

PLANNING ASSESSMENT
PROPOSED PLANNING
SCHEME AMENDMENT C223
81-95 BURNLEY STREET &
26 DOONSIDE STREET,
RICHMOND

11 MAY 2020
P0019742
FINAL
PREPARED FOR ASTRODOME HIRE PTY LTD.

URBIS

URBIS STAFF RESPONSIBLE FOR THIS REPORT WERE:

Director	Michael Barlow
Project Code	P0019742
Report Number	1

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1. INTRODUCTION

1. I have been engaged on behalf of Astrodome Hire Pty Ltd. to undertake a strategic planning assessment review of proposed Planning Scheme Amendment C223 to the Yarra Planning Scheme.
2. The Amendment proposes to:
 - Rezone land at 81-95 Burnley Street and 26 Doonside Street from Industrial 3 Zone to Mixed Use Zone;
 - Apply the Development Plan Overlay Schedule 15 (DPO15) to the land; and
 - Apply the Environmental Audit Overlay (EAO) to the land.
3. This report provides a strategic assessment of the ongoing demand for housing within the City of Yarra and the importance of the land at 81-95 Burnley Street and 26 Doonside Street as a strategic redevelopment site in accommodating some of that demand.
4. I have not undertaken a detailed assessment of the structure of the proposed planning controls other than to consider the matter of optimising the development opportunities on the site in accordance with planning policy and the attributes of the site and surrounding area.
5. I am instructed that Ms Catherine Heggen and Ms Sophie Jordan will address urban design and other planning matters respectively arising from the assessment of the proposed Amendment.
6. I understand that Amendment C223 was reported to Yarra City Council on 3 March 2020 to consider submissions received during the public exhibition of the amendment between 19 September and 24 October 2019.
7. At its meeting, the Council resolved to request the Minister for Planning to appoint an Independent Planning Panel to consider submissions made in respect of Amendment C223 in accordance with section 23 of the *Planning and Environment Act 1987*.

1.1. GUIDE TO EXPERT EVIDENCE

8. I acknowledge that I have read and complied with the Guide to Expert Evidence prepared by Planning Panels Victoria. In accordance with this guide, I provide the following information:

Name and Address

9. Michael Bruce Barlow
Urbis Pty Ltd
Level 12, 120 Collins Street
MELBOURNE VIC 3000

Qualifications and Experience

10. I am a Director of Urbis Pty Ltd. I am a qualified town planner and have practised as a town planner for over 35 years (including 31 as a consultant planner) and hold a Diploma of Applied Science (Town Planning) from Royal Melbourne Institute of Technology for which I qualified in 1981.
11. My experience includes:
 - 2011 to present: Director of Planning, Urbis Pty Ltd
 - 2002 to 2010: Managing Director, Urbis Pty Ltd
 - 1990 – 2001: Director of Urbis Pty Ltd (and its predecessors including A.T. Cocks Consulting)
 - 1985 – 1990: Senior Planner, A.T. Cocks Consulting
 - 1982 – 1985: Planning Officer and Appeals Officer, City of Melbourne
 - 1981 – 1982: Planning Officer, Shire of Eltham
 - 1977 – 1980 Planning Officer, City of Doncaster and Templestowe

12. I advise on the development of cities, their principal activities and land uses and have extensive experience in strategic and development planning. I have been engaged on a wide range of projects throughout Australia, China and the Middle East. I have particular experience involving major urban development projects across a range of localities and activities including:
- The analysis of drivers of change in cities and their impacts and influence on industry, employment and economic development, retail and activity centres, residential development strategies and policy, metropolitan growth and urban management.
 - The preparation of master plans for institutional and educational establishments, airports and new urban development.
 - A wide range of international urban development projects including the planning of the new port city serving Shanghai and major city and new town strategies for a number of cities within the Yangtze River corridor, China.
 - Leadership of the development of a comprehensive Framework Plan for the Emirate of Dubai. This project created a Vision to guide the economic development of the Emirate, an Urban Framework Plan and an Urban Management System for the government of Dubai.
 - Advice on new and specialist land uses and development concepts including the ongoing development of major Australian airports, the introduction and impacts of new retail concepts and standalone megaplex cinemas and the introduction of the casino into central Melbourne.
 - Major retail developments comprising central city centres, super-regional centres and mixed use developments.
 - Major commercial and residential developments in the Melbourne central city area including the CBD, Docklands and Southbank and throughout metropolitan Melbourne.
13. I provide expert evidence at various forums including the Supreme Court of Victoria, Federal Court of Australia, Land and Environment Court (NSW), the Victorian Civil and Administrative Tribunal and independent planning panels regarding the planning implications and impacts of development.

Expertise to make the Report

14. I have advised on and assessed the introduction of new planning controls across Victoria ranging from the introduction of the new format schemes, new urban area development controls to site-specific development controls over the past 30 years.
15. I was the principal planning adviser for the rezoning and initial development of the Victoria Gardens precinct during the early 1990s and am familiar with the evolution of the precinct from a manufacturing hub to the mixed-use precinct of today.

Instructions

16. I have been requested by Planning & Property Partners, on behalf of Astrodome Hire Pty Ltd. to provide independent expert opinion in respect of the Amendment as follows
- *Review the material supplied to you in relation to this Amendment;*
 - *Consider and formulate your own opinions, within the limits of your expertise, with respect to the following matters:*
 - *The appropriateness of the Amendment; and*
 - *The appropriateness of possible development outcomes within the context of relevant strategic planning considerations and policy; and*
 - *Prepare a report which sets out the conclusions you have reached, and clearly states the basis upon which you have arrived at those conclusions, including any facts you have relied upon or assumptions you have made which form part of the reasoning by which you reach your conclusions.*

Please note that another planning expert, Ms Sophie Jordan, has been instructed to consider the drafting of the proposed Schedule 15 to the Development Plan Overlay.

17. I am also instructed that Ms Catherine Heggen has been asked to provide a review of the urban design and built form impacts of the proposed development of the site. I have been provided with a copy of her report containing her assessment and recommendations.
18. I confirm that I am the author of this report and its contents.

The Facts, Matters and Assumptions on which the Opinions are expressed in this Report

19. In undertaking my assessment, I have familiarised myself with the subject site and surrounds, and had regard to the following documents:
- Plan Melbourne 2017 – 2050
 - The Yarra Planning Scheme
 - Amendment C223 – Exhibited amendment material
 - Draft City of Yarra Housing Strategy adopted September 2018
 - City of Yarra Victoria Street East Precinct, Richmond Urban Design Framework November 2005
 - City of Yarra Victoria Street Structure Plan April 2010
 - Minster's Direction No 11 – Strategic Assessment of Amendments
 - Planning Practice Note 46 (PPN46) – Strategic Assessment Guidelines
 - Economic Assessment 81-95 Burnley Street and 26 Doonside Street, Richmond Deep End Services December 2018
 - Analysis of Heritage Issues 81-95 Burnley Street and 26 Doonside Street, Richmond Bryce Raworth Pty Ltd. December 2018
 - Planning Scheme Amendment C223 Report 81-95 Burnley Street and 26 Doonside Street Tract Consultants December 2018
 - Amendment C223- Shadow Diagram Package (Submitted to City of Yarra Council 14 January 2020)
 - Council officer report- Ordinary Meeting of Council - Tuesday 16 July 2019
 - Council officer report- Ordinary Meeting of Council - Tuesday 3 March 2020, including associated attachments.
 - Urban Design Expert Evidence prepared by Ms Catherine Heggen May 2020

Declaration

20. I declare that in preparing the material contained in this report, I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.



Michael Barlow
Director of Planning

1.2. SUMMARY OF MY OPINION

21. The ongoing population growth of metropolitan Melbourne will see highly accessible locations, that are well served with access to employment and other services and amenities, continue to be a major focus for residential development.
22. The City of Yarra possesses all of these attributes including: easy accessibility to a wide range of jobs within the municipality and the central city; access to a wide range of retail and allied services; access to the Yarra River and other major open spaces; and access to the local and state entertainment and cultural facilities.
23. The recent Victoria in Future 2019 forecasts for the population growth of the City of Yarra anticipate that the city's population will grow from 98,000 (2018) to 136,450 in 2036.
24. This will require a further 18,483 dwellings to accommodate the additional population of 37,930 people.
25. Population growth will not stop at that time and there will be ongoing demand for additional housing as metropolitan Melbourne and the City of Yarra continue to grow.
26. The City of Yarra is a relatively compact municipality featuring many established areas with heritage and neighbourhood character. I note that more broadly, 60% of all properties in Yarra are covered by a Heritage Overlay. Over the past 25 years most of the new housing has been provided in urban renewal projects (often referred to as strategic redevelopment sites), many of which are located within or adjacent to activity centres.
27. The number of large redevelopment sites is declining given the significant redevelopment that has occurred in the City of Yarra over the past 10 years.
28. The subject site is within the key urban renewal area of the Victoria Street East precinct centred on the Victoria Gardens shopping centre (which forms the eastern portion of the Victoria Street major activity centre).
29. The local policy and supporting strategies have long identified the subject site as an appropriate location for redevelopment. The site is identified as a strategic redevelopment site. The site by virtue of its large size of 1.3 hectares is easier to develop and will provide a greater level of design flexibility than other sites.
30. Given the rising demand for new housing and the small number of large-scale redevelopment sites in Yarra it is considered these sites must be optimally developed to deliver as much housing as possible.
31. The subject site possesses all the locational attributes that will enable the achievement of the 20-minute neighbourhood principles when developed.
32. The proposed DPO15 seeks to implement a 'preferred maximum 12 storey building height' for the residential towers facing on to Burnley and Doonside Streets. If the current control is adopted as exhibited, I am concerned that the preferred heights of 7 and 12 storeys will become the absolute maximum thus establishing a sub-optimal outcome for such a well-positioned and large site.
33. The shadow diagrams prepared by Ms Heggen of Ratio Consultants demonstrate that a greater height than currently proposed can be established on the site without casting any shadow on the properties on the south side of Appleton Street between the hours of 10:00 am and 2:00 pm at the September Equinox.
34. It is my view there is an opportunity to increase the preferred maximum building height of both 7 storey and 12 storey building elements to enable an optimum development solution to be achieved.
35. The maximum building heights proposed by Ms Heggen create a greater opportunity to achieve a development outcome that balances good urban design principles and dwelling yield.

2. THE DEVELOPMENT OF THE VICTORIA STREET EAST PRECINCT

2.1. INTRODUCTION

36. The City of Yarra by virtue of its proximity to the CBD and allied activities has become an increasingly attractive residential location for part of metropolitan Melbourne's growing population. This attractiveness has led to significant pressure to accommodate the resultant population growth and associated housing demand.
37. Being a relatively small municipality, the pressure to accommodate growth and provide for the needs of the growing population as well as retaining the historical built form fabric is a challenging task. Yarra has managed to do this providing for opportunities for increased development in and around its existing activity centres and on larger former industrial and employment sites – strategic redevelopment sites.
38. The subject site is located within a renewal area known as the Victoria Street East Precinct centred on the Victoria Gardens Activity Centre that was established in 2003. The change in this precinct over the past 20 years exemplifies the significant evolution of the City of Yarra from its manufacturing and industrial base to a mixed-use and service economy with a significantly growing resident population.

2.2. THE SITE

39. The site is bounded by Doonside (north), Burnley (west) and Appleton (south) Streets and has an area of approximately 1.3 hectares. The site is currently improved with a series of warehouse buildings, parking areas and a number of smaller buildings at the eastern part of the site.

2.3. VICTORIA STREET EAST PRECINCT

40. The precinct occupied by the Vickers Ruwolt complex was a major manufacturing hub through the majority of the 20th century. The heavy manufacturing operations ceased in the 1980s and the site was purchased for redevelopment as an office park. The larger factory building fronting onto Victoria Parade was demolished and excavation for the office development had commenced in 1989 – see Picture 1.



Picture 1 – Victoria Gardens Site c. 1995
Source: Salta Properties VPA Leading Practice Series #2

41. Following the collapse of the suburban office market in the 1990/91 recession it was proposed to develop the site as one of Melbourne's first mixed-use developments comprising a sub-regional shopping centre, a residential area adjacent to the Yarra River and offices fronting Victoria Street.
42. The subsequent development history of the site has ultimately led to what we see today as the Victoria Gardens Shopping Centre. It comprised the first major private redevelopment of industrial land in this precinct and is now part of a major activity centre within the City of Yarra.



Picture 2 – Victoria Street Gardens site looking west to Melbourne CBD c. 2014 – Subject site outlined in red
Source: Salta Properties VPA Leading Practice Series #2

43. The impetus of the development of the Victoria Gardens site created the opportunity for surrounding land to be redeveloped for a mix of residential and commercial activities.
44. Furthering the development outcomes achieved in the Comprehensive Development Zone that applies to the Victoria Gardens site, the City of Yarra sought to bolster the outcomes for this area by acknowledging it as being of strategic importance through the preparation of the *Victoria Street East Urban Design Framework November 2005* and subsequently the *Victoria Street Structure Plan 2010* (Adopted April 2010).
45. Whilst these documents are relatively old, they nonetheless show the historic significance of this precinct in terms of its ability to provide for substantial change, noting that ongoing change is required to provide for a range of essential commercial and community services, including medium to high density residential development. Importantly, they are key Background Documents referenced in the Yarra Planning Scheme.
 - The *Victoria Street East Urban Design Framework* seeks to maximise opportunities for redevelopment of industrial sites¹, which by virtue of its historic land use, the land at 81-95 Burnley Street and 26 Doonside Street is suitable. This document underpins Clause 22.11 - Victoria Street East Precinct of the Yarra Planning Scheme.
 - The *Victoria Street Structure Plan*² clearly identifies the Victoria Street East precinct as a Substantial Change area, which includes the subject land at 81-95 Burnley Street and 26 Doonside Street. For the site, itself the Structure Plan identifies its potential for housing mixed with retail business.
46. The Victoria Street East precinct has significantly developed over the past 20 years with only two remaining major opportunities being the subject site and the Victoria Gardens site.

¹ Victoria Street East Urban Design Framework November 2005- Pages 3 & 14

² Victoria Street Structure Plan April 2010- Pages 6 & 8

It is observed that the supply of land for major residential redevelopment is declining from that identified over 10 years ago. Consequently, there is an even greater need to optimise development opportunities in key activity centres and redevelopment sites.

3. PLANNING POLICY CONTEXT

47. The following State and local planning policies are considered to be relevant to my consideration of the planning issues related to the Amendment. I have summarised these and will refer to them in more detail, as relevant, in my report.

3.1. PLANNING POLICY FRAMEWORK

3.1.1. State and Regional Planning Policies

- **Clause 11 Settlement** seeks to provide for the needs of existing and future communities by providing zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.
- **Clause 11.01-1S Settlement** seeks to promote the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements.
- **Clause 11.01-1R Settlement Metropolitan Melbourne** seeks to amongst other things to create mixed-use neighbourhoods at varying densities, including through the development of urban-renewal precincts, that offer more choice in housing, create jobs and opportunities for local businesses and deliver better access to services and facilities.
- **Clause 11.02-15 Supply of Urban Land** seeks to ensure a sufficient of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses. To achieve this, planning for growth should consider opportunities for the consolidation, redevelopment and intensification of existing urban areas including ensuring that sufficient land is available to meet forecast demand.
- **Clause 15.01-4S Healthy Neighbourhoods** seeks to achieve neighbourhoods that foster healthy and active living community wellbeing.
- **Clause 15.01-4R Healthy Neighbourhoods- Metropolitan Melbourne** seeks to create a city of 20 minute neighbourhoods that provide people the opportunity to meet most of their everyday needs within a 20 minute walk, cycle or local public transport trip from their home.
- **Clause 16 Housing** notes that planning should provide for housing diversity and ensure the provision of supporting infrastructure, including affordable housing.
- **Clause 16.01-4S Housing Affordability** seeks to deliver more affordable housing closer to jobs, transport and services.
- **Clause 16.01-3S Housing Diversity** seeks to provide for a range of housing types to meet diverse needs.
- **Clause 16.01-3R Housing Diversity- Metropolitan Melbourne** seeks to create mixed-use neighbourhoods at varying densities that offer more choice in housing.
- **Clause 16.01-2R Housing Opportunity Areas- Metropolitan Melbourne** seeks to manage the supply of new housing to meet population growth and create a sustainable city by developing housing and mixed use development opportunities in locations that are metropolitan activity centres and major activity centres.
- **Clause 16.01-1S Integrated Housing** seeks to promote a housing market that meets community needs by increasing the supply of housing in existing urban areas by facilitating increased housing yield in appropriate locations, including under-utilised urban land as well as ensuring housing developments are integrated with infrastructure and services, whether they are located in existing suburbs, growth areas or regional towns. (my emphasis)
- **Clause 16.02-2S Location of Residential Development** importantly seeks to locate new housing in designated locations that offer good access to jobs, services and transport. To do this, support is given to increasing the proportion of new housing in designated locations within established urban areas and reducing the share of new dwellings in greenfield areas. Support is also given to higher density housing development on sites that are well located in relation to jobs, services and public transport. (my emphasis)

- **Clause 18.02-1S Sustainable Personal Transport** ultimately seeks to ensure that planning for redevelopment sites, amongst other areas, provides opportunities to promote walking and cycling.
- **Clause 18.02-1R Sustainable Personal Transport- Metropolitan Melbourne** seeks to ensure that through new development improving local travel options for walking and cycling to support 20-minute neighbourhoods are achieved.

3.1.2. Plan Melbourne 2017-2050

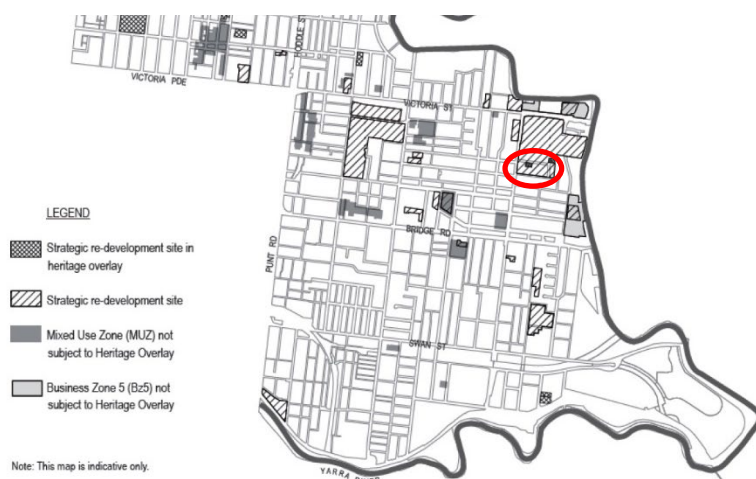
48. A key driver of many of the abovementioned policies is Plan Melbourne 2017-2050. Of particular relevance to the consideration of the current Amendment is **Outcome 2** that *Melbourne provides housing choice in locations close to jobs and services*. The following Directions and Policies seek to facilitate the achievement of this Outcome, being:

- **Direction 2.1** – Manage the supply of new housing in the right locations to meet population growth and create a sustainable city.
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.
- **Direction 2.2** – Deliver more housing closer to jobs and public transport
Policy 2.2.2 – Direct new housing and mixed use development to urban renewal precincts and sites across Melbourne
Policy 2.2.3 – Support new housing in activity centres and other places that offer good access to jobs, services and public transport
- **Direction 2.3** – Increase the supply of social and affordable housing
Policy 2.3.3 – Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing

3.1.3. Local Policy

49. I consider the key provisions of the local planning policy framework relating to the support for the redevelopment of the site are as follows:

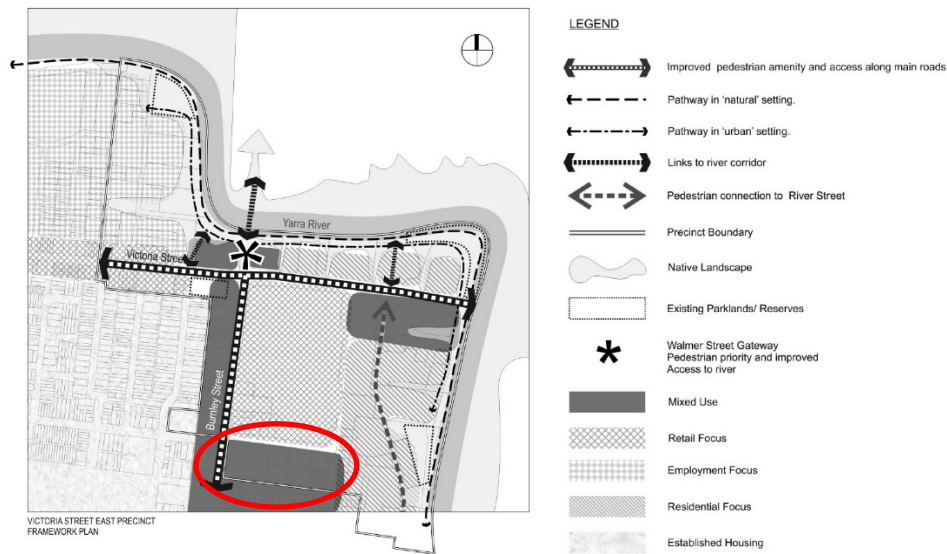
- **Clause 21.03 Vision** (Residential Opportunities Map) expressly identifies the site as part of the broader Victoria Gardens strategic redevelopment area.



Extract from Residential Opportunities Map

- **Clause 21.08 Neighbourhoods** identifies the site as being located in the Victoria Street East Precinct. Figure 21 of Clause 21.08 directly refers to supporting the rezoning of the site to mixed use zone.
- **Clause 22.11 Victoria Street East Precinct Policy** (which is derived from the Victoria Street East Urban Design Framework) seeks to maximise opportunities for new

development on former industrial sites and other disused sites while protecting the amenity of the surrounding area and enhancing the landscape character of the River corridor. Map 1 of Clause 22.11 (Victoria Street East Precinct Framework Plan) identifies that site within a mixed use precinct.



Extract from Victoria Street East Precinct Framework Plan

- The **Victoria Street East Urban Design Framework** provides further context insofar as supporting the rezoning of the land from Industrial 3 Zone to Mixed Use Zone to enable a mix of commercial and higher density residential uses. It notes that the rezoning of the land would help to create an appropriate transition between Victoria Gardens and nearby residential areas.

3.2. SUMMARY

50. It is readily apparent that there is direct and consistent policy support for the rezoning of the site to Mixed Use to enable its redevelopment for principally residential purposes.
51. Most importantly the subject site's location, size, access to employment, other services and facilities as well as public transport confirm that the resultant development will provide housing in a highly desirable location.

4. THE DEMAND FOR HOUSING IN CITY OF YARRA

4.1. INTRODUCTION

52. The strong policy support for the rezoning easily answers the key question, of whether to rezone the site to enable residential use, with a resounding yes.
53. Yet that only answers one part of the question dealing with use.
54. The second part of the assessment must consider the appropriate scale of development that may be achieved on the site. This is not only a matter of urban design and amenity considerations. Rather it is one of ensuring the ultimate development of the site is at an optimum balance between urban design and amenity matters and ensuring that the site is not underutilised.
55. The following sections of the report assess this issue.

4.2. A GROWING POPULATION

56. The events of the last 30 years have witnessed a significant change in the City of Yarra. In the early 1990s the City of Yarra's population was at an all-time low of approximately 54,000 people.
57. This was result of the ongoing suburbanisation of metropolitan Melbourne that commenced in the 1950s. Allied with this was the closure of much of the manufacturing base in the 1980s and early 1990s in particular textiles, clothing and footwear reducing the number of local employment opportunities.
58. Since the mid-1990s there has been steady increase in the demand for housing in Yarra as Melbourne started to 're-centralise'. By 2006 Yarra's population had grown to 73,500 people. In the more recent past Yarra has experienced rapid population growth. In the period 2011 to 2016, Yarra saw an annual increase of 3.7% which corresponded with a peak in housing development completions.³
59. The most recent official population projections, Victoria in Future 2019⁴ (VIF 2019), expects that Victoria will add 4.7 million people from 2018 to 2056, resulting in an overall population of 11.0 million. This equates to an average annual growth rate of 1.5% over the entire period. Greater Melbourne will account for most of the expected growth with a further 4.0 million people.
60. The Inner Metropolitan Melbourne LGAs, which includes the City of Yarra (together with Melbourne and Port Phillip), will experience the second highest average annual growth rate of 2.4% up to 2036, second only to Metropolitan Growth Area LGAs.
61. The future resident population for the period between 2018 and 2036 is estimated as follows:

Table 1 – Estimated Resident Population by Local Government Area, 2018-2036

Inner Metropolitan Melbourne	2018	2036	Additional Population	Average Annual Rate
Melbourne	169,960	292,630	122,670	3.1%
Port Philip	113,200	159,450	46,250	1.9%
Yarra	98,520	136,450	37,930	1.8%
Metro Melbourne	4,843,928	6,781,149	1,937,221	1.9%

Source: Victoria in Futures 2019

³ City of Yarra Housing Strategy November 2018 - Page 41

⁴ Victorian State Government Victoria in Future 2019 Population Projections 2016 to 2056 July 2019 - Page 9

62. It is noteworthy that the growth projections for Victoria since the early 2000s have consistently underestimated the actual amount of population growth – see Figure 1. In 2004 it was then estimated that Yarra’s population would reach 90,000 by 2031. That figure was achieved in 2015/16.

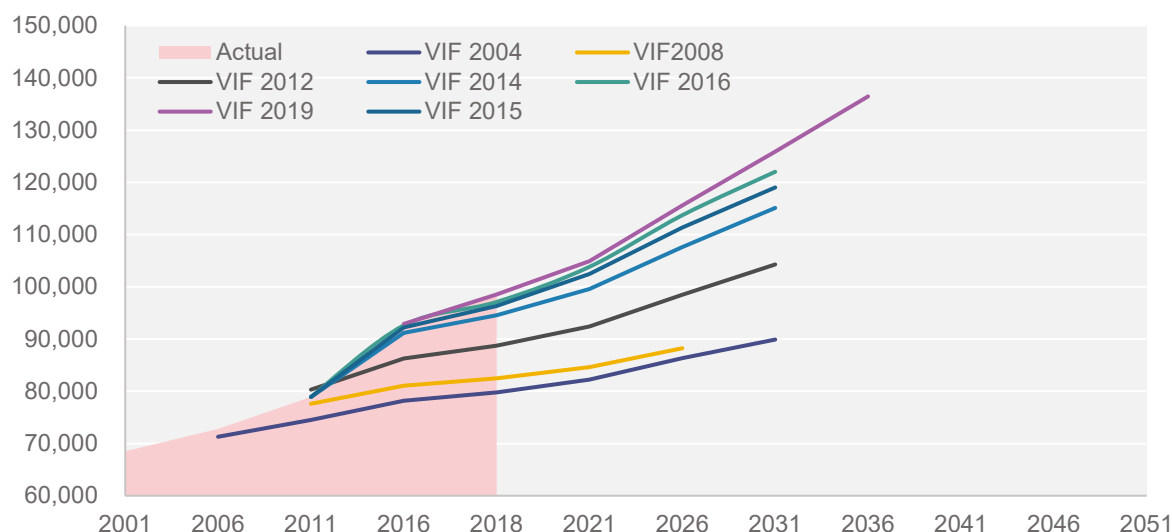


Figure 1 – City of Yarra- Comparison of Estimated Resident Population versus VIF Population Projections
Source: ABS and VIF Population Projections 2004-2019; Urbis

63. Population growth will not stop in 2036. The VIF 2019 forecasts expect a further 2.2 million people to live in metropolitan Melbourne between 2036 and 2056. The demographic forecasting firm id Consulting⁵ (used by the City of Yarra) estimates that the population for Yarra in 2041 will be 157,600 people.
64. It is readily apparent that the City of Yarra will continue to be an attractive location and will accommodate some of that additional metropolitan growth beyond the current forecast periods.
65. It is acknowledged that the ‘black swan’ event of the Covid 19 pandemic will have an impact on these projections, particularly in the short term. It is likely that Victoria’s population growth will be significantly below that forecast for 2021 given the expected fall in net immigration (with Melbourne being the number one destination within Australia for international migrants).
66. At present it is not possible to accurately estimate the potential impacts beyond that period, however there are several factors that strongly suggest that Australia (and Victoria) will remain an attractive destination for immigrants over the longer term.
67. It is also noted that whilst population growth from immigration will not be as high as forecast in the short term there is continuing strong ‘natural’ or local population growth.
68. Notwithstanding these short-term changes to population growth, it is necessary to plan for significant future population growth. It would be highly undesirable to go back to the mid-2000s when population growth accelerated well beyond the forecasts and created a profound impact on the planning and development of the metropolis, including the need to greatly expand the recently introduced Urban Growth Boundary.
69. In summary, Yarra has experienced significant growth over the past 25 years due to the increased attractiveness of central Melbourne as both a place to work and live. It is anticipated that whilst population growth will slow in the short term the long-term population growth of Melbourne will remain high.
70. Demand for housing will continue with this population growth and the ongoing decline in household sizes.

⁵ It is noted that id Consulting’s forecasts are approximately 5% higher than VIF 2019 for the same time periods from 2021 to 2036.

4.3. POPULATION GROWTH AND DWELLING ACTIVITY

71. The City of Yarra has sought to provide a framework for its future housing challenges through the preparation of the Yarra Housing Strategy⁶. Whilst yet to be implemented within the Yarra Planning Scheme it provides a helpful overview of the City's housing situation and anticipated future capacity to accommodate dwelling demand.
72. The Housing Strategy⁷ notes that since 2010 the annual increase in new dwellings has risen to 1,160 per annum (relying on data from DELWP's 2014 Housing Development Data). A review of DELWP's Housing Development Data 2017, reveals that Yarra's annual increase in new dwellings from 2010 to 2016 rose to 1,213 per annum. This simply reflects a continued strong dwelling output driven by the demand for inner city living and the advantages it provides.
73. The majority of this new housing was provided in urban renewal projects. Moreover, the majority of new dwellings were in or adjacent to activity centres (according to DELWP data 87% of net new dwellings between 2005 – 2016 were within 400 metres of an activity centre). I expect that this trend will continue in Yarra for the foreseeable future.
74. Another telling trend has been the increase in dwelling density in new projects as the city continues to grow. The average dwelling density for new projects in the inner Metropolitan Melbourne municipalities⁸ increased from approx. 100 dwellings per hectare for the period 2005-2010 to approx. 190 dwellings per hectare for the period 2011-2016.
75. The Housing Strategy relies on the State official projections contained in Victoria in Future 2016 to provide an estimation of future demand. The Strategy (and VIF 2016) assumes that for the period of 2016 to 2031 there will be 29,412 additional residents in Yarra and demand for 13,431 new dwellings.
76. The VIF 2019 projections now estimate that there will be 32,961 new residents and 18,483 new dwellings for that period⁹. This respectively reflects an approximate 11% and 27% uplift in projections. It is also notable that for the 5-year projection from 2031 to 2036 population is expected to grow by 10,600 people, creating demand for a further 5,200 dwellings.
77. The DELWP data¹⁰ also confirms that the Richmond-Victoria Street activity centre experienced the fifth highest increase in dwelling stock for all activity centres in established Melbourne between 2005-2016. Much of this increase would have been focussed around the eastern precinct.

4.4. WHAT IS THE CITY OF YARRA'S CAPACITY TO ACCOMMODATE GROWTH?

78. Yarra's potential to accommodate significant growth is largely dependent on the ability of significant sites being developed in a manner that optimises their dwelling supply. Many sites have already been developed and the remaining sites are becoming a rarer commodity.

4.4.1. Large-scale development

79. It is apparent that Yarra's residential neighbourhoods, many of which are subject to heritage controls, have limited opportunity to accommodate substantial additional residential development.
80. Consequently, this has led to the direction of new and more intensified development in major activity centres and former industrial areas.¹¹ In doing so, this has provided housing in locations closer to jobs, transport and a wide range of services.

⁶ City of Yarra Housing Strategy adopted by Council November 2018

⁷ City of Yarra Housing Strategy November 2018 - Page 43

⁸ DELWP Housing outcomes in established Melbourne 2005 to 2016 – Figure 5 page 14

⁹ Victorian State Government Victoria in Future 2019 Population Projections 2016 to 2056 July 2019

¹⁰ DELWP Housing outcomes in established Melbourne 2005 to 2016 – Table 2 page 12

¹¹ City of Yarra Housing Strategy November 2018 - Page 47

81. Since the identification of Yarra's strategic redevelopment sites in the Planning Scheme the majority have been developed. The draft Housing Strategy¹² comments on the strategic redevelopment sites as follows:

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.

82. The remaining strategic redevelopment sites as identified by the adopted Housing Strategy are shown below. The subject site and the Victoria Gardens precinct are the second largest land area (behind the former Amcor Site).

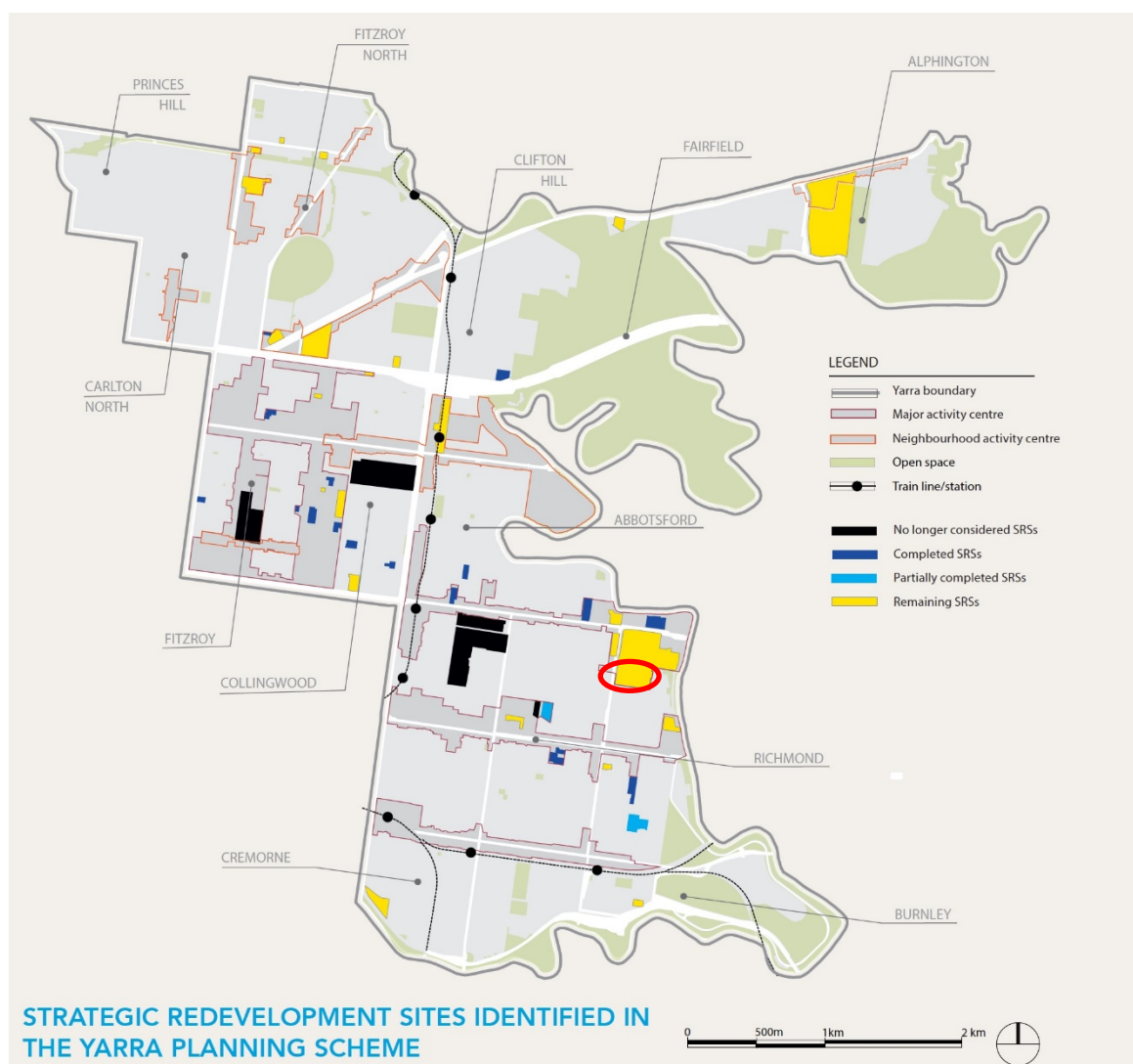


Figure 2 – City of Yarra Strategic Redevelopment Sites
Extract from Yarra Housing Strategy November 2018 – page 49

83. I agree with the Housing Strategy insofar as acknowledging that the remaining strategic redevelopment sites will make an important contribution to future housing supply. In light of Yarra's

¹² ibid – page 47

projected population growth and associated dwelling demand, I also consider that it is strategically imperative that they are planned and developed to deliver as much housing as possible.

- 84. Once the sites are developed and subdivided the likelihood that additional housing can be added at a later date is high on impossible.
- 85. It is clear that the Housing Strategy supports new development proximate to and within activity centres to create sustainable living, with walkable neighbourhoods and utilisation of alternative modes of transport other than the private car. The direction of housing to such areas is remarkably consistent with the principle of 20-minute neighbourhoods espoused in Plan Melbourne.
- 86. In Yarra's case, I consider that strategic redevelopment sites provide greater opportunity to provide a more flexible and aspirational development outcome that can lead to a diverse and denser form of development in highly accessible locations. This is where the value lies in optimising such sites.

4.4.2. Future Supply and Housing Capacity

- 87. Yarra's future housing land supply is to be principally found in activity centres, mixed-use zone precincts and key redevelopment sites¹³.
- 88. On the matter of housing capacity, I observe that the Housing Strategy undertook an analysis of Yarra's major and neighbourhood activity centres to provide for housing over a 15 year period¹⁴.
- 89. Whilst I do not seek to challenge the assumptions used to inform the interactive housing capacity model (Residential Capacity in Activity Centres model, SGS 2018), I do consider that as with all modelling, there is a high level of discretion, particularly with the use of assumptions around available land, capacity and take-up rates.
- 90. The modelling determined that Yarra's activity centres alone can supply approximately 14,300 dwellings by 2031¹⁵. I note that this figure is greater than the Strategy's adopted dwelling requirement projections of 13,341 albeit, they fall short of the updated VIF 2019 dwelling projections of 18,483.
- 91. The model anticipates an output of 9,900 new dwellings for Yarra's major activity centres, which includes the site at 81-95 Burnley Street/26 Doonside Street.
- 92. I consider that the assumption pertaining to the Site is therefore an assumption at best. Until the site has progressed through the rezoning, development plan approval and subsequent planning permit processes, the ultimate dwelling output will be unknown, whether it be higher or otherwise than assumed in the modelling undertaken by SGS.
- 93. My observations also take me to a recent planning scheme amendment to the Yarra Planning Scheme, Amendment C231, which sought to introduce built form controls to manage changes along Queens Parade and guide the scale of future buildings to provide certainty about development outcomes.
- 94. Evidence prepared by SGS Economics and Planning¹⁶ provided an updated position insofar as Yarra's housing capacity. In effect, this updated housing capacity analysis has been accepted by Council and used to inform subsequent planning scheme amendments to the Yarra Planning Scheme, such as Amendment C269 which seeks to undertake a rewrite of the Yarra Planning Scheme.
- 95. Interestingly, the evidence states that Yarra's housing capacity has increased from 14,300 for the period up to 2031, as identified in the Housing Strategy, up to 32,730 dwellings across Yarra's activity centres. This represents a housing capacity uplift of 128%. However, this capacity is not simply for a fixed period of time but an estimate of the long-term capability of a wide range of sites to be redeveloped at a given yield.
- 96. I have not had the opportunity to undertake a review the model used to determine the original or updated housing capacity figures. However, upon my review of Andrew Spencer's evidence, I find

¹³ City of Yarra Housing Strategy - Page 59

¹⁴ *ibid*- Page 64

¹⁵ *ibid*- Page 64

¹⁶ Evidence Statement of Andrew Spencer, SGS Economics and Planning 1 August 2019 - Page 10

that his explanation of the model notes that it allows various parameters to be adjusted and the results immediately updated and noted¹⁷. The parameters are based on those I have outlined previously in this section (land availability, capacity and take-up rates). I consider this to be a highly flexible model and consequently note the high level of subjectivity in its usage in terms of inputs and outputs.

97. I also note the ongoing Amendment C269 (referred to above) will also seek to implement the key findings of the Housing Strategy. The background work undertaken for this amendment relies upon the updated monitoring undertaken by SGS for Amendment C231 and accordingly considers that Yarra's housing capacity is sufficient to meet updated population projections contained in VIF 2019.
98. Notwithstanding the significant increase in Yarra's apparent housing capacity, as a consequence of recent updates to the Residential Capacity in the Activity Centres model, this does not obviate the need for the subject site to be developed in a manner that seeks to maximise housing potential.
99. This is particularly the case given the limited number of available significant redevelopment sites and the locational benefits of the site set out below.

4.5. ATTRIBUTES OF THE SUBJECT SITE

100. I consider the site has many attributes that align with state and local planning policy and will enable future development to deliver on the principle of the 20-minute neighbourhood espoused by *Plan Melbourne 2017-2050*.
101. The hallmarks of a 20-minute neighbourhood are set out in Figure 3 below:

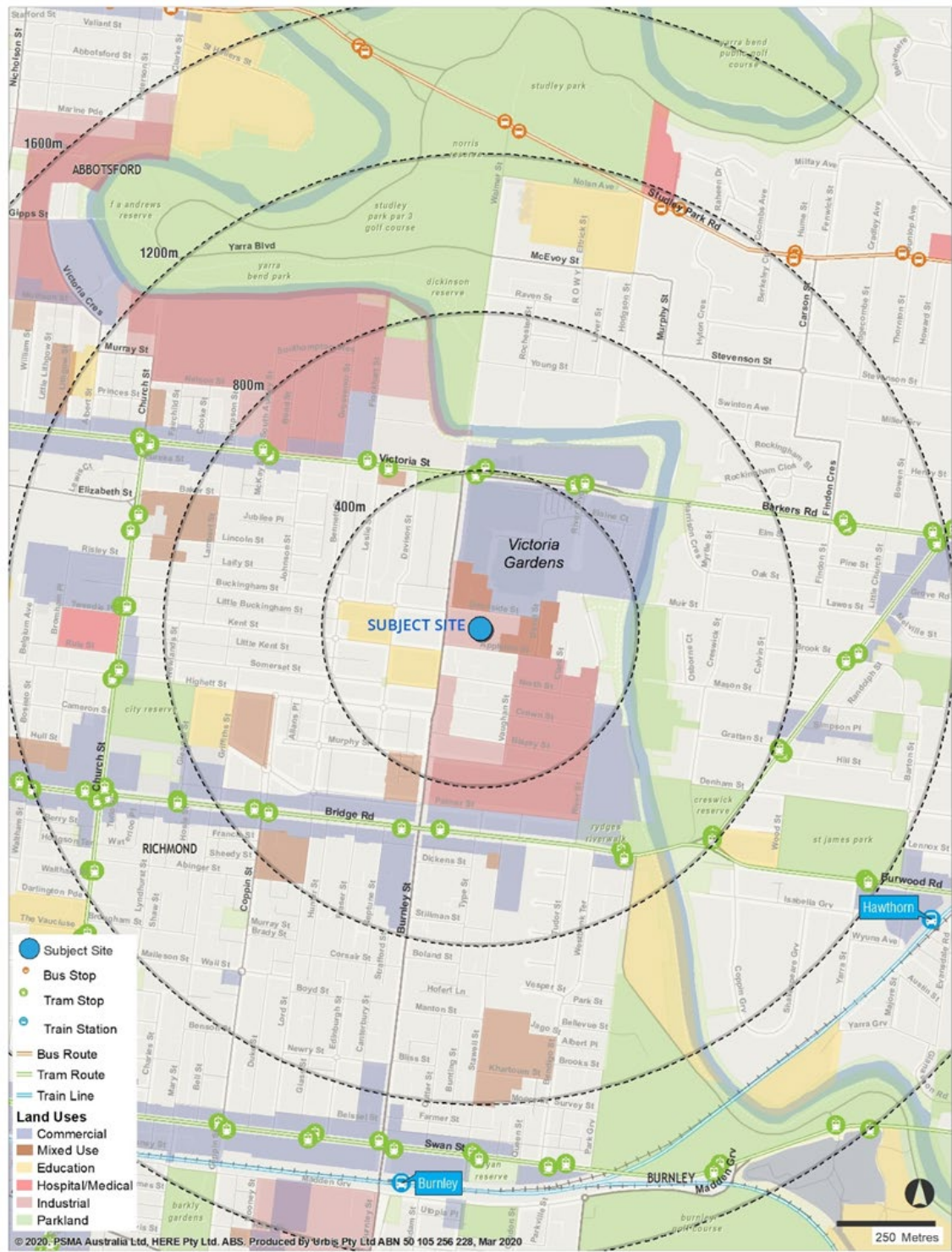


Figure 3 – The 20-minute neighbourhood
Extract for Chapter Plan Melbourne 2017-2050 page 99

102. It is fair to say that many, if not all, of the strategic redevelopment sites in Yarra have the ability to satisfy this principle, but the site by virtue of its size and immediate proximity to Victoria Gardens has a number of notable benefits.

¹⁷ Evidence Statement of Andrew Spencer, SGS Economics and Planning 1 August 2019 - Page 3

103. Figure 4 below shows the site's accessibility to key land uses and public transport networks.



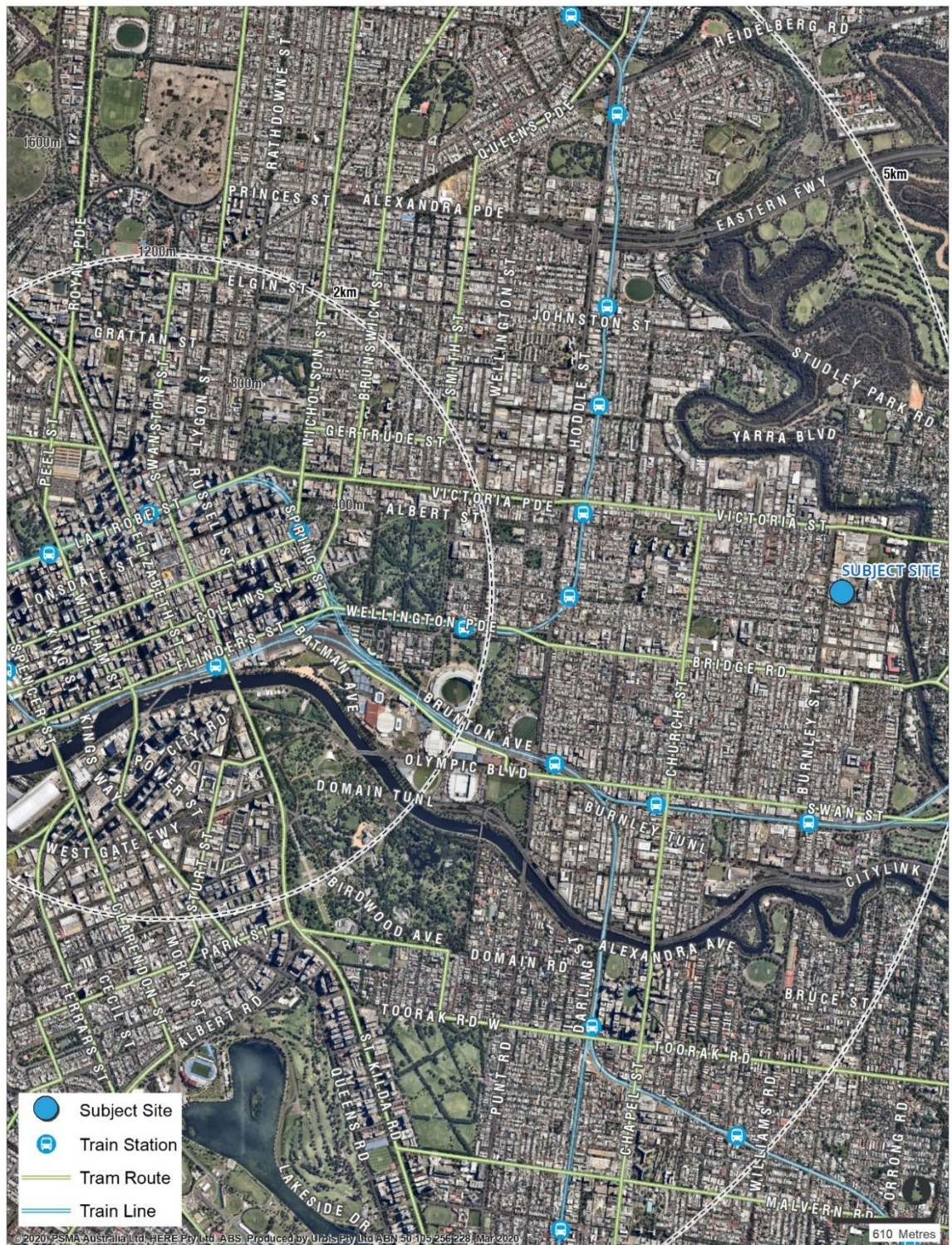
81-95 BURNLEY STREET & 26-34 DOONSD STREET, RICHMOND
LAND USES & PUBLIC TRANSPORT

Figure 4 – Accessibility to Key Land Uses and Public Transport

104. I note that within a 400-metre walking radius, the site has access to:
- Victoria Street Major Activity Centre.
 - Victoria Gardens Shopping Centre which includes supermarket and DDS retail services.
 - Tram services on Victoria Street with a super stop at the intersection with Burnley Street.
 - Key employment hubs to the north and south/south-east.
 - A wide range of education services west of Burnley Street including two primary schools.
 - Yarra River Corridor, including the Main Yarra Trail.
105. Within an 800-metre walking distance, I note the site has access to several other key services including:
- The Richmond High School
 - Proximity to Bridge Road Major Activity Centre.
 - Proximity to areas of local employment centres to the south-west.
 - Proximity to key Public Transport services on Bridge Road.
106. In a broader context, it is also important to note the site's relationship to the Melbourne CBD insofar as access to this major employment, entertainment and cultural hub. Figure 5 at page 19 shows the key transport routes that lead into the CBD along Victoria Street and Bridge Road.
107. I consider that the site is also of a scale that can provide for other elements such as open space and new connections that will integrate future development into the precinct.
108. I consider the above attributes add significant weight to the need to ensure the site is developed to its fullest potential.

4.6. SUMMARY

109. In summary, the City of Yarra's population will continue to rise over the next 15 years and beyond. Current forecasts estimate that the population will reach approximately 93,500 people by 2036 and will require an additional 18,400 dwellings. The population of the municipality will continue to rise as metropolitan Melbourne continues to grow through to the mid-century when Melbourne is forecast to have a population of around 8.8 million people.
110. Much of Yarra's residential development has occurred in and around its various activity centres (87%). The Yarra Housing Strategy acknowledges that the opportunity for growth in residential neighbourhoods is declining.
111. The rising population combined with the declining number of strategic redevelopment sites highlights the need to get the best possible development yield from each remaining site.
112. The subject site at 1.3 hectares is one of the larger redevelopment sites, in a single ownership, and possesses all the locational attributes that will enable the achievement of the 20-minute neighbourhood principles when developed.
113. The site has the potential to accommodate a large number of new dwellings and should be encouraged to achieve an optimum yield balanced against the site context, the achievement of good urban design outcomes and amenity impacts. These matters are discussed in Section 5.



81-95 BURNLEY STREET & 26-34 DOONSIDE STREET, RICHMOND PROXIMITY TO CITY

Figure 5 – Site Context - proximity to City

5. WHAT IS THE OPTIMUM OUTCOME FOR THE SITE?

114. This area of Yarra has seen significant change in the past and will continue to see change well into the future. Moreover, this area is no stranger to new development which ultimately seeks to meet the established policy objectives and importantly the housing and commercial needs of the resident population.
115. The exhibited Development Plan Overlay requires:
- The preparation of a development plan generally in accordance with the Indicative Framework Plan contained in the overlay control. The Indicative Framework Plan shows building zones with heights of 12 storeys (42 metres), 7 storeys (24.5 metres) and one of 11 storeys (38.5 metres).
 - The provision of open space
 - The creation of a through block link
 - The provision of 10% of all dwellings as affordable housing
 - The provision of certain infrastructure works to support the development of the site
116. It appears that precedence has played a role in determining building heights for the site (as proposed in the *Indicative Framework Plan* of the schedule to the DPO). To a degree the existing scale in a location is a matter to be considered, but in cases such as strategic redevelopment sites is not determinative.
117. It is my view that major sites must be assessed according to their own merits and attributes and not simply on what has gone before.

5.1. WHAT ARE THE KEY CONSIDERATIONS?

118. I consider the following matters relevant to determining and optimum development scale for the site:
- The size of the site.
 - The interface with the residential areas to the south and overshadowing impacts.
 - Urban design principles and integration with the heritage elements on the site.
119. On the matter of heritage, I defer to others to assess.
120. As mentioned above the subject site can provide a transition between the Victoria Gardens Shopping Centre to the north and the established residential area to the south of Appleton Street. Consequently, the interfaces and surrounding developments affecting it are a key consideration in how it can be maximised insofar as building scale.
121. I note a 'blanket approach' to maximum buildings heights for larger building elements of the subject site does not provide sufficient flexibility for the future detailed design stages nor do I consider it a reasonable planning approach.

5.1.1. Size of the Site

122. The site by virtue of its size and multiple street frontages provides greater flexibility in terms of the location and orientations of future buildings. As the Yarra Housing Strategy notes¹⁸ *larger sites tend to be easier to develop and provide a greater level of design flexibility*.
123. The site size in this instance also allows for the creation of a through block link and open space with a northern aspect on Doonside Street.
124. The size of the site will enable it to create a transitional element in the precinct acknowledging the Victoria Street Shopping Centre (and its potential) to the north but also the established residential areas to the south.

¹⁸ Yarra Housing Strategy November 2018 – page 47

5.1.2. Interface and shadowing Impacts

125. The exhibited and post-exhibition versions of Schedule 15 to the Development Plan Overlay require the preparation of shadow diagrams that demonstrate:
- *No unreasonable overshadowing of Doonside Street public open space*
 - *No overshadowing of private properties on the southern side of Appleton Street beyond that caused by a building of 11m when measured between the hours of 10.00am and 2.00pm at September Equinox.*
 - *No overshadowing of the footpath on the western side of Burnley Street from 11am at the September Equinox.*
126. The Yarra Planning Scheme also contains policy relating to the management of overshadowing impacts from development at the planning permit stage.¹⁹ This policy is found at Clause 22.10-3.8 Built Form and Design Policy, which seeks to ensure that new development does not substantially overshadow adjoining residential private open space or public facilities such as parks or gardens.
127. I note the proposed DPO15 gives priority to protecting 'private properties' south of Appleton Street from overshadowing beyond that caused by a building of 11m when measured between the hours of 10.00 am and 2.00 pm at the September Equinox. This approach seeks to protect not just private open space from significant overshadowing but the entire private property including front gardens open to public view.
128. I consider that the overshadowing requirements of DPO15 in relation to properties south of Appleton Street are somewhat onerous when compared to other provisions in the Yarra Planning Scheme – particularly by referencing an 11 metre height. It is noted that these requirements have been borrowed (in part) from Schedule 9 to the Design and Development Overlay (Doonside precinct) affecting the Embassy Apartment buildings.
129. A better approach would be to require that the new buildings not cast additional overshadowing of the properties on the south side of Appleton Street between the hours of 10:00 am and 2:00 pm at the September equinox.
130. In summary, it is considered that the proposed September equinox test is the appropriate measure to be used in assessing the reasonableness of overshadowing impacts arising from future development on the site subject to the suggested modification to the relevant control.

5.2. WHAT IS THE OPTIMUM OUTCOME?

131. The DPO15 seeks to implement a 'preferred maximum 12 storey building height' for the residential towers facing on to Burnley and Doonside Streets. It seems to have been largely informed by earlier developments adjoining the site to the east.
132. The exhibited version of DPO15 appears to take a blanket approach to the 12 storey building heights and there is no guidance within the proposed control as to what would 'make the case' for a variation in height (especially an increase). If the current control is adopted as exhibited, I am concerned that the preferred heights of 7 and 12 storeys will become the absolute maximum thus establishing a sub-optimal outcome for such a well-positioned and large site.
133. I have been provided with the urban design assessment of the Amendment prepared by Ms Catherine Heggen of Ratio Consultants. I have reviewed the shadow diagrams prepared by Ms Heggen which show that a greater height than currently proposed can be established on the site without casting any shadow on the properties on the south side of Appleton Street between the hours of 10:00 am and 2:00 pm at the September Equinox.
134. The maximum building heights proposed by Ms Heggen satisfy the requirements in relation to no overshadowing of private properties on Appleton Street.

¹⁹ Ibid

135. It is my view, based on the assessment of Ms Heggen, that there is an opportunity to increase the preferred maximum building height of both 7 storey and 12 storey building zone elements to enable an optimum development solution to be achieved.
136. I agree with Ms Heggen that the proposed changes to the Framework Plan provide greater flexibility. I also note that this approach creates a greater opportunity to achieve a development outcome that balances good urban design principles and dwelling yield.

6. CONCLUSION

- 137. In conclusion, it is readily apparent that the proposed rezoning of the subject site to enable its use and development for housing and associated employment uses is fully supported by State, Regional and Local planning policy and their associated strategies.
- 138. The release of the land for redevelopment is also consistent with the key policy directions for housing within Plan Melbourne 2017-2050. Most importantly, the site possesses all the locational attributes that will enable the achievement of the 20-minute neighbourhood principles when developed.
- 139. Ongoing population growth is creating significant demand for housing within the City of Yarra. This demand will continue.
- 140. Given the site's size and locational attributes and the reducing number of other large redevelopment sites it is necessary that the site be developed to its optimum potential.
- 141. The development of the site to its optimum potential will also result in a significant addition to the supply of affordable housing stock within the City of Yarra.
- 142. It is apparent from the assessment of Ms Heggen that a development potential (in terms of building height) greater than that proposed by the DPO 15 Indicative Framework Plan can be achieved on the site without creating adverse amenity or shadowing impacts on nearby residences.
- 143. I support the changes to the Indicative Framework Plan recommended by Ms Heggen as I consider it will provide the opportunity to optimally develop the site to the long term benefit of the community.

