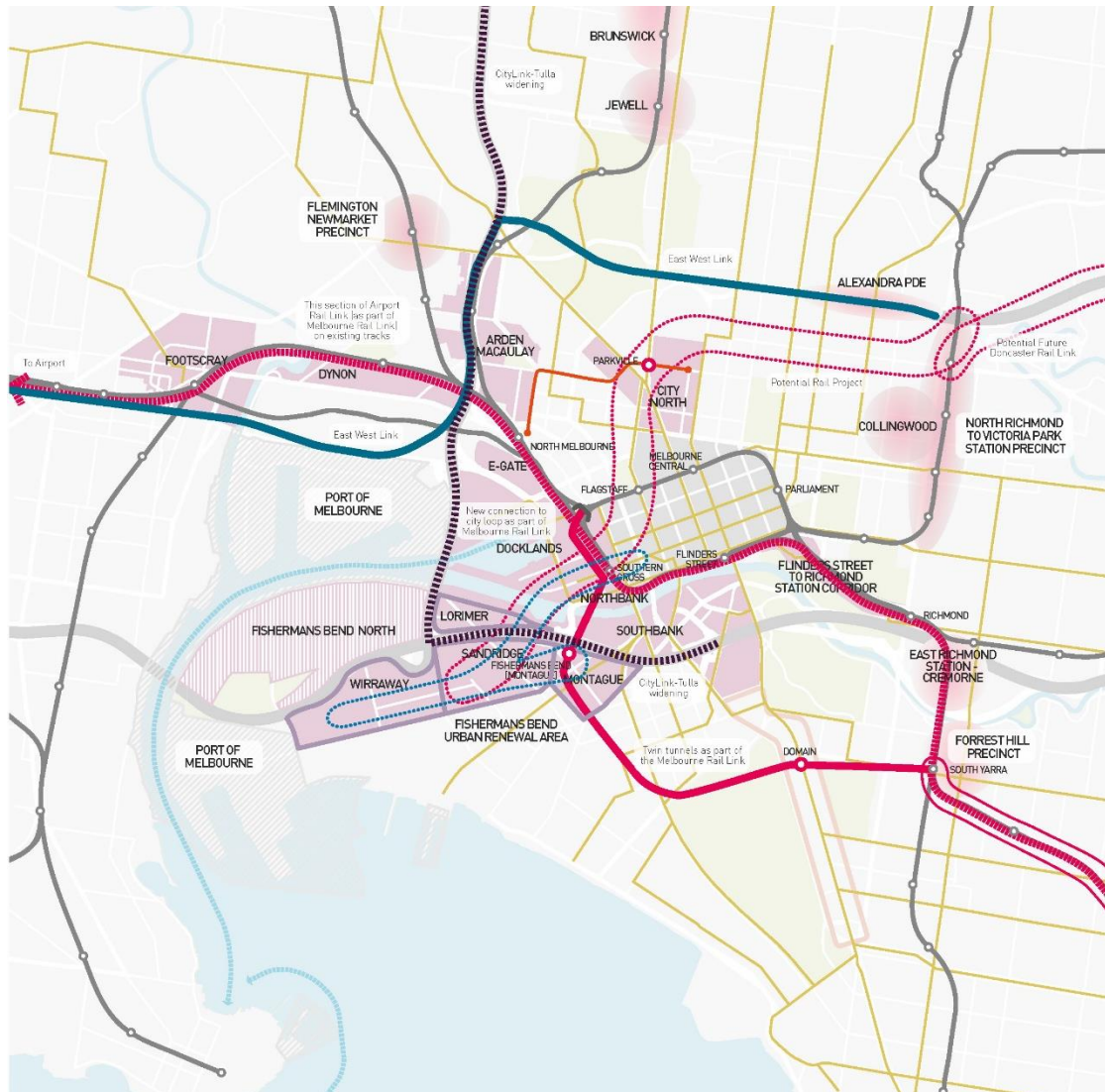
Plan Melbourne (2014)

Plan Melbourne is the Government's metropolitan planning strategy, which aims to guide Melbourne's growth and change over the next 40 years. Plan Melbourne takes a more holistic view than previous metropolitan plans, ostensibly addressing a broader range of planning issues including employment, housing, transport, liveability and the environment. There is a strong focus in Plan Melbourne on the central city area which includes Yarra. The importance of planning for employment received also renewed emphasis with a stronger economic narrative and the identification of a range of State Significant employment precincts.

Several precincts within Yarra were identified in the 2014 document as 'other urban renewal areas' including Collingwood (Gipps Street), the North Richmond to Victoria Park corridor, East Richmond Station and Cremorne, and Alexandra Parade (these areas are shown in the pink shaded areas in Figure 2). This designation was distinct from 'Expanded central city urban renewal areas' (shown in purple in Figure 2). The anticipated role of the 'other' renewal area was not clearly articulated: the document suggested they 'presented opportunities', may be 'underutilised' and might take 'pressure off existing neighbourhoods and allows people and jobs to be located close to public transport'. These observations could be interpreted as suggesting renewal would be residential-led or employment-led, or a combination of both.

The cluster of the St Vincent's Hospitals (public and private) and the Australian Catholic University was identified in as a health and education precinct and the Epworth Hospital identified as a health precinct.

FIGURE 2. PLAN MELBOURNE (2014) IDENTIFIED URBAN RENEWAL AREAS



MAP 20 – EXPANDED CENTRAL CITY – TRANSPORT 2050

SOURCE: DEPARTMENT OF TRANSPORT, PLANNING AND LOCAL INFRASTRUCTURE, 2014



- | | |
|---|--|
| <ul style="list-style-type: none"> — Rail network ● Existing rail station — Melbourne Rail Link (final alignment not yet determined) — Airport Rail Link (as part of Melbourne Rail Link) — Cranbourne-Pakenham Rail Corridor Project — Potential Rail Projects (alignment not yet determined) ○ Potential future station (final location not yet determined) — Tram network — Potential future light rail — Potential ferry route — Freeway network — Road network | <ul style="list-style-type: none"> — East West Link — CityLink-Tulla widening — St Kilda Road precinct — Melbourne Central Business District — Expanded central city urban renewal area — Industry and employment area — Other urban renewal area — Port of Melbourne — Open space — Waterway — Key bus route |
|---|--|

Source: Plan Melbourne (2014)

Plan Melbourne Refresh Discussion Paper (2015)

A Plan Melbourne Refresh document was published in 2015 and sought feedback on a range of issues with a view to a 'refreshed' version of Plan Melbourne being released later in 2016. The 'Refresh' discussion paper maintains support for an expanded central city concept, advocating for the preservation of commercial development opportunities and the early delivery of key transport infrastructure. It did not provide any further directions specific to the 'other' renewal areas.

Plan Melbourne 'Refreshed' (2017)

In March 2017 the 'refreshed' Plan Melbourne was released, accompanied with a five-year implementation plan. The pivot role of the central city as a location for employment and housing remains in this iteration of the Plan. The St Vincent's and Australian Catholic University cluster and the Epworth Hospital retain their designations as precincts of state significance. However, the designation of 'other renewal area' have been removed and, as a result, this most recent iteration of the Plan doesn't directly acknowledge many of Yarra's employment precincts (see Figure 5).

This change may suggest the State has decided to focus its efforts on the designated major renewal precincts at Docklands, Fishermans Bend, Arden, Macauley, E-Gate, Dynon, and the Flinders Street to Richmond Station corridor. There is a suggestion that the emphasis of these renewal efforts will be on accommodating housing. Direction 1.3 ('Create development opportunities at urban renewal precincts across Melbourne') states that renewal precincts will 'ease pressure on established areas' and 'offers the opportunity to improve local amenity, accommodate *more housing* and offer a greater mix of uses to support local communities' (p.38, emphasis added).

The Action Plan document contains a series of action relevant to land use planning for Yarra's employment area. In particular, Actions 1, 2, 6, 8 and 12, which are reproduce in below.

Action 1 ('Land-use framework plans for each of the metropolitan regions' – see full text below) suggests that future strategic land use decisions for existing employment precincts should be informed by these regional framework plans, when they are prepared. Yarra is located within the Inner Region that include the City of Melbourne and the City of Port Phillip. This action is listed as having a medium-term timeframe for implementation with DELWP as the lead agency and Councils, the VPA, DEDJTR, DHHS and DET as implementation partners.

Action 2 ('Central city planning') will focus on the renewal precincts highlighted above, however the text associated with this action indicates that other 'special' areas might be identified and acknowledged. Planning that 'determines the specialised economic functions of individual precincts across the central city' and 'identifies opportunities to establish and expand creative industries, small businesses and tourism' is as relevant to Yarra's established activity centres and employment precincts, as it is to the designated renewal precincts.

Without defining 'regionally significant industrial precincts', Action 8 suggests an awareness of the potential for contribution of 'redundant' industrial land to support alternative employment uses. Yarra's larger employment precincts are already experiencing changes that could be described as 'renewal of older industrial areas that are no longer well suited to industrial activities for alternative employment activities such as offices, creative industries and other employment-generating activities'.

Action 12 ('Planning for future employment growth') is also of relevance to Yarra, suggesting DELWP will provide direction on 'assessing the ongoing suitability of established industrial and commercial areas for different types of employment purposes' and 'when such areas should be retained for employment purposes and when they should be considered for rezoning to mixed-use or residential.'

FIGURE 3. EXTRACTS FROM PLAN MELBOURNE (2017) ACTION PLAN

Action 1: Land-use framework plans for each of the metropolitan regions (medium)

In consultation with the Metropolitan Partnerships, the metropolitan regional planning groups will prepare a land-use framework plan for each of the six metropolitan regions. The land-use framework plans will include strategies for population growth, jobs, housing, infrastructure, major transport improvements, open space and urban forests.

The plans will identify:

- land to be set aside primarily for business and employment-generating purposes
- precincts and activity centres where a mix of higher-density residential, commercial and other activities are encouraged
- urban renewal precincts and sites where medium- and higher-density housing and mixed-use development will be encouraged
- transit-oriented development opportunities that arise from major transport infrastructure projects such as the Metro Tunnel, level crossing removals and the Regional Rail Link
- an access framework that ensures that activity centres and urban renewal, employment and tourism precincts are supported by walking, cycling, public transport and night travel options
- additional regional-scale community, health, education, recreation, sporting and cultural facilities additional regional open space networks and enhancements and greening initiatives.

Action 2: Central city planning (short term)

In consultation with the Cities of Melbourne, Port Phillip and Yarra, develop a whole-of-government approach to planning for the central city that:

- establishes a program for the timing and staging of development across different urban renewal precincts within the central city to identify the particular investments required to support such growth, and the timeframe anticipated for its delivery
- outlines an access framework that connects all employment precincts to the CBD and to the wider metropolitan transport system. The framework will identify new, strategic transport connections and identify transport-management strategies including walking, cycling, public transport and night-time travel options
- determines the specialised economic functions of individual precincts across the central city and the infrastructure necessary to support growth
- identifies opportunities to establish and expand creative industries, small businesses and tourism
- identifies opportunities to improve the public realm, open space, social, cultural and recreational facilities that support the central city's economic functions
- recommends utility improvements to accommodate growth
- makes recommendations about whether special governance arrangements will be necessary to coordinate matters such as investment facilitation, infrastructure delivery and development approvals.

Action 6: Health and education precincts (short to medium term)

Review planning provisions for health and education precincts to support their continued effective operation and their future growth and expansion, including in the case of health precincts, for associated allied health services. Many health and education precincts are within NEICs, metropolitan or major activity centres, so may be included in planning for these locations.

Action 8: Significant industrial precincts (short term)

Work with local government to strengthen regionally significant industrial precincts in established urban areas for employment-generating activities by:

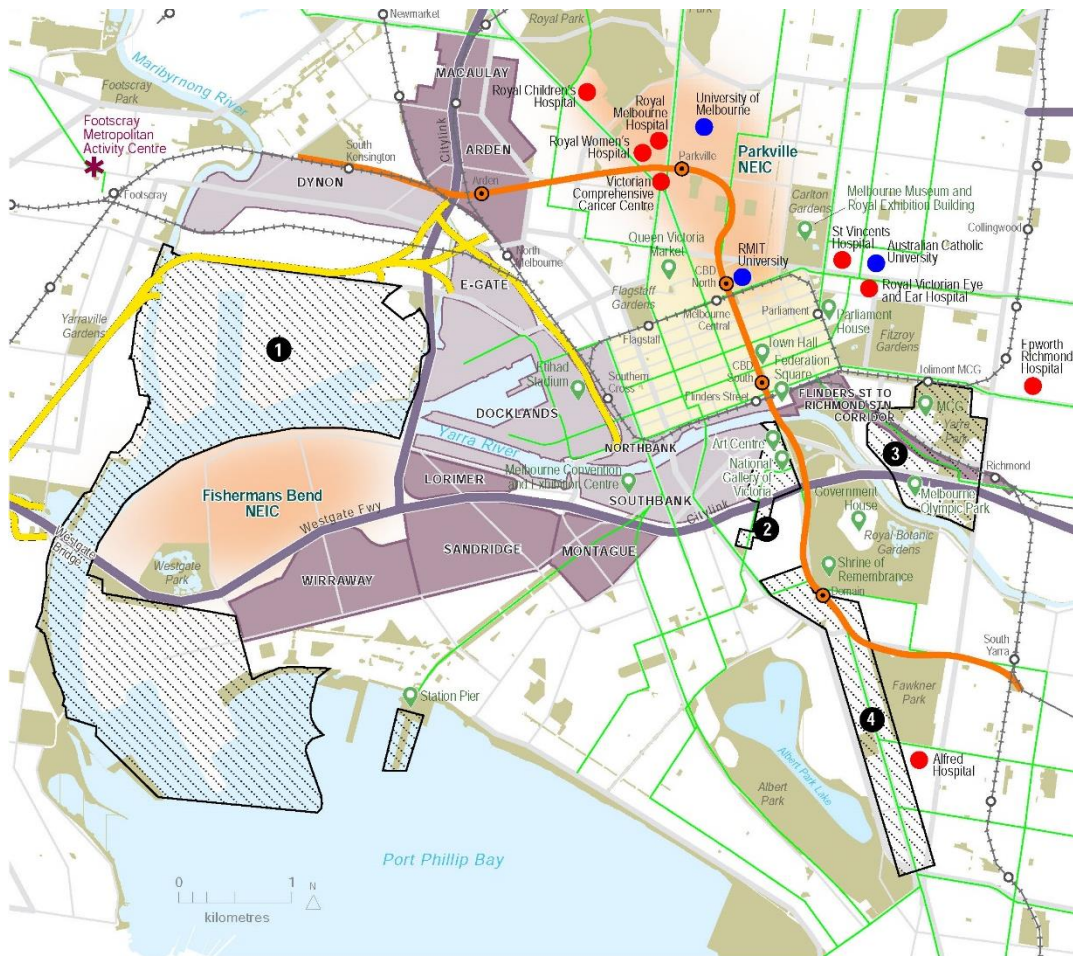
- ensuring that sufficient land is zoned for employment purposes and that sensitive land uses such as housing are not permitted to be established in them
- retaining larger industrial precincts for local manufacturing, service industries, warehousing and distribution
- promoting the renewal of older industrial areas that are no longer well suited to industrial activities for alternative employment activities such as offices, creative industries and other employment-generating activities
- facilitating improved information and communications technology infrastructure, access and amenity within these areas
- reviewing planning, building and environmental regulations to ensure that these are not barriers to the affordable conversion of designated industrial areas for alternative employment-generating activities
- identifying areas no longer required for employment activities.

FIGURE 4. EXTRACTS FROM PLAN MELBOURNE (2017) ACTION PLAN

Action 12: Planning for future employment growth (short term)
 Assist councils to plan for future employment needs by:

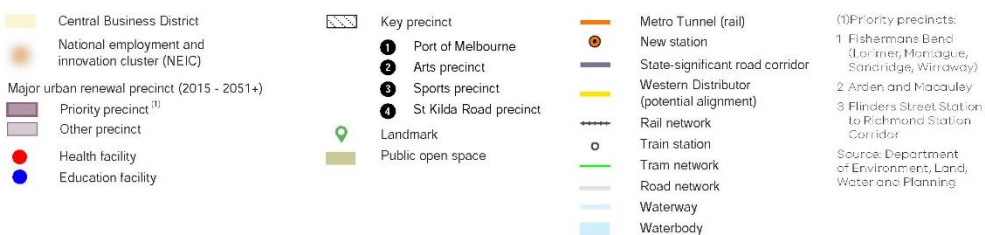
- addressing how metropolitan regional employment demand forecasts can be translated into floorspace requirement, land-use and zoning frameworks
- providing direction for assessing the ongoing suitability of established industrial and commercial areas for different types of employment purposes
- providing direction about when such areas should be retained for employment purposes and when they should be considered for rezoning to mixed-use or residential.

FIGURE 5. PLAN MELBOURNE (2017) URBAN RENEWAL AREAS



Map 4

Key features in and around Melbourne's central city



Source: Plan Melbourne (2017)

Inner Melbourne Framework Plan

It is understood that an 'Inner Melbourne Framework Plan' was being prepared in 2016 by the Victorian Planning Authority to provide more specific guidance on the planning and redevelopment of Melbourne's multiple inner city renewal areas. This plan, when complete, should reveal more about the capacity of these precincts to accommodate housing and employment, infrastructure needs, and the role for the 'other' inner city renewal areas as identified in earlier iterations of Plan Melbourne. Further development and refinement of this plan would align with Action 1 in the Plan Melbourne implementation plan.

Summary

The key issues (and omissions) identified in these documents of relevance to the SEES include:

- The concept of an expanded central city is a core principle in Plan Melbourne. Yarra is included in the definition of this expanded central city area.
- Yarra's health and education precincts are nominated as precincts of State Significance in the Plan. The Action Plan includes an action to reviewed planning for health and education precincts to support their effective operation, growth and expansion.
- The most recent version of the Plan Yarra's employment areas are no longer explicitly nominated as 'other renewal areas.' However, the accompanying Action Plan suggests that the government will pursue a series of short term actions that would provide more guidance for planning for employment lands, particular for areas transitioning from industrial uses to alternative uses. Guiding and informing these actions will be important to support economic activity in Yarra.
- Despite a greater focus on employment than the previous metropolitan strategy, Plan Melbourne is largely silent on the matter of inner city employment land, and in particular, the issue of increasing pressure for residential conversion.

2.3 Yarra Planning Scheme

Local Planning Policy Framework

The Local Planning Policy Framework (LPPF) in the Yarra Planning Scheme sets out the strategic goals for employment land uses in Yarra. The land use vision for Yarra has a particular focus on activity centres and on increasing opportunities for employment and providing for the retail needs for both local residents and people across Melbourne.

Planning zones for employment

The current distribution of land use zones in Yarra is shown in Figure 6. The specific zones that contain the majority of employment activity are the Commercial 1 and Commercial 2 zones (C1Z and C2Z), the Industrial 1 and Industrial 3 zones (IN1Z and IN3Z) and to a lesser extent the Mixed Use zone (MUZ).

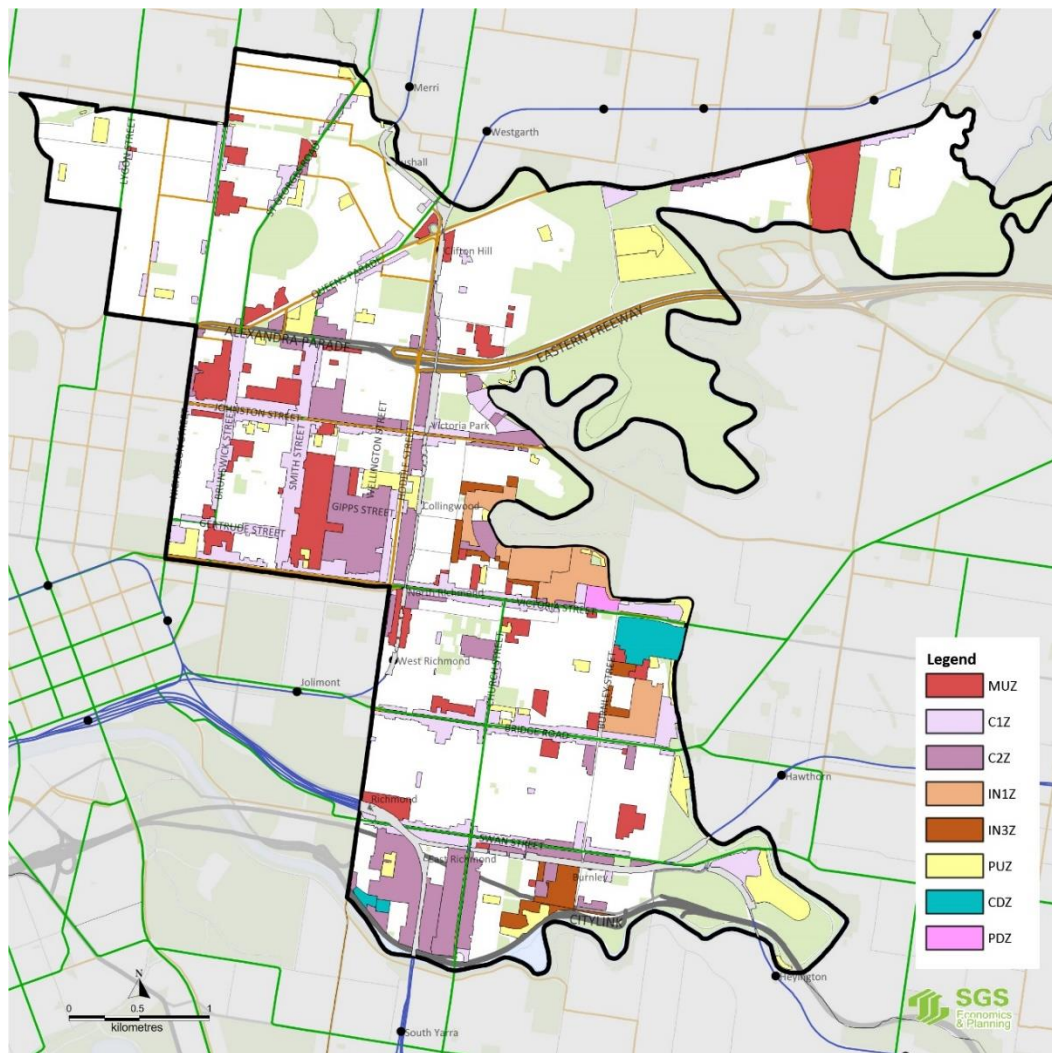
Mixed Use Zone (MUZ)	Commercial Zones (CZ)	Industrial Zones (INZ)
The MUZ allows residential, commercial, industrial and other uses and as such allows the widest variety of land uses of any zone. However, in recent years the MUZ in Yarra has tended to function as a quasi-residential zone with the majority of development being higher density residential. This trend is likely to continue while the demand for housing is strong and the financial returns from residential development are higher than those of alternative land uses.	The C1 zone is the most conducive zone to retail and commercial activity and planning permits are not required for shops, food and drink premises, or office uses, and there are no floor space limits for these uses.	The IN1 zone encourages manufacturing, storage and distribution, and associated uses. Its use is restricted to a few consolidated areas in the suburbs of Abbotsford and Richmond. The 2013 changes to the VPP zones made office a permissible land use in this zone.
	The C2 zone also seeks to promote commercial activity, particularly for offices, with some manufacturing and industrial uses where appropriate. There are limits on the floor space of retail uses in this zone. Whereas offices have no maximum floor area restrictions. Smaller supermarkets of less than 1,800 square metres are also permitted without the need to seek planning approval.	The IN3 zone is intended to support lower impact industrial and other land uses and in Yarra is used as a buffer between IN1 zoned land and residential of commercial areas, or for those industrial areas that are wholly enclosed by more sensitive land uses.

In addition to these standard zones the Comprehensive Development Zones (CDZ) and Priority Development Zones (PDZ) apply to specific precincts. The CDZ applies to land at the eastern end of Victoria Street and Victoria Gardens. This CDZ seeks to encourage the redevelopment with a mix of uses that will complement and enhance the Yarra River environment. The second CDZ applies to the 'Maltings' site bounded by Gough, Balmain, Dover and Bent Streets in Cremorne. Its purpose is to ensure that land is planned and developed as a whole in a form that is responsive to area character and amenity, site characteristics and opportunities. The PDZ1 is applied to an area bounded by Walmer Street, Victoria Street, Flockhart Street, land immediately north of Shamrock Street, and the Yarra River. The area is planned as a mixed use precinct as part of the Victoria Street Major Activity Centre.

The main issues with respect to the zoning of employment land in Yarra are as follows:

- Balancing policy direction for residential development in activity centres with the need to accommodate retail and other uses in response to local demand and demand that originates outside of Yarra
- Supporting employment growth on other employment lands and managing pressure to rezone for residential, and
- Ensuring there are no planning barrier to meeting the floor space needs of the health and education institutions.

FIGURE 6. YARRA'S CURRENT PLANNING SCHEME ZONES



Source: City of Yarra (2015)

2.4 Structure Plans and Local Area Plans

A series of Structure Plans and Local Areas Plans have been prepared to guide and manage growth within Yarra’s key activity centres and employment precincts. Such plans are developed to manage the future of an area and provide direction on preferred land use and built form, pedestrian access and movement in the area, and identifying zones and other planning controls required.

The use of structure plans and local area plans in Yarra has proven challenging. The time taken to prepare and adopt structure plans has been lengthy, while their adoption and implementation has been difficult in some instances due to questions about the lack of strategic justification or supporting evidence.

There are currently five structure and local area plans in Yarra with varying status levels:

- The Smith Street Structure Plan was adopted by Council 2008 but the subsequent Design and Development Overlay was abandoned June 2012
- The Swan Street Structure Plan was adopted by Council in December 2013 and is being implemented through a Planning Scheme Amendment
- The Victoria Street Structure Plan was adopted by Council in 2010
- The Johnston Street Local Area Plan was adopted in December 2015 and will be implemented through a Planning Scheme Amendment, and
- The Gipps Street Local Area Plan was adopted by Council in April 2011.

2.5 Other studies and strategic developments

Yarra Economic Development Strategy 2015-2020 (2013)

The Yarra Economic Development Strategy (EDS) highlights three significant industries that will be the focus of economic development over the next five years being health, professional services, and retail, accommodation and food services. Supporting and facilitating the existing knowledge economy is a key strategy within the EDS with a particular focus on four identified specialised economic clusters (see Figure 7):

- The Fitzroy health/education cluster: includes St Vincent’s Hospital and ACU
- The Richmond health/education cluster: a state significant precinct which includes Epworth Hospital
- The Collingwood creative cluster: concentration for creative businesses, and
- The Cremorne creative cluster: major creative services cluster, particularly design.

The strategic framework for the EDS contains three parts which are outlined in Table 1 below.

TABLE 1. YARRA EDS STRATEGIC FRAMEWORK

Strategic goal	Vision	Directions
Smart city	Yarra will be recognised for its highly skilled, innovative, artistic and competitive business environment. It will support and attract a range of businesses, entrepreneurs involved in knowledge-intensive industries, and the creative sector.	<ul style="list-style-type: none"> – Cluster development – Partnerships and collaboration – Industry development and support – Organisational delivery
Vibrant and thriving precincts	The City of Yarra will continue to strengthen its precincts as vibrant hubs for retail, entertainment, arts, cultural and business activity to service the local population and develop as destinations of national and international recognition.	<ul style="list-style-type: none"> – Infrastructure and maintenance – Positioning and activation – Destination development
Locally engaged business community	The City of Yarra will continue to facilitate business growth and prosperity, intrinsically linked to the well-being of the local community.	<ul style="list-style-type: none"> – Local employment opportunities – Local supply chains – Sustainable business practices

Source: Adapted from City of Yarra, 2014

FIGURE 7. SPECIALISED ECONOMIC CLUSTERS



Source: City of Yarra, 2014

Of the priorities identified within the EDS, the following five are of particular relevance to this Strategy:

- Strengthening the role of Collingwood and Cremorne creative clusters
- Supporting expansion plans for St Vincent’s, Epworth Richmond and ACU
- Ensuring that the spatial strategies contain adequate consideration of clusters
- Engaging with the Abbotsford Convent in relation to future development plans and potential to accommodate creative industries
- Activating precincts and provide business mix, and
- Understanding and supporting local supply chains.

Business and Industrial Land Strategy (2011)

The 2011 Yarra Business and Industrial Land Strategy (BILS) provide analysis and direction the land zoned Business and Industrial in Yarra. The vision set out is BILS is as follows:

Business and industrial areas in the City of Yarra play a vital role in sustaining the local and inner Melbourne economy and local communities. They will continue to change, with significant growth in the business sector and a decline in industry activity and employment. This Strategy will provide sufficient land to sustain growth in economic activity. In doing this, it will contribute to the economic strength of the region, and enhance its vibrancy and diversity.

BILS suggested that Yarra contains a significant stock of business and industrial land in the inner metropolitan context. Given a likely continuation of the decline in industrial activity and employment in the municipality, BILS recommended facilitating greater diversity of employment activity in both business and industrial areas. With employment in Professional, Scientific and Technical Services expected to grow, significantly more office-based employment was recommended.

The strategy recommended investigating land use change options for sites which interface with the regionally significant Yarra River corridor to maximise employment and improve amenity in this precinct. It also recommended the development of masterplans or local area plans for precincts where major change is likely, and where amenity, urban design and access considerations are needed.

The recommendations of BILS have been used by Council to guide Council's planning efforts for employment precincts.

Review of the Yarra Planning Scheme (2014)

A review of the Yarra Planning Scheme was undertaken in 2014. The review suggested the current Yarra Planning Scheme lacked an overarching, evidence-based narrative for projected housing and employment growth in the municipality which might be used to assess the merits of individual planning proposals. As growth of both housing and employment continues, it is expected that there will be a competition for land and other assets in Yarra. The review noted that it is important to carefully manage and protect certain assets, and facilitate growth in locations that will provide benefit for current generations, but also be sustainable into the future.

The review identified a lack of local spatial plans, including plans for activity and neighbourhood centres, economic clusters, urban renewal locations and other commercial areas. It further suggests that the roles and strengths of activity centres in particular need to be defined, and strategies to meet the projected demand for retail and activity centre facilities need to be identified.

The review notes that with the 2013 changes to the VPP zones by the State Government there is now greater flexibility in the location of commercial and retail activity in employment zones. In particular, there is greater opportunity for new retail nodes to develop in C2 zoned areas such as Hoddle Street, and this possibility should be considered in future policy development.

Redevelopment of the Alphington Paper Mill (Amcor site)

The 16.5ha former Amcor paper-mill site in Alphington was identified as a Strategic Redevelopment Site within the Municipal Strategic Statement. It was also identified as a priority Urban Renewal Area within the Central Sub-region of Plan Melbourne (2014). It is one of the largest urban infill sites in Melbourne.

In December 2015 Council approved a revised Development Plan for the Alphington Paper Mill. The approval allows for 2500 dwellings, and 11,500 commercial floor space and 13,500 retail floor space. It also secures 4.5% open space, 1700 square metres of community facilities and 5 percent affordable housing.

Night Time Economy Strategy 2014-18

Adopted by Council in June 2014, this strategy is intended to further improve the safety, vibrancy and functionality of night time activities in Yarra. The strategy was developed in response to media and community speculation about the impacts of alcohol use at night on residents, despite very little evidence of negative impacts. The strategy contains three objectives:

- A safe night time economy: at night public spaces are well-kept and people behave respectfully
- A vibrant night time economy: at night there are a range of people and ages, and a diversity of facilities and activities, not centred on alcohol, and
- A functional night time economy: at night entertainment precincts accommodate people at peak times, attract people to walk, cycle or use public transport and have adequate public amenities (e.g. toilets) and infrastructure.

The strategy also includes a cost benefit analysis that suggested the benefit-cost ratio of the night time economy was 2:1.

2.6 Summary of existing policy and planning gaps

Yarra continues to be a strategically important location for employment. It hosts significant existing employment clusters, key assets of state significance, and sites with renewal potential have been identified in the earlier iterations of Plan Melbourne and current local planning policies.

While there are general statements in support of economic activity in Yarra, neither state nor local policy frameworks provide specific direction for the future employment role. The Swan Street Structure Plan includes a range of objectives and strategies related to employment uses in the various precincts within that plan.

Previous studies and the analysis presented in the preceding chapter suggest that industrial employment is likely to continue to decline, while employment in professional services, health and education, and retail and hospitality are all expected to grow.

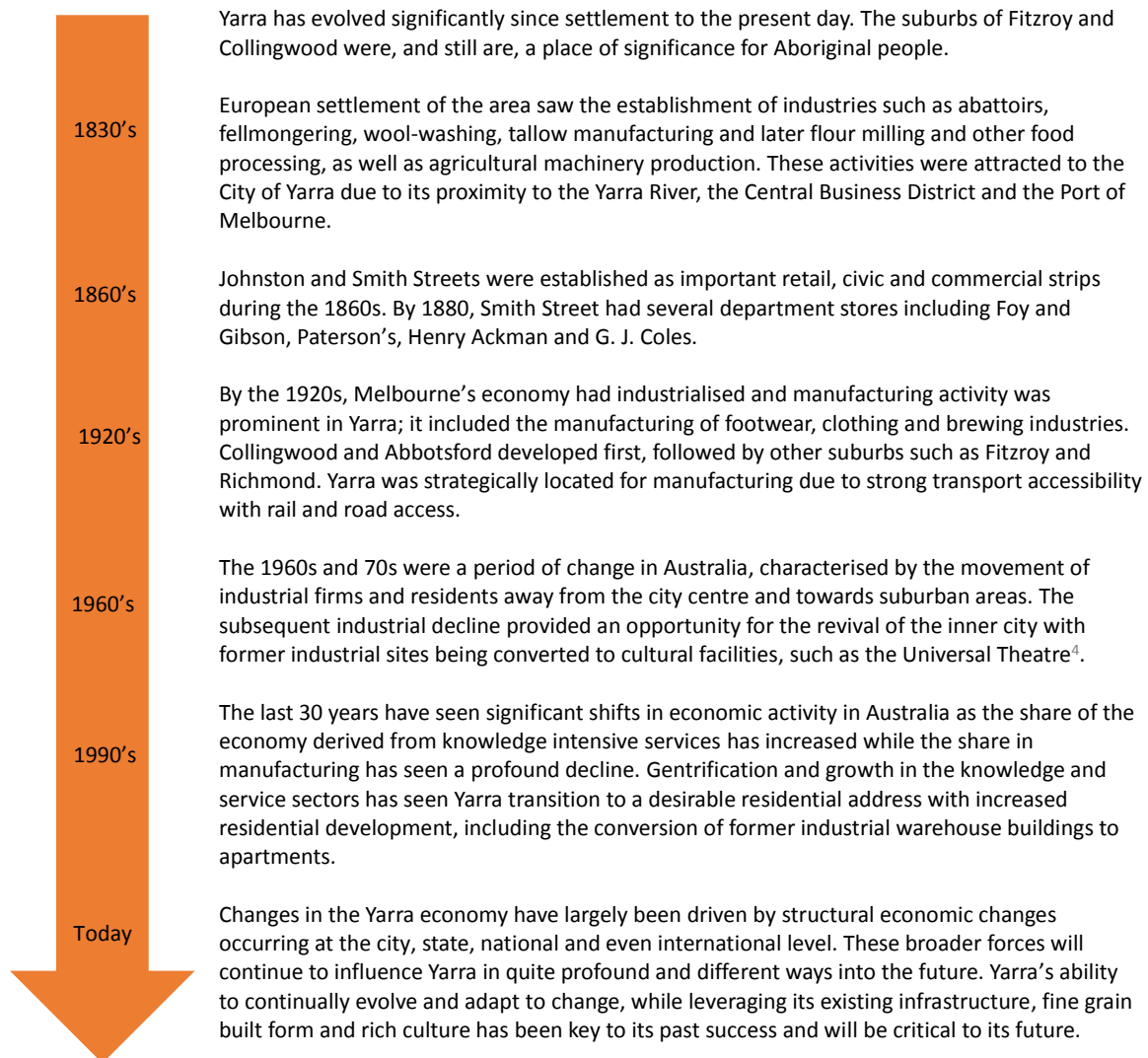
Recent changes to the VPP employment zones have already provided greater flexibility for the location of employment uses. Changes to zoning in the Gipps Street precinct (from Industrial 1 to Business 3 in 2011 and subsequently to Commercial 2 in 2013) have taken some time for on-the-ground changes can be observed, but gradually new development is occurring, and new businesses are locating to this area.

It is evident that a clear and robust evidence base is required to support the development and implementation of land use planning policy in Yarra. In an effort to address this gap, the next chapter will consider the trends and drivers of change for the economy in Yarra and concludes with forecasts for employment growth and demand for additional employment floor space over the next 15 years. The subsequent chapter compares this floor space demand to estimates of capacity for employment floor space for each of Yarra's major employment precincts.

3 TRENDS AND DRIVERS

This chapter provides a brief history of the evolution of economic activity in Yarra and an overview of the strategic spatial context. It then describes key economic trends relevant to the future of employment and economic activity. It concludes with a series of employment and floor space projections across four broad industry sectors, which provide a foundation for the subsequent chapters of the Strategy.

3.1 Historical context



⁴ An arts and entertainment venue from the 1970s until the late 1990s.

3.2 Strategic context

Yarra’s location within the metropolitan context and its relation to key infrastructure and institutions are important drivers of employment growth across the municipality. Yarra is situated immediately to the north and east of central Melbourne (see Recent marketing sounding and consultations with local businesses identified a number of important competitive advantages for Yarra as an employment location compare to the CBD and other inner Melbourne locations. This include: favourable zoning, particularly the availability of C2Z land; industrial heritage and opportunities for re-use and adaptation of heritage buildings; strong lifestyle attributes and vibrant precincts attractive to workers; and recognition as a hub for creative and tech-based businesses. These attributes contrast with the established office markets in the CBD and Docklands which are perceived as being more conventional. Although outside the CBD, the emerging renewal precincts at Fishman’s Bend and Arden Macauley currently lack the mix of existing retail and entertainment opportunities, diverse building stock and accessibility that are abundant throughout much of Yarra.

Figure 8). Established suburbs extend beyond each side of the municipality and are connected through a range of transport options. As a result, Yarra is one the most highly accessible locations in Melbourne from a labour market perspective. A range of businesses, especially knowledge intensive industries, find it an attractive location due to its proximity and connectivity to the CBD.

Recent marketing sounding⁵ and consultations with local businesses identified a number of important competitive advantages for Yarra as an employment location compare to the CBD and other inner Melbourne locations. This include: favourable zoning, particularly the availability of C2Z land; industrial heritage and opportunities for re-use and adaptation of heritage buildings; strong lifestyle attributes and vibrant precincts attractive to workers; and recognition as a hub for creative and tech-based businesses. These attributes contrast with the established office markets in the CBD and Docklands which are perceived as being more conventional. Although outside the CBD, the emerging renewal precincts at Fishman’s Bend and Arden Macauley currently lack the mix of existing retail and entertainment opportunities, diverse building stock and accessibility that are abundant throughout much of Yarra.

FIGURE 8. CENTRAL MELBOURNE EMPLOYMENT AND URBAN RENEWAL PRECINCTS



Source: SGS, 2015.

⁵ Undertaken by Urban Enterprise during the preparation of their Yarra Office Demand Study (March 2018).

Key institutions and public assets

Key institutions and public assets (health, education, arts and commercial) in Yarra also represent key nodes in their own right. The western side of the municipality is adjacent to number of significant institutional assets, including the major health and education precinct around Parkville which extends along Victoria Parade and includes a number of major health and education facilities in Yarra and the neighbouring municipality of Melbourne. The western end of Swan Street has strong connections to Melbourne's major sporting precinct which provides high volume demand to retail, hospitality and the tourism sectors during major events. The southern end of Church Street also provides a 'boutique' restricted retail offer which has leveraged strong connections into Forrest Hill and Chapel Street. The north of the municipality has strong links to a number of activity centres: High Street, St Georges Road, Lygon Street and Sydney Road. The eastern edge of the municipality is generally defined by the Yarra River, over which there are limited crossings creating a natural break from Melbourne's eastern suburbs and also providing access to open space and recreation assets.

Transport connections

Yarra enjoys a relatively high degree of both private and public transport accessibility; it is traversed by numerous major freeways, arterial roads, train lines, tram and bus routes. Yarra is intersected or bordered by a number of major road corridors, including Punt Road/Hoddle Street, Eastern Freeway, Heidelberg Road, Nicholson Street and CityLink. These corridors play an important cross-city traffic role ensuring connection to labour markets across the city and good access to key assets (airports, universities, hospitals, etc.). In some instances however they are barriers to mobility and integration between areas within the municipality. Bike and pedestrian routes add to this rich transport network and extend across Yarra.

The key shaper of Yarra's retail precincts has been the tram network. This will continue to be the strongest influence from a transport perspective on retail development. In particular, the five major retail strips Brunswick Street, Smith Street, Victoria Street, Bridge Road and Swan Street have benefited from this infrastructure. Compared to Hoddle and Johnston Streets, Yarra's main streets with tram lines heritage and quality of place attracts dynamic businesses esp in hospitality and entertainment. These streets have a more fine-grained urban structure, less intrusive traffic and better performing retail precincts.

A number of major railway stations serve the north and south of the municipality. Stations at Richmond, East Richmond and Burnley are located in established retail strips and present opportunities for consolidation and densification of commercial, retail and residential land uses. Stations at Victoria Park, Collingwood and North Richmond all serve the Hoddle Street precinct. At a metropolitan scale Yarra is highly accessible from the north, east and south (as evidenced in the journey to work data) and a convenient location for a diverse workforce to access employment opportunities in the CBD. Locally, there is also a high level of accessibility to employment, retail and services via public transport, walking and cycling, and private vehicles.

3.3 Key trends affecting Yarra

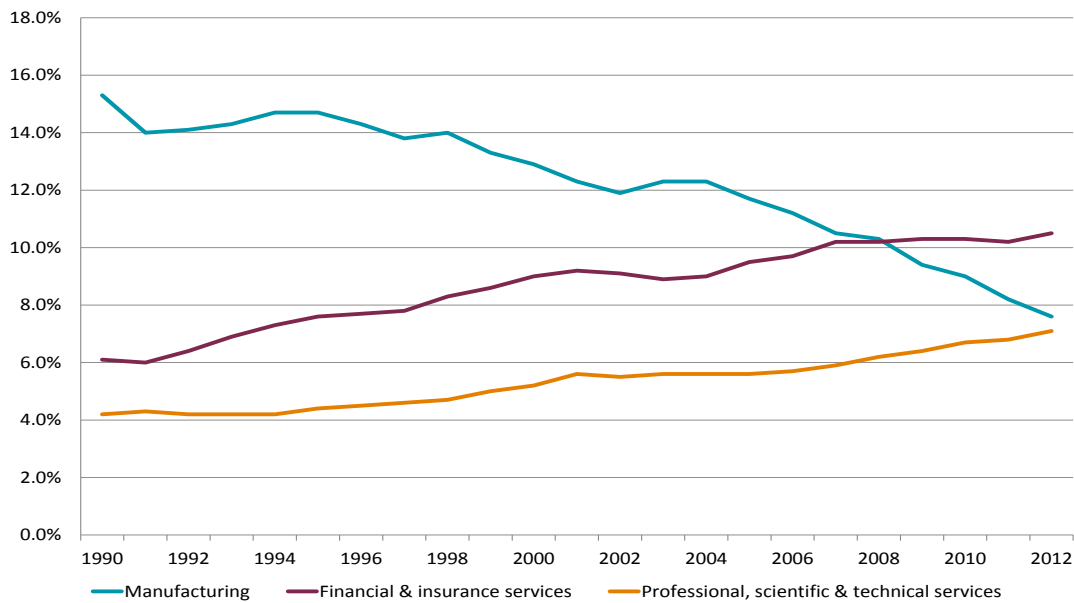
This section highlights some of the key economic trends that have affected the broader metropolitan economy in recent decades, including the growth and spatial distribution of employment and economic activity in Yarra. These macro-scale trends are generally beyond the influence of governments be they local, state and federal. However, they are fundamental considerations in understanding how employment and economic activity will continue to evolve and the need for land use planning strategies and policies to respond to pressures for change.

Structural economic change

The last 30 years have seen significant shifts in the nature of economic activity in Australia. As demonstrated in Figure 9, the share of the economy derived from knowledge intensive services has increased significantly while the share in manufacturing has seen a profound decline. The factors driving these changes are likely to continue to influence employment and economic trends across metropolitan Melbourne and Yarra.

Economic activity in Yarra has responded to these shifts and continues to adjust. Yarra is now host to a post-industrial economy which features a diverse range of industry sectors, producing high value outputs, with an increasing emphasis on professional services, health care and education, creative industries and a diverse retail and hospitality offer.

FIGURE 9. SHARE OF GDP FOR SELECTED INDUSTRIES IN AUSTRALIA



Source: Australian Bureau of Statistics – National Accounts

Innovation, knowledge services, agglomeration

The long-term competitiveness of Australia’s economy will be underpinned by its ability to continue to innovate. Innovation is essentially the reshaping of existing products and services for existing customers and the development of new products and services leading to the creation of new markets. As local and global economies continue to evolve rapidly, innovation is essential for businesses to remain relevant and competitive.

Melbourne’s diverse and skilled labour force will increasingly be leveraged to support innovation and growth across all sectors of the economy. While economic growth has been concentrated in the financial and professional services sectors, all sectors – retail, health, hospitality, agriculture, mining and construction – can leverage analytical and creative services to boost productivity. The massing and clustering of professional services – also described as ‘agglomeration’ – improves their ability to innovate, boosting their productivity and, in turn, that of their customers. Agglomeration benefits are one of the main attractions for the growing professional services industries to locate in central city areas and near major transport nodes.

After the City of Melbourne, Yarra has next highest concentration of knowledge sector employment with significant proportion of workers engaged in knowledge intensive sectors of health and education, architectural and engineering services, finance, advertising and information technology. Knowledge sector jobs grew by 17% (more than 5,000 additional jobs) between 2006 and 2011⁶. Yarra also hosts a significant share of creative industries with an estimated 11% of workers and 21% of businesses in Yarra involved in the creative sector⁷.

Development of mixed employment precincts

Yarra has two significant ‘mixed employment’ precincts: the Gipps Street precinct in the south eastern corner of Collingwood and the Cremorne precinct south of Swan and east of Church Streets. Both precincts have a long history of employment uses and as a result contain a mix of industrial buildings, warehouses, and newer office buildings. They also contain some housing that pre-dates the introduction of distinct residential and industrial land use zones. Their proximity to the central city has meant they are an attractive location for business seeking affordable accommodation, but still in close proximity to a large number of other firms, customers and clients. Examples of the types businesses in these precincts include light industrial uses, architecture and design firms, small-scale manufacturing and property services. In recent years office rents have increased in Yarra and its relative affordability is being eroded. In Cremorne in particular, office rents are approaching rates of \$500-600 per square metres which are comparable to CBD rates.⁸

⁶ City of Yarra (2013) Economic Development Strategy 2015-2020.

⁷ Ibid. Analysis based on the methodology set out in SGS (2013) Valuing Australia's Creative Industries Study.

⁸ Urban Enterprise (2018) Yarra Office Demand Study

The precincts host a diversity of building stock in terms of age, type and size, providing a range of tenancies for small to medium size firms with a range of floor space needs. The diversity of lot sizes and built forms are the product of decades of evolution and change and are unlikely to be reproduced through deliberate urban renewal efforts such as those pursued at Southbank and the Docklands or envisaged for other renewal precincts including Fishermans Bend. Yarra's mixed employment precincts are unique locations that make an important contribution to the economic landscape of Yarra and the metropolitan region.

Urban economists, past and present have suggested that the density and diversity of economic activity in cities drives innovation (Jacobs, 1970; Glaeser, 2011; Florida, 2012). However the questions of how and where innovation occurs in cities are not easily answered. Density and proximity contribute to the likelihood of business to business interactions that lead to innovation. The diversity of businesses, skills, networks, buildings and tenancies within an employment district is also a contributing factor. And finally, connectivity and networks to facilitate relationships between people, firms and places form a third element that underpins idea generation, innovation and commercialization efforts.

The unique qualities and mix of businesses in Yarra's mixed employment precincts and their contribution to the contemporary urban economy and role as sites for innovation have been a focus of research (Hutton, 2008; Wood and Dovey, 2015). Research on 'urban makers' by Melbourne University has considered how "small, high-value-add, highly-innovative urban manufactures" benefit from locations like the Gipps and Cremorne precincts (Day et al, 2015). An issue identified early on in this research was the challenges of using existing employment data sources to determine the location, number and contribution of these firms to the Victorian economy. Without this data it is difficult to understand the size and scope of the 'urban making' economy, or the impact that planning or other changes would have on the viability of these employment activities.

FIGURE 10. DIVERSITY OF BUILT FORM IN MIXED EMPLOYMENT PRECINCTS



Source: SGS, 2015.

Growth in new niche manufacturing and logistics

Despite the loss of much of the manufacturing activity that formerly underpinned the Yarra economy, subsectors of manufacturing still remain and are growing. These are broadly focused on the manufacture of perishable products and more advanced/innovative manufacturing where skilled labour is required.

While there are still some remaining large-scale industrial uses – the Carlton United Brewery stands out as the largest site – most precincts are experiencing a decline in the quantity of industrial floor space as they transition to commercial, retail or residential uses. This is apparent in the Gipps Street precinct that was rezoned from Industrial 1 to Business 3 in 2011, and subsequently made Commercial 2 in 2013 with the introduction of the new VPP zones. The industrial firms that remain in Yarra are generally small-scale manufacturers in sub-sectors such as food production, textiles, bespoke furniture and printing. These firms generally produce boutique, custom-made products that require the input of specialised designers. The need to be close to clients and business collaborators, who are concentrated in inner city locations, is thought to be a key driver for the continued existence of such firms in Yarra.

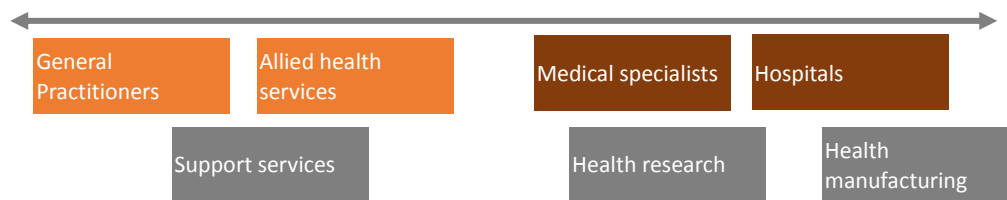
Another attraction of Yarra for small creative firms is the presence of older warehouse buildings as collaborative workspaces, design and development spaces. These spaces are often cheaper and more flexible than purpose-built office developments which make them particularly desirable to this creative/ innovation sector.

With the benefit of a deep water port, Melbourne has experienced strong growth in the freight and logistics sector as volumes of inbound and outbound trade has grown. Logistics firms are increasingly clustering in larger industrial nodes with good access to arterial roads and freeways. With increasing property values, traffic management issues and conflict with non-industrial land uses, Yarra is unlikely to attract substantial growth in freight and logistics businesses in future.

Growth of the health care sector

Growth in the health sector will result from a population that is both ageing and growing, as well as through technological advancements. These factors will combine to broaden the sector with increasing employment in allied and support services along with higher levels of specialisation. Growth in the health sector can be broken down into two main areas (see Figure 11). Regional services (e.g. hospitals) which will be increasingly clustered around existing nodes as specialisation drives innovation; and the growth of local health services (e.g. general practitioners) which are more dispersed and follow broad patterns of population growth. Yarra will experience both types of growth, however the former is of considerable significance given the presence of the St Vincent and Epworth hospitals.

FIGURE 11. HEALTH SECTOR STRUCTURE



Source: SGS Economics and Planning

Growth in education

Yarra hosts a number of tertiary education institutions, which can be drivers of employment growth and attractors for retail, housing and ancillary activities. The Australian Catholic University has a campus on Victoria Parade in Fitzroy and this will grow as an employment hub. In addition, the Kangan Institute in Cremorne is an important training and education facility on an underutilised site. It specialises in traineeships, diplomas, advanced diplomas and tailored programs in fashion and creative industries. Education jobs will grow rapidly alongside health sector jobs in the St Vincent and Epworth hospital precincts because of their teaching role. Melbourne University’s Burnley campus hosts teaching and research in environmental and ornamental horticulture.

The rapid growth of Melbourne’s resident population, particularly in inner city regions such as Yarra, has increased demand for school places. In recent times, a major shortage has been reported (Cook, 2017), with demand in Yarra amongst the highest in the metropolitan area. A 52% growth in school age students is anticipated in the next 10 years. New education facilities are planned in Yarra. A new year 7 to 12 high school is being developed on land adjacent to the Richmond Bowling Club and Richmond Town Hall. The Development Plan for the Amcor site also “allows for and encourages the establishment of a new early years Government Primary School campus within the site”⁹.

Future planning should consider whether population growth and demographic change could generate demand for additional facilities in the medium to longer term, and, if required, where the facilities might be best located.

Competition between housing and employment in land markets

The growth in demand for housing in accessible locations in and around the central city has important implications for employment land. Residential development is typically the most profitable redevelopment proposition on land that is zoned commercial and mixed use. This has been the case in Yarra with the majority of recent developments on mixed use zoned land being predominantly or entirely residential.

Under these market conditions residential uses ‘outbid’ all other uses. Land owners seeking optimal returns are likely to pursue residential conversion or sell to residential developers (who will likely be the highest bidders), displacing existing employment uses. Even in areas where residential uses are not permitted due to zoning restrictions, there is often still significant pressure for residential conversion.

⁹ Alphington Paper Mill Development Plan, 2016, page 34.

There are benefits to accommodating additional housing in established urban areas with good access to employment, transport and services. Additional housing in and near activity centres increases retail expenditure and can act as a catalyst for new economic activity. It also provides opportunities for people to live in locations with good access public and active transport infrastructure.

The downside of this residential development includes the displacement of existing economic activity and indirect pressures for displacement due to conflicts between housing and employment uses. Employment precincts that are outside activity centres can provide a diversity of employment floor space types, accommodating a variety of employment uses. They can also provide a reserve of land for the growth and expansion of employment activity through redevelopment to higher intensity uses.

FIGURE 12. RECENT EXAMPLES OF HIGHER DENSITY HOUSING IN YARRA



New residential development on mixed use land near Gipps Street. The ‘new’ Coles supermarket – part of the Smith & Co. development on Smith Street. (Source: SGS, 2015)

Continued growth in retail and hospitality

Acting as a primary shaper of local activity, the retail and hospitality sector will likely continue to evolve in response to wider trends and changes in local residents’ tastes and preferences. The format of retailing will also continue to evolve beyond a simple ‘shop-front’ model to formats that also promote on-line retail options.

Yarra is a regional destination with many of the City’s retailers attracting shoppers from beyond local retail catchments. Consultation with Yarra’s retailers has indicated that approximately 20% of trade is derived from local residents with the remaining 80% sourced from workers, tourists and visitors. Yarra’s broad range of retail and related activities are often quite distinct from retailing that is more oriented towards a local population. As a result, the viability of many of Yarra’s Activity Centres is less contingent on the presence of supermarket or other anchors. Yarra also supports a vibrant night time economy sustained in large part by visitors from outside of the municipality.

As the output of this sector continues to grow, it has also constantly evolving in response to consumer preferences, product innovation and technology. This has a number of significant implications for the sector:

- The simple ‘shop-front’ which on-sells goods from wholesalers is being superseded by multi-channelled retail, a format that synthesises both a shop front and online presence.
- Physical retailing will increasingly become services-based, with strong growth expected in hospitality along with other non-retail services (i.e. health, financial) within retail strips.
- The highly competitive supermarket sector will continue to innovate and find ways to dominate the local retailing space (e.g. smaller formats and tailored offerings based on local environment).

The ultimate impact of online retailing on ‘bricks and mortar’ retailers is as yet unknown. Although online was initially seen as a direct competitor to store based retailing, many traditional retailers have adopted online technologies to enhance a evolving business model that is still oriented around store-based retailing. By way of example, for many clothing and personal item retailers a physical store might still be necessary to demonstrate the brand or retailers’ unique points of difference.

The Victoria Gardens Shopping Centre provides diversity to Yarra’s retail offer with a larger format, multi-anchor centre that combines supermarkets, conventional retail and bulky goods retail. Although a break from the traditional

main street retail formats, the centre provides a complimentary offer and serves a catchment that extends well beyond Yarra.

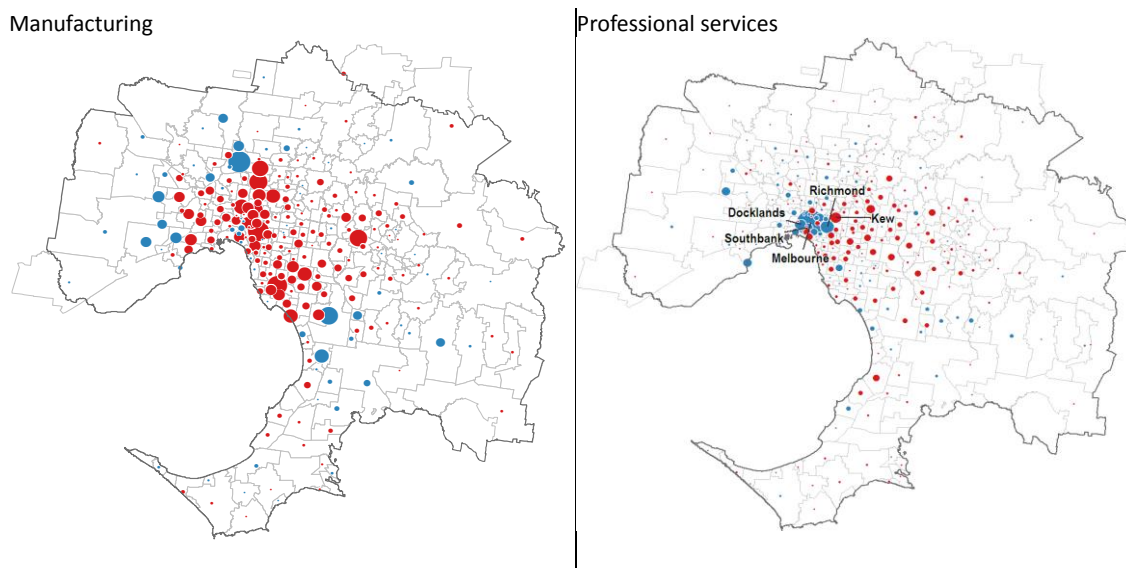
Broadly, population growth across Greater Melbourne will generate increased demand for retail and hospitality in high amenity and accessible locations with Yarra's Activity Centres likely to experience continued pressure to accommodate this growth. A trend favouring Yarra-based retail and hospitality businesses is the continued harmonisation and homogenisation of CBD retail, which contributes to demand for a differentiated, alternative retail offer in accessible non-CBD locations.

A new neighbourhood centre is proposed as part of the Amcor development seeking to fill a retail network gap in the Alphington/Fairfield area.

Spatial implications

The spatial implications of Melbourne's changing economic landscape is summed up in Figure 13 which shows divergent trends of business openings and closures. The red dots represent a net loss of businesses from a postcode area while the blue dots represent net increases. The size of dots represent the relative magnitude of change, with larger dots signaling a large increase/decrease in number of businesses. The figure highlights the decline of manufacturing in the inner and middle suburbs, while manufacturing hubs in the outer west, north and southeast have experienced net increases in the number of businesses. Conversely, growth in professional services business has centred on the central city and inner suburbs, with a small amount of growth also seen in some greenfield areas.

FIGURE 13. NET CHANGE IN BUSINESS ESTABLISHMENTS BY POSTCODE 2001 TO 2011



Source: DSDBI

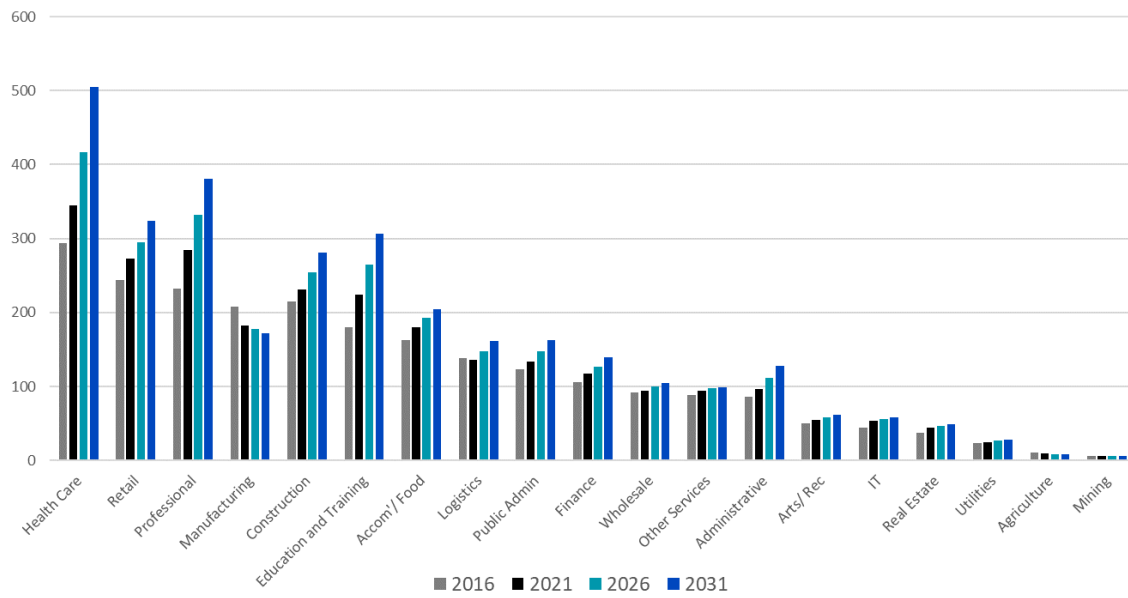
3.4 Employment growth projections

Metropolitan Melbourne employment trends

Recent and projected employment growth by industry for metropolitan Melbourne to 2031 are shown in the chart below. The chart shows that health care and professional services will be the two strongest employment growth sectors in coming decades. Economic output associated with manufacturing will remain relatively stable, however the number of people employed in the sector will continue to decline. Population serving sectors such as retail, education and construction will maintain their share of employment.

The changes in the mix of employment illustrated by the figure below underscore the significant restructure that is likely to continue to take place across metropolitan Melbourne.

FIGURE 14. METRO MELBOURNE EMPLOYMENT PROJECTIONS BY INDUSTRY, ('000)



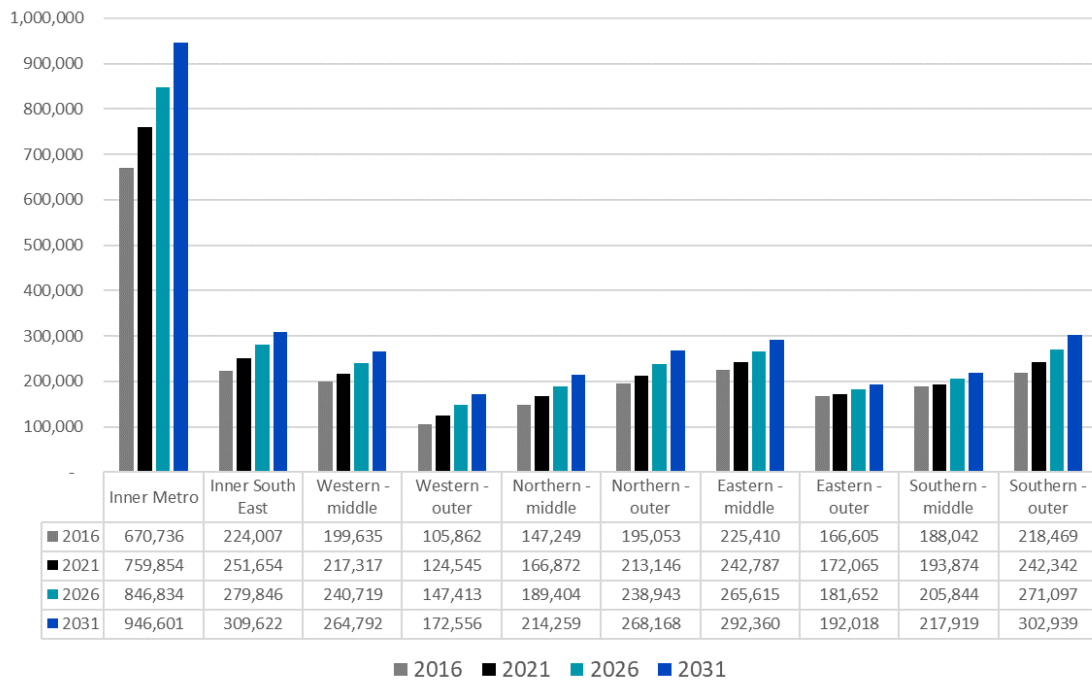
Source: SGS derived from ABS Census and other public datasets. Metropolitan level employment forecasts draw on official Australian Treasury macroeconomic modelling along with a number of official Victorian and regional level employment, economic output and population datasets from ABS and state departments. Analysis of structural economic changes, subsector economic drivers and labour force composition are also factored into the analysis.

Trends for Melbourne’s regions

Due to the uneven distribution of industries across Melbourne, the spatial implications of structural economic change will vary by region. Recent and projected employment growth across and within Melbourne’s planning regions is shown in Figure 15.

Yarra is located within the Inner Metro region which also includes the local government areas of City of Melbourne and Port Philip. Based on current projections, the Inner Metro region will capture around a third of Melbourne’s employment growth over the next 15 years: equivalent to an estimated 276,000 additional jobs. A significant proportion of metropolitan employment growth will also be captured in the Inner South East, with the rest spread relatively evenly across metropolitan Melbourne’s regions.

FIGURE 15. METRO MELBOURNE EMPLOYMENT PROJECTIONS BY REGION ('000)



Source: SGS derived from ABS Census and other public datasets

Projected employment growth in the City of Yarra

Yarra plays a vital role in the economy of Metropolitan Melbourne. It sustains a diverse range of businesses that contributed \$10,085 million Gross Value Add (GVA) – equivalent to 4.3% of the Melbourne’s total economic output – over 2015¹⁰. As a measure of the density of Yarra’s population, it accounts for just 0.2% of Greater Melbourne’s land area, yet accommodates 2% of its population.

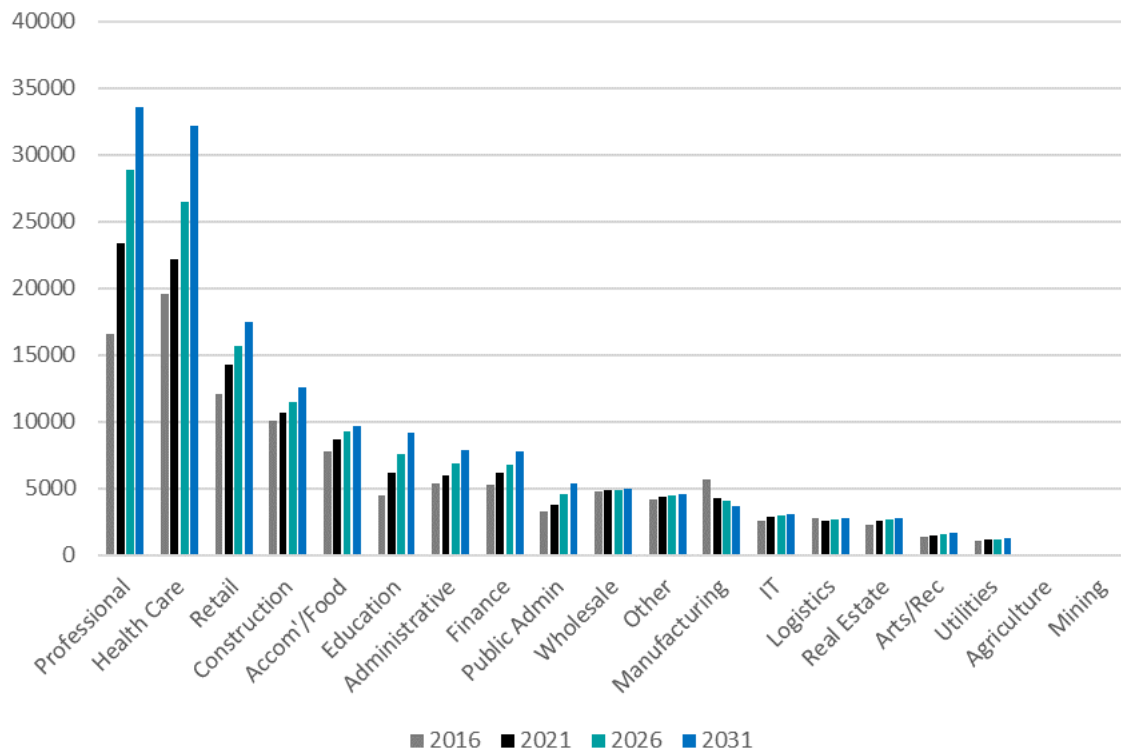
Drawing on a combination of metropolitan projections and local trends, SGS employment forecasts for Yarra suggest strong growth in demand for commercial office floor space, assuming a continuation of favourable conditions that underpin the continued supply of new employment floor space.

Employment is expected to grow significantly across most industry sectors. Over the past decade employment in Yarra has grown by 3,200 jobs per annum with an estimated total of around 98,000 jobs¹¹ in 2016 (SGS Employment Projections). This level of net employment growth is projected to slow with forecasts suggesting average rate of growth of 3,000 jobs annually over the next fifteen years. Retail trade, professional services and health care are projected to grow most rapidly (Figure 16) while stagnant or negative employment growth in the manufacturing and wholesale trade sectors is projected to continue.

¹⁰ SGS Economics and Planning estimates based on ABS data.

¹¹ This figure excludes construction sector employment. This sector is assumed to be highly transient, and are unlikely to be associated with ongoing demand for floorspace within the region.

FIGURE 16. YARRA EMPLOYMENT PROJECTIONS BY INDUSTRY, ('000)



Source: SGS Employment Projections

Yarra’s employment growth challenge

Growth in the Inner Metro economy – of which Yarra is an important part – is critical to the ongoing success of the broader metropolitan economy. Knowledge based service sector businesses gain significant benefits from clustering in job-rich, inner-city areas. These are areas that provide the most opportunity for business-to-business interactions and the best access to Melbourne’s labour markets.

Providing opportunities for businesses to grow in existing and accessible employment nodes will ensure Melbourne remains competitive nationally and across Asia. The ability of Melbourne’s inner city to grow its share of total employment has been a key contributing factor to the city’s superior growth performance in recent years. In this regard, Yarra plays a key role in supporting metropolitan wide employment growth. An ongoing challenge for Yarra, however, will be facilitating adaptation in its floorspace mix in response to new and emerging trends and drivers. . Understanding the types and quantum of employment floor space that the City of Yarra might expect to accommodate in the next 15 years is the starting point for responding to this challenge.

3.5 Employment floor space demand

The following section provides an indication of the type and mix of employment floor space required to accommodate the projected employment. Detailed industry categories have been aggregated into four broad floor space categories to facilitate this broad analysis (Figure 17). It should be noted that in practice individual business requirements are extremely varied, even within the same industry sector. For this reason, the following high-level analysis provides an ‘order of magnitude’ estimate for strategic planning purposes only.

FIGURE 17. EMPLOYMENT GENERAL CONCORDANCE

Broad category	ANZSIC 2006 industry classification
Commercial	Information Media and Telecommunications, Financial and Insurance Services, Rental, Hiring and Real Estate Services, Professional, Scientific and Technical Services, Administrative and Support Services, Public Administration and Safety
Retail	Retail Trade, Accommodation and Food Services, Arts and Recreation Services, Other Services
Institutional	Education, Health Care and Social Assistance
Industrial	Agriculture, Forestry and Fishing, Mining, Manufacturing, Electricity, Gas, Water and Waste Services, Wholesale Trade, Transport Postal and Warehousing

Note: Construction has been excluded from any ‘broad category’ as it is largely a transient.

Current floor space and forecast floor space demand have been estimated by broad categories as follows:

- Current floor space ratios by broad type, that is, the amount of floor space per job, were estimated by comparing current employment to the total employment floor space by broad category. Employment floor space was estimated from analysis of Council rates data and the Expanded Urban Development Program employment floor space data.
- Floor space ratios were reviewed against other jurisdictions, industry research and spot checks of selected sites within Yarra. Estimates were adjusted accordingly.
- Floor space ratios were projected into the future. This was undertaken to account for changing industry composition and improved efficiencies occurring within each broad category.

Figure 18 and Figure 19 below provide a summary of the floor space demand analysis.

Total employment is projected to increase from 98,000 jobs in 2016 to 148,000 in 2031 – an estimated increase of around 50,000 jobs (see Figure 18). Over this period employment in the commercial and institutional sectors will increase by the greatest quantity, with growth of 25,000 and 17,000 jobs respectively. Industrial sector employment is projected to experience a slight decline. With the rising cost of land and floorspace associated with the growth of competing sectors, some industrial land uses have become unviable in inner-city locations such as Yarra, and this trend will continue as these businesses shift to more appropriate locations in Greater Melbourne or beyond. Concurrently, employment densities within the broad industrial sector are likely to decline, leading to significant reductions in demand for floorspace associated with industrial land uses.

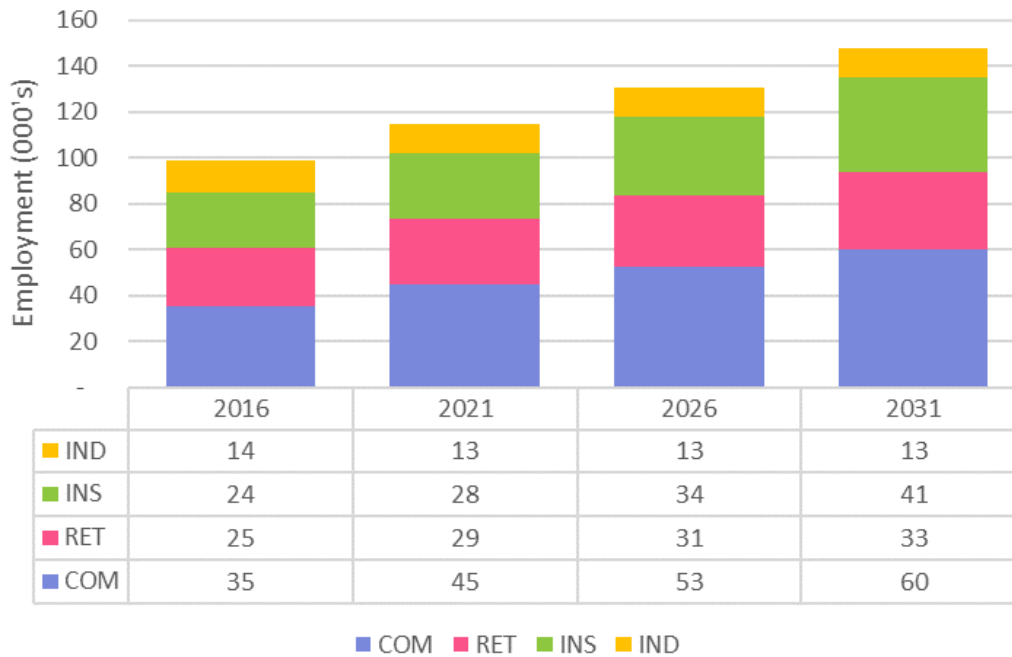
These totals exclude construction jobs. In the Yarra context these jobs are largely transient in nature and associated with a particular development site for a short period of time. Most don’t occupy permanent ongoing floorspace and due to these complexities have been excluded from the strategy for planning for future floorspace requirements. Including construction jobs employment is forecast to increase from 109,000 in 2016 to 161,000 in 2031.

The floor space implications of these employment trends vary as a result of differing job to floor space ratios, and changes to these ratios over time¹². In spite of rapidly increasing employment, total employment floor space is projected to grow slightly from 3.59 million square metres in 2016 to 3.86 million square metres in 2031. Although the take-up of floorspace will grow strongly for the commercial and institutional sectors in particular, these increases will be offset by lower demand for floorspace from industrial employment as a result of both decreasing employee to floorspace ratios and declining overall employment.

This summary highlights the structural changes that have been occurring within the Yarra economy. While total employment will grow significantly over the next 15 years, total floor space demand will grow at a lower rate as each new job will require less floor space than the existing or exiting jobs. The type and location of new employment floor space will need to change to align with the future requirements of each sector.

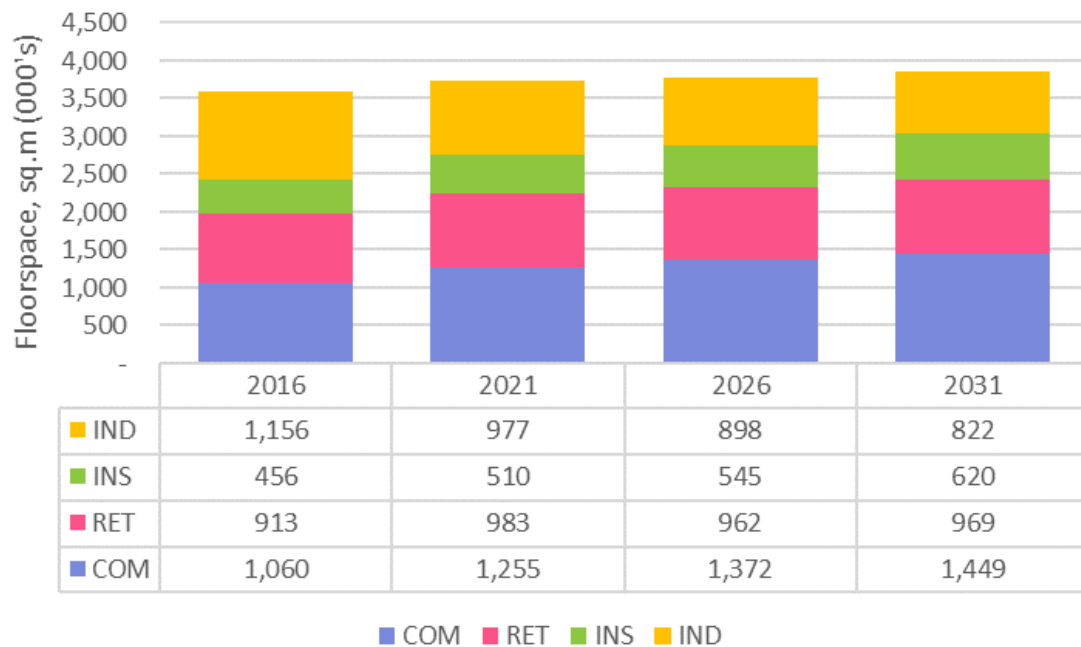
¹² It has been assumed that job to floor area ratios will decline between 2016 and 2031 by a factor of 20% (see Table 4 for individual assumptions by floor space type for each period).

FIGURE 18. YARRA EMPLOYMENT PROJECTIONS BY BROAD INDUSTRY, ('000)



Source: SGS derived from City of Yarra Rates Database, SGS Employment Projections, SGS floor space projections

FIGURE 19. YARRA FLOOR SPACE PROJECTIONS BY BROAD INDUSTRY, ('000)



Source: Derived from City of Yarra rates data, SGS employment projections and floor space projections.

The key patterns within each broad sector are described below.

Commercial sector

While commercial employment has been steadily increasing in importance across Yarra, the average amount of floor space per job has been declining. This trend is likely to continue and is the result of a range of factors, including trends towards open plan and more space efficient offices and shared workspaces; increases in home-based businesses which do not require formal offices for operations; and higher occupancy rates as a cost savings measure given increasing office rents in accessible inner-city employment locations.

Recent additions to commercial office supply in inner Melbourne have been focussed on the CBD and city fringe locations, including Southbank, Docklands, St Kilda Road and South Melbourne. In contrast, smaller scale suburban office users have increasingly located in eastern suburbs like Camberwell and Hawthorn which feature buildings with larger floor plates, proximity to skilled worker pools, and good regional road connections.

Until relatively recently, Yarra was not seen as a city fringe office market by major commercial office tenants, occupying a unique niche between the CBD and suburban office market. In comparison with the City of Melbourne, existing professional service firms in Yarra are more oriented towards creative industries including architecture, design advertising and engineering and auxiliary finance and investment services.

There is however some evidence of a shift in this perception. Some larger commercial tenancies have located in Yarra, notably, Car Sales and realsetate.com in Cremorne and the recently relocated David Jones head office at the Botanica Business Park in Burnley.

The development 'pipeline' for new office developments has seen a recent spike in activity. In 2016, 23 planning applications for office development were submitted for a total of 63,000 sqm of floor space. In 2017, 33 office permits were submitted totaling 202,000 square metres. To put these figures in perspective, Yarra's key employment precincts currently have in the order of 1,060,000 sqm of commercial floor space (see Figure 19), with forecast demand between 2016 and 2031 for a further 389,000 sqm of commercial floor space. The development pipeline for office therefore could provide around 50% of the forecast demand for the next 15 years. As not all planning permits will be realised however and assuming a 50% 'conversions rate' of permits to built outcomes, this pipeline would produce 25% of the floor space demand to between 2016 and 2031. The approved development plan for the former Amcor site in Alphington allows for up to 11,500 square metres of additional commercial office floor space.

Retail sector (including hospitality and recreation)

The retail, hospitality and recreation sector in Yarra has also experienced growth in both total employment and floor space, while at a lower rate than that of the commercial sector. This growth was largely comprised of a number of smaller scale retail developments, with 95% of new retail developments between 50 and 300 sqm. However, there was also a small number of large-scale retail developments including the Victoria Gardens and Hive developments on Victoria Street, Richmond. There is evidence that Yarra is likely to experience changing patterns of supermarket distribution with new store formats in new developments being used to gain market share.

Yarra currently supports in the order of 910,000 square metres of retail floor space with demand for an additional 55,000 square metres of floorspace projected over the next 15 years. 13,500 square metres of new retail floor space was approved development plan for the former Amcor site in 2015.

Institutional sector (includes health, education and social services)

This sector's growth has largely been driven by growing employment in health care sector, although employment in education and social services are also expected to grow at modest rates. Despite significant increases in demand, there has been little change in terms of total floor space. This is largely a result of significant reductions in job to floor space ratios in the health care sector. These reduced ratios have been driven by supply-side factors including increased operation hours and shift work and more efficient operations, as well as by strong growth in demand.

Yarra currently supports in the order of 456,000 square metres of institutional floor space. Projected demand over the next 15 years is for an additional 206,000 square metres.

A large portion of this is linked to the health care sector. There will be a tendency of new additions to be clustered within close proximity to existing health care precincts. It is possible that the projected demand for health sector floor space might not be met due to constraints on the expansion of existing facilities or on land nearby. The main hospital sites are effectively 'land locked' by residential areas limiting opportunities for physical expansion. Consultation conducted during the development of this Strategy confirmed this finding with the hospitals acutely aware of these potential limitations.

The Australian Catholic University, located on Victoria Parade, have plans for a campus expansion that would see an additional 20,000 square metres of institutional floor space added to that facility. The new secondary school in Richmond will meet a share of the surging demand for school places. Additional primary and secondary school facilities may be required in the medium to long term.

Industrial sector

The reduction in floor space dedicated to industrial uses across Yarra reflects a long term decline in traditional manufacturing industries. As these uses migrate out of old industrial zoned land, a diverse urban economy which spans both services and old industrial sectors has emerged. This new sector comprises a range of activities from traditional manufacturing (e.g. clothing and medical manufacturing) to the latest in technological innovation (e.g. computer system design). These new 'industrial' businesses are typically more labour intensive and as a result typical job to floor space ratios will continue to reduce over time. Examples of the sorts of manufacturers that will drive demand for industrial floorspace in Yarra in the future include:

- KeepCup, which creates reusable coffee cups, started in Fitzroy and now sell cups across the world. The firm integrated marketing, design, sales and manufacturing skills to create a unique offer.
- Graphic designers and printers who work for advertising, architectural and other design consultants.
- Niche manufacturing in sectors such as food products, clothing and bespoke furniture manufacturing is also growing by focusing on bespoke customised products that required specialised inputs.

Yarra currently supports in the order of 1,011,000 square metres of industrial floor space. Over the next 15 years, a reduction in the quantity of industrial floorspace in Yarra is forecast, with the total floorspace demand within the municipality forecast to decrease by around 25%.

3.6 Summary

Yarra's economy has evolved through several significant shifts from early settlement to the present day. These changes have been driven by broader structural economic changes. This history of continual adaptation and change has resulted in a rich character and diverse land use structure across the municipality.

The national and metropolitan economies will continue to shift toward knowledge-intensive and services-based economic activities. Traditional industrial sectors are declining or finding highly specialised niches. Financial and professional services are increasingly driving innovation, efficiency and growth in the economy. Health care is expanding rapidly to address demand from a growing and aging population. The education sector is growing rapidly as it contributes to skills development and training for workers in the new knowledge-oriented economy. Retail and hospitality is continuing to evolve and adapt to the latest consumer preferences and advances in technology.

Yarra is ideally placed to benefit from this changing macro-economic context in terms of increasing employment and provide flexible and adaptable employment lands that are suited to the needs of a range of mostly high value industry sectors. The availability of land in Yarra for employment purposes is a key strength that has allowed for evolution and adaptation of economic activity.

Established suburbs extend in all directions from the municipality which is connected via a range of transport options, making Yarra one of the most highly accessible locations in Melbourne for both businesses and employees.

Yarra's diverse built form, industrial legacy, established institutions and diverse mix of uses throughout various employment precincts mean the municipality is well positioned to support future economic and employment growth.

Employment growth and floor space demand forecasts suggest that, in aggregate terms, Yarra will not need significant additional floor space to accommodate future employment growth. However, there will be significant changes in the mix and type of floor space that is required, necessitating redevelopment and renewal in existing employment precincts. Accompanied with this structural shift is a strengthening of the locational drivers for new businesses seeking well connected, high amenity areas.

Yarra's ability to continually evolve and adapt to change, while leveraging its existing infrastructure and rich culture has been key to its past economic success and will be similarly critical to its future.

4 PRECINCT ASSESSMENT

This chapter considers the spatial distribution of Yarra’s employment and economic activity. It assesses the distribution of employment, the functionality of the various employment precincts and their future development potential. Demand for employment floor space is then aligned with capacity on a precinct-by-precinct basis drawing on a high-level analysis of the likely potential capacity for growth in employment floor space. By reconciling demand and potential supply this section tests the extent to which Yarra can accommodate employment growth within its employment precincts. Detailed analysis of the capacity of individual precincts was not undertaken and as a result the findings of the high-level analysis presented below may not be entirely consistent with precinct-specific investigations.

4.1 The distribution of employment activity

The City of Yarra contains a range of precincts that host retail, commercial, industrial and institutional employment. An overview of the mix of employment by Travel Zone is presented in the map below (Figure 20). The pie charts illustrate the amount and breakdown of employment by broad industry sector in each Travel Zone (see Figure 17).

It is evident from this map that a significant proportion of Yarra’s employment is located in precincts to the south of Alexandra Parade. Commercial employment is focused around Gipps Street, Cambridge Street, Easey Street (near Smith Street), and the Kerr Street precinct (between Smith and Brunswick Streets). Retail employment is spread more evenly throughout Yarra, although there are concentrations at the northern end of Brunswick Street and the southern and central parts of Smith Street. Concentrations of institutional employment – the green portion of the pies – are noticeable in the south of the suburbs of Fitzroy and Collingwood, and the North of Richmond, with large numbers of workers in the health sector worker in these localities.

The Travel Zones that comprise Cremorne and the southern end of Church Street show a balance of commercial, retail and industrial floor space types. The Travel Zone at the eastern end of Victoria Street and Bridge Road also features a mix of employment floor space types. The northern part of this Travel Zone hosts significant retail floor space while the southern portion feature industrial uses and restricted retail.

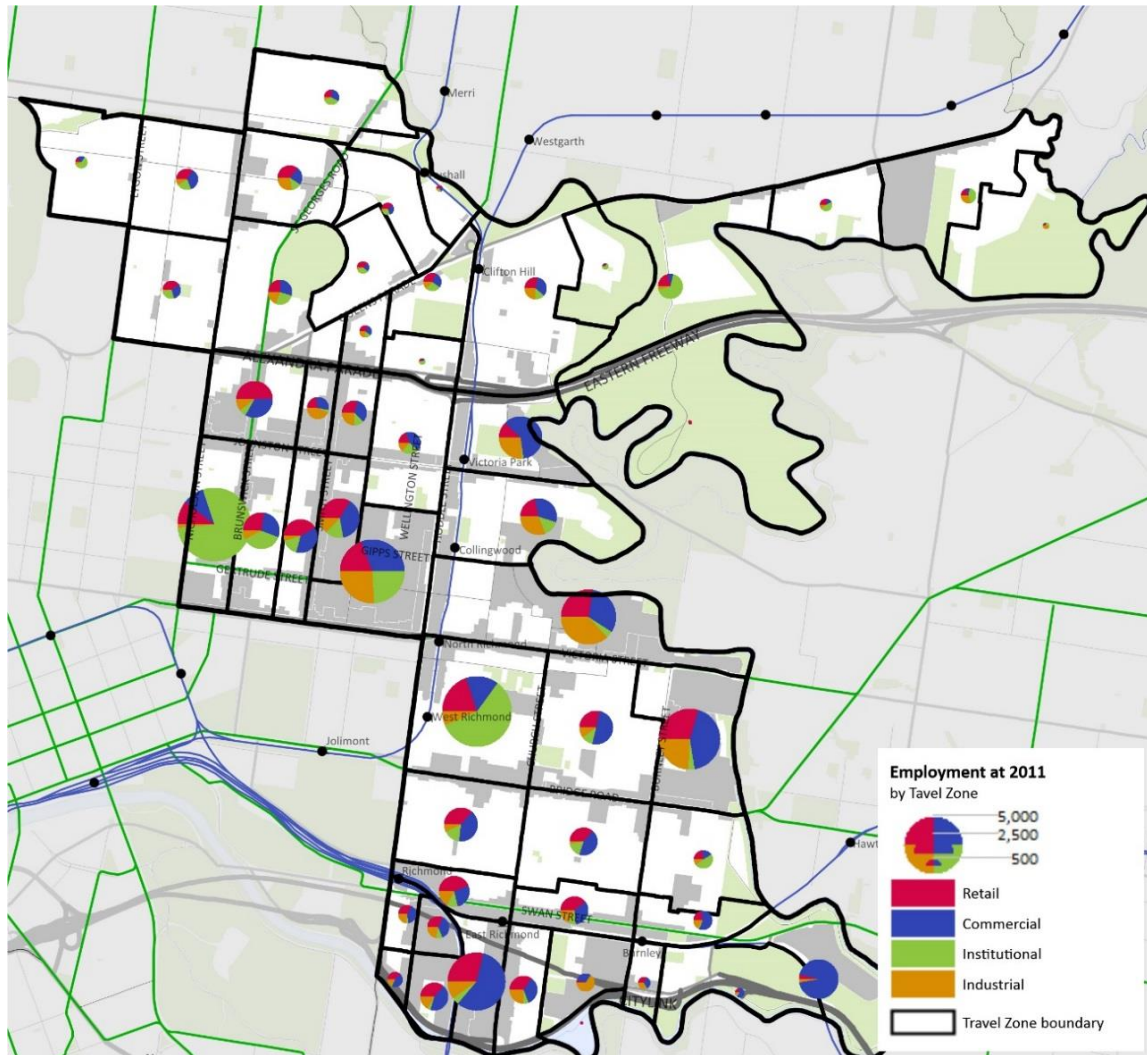
Abbotsford also contains significant employment clusters including one of the largest concentrations of industrial employment in the municipality. Abbotsford also hosts significant commercial employment particularly around Johnston Street and Trennery Crescent.

Development of the Amcor site in Alphington could bring about changes the network of activity centres potentially changing the role of the retail and commercial strips on Heidelberg Road.

Based on the data presented in Figure 20 and separate analysis of Australian Business Register (ABR) data, there is also evidence of the growing importance of home-based businesses across Yarra. The ABR records over 30,000¹³ businesses with a registered address in a residential area, while there are only 8,000 businesses registered in employment zones (i.e. MUZ, C1Z, C2Z, IN1Z and IN3Z). There is very little data and research available to isolate the activity, however, it was also raised as an important issue in consultation. While little can definitively be stated about this ‘sector’ of Yarra’s economy, it has implications for how and where people work in the municipality.

¹³ Sourced from ABR data. Whilst all funds, trusts and other non-business entities have been removed, it is still possible registered businesses are dormant, or generating very limited (or no) turn over.

FIGURE 20. BROAD MIX OF EMPLOYMENT BY TRAVEL ZONE (2011)



Source: SGS derived from ABS Census and other public datasets, 2014.

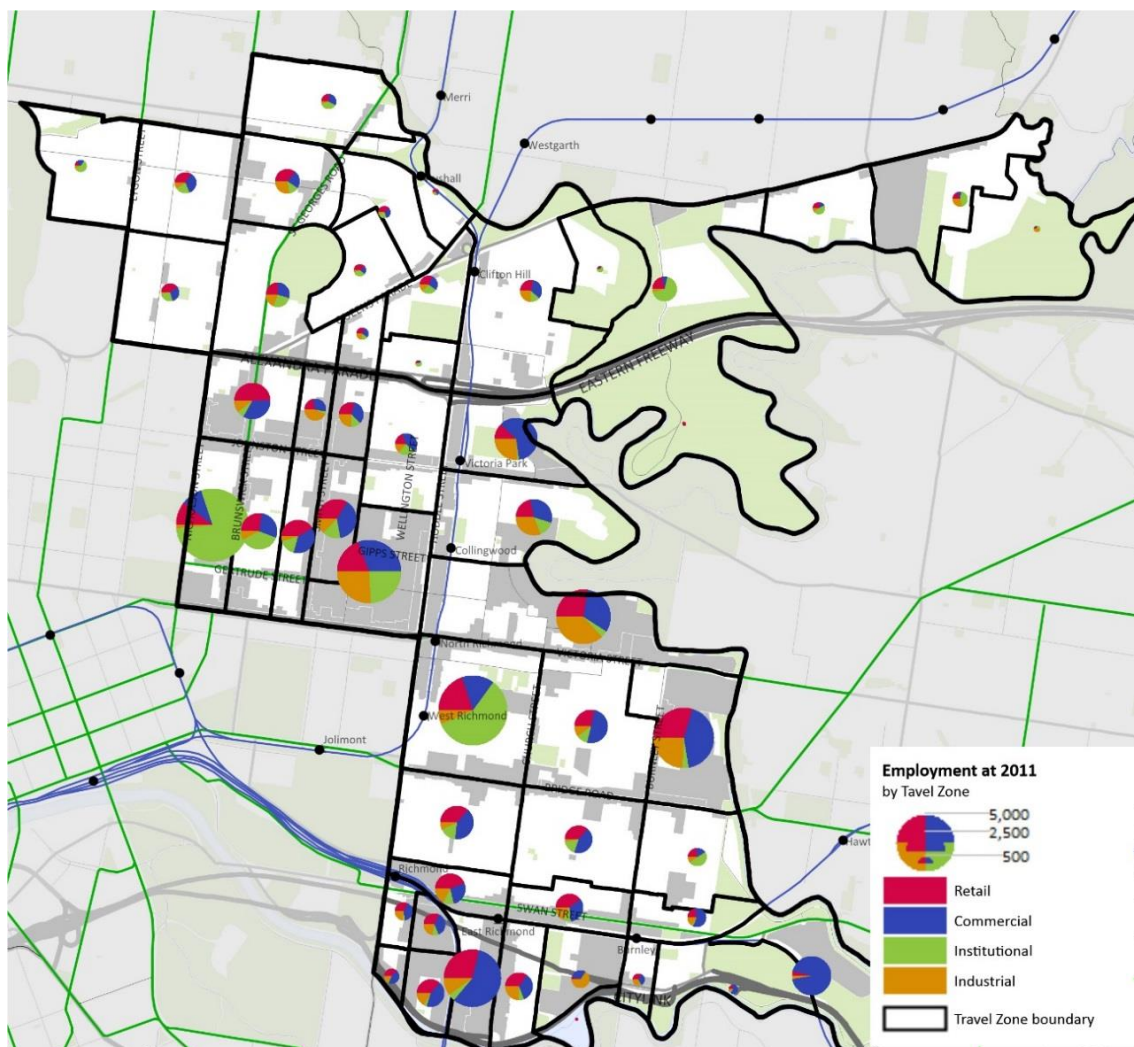
4.2 Defining and understanding the diverse precincts of Yarra

Understanding the spatial dynamics of Yarra’s employment and economic activity is important to planning for the future. The conventional approach to categorising activity centres and employment precincts is to define a hierarchy of distinct local, district and regional centres and precincts. Local centres cater for more frequent ‘low spend’ visits whereas less frequent high spend visits are made to higher order centres offering a wider range of goods and services. Typically, industrial uses and larger commercial buildings are located in separate precincts. The spatial arrangement of employment land across Yarra does not align with this conventional model. Rather, Yarra hosts a diversity of employment and economic activities in overlapping yet functional precincts. Employment areas are not clearly always defined but overlap with neighbouring precincts, contributing to a complex mix of commercial, industrial, institutional and retail uses, as well as areas set aside for housing and recreation.

Defining employment precincts for capacity analysis

For the purposes of assessing employment capacity and providing planning directions, a set of employment precincts were developed based on the existing land use zones and the functional characteristics of Yarra’s activity centres and employment precincts (See Figure 21).

FIGURE 21. YARRA’S EMPLOYMENT PRECINCTS



Source: SGS Economics and Planning, 2014.

Employment precinct typology: retail precincts and other employment precincts

In the analysis that follows, a distinction has been made between ‘retail precincts’ – commonly referred to in planning policy as activity centres – and other ‘employment precincts’¹⁴. Retail precincts are those established (or emerging) activity centres that are based around a main street supporting a combination of retail, commercial, residential and mixed use development. Employment precincts are typically more dispersed areas that support commercial and industrial employment with retail playing a relatively minor role.

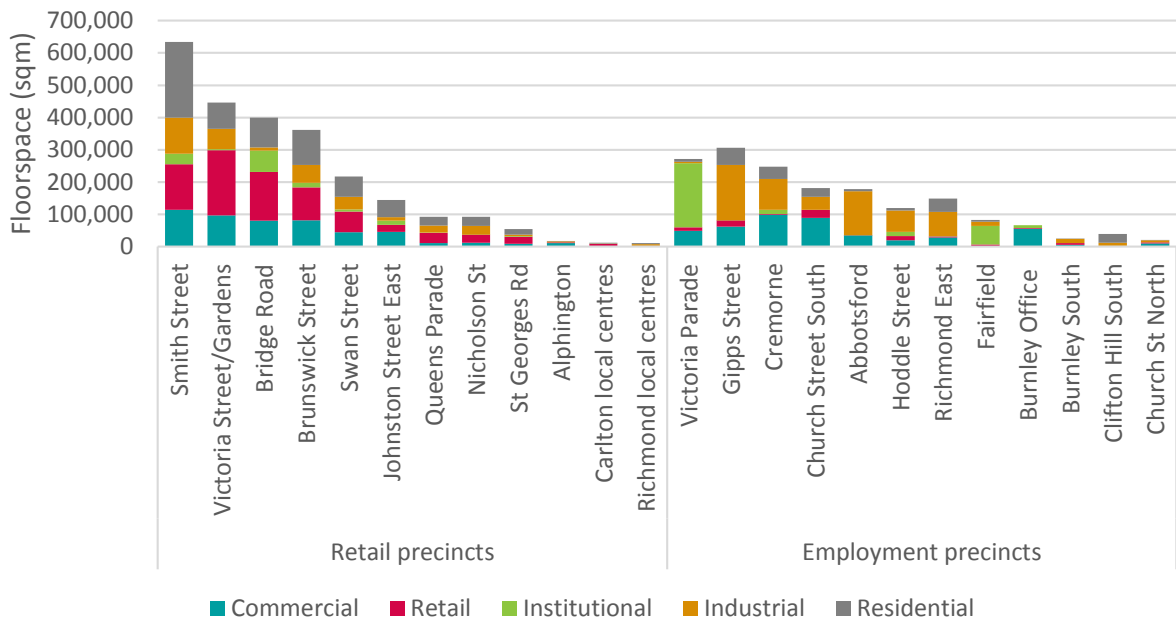
A distinction has also been made between larger and smaller precincts; larger precincts are those that have more than 120,000 square metres of employment and retail floor space.

Figure 22 shows the broad floor space uses within each precinct, while Figure 23 plots each precinct by its total employment floor space and the ratio of retail employment floor space to total employment floor space.

Hoddle Street and Church Street South host slightly less than 30% retail floor space and consequently have been classified as ‘other employment precincts’ rather than activity centres. As both precincts contain significant quantities of restricted retail their classification as other employment precincts is appropriate. Conversely, while the Smith Street precinct contains significant professional and creative services, its strong retail role and main street configuration justify its designation as a retail centre.

Yarra’s activity centres are mostly long and narrow retail strips based along the main road and tram routes. In the case of Brunswick, Gertrude, Smith and Brunswick Streets these strips connect forming a network of retail strips. Victoria Gardens contrasts with these strip centres adopting a large footprint shopping centre format. A complete classification of Yarra’s employment precincts by these metrics is provided in Figure 22 below.

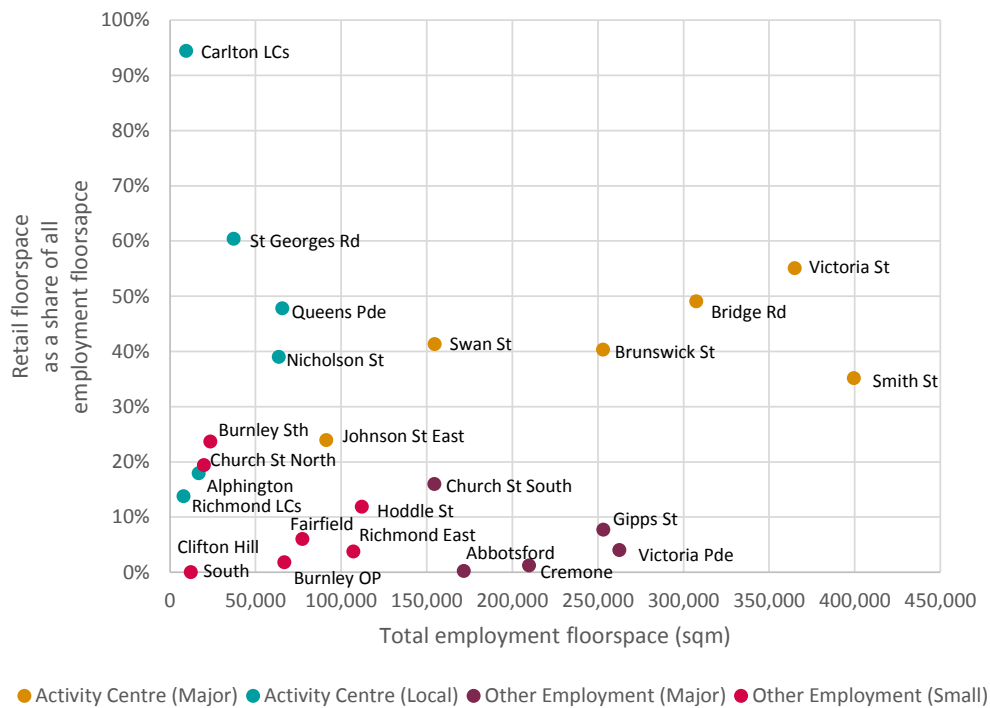
FIGURE 22. FLOOR SPACE BY USE AND PRECINCT (SQM)



Source: SGS Economics and Planning based on Council Rates and Retail Centre Audit, 2014.

¹⁴ The categories of activity centres described by Melbourne 2030 were replaced in Plan Melbourne with a ‘flatter’ hierarchy described as Metropolitan Activity Centres, Activity Centres and Neighbourhood Centres. Yarra contains no designated Metropolitan Activity Centres.

FIGURE 23. EMPLOYMENT PRECINCTS BY SIZE AND RETAIL SHARE OF FLOOR SPACE



Source: SGS, 2015, based on Council Rates and Retail Centre Audit.

TABLE 2. YARRA’S ACTIVITY CENTRES AND EMPLOYMENT PRECINCTS

Precinct name	Precinct type	Designation*	Notes
Bridge Road	Retail	Activity Centre (PM)	
Brunswick Street	Retail	Activity Centre (PM)	Incl. Johnston west of Smith St
Smith Street	Retail	Activity Centre (PM)	Includes Gertrude Street (given its interconnectedness)
Swan Street	Retail	Activity Centre (PM)	
Victoria Street	Retail	Activity Centre (PM)	Includes Victoria Gardens
Johnston Street East	Retail	Neighbourhood AC	
Queens Parade	Retail	Neighbourhood AC	Clifton Hill and North Fitzroy
Nicholson Street	Retail	Neighbourhood AC	Carlton North/North Fitzroy
St Georges Road	Retail	Neighbourhood AC	North Fitzroy
Alphington	Retail	Neighbourhood AC	Will incl. AMCOR retail/comm.
Carlton	Retail	Local Activity Centre	Rathdowne Village and Lygon St.
Richmond	Retail	Local Activity Centre	Three small centres in Richmond
Abbotstford	Employment	Major	Predominantly industrial
Church St South	Employment	Major	Mixed employment
Cremorne	Employment	Major	Mixed employment
Gipps Street	Employment	Major	Mixed employment
Victoria Parade	Employment	Major (HEP)	Predominantly institutional
Fairfield	Employment	Minor	Predominantly institutional
Burnley Office	Employment	Minor	Predominantly commercial
Burnley South	Employment	Minor	Mixed employment
Church Street North	Employment	Minor	Mixed employment
Richmond East	Employment	Minor	Predominantly industrial
Clifton Hill South	Employment	Minor	Predominantly industrial
Hoddle Street	Employment	Minor	Predominantly industrial

Source: SGS, 2015. * Plan Melbourne designations: PM = Activity Centre; HEP = Health/Education precinct.

4.3 Assessing employment floor space capacity

There are no ‘greenfield’ opportunities in Yarra and relatively few major renewal sites available for development in the near term. In the past, however, through a constant process of incremental renewal and reinvention of spaces, employment has been able to evolve and grow significantly across the municipality in response to changes in the wider economy. Assessing the ability of Yarra employment precincts to accommodate growth is critical to robust strategic spatial planning for employment. The following section seeks to provide a high-level, order of magnitude assessment for understanding of the potential employment floor space capacity across Yarra’s retail and employment precincts.

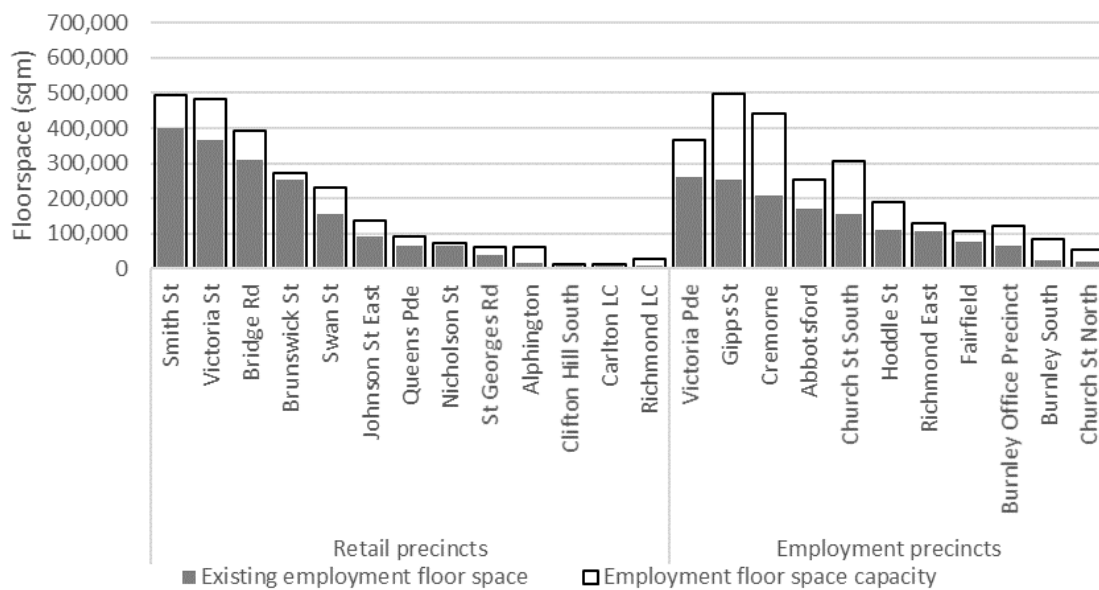
The current employment floor space across all Yarra’s employment precincts has been estimated at around 3.59 million square metres¹⁵. Using a series of broad assumptions (Table 3) about the likely scale and intensity of employment development in the various precincts, the total employment floor space capacity of the existing employment zones within Yarra is estimated at 4.9 million square metres. The difference between these figures – around 1.31 million square metres – provides an indication of the net additional capacity for employment floor space in Yarra.

It should be noted that the capacity estimates presented here assume all sites are redeveloped to the average parameters described in Table 3. Not all sites will be redeveloped within the timeframe of this Strategy. Moreover, those sites that are developed might achieve higher or lower densities than the averages assumed. The exercise of estimate floor space capacity should therefore be treated as indicative only, however it is a logical process for assessing capacity. In the charts that follow the estimated floor space capacity is shown as a range from 10% below the theoretical capacity estimate to 10% above the theoretical capacity estimate. This range is intended to suggest the capacity estimates should be thought of as being accurate within a range, rather than a definitive value.

If the theoretical capacity in a precinct exceeds demand this does not suggest there is excess capacity. For land markets to work efficiently it is preferable to have some latent or reserve capacity to prevent a situation where land owners have a quasi-monopoly on a limited supply of potential development opportunities relative to projected demand.

The quantum of existing employment floor space and estimated capacity for additional floor space, by employment precinct, are shown in Figure 24. The capacity for additional employment floor space is the difference between the existing floor space and the floor space capacity, represented by the white area at the top of each bar.

FIGURE 24. EMPLOYMENT FLOOR SPACE ESTIMATES: EXISTING VS CAPACITY



Source: SGS Economics & Planning.

¹⁵ Existing floorspace is based on analysis of the Council Rates, Council Retail Centre Audit and Expanded Urban Development Program Data. Additional spot checks and refinements have also been completed at a precinct level.

TABLE 3. EMPLOYMENT FLOOR SPACE CAPACITY ASSESSMENT ASSUMPTIONS

Zone	Location	Site cover	Average floors of employment floor space	Notes
C1Z	All	70%	2	
C1Z	Botannica Office Park	70%	4	This office precinct supports a higher density of employment compared to Yarra's tradition retail centres.
C2Z	Gipps and Cremorne precincts	70%	3	A higher density of development has been assumed in these key employment precincts.
C2Z	All other C2Z land	70%	2	
MUZ	All	70%	Min. 0.5; Max. 1.0	Assumes some mixed uses zoned areas will lose employment floor space; but will hosts <i>not less than</i> half of one storey.
IN1	All	70%	1.2	Current average is 1.0. Assumes some opportunity for intensification.
IN3	All	70%	1.2	Current average is 0.9. Assumes some opportunity for intensification.
PUZ2	Public Housing, (Collingwood); University of Melbourne (Burley)	No capacity	No capacity	Assumed no capacity.
PUZ2	Kanga TAFE	70%	2.0	
PUZ2	Carpark, Gym and Police Station (Bridge Road); Fitzroy Public School; Neighbourhood Justice Centre; Melbourne Polytechnic (Collingwood Campus); Collingwood English Language School.	No capacity	No capacity	Assumed no capacity across this range of facilities. Melbourne Polytechnic already quite dense.
PUZ3	St Vincents Hospital	70%	9	Currently supports an estimated average of 6.3 employment floors. Capacity assessment assumes capacity for another 50% growth in floor space.
PUZ3	Aged Care Facility; Riverside House Nursing Home; Thomas Embling Hospital	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ4	Queens Pde (com uses on Transport Zone)	70%	0.5	
PUZ6	Yarra City Council (Bridge Road); Collingwood Town Hall; Richmond Rec Centre; Fitzroy Swimming Pool	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ7	Fire Station (Church Street)	No capacity	No capacity	Assumed no capacity.
PDZ1	Green Square Development	70%	0.5	Lower employment capacity as mostly residential development
CDZ1	Ikea and Bus. Park	70%	3.3	Currently supports average of 53% and 3.3 employment floors.
CDZ3	Nylex Site	70%	1.0	Assumed one level of employment.
SUZ5	Epworth Hospital	70%	7.0	Currently supports average of 4.8 employment floors
SUZ4	Abbotsford Convent	No capacity	No capacity	Assumed no capacity.

Source: SGS Economics & Planning.¹⁶

¹⁶ See Appendix A for a more information on this capacity analysis.

The data presented in Figure 24 suggests that of the retail precincts, Smith Street, Victoria Street, Bridge Road and Swan Street have the most potential for growth. Brunswick Street appears to have limited capacity, which suggests there might be constraints to realising additional floor space. The Fairfield precinct on the other hand has significant capacity which will be realised through the redevelopment of the former AMCOR Papermill site.

Several of the employment precincts have significant capacity for additional floor space, assuming they transition from industrial or other lower-density employment uses to higher-density employment uses. The Cremorne/Church Street South and Gipps Street precincts have been identified as having significant floor space capacity if existing lower scale development is replaced by multi-storey development. Other employment precincts identified as having capacity for additional employment floor space include Victoria Parade, Hoddle Street and Abbotsford. Recent analysis of the spatial distribution of planning permits for office floorspace suggests that recent office approvals and permits pending a decision are in these precincts.¹⁷

4.4 Alignment of employment floor space demand with capacity

Having established the notional capacity for additional employment floor space, the next step is to compare this capacity with forecast employment growth and the associated demand for floor space. Aligning employment demand and employment floor space capacity provides an understanding of the opportunities and constraints for employment growth. This analysis considers both the overall Yarra-wide demand and capacity (the ‘overall alignment’) and the capacity of selected precincts (a ‘precinct alignment’). This analysis will inform the understanding of the potential role for each precinct to accommodate future employment.

Overall alignment

The following chart compares aggregate floor space capacity for employment uses to floor space demand by sector. Current floor space represents 70% of theoretical employment floor space capacity. By 2031, it is estimated that this proportion will have grown to 79% with just under 3.9 million square metres of employment floor space. Moderate projected growth in aggregate demand for employment floor space obscures significant changes in the make-up of demand, with demand for commercial, retail and institutional floor space growing at the expense of industrial.

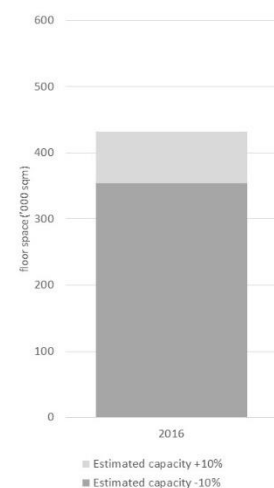
This high-level capacity analysis suggests that Yarra will not require additional land zoned for employment to accommodate the projected growth to 2031. However, changes in the mix of employment floor spaces will be required to accommodate shifts in demand.

Presentation of overall and precinct capacity figures

In order to understand demand for floor space across Yarra’s precincts, SGS utilised employment forecasts, applying worker/ floorspace ratios across each of the land uses to identify the quantity of floor space likely to be required.

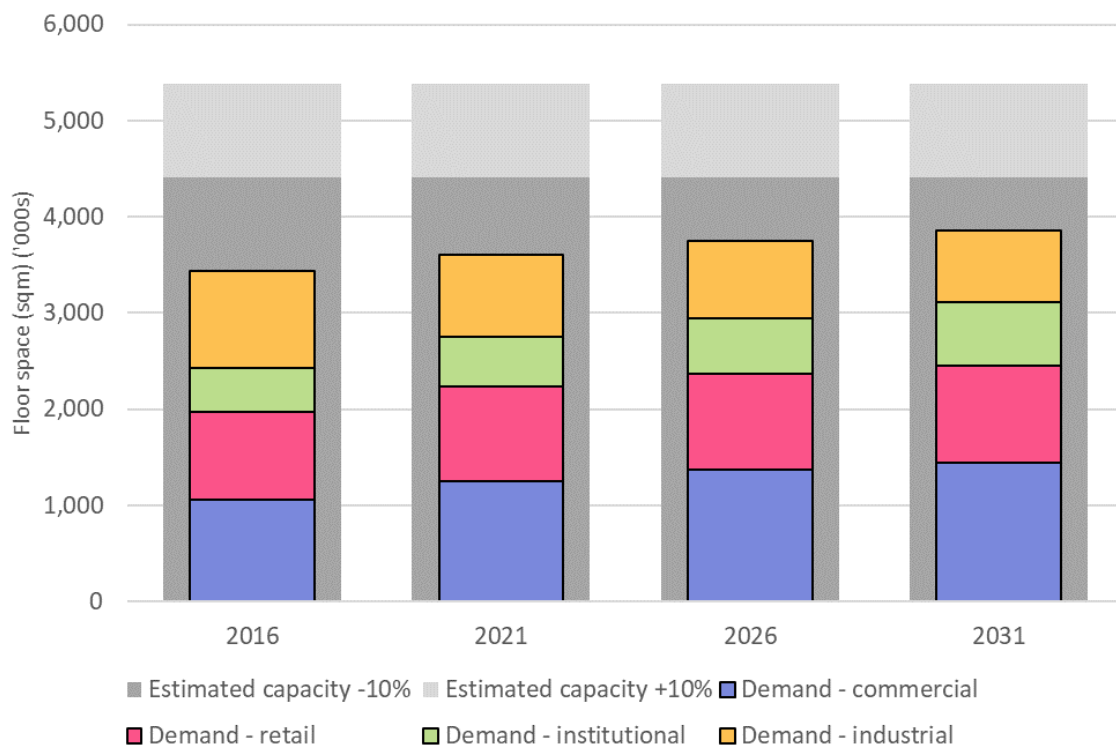
In establishing the relationship of this floorspace demand to precinct capacity, it is acknowledged that capacity is a somewhat fluid concept, and that ultimate precinct capacity may be slightly higher or lower than the modelled amount, subject to tightening or relaxation of constraints relating to a range of planning and market-related issues.

In the charts comparing capacity to demand below, the dark grey bars show a lower threshold of capacity, being the capacity estimate minus 10%. The light gray bar shows an upper capacity threshold, being the capacity estimate plus 10%. The difference between these upper and lower thresholds (+/-10% of the capacity estimate) provides a representation of the concept of floor space capacity as a range rather than a definitive number.



¹⁷ Urban Enterprise (2018) Yarra Office Demand Study

FIGURE 25. FLOOR SPACE CAPACITY AND DEMAND TO 2031 FOR ALL PRECINCTS



Source: SGS Economics and Planning

TABLE 4. FLOOR SPACE DEMAND AND JOB/FLOOR SPACE RATIOS: 2016 TO 2031

	2016		2021		2026		2031		Change 2016-31	
	Floor space (sqm)	Sqm per job	Floor space (sqm)	Sqm per job	Floor space (sqm)	Sqm per job	Floor space (sqm)	Sqm per job	Floor space (sqm)	Sqm per job
Commercial	1,060,000	30	1,255,000	28	1,372,000	26	1,449,000	24	389,000	-6
Retail	913,000	36	983,000	34	993,000	32	1,003,000	30	89,000	-6
Institutional	456,000	19	510,000	18	579,000	17	662,000	16	206,000	-3
Industrial	1,011,000	70	860,000	66	807,000	62	745,000	58	-267,000	-12
Total	3,440,000		3,608,000		3,751,000		3,859,000		417,000	

Precinct alignment

From these broader municipal-scale projections, employment and floor space demand was allocated to Yarra’s larger employment precincts to better understand the potential constraints or opportunities within specific locations. This precinct specific alignment was limited to those larger employment precincts where the majority of employment growth and change will be accommodated.

Smith Street and Brunswick Street Activity Centres

Smith Street and Brunswick Street (and the intervening sections of Gertrude and Johnston Streets) form a networked retail core in the suburbs of Fitzroy and Collingwood. Smaller employment areas behind these strip centres also provide a mix of retail, commercial and residential uses.

Retail activity on Brunswick Street is concentrated between Gertrude Street and Alexandra Parade with a focal point of activity around the Johnston Street intersection, the location of the precinct’s only full line supermarket. In addition to its extensive hospitality offer, the strip also hosts a significant amount of retail floor space. There is limited opportunity to increase floor space beyond what is already available. With capacity significantly constrained, new opportunities here will be reliant upon lower order uses transitioning out of the precinct.

Smith Street has undergone rapid gentrification in recent years. It has a well-regarded hospitality offer, and is increasingly considered a destination for people seeking a high quality, diverse food and drink experience. It also accommodates the area’s largest supermarket, with a second full line supermarket also opening in recent times, creating two focal points for local retail activity. The northern end of the street lacks the fine-grained characteristics of the southern end, with a significant concentration of homeware stores and factory outlets. The precinct still has capacity to develop, particularly at the precinct’s northern end. With strong demand for residential development across the precinct, there is some risk that residential developments could reduce the precinct’s employment floor space capacity.

FIGURE 26. BRUNSWICK STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031

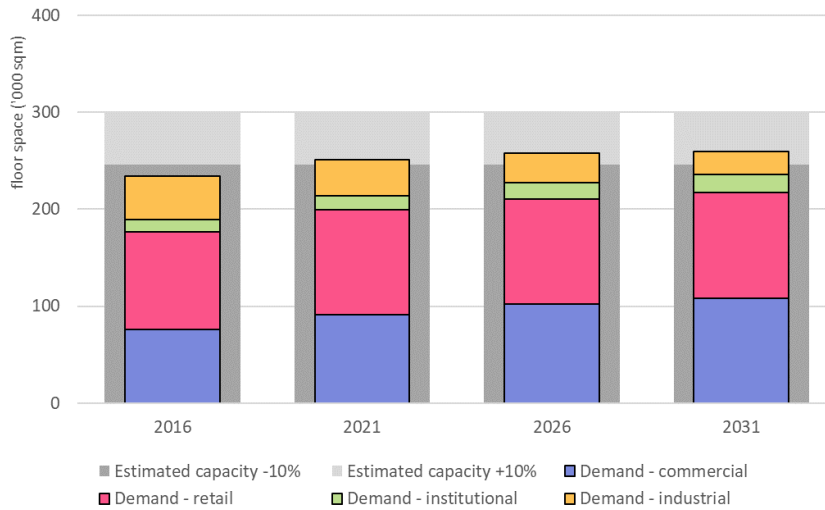
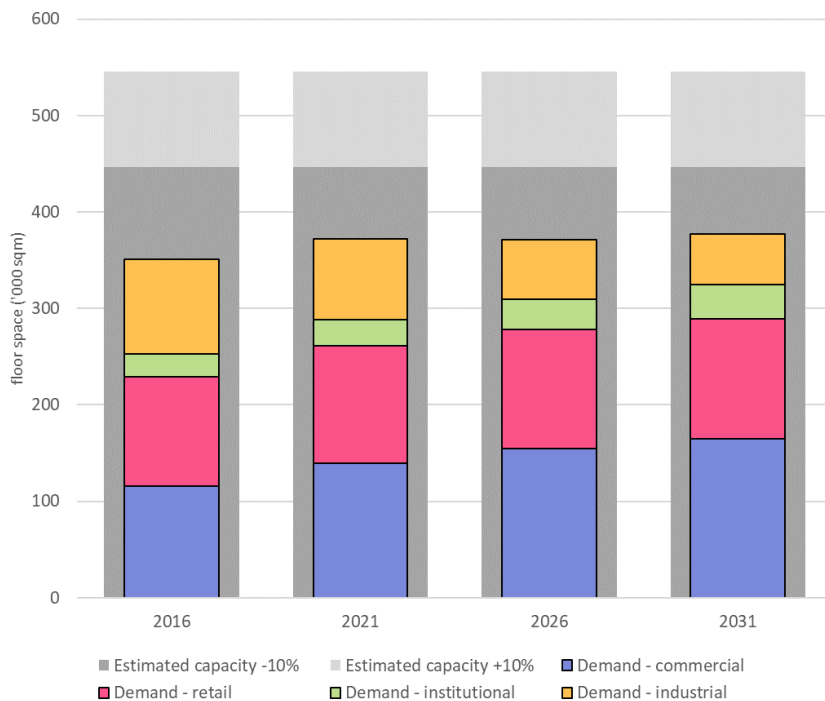


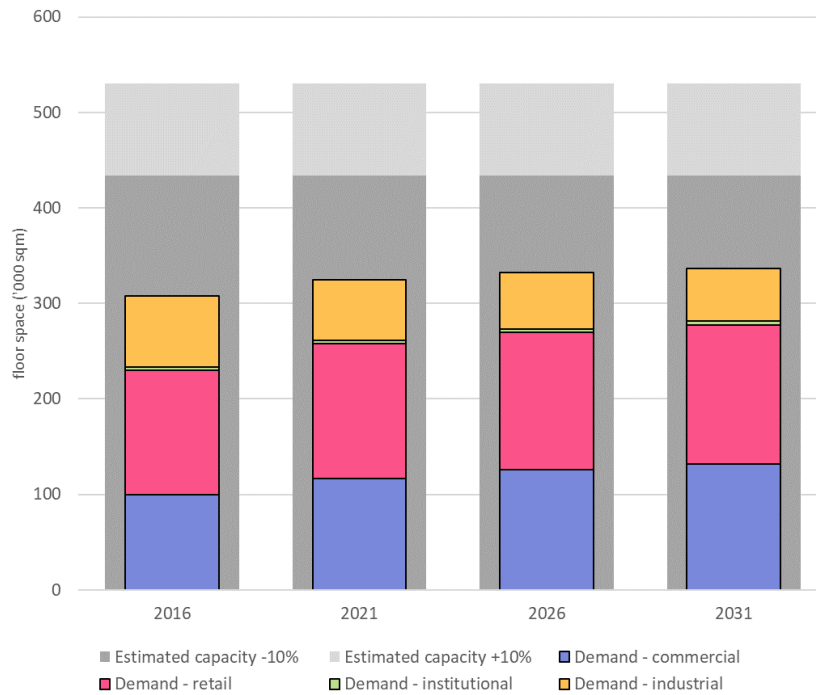
FIGURE 27. SMITH STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Victoria Street Activity Centre

A large proportion of floor space in this precinct is accounted for within the Victoria Gardens and Hive shopping centres, which accommodate 52,000 and 8,000 square metres of floor space respectively. Victoria Gardens is more like a traditional suburban shopping centre with a large car park and minimal activation at ground level. Conversely, the Hive, which was developed more recently, provides opportunities for centre retailers to engage at the street level, providing a focus for local retail activity on this part of Victoria Street. The remainder of the precinct hosts a mix of retail types with a focus on food and hospitality, and is home to one of Melbourne’s most renowned Vietnamese food precincts. There is significant capacity for the precinct to further develop and provide additional employment opportunities.

FIGURE 28. VICTORIA STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031

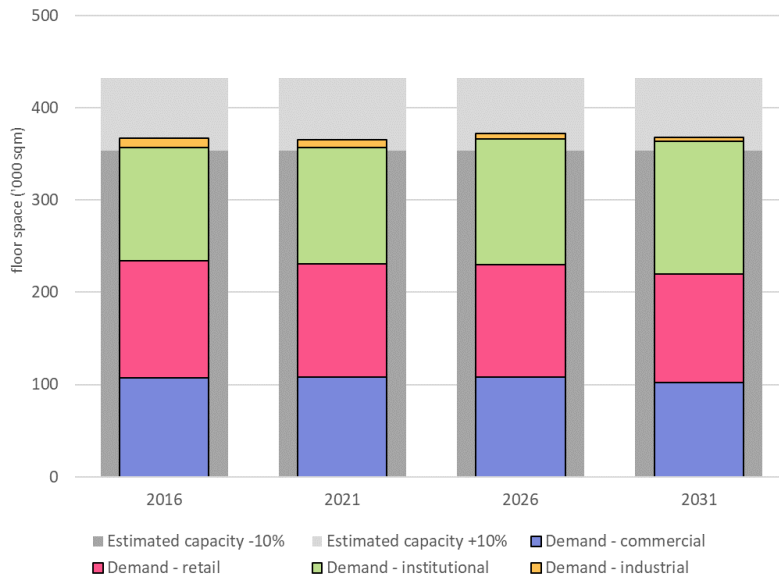


Bridge Road Activity Centre

The Epworth Hospital and associated health sector businesses are a dominant feature of the Bridge Road employment market. Recently, the eastern end of the strip between Church and Burnley Streets, has begun to develop into a vibrant hospitality precinct. There is a full line supermarket (4,570 sqm) on the corner of Church Street and Bridge Road which acts as something of a precinct anchor and provides a focus for local grocery retail. There is also pressure for increased residential development across the precinct. The eastern end has developed largely as a restricted retail shopping strip with a mix of discount furniture, homewares and some clothing. This part of Bridge Road has been in a state of transition for some time. Having formerly been an important high-end shopping destination, retailers that would once have located here are increasingly locating elsewhere. As a result, the retail offer at Bridge Road’s western end is lacking a coherent identity.

Epworth Hospital is designated as a health precinct in Plan Melbourne. Future expansion of the hospital and related health uses is constrained by a lack of capacity, and it is unclear how expansion of medical activities at the site can be accommodated. One option may be to identify opportunities to provide capacity at the western end of Bridge Road as part of broader work to define the health precinct. Expansion of health-related activities on Bridge Road would also generate demand for associated commercial services and support the local retail sector.

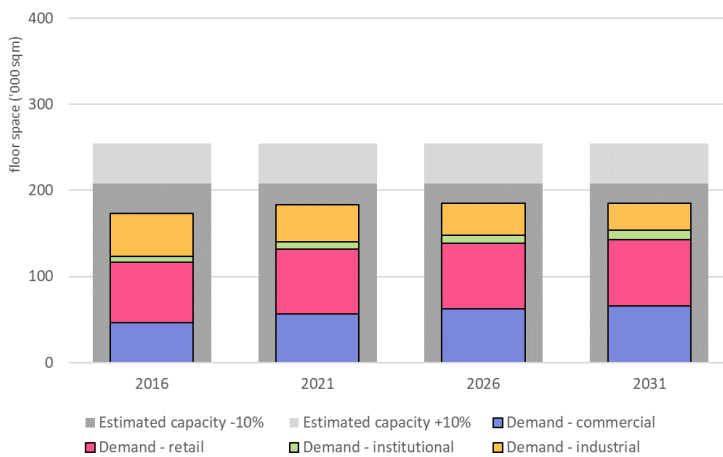
FIGURE 29. BRIDGE ROAD - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Swan Street Activity Centre

The western end of Swan Street is home to a vibrant mix of retail activities including hospitality, entertainment, and a new full line supermarket (comprising 4,030 square metres). Redevelopment of the former Dimmey’s site, which includes an expanded Coles supermarket, has helped to revitalise the street’ convenience retail offer. The eastern end of the strip is partly zoned C2Z and supports restricted retail and commercial functions. Based on capacity analysis, it seems that Swan Street still has latent capacity under the current zoning provisions. The Swan Street Structure Plan proposes zone changes and intensification of development around Burnley Station, potentially leading to further growth in capacity at the street’s eastern end.

FIGURE 30. SWAN STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031

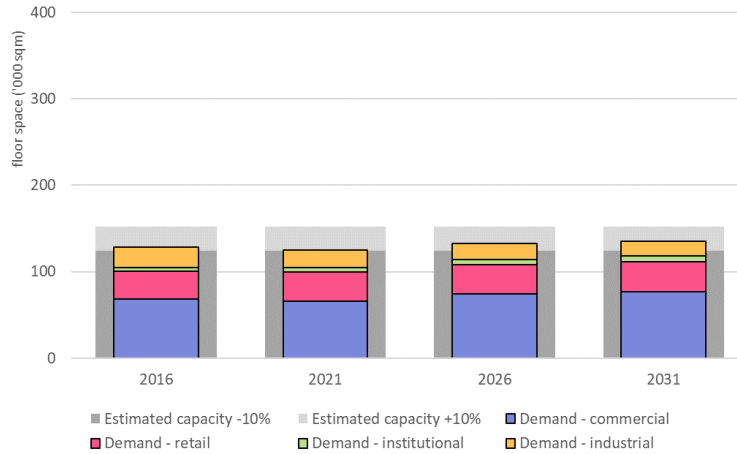


Johnston Street East Emerging Activity Centre

Council has recently prepared and adopted the Johnston Street Local Area Plan (JLAP) for the section of the Johnston Street east of Smith Street, and adjoining areas to the north and south of Johnston Street. The plan sets out a land use framework that separates the centre into eight distinct precincts. Among these, two community-based arts and education precincts are identified: The Abbotsford Convent and the Collingwood Arts Precinct. Rezoning of C2-zoned land in most other precincts has been recommended to encourage investment and to permit limited residential development away from ground levels. Land adjacent to Hoddle Street and the rail line is identified as an opportunity for substantial change, whereas moderate or minimal change is suggested for the other precincts. C2 zoning is to be retained in the Easey Street precinct to support the retention and intensification of existing employment uses.

The figure below suggests that the Johnston Street East Precinct is already somewhat constrained, with increasing demand for commercial floor space in particular. The Gipps Street precinct is likely to emerge as an obvious candidate for forecast demand that cannot be easily accommodated in the Johnston East precinct.

FIGURE 31. JOHNSTON STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031

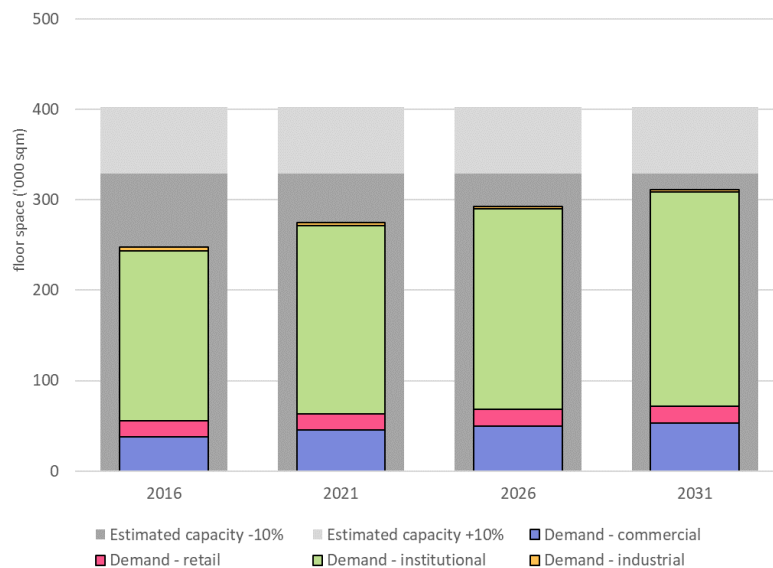


Victoria Parade Activity Centre

The northern side of Victoria Parade falls within the City of Yarra. This road is a key route into the city for both private vehicles and trams and also accommodates important institutional assets within a Plan Melbourne-designated health and education cluster. These include the St Vincent’s Hospital, the Australian Catholic University, and associated research facilities and health care providers. This precinct has seen some of the strongest employment growth in Yarra, with increased employment linked to the health sector in particular. The Australian Catholic University has plans in place to expand its campus by some 20,000 square metres.

The health component of the precinct will capture a significant proportion of future health care sector employment. Capacity analysis suggests projected demand for additional floor space to 2031 will approach estimated floor space capacity. The amount of institutional floor space in the Victoria Parade precinct is projected to grow by around 49,000 square metres. The precinct will also generate demand for other employment floor space. This limited floor space capacity relative to projected demand suggests the precinct could come under development pressure in the medium term. Gipps Street (to the north) has substantial capacity, with potential to absorb demand from the Victoria Parade precinct. Additionally, expansion of related activities on the southern side of Victoria Parade (in the adjoining City of Melbourne) has the potential to meet some of this demand.

FIGURE 32. VICTORIA PARADE - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Gipps Street Major Employment precinct

Located between Smith, Johnston and Hoddle Streets, and Victoria Parade, the Gipps Street precinct is an evolving former industrial precinct. The data and site visits highlight that employment across the precinct is changing, with the evolution of a more diverse commercial employment base focused around the creative sector, service industries, and hybrid office/industrial businesses.

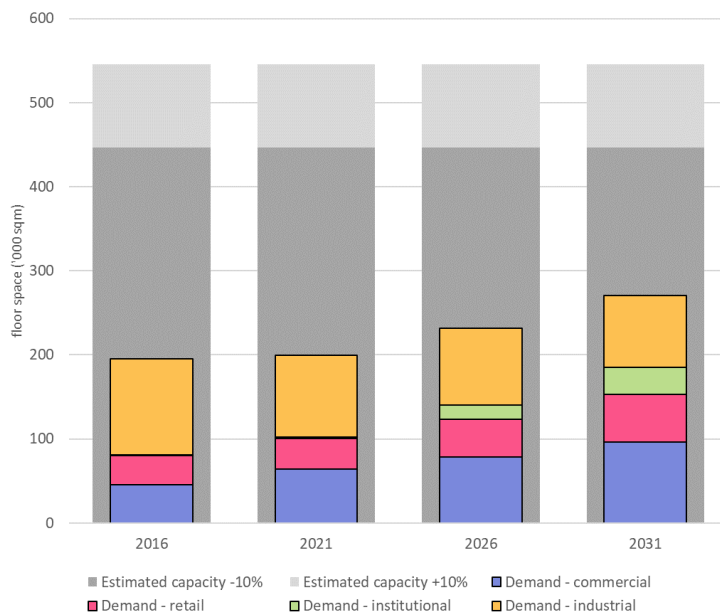
The precinct hosts a diversity of built form including repurposed warehousing, newer office buildings, and a range of industrial premises of various ages. The variety of lot sizes and built form contributes to a unique urban environment that offers diversity of character, with a coherent and robust public domain, underpinned by buildings built to lot boundaries and a regular gridded street network.

With relatively good accessibility, the Gipps Street precinct it is a desirable location for employment, as well as for housing where it not prohibited by C2 zoning. Assuming the retention of this precinct for employment uses, the capacity analysis has identified capacity for up to 500,000 square metres of floor space. The precinct currently contains in the order of 200,000 sqm of floor space and demand for an additional 75,000 sqm is projected to by 2031.

Although the notional capacity exceeds demand in the medium term, the Gipps Street precinct represents an important source of employment capacity into the future that could be realised beyond the 15-year time frame considered by this strategy.

Given the potential for residential development to bid up land prices and disrupt the employment role of the precinct, retention of zoning that prohibits non-employment-related uses would appear the most sensible course of action for this precinct.

FIGURE 33. GIPPS STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Cremorne and Church Street South Major Employment precinct

The adjacent Cremorne and Church Street South precincts complement each other in many ways to a unique mix of retail and commercial uses. This uniqueness forms a core competitive advantage.

The Cremorne Major Employment precinct has transitioned from a former industrial precinct to become a significant commercial node with small innovative manufacturers (e.g. vW Maps who convert spatial data into 2/3D maps) to corporate head offices (e.g. CarSales and realestate.com). The precinct is supported by its position relative to key private vehicle and public transport corridors, and is ideally situated to access the educated labour pool of Melbourne’s eastern and southern suburbs. The precinct is also conveniently located in relation to other businesses in the CBD. Cremorne also has a significant institutional asset in the Kangan Institute (9,000 square metres). With a

unique and diverse employment base and a national reputation as a base for tech and creative sector firms, Cremorne is well placed to attract future employment growth.

The precinct is estimated to have a total floor space capacity of around 440,000 square metres of which approximately 180,000 square metres is currently utilised. Demand for floor space will grow to 2031 although there is likely to be capacity for further growth beyond the medium term. This modest demand for additional floor space masks a significant increase in employment, with low density industrial uses giving way to commercial sector employers, who typically occupy floorspaces at much higher densities.

The Church Street South Major Employment precinct sits either side of a north-south tram corridor and connects into the rapidly developing Chapel Street. The strip has a focus on restricted retail, however, unlike other homemaker-oriented shopping centres, it provides a unique offer including high end retail. It is also home to a number of high quality cafes, restaurants and bars. The Swan Street Structure Plan identifies a number of Strategic Redevelopment Sites and Further Investigation Areas within the Church Street precinct.

There is a small amount of capacity for this precinct to evolve and grow into the future. Of a total estimated capacity of around 300,000 square metres, approximately 240,000 square metres are currently utilised. In the years to 2031, transition from industrial to commercial uses is expected to occur. Growth in the utilisation of floorspace is likely to be minimal, though this moderate trend masks strong growth in the number of people employed within the precinct. As in Cremorne, low density industrial employment is expected to give way to commercial uses meaning precinct floorspaces are capable of supporting larger workforces.

FIGURE 34. CREMORNE - FLOOR SPACE CAPACITY AND DEMAND TO 2031

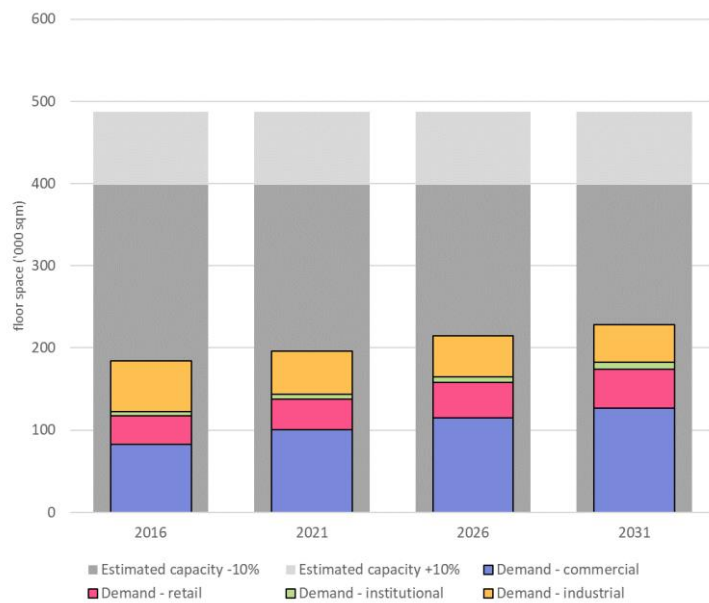
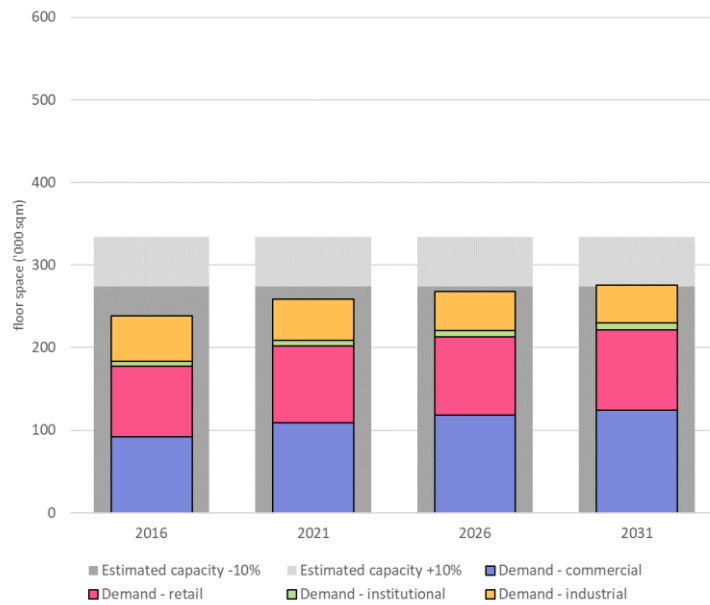


FIGURE 35. CHURCH STREET SOUTH - FLOOR SPACE CAPACITY AND DEMAND TO 2031

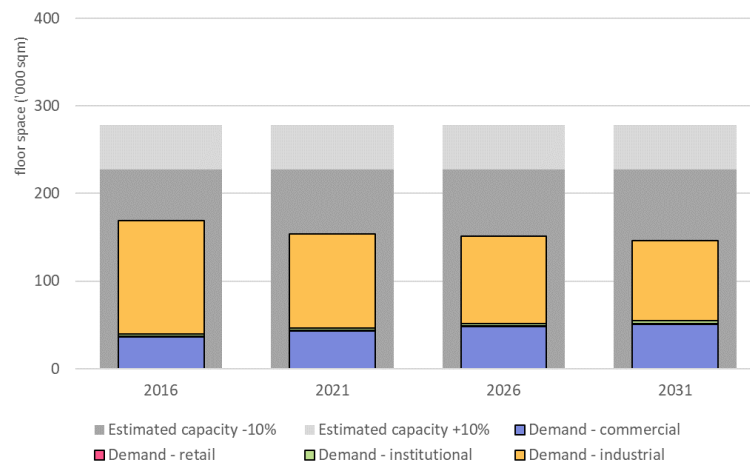


Abbotsford Major Employment precinct

The Abbotsford precinct contains the largest remaining manufacturer, Carlton United Brewery (CUB), along with a number of other more traditional manufacturing employment.

There is no change envisaged for this precinct in the short term given the CUB operation appears to be viable and is likely to remain in the precinct in the foreseeable future. That said, demand for floorspace in this precinct may decline as the number of Yarra-based industrial workers falls, and as mechanisation and new technologies results in a declining need for industrial workers in the precinct. The Abbotsford precinct is capable of providing opportunities for employment, retail, community uses and/or housing in the longer term, beyond the 15-year planning horizon of this strategy, however major land use changes are unlikely while the CUB remains operational.

FIGURE 36. ABBOTSFORD - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Hoddle Street Minor Employment precinct

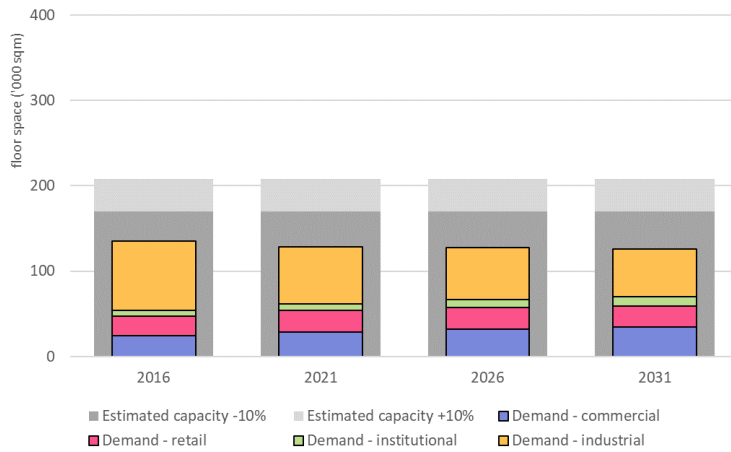
The land along the Hoddle Street corridor (both north and south of the Johnston Street Activity Centre) presents an opportunity to accommodate additional employment and residential development. The precinct was identified as a candidate for urban renewal in earlier iterations of Plan Melbourne.

Sites between Hoddle Street and the rail line could potentially be developed to higher densities with minimal impact on existing lower scale development to the west of the rail line. For sites immediately adjacent to Hoddle Street the amenity issues associated with traffic volumes and noise will need to be taken into consideration in planning future

development. Retail and commercial uses that benefit from the exposure provided by a busy arterial route are likely to be more appropriate than residential uses.

Capacity analysis suggest there is potential for growth in the Hoddle Street precinct. Projected declines in industrial employment (located on C2 zoned land) are the key factor in declining demand for employment land in the precinct. As this is a variable precinct in terms of built form, lot sizes, and interfaces, a more detailed review of opportunities and constraints is necessary to confirm the validity of these capacity findings. The

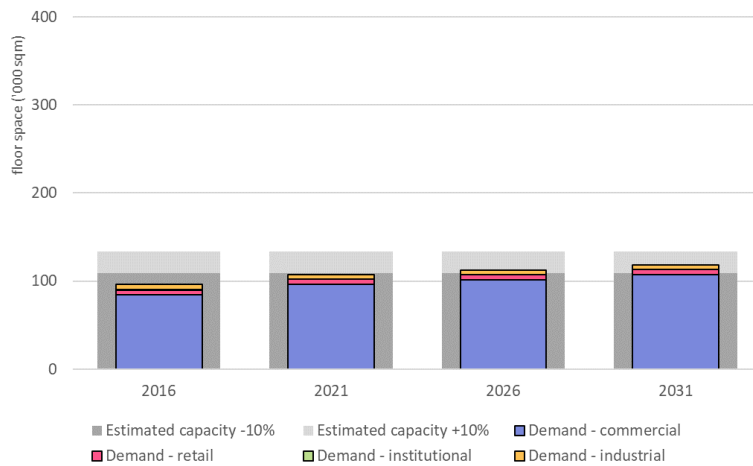
FIGURE 37. HODDLE STREET - FLOOR SPACE CAPACITY AND DEMAND TO 2031



Burnley Office Minor Employment precinct

The Burnley Office precinct is unique in Yarra in that it hosts mostly commercial floor space. The precinct contains the Botanica Business Park and the Burnley campus of Melbourne University. Demand for employment floor space in the precinct is projected to increase, driven by good access to the Monash Freeway and educated worker pools in Melbourne’s eastern suburbs. High-level capacity analysis suggests there is a sufficient capacity to accommodate this growth (see Figure 38), though constraints may emerge toward the end of the 15-year analysis period.

FIGURE 38. BURNLEY OFFICE - FLOOR SPACE CAPACITY AND DEMAND TO 2031



4.5 Summary

The preceding section indicates that, across most of Yarra's employment precincts, there is floor space capacity to accommodate future growth in economic activity and associated employment. Total demand for employment floorspace by broad land use across each of Yarra's employment precincts is summarised in Table 5 and Table 6 (which can be found at the conclusion of this chapter).

The analysis of capacity and demand has found that there are sufficient opportunities for retailers in Yarra's Commercial and Mixed Use zoned areas to accommodate projected growth. There is also significant capacity within Yarra to accommodate growth in commercial employment. This is particularly the case in the Gipps Street and Cremorne/Church Street South precincts and, to a lesser extent, in the established shopping streets, where the first floors of mixed buildings can support office-based employment, in theory at least, entire office buildings can be developed.

Significant demand for institutional floor space is projected as a result of growth in health-related employment. Given pressures to accommodate a large proportion of this floor space in and around existing major medical institutions, floor space demand in the identified health precincts is likely to be significant. Although at an aggregate level there is sufficient floor space across Yarra, the extent to which projected demand for employment in health care and related sectors can be accommodated in close proximity to the major hospitals is unclear. Existing institutions may accommodate growth through redevelopment of existing facilities to accommodate more floor space – through upward rather than outward expansion. The Gipps Street precinct may be close enough to the Victoria Parade health precinct to accommodate some such growth.

Given demand for the expansion of health and medical services has metropolitan in scale, it is also conceivable that projected growth will be accommodated elsewhere in the inner metropolitan region if opportunities in Yarra are limited.

Demand for industrial floor space is decreasing in Yarra and therefore it is unlikely that the current planning framework is a constraint on these employment activities.

Although in aggregate terms the capacity for additional employment floor space exceeds demand in the medium and term, this does not necessarily suggest employment zoned land should be rezoned, unless there is a clear case that the land is required for alternative uses.

4.6 Implications

To sum up the following considerations are relevant to decisions about the future of employment land in Yarra:

- Ensuring an adequate supply of employment land will support Yarra's contribution to the metropolitan economy and provide a local supply of jobs and services for a growing inner-city population. Yarra is host to a diverse range of businesses that contribute to Melbourne's creative economy and provides a unique physical setting for designers, manufacturers, marketers and customers to interact in more dense industry clusters.
- Retaining employment zoning (e.g. the Commercial 2 and Industrial zones) provides the greatest flexibility for future land uses. These zones allow for a range of employment activities – particularly following the 2013 zones reforms – and are less likely to encourage developments that result in land fragmentation or strata-titled developments.
- The transition and intensification of existing employment land will occur over an extended period of time. In this context reserve capacity in excess of medium term demand is required to ensure efficient and competitive markets to supply additional employment floor space. Beyond the 2031 planning horizon considered in this Strategy, further demand for employment floor space that will draw on the additional capacity identified.
- The retention of the Gipps Street and Cremorne/ Church Street South Major Employment precincts for employment uses only will protect their potential for employment growth, acknowledging their unique character and emerging role as head office and creative industry hubs in inner Melbourne.
- The Abbotsford and Burnley industrial precincts host existing major industrial uses that are unlikely to change in the near future. If they were to change they are of sufficient scale that they would form major redevelopment sites in themselves, requiring precinct plans and masterplans.
- Applications to rezone employment land should generally be discouraged unless there is a compelling case that the land is no longer viable for employment uses. In considering such proposals, Council should consider applying appropriate 'tests' such as requiring applicants to demonstrate the re-zoning will generate a net community benefit. These could include maintaining a similar level of employment or economic activity on the site.

TABLE 5. SUMMARY OF FLOORSPACE DEMAND AND CAPACITY BY CATEGORY AND PRECINCT,
RETAIL PRECINCTS

		2016	2021	2026	2031
Smith Street	Commercial demand	115,500	139,160	154,960	164,880
	Retail demand	113,400	122,060	123,200	124,500
	Institutional demand	23,940	27,360	31,280	35,680
	Industrial demand	98,000	83,160	62,000	52,200
	Total demand	350,840	371,740	371,440	377,260
	Capacity	496,000	496,000	496,000	496,000
	Demand as % of capacity	71%	75%	75%	76%
Victoria Street	Commercial demand	99,600	116,480	125,840	131,520
	Retail demand	130,680	141,780	143,680	145,800
	Institutional demand	2,850	3,240	3,740	4,320
	Industrial demand	74,900	63,360	59,520	55,100
	Total demand	308,030	324,860	332,780	336,740
	Capacity	482,000	482,000	482,000	482,000
	Demand as % of capacity	64%	67%	69%	70%
Bridge Road	Commercial demand	107,100	108,360	108,420	102,480
	Retail demand	127,440	122,400	121,600	117,000
	Institutional demand	121,980	126,000	136,000	144,000
	Industrial demand	10,500	8,250	6,200	4,350
	Total demand	367,020	365,010	372,220	367,830
	Capacity	393,000	393,000	393,000	393,000
	Demand as % of capacity	93%	93%	95%	94%
Brunswick Street	Commercial demand	76,200	91,560	101,920	108,480
	Retail demand	100,800	108,120	108,800	109,200
	Institutional demand	12,730	14,400	16,320	18,560
	Industrial demand	44,800	36,960	31,000	23,200
	Total demand	234,530	251,040	258,040	259,440
	Capacity	273,000	273,000	273,000	273,000
	Demand as % of capacity	86%	92%	95%	95%
Swan Street	Commercial demand	46,200	56,280	62,400	66,000
	Retail demand	70,200	75,820	76,480	77,100
	Institutional demand	6,840	7,920	9,010	10,400
	Industrial demand	49,700	43,560	37,200	31,900
	Total demand	172,940	183,580	185,090	185,400
	Capacity	231,000	231,000	231,000	231,000
	Demand as % of capacity	75%	79%	80%	80%
Johnston Street East	Commercial demand	68,700	65,800	74,100	76,800
	Retail demand	32,040	34,000	34,240	34,500
	Institutional demand	4,370	5,220	5,950	6,720
	Industrial demand	23,100	19,800	17,980	16,820
	Total demand	128,210	124,820	132,270	134,840
	Capacity	138,000	138,000	138,000	138,000
	Demand as % of capacity	93%	90%	96%	98%

TABLE 6. SUMMARY OF FLOORSPACE DEMAND AND CAPACITY BY CATEGORY AND PRECINCT,
EMPLOYMENT PRECINCTS

		2016	2021	2026	2031
Victoria Parade	Commercial demand	38,100	45,360	50,180	53,280
	Retail demand	17,280	18,360	18,560	18,600
	Institutional demand	188,480	207,900	221,000	236,800
	Industrial demand	4,200	3,300	3,100	2,900
	Total demand	248,060	274,920	292,840	311,580
	Capacity	366,000	366,000	366,000	366,000
	Demand as % of capacity	68%	75%	80%	85%
Gipps Street	Commercial demand	45,900	63,840	78,780	96,720
	Retail demand	34,560	37,060	44,480	56,700
	Institutional demand	950	1,080	17,000	32,000
	Industrial demand	114,100	97,680	91,760	85,260
	Total demand	195,510	199,660	232,020	270,680
	Capacity	496,000	496,000	496,000	496,000
	Demand as % of capacity	39%	40%	47%	55%
Cremorne	Commercial demand	83,100	100,240	115,180	126,720
	Retail demand	34,200	37,060	42,880	47,700
	Institutional demand	4,940	6,120	6,970	8,000
	Industrial demand	61,600	52,800	49,600	45,820
	Total demand	183,840	196,220	214,630	228,240
	Capacity	443,000	443,000	443,000	443,000
	Demand as % of capacity	41%	44%	48%	52%
Abbotsford	Commercial demand	36,300	43,120	47,840	50,640
	Retail demand	720	1,020	960	900
	Institutional demand	2,280	2,520	2,890	3,200
	Industrial demand	129,500	106,920	99,820	91,060
	Total demand	168,800	153,580	151,510	145,800
	Capacity	253,000	253,000	253,000	253,000
	Demand as % of capacity	67%	61%	60%	58%
Church Street South	Commercial demand	92,400	108,920	118,040	124,080
	Retail demand	85,320	93,160	94,720	97,200
	Institutional demand	5,890	6,840	7,820	8,800
	Industrial demand	54,600	50,160	47,740	45,240
	Total demand	238,210	259,080	268,320	275,320
	Capacity	304,000	304,000	304,000	304,000
	Demand as % of capacity	78%	85%	88%	91%
Burnley Office Precinct	Commercial demand	84,300	96,320	101,660	107,520
	Retail demand	5,400	5,440	5,440	5,400
	Institutional demand	380	360	510	480
	Industrial demand	6,300	5,280	4,960	4,640
	Total demand	96,380	107,400	112,570	118,040
	Capacity	121,000	121,000	121,000	121,000
	Demand as % of capacity	80%	89%	93%	98%
Hoddle Street	Commercial demand	24,300	28,840	31,980	34,080
	Retail demand	23,040	24,820	24,960	25,200
	Institutional demand	6,840	8,100	9,350	10,720
	Industrial demand	81,200	66,660	61,380	55,680
	Total demand	135,380	128,420	127,670	125,680
	Capacity	189,000	189,000	189,000	189,000
	Demand as % of capacity	72%	68%	68%	66%

5 SPATIAL STRATEGY

This chapter sets out the spatial strategy for accommodating growth and change in employment in Yarra for the next 15 years.

5.1 Vision and objectives for Yarra's employment lands

As the economy continues to evolve governments are challenged with the task of ensuring planning for employment provides sufficient land, appropriately zoned, that can facilitate the growth and change. This following vision has been developed by drawing on a review of existing policy, data analysis and community consultation from the 'Liveable Yarra' process. The vision focuses on leveraging the existing structure and diversity of Yarra's employment land, but also recognises a constantly evolving economic landscape and requires careful planning.

The vision for Yarra's employment lands:

Yarra's employment lands play a vital role in the economy of Metropolitan Melbourne. They support a diversified and modern economy across a variety of retail, mixed employment, industrial, and health and education precincts. Yarra provides employment and services that are local, metropolitan and global in their reach; and vital to the Melbourne's brand as a creative urban economy.

Despite successive waves of economic change, Yarra's economy has continually adapted and evolved. Yarra's employment lands support both emerging and established businesses alike. By virtue of its central location, accessibility and amenity, Yarra's employment lands will increasingly attract high value adding economic activities. They are drawn to its established inner city employment precincts for their agglomeration benefits, their unique character, and the diversity of built form.

The objectives for Council to achieve this vision for Yarra's employment lands are to:

- Provide sufficient employment land and capacity to support projected growth
- Minimise pressures for residential conversion of employment precincts
- Promote Yarra's Activity Centres as the preferred locations for retail, services and facilities, and entertainment opportunities for Yarra's residents and visitors alike.
- Promote Yarra's major employment precincts as locations for a wide variety of businesses and services that are a vital part of Melbourne's inner city economy.
- Support the growth of Yarra's two health and education precincts.
- Manage the transition of larger industrial uses, if and when these transitions occur.

5.2 Strategies

The main employment precincts that are the structural foundation for economic activity in Yarra are shown (conceptually) on the economic structure map on the following page (Figure 39). Six strategies are proposed to achieve the vision and objectives outlined above. These are summarised below and explored in more detail in the following sections.

Strategy 1: Support employment growth in Activity Centres

Yarra's major and neighbourhood activity centres already host a vibrant and constantly evolving range of retail, entertainment, hospitality and commercial services meeting the needs of visitors and the local population. They are also generally well served by public transport. Building on these existing strengths, growth in employment should be encouraged. Yarra's local centres are also appropriate locations for intensification of employment activities.

Strategy 2: Retain and grow Yarra's Major Employment Precincts

To accommodate projected demand for commercial floor space Yarra's two large consolidated employment precincts at Gipps Street, Collingwood and Cremorne/Church Street South, Richmond should be retained for employment activities. These areas have made a gradual transition from predominantly industrial uses to a wider mix of activities that include professional services, creative industries, medical-related activities and small-scale manufacture. Zoning should continue to exclude residential development to retain the core employment function of these precincts.

Strategy 3: Identify preferred locations for housing growth

Strong demand for housing in accessible location can have negative impacts for employment outcomes. To reduce pressures for ad hoc conversion of employment lands to residential Council is preparing a Housing Strategy that identifies preferred locations for housing that compliment (rather than disrupt) employment activity (e.g. Activity Centres, Mixed Use Areas and dispersed infill in residential areas). Demonstrating sufficient capacity to accommodate housing demand in these locations will support the strategy to retaining Yarra's larger consolidated employment precincts.

Strategy 4: Support the expansion of health-related employment and services in Yarra's health precincts

The health sector is projected to experience significant growth in Melbourne and Yarra is host to two significant health precincts in the metropolitan area. Additional space around the two hospitals would be beneficial for this sector and could involve the conversion of existing commercial or residential land for health sector uses. Furthermore, the health precincts would benefit from land use diversification that supports their primary function, for example with health-related businesses, education, short-term accommodation and convenience retailing. The St Vincent's health precinct includes the Australian Catholic University (ACU) Melbourne Campus.

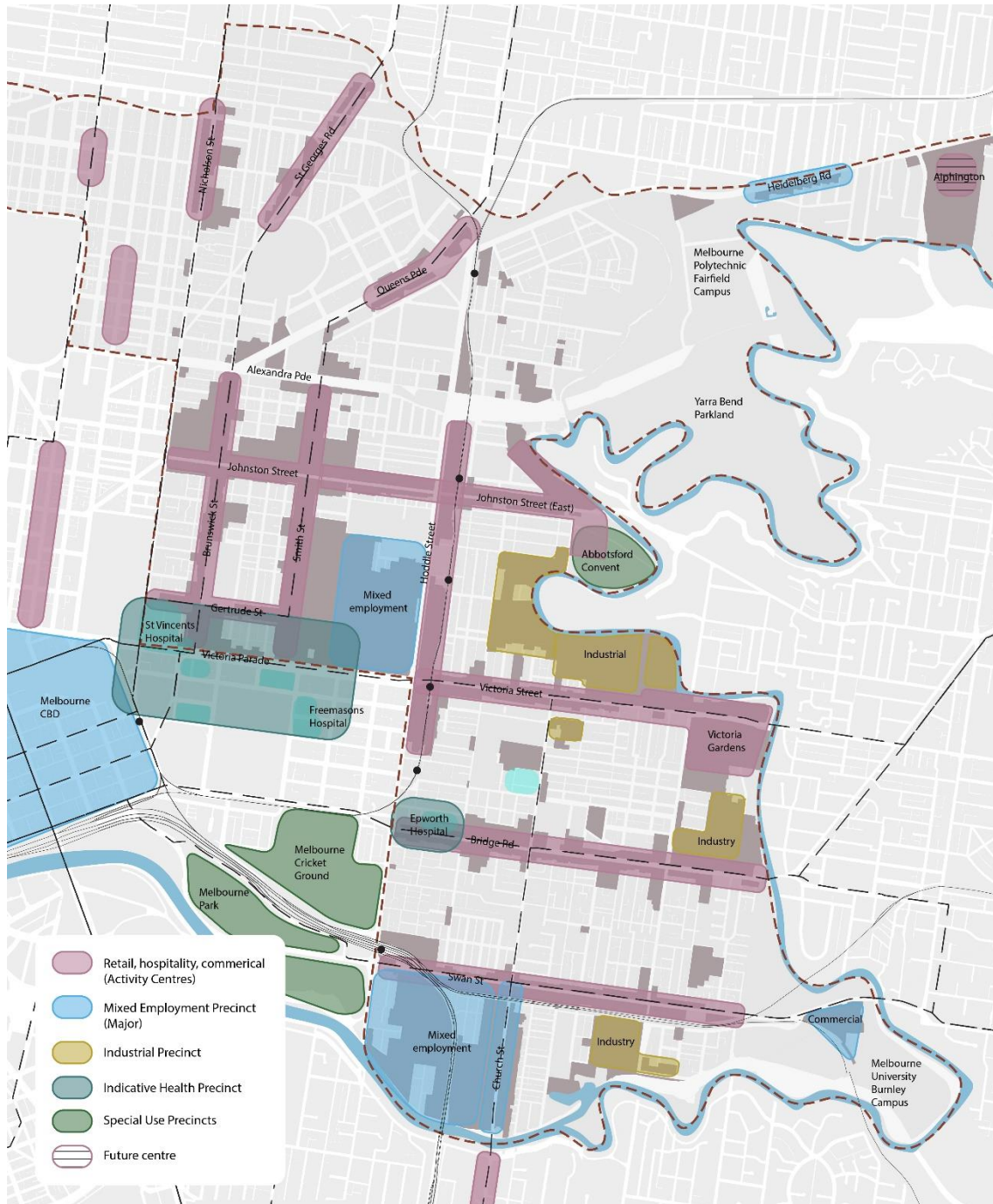
Strategy 5: Retain other C2 zoned precincts (unless strategic planning support change)

Yarra's C2 zoned land forms part of larger employment precincts, supports a diversity of businesses and economic activity and, in general, is not required to support housing. Unless strategic planning work supports a change of zone, existing C2 precincts and sites should be retained for employment uses. Future strategic planning work may identify opportunities for change, however this are not a priority for Council for at least the medium term (5 – 10 years).

Strategy 6: Retain Yarra's existing industrial precincts for manufacturing and urban services

The projected demand for employment and housing for the next 15 years can be accommodated in existing centres and employment precincts. There is no need to reconsider the role of industrial precincts at this time. While the need for such a transition is not imminent, it will be prudent for Council to consider how alternative uses for these precincts might be determined, infrastructure requirements, and flag the potential for the inclusion of social and/or affordable housing.

FIGURE 39. YARRA'S ECONOMIC STRUCTURE – MAJOR EMPLOYMENT PRECINCTS



Source: SGS, 2015.

5.3 Strategy 1: Support employment growth in Activity Centres

Yarra features a series of established activity centres that host retail, hospitality, entertainment uses, and other services, for residents and visitors. They are a signature element in Yarra's economic and social landscapes. They are highly accessible and rich in established physical and social infrastructure. Future planning should support and encourage employment growth in these centres.

Yarra's Major Activity Centres included in Plan Melbourne are:

- Bridge Road
- Brunswick Street
- Smith Street
- Swan Street
- Victoria Street

Yarra's Neighbourhood Activity Centres are:

Johnston Street East (which includes Trenerry Crescent area and the Abbotsford Covent). Council has undertaken recent planning work including the preparation and adopting of a Johnston Street Local Area Plan to support the emergence of this centre.

- Queens Parade, Clifton Hill
- Gertrude Street, Fitzroy
- Nicholson Street, North Fitzroy
- St Georges Road, North Fitzroy
- Heidelberg Road, Alphington
- Rathdowne Street, Carlton

Yarra's Activity Centres are also appropriate locations for new housing. Housing growth supports economic activity by increasing the local population and, when provided in a mixed use building can be developed with an increase in the quantum of employment floor space. Residential developments can impact existing business if the new residents are affected by noise or other perceived nuisance. These potential conflicts should be managed, particularly in vibrant service and entertainment precincts, ensuring established businesses can continue to operate.

Yarra's local Activity Centres include the Rathdowne Street north, Nicholson Street south and Lygon Street villages in Carlton North, and the Berry Street/Ramsden Street and Spensely Street villages in Clifton Hill.

Yarra's smaller retail centres are largely oriented towards the retail, entertainment and service needs of a local population. Future planning should support and encourage employment growth in these locations that also serves these functions.

Role in accommodating projected growth

Yarra's Activity Centres are likely to accommodate significant growth in retail, commercial and institutional floor space. It is anticipated that an estimated 134,000 sqm of additional floor space will be added to Yarra's larger Activity Centres between 2016 and 2031 for commercial, retail and institutional uses (an increase of around 10%). Based on the capacity assessment set out earlier, the extent of Yarra's Activity Centres currently zoned for employment is likely to be sufficient to accommodate this growth. A diverse cross section of employment uses should be supported in centres, including health related businesses that might seek to locate in centres that overlap with and adjoin the designated health precincts.

Yarra's local centres are likely to accommodate modest growth in retail and commercial floor space largely linked to local population growth. The land currently zoned for employment within these smaller centres is considered sufficient to accommodate projected growth to 2031.

Strategic directions

- Support growth in retail and other employment uses in Yarra's Activity Centres in a way that encourages existing trends, supports major employment sectors and provides opportunities for innovative businesses to flourish in Yarra, building on the unique, creative local character.

- Designate Johnston Street East as an activity centre that includes Johnston Street between Hoddle Street and the Yarra, Trenerry Crescent and the Abbotsford Convent. Encourage the evolution of this centre by rezoning C2 land to allow a wider range of retail uses and residential development on Johnston Street and nearby precincts.
- Implement recommendations of the Swan Street Structure Plan to rezone areas of C2 land to support mixed use outcomes.
- Support the provision of housing in Activity Centre in mixed-use developments. The scale and form of new development should seek to enhance the amenity of the centre and avoid introducing potential land use conflicts between residential development and employment activity.
- Undertake built form analysis and structure planning for the remaining Activity Centres to guide future development.

Precinct specific directions

Victoria Street, Richmond

Victoria Street provides vibrant street-based retail and hospitality businesses. Expansion of these activities to the east towards a growing residential precinct is a logical extension of this centre.

Victoria Gardens is an attraction for a sub-regional population and serves a large and growing local community. The centre provides a different retail format and experience to the street-based offer of the western end of Victoria Street. The eastern end of Victoria Street would benefit from a cohesive and pedestrian friendly public realm.

Land to the south of the Victoria Gardens presents opportunities for higher density employment and housing, in the medium to longer term.

Bridge Road, Richmond

Changes in fashion retailing and retail conditions generally have resulted in high vacancies at the western end of Bridge Street in contrast to Yarra's other Activity Centres. The expansion of medical related activities could revive the area. Likely alternative land uses could include medical consulting rooms and ancillary uses like short term accommodation. Residential intensification would increase demand for local services.

The central and western portion of Bridge Road have been more successful in making the transition to local population service retail and hospitality. The new secondary school in this area will bring more activity, reinforcing the civic character of this central Bridge Road precinct. Local population growth will further enhance the viability of this part of the centre with opportunities for mixed use development on C1 zoned land. The isolated parcels of C2 zoned land to the south of Bridge Road might also be considered for transition to mixed use development in the future given the capacity for employment growth in Yarra's large consolidated mixed employment precincts.

Swan Street, Richmond and Burnley

Swan Street primarily serves a local resident and worker population and benefits from its proximity to Melbourne's premier sporting precinct. Demand for additional retail floor space and residential development can be accommodated by expansion of the C1 zone to those areas zoned C2Z towards the east of the precinct. This change has been recommended in the adopted Swan Street Structure Plan.

Richmond Station has been identified as a potential development site although the high costs associated with redeveloping an operating station are a significant challenge. The C1 zoned land to the south of the station appears to be a more likely development opportunity in the near term and is identified in the Swan Street Structure Plan as having the potential for 3-4 storey development.

Brunswick Street, Fitzroy and Smith Street, Fitzroy/Collingwood

Brunswick Street and Smith Street offer a consolidated core of retail and hospitality for the suburbs of Fitzroy and Collingwood and a wider catchment beyond. The C1 zoning throughout this area allows a range of employment and housing in mixed use developments. The development of the Community Arts Precinct (on Johnston Street) is an emerging trend, supported by state. Council values its arts and culture sector.

Johnston Street East, Collingwood and Abbotsford

Johnston Street East benefits from heavy rail, retail, open space assets and the Abbotsford Convent. It is well suited to accommodating growth in both employment and housing.

Council has recently prepared the Johnston Street Local Area Plan which, with the exception of the Easey Street Precinct, recommends changes to C2 zoned land (on Johnston Street and between Hoddle Street and the rail line) to

allow for mixed use redevelopment with residential on the upper levels.

The Abbotsford Convent is a unique community asset and visitor destination. It has the potential to be better integrated with the emerging Activity Centres as it evolves following the proposed zone changes.

Yarra's local Activity Centres

Expansion of retail and other employment uses should be supported in Yarra's local centres. Given the diversity of these centres in size, proposals that could impact on the character, amenity or function of centres will need to be assessed on their individual merits. For example, developments that generate significant traffic movements or significant amenity impacts in adjoining residential areas might not be suitable (and are more appropriately located in Yarra's Activity Centres). Structure planning studies for local activity centre could identify preferred built form outcomes and provide local plans and policies for inclusion in the Planning Scheme.

5.4 Strategy 2: Retain and grow Yarra's Major Employment Precincts

The Cremorne/Church Street, Richmond and Gipps Street, Collingwood, Major Employment precincts are unique mixed employment areas that host a diverse range of activities including traditional industrial uses, commercial offices and creative industries. As demand for industrial land in the inner city has declined in recent decades these areas have transitioned from predominantly industrial uses to precincts that host a mix of alternative and diverse economic functions.

The precincts are characterised by a variety of lot sizes, a diversity of building stock and building condition, and variable public realm quality. This physical diversity and urban character are important elements in attracting and supporting a diversity of economic activities. This older morphology – which includes many buildings that might be described as 'life-long-loose-fit' – is conducive to attracting innovative businesses, a deeper mix of businesses, and a degree of informality that is lacking from other existing and emerging (and potential) employment precincts in inner Melbourne.

Although the C2 zoning in these precincts prevents residential development, these areas will be subject to pressure for residential conversion. This may have been exacerbated by their designation in earlier iterations of Plan Melbourne as 'Other Renewal Areas' with little guidance on the nature or type of renewal envisaged (see Figure 2).

Precincts such as Cremorne/Church Street South are attracting major businesses and investment, which is evident by the recent surge in planning applications and approvals for office developments that has occurred.

Compared to other Councils within the inner city region, Yarra has a large amount of C2 zoned land (around 100 hectares) dispersed across most of the municipality which is being used for a variety of commercial and business purposes. The C2 zoning provide opportunities for a different range of uses and businesses than occurs in Yarra's activity centres which are predominantly based around retailing and services.

Existing land use and development examples in Yarra suggest that once areas or sites are zoned to permit residential uses and development – through the C1 or Mixed Use zones – the economic function and capacity of these areas is limited as residential development is the 'highest and best use'. In the case of areas zoned C1, ground floor commercial and retail uses is usually accommodated but the dominant use is residential unless circumstance allow Council to negotiate the inclusion of additional commercial activities through the process of zone change or planning permit assessment. For MUZ land, new developers typically included very little or no employment floor space. Given a stated purpose of the MUZ is to support higher density residential development, the zone is a de facto a high density residential zone.

While zone changes can be considered and may be supported as part of Council's overall strategic land use planning, once the land is rezoned to C1 or MUZ its potential to provide for economic purposes and business is typically lost.

Retaining C2 zoned land has supported change within the local economy with C2 zoned areas evolving and consolidating their economics role and providing further opportunities for development and intensification of Yarra's economic and businesses growth.

Major employment areas, such as the Cremorne/Church Street South and the Gipps Street precinct, are highly sought after and highly valued as business locations due to their location and proximity to central Melbourne, access

to transport, business synergies and the vibrancy of Yarra. They have proven particularly attractive to creative- and technology-oriented business that a non-but-near-CBD location.

While it could be argued these precincts are suited to both employment and residential land uses it is recommended that they are retained for employment uses for the following reasons:

- The precincts have evolved into a unique mix of employment and economic activity; the result of decades of continuous employment use.
- Given strong demand for commercial floor space in Yarra there is insufficient capacity to accommodate all such projected growth in Yarra's Activity Centres.
- The diversity of lot size and building stock in these precincts provides a unique environment for established and emerging business that are unlike the majority of existing (and potential) employment lands in Inner Metropolitan Melbourne.
- The precincts are already transitioning from lower-value to higher-value employment uses. This transition is likely be interrupted by allowing residential uses and detrimental to Melbourne's inner city economy.

Retaining an employment zoning for these precincts for the foreseeable future provides for longer term flexibility if conditions for employment change. Providing clarity and certainty for land owners and businesses about the future employment role of these precincts is key to attractive investment and growth.

Future planning for these precincts might follow approaches commonly applied to Activity Centre structure planning that includes consideration of preferred built form outcomes, open space and public domain structure, movement and access, and the need for infrastructure upgrade and investments.

The smaller Burnley Office Employment precinct also support a cluster of well-located commercial office floor space that should be retained and grown where possible.

Role in accommodating projected growth

Strong growth in demand for commercial and retail floor space is projected for Yarra. The quantum of growth is likely to approach the capacity of many of Yarra's Activity Centres. Yarra's mixed employment precincts are well suited to host office-based employment, creative industries and support services (e.g. catering, printing, small-scale specialised manufacture, and so on). The continued shift in economic activity in these precincts from lower density industrial uses towards alternative employment would provide this required additional capacity.

Based on the distribution of employment floor space demand described in Chapter 4, demand for approximately 75,000 sqm of additional floor space has been forecast for both the Gipps Street and Cremorne and Church Street precincts.

Alternative locations for accommodating projected residential growth in Yarra should be identified to further support the retention of these established employment precincts for employment uses (see Strategy 3).

Precinct specific directions

Gipps Street precinct

Gipps Street precinct is strategically located with respect to public transport, arterial roads and Melbourne's CBD. Given projected demand for employment floor space, and office floor space in particular, the precinct should retain its employment focus. Recent zoning changes have already provided greater flexibility in the range of permissible employment land uses.

Although there are many retail and hospitality business beyond the immediate Gipps Street precinct, the lack of retail within the precinct could be a barrier to attracting new businesses. The collection of smaller business on Glasshouse Road at the western edge of the precinct might be interpreted as evidence of the attractiveness of the more vibrant quarters of the precinct.

More detailed built form guidance would provide greater clarity about opportunities for additional development and the scale and form envisaged.

This precinct could accommodate future demand for floor space generated by both the Victoria Parade health precinct and the Johnston Street Activity Centre, where capacity for growth is more constrained.

Cremorne/Church St south precinct

The Cremorne precinct is also strategically located with respect to public transport, the arterial road network and CBD. Given its current employment focus and the projected demand for employment floor space, retention and intensification of employment should be the focus of renewal efforts. Growth of the Kangan Institute, which specialises in fashion and retail training, should be supported for adding to the diversity of employment but also to underpin a competitive strength for creative firms in this precinct.

Church Street South hosts complementary land uses with a focus on restricted retail. The retention of the employment focus of this precinct is also warranted given its unique role. There are currently opportunities for residential development within the local area on Swan Street and, further potential housing opportunities in the vicinity of Burnley Station are identified in the Swan Street Structure Plan.

Circumstances when residential developments might be considered

The Swan Street Structure Plan identifies strategic redevelopment sites in the 'Cremorne Mixed Commercial Precinct' and 'Cremorne South Precinct' where opportunities for mixed use development might be contemplated. Two 'investigation areas' have been identified in the 'Cremorne South' precinct where the structure plan suggests the zoning required further investigation.

In general, the interest of providing clear direction to the market about the intended role of these precincts, residential developments should not be contemplated. An exception might be made for interfaces with residential areas, where rezoning to allow mixed employment and residential uses would help address an existing or potential land use conflicts (e.g. by providing an appropriate and enduring buffer between residential and non-residential uses).

5.5 Strategy 3: Identify preferred locations for housing growth

Although this study is primarily concerned with employment and economic activity, the impacts of strong demand for housing on employment lands is an important consideration. Land speculation and opportunistic efforts to rezone employment can create uncertainty and disruption to the orderly and efficient use of employment lands.

Yarra is an attractive location for residential development. Under current market conditions residential developments typically generate higher returns than employment related development, resulting in significant incentives for land owners and developers to seek zoning changes that will to allow residential. This does not necessarily mean there are insufficient opportunities for housing on land already zoned for that purpose.

Some potential zone changes to allow residential development on employment land have been identified in structure plans and local area plans.

To reduce pressures for conversion of employment land for housing, Council has undertaken work to ensure sufficient capacity to accommodate housing demand in appropriate locations (e.g. Activity Centres, Mixed Use Areas and dispersed infill in residential areas). Council is currently preparing a housing strategy that will provide directions on how future housing demand will be met. The Urban Development Program (UDP) currently indicates that there is sufficient supply 'in the pipeline' to accommodate demand for the next 15 years. This potential supply is mostly located known strategic redevelopment sites and projects being considered, likely to occur, or under construction.

Current structure planning and built form framework projects being undertaken by Council for activity centres and mixed use zoned land around activity centres will enable Council to develop estimates of the potential capacity for additional housing in of these areas, in addition to the forecasts in the UDP. It is therefore assumed that Yarra can rely upon this existing capacity and does not need to undertake any significant changes to rezone employment land (apart from the zoning proposals already approved or proposed by Council) to provide for additional housing supply.

5.6 Strategy 4: Support the expansion of health related employment and services in Yarra's health precincts

The economic structure map for Yarra strategy highlights two health precincts, both of which are identified in Plan Melbourne. The first precinct includes the hospitals and health related activities located near Victoria Parade: a precinct which spans the City of Yarra and the City of Melbourne and includes the St Vincents Public, the Royal Victorian Ear and Eye Hospital, the Epworth Maternity and Epworth Clarendon Street and St Vincent Private

Hospitals and the Australian Catholic University Melbourne Campus. The second precinct is located at the western end of Bridge Road and includes the Epworth Hospital.

The services provided by the hospitals and others in these precincts reach a wide catchment that extends well beyond Yarra. Growth in demand for these services is the result of population growth across the broader metropolitan area and a general trend towards the increasing consolidation of medical services.

Hospitals generate demand for a range of other services including consulting rooms, laboratories and short term accommodation. These activities are attracted to locations in close proximity to the hospitals creating considerable demand in a small area.

Within this precinct the Australian Catholic University is planning an extension to accommodate 3000 additional students and 400 new staff to 2020, with new buildings proposed at 115B Victoria Parade (on the corner of Napier Street) and 81-89 Victoria Parade (on the corner of Brunswick Street). A vision and supporting precinct and site planning has been undertaken (see Australian Catholic University, 2015).

The high level capacity analysis carried out for this Strategy suggested that the projected demand for the Victoria Parade Precinct to 2031 will almost reach the estimated floor space capacity. Demand for a further 78,000 sqm of institutional floor space is projected and total demand across all sectors is for an additional 91,000 sqm. The estimated spare capacity in the precinct is 104,000 sqm. (It should be noted that is making the capacity estimate the site-specific opportunities for expansion, redevelopment and intensification on the existing hospital sites was not known.) Adjoining areas in the City of Melbourne might meet some of this demand. Further analysis is suggested to determine an appropriate policy response. Synergistic uses in the precincts and surrounds should be supported, such as education, short-term accommodation or medical consulting suites.

Role in accommodating projected growth

Health related employment is projected to grow substantially, and proximity to established hospitals is an important factor for the location of a large proportion of these jobs. Yarra's health precincts will be under pressure to accommodate considerable growth to 2031. An additional 70,000 sqm of additional floor space would be required across Victoria Parade and Bridge Road to accommodate projected growth (a 45% increase). A total of 206,000 sqm of additional institutional floor space is projected to 2031.

Both precincts will require a coordinated strategic planning response to the significant demand for growth. This should involve the council, the institutions within the precincts, the City of Melbourne (in the case of St.Vincent's/ACU) and the state government. This planning response should include masterplans to guide land use and development decisions, as well as access to the precincts.

Precinct Specific Directions

Victoria Parade

Growth in demand for health related floor space is significant but there appears to be limited land in the City of Yarra to accommodate a significant expansion. Given the major medical facilities in close proximity in both Yarra and the City of Melbourne, a coordinated approach to the management of this health precinct is recommended that involves State Government, both Councils and the relevant institutions.

Further analysis could be undertaken to identify opportunities to enhance the capacity for health precincts to accommodate projected growth. This work will help identify options to accommodate growth (e.g. expansion and intensification of existing hospitals; expansion to adjoining land; new facilities in alternate locations that will reduce pressures for growth). This work could involve the multiple stakeholders (City of Yarra, City of Melbourne, VPA and the Department of Health and Human Services).

An integrated precinct plan could be developed that addressed development capacity, access and movement, and land use planning issues specific to the needs of a large cluster of health, medical, education and supporting services. This might include strategies that support the conversion of existing residential and commercial land uses.

The eastern end of Victoria Parade and the Gipps Street precinct could provide opportunities for the expansion of health related activities.

Bridge Road

Epworth hospital is currently undergoing expansion however the site is constrained for further expansion and has sensitive interfaces with residential areas and heritage. There are high vacancies of retail properties at the western end of Bridge Street and expansion of health and medical services and associated activities to this area could be a

potential solution to both problems. Further investigation is required to determine if this form of expansion of the health precinct would be viable. The extent of an expanded health precinct might be more clearly defined to provide greater clarity and certainty.

5.7 Strategy 5: Retain other C2 zoned precincts

In addition to the major employment precincts of Gipps Street and Cremorne/Church Street South identified in Strategy 2, Yarra contains a variety of other precincts and sites which are zoned C2. Planning directions for these precincts and sites should be guided by consideration of the role of C2 zoned land to support the diversity of business and employment opportunities.

C2 land in BILS

The adopted Business Industrial Land Strategy (BILS) contains Council's existing strategic directions for C2 zoned areas. BILS largely stipulated that what is now C2 zoned land be retained for employment, noting that, at the time of BILS adoption, the previous VPP business zones were in use. In some instances, BILS recommend zone changes that would permit residential uses.

Some employment zoned land included in the BILS was effectively rezoned to C1 due to the state government's introduction of new commercial zones in 2013 (specifically, land that was zoned B1, B2 and B5 was migrated to the new C1 zone). In addition to this change, Council has proposed changes to some precincts based on strategic planning work.

Since the adoption of the BILS Melbourne's planning and economic development circumstances have changed. Metropolitan Melbourne is undergoing significant and sustained population and employment growth. Plan Melbourne has identified the important role inner city municipalities play in the metropolitan economy, supporting the economic role of central Melbourne. Furthermore, Yarra is experiencing significant overall economic and employment growth driven by the key C2 zoned areas, retail activity centres and industrial precincts. Sustained growth in demand for housing in Yarra is another key consideration in planning for the municipality. These changes warrant a reassessment of the strategic direction for Yarra's C2 zoned land.

As noted in Strategy 3 above, Council is currently preparing a housing strategy and is satisfied that there is sufficient housing supply in the development pipeline to meet demand for the next 15 years. Proposed changes to C2 land have been flowed from strategic planning work for the Swan Street and Johnston Street activities centres and these changes will provide further capacity for housing and retail/commercial development in these centres.

Planning strategy for C2 zoned areas

As discussed above, once land is zoned to permit residential uses and development, its employment role is limited as residential development is the 'highest and best use'. For this reason, a precautionary approach is recommended used when considering the future role of C2 zoned sites and precincts outside Yarra's major employment precincts.

Council can expect requests by property owners to change the zoning of properties to enable residential development. It will therefore be important to set clear strategic direction for C2 zoned areas to avoid speculation and provide certainty to the market that existing C2 zones areas will be retained for commercial activities.

Strategic directions

Directions for C2 zones areas area described below and are summarised in Table 7.

Retain strategic C2 zoned land in larger employment precincts

It is recommended that the majority of C2 zoned land in Yarra, which generally forms part of broader employment precincts, is retained. This strategically located C2 zoned land provides the following functions:

- Supports established business areas and serve a useful economic and employment function
- Contributes to the economic diversity of the Yarra economy, and
- Offers locations for different land uses and businesses.

C2 zoned precincts that fall into this category includes areas adjacent to Yarra's three industrial precincts at Abottsford (Victoria Crescent/CUB), Richmond East (Palmer Street) and Burnley South, and C2 zoned land at Church Street North.

These areas are part of broader employment precincts of sufficient size and importance that further strategic planning investigations are required to determine if alternative land uses, economic activities and built form outcomes are appropriate. These strategic planning investigations would be required before any change of zone would be contemplated. A possible trigger for undertaking these investigations would be a decision by CUB or CityPower to vacate their respective locations, or, in the case of the Richmond East and Church Street North precincts, the loss of suitable economic activity due to reduced demand and evidenced by vacancies and/or lack of investment in these precincts.

Other C2 zoned land

Consistent with adopting a precautionary approach to the zoning of Yarra's employment land, it is recommended that all other C2 zoned land retains this zoning unless and until future strategic planning work supports change. These sites and precincts include:

- Two areas of C2 zoned land on Nicholson Street, Fitzroy
- Site at Queens Parade West, North Fitzroy
- Site on the north and south sides of Alexandra Parade, North Fitzroy and Fitzroy
- A block on St Georges Road, North Fitzroy
- A precinct at Victoria Street West, Richmond
- A precinct at Heidelberg Road, Fairfield
- The C2 zoned land that run the length of Hoddle Street (which includes north, central and south sections).

Any future changes to C2 zoned sites and precincts should be based on strategic considerations for the broader municipality, rather than on an individual sites basis. While some areas may appear to be suitable for residential, Council should consider the impact of the loss of C2 zoned land on the existing economy and businesses, and the potential for this land to provide for future economic and business growth. Given adequate supply of land for employment and housing in Yarra till 2031, consideration of the need for zoning changes at these location is not viewed as a priority in the short term (the next 5 year) at least.

Rezone C2 land that is subject zoning changes arising from current strategic planning work

Some C2 zoned land has been identified for zone changes in current strategic planning work and planning scheme amendments. These locations are typically C2 land in activity centres that have been deemed suited for residential development, based on policy and physical characteristics, and would still achieve an employment outcome though the requirement for active ground floor uses. These precincts and sites include:

- Queens Parade East (currently being considered as part of a built form framework and proposed DDO)
- Johnston Street East (part of Amendment C220), with the exception of the very eastern end of this precinct
- Johnston Street Central (part of Amendment C220), with the exception of the Easy Street precinct
- Two sites in Trenerry Crescent (subject to Amendments C218 and C219)
- Swan Street East and Swan Street West (part of Amendment C191).

The Johnston Street Structure plan recommends that the Easy Street precinct and the eastern end of the Johnston Street East are retained as employment land with a C2 zoning.

Rezoning C2 land to allow residential development will create a land value uplift and Council might consider negotiated value capture arrangements (via 173 agreements) to help fund local infrastructure or affordable housing. Inclusionary housing requirements (e.g. a proportion of affordable housing) could also be considered for larger sites where dwellings can be provided on the site.

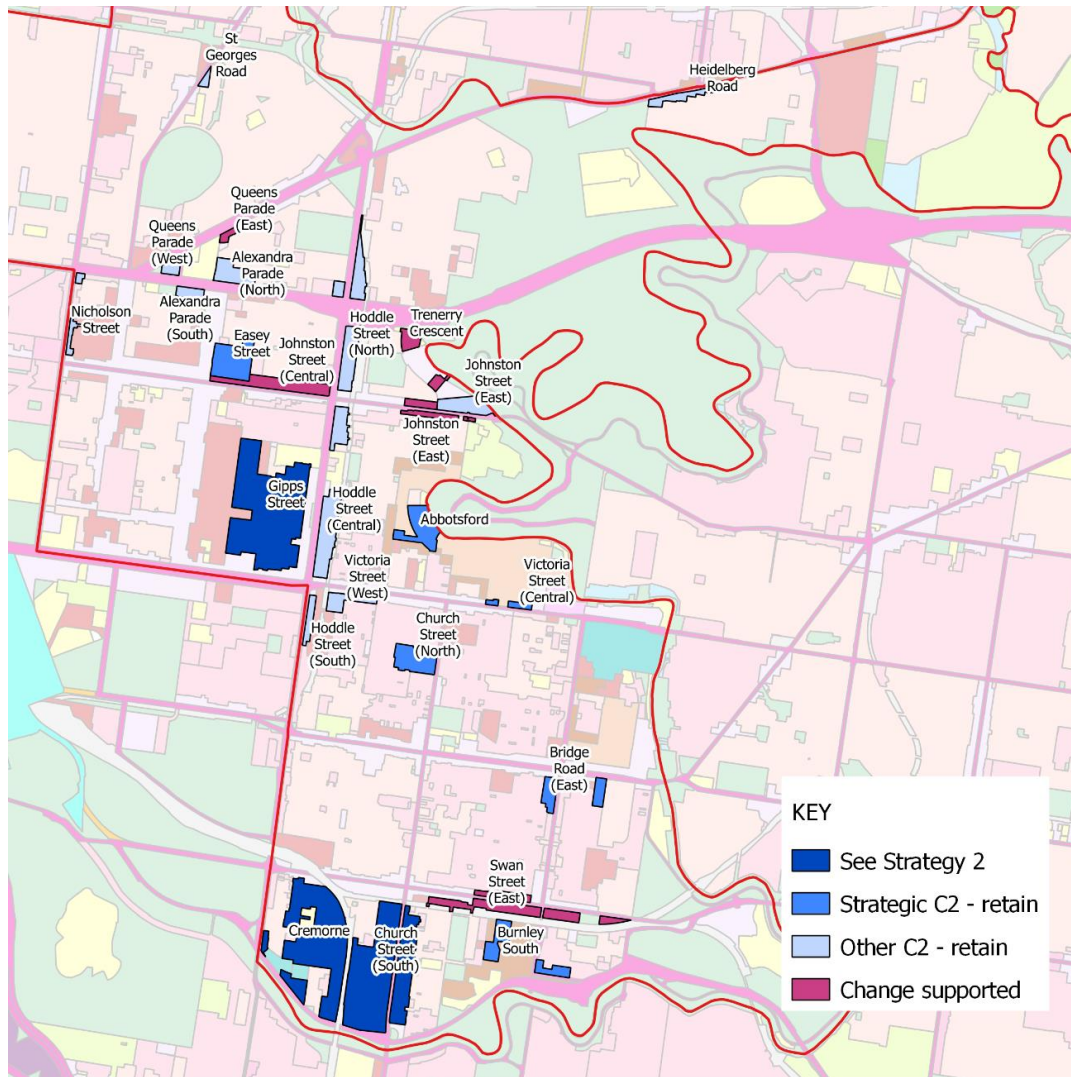
Hoddle Street

Land in the Hoddle Street corridor presents an opportunity to accommodate additional employment and residential development with minimal impact on existing lower scale development to the east of the rail line. For sites immediately adjacent to Hoddle Street the amenity issues associated with traffic volumes and noise will need to be taken into consideration. Retail and commercial uses that benefit from the exposure provided by a busy arterial route are likely to be more appropriate than residential uses. (Annual average daily traffic volumes on Hoddle Street were in the order to 35,000 vehicles per day southbound and 40,000 per day northbound in 2015¹⁸.) Under these circumstances commercial uses are more appropriate than residential for street facing frontages. Given the significance of Hoddle Street as a major arterial road and through route, the future of the existing C2 land along the

¹⁸ VicRoads (2016) Traffic Volume Data for Victoria.

corridor should be considered only once further strategic planning is undertaken to examine future opportunities and zoning options to achieve both employment and potential some housing outcomes.

FIGURE 40. STRATEGIES FOR C2 ZONED LAND



Source: SGS Economics and Planning

TABLE 7. GUIDANCE FOR C2 ZONED LAND

Precinct	Recommendation	Justification
St Georges Road	Other C2 – retain	Supports employment diversity; not needed for housing.
Fairfield	Other C2 – retain	Supports employment diversity; not needed for housing.
Queens Parade (East)	Zone change may be contemplated in future	Currently considered as part of the Queens Parade Built form analysis study. The Strategic Development Site (former Gas and Fuel Site) is being consider by the State Government as a mixed use precinct. Future of the C2 zoned land considered as part of the broader strategic study and after the development framework for the G&F site is approved.
Queens Parade (West)	Other C2 – retain	Potential to support employment diversity; not needed for housing.
Alexander Parade (North)	Other C2 – retain	Supports employment diversity; not needed for housing.
Alexander Parade (South)	Other C2 – retain	Supports employment diversity; not needed for housing.
Nicholson Street	Other C2 – retain	Supports employment diversity; not needed for housing.
Easy Street	Strategic C2 - retain	Johnston Street Local Area Plan recommends retaining as C2. Part of Amendment C220.
Johnston Street (Central)	Rezone to C1	Johnston Street Local Area Plan recommends rezoning to accommodate housing on upper levels. Part of Amendment C220.
Trenerry Crescent	Rezone	Johnston Street Local Area Plan recommends rezoning the remaining C2Z properties along Trenerry Crescent facilitate Mixed Use opportunities. Current planning scheme amendments C218 & C219.
Johnson Street (East)	Rezone to C1	Johnston Street Local Area Plan recommends rezoning to accommodate housing on upper levels. Part of Amendment C220.
Gipps Street	Retain (see Strategy 2)	Major employment precinct.
Abbotsford	Strategic C2 - retain	Part of a broader employment precinct and generally surrounded by industrial zoned land. Retain for employment uses.
Victoria Street Central	Strategic C2 - retain	Part of a broader employment precinct and generally surrounded by industrial zoned land. Retain for employment uses.
Victoria Street West	Other C2 – retain	Supports employment diversity; not needed for housing.
Church Street North	Strategic C2 - retain	Larger modern employment precinct; not needed for housing.
Bridge Road East	Strategic C2 - retain	Strategic location near industrial land in Richmond East industrial precinct. Retain for employment uses.
Cremorne	Retain (see Strategy 2)	Major employment precinct.
Church Street South	Retain (see Strategy 2)	Major employment precinct.
Swan Street West	Rezone to C1	Part of Amendment C191. Proposed rezoning to C1 zone and development controls for the activity centre.
Swan Street East	Rezone to C1	Part of Amendment C191. Proposed rezoning to C1 zone and development controls for the activity centre.
Burnley South	Strategic C2 - retain	Part of a broader employment precinct and generally surrounded by industrial zoned land. Retain for employment uses.
Hoddle Street	Other C2 – retain	Corridor should be considered only once further strategic planning is undertaken to examine future opportunities and zoning options to achieve both employment and potential some housing outcomes. See commentary above for Hoddle Street.

5.8 Strategy 6: Retain Yarra's existing industrial precincts for manufacturing and urban services

As industrial employment continues to decline demand for industrial zoned land is likely to contract. Yarra currently hosts three larger precincts of industrial land, the largest being at Abbotsford which includes the Carton United Brewery, and two smaller consolidated industrial areas at Richmond East and Burnley South (see Figure 41).

Each industrial precinct is different. In the case of the Abbotsford and Burnley precincts, decisions by the major land use will determine their future. A decision by CUB or Citipower to vacate either precinct would open up a new redevelopment opportunity. Richmond East is somewhat different in that it is made up of many smaller businesses. The precinct is also likely to be subject to pressure for residential conversion by virtue of its proximity to the Bridge Street and the Yarra, good public transport and existing adjacent residential areas.

The capacity analysis presented above suggests there is no immediate need for industrial zoned land to be converted to accommodate demand for alternative employment uses provided Yarra's two larger mixed employment precincts are retained. Therefore, there is no need to reconsider the role of industrial precincts at this time.

The trigger to consider a change in the role of these areas would be the departure of the major industrial land user (in the case of the Abbotsford and Burnley industrial areas) and evidence of a genuine lack of demand for industrial employment land (in the case of the Richmond East precinct).

Although the transition of these industrial areas to alternative uses is not imminent it would be prudent for Council to be pro-active in planning for this change by considering:

- The processes that will determine how appropriate alternative uses for these precincts might be determined
- Likely demand for shared infrastructure that might be funded via DCPs
- The potential for a proportion of social and affordable housing to be provided via value capture or inclusionary zoning mechanisms
- The need for education or other social infrastructure to serve the redeveloped precinct or the wider Yarra and regional community
- Opportunities to provide public infrastructure such as open space and community facilities.

Ultimately, if and when these precincts transition they will be renewal areas that should make a major contribution to the objectives of sustainability, liveability and productivity. Though much larger, the Fishermans Bend experience is instructive in this regard. Originally rezoned for residential and mixed use without regard to wider objectives or considerations about the infrastructure, services, housing mix and employment which would make the area an integrated community the area is now being re-planned and retrofitted having regard to such considerations. The headline targets have been identified (see Jewell, 2016) as:

- Open space within 200 metres walking distance for all residents and workers
- 80% of transport movements to be made by public transport, walking or cycling
- an integrated transport strategy including cycle paths, tram lines and an underground rail line
- diverse and affordable housing opportunities

A more detailed list of targets is to be developed.

Similar outcomes, adapted for the smaller scale and different context, should be expected of these Yarra precincts if they transition. Council could work up an early statement of objectives and outcomes which would apply to these precincts for their future development in anticipation of a joint planning exercise with state government given its critical role in the planning and infrastructure provision process. Employment outcomes would be expected, consistent with and contributing to the complex and diverse emerging character of the Yarra economy.

Role in accommodating projected growth

Given there is sufficient capacity for employment growth for the next 10 to 15 years (and assuming this is also the case for housing), there is no need to establish definitive alternate plans for Yarra's industrial areas in the short term. These locations could support a range of alternative uses including higher intensity employment, retail, housing and social and community infrastructure, or an appropriate combination of such uses. It is conceivable that mixed-use outcomes for these precincts could provide for a net increase in total employment as lower density

employment is replaced by more intensive employment activities: office, retail or other mixed employment activities. Expectations for the precincts should be established early via statements of objectives and intended outcomes.

Precinct specific directions

Abbotsford

The Abbotsford industrial precinct extends from Marine Parade in the north to Flockhart Street in the east. The current zones within the precinct provides buffers between the adjoining residential land uses and the brewery. In the near term the introduction of office or other employment uses might be contemplated to increase employment activity or complement existing facilities (e.g. the Convent), without causing conflicts with the existing employment uses.

The future of this precinct is largely dependent on the presence of the Carlton United Brewery which occupies around half its area. Were the brewery to relocate and the site developed for alternative uses, it would require the introduction of a more permeable street structure. The precinct is large enough to accommodate employment and housing, and community uses and education facilities should they be required. Integration with the Victoria Street Activity Centre and appropriate interfaces with existing residential areas are further considerations. Open space connections including enhancing the accessibility to and along the river should be included. A significant contribution to sustainability targets should be expected. Given the significant land value uplift that would be associated with a change in zone to allow housing and higher order employment activity, opportunities for value capture arrangements and/or inclusionary housing requirements could be explored.

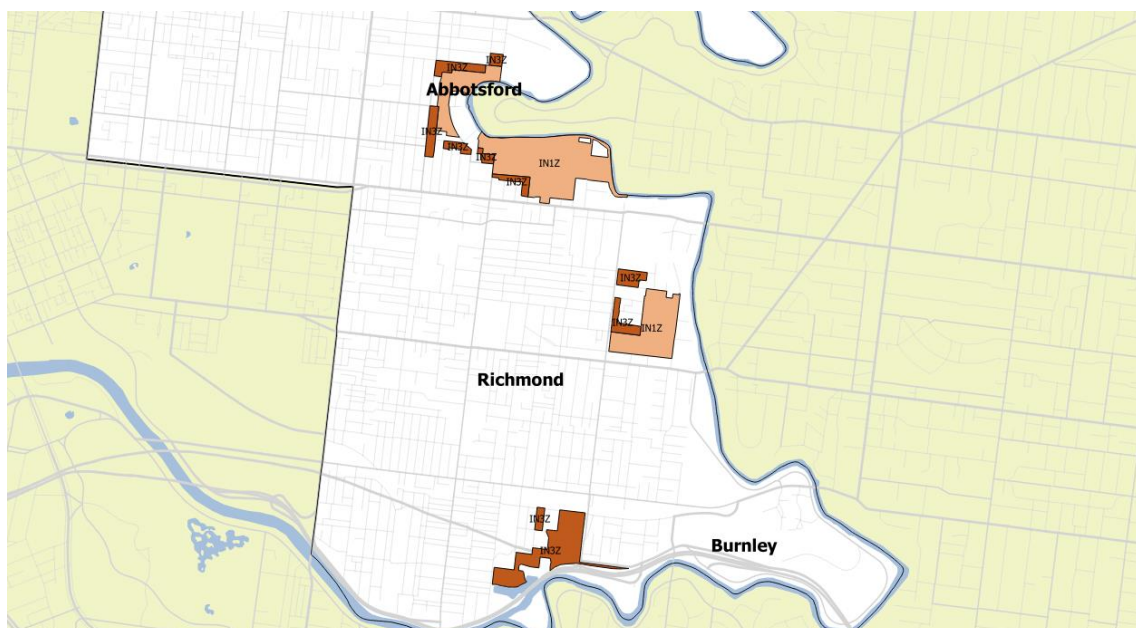
Burnley South

The Burnley South industrial precinct is an area of 6 hectares between Madden Grove and the Burnley Tunnel entrance in Burnley. This area is currently zoned IN3. Given its proximity to both Burnley Station, Swan Street and Citylink, it is the potential candidate for transition to a higher intensity of use, should CityPower vacate the precinct. This precinct would also require the introduction of a more permeable street network. Opportunities for value capture arrangements and/or inclusionary housing requirements should also be explored for this precinct.

Richmond East

The Richmond East industrial precinct is an area of almost 10 hectares generally between Palmer and Appleton Streets and adjacent to land zoned Residential, Mixed Use and Commercial 1. The precinct enjoys access to Bridge Street, Victoria Gardens and the Yarra River. Compared to the Burnley South precinct the existing industrial uses are more local population serving in their orientation. The precinct should be retained as it is one of the few locations that provides opportunities in Yarra for local urban services

FIGURE 41. YARRA'S INDUSTRIAL PRECINCTS



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APPENDIX A: CAPACITY ANALYSIS

This appendix outlines the approach used for the capacity analysis used to inform the Strategy.

Purpose

The purpose of the capacity analysis is to determine the likely capacity for employment growth on the employment zoned land in Yarra based on the current land use zones.

Approach

The City of Yarra was divided into 200 sub-precincts covering all employment zoned land, that is, land with the zoning C1Z, C2Z, MUZ, IN1, IN3, PUZ, SUZ or CDZ. These sub-precincts are shown in the map below.

Existing floor space estimates

The quantum of existing floor space in each sub-precinct was estimated using Council rates data and information from the Urban Development Program Data. The mix of floor space in terms of broad land use type – retail, commercial, industrial and institutional – was estimated using Council rates data.

Capacity estimates

Employment floor space capacity estimates for each sub-precinct used a combination of data about the existing floor space and assumption about the average intensity of development that might be expected in the future. Key assumptions used to estimate capacity are listed in the table below. In the case of areas zoned C1Z it is assumed that there is *additional capacity* for residential development above and beyond that assumed for non-residential development.

These capacity estimates assume all sites are redeveloped to the limits described in the table below Table 3.

The first and second columns identify the zone and particular precinct to which the assumptions have been applied.

The third column is the average site coverage assumption. A value of 70% suggests that, on average, a building on a site in this zone/precinct will cover 70% of the site.

The fourth column is the average number of levels assumptions. A value of 3 suggest that, on average, there will be two level of employment floor space on buildings in this zone/precinct.

Caveats

The capacity estimates assume all sites are redeveloped to the average parameters described in the table below. Not all sites will be redeveloped within the timeframe of this Strategy. Moreover, those sites that are developed might achieve higher or lower densities than the averages assumed. The exercise of estimate floor space capacity should therefore be treated as indicative only, however it is the most logical process for assessment total capacity.

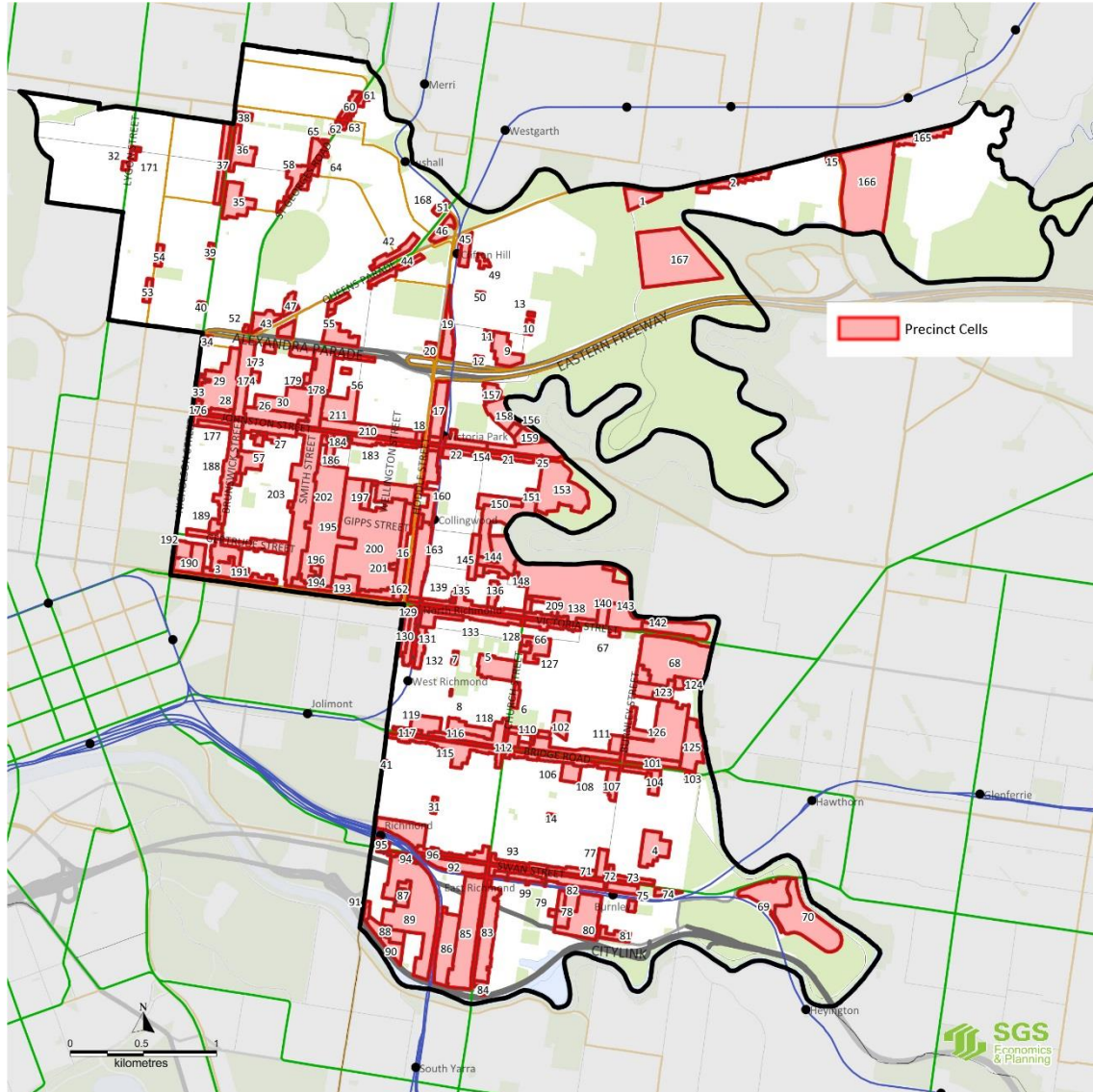
TABLE 8. EMPLOYMENT FLOOR SPACE CAPACITY ASSESSMENT ASSUMPTIONS

Zone	Location	Site cover	Floors of employment floor space	Notes
C1Z	All	70%	2	
C1Z	Botannica Office Park	70%	4	This office precinct supports a higher density of employment compared to Yarra's tradition retail centres.
C2Z	Gipps and Cremorne precincts	70%	3	A higher density of development has been assumed in these key employment precincts
C2Z	All other C2Z land	70%	2	
MUZ	All	70%	Min. 0.5; Max. 1.0	Assumes some mixed uses zoned areas will lose employment floor space; but will hosts <i>not less than</i> half of one storey.
IN1	All	70%	1.2	Current average is 1.0. Assumes some opportunity for intensification.
IN3	All	70%	1.2	Current average is 0.9. Assumes some opportunity for intensification.
PUZ2	Public Housing, (Collingwood); University of Melbourne (Burley)	No capacity	No capacity	Assumed no capacity.
PUZ2	Kanga TAFE	70%	2.0	
PUZ2	Carpark, Gym and Police Station (Bridge Road); Fitzroy Public School; Neighbourhood Justice Centre; Melbourne Polytechnic (Collingwood Campus); Collingwood English Language School.	No capacity	No capacity	Assumed no capacity across this range of facilities. Melbourne Polytechnic already quite dense.
PUZ3	St Vincents Hospital	70%	9	Currently supports average of 6.3 employment floors.
PUZ3	Aged Care Facility; Riverside House Nursing Home; Thomas Embling Hospital	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ4	Queens Pde (com uses on Transport Zone)	70%	0.5	
PUZ6	Yarra City Council (Bridge Road); Collingwood Town Hall; Richmond Rec Centre; Fitzroy Swimming Pool	No capacity	No capacity	Assumed no capacity across this range of facilities.
PUZ7	Fire Station (Church Street)	No capacity	No capacity	Assumed no capacity.
PDZ1	Green Square Development	70%	0.5	Lower employment capacity as mostly residential development
CDZ1	Ikea and Bus. Park	70%	3.3	Currently supports average of 53% and 3.3 employment floors.
CDZ3	Nylex Site	70%	1.0	Assumed one level of employment.
SUZ5	Epworth Hospital	70%	7.0	Currently supports average of 4.8 employment floors
SUZ4	Abbotsford Convent	No capacity	No capacity	Assumed no capacity.

Base precincts

For the capacity analysis, Yarra's employment lands were classified into precincts.

FIGURE 42. BASE PRECINCTS FOR CAPACITY ANALYSIS

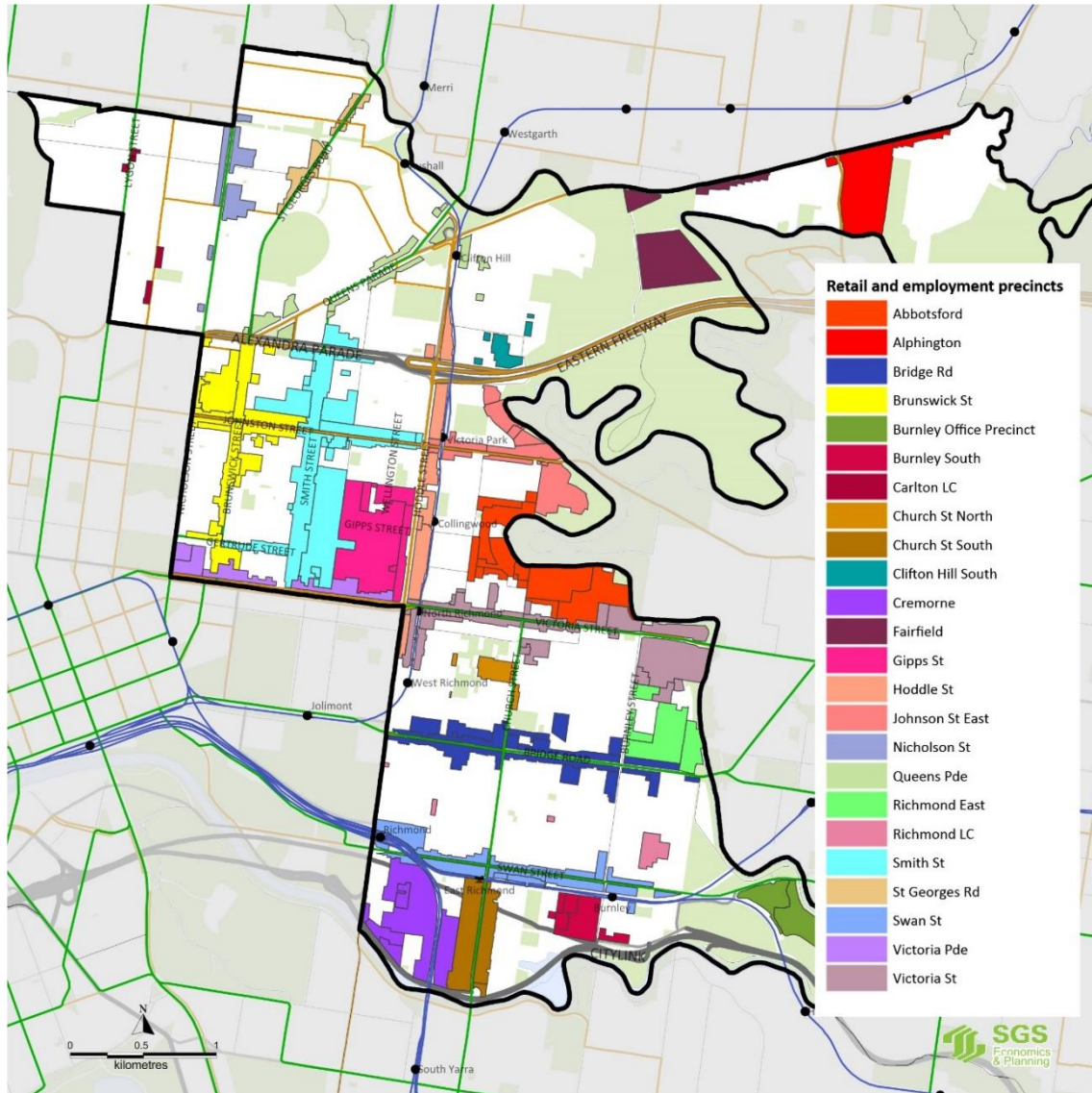


Source: SGS Economics and Planning

Aggregation to employment precincts

The precincts were grouped into their larger precinct areas that correspond to City of Yarra's Activity Centre and other employment precincts.

FIGURE 43. YARRA'S EMPLOYMENT PRECINCTS



Source: SGS Economics and Planning

Precinct classification

Aggregated precincts have been classified as AC of other employment based on retail versus commercial/industrial dominance (using employment floor space data):

- Centres with over 30% retail floor space were defined as retail precincts.
- Major retail precincts (ACs) are those with over 50,000 square metres of employment floor space
- Major employment precincts are those with over 50,000 square metres of employment floor space
- Other precincts defined as ‘minor’ small/local.
-
- Commercial and industrial uses have been grouped as they are difficult to separate in the Yarra context.

Each centre sits on a continuum rather than having a clearly defined category and several centres could arguably be categorised differently.

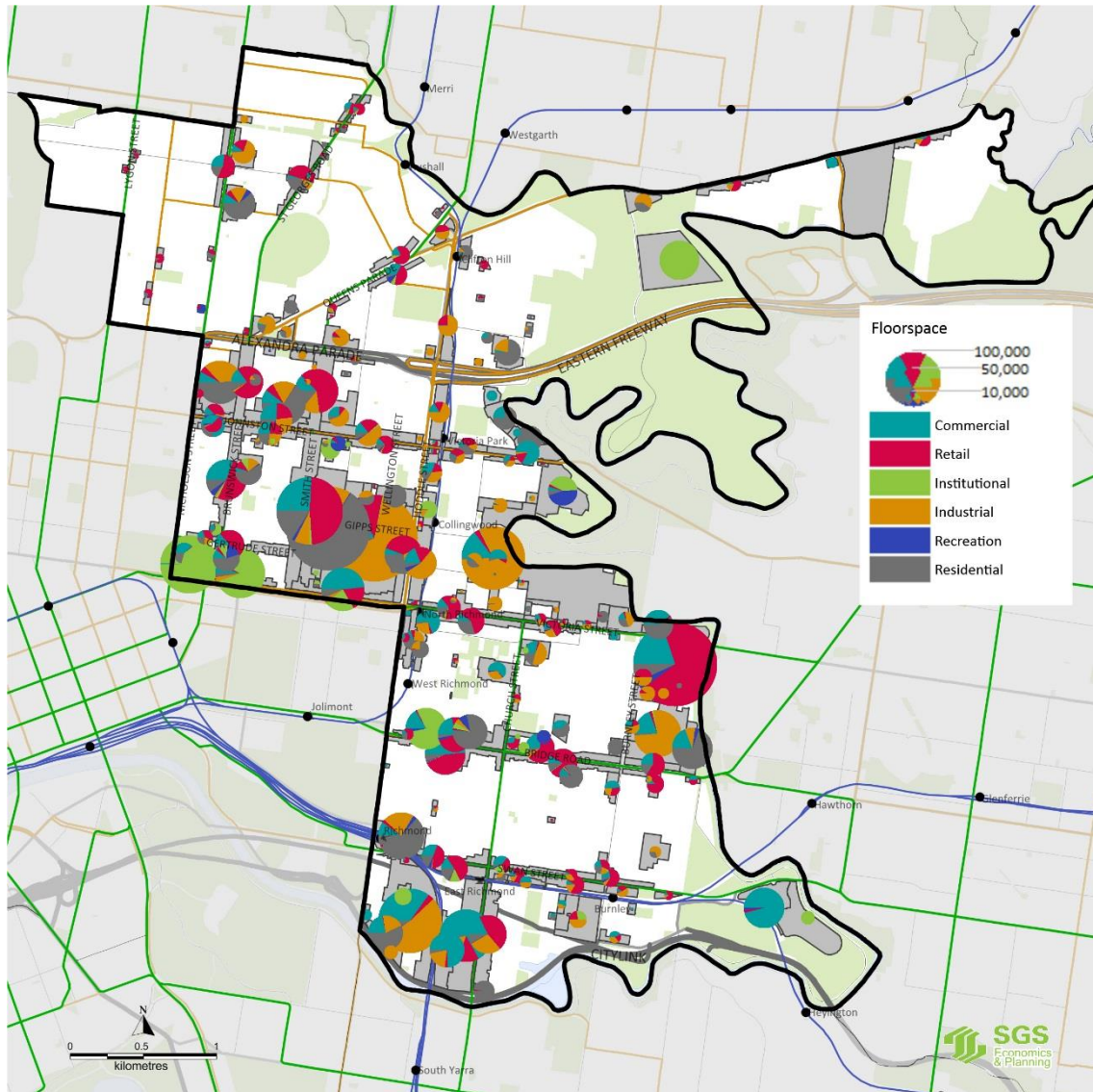
TABLE 9. YARRA’S ACTIVITY CENTRES AND EMPLOYMENT PRECINCTS

Precinct name	Precinct type	Designation*	Notes
Bridge Road	Retail	Activity Centre (PM)	
Brunswick Street	Retail	Activity Centre (PM)	Incl. Johnston west of Smith St
Smith Street	Retail	Activity Centre (PM)	Includes Gertrude Street
Swan Street	Retail	Activity Centre (PM)	
Victoria Street	Retail	Activity Centre (PM)	Includes Victoria Gardens
Johnston Street East	Retail	Neighbourhood AC	
Queens Parade	Retail	Neighbourhood AC	Clifton Hill and North Fitzroy
Nicholson Street	Retail	Neighbourhood AC	Carlton North/North Fitzroy
St Georges Road	Retail	Neighbourhood AC	North Fitzroy
Alphington	Retail	Neighbourhood AC	Will incl. AMCOR retail/comm.
Carlton	Retail	Local Activity Centre	Rathdowne Village and Lygon St.
Richmond	Retail	Local Activity Centre	Three small centres in Richmond
Abbotsford	Employment	Major	Predominantly industrial
Church St South	Employment	Major	Mixed employment
Cremorne	Employment	Major	Mixed employment
Gipps Street	Employment	Major	Mixed employment
Victoria Parade	Employment	Major (HEP)	Predominantly institutional
Fairfield	Employment	Minor	Predominantly institutional
Burnley Office	Employment	Minor	Predominantly commercial
Burnley South	Employment	Minor	Mixed employment
Church Street North	Employment	Minor	Mixed employment
Richmond East	Employment	Minor	Predominantly industrial
Clifton Hill South	Employment	Minor	Predominantly industrial
Hoddle Street	Employment	Minor	Predominantly industrial

Source: SGS, 2015. * Plan Melbourne designations: PM = Activity Centre; HEP = Health/Education precinct.

Existing floor space

FIGURE 44. EXISTING FLOOR SPACE BY BROAD TYPE



Source: SGS, 2015.

APPENDIX B: ZONING

FIGURE 45. CARLTON NORTH, FITZROY NORTH AND CLIFTON HILL ZONING

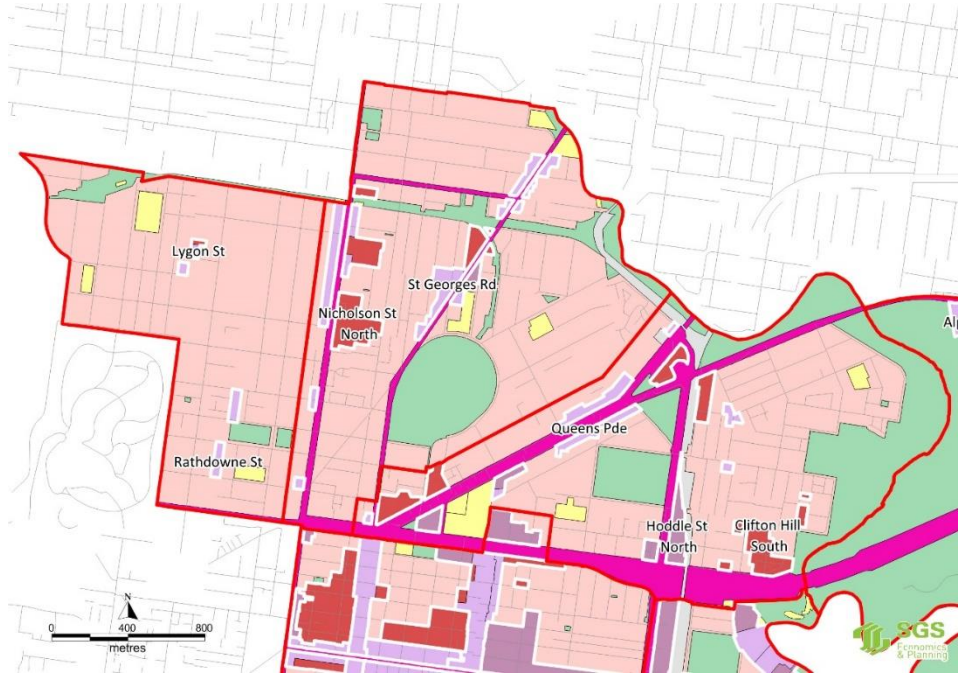


FIGURE 46. FAIRFIELD-ALPHINGTON ZONES

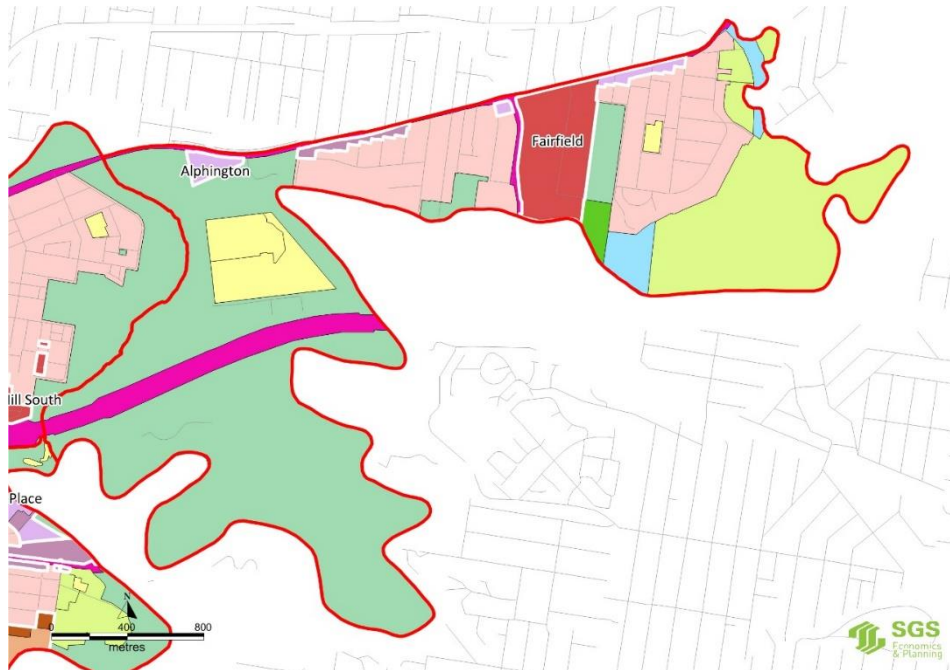


FIGURE 47. FITZROY, COLLINGWOOD AND ABBOTSFORD ZONES

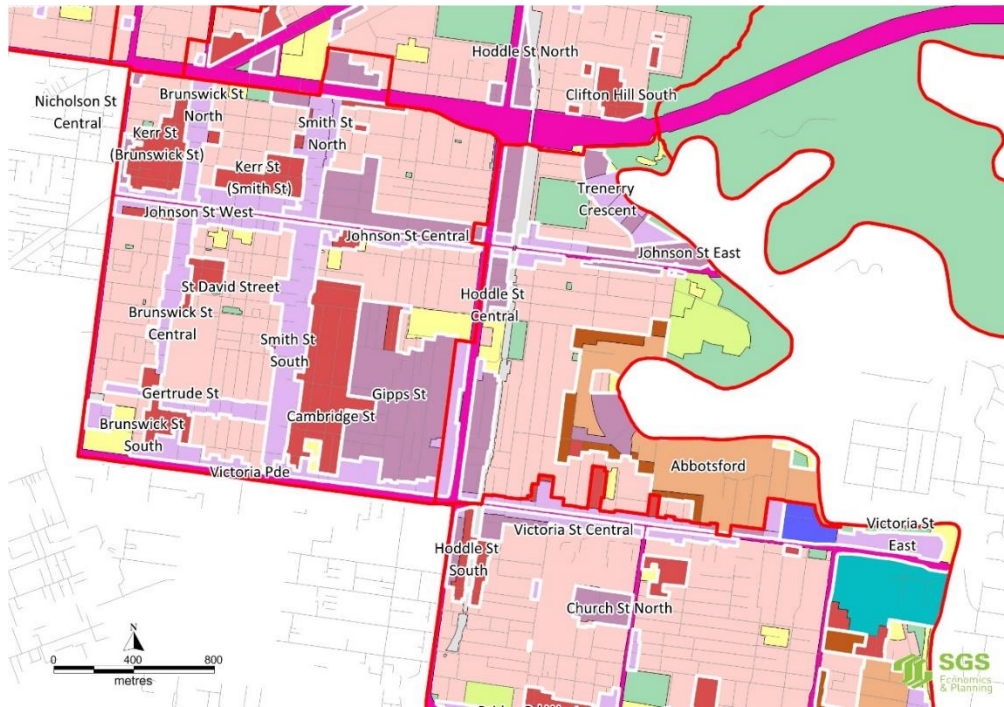
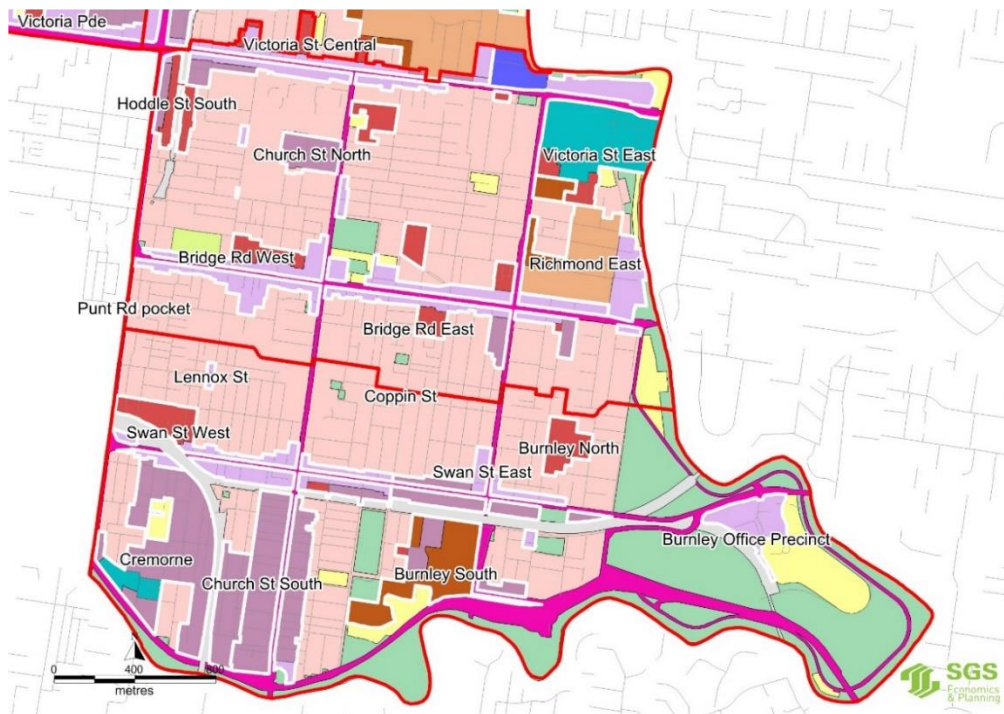


FIGURE 48. RICHMOND AND BURNLEY-CREMORNE ZONES



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ATTACHMENT D – CLEAN COPY OF THE PREFERRED DDO16 (POST COUNCIL RESOLUTION) AND TRACK CHANGE VERSION OF THE PREFERRED DDO16 (POST COUNCIL RESOLUTION)

xx/xx/xxxx
Proposed
C231**SCHEDULE 16 TO CLAUSE 43.02 DESIGN AND DEVELOPMENT OVERLAY**

Shown on the planning scheme map as **DDO16**.

QUEENS PARADE**1.0 Design objectives**xx/xx/xxxx
Proposed
C231

- To support:
 - the existing low-rise character in precincts 1, 4 and part of 5 abutting the former UK Hotel
 - a new mid rise character behind a consistent street wall in precincts 2, 3 and part of 5 abutting the former Clifton Motors
 - higher rise development in precinct 5, west of Dummett Crescent
 while ensuring development responds appropriately to heritage character, heritage streetscapes, sensitive interfaces and varying development opportunities.
- To protect the integrity of historical streetscapes and clusters of heritage buildings of a similar scale and materiality by limiting new development.
- To ensure development respects the architectural form and qualities of heritage buildings and streetscapes and maintains the visual prominence of the St John the Baptist church belfry and spire, the former ANZ Bank building, the former United Kingdom Hotel and the former Clifton Motors garage.
- To ensure new development respects the wide, open boulevard character of Queens Parade where historic trees remain the dominant visual feature.
- To ensure that the overall scale and form of new buildings provides a suitable transition to low scale residential areas and protects these properties from unreasonable loss of amenity through visual bulk, overlooking and overshadowing.

2.0 Buildings and worksxx/xx/xxxx
Proposed
C231

A permit is required to construct a building or construct or carry out works.

2.1 Definitions

Heritage building means any building subject to a Heritage Overlay, graded as either Contributory or Individually Significant.

Laneway means a road reserve of a public highway 9 metres or less wide.

Street wall means the façade of a building at the street boundary, or, if the existing heritage building is set back from the street boundary, the front of the existing building. Street wall height is measured at the vertical distance between the footpath at the centre of the frontage and the highest point of the building, parapet, balustrade or eaves at the street edge, with the exception of architectural features and building services.

Building height means the vertical distance from *natural ground level* to the roof or parapet at any point.

Parapet height does not include features such as brackets, pediments, urns, finials or other decorative elements.

Setback is the shortest horizontal distance from a building, including projections such as balconies, building services and architectural features, to the boundary.

Upper level means development above the height of the street wall.

2.2 General Requirements

The following requirements apply to an application to construct a building or carry out works and must be read in conjunction with the relevant precinct design requirements.

- A permit must not be granted or amended (unless the amendment would not increase the extent of non-compliance) to construct a building or construct or carry out works which exceed the mandatory maximum building height, mandatory maximum street wall height, mandatory maximum street wall setback or are less than the mandatory minimum upper level setbacks, mandatory minimum side setbacks or mandatory minimum rear setbacks specified in the relevant Precinct Tables. A permit cannot be granted to vary this requirement.
- A permit must not be granted or amended (unless the amendment would not increase the extent of non-compliance) to construct a building or carry out works which exceeds the preferred building height and setbacks specified in the relevant Precinct Tables unless the following requirements are met, to the satisfaction of the responsible authority:
 - The built form outcome as a result of the proposed variation satisfies the design objectives in Clause 1.0; and
 - The built form outcome as a result of the proposed variation satisfies the other relevant requirements specified in this schedule.

Architectural features may exceed the preferred or mandatory height.

Service equipment / structures including plant rooms, lift overruns, structures associated with green roof areas and other such equipment may exceed the preferred or mandatory height provided that each of the following criteria are met for the equipment or structure:

- Less than 50 per cent of the roof area is occupied by the equipment (other than solar panels); and
- The equipment does not cause additional overshadowing; and
- The equipment does not extend higher than 3.6 metres above the maximum building height.

Projections such as balconies and building services must not intrude into a setback.

2.3 Street wall requirements

- The street-wall height must match the parapet height of a neighbouring heritage building, where present, for a minimum length of 6 metres from the heritage building.

2.4 Upper levels requirements

- Development must:
 - provide setbacks which ensure that upper level additions seen from the public realm do not diminish the appreciation of the heritage building and streetscape.
 - avoid repetitive stepped built form at upper levels of development.
 - ensure that upper level development is visually recessive.
 - use materials at upper levels that are recessive in finish and colour.
 - be designed so that side walls are articulated and read as part of the overall building design.
 - avoid continuous built form at upper levels.

2.5 Corner site requirements

- New development on a corner site with a frontage to Queens Parade must continue the street wall height established at the Queens Parade frontage along the side street, with a transition in height to match the rear interface where required. This requirement does not apply to a lane.

2.6 Ground floor design requirements

- Facades at ground level must be designed with floor to floor ceiling heights suitable to accommodate commercial activity in the Commercial 1 Zone and the Commercial 2 Zone.

2.7 Vehicular access, car parking, and loading areas requirements

- New vehicle crossovers onto Queens Parade must be avoided
- Vehicle ingress and egress into development, including loading facilities and building servicing, must be designed to ensure a high quality pedestrian amenity and limit potential conflict between vehicle movements and pedestrian activity.
- Development on a laneway must include a rear setback, at ground floor, to facilitate the ongoing function of the laneway and allow for building services and car park access.

2.8 Heritage design requirements

The following design requirements apply to development on land affected by a Heritage Overlay or immediately adjacent to a heritage building.

Element	Design Requirement
Building facades and street frontages	<p>Infill buildings and development adjoining a heritage building</p> <p>Façade treatments and the articulation of infill buildings must:</p> <ul style="list-style-type: none"> • be simple and not compete with the more elaborate detailing of nineteenth century buildings • respect the vertical proportions of the nineteenth and twentieth century facades in the heritage streetscape and/or the adjoining heritage building(s) • avoid large expanses of unarticulated curtain glazing, highly reflective glass and glazing with a horizontal emphasis, except for ground floor shopfronts • reflect the existing canopy/verandah height of the heritage streetscape and/or adjoining heritage building(s) <p>Adaption and reuse of contributory or individually significant buildings must:</p> <ul style="list-style-type: none"> • maintain existing openings and avoid highly reflective glazing in historic openings • encourage the retention of solid built form behind retained facades and avoid balconies behind existing openings • maintain the inter-floor height of the existing building and avoid new floor plates and walls cutting through historic openings
Upper levels behind heritage street wall	<p>Upper level development on land within a heritage overlay and on land immediately adjoining a heritage building must:</p> <ul style="list-style-type: none"> • be visually recessive and not visually dominate the heritage building and the heritage streetscape • retain the primacy of the three-dimensional form of the heritage building as viewed from the public realm to avoid 'facadism'

Element	Design Requirement
	<ul style="list-style-type: none"> • utilise visually lightweight materials and finishes that are recessive in texture and colour and provide a juxtaposition with the heavier masonry of the heritage facades • incorporate simple architectural detailing that does not detract from significant elements of the heritage building and the heritage streetscape • reflect the rhythm of the wider streetscape, fine grained character and subdivision pattern of the streetscape, especially on larger sites.
Upper level setbacks	<p>Upper level setbacks in excess of a minimum mandatory upper level setback must be provided where:</p> <ul style="list-style-type: none"> • It would facilitate the retention of the roof form of the principal building facing Queens Parade • A building has a prominent roof form clearly visible from the public realm • The relevant Statement of Significance identifies the principal roof or elements to the rear of the building as significant elements of the building to be retained • It would maintain the perception of the three-dimensional form and depth of the building. <ul style="list-style-type: none"> ▪ a smaller setback would detract from the character of the streetscape when viewed directly or obliquely along Queens Parade.

2.9 Precinct design requirements

The following precinct specific design requirements apply in addition to the general design requirements outlined in Clauses 2.2-2.8.

2.9.1 Precinct 1 – Brunswick Street

Shown on the planning scheme map as **DDO16-1**

Preferred character statement

Buildings and works must help deliver the following preferred precinct character:

- Properties fronting Brunswick Street and turning the corner to Queens Parade will continue to be defined by fine grained low scaled heritage buildings.
- The precinct will provide the opportunity for moderate low rise future infill behind the main heritage frontage, supported by rear laneway access.
- The visual prominence of the individually significant heritage building on the corner of Brunswick Street and Queens Parade that forms the southern gateway to Queens Parade and to Fitzroy North more broadly, will be retained.

Design requirements

The design requirements for Precinct 1 are as follows:

- Development must:
 - ensure low rise additions behind the front sections of the terraced houses of Brunswick Street and Queens Parade respects the prevailing streetscape character and subdivision grain.
 - retain and conserve the heritage values of this low scale Victorian residential area.
 - ensure upper level elevations that are exposed to the public domain are high quality, visually recessive and do not diminish the appreciation of the heritage building at 460 Brunswick Street

- limit amenity impacts of building bulk, overlooking and overshadowing of existing residential properties.
- provide for vehicular access and servicing off the laneway.

Map 1 – Precinct 1

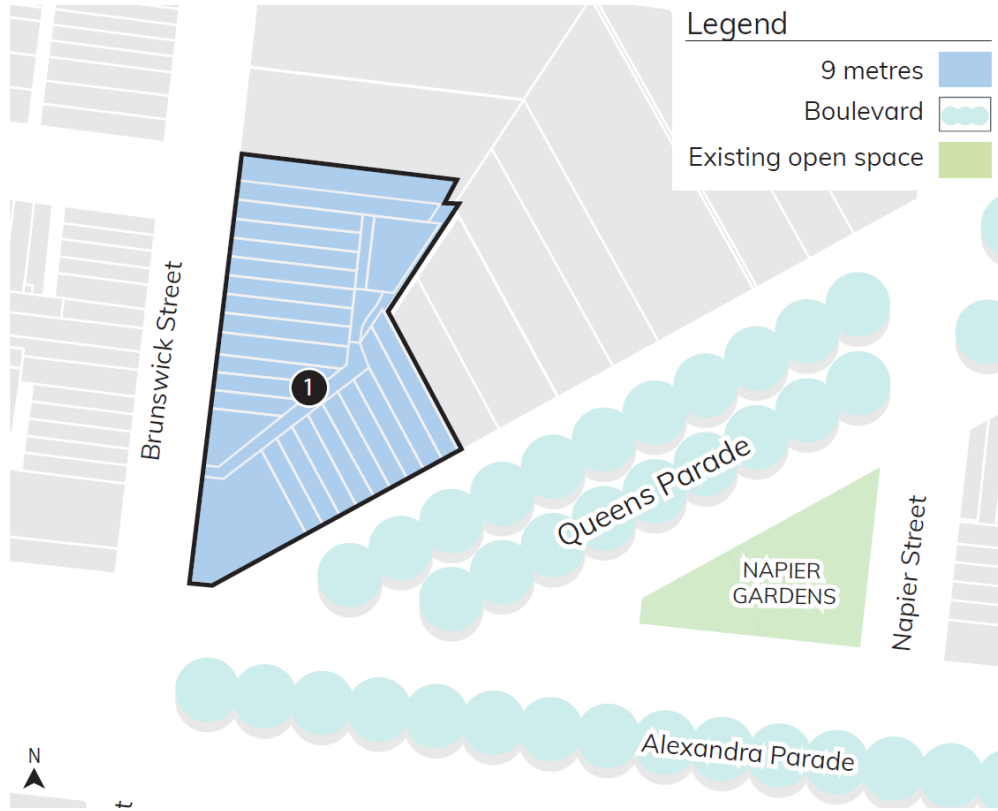


Table 1 – Street wall height, building height and setbacks for Precinct 1

Built Form	Mandatory Requirement	Preferred Requirement
Maximum building height	460 Brunswick Street and Lot 1 on Title Plan TP806921 - 9 metres	Elsewhere – 9 metres
Maximum street wall height	460 Brunswick Street - match the parapet height of the existing heritage building Elsewhere - Retain existing street wall	Match the parapet or eaves height of taller adjacent heritage building
Maximum street setback	460 Brunswick Street – Match the setback of the existing heritage building	Built to boundary at ground level
Minimum upper level setback	460 Brunswick Street - 6 metres	Elsewhere – 6 metres
Minimum setbacks from side and rear boundary	None specified	ResCode Standard B17

2.9.2 Precinct 2 – Boulevard Precinct

Shown on the planning scheme map as **DDO16-2**

Preferred character statement

- Buildings and works in Precinct 2 must help deliver the following preferred precinct character:
 - Precinct 2 will become a preferred location for housing and employment growth within the activity centre.
 - The precinct will support well designed mid-rise development, which complements the boulevard and matches the scale of development on the Gasworks site and bookends higher rise development in Precinct 5.
 - Development will be designed to ensure the visual dominance of the double avenue of trees along the south western part of Queens Parade over built form is retained.
 - Precinct 2A will accommodate mid rise infill behind a distinct moderne heritage frontage, addressing the boulevard and its sensitive heritage context and providing a transition down to the established surrounding residential neighbourhood.
 - Precincts 2B and 2C will become vibrant and attractive business areas with a mixture of innovative new architecture and clusters of heritage buildings attracting a wide range of commercial development and employment.

Design requirements

The design requirements for Precinct 2 are as follows:

- Development must:
 - not diminish or detract from the heritage values of the boulevard streetscape, the heritage street wall and the heritage trees along Queens Parade.
 - deliver an appropriate interface arrangement to neighbouring properties and minimise visual bulk and mass when viewed from the adjoining properties.
 - avoid a repetitive stepped form within the 45 degree angle profile.
 - ensure adequate solar access is provided to the Queens Parade and Napier Street Reserve at the equinox from 9am-3pm.
 - provide building separation along side and rear boundaries to reduce visual bulk and protect amenity of occupants and neighbours.
- Development in Precinct 2A must also:
 - ensure projections above the street wall are not dominant in the skyline when viewed from the north side of Newry Street and of Coleman Street and the WT Peterson Oval, the Fitzroy Grandstand and other locations in the southern part of Edinburgh Gardens.
 - maintain the prominence and significance of the art deco facade.
 - recognise the low scale, buildings and fine grain subdivision pattern of existing development to the north and west.
 - encourage pedestrian permeability within and through the precinct.
- Development in Precincts 2B and 2C must also:
 - ensure a gradual transition in development scale from east of George Street (Former Gasworks Site) to south west (heritage properties along Napier Street).
 - maintain the prominence of heritage buildings along Napier Street when viewed from Napier Reserve.

- be appropriately set back at upper levels from the heritage buildings along Napier Street.
- provide an appropriate transition in scale from the heritage buildings along Napier Street and Alexandra Parade.
- provide vehicular access from laneways.
- provide building separation to enhance amenity between commercial buildings and reduce building bulk and provide a transition to existing heritage buildings by utilising existing laneways and building setbacks.
- create a new commercial frontage to George Street to form an active edge complementary to the proposed Gasworks redevelopment.

Map 2 – Precinct 2



Table 2 – Street wall height, building height and setbacks for Precincts 2A, 2B and 2C

Built form	Mandatory requirement	Preferred requirement
Precinct 2A		
Maximum building height	31 metres	None specified
Maximum street wall height	Retain height of existing heritage façade 10 metres where no heritage façade exists	Street wall of development adjoining the individually significant building must not exceed the parapet height of the taller adjoining heritage building
Minimum & maximum setback to Queens Parade	None specified	0 metres to maximum 10 metres
Minimum upper level setback	None specified	Above existing heritage façade:

Built form	Mandatory requirement	Preferred requirement
		<ul style="list-style-type: none"> 8 metre setback from 10 metres to 16 metres 10 metre setback from 16 metres <p>Above new street wall (where no existing heritage façade):</p> <ul style="list-style-type: none"> 5 metre setback from 10 metres to 16 metres 8 metres setback from 16 metres
Minimum setback(s) from rear boundaries - north and west adjacent to NRZ and GRZ	None specified	ResCode Standard B17 from rear boundary of adjoining properties to 10 metres Setback within 45 degree angle measured from 10 25 metres
Minimum setbacks from side boundary - east adjacent to NRZ	None specified	0 metre setback to match party wall of existing adjoining development to 10 metres Setback within 45 degree angle measured from 10-25 metres
Minimum setbacks from side boundary - east adjacent to MUZ	None specified	0 metre setback to match party wall of existing adjoining development, or 10 metre where no party wall exists. 9 metre setback from the windows/ balconies of adjoining apartments up to 16 metres 15 metre setback above 16 metres
Setbacks from side and rear boundaries west and north-west adjacent to MUZ	None specified	0 metre setback to match party wall of existing adjoining development, or 10 metre where no party wall exists. Setback within 45 degree angle measured from 1025 metres
Precinct 2B		
Maximum building height	None specified	18 metres
Maximum street wall height	Napier Street - Retain existing parapet height	None specified
Minimum upper level setback	6 metres	None specified
Minimum rear setback	None specified	4.5m from centreline of laneway for height of the entire building
Precinct 2C		
Maximum building height	None specified	28 metres

Built form	Mandatory requirement	Preferred requirement
Maximum street wall height	Napier Street – 10 metres	Queens Parade, George Street and Alexandra Parade - 18 metres
Minimum upper level setback	Napier Street – 6 metres	Elsewhere - 6 metres
Minimum side and rear setbacks	None specified	<p>Rear setback: 4.5m from centreline of laneway for height of the entire building</p> <p>Side setbacks: For upper levels, where a habitable room window is proposed:</p> <ul style="list-style-type: none"> 4.5 metres from the common boundary or from the centre line of the laneway. <p>For upper levels, where a non-habitable room window or commercial window is proposed:</p> <ul style="list-style-type: none"> 3 metres from the common boundary or the centre line of the laneway (on a where the laneway is less than 6 metres wide)

2.9.3

Precinct 3 – St John’s Precinct

Shown on the planning scheme map as **DDO16-3**

Preferred character statement

Buildings and works in Precinct 3 must help deliver the following preferred precinct character:

- Precinct 3 will become an attractive mixed use area with active frontages to the street, well designed new buildings mixed with residential and commercial heritage fabric.
- Development along Queens Parade will create a consistent street wall with recessed upper levels.
- Development will retain the primacy of the St John’s Church landmark and view to its belfry and spire.
- The precinct will provide for new development at and around the Smith Street junction.
- The prominent corner of Queens Parade and Smith Street will be marked by a higher street wall with development set back at the upper level.
- Development will retain the intact streetscape on Smith Street through existing buildings and existing street wall with new development set back from the façade and designed to not dominate the Victorian era buildings.
- Development will provide an effective transition to the residential areas to the south and east.

Design requirements

The design requirements for Precinct 3 are as follows:

Development must:

- deliver high quality architectural detailing that respects the heritage qualities of Queens Parade and Smith Street.

- maintain the prominence of the heritage street wall in the streetscape.
- recognise the fine grain character of heritage streetscapes and minimise the dominance of wide building frontages.
- respond to the low scale form of existing development outside Precinct 3 on Hodgkinson Street through an appropriate transition in building height.
- ensure that where sunlight to the secluded private open space of an existing dwelling is reduced, at least 75 per cent, or 40 square metres with minimum dimension of 3 metres, whichever is the lesser area, of the secluded private open space should receive a minimum of five hours of sunlight between 9 am and 3 pm on 22 September.

If existing sunlight to the secluded private open space of an existing dwelling is less than the requirements of this standard, the amount of sunlight should not be further reduced.

Development in Precinct 3A must also:

- maintain views of the belfry and spire of St John’s church and maintain clear sky between the belfry and spire and new development when viewed from the pedestrian refuge on the south-west corner of the intersection with Queens Parade and Smith Street. A permit cannot be granted to vary this requirement.
- emphasise the corner of Queens Parade and Smith Street with a higher street wall.

Development in Precinct 3B must also:

- reinforce the traditional street wall on Smith Street.
- ensure that upper level development is visually recessive and does not detract from the heritage streetscape.

Map 3 - Precinct 3

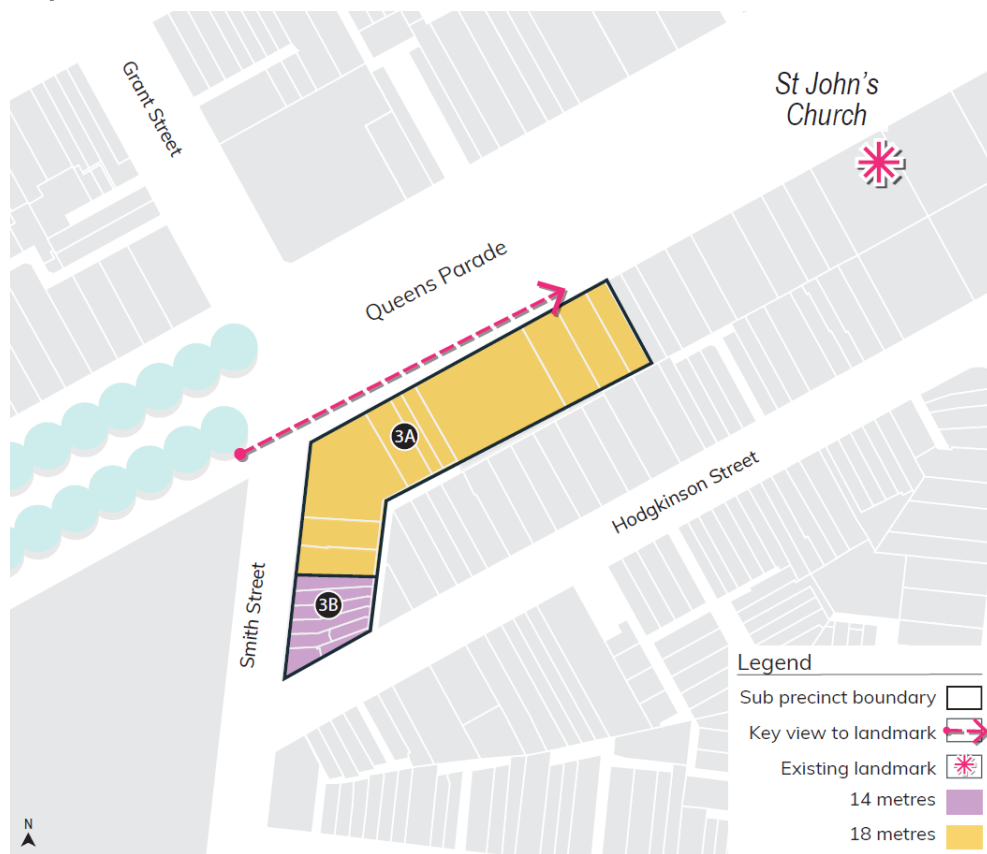


Table 3 – Street wall height, building height and setbacks for Precincts 3A and 3B

Built Form	Mandatory requirement	Discretionary requirement
Precinct 3A		
Maximum building height	18 metres	None specified
Maximum street wall height	15-33 & 41 Queens Parade - 11 metres 35-37 Queens Parade - retain height of existing heritage façade Development adjoining a heritage building must match the parapet height of an adjacent taller heritage building. 14 metres elsewhere	None specified
Minimum upper level setback	6 metres at 15-41 Queens Parade	6 metres elsewhere
Maximum street wall setback	None specified	0 metres - built to front boundary at ground level
Minimum rear setback	None specified	Where there is a laneway: <ul style="list-style-type: none"> Modified ResCode Standard B17 (See Figure 1) Where there is no laneway: <ul style="list-style-type: none"> Modified ResCode Standard B17. (See Figure 2)
Minimum side setback	None specified	If side boundary adjoins NRZ, ResCode Standard B17 0 metres elsewhere
Precinct 3B		
Maximum building height	14 metres	None specified
Maximum street wall height	Retain height of existing heritage façade	None specified
Minimum upper level setback	6 metres	None specified
Maximum street wall setback	None specified	0 metres - built to front boundary at ground level
Minimum rear setback	None specified	Where there is a laneway: <ul style="list-style-type: none"> Modified ResCode Standard B17 (See Figure 1) Where there is no laneway: <ul style="list-style-type: none"> Modified ResCode Standard B17. (See Figure 2)
Minimum side setback	None specified	If side boundary adjoins NRZ, ResCode Standard B17 0 metres elsewhere

2.9.4 Precinct 4 – Activity Centre Precinct

Shown on the planning scheme map as **DDO16-4**

Preferred character statement

Buildings and works in Precinct 4 must help deliver the following preferred precinct character:

- The unique and vibrant Victorian era shopping strip is reinforced as the retail and activity focus of Queens Parade.
- The distinctive heritage qualities of this Victorian era shopping strip are protected.
- New development is designed to complement the scale of heritage buildings in this precinct.
- The consistent heritage streetwall height of Queens Parade is continued.
- Sympathetic upper level infill will reinforce the prevailing street wall and subdivision grain of significant streetscapes and transition down to residential abutments to the rear.
- The pedestrian experience of this part of Queens Parade as a vibrant retail centre and hub for the local community is enhanced through the design of building frontages and the public realm.
- The profile of upper level redevelopment acknowledges the importance of significant heritage corner forms and retain key view lines to local landmarks (former ANZ Building).

Design requirements

The design requirements for Precinct 4 are as follows:

- Development must protect and maintain key view lines and visual prominence of the former ANZ Building from the south-west and north-east, in particular to the upper floor, roof form and chimneys. A permit cannot be granted to vary this requirement..
- Development must:
 - respect the consistent scale, grain and architectural quality of the highly intact heritage streetscapes and the heritage buildings in the precinct.
 - retain the visual prominence of heritage buildings, their street wall and heritage streetscape when viewed from the opposite side of Queens Parade.
 - facilitate the appropriate low rise infill of the sites located to the rear of commercial properties fronting Queens Parade.
 - ensure that any upper level development is set back from the heritage façade, is visually recessive and does not detract from the heritage streetscape.
 - retain the visual prominence and heritage fabric of the return facades of heritage buildings that front Queens Parade, Delbridge, Gold, Michael and Wellington Streets.
 - ensure that facades at ground floor incorporate verandahs which are consistent with the form and scale of adjoining verandahs.
 - retain chimneys visible from the public realm.
 - enhance the amenity and safety of laneways that provide pedestrian and vehicular access to buildings.
 - maintain service access from the laneways in order to facilitate commercial use of the properties fronting Queens Parade.
 - respect the low scale, fine grain subdivision pattern of existing development on Hodgkinson Street and McKean Street through an appropriate transition in building height and setbacks.
 - ensure that where sunlight to the secluded private open space of an existing dwelling is reduced, at least 75 per cent, or 40 square metres with minimum

dimension of 3 metres, whichever is the lesser area, of the secluded private open space should receive a minimum of five hours of sunlight between 9 am and 3 pm on 22 September.

If existing sunlight to the secluded private open space of an existing dwelling is less than the requirements of this standard, the amount of sunlight should not be further reduced.

Map 4 - Precinct 4

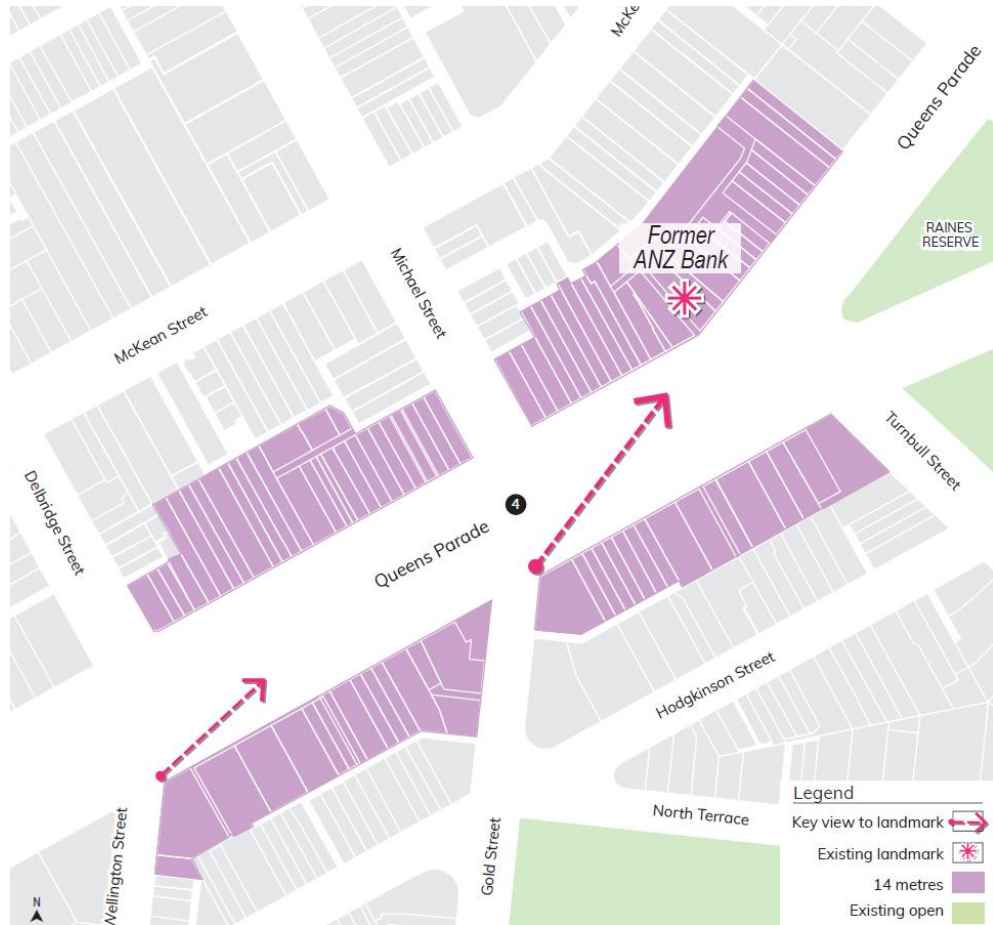


Table 4 – Street wall height, building height and setbacks for Precinct 4

Built Form	Mandatory requirement	Preferred requirement
Maximum building height	14 metres	None specified
Maximum and minimum street wall height on Queens Parade	Retain height of existing heritage façade Where no heritage façade exists, development must be: <ul style="list-style-type: none"> Minimum - 8 metres Maximum - 11 metres or where there is an adjacent heritage building, the parapet height of that building if taller than 11 metres. 	None specified
Maximum and minimum street	None specified	Retain height of existing heritage façade

Built Form	Mandatory requirement	Preferred requirement
wall height in side streets		Where no heritage façade exists, development must be: <ul style="list-style-type: none"> • Minimum - 8 metres • Maximum - 11 metres or where there is an adjacent heritage building, the parapet height of that building if taller than 11 metres.
Minimum upper level setback on Queens Parade	8 metres	None specified
Minimum upper level setback in side streets	None specified	6 metres
Street wall setback	0 metres - built to front boundary at ground level	None specified
Rear setback (NRZ interface)	None specified	Where there is a laneway: <ul style="list-style-type: none"> • set back at least 1 metre, plus 0.3 metres for every metre of height over 4 metres up to 7.3 metres, plus 1 metre for every metre of height over 8 metres. (See Figure 1) Where there is no laneway: <ul style="list-style-type: none"> • set back at least 4 metres, plus 0.3 metres for every metre of height over 4 metres up to 7.3 metres, plus 1 metre for every metre of height over 8 metres. (See Figure 2)
Rear setback (C1Z interface)	None specified	3 metres above 11 metres

2.9.5 Precinct 5 – North Eastern Precinct

Shown on the planning scheme map as **DDO16-5**

Preferred character statement

Buildings and works in Precinct 5 must help deliver the following preferred precinct character:

- Facilitate the renewal of Precinct 5 as a preferred location for housing growth within the activity centre.
- Development will ensure the significant heritage fabric (the Former UK Hotel and the former Clifton Motors garage – both listed on the Victorian Heritage Register) remains a prominent feature in any redevelopment.
- The north-eastern end of Precinct 5, south of the intersection of Queens Parade and Hoddle Street, will develop as an area of contemporary higher rise development and will bookend the mid-rise development in Precinct 2.

- The scale of development in Precinct 5 will step down in distinct increments from the north-east junction significant heritage buildings (the Former Clifton Motors and UK Hotel buildings) to the south-west.
- New development will provide suitable separation between buildings to enable development equity and amenity, while also contributing to the management of building / visual bulk.

Design requirements

The design requirements for Precinct 5 are as follows:

- Development must:
 - retain the visual prominence and not visually dominate the three dimensional forms of the former United Kingdom Hotel when viewed from Raines Reserve and the former Clifton Motors Garage when viewed from the opposite side of Queens Parade.
 - retain and incorporate the former Clifton Motor Garage (205-211 Queens Parade) in any redevelopment of the site and ensure that the three dimensional form remains prominent and the decorative vertical fin remains as a freestanding element when viewed from the public realm.
 - adopt a street wall height for new development adjacent to the former United Kingdom Hotel that respects the façade height of the building.
 - ensure buildings in Precincts 5B and 5C read as a series of separate development parts with building separation above the street wall.
 - establish a transition and gradual stepping down of building heights from taller forms in Precinct 5C to existing heritage form in Precinct 5A.
 - ensure that adverse wind effects on the public realm are avoided.
- In Precinct 5C, development must:
 - reinforce the scale of existing high-rise buildings in the precinct (of 10-14 storeys), avoiding taller buildings which detract from thi scale.
 - ensure high quality development that enhances the prominent corner of Queens Parade and Hoddle Street through creating a strong address to each street frontage.
 - ensure that the height and design of the street wall creates and reinforces a 'human scale' to provide visual interest at street level along Queens Parade and Hoddle Street.

Map 5 - Precinct 5

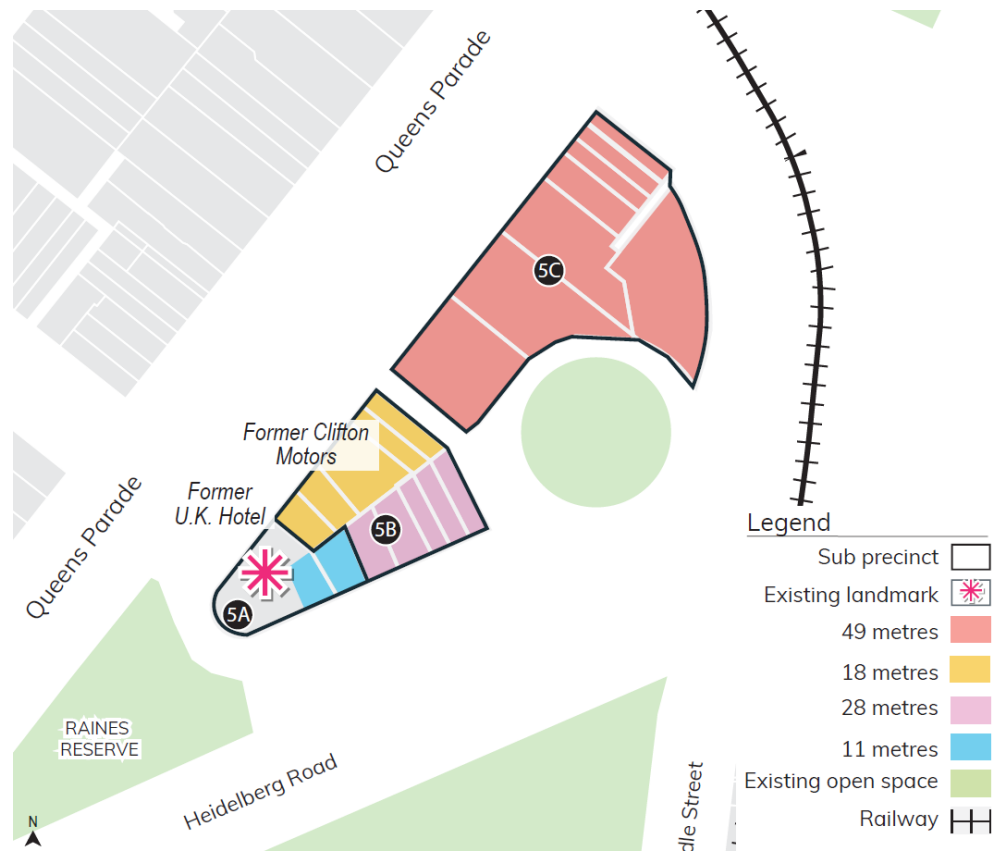


Table 5 – Street wall height, building height and setbacks for Precincts 5A, 5B and 5C

Built form	Mandatory requirement	Preferred requirement
Precinct 5A		
Maximum building height	11 metres	None specified
Maximum street wall height	Match existing parapet or eaves height	None specified
Minimum upper level setback	None specified	6 metres
Precinct 5B		
Maximum building height	201-215 Queens Parade - 18 metres	28 metres elsewhere
Maximum street wall height	201-215 Queens Parade - Match parapet height of former Clifton Motor Garage and eaves line of former UK Hotel	4-10 Dummett Crescent - 11 metres

Built form	Mandatory requirement	Preferred requirement
Street wall setback	0 metres – built to the boundary	None specified
Minimum upper level setback	201-215 Queens Parade - 8 metres	6 metres elsewhere
Minimum side and rear setbacks	None specified	<p>For upper levels, where a habitable room window is proposed:</p> <ul style="list-style-type: none"> 4.5 metres from the common boundary or from the centre line of the laneway; <p>For upper levels, where a non-habitable room window or commercial window is proposed:</p> <ul style="list-style-type: none"> 3 metres from the common boundary or from the centre line of the laneway (on a where the laneway is less than 6 metres wide).
Precinct 5C		
Maximum building height	None specified	43 metres
Maximum street wall height	None specified	18 metres
Minimum Upper level setback	None specified	6 metres
Minimum side and rear setbacks	None specified	<p>For upper levels, where a habitable room window is proposed:</p> <ul style="list-style-type: none"> 4.5 metres from the common boundary or from the centre line of the laneway. <p>For upper levels, where a non-habitable room window or commercial window is proposed:</p> <ul style="list-style-type: none"> 3 metres from the common boundary or from the centre line of the laneway (on a where the laneway is less than 6 metres wide).

3.0**Subdivision**xx/xx/xxxx
Proposed
C231

None specified.

4.0**Advertising**xx/xx/xxxx
Proposed
C231

None specified.

5.0 Application requirements

xx/xx/xxxx
Proposed
C231

The following application requirements apply to an application for a permit under Clause 43.02, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A site analysis and urban design context report which demonstrates how the proposal achieves the Design Objectives and Requirements of this schedule.
- Development proposals for buildings over 20 metres in height must be accompanied by a wind study analysis to demonstrate that pedestrian spaces will not be affected by additional wind.
- A Traffic and Parking Assessment Report which includes an assessment of the cumulative impacts of traffic and parking in the Precinct.

6.0 Decision guidelines

xx/xx/xxxx
Proposed
C231

The following decision guidelines apply to an application for a permit under Clause 43.02, in addition to those specified in Clause 43.02 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- Whether the General Design Requirements, Heritage Design Requirements and the Precinct Design Requirements in Clauses 2.2-2.9 are met.
- Whether the proposal delivers design excellence.
- If roof decks are proposed, whether they are set back from lower levels and are recessive in appearance.
- The profile and impact of development along Queens Parade when viewed from from the north side of McKean Street and the south side of Hodgkinson Street.
- The design response at the interface with existing, low scale residential properties.
- The design of the streetscape interface along the primary street frontage.
- Whether side and rear setbacks are sufficient to limit the impact on the amenity of existing dwellings.
- How any proposed buildings and works will impact on solar access to Queens Parade and Napier Street Reserve.
- Whether heritage buildings on street corners retain their prominence when viewed from both streets.
- Whether heritage buildings retain their three-dimensional form when viewed from the public realm.
- Whether upper level development above the heritage street wall is visually recessive and does not dominate or visually overwhelm the heritage buildings.
- Whether the proposal contributes to and improves the pedestrian environment and other areas of the public realm.
- The impact of development on views to:
 - the former ANZ Bank building's tower, roof, chimney and upper level
 - the St John the Baptist Church belfry and spire
 - the former Clifton Motor Garage's Moderne façade and fin
- The wind effects created by the development.

Reference Documents

Queens Parade, Clifton Hill Built Form Review prepared by Hansen Partnership – December 2017

Queens Parade Built Form Heritage Analysis and Recommendations prepared by GJM Heritage – December 2017

Figure 1

REAR SETBACKS WHERE THERE IS A LANEWAY AT THE REAR

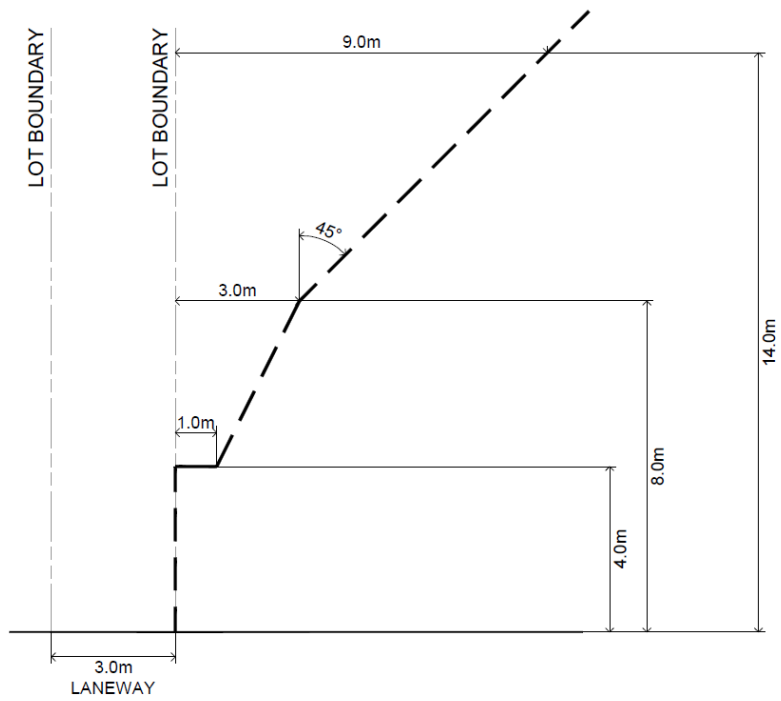
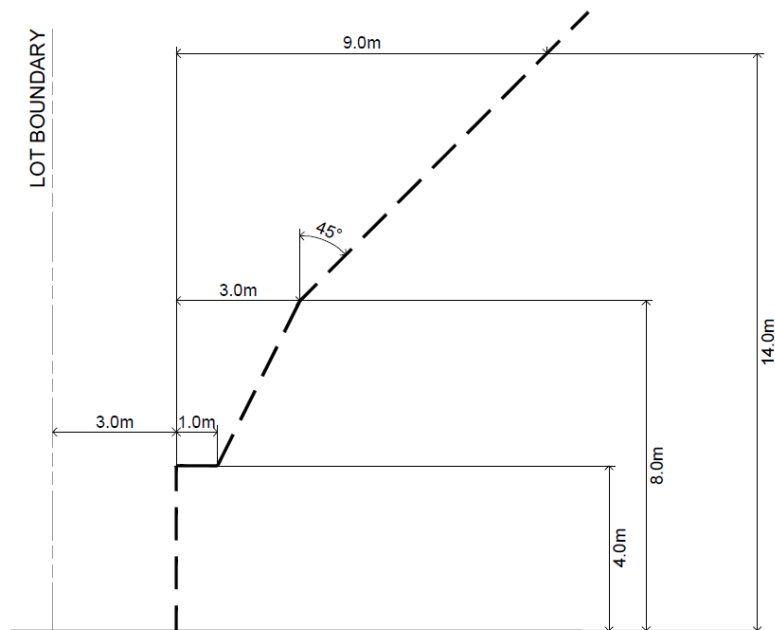


Figure 2

REAR SETBACKS WHERE THERE IS NO LANEWAY TO THE REAR



xx/xx/xxxx
Proposed
C231

SCHEDULE 16 TO CLAUSE 43.02 DESIGN AND DEVELOPMENT OVERLAY

Shown on the planning scheme map as **DDO16**.

QUEENS PARADE

1.0

General Design objectives

xx/xx/xxxx
Proposed
C231

- * To recognise and respond to the distinct character, heritage streetscape and varying development opportunities defined by the five precincts along Queens Parade,
 - To support,
 - the existing low-rise character in precincts 1, 4 and part of 5 abutting the former UK Hotel
 - a new mid rise character behind a consistent street wall in precincts 2-5, 3 and part of 5 abutting the former Clifton Motors
 - higher rise development in precinct 5, west of Dummett Crescent
- while ensuring development responds appropriately to heritage character, heritage streetscapes, sensitive interfaces and varying development opportunities.
- To protect the integrity of historical streetscapes and clusters of heritage buildings of a similar scale and materiality by limiting new development.
- To ensure development respects the architectural form and qualities of heritage buildings and streetscapes and maintains the visual prominence of the St John the Baptist church belfry and spire, the former ANZ Bank building, the former United Kingdom Hotel and the former Clifton Motors garage.
- To ensure new development responds to the grand, tree-lined boulevard character of Queens Parade respects the wide, open boulevard character of Queens Parade where historic trees remain the dominant visual feature.
- To ensure that the overall scale and form of new buildings provides a suitable transition to low scale residential areas and protects these properties from unreasonable loss of amenity through visual bulk, overlooking and overshadowing.

2.0

Buildings and works

xx/xx/xxxx
Proposed
C231

A permit is required to construct a building or construct or carry out works.

2.1

Definitions

1:1 ratio heritage street wall to new built form is where the height of the heritage street wall equals the height of the new development above street wall when viewed from the opposite side of the street from the centre of the footpath at a height of 1.6 metres above ground level

Heritage building means any building subject to a Heritage Overlay, graded as either Contributory or Individually Significant.

Laneway means a road reserve of a public highway 9 metres or less wide.

Street wall ~~is~~ means the façade of a building at the street boundary, or, if the existing heritage building is set back from the street boundary, the front of the existing building. Street wall height is measured at the vertical distance between the footpath at the centre of the frontage and the highest point of the building, parapet, balustrade or eaves at the street edge, with the exception of architectural features and building services.

Building height ~~is~~ means the vertical distance from natural ground level to the roof or parapet at any point.

~~Building height does not include non-structural elements that project above the building height and service equipment including plant rooms, lift overruns, structures associated with green roof areas, screens to service areas or other such equipment provided that all of the following criteria are met:~~

Setback is the shortest horizontal distance from a building, including projections such as balconies, building services and architectural features, to the boundary.

Upper level ~~means~~ **is** development above the height of the street wall.

2.2 General ~~design~~**R** requirements

The following requirements apply to an application to construct a building or carry out works and must be read in conjunction with the relevant precinct design requirements.

- A permit ~~cannot~~**must not** be granted ~~or amended (unless the amendment would not increase the extent of non-compliance)~~ to construct a building or ~~construct or~~ carry out works which ~~exceed the mandatory maximum building height, mandatory maximum street wall height, mandatory maximum street wall setback or are less than the mandatory minimum upper level setbacks, mandatory minimum side setbacks or mandatory minimum rear setbacks are not in accordance with the mandatory requirements specified in the relevant Precinct Tables. A permit cannot be granted to vary this requirement.~~
- A permit ~~cannot~~**must not** be granted ~~or amended (unless the amendment would not increase the extent of non-compliance)~~ to construct a building or carry out works which exceeds the preferred building height and setbacks ~~shown~~**specified** in the relevant Precinct Tables unless the following requirements are met, to the satisfaction of the responsible authority:
 - The built form outcome as a result of the proposed variation satisfies the ~~general~~ design objectives in Clause 1.0; and
 - ~~—~~ The built form outcome as a result of the proposed variation satisfies the ~~other~~ relevant requirements specified in this schedule.

~~Service equipment / structures including plant rooms, lift overruns, structures associated with green roof areas and other such equipment may exceed the preferred or mandatory height provided that each of the following criteria are met for the equipment or structure:~~

- ~~Less than 50 per cent of the roof area is occupied by the equipment (other than solar panels); and~~
- ~~The equipment does not cause additional overshadowing; and~~
- ~~The equipment does not extend higher than 3.6 metres above the maximum building height.~~

~~Projections such as balconies, and building services and architectural features must not intrude into a setback.~~

2.3 Street wall requirements

- ~~—~~ Development must create a consistent street wall height along the streetscapes.

2.4 Upper levels requirements

- provide setbacks which ensure that upper level additions seen from the public realm ~~are high quality and~~ do not diminish the appreciation of the heritage building and streetscape.
- ~~—~~ avoid repetitive stepped built form at upper levels of development.
- ~~ensure that upper level development is visually recessive.~~

Track change version of Design and Development Overlay Schedule 16 – 20 May 2019

- Development must use materials at upper levels that are recessive in finish and
- Development must be designed so that side walls are articulated and read as part of the overall building design.
- Development must avoid continuous built form at upper levels.

2.5 Corner site requirements

- New development on a corner site with a frontage to Queens Parade must continue the street wall height established at the Queens Parade frontage along the side street, with a transition in height to match the rear interface where required. This requirement does not apply to a lane.

2.6 Ground floor design requirements

- Facades at ground level must be designed with floor to floor ceiling heights suitable to accommodate commercial activity in the Commercial 1 Zone and the ~~Mixed Use~~ Commercial 2 Zone.

2.7 Vehicular access, car parking, and loading areas requirements

- New vehicle crossovers onto Queens Parade must be avoided. ~~Future vehicle access and services must be provided from a rear laneway or side street where possible~~
- Vehicle ingress and egress into development, including loading facilities and building servicing, must be designed to ensure a high quality pedestrian amenity and limit potential conflict between vehicle movements and pedestrian activity.
- Development on a laneway must include a rear setback, at ground floor, to facilitate the ongoing function of the laneway and allow for building services and car park access.

* Unless specified in another table in this schedule, any part of a building adjacent to land in a residential zone must comply with the following:

The following design requirements apply to development on land affected by a Heritage Overlay or immediately adjacent to a heritage building.

The following requirements apply to an application to construct a building or carry out works and must be read in conjunction with the relevant precinct design requirements.

Element	Design Requirement
Building facades and street frontages	<p>Infill buildings and development adjoining a heritage building</p> <p>Façade treatments and the articulation of infill buildings on land affected by a heritage overlay or immediately adjoining a heritage building must:</p> <ul style="list-style-type: none"> • Be ensure façade treatments and the articulation of new development are simple and do not compete with the more elaborate detailing of nineteenth century buildings • respect the vertical proportions of the nineteenth and twentieth century facades in the heritage streetscape and/or the adjoining heritage building(s) • avoid large expanses of glazing with a horizontal emphasis except to ground floor shopfronts • avoid large expanses of unarticulated curtain glazing, highly reflective glass and glazing with a horizontal emphasis, except for ground floor shopfronts, avoid the use of unarticulated curtain glazing and highly reflective glass • reflect the existing canopy/verandah height of the heritage streetscape and/or adjoining heritage building(s) <p>Adaption and reuse of contributory or individually significant buildings must:</p> <ul style="list-style-type: none"> • maintain existing openings and avoid highly reflective glazing in historic openings • encourage the retention of solid built form behind retained facades and avoid balconies behind existing openings • maintain the inter-floor height of the existing building and avoid new floor plates and walls cutting through historic openings
Upper levels behind heritage street wall	<p>Upper level development on land within a heritage overlay and on land immediately adjoining a heritage building must:</p> <ul style="list-style-type: none"> • be visually recessive and not visually dominate the heritage building and the heritage streetscape • retain the primacy of the three-dimensional form of the heritage building as viewed from the public realm to avoid 'facadism' • utilise visually lightweight materials and finishes that are recessive in texture and colour and provide a juxtaposition with the heavier masonry of the heritage facades • incorporate simple architectural detailing that does not detract from significant elements of the heritage building and the heritage streetscape • be articulated to reflect the rhythm of the wider streetscape, fine grained character and subdivision pattern of the streetscape, especially on larger sites.

Element	Design Requirement
Upper level setbacks	<p>Upper level setbacks in excess of a minimum mandatory upper level setback must be provided where:</p> <ul style="list-style-type: none"> • It would facilitate the retention of the roof form of the principal building facing Queens Parade • A building has a prominent roof form clearly visible from the public realm • The relevant Statement of Significance identifies the principal roof or elements to the rear of the building as significant elements of the building to be retained • It would maintain the perception of the three-dimensional form and depth of the building. <ul style="list-style-type: none"> ▪ a smaller setback would detract from the character of the streetscape when viewed directly or obliquely along Queens Parade.

2.49 Precinct design requirements

The following precinct specific design requirements apply in addition to the general design requirements outlined in Clauses 2.2-2.8.

2.49.1 Precinct 1 – Brunswick Street

Shown on the planning scheme map as **DDO16-1**

Preferred character statement

Buildings and works must help deliver the following preferred precinct character:

- Properties fronting Brunswick Street and turning the corner to Queens Parade will continue to be defined by fine grained low scaled heritage buildings.
- The precinct will provide the opportunity for moderate low rise future infill behind the main heritage frontage, supported by rear laneway access.
- The visual prominence of the individually significant heritage building on the corner of Brunswick Street and Queens Parade that forms the southern gateway to Queens Parade and to Fitzroy North more broadly, will be retained.

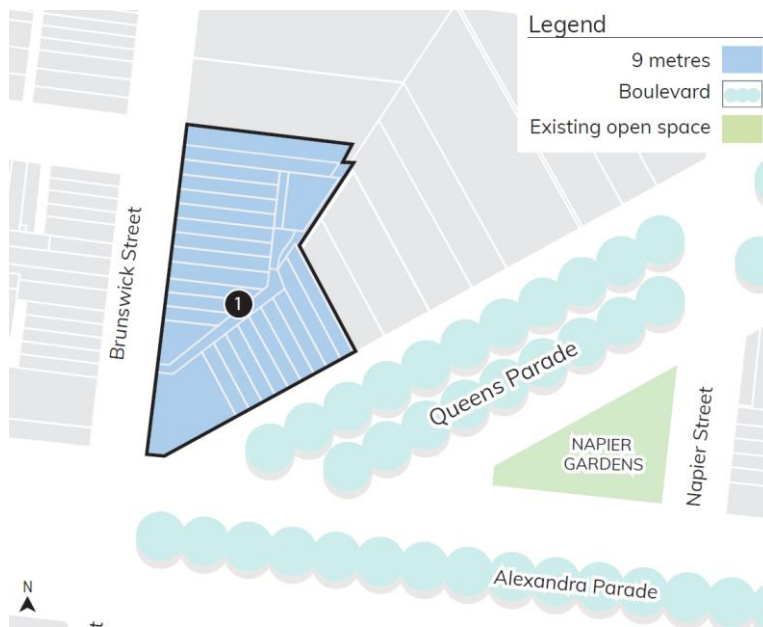
Design requirements

The design requirements for Precinct 1 are as follows:

- Development must:
 - ensure low rise additions behind the front sections of the terraced houses of Brunswick Street and Queens Parade respects the prevailing streetscape character and subdivision grain.
 - retain and conserve the heritage values of this low scale Victorian residential area.
 - ensure upper level elevations that are exposed to the public domain are high quality, visually recessive and do not diminish the appreciation of the heritage building at 460 Brunswick Street.

- [limits amenity impacts of building bulk, overlooking and overshadowing of existing residential properties.](#)
- [provide for vehicular access and servicing off the laneway.](#)

Map 1 - Precinct 1



Map of Precinct 1

Table 1B – Front Street wall height, building height and setbacks for Precinct 1B

Built Form	Mandatory Control Requirement	Preferred Control Requirement
Development at and adjoining 460 Brunswick Street		
Maximum building height	Maximum 460 Brunswick Street and Lot 1 on Title Plan TP806921 - 9 metres	Elsewhere – 9 metres
Maximum Street wall height and front setback	460 Brunswick Street - Match the parapet height of the existing heritage building 460 Brunswick Street Elsewhere - Retain existing street wall	Built to boundary at ground level Match the parapet or eaves height of taller adjacent heritage building

Built Form	Mandatory Control Requirement	Preferred Control Requirement
Maximum Street setback	460 Brunswick Street – Match the setback of the existing heritage building	Built to boundary at ground level
Minimum upper level setback	460 Brunswick Street - Minimum 6 metres	Elsewhere – 6 metres
Minimum Setbacks from side and rear boundary	None specified	Res Code Standard B17
Development on Brunswick Street, Queens Parade and land fronting the laneway known as Lot 1 on Title Plan TP806921 (apart from land at and adjoining 460 Brunswick Street)		
Building height	Maximum 9 metres on Lot 1 on Title Plan TP806921	Maximum 9 metres elsewhere None specified
Street wall or façade height and setback	Retain existing	Match the parapet or eaves height of taller adjacent heritage building
Setbacks from side and rear boundary and a laneway	None specified	Res Code B17
Upper level setback	None specified	Minimum 6 metres from the facade

2.49.1 Precinct 2 – Boulevard Precinct

Shown on the planning scheme map as **DDO16-2**

Preferred character statement

- Buildings and works in Precinct 2 must help deliver the following preferred precinct character:
 - Precinct 2 will become a preferred location for housing and employment growth within the activity centre.
 - The precinct will support well designed mid-rise development, which complements the boulevard and matches the scale of development on the Gasworks site and bookends higher rise development in Precinct 5.
 - Development will be designed to ensure the visual dominance of the double avenue of trees along the south western part of Queens Parade over built form is retained.
 - Precinct 2A will accommodate mid rise infill behind a distinct moderne heritage frontage, addressing the boulevard and its sensitive heritage context and providing a transition down to the established surrounding residential neighbourhood.
 - Precincts 2B and 2C will become vibrant and attractive business areas with a mixture of innovative new architecture and clusters of heritage buildings attracting a wide range of commercial development and employment.

Design requirements

The design requirements for Precinct 2 are as follows:

- Development must:
 - not diminish or detract from the heritage values of the boulevard streetscape, the heritage street wall and the heritage trees along Queens Parade.
 - deliver an appropriate interface arrangement to neighbouring properties and minimise visual bulk and mass when viewed from the adjoining properties.
 - ~~avoid a repetitive stepped form within the 45 degree angle profile.~~
 - ~~ensure adequate solar access is provided to the Queens Parade ~~boulevard~~ and Napier Street Reserve at the equinox from 9am-3pm.~~
 - provide building separation along side and rear boundaries to reduce visual bulk and protect amenity of occupants and neighbours.

- Development in Precinct 2A must also:
 - ensure projections above the street wall are not dominant in the skyline when viewed from the north side of Newry Street and of Coleman Street and the WT Peterson Oval, the Fitzroy Grandstand and other locations in the southern part of Edinburgh Gardens.
 - maintain the prominence and significance of the art deco facade.
 - recognise the low scale, buildings and fine grain subdivision pattern of existing development to the north and west.
 - encourage pedestrian permeability within and through the precinct.
- Development in Precincts 2B and 2C ~~and 2D~~ must also:
 - ensure a gradual transition in development scale from east of George Street (Former Gasworks Site) to south west (heritage properties along Napier Street).
 - maintain the prominence of heritage buildings along Napier Street when viewed from Napier Reserve.
 - be appropriately set back at upper levels from the heritage buildings along Napier Street.
 - provide an appropriate transition in scale from the heritage buildings along Napier Street and Alexandra Parade.
 - ~~provide vehicular access from laneways.~~
 - provide building separation to enhance amenity between commercial buildings and reduce building bulk and provide a transition to existing heritage buildings by utilising existing laneways and building setbacks.
 - create a new commercial frontage to George Street to form an active edge complementary to the proposed Gasworks redevelopment.



Map 2 - Precinct 2



Precinct 2

Table 2 – Street wall height, building height and setbacks for Precincts 2A, 2C-2B and 2D2C

Built form	Mandatory requirement	Preferred requirement
Precinct 2A		
Built Form	Mandatory requirement	Preferred requirement
Maximum Building height	Maximum of 31 metres	None specified
Maximum Front street wall height	Retain height of existing heritage façade. Maximum of 10 metres where no heritage façade exists.	Street wall of development adjoining the individually significant building must not exceed the parapet height of the taller adjoining heritage building
Minimum & maximum Front setback to Queens Parade	None specified	0 metres to maximum 10 metres
Minimum Upper level setback from front of building	None specified	Above existing heritage façade: <ul style="list-style-type: none"> Minimum 8 metre setback from 10 metres to 16 metres Minimum 10 metre setback from 16 metres Above new street wall (where no existing heritage façade): <ul style="list-style-type: none"> Minimum of 5 metre setback from 10 metres to 16 metres Minimum of 8 metres setback from 16 metres
Minimum Setback(s) from rear boundaries north and west adjacent to NRZ and GRZ	None specified	ResCode Standard B17 from rear boundary of adjoining properties to 10 metres Setback within 45 degree angle measured from 10-25 metres
Minimum Setbacks from side boundary east adjacent to NRZ	None specified	0 metre setback to match party wall of existing adjoining development to 10 metres Setback within 45 degree angle measured from 10-25 metres
Minimum Setbacks from side boundary east adjacent to MUZ	None specified	0 metre setback to match party wall of existing adjoining development, or 10 metre where no party wall exists. Minimum of 9 metre setback from the windows/ balconies of adjoining apartments up to 16 metres Minimum of 15 metre setback above 16 metres
Setbacks from side and rear boundaries west and north-west adjacent to MUZ	None specified	0 metre setback to match party wall of existing adjoining development, or 10 metre where no party wall exists.

Built form	Mandatory requirement	Preferred requirement
		Setback within 45 degree angle measured from 10-25 metres
Precinct 2D-2B		
Built Form	Mandatory requirement	Preferred requirement
<u>Maximum</u> bBuilding height	<u>None specified</u>	18 metres
<u>Maximum</u> fFront street wall height	<u>Napier Street - Retain existing parapet height</u>	<u>None specified</u>
<u>Minimum</u> uUpper level setback	<u>Minimum 6 metres from facade</u>	<u>None specified</u>
<u>Minimum rear setback</u>	<u>None specified</u>	<u>4.5m from centreline of laneway for height of the entire building</u>
Precinct 2C		
Built Form	Mandatory requirement	Preferred requirement
<u>Maximum</u> bBuilding height	<u>None specified</u>	<u>Maximum of 28 metres</u>
<u>Maximum</u> fFront street wall height	<u>Napier Street – 10 metres</u>	<u>Maximum-Queens Parade, George Street and Alexandra Parade - 18 metres</u> <u>Development on Napier Street – should not exceed the parapet height of the adjoining heritage buildings.</u>
<u>Minimum</u> uUpper level setback	<u>Napier Street – 6 metres</u>	<u>Elsewhere - 5-6 metres minimum</u>
<u>Setback(s) from boundary of 472 to 484 Napier Street</u>	<u>None specified</u>	<u>Setback within a 45 degree angle line measured from 12 metres</u>
<u>Minimum</u> sSide and rear setbacks	<u>None specified</u>	<u>Rear setback: 4.5m from centreline of laneway for height of the entire building</u> <u>Side setbacks: For upper levels, where a habitable room window is proposed:</u> <ul style="list-style-type: none"><u>4.5 metres from the common boundary or from the centre line of the laneway.</u> <u>For upper levels, where a non- habitable room window or commercial window is proposed:</u> <ul style="list-style-type: none"><u>3 metres from the common boundary or the centre line of the laneway (on a where the</u>

Built form	Mandatory requirement	Preferred requirement
		laneway is less than 6 metres wide) ResCode-B17

2.49.3-2 Precinct 3 – St John's Precinct

Shown on the planning scheme map as **DDO16-3**

Preferred character statement

Buildings and works in Precinct 3 must help deliver the following preferred precinct character:

- Precinct 3 will become an attractive mixed use area with active frontages to the street, well designed new buildings mixed with residential and commercial heritage fabric.
- Development along Queens Parade will create a consistent street wall with recessed upper levels.
- Development will retain the primacy of the St John's Church landmark and view to its belfry and spire.
- The precinct will provide for new development at and around the Smith Street junction.
- The prominent corner of Queens Parade and Smith Street will be marked by a higher street wall with development set back at the upper level.
- Development will retain the intact streetscape on Smith Street through existing buildings and existing street wall with new development set back from the façade and designed to not dominate the Victorian era buildings.
- Development will provide an effective transition to the residential areas to the south and east.

Design requirements

The design requirements for Precinct 3A are as follows:

Development must:

- deliver high quality architectural detailing that respects the heritage qualities of Queens Parade and Smith Street.
 - maintain the prominence of the heritage street wall in the streetscape.
 - recognise the fine grain character of heritage streetscapes and minimise the dominance of wide building frontages.
 - ~~achieve a consistent street wall height along Queens Parade, extending along Smith Street.~~
 - ~~ensure that upper level development is visually recessive.~~
 - ~~use materials at upper levels that are recessive in finish and colour.~~
 - ~~be designed so that side walls are articulated and read as part of the overall building design.~~
 - ~~avoid continuous built form at upper levels.~~
 - respond to the low scale form of existing development outside Precinct 3 on Hodgkinson Street through an appropriate transition in building height.
 - ensure that where sunlight to the secluded private open space of an existing dwelling is reduced, at least 75 per cent, or 40 square metres with minimum dimension of 3 metres, whichever is the lesser area, of the secluded private open space should receive a minimum of five hours of sunlight between 9 am and 3 pm on 22 September.
- If existing sunlight to the secluded private open space of an existing dwelling is less than the requirements of this standard, the amount of sunlight should not be further reduced.

Development in Precinct 3A must also:

- maintain views of the belfry and spire of St John’s church and maintain clear sky between the belfry and spire and new development when viewed from the pedestrian refuge on the south-west corner of the intersection with Queens Parade and Smith Street. A permit cannot be granted to vary this requirement. -
- emphasise the corner of Queens Parade and Smith Street with a higher street wall.

Development in Precinct 3B must also:

- reinforce the traditional street wall on Smith Street.
- ensure that upper level development is visually recessive and does not detract from the heritage streetscape.

Map 3 - Precinct 3

Map of Precinct 3

Table 3 – Street wall height, building height and setbacks for Precincts 3A and 3B

Built Form	Mandatory requirement	Discretionary requirement
Precinct 3A		
<u>Maximum</u> bBuilding height	<u>18 metres</u>	<u>None specified</u> Maximum of 18 metres
<u>Maximum</u> Front street wall height	<u>15-33 & 41 Queens Parade -</u> Maximum 11 metres for 15-33 Queens Parade <u>35-37 Queens Parade - -</u> Retain height of existing heritage façade Development adjoining a heritage building must match the parapet height of an adjacent taller heritage building. 14 metres elsewhere	<u>None specified</u>
<u>Minimum</u> uUpper level setback	<u>Minimum of 6 metres at 664 Smith Street (former Fire Station) and</u> Minimum 6 metres at 15-41 Queens Parade	6 metres elsewhere
<u>Maximum</u> sStreet wall setback	<u>None specified</u>	0 metres - built to front boundary at ground level
<u>Minimum</u> rear setback	<u>None specified</u>	<u>45° above 8 metres from rear boundary to a laneway</u> <u>45° above 5 metres from rear boundary (no laneway)</u> <u>Where there is a laneway:</u> <ul style="list-style-type: none"> • <u>Modified ResCode Standard B17 (See Figure 1)</u> <u>Where there is no laneway:</u> <ul style="list-style-type: none"> • <u>Modified ResCode Standard B17. (See Figure 2)</u>

Minimum side setback	None specified	If side boundary adjoins NRZ, ResCode Standard B17 0 metres elsewhere
Precinct 3B		
Maximum building height	14 metres	None specified 18 metres
Maximum street wall height	Retain height of existing heritage facade	None specified
Minimum upper level setback	664 Smith Street (former Fire Station) 6 metres	None specified
Maximum street wall setback	None specified	0 metres - built to front boundary at ground level
Minimum rear setback	None specified	45° above 8 metres from rear boundary to a laneway 45° above 5 metres from rear boundary (no laneway) Where there is a laneway: <ul style="list-style-type: none"> • Modified ResCode Standard B17 (See Figure 1) Where there is no laneway: <ul style="list-style-type: none"> • Modified ResCode Standard B17. (See Figure 2)
Minimum side setback	None specified	If side boundary adjoins NRZ, ResCode Standard B17 0 metres elsewhere

2.4.3.9.4 Precinct 4 – Activity Centre Precinct

Shown on the planning scheme map as **DDO16-4**

Preferred character statement

Buildings and works in Precinct 4 must help deliver the following preferred precinct character:

- The unique and vibrant Victorian era shopping strip is reinforced as the retail and activity focus of Queens Parade.
- The distinctive heritage qualities of this Victorian era shopping strip are protected.
- New development is designed to complement the scale of heritage buildings in this precinct.
- The consistent heritage streetwall height of Queens Parade is continued.
- Sympathetic upper level infill will reinforce the prevailing street wall and subdivision grain of significant streetscapes and transition down to residential abutments to the rear.
- The pedestrian experience of this part of Queens Parade as a vibrant retail centre and hub for the local community is enhanced through the design of building frontages and the public realm.
- The profile of upper level redevelopment acknowledges the importance of significant heritage corner forms and retain key view lines to local landmarks (former ANZ Building).

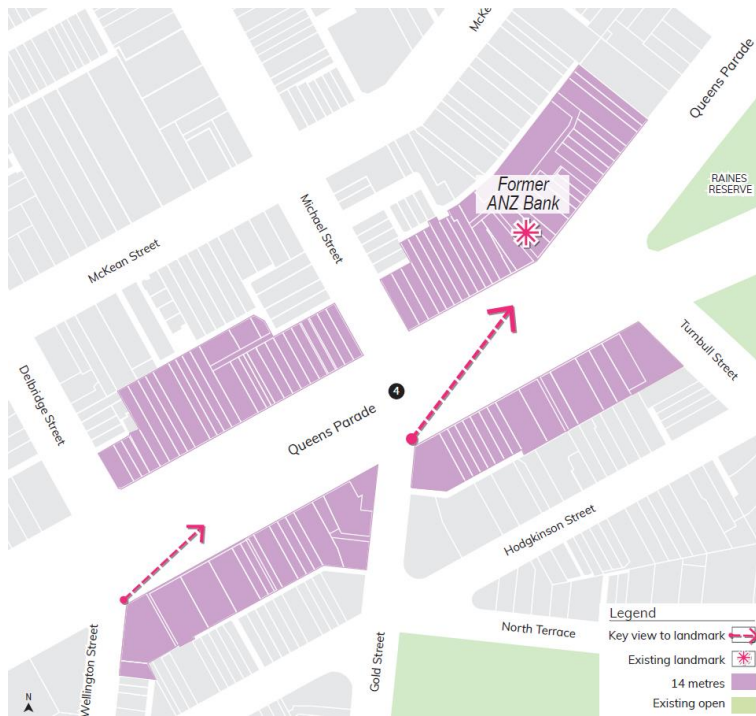
Design requirements

The design requirements for Precinct 4 are as follows:

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- Development must protect and maintain key view lines and visual prominence of the former ANZ Building from the south-west and north-east, in particular to the upper floor, roof form and chimneys. A permit cannot be granted to vary this requirement.
- Development must:
 - respect the consistent scale, grain and architectural quality of the highly intact heritage streetscapes and the heritage buildings in the precinct.
 - retain the visual prominence of heritage buildings, their street wall and ~~significant 'High Street' heritage streetscapes~~ when viewed from the opposite side of Queens Parade.
 - facilitate the appropriate ~~mid-low~~ rise infill of the sites located to the rear of commercial properties fronting Queens Parade.
 - ensure that any upper level development is set back from the heritage façade, is visually recessive and does not detract from the heritage streetscape.
 - retain the visual prominence and heritage fabric of the return facades of heritage buildings that front Queens Parade, Delbridge, Gold, ~~and~~ Michael and Wellington Streets.
 - ensure that facades at ground floor incorporate verandahs which are consistent with the form and scale of adjoining verandahs.
 - retain chimneys visible from the public realm.
 - enhance the amenity and safety of laneways that provide pedestrian and vehicular access to buildings.
 - maintain service access from the laneways in order to facilitate commercial use of the properties fronting Queens Parade.
 - respect the low scale, fine grain subdivision pattern of existing development on Hodgkinson Street and McKean Street through an appropriate transition in building height and setbacks.
If existing sunlight to the secluded private open space of an existing dwelling is less than the requirements of this standard, the amount of sunlight should not be further reduced.

Map 4 - Precinct 4



Map of Precinct 4

Table 4 – Street wall height, building height and setbacks for Precinct 4

Built Form	Mandatory requirement	Preferred requirement
Maximum building height	21.514 metres	None specified
Maximum and minimum Front street wall height on Queens Parade	Retain height of existing heritage façade- Where no heritage façade exists, development must be: <ul style="list-style-type: none"> Minimum - a minimum of 8 metres Maximum - a maximum of 11 metres or where there is an adjacent heritage building, the parapet height of that	None specified

Built Form	Mandatory requirement	Preferred requirement
	building if taller than 11 metres.	
<u>Maximum and minimum Front street wall height in side streets-</u>	<u>None specified</u>	<u>Retain height of existing heritage façade</u> <u>Where no heritage façade exists, development must be:</u> <ul style="list-style-type: none"> <u>Minimum - 8 metres</u> <u>Maximum - 11 metres or where there is an adjacent heritage building, the parapet height of that building if taller than 11 metres.</u>
<u>Minimum upper level setback on Queens Parade</u>	<u>Minimum 6 metres in significant heritage streetscape area</u> <u>Minimum 8 metres at 364 Queens Parade 8 metres</u>	<u>167-197 Queens Parade - Minimum 6 metres, at 167-197 Queens Parade None specified</u>
<u>Minimum upper level setback in side streets</u>	<u>None specified</u>	<u>Minimum 6 metres</u>
<u>Street wall setback</u>	<u>0 metres - built to front boundary at ground level</u>	<u>None specified</u>
<u>Side and Rear setback (NRZ interface)</u>	<u>None specified</u>	<u>45° above 8 metres from rear boundary to a laneway</u> <u>45° above 5 metres from rear boundary (no laneway)</u> <u>Where there is a laneway:</u> <ul style="list-style-type: none"> <u>Modified ResCode Standard B17 (See Figure 1)</u> <u>Where there is no laneway:</u> <ul style="list-style-type: none"> <u>Modified ResCode Standard B17. (See Figure 2)</u>
<u>Rear setback (C1Z interface)</u>	<u>None specified</u>	<u>3 metres above 11 metres</u>

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2.4.49.5 Precinct 5 – North Eastern Precinct

Shown on the planning scheme map as **DDO16-5**

Preferred character statement

Buildings and works in Precinct 5 must help deliver the following preferred precinct character:

- Facilitate the renewal of Precinct 5 as a preferred location for housing growth within the activity centre.
- Development will ensure the significant heritage fabric (the Former UK Hotel and the former Clifton Motors garage – both listed on the Victorian Heritage Register) remains a prominent feature in any redevelopment.
- The north-eastern end of Precinct 5, south of the intersection of Queens Parade and Hoddle Street, will develop as an area of contemporary higher-rise development and will bookend the mid-rise development in Precinct 2.

- The scale of development in Precinct 5 will step down in distinct increments from the north-east junction significant heritage buildings (the Former Clifton Motors and UK Hotel buildings) to the south-west.
- New development will provide suitable separation between taller forms buildings to enable development equity and amenity, while also contributing to the management of building / visual bulk.

Design requirements

The design requirements for Precinct 5 are as follows:

- Development must:
 - retain the visual prominence and not visually dominate the three dimensional forms of the former United Kingdom Hotel when viewed from Raines Reserve and the former Clifton Motors Garage when viewed from the opposite side of Queens Parade.
 - ~~retain, conserve~~ and incorporate the moderne façade of the former Clifton Motor Garage (205-211 Queens Parade) in any redevelopment of the site and ensure that the three dimensional form ~~of the façade~~ remains prominent and the decorative vertical fin remains as a prominent freestanding element when viewed from the public realm.
 - adopt a street wall height for new development adjacent to the former United Kingdom Hotel that respects the façade height of the building.
 - ~~ensure buildings in adopts a street wall height for new development adjacent to the former United Kingdom Hotel that respects the façade height of the building.~~
 - establish a transition and gradual stepping down of building heights from taller forms in Precinct 5C to existing heritage form in Precinct 5A.
 - ensure that adverse wind effects on the public realm are avoided.
 - reinforce the scale of existing high-rise buildings in the precinct (of 10-14 storeys), avoiding taller buildings which detract from this scale.
 - ensure high quality development that enhances the prominent corner of Queens Parade and Hoddle Street through creating a strong address to each street frontage.
 - ensure that the height and design of the street wall creates and reinforces a 'human scale' to provide visual interest at street level along Queens Parade and Hoddle Street.

Map 5 - Precinct 5

Map of Precinct 5

Table 5 – Street wall height, building height and setbacks for Precincts 5A, 5B and 5C

Built form	Mandatory requirement	Preferred requirement
Precinct 5A		
Maximum building height	11 metres	48 metres None specified

Built form	Mandatory requirement	Preferred requirement
Maximum s Street wall height	Match existing parapet or eaves height	None specified
Minimum u Upper level setback	None specified	Minimum 6 5 metres
Precinct 5B		
Maximum b Building height	201-215 Queens Parade - 18 metres	4:1 heritage street wall to new built form behind Clifton Motors and 203 Queens Parade visible from the opposite side of Queens Parade 28 metres elsewhere
Maximum Front street wall height	201-215 Queens Parade - Match parapet height of former Clifton Motor Garage and eaves line of former UK Hotel	4-10 Dummett Crescent - 11 metres -for non-contributory buildings facing Queens Parade and Dummett Crescent
Street wall setback	0 metres – built to the boundary	None specified
Minimum upper level setback	201-215 Queens Parade - 8 metres 6 metres development at former Clifton Motor Garage	6 metres elsewhere
Minimum Setback from side and rear boundary setbacks	0 metres None specified	For upper levels, where a habitable room window is proposed: <ul style="list-style-type: none"> 4.5 metres from the common boundary or from the centre line of the laneway; For upper levels, where a non-habitable room window or commercial window is proposed: <ul style="list-style-type: none"> 3 metres from the common boundary or from the centre line of the laneway (on a where the laneway is less than 6 metres wide).
Precinct 5C		
Built Form	Mandatory requirement	Preferred requirement
Maximum b Building height	None specified	49 43 metres
Front Maximum street wall height	None specified	35 18 metres
Minimum Upper level setback	None specified	6 40 metres

Built form	Mandatory requirement	Preferred requirement
Minimum side and rear setbacks	None specified	<p>For upper levels, where a habitable room window is proposed:</p> <ul style="list-style-type: none"> 4.5 metres from the common boundary or from the centre line of the laneway; <p>For upper levels, where a non-habitable room window or commercial window is proposed:</p> <ul style="list-style-type: none"> 3 metres from the common boundary or from the centre line of the laneway (on a where the laneway is less than 6 metres wide).

3.0 Subdivision

xx/xx/xxxx
Proposed
C231

None specified.

4.0 Advertising

xx/xx/xxxx
Proposed
C231

None specified.

5.0 [Application requirements](#)

xx/xx/xxxx
Proposed
C231

[The following application requirements apply to an application for a permit under Clause 43.02, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:](#)

- [A site analysis and urban design context report which demonstrates how the proposal achieves the Design Objectives and Requirements of this schedule.](#)
- [Development proposals for buildings over 20 metres in height must be accompanied by a wind study analysis to demonstrate that pedestrian spaces will not be affected by additional wind.](#)
- [A Traffic and Parking Assessment Report which includes an assessment of the cumulative impacts of traffic and parking in the Precinct.](#)

[6.0 Decision guidelines](#)

xx/xx/xxxx
Proposed
C231

The following decision guidelines apply to an application for a permit under Clause 43.02, in addition to those specified in Clause 43.02 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- Whether the General Design Requirements, Heritage Design Requirements and the Precinct Design Requirements in Clauses ~~2.2-2.9~~, ~~2.3~~ and ~~2.4~~ are met.
- [Whether the proposal delivers design excellence.](#)
- If roof decks are proposed, whether they are set back from lower levels and are recessive in appearance.
- The profile and impact of development along Queens Parade when viewed from from the north side of McKean Street and the south side of Hodgkinson Street.
- The design response at the interface with existing, low scale residential properties.
- The design of the streetscape interface along the primary street frontage.

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- Whether side and rear setbacks are sufficient to limit the impact on the amenity of existing dwellings.
- How any proposed buildings and works will impact on solar access to Queens Parade and Napier Street Reserve.
- Whether heritage buildings on street corners retain their prominence when viewed from both streets.
- Whether heritage buildings retain their three-dimensional form when viewed from the public realm.
- Whether upper level development above the heritage street wall is visually recessive and does not dominate or visually overwhelm the heritage buildings.
- Whether the proposal contributes to and improves the pedestrian environment and other areas of the public realm.
- The impact of development on views to:
 - the former ANZ Bank building's tower, roof, chimney and upper level
 - the St John the Baptist Church belfry and spire
 - the former Clifton Motor Garage's Moderne façade and fin
- The wind effects created by the development.

Reference Documents

Queens Parade, Clifton Hill Built Form Review prepared by Hansen Partnership – December 2017:

[*Queens Parade Built Form Heritage Analysis and Recommendations* prepared by GJM Heritage – December 2017](#)

Figure 1

REAR SETBACKS WHERE THERE IS A LANEWAY AT THE REAR

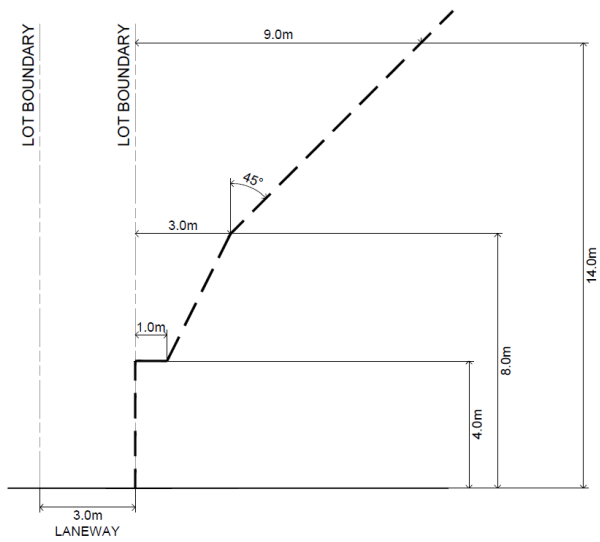


Figure 2

REAR SETBACKS WHERE THERE IS NO LANEWAY TO THE REAR

