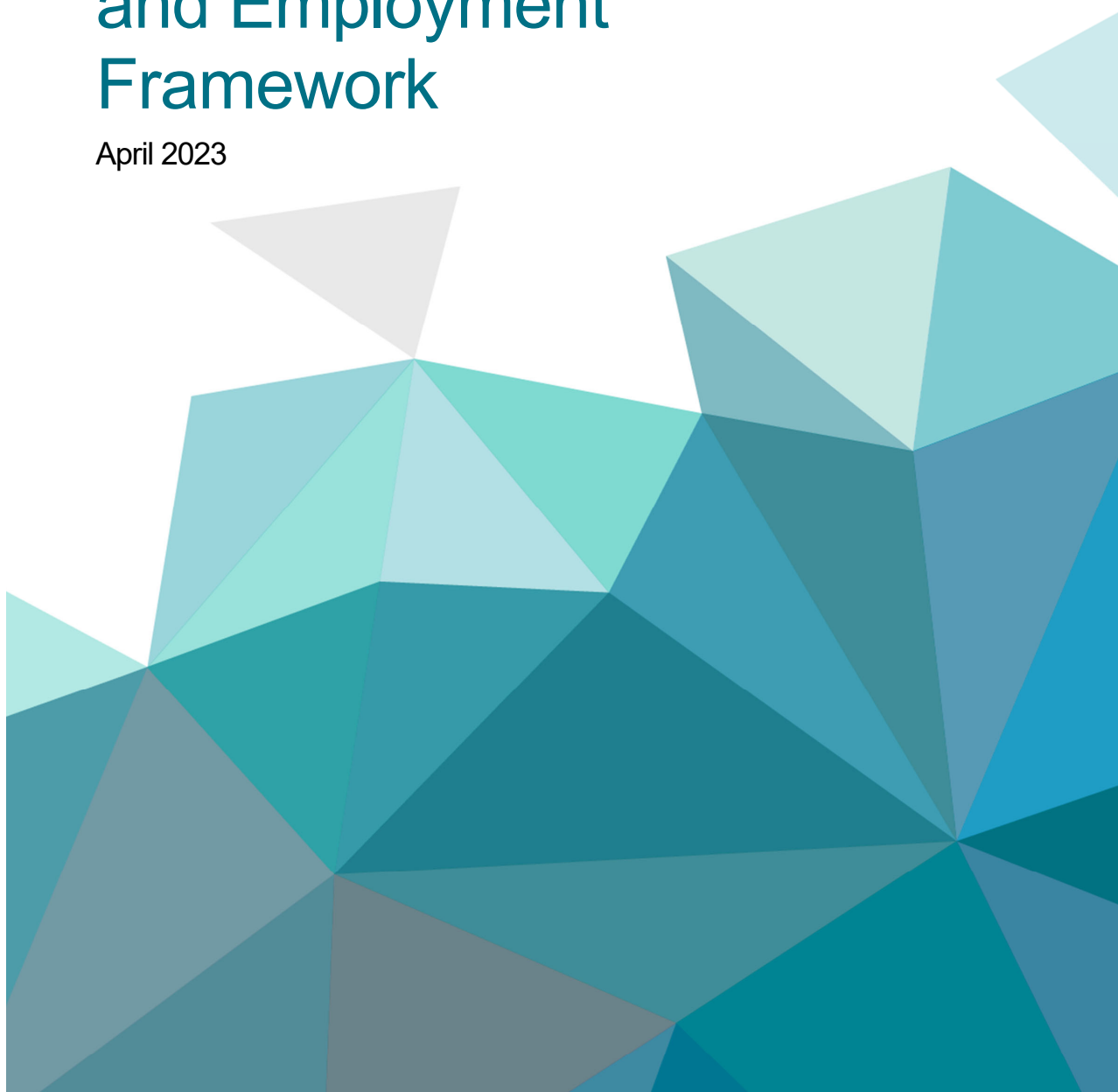




DRAFT

Spatial Economic and Employment Framework

April 2023





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Overview

Purpose

The City of Port Phillip is home to a substantial business and employment base which capitalise on its proximity to the CBD and Port Phillip Bay.

The economic and employment role of the municipality has evolved from early industrial and seaside resort functions towards professional services as part of an expanded central city, and the specialisations of tourism and creative industries. The importance the traditional shopping strips has endured.

This evolution is shaped by boarder economic forces and local conditions, requiring regular updates to economic and land use policies and strategies.

Land use planning is one of the key tools available to Councils to direct, facilitate and optimise economic activity. It shapes employment and economic activity through a combination of policy and controls that influence the type, intensity, and combination of uses that are permissible on land.

The Spatial Economic and Employment Framework (SEEF) sets out a series of directions and strategies to support economic growth and vitality over the coming years.

The purpose of the SEEF is to:

- understand and realise Port Phillip's economic and employment growth opportunities
- provide a strategic basis for future decisions on employment land
- provide direction for employment outcomes in Activity Centres
- provide a strategic basis to update planning policy and controls in the Port Phillip Planning Scheme.

The SEEF is informed by independent research and analysis, as well as targeted consultation with representatives from various sectors, businesses and government and a range of stakeholders.

It is to complement other Council strategies that guide decisions and investment across the municipality, including the Port Phillip Creative and Prosperous City Strategy.

This document summaries the key findings and strategic framework set out in the accompanying Technical Report. Detailed research and analysis can be found in the accompanying Technical Report.



Process

The process undertaken to prepare the SEEF is summarised in the table.

The Directions and Strategies presented in this SEEF respond to issues that emerged throughout the research component and raised during the targeted consultation phase. Council invites input and feedback from all members of the community on the SEEF.

The accompanying Technical Report was prepared prior to the release of the 2021 Census data. This will be updated as part of finalising the SEEF.

What we heard so far?

Council conducted several consultations in the preparation of the SEEF with a range of stakeholders and representatives. The findings of the outcome are embedded in the accompanying Technical Report based on the relevant theme and topic.

Table 1 Process

The process so far:
<p>Economic research and analysis:</p> <ul style="list-style-type: none"> • Strategies and polices which need to be considered in the preparation of a framework • The local economic profile and trends • Employment projections and development capacity • Preparation of a technical report which outlines the key trends and considerations which a framework should address
<p>Targeted consultation with:</p> <ul style="list-style-type: none"> • Businesses, real estate and government representatives to identify emerging challenges and opportunities • Representatives in the creative sector • Council’s Business Advisory Committee <p>Consultation methods included business surveys; workshops; focus groups; and direct interviews</p>
Draft Spatial Economic and Employment Framework
Consultation – mid 2023
WE ARE HERE
Final Spatial Economic and Employment Framework – late 2023

Planning Context

State and Regional Framework

The SEEF

meets planning policy, including

Clause 17 of the Port Phillip Planning Scheme, in particular:

- To plan for an adequate supply of commercial land
- To strengthen and diversify the economy: **South Melbourne** is now specifically mentioned in regional planning policy in the Port Phillip Planning Scheme: *Retain and encourage the development of areas in and around Collingwood, Cremorne and South Melbourne for creative industries*

implements state planning strategies

Plan Melbourne includes directions for the central city area. Key features within Port Phillip include:

- Fishermans Bend;
- St Kilda Road precinct; and
- ANZAC Station.

Several features are adjacent to the municipality, including:

- Alfred Hospital;
 - Arts precinct; and
 - Fishermans Bend National Employment and Innovation Cluster (NEIC).
-



Figure 2 Plan Melbourne – Key Features In and around Melbourne’s Central City



Key features in and around Melbourne’s central city

- | | | | |
|---|---|--|---|
| <ul style="list-style-type: none"> Central Business District National employment and innovation cluster (NEIC) Major urban renewal precinct (2015 - 2051+) Priority precinct⁽¹⁾ Other precinct Health facility Education facility | <ul style="list-style-type: none"> Key precinct 1 Port of Melbourne 2 Arts precinct 3 Sports precinct 4 St Kilda Road precinct Landmark Public open space | <ul style="list-style-type: none"> Metro Tunnel (rail) New station State-significant road corridor Western Distributor (potential alignment) Rail network Train station Train network Road network Wateryway Waterbody | <ul style="list-style-type: none"> ⁽¹⁾ Priority precincts: 1 Fishermans Bend (Lorimer, Montague, Sandridge, Wirraway) 2 Arden and Macaulay 3 Flinders Street Station to Richmond Station Corridor <p>Source: Department of Environment, Land, Water and Planning</p> |
|---|---|--|---|

Source: Plan Melbourne.

Draft Inner Metro Framework Plan which reflects the key areas identified in Plan Melbourne

Melbourne Industrial and Commercial Land Use Plan (now a background document in the Port Phillip Planning Scheme)

The SEEF

recognises the Fishermans Bend Framework

The **Fishermans Bend Framework**; guides the area's transition into a connected, liveable, prosperous, inclusive, healthy and environmentally sustainable place providing for 80,000 residents and 80,000 jobs – 34,000 of which are proposed to be in the City of Port Phillip. It comprises five precincts across two municipalities:

- 'Fishermans Bend **National Employment and innovation Cluster**' (NEIC), located in the City of Melbourne.
- 'Fishermans Bend Urban Renewal Area' (URA), **comprising four mixed use precincts** including Lorimer in the City of Melbourne, and Montague, Sandridge and Wirraway Precincts in the City of Port Phillip.

The proximity of Fishermans Bend to the West Gate Freeway means businesses have ready access to a regional road network.

The Freeway however also provides a significant constraint to movement between the five Fishermans Bend precincts. The existing public transport, walking and cycling network within Fishermans Bend is limited and this will need to be upgraded over time to meet future population and employment needs. The new Westgate Tunnel will help alleviate this pressure. The Fishermans Bend Framework includes strategies to improve pedestrian and cycle movement across the freeway.



Figure 2 Fishemans Bend Precincts



Source: Fishemans Bend Framework Plan, 2018.

Precinct	Employment	Residents	Land use focus
Wirraway	4,000	17,600	Inner city neighbourhood
Sandridge	26,000	27,200	Office and commercial centre, balanced with diverse housing and retail
Montague	4,000	23,200	Mixed use precinct
Lorimer	6,000	12,000	Mixed use precinct
Employment (NEIC)	40,000 (20,000 students)	0	Advanced manufacturing, engineering and design

Source: Fishemans Bend Framework Plan, 2018



Promotes 3 key concepts for employment

Expanded Central City: direct relevance to St Kilda Road and Fishermans Bend

20 mins neighbourhoods (Council aims for a 10mins walk): direct relevance to activity centres.

Enterprise Precincts: direct relevance to South Melbourne (land zoned Commercial 2). Enterprise precincts are defined as “places that allow for critical mass to be attained, where competitive advantage and an identifiable brand can be reinforced, and where agglomeration benefits and the sharing of knowledge and services can be realised.” Brooking Institute; Cremorne Place Implementation Plan, 2020.

Figure 3 Factors Driving the Success of Enterprise Precincts (source DELWP, 2018)





Local Framework

SEEF responds to, and aligns with, Council's strategic directions:

Council Plan 2021-2031	Community Vision: We are renowned as a cultural hub, from live music to our creative industries. This creativity drives music, exhibitions and events which delight residents and encourage visitors to keep returning. Our more diverse local economy enjoys greater protection from financial shocks and new investment and industries within our City are generating jobs and prosperity.
---------------------------	---

Strategic Directions

- **Liveable:** A City that is a great place to live, where our community has access to high quality public spaces, development and growth are well-managed, and it is safer and easy to connect and travel within.
- **Sustainable:** A City that has a sustainable future, where our environmentally aware and active community benefits from living in a bayside city that is greener, cooler, cleaner and climate resilient.
- **Vibrant:** A City that has a flourishing economy, where our community and local businesses thrive, and we maintain and enhance our reputation as one of Melbourne's cultural and creative hubs.

Responds to the long-term challenges:

- A City of economic and social contrasts
- Climate change and the environment
- The strength and diversity of our local economy
- Future proofing our growing city of Port Phillip
- Getting around our dense inner City of Port Phillip

Key Sector Strategies

Creative and Prosperous City	Provides a series of objectives to support economic development, particularly acknowledging the role of creative industries including through supporting key places and precincts, being a prosperous city, connecting and growing business and through focusing on the role of arts, culture and creative industries.
Live Music Action Plan 2021-2024	This Action Plan uses live music as a tool for social and economic recovery for local businesses

Port Phillip Planning Scheme: Local Planning Policy

Clauses 21.01 and 21.02	To support the economic development and sustainability of the municipality include contributing to increased employment densities close to public transport and building upon competitive strengths.
Clause 21.04	Provides detailed direction for: <ul style="list-style-type: none">• Activity Centres – Identifies the need to retain the current diverse business mix of each Activity Centre to ensure they are economically viable and meet the needs of the local and wider community.• Office and Mixed Use – Provides direction for office and mixed use land within Port Phillip. Key directions are the identification of Fishermans Bend as a primary employment node transitioning to a mixed use area and St Kilda Road as a primary employment node supporting the capital city role / function.• Tourism and the Arts – Identifies Port Phillip as a major tourism destination at a metropolitan, regional and national level.
Other Clauses	Clause 22.09 – St Kilda Foreshore Policy, Clause 22.11 – Carlisle Street Major Activity Centre Policy, Clause 22.14 Bay Street Activity Centre Policy and 22.15 Fishermans Bend Urban Renewal Area Policy.

Port Phillip Economy

This section provides a snapshot of Port Phillip's economy: key trends, spatial drivers for change and economic profile. Detailed research and analysis is provided in the accompanying Technical Report.

Trends

Structural Change	<p>Melbourne's economy has experienced structural change over the past generation, transitioning from a primarily industrial economy to one based around services, especially knowledge-based services.</p> <p>Port Phillip's economy and land use mix has transitioned in parallel, with former industrial land gradually being converted for use for professional services and creative industries. This change is ongoing, and there is an opportunity for Port Phillip to capitalise on areas of strength, specialisation, and agglomeration in the growing sectors of knowledge-based services, health and education.</p>
Global trends in manufacturing	<p>Structural changes in the Australian manufacturing industry, have caused the manufacturing industry to decline over the past 40 years in Victoria. Conversely, research and development operations are an industry where Australia's highly skilled workforce is well suited.</p> <p>At the local level, the economic importance of inner urban industrial and mixed-use precincts which drive innovation and accommodate smaller industrial and related business types (such as micro-manufacturers, maker spaces and co-working) is becoming better understood and acknowledged as important to creating employment and adding value in dense urban environments.</p>
Retail sector changes	<p>Retail spending growth has slowed over the past 10 years, driven primarily by stagnant wage growth and depressed consumer sentiment. Online retail continues to increase market share, and this has caused a substantial threat to many traditional retail sectors, such as clothing, books, banking and department stores.</p> <p>Port Phillip's retail offering is primarily within strip shopping centres (activity centres) with a large number of independent retailers and hospitality businesses, which will remain impacted by the structural changes to retail. Activity centres and commercial strips historically reliant on retail will require a greater diversification of land uses to remain competitive.</p>

Pandemic Recovery	Despite global economic uncertainty fuelled by the pandemic and related disruptions, the Australian economy has rebounded strongly in 2021 and 2022 and is projected to return to stable economic growth by 2024.
	<p>Economic recovery will require different spaces and employment land to be available for new businesses across a range of industry sectors.</p> <p>Precincts with strengths in hospitality, tourism and events, however, will require particularly strong policy and investment support to facilitate sustained recovery.</p>
Ageing population and health sector growth	State Government 'Victoria in Future' projections indicate that Port Phillip is expected to experience a net increase in residents aged over 65 years of 10,836 people from 2021 to 2036, resulting in the proportion of residents aged over 65 increasing from 13% in 2021 to 16% in 2036.
	<p>Demand for health services will require suitable premises in locations accessible to residents such as activity centres as well as locations where health-related activities can capitalise on major health institutions.</p>

Spatial Drivers of Change

Competition between residential & non-residential development	This is a planning challenge in activity centres and employment precincts with flexible land use zoning – zones that permit commercial and residential uses. Of the major residential projects (10 dwellings or more) completed over a period from 2016 – 2020, 51% of dwellings were in the C1Z and a further 30% were in the Capital City Zone and MUZ combined. Recent reports indicate that:
	<ul style="list-style-type: none"> • the Commercial 1 Zone and Mixed-use Zone are being increasingly used for residential, rather than commercial development in metropolitan Melbourne. The Managing Residential Development Advisory Committee (2016) • a more proactive approach may be required in Port Phillip to protect office use from competition with residential development, particularly in the St Kilda Road North which remains an important employment district. Port Phillip Planning Scheme Review Audit Report (2018)
Office property market conditions	The City Fringe has become a legitimate alternate office location for many business types and sizes. Significant investment in the inner suburban market, plus strong rental growth demonstrated this changing landscape. The new generation of worker, surrounding amenity and adoption of nonconventional buildings has contributed to this long-term growth in demand for City Fringe areas.



	<p>Demand for space is changing, post COVID pandemic, with many businesses adjusting long term strategies: adopting of coworking spaces; flexible workspaces; and investment in technology for remote working. Overall, demand projections for the office market are strong despite the disruptions caused by the COVID pandemic. The SEEF needs to consider the changing worker and business preferences towards genuine high amenity mixed-use areas.</p>
<p>Melbourne Metro</p>	<p>Significant investment is currently underway to improve the public transport system in Melbourne, including in and around Port Phillip. ANZAC Station will fundamentally change the accessibility of surrounding land to the broader rail network. Areas such as St Kilda Road North (north of Toorak Road), Domain / Kings Way and parts of Albert Road, South Melbourne are all within 800m of the station.</p> <p>The Port Phillip planning framework has an important role to play in ensuring that the potential economic benefits of this project are realised, particularly in accommodating employment growth in an expanded central city.</p>
<p>Central City Expansion and Urban Renewal</p>	<p>The rezoning of precincts around the CBD, primarily Fishermans Bend and Arden, is expanding the footprint of Melbourne central city. The gradual spatial shift west of the CBD will create opportunities for Port Melbourne and South Melbourne.</p>
<p>Fishermans Bend catalyst land uses</p>	<p>Key land uses expected to catalyse further development include:</p> <ul style="list-style-type: none"> • University of Melbourne engineering and design campus • the NEIC more broadly which is to be a centre of innovation in advanced manufacturing, engineering and design. • major retail investment from large retailers and potentially shopping centre groups to deliver activity centres throughout the Urban Renewal Area.
<p>Melbourne Arts Precinct</p>	<p>Adjacent to the northern boundary of Port Phillip is the Melbourne Arts Precinct, which includes the National Gallery of Victoria, Australian Centre for Contemporary Art, Melbourne Theatre Company and Victorian College of the Arts. This precinct is the subject of a transformation project which represents significant government investment in close proximity to Port Phillip and which is well aligned to the economic and cultural strengths of Port Phillip.</p>
<p>Alfred Hospital</p>	<p>The Alfred Hospital, a major tertiary and quaternary referral hospital, is one of Australia’s busiest emergency and trauma centres. Its location to the immediate east of the municipal boundary means that proximity to the hospital is excellent for related businesses in industries such as</p>

accommodation, medical and professional services. The lack of employment land to the east of the hospital means the Port Phillip section of employment land to the west is the most strategically located land to accommodate this growth.

Port Phillip Bay assets

Port Phillip's waterfront assets and precincts present economic opportunities for the local areas, Port Phillip and Melbourne's visitor economy.

- **Station Pier** is Victoria's main cruise ship port and attracting visitors to Port Phillip as part of Melbourne cruise visitation is a key economic opportunity.
 - Redevelopment of the **St Kilda Marina** will create new opportunity for business attraction and drive additional visitation and employment at the St Kilda foreshore.
 - The **St Kilda Triangle** precinct, located next to the Palais Theatre in St Kilda, is a unique opportunity as one of Melbourne's last bayside renewal sites.
-



Figure 4 Key Spatial Drives of Change



Source: Urban Enterprise.

Community and economic profile

Who lives in Port Phillip?

The community continues to be characterised by small households, above average incomes and highly educated resident base.

The estimated resident population for 2021, is 103,508 making up nearly 16.7% of the population of inner Melbourne. (Census 2021)

Key socio-economic indicators:

- The median household weekly income is \$2,201, which is higher than Greater Melbourne, reflecting the skilled workforce and high concentrations of employment in professional sectors.
- The most dominant household size is 1 person per dwelling at 44% of households in the municipality. This is followed by couples without children.
- Renting remains high with some 44% of households renting privately.
- 48.9% of people had a Bachelor or Higher degree qualification in 2021, higher than Greater Melbourne.
- Port Phillip has a SEIFA index of 1,101, meaning the community is relatively advantaged in terms of access to material and social resources and ability to participate in society. This is the fourth highest index value for local government areas in Victoria, fourth highest in metropolitan Melbourne and second highest in the Inner Melbourne Action Plan area (behind only Stonnington) (iD Consulting 2023)

Resident workers

The total number of Port Phillip resident workers is in the order of 61,780 (ID Consulting, 2021). The local resident workers include all employed Port Phillip residents, regardless of where they work. Their characteristics inform us about the skills that are available locally, even if they are not currently employed in the local economy.

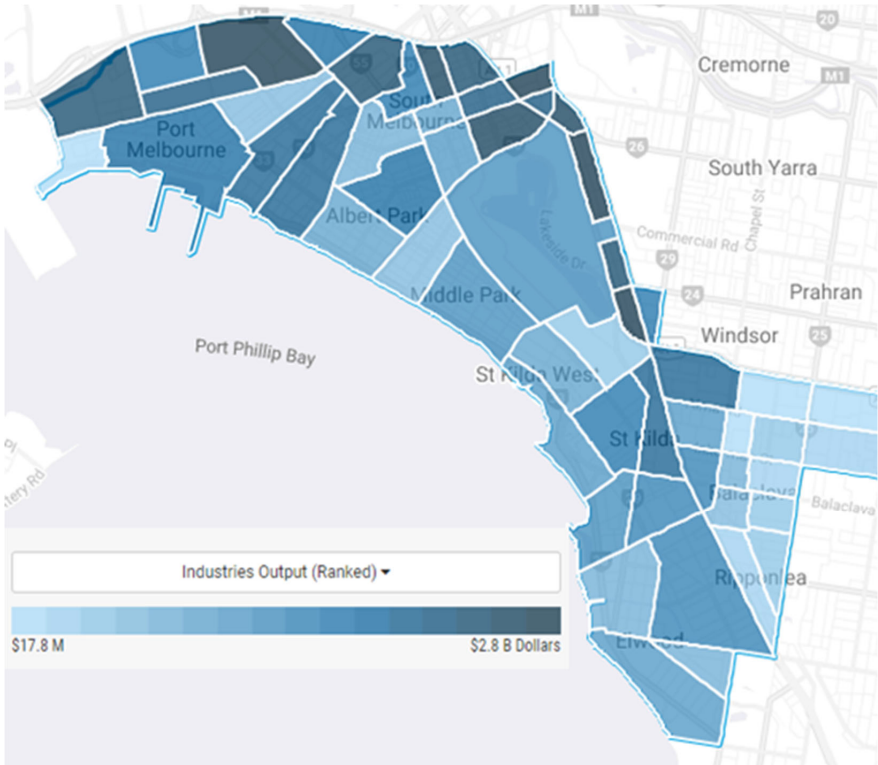
The resident workers remain heavily weighted to managers (12,457 workers, 20.2%) and professionals (23,230 workers, 37.6%), a characteristic which supports professional businesses within the municipality. This differs from Greater Melbourne, which has a higher percentage of technicians and trades workers and community and personal service workers.

Local labour force

In 2021 the total local labour force is around 79,000 workers. The local labour force includes all the people who are employed in the local area, regardless of where they live (ID Consulting). The occupations are heavily weighted to Managers and Professionals:

- Professionals (25,230 local workers or 31.8%)
- Managers (15,366 local workers or 19.3%)
- Clerical and Administrative Workers (10,669 local workers or 13.4%).

Labour catchment	<p>In 2021, the top 15 LGAs where Port Phillip workers reside continues to be predominantly inner and middle ring locations (the exception being Wyndham). A quick synopsis shows that of workers in Port Phillip:</p> <ul style="list-style-type: none"> • 19.3% live in Port Phillip • 6.5% (5035) come from Melbourne • Inner city suburbs of Glen Eira, Stonnington, and Bayside combined represent 14.7% or 11,506 workers • 6.2% (4886) come from Wyndham.
Economic performance	<p>In 2020 the Gross Regional Product for Port Phillip (GRP) is estimated to be \$14.8bn and represents 3.18% of Greater Melbourne's Gross Regional Product (GRP) (NIEIR, 2021).</p> <p>Office based services made up much of the value added – 58%. Professional Services make up nearly 21% of the municipality's value added, remaining the largest industry in Port Phillip.</p>
Business sizes and entries	<p>In 2020, there were approximately 21,000 businesses registered in Port Phillip, most of which were non-employing (62%, 13,000). Of employing businesses, 91% had less than 19 staff and are generally considered Small and Medium Enterprises (SME). It is noted that not all businesses registered in Port Phillip are necessarily operating within the municipality. Over the period 2019 to 2021, despite the impacts of the global pandemic, 555 net additional businesses were registered in the municipality (i.e. after both business entries and exits are accounted for), more than half of which were in the Professional Services sector.</p>
Industry output	<p>The map below shows the industries output (\$ output) across the municipality. The darker blue shows industries with higher \$ output.</p>



Employment **There were approximately 97,000 jobs in Port Phillip in 2021. Port Phillip’s highest employing industry continues to be professional services and there has been significant growth in health care and education.**

Of the municipality’s employment, 22.6% (22,007 jobs) is in Professional, Scientific and Technical Services which is notably higher than Greater Melbourne (10.9%). (ID Consulting)

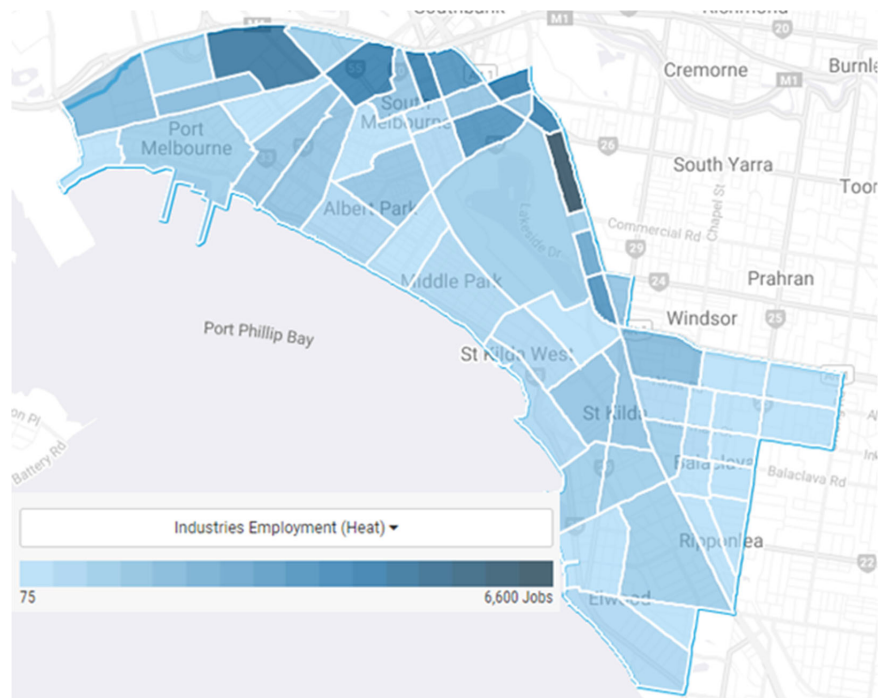


Employment distribution

Employment is largely concentrated in the northern areas of St Kilda Road North, South Melbourne and Fishermans Bend (evident in the dark blue on the map below)

In 2016, the areas of St Kilda Road North, Domain, South Melbourne and Fishermans Bend collectively accounted for 67% of all jobs.

The St Kilda activity centres, St Kilda foreshore and immediate surrounds, St Kilda Road South and Port Melbourne contribute a further 18% combined, meaning that the contribution of the balance areas to the overall municipal employment is relatively limited (16%), primarily due to lack of land in employment zones in established residential areas such as Albert Park, Middle Park, St Kilda West, St Kilda East and Elwood.



Employment Growth

Projections show that employment in the City of Port Phillip is projected to **increase by between 30,000 and 50,000 jobs over the 20 years** to 2040, equating to average growth rates of 1.4% - 2.1% annum. This includes 2020 and 2021 which were impacted by the pandemic.

The purpose of employment projections is to provide an indication of the likely scale and composition of the local workforce over a planning horizon which enables Council to plan for this growth to be adequately and strategically accommodated within the land and premises available in the municipality. Projections should be regularly reviewed, especially in the variable economic context. **These projections will be reviewed prior to the final SEEF, now the 2021 Census data has been released.**

The greatest employment growth in Port Phillip is projected to occur in the industries of Professional, Scientific and Technical Services, Education and Training and Health Care and Social Assistance.

There is projected to be an overall need for an additional 670,000sqm of employment floorspace over the SEEF period. This excludes required in Fishermans Bend, which is expected to perform a capital city function.

The South Melbourne statistical area (which includes the Major Activity Centre, Enterprise Precinct, Albert Road area and Domain) is projected to require the greatest employment floorspace over the period, followed by St Kilda Road and St Kilda.

Specialisation and subsectors

In comparison to Greater Melbourne, Port Phillip has specialisation in the following industry sectors: 'Professional Services', 'Rental, Hiring and Real Estate Services', 'Financial and Insurance Services' and 'Information Media and Telecommunications'.

Specialisations are also evident in smaller sectors such as Arts and Recreation Services (including several creative sectors such as performing arts) and Accommodation and Food Services (a key sector of the tourism and hospitality industry), along with Mining (due to head offices).

Creative industries

Port Phillip's institutions, events and natural environment create strong competitive advantages for creative activities, however the strong creative culture is being challenged by decreasing housing affordability, redevelopment of older premises, the COVID pandemic and the emergence of new cultural locations elsewhere in Melbourne.

Clusters of creative industry in **South Melbourne (media and design)** and **St Kilda (art and music)** create some of Melbourne's most prominent creative locations and align with cultural events and infrastructure. Research conducted in 2019 identified 463 creative sector businesses in

Port Phillip (pre-pandemic), 69% of which were in the suburbs of South Melbourne and St Kilda. This demonstrates that there are two main locations of creative critical mass in the municipality which can be leveraged for ongoing competitive advantage and economic and community benefit.

In South Melbourne, many of the attributes of successful enterprise precincts support creative activities, especially a cluster of synergistic businesses, former industrial premises offering larger spaces to create, and a high 'quality of place' including mid-rise built form, heritage character and strong hospitality offering.

Tourism

St Kilda is an iconic Victorian visitor destination. Before the pandemic, Port Phillip attracted 1.3m visitors p.a. (including over 900,000-day trips). The high level of day trip visitors reflects the area's appeal as a destination for travellers generally staying in central Melbourne.

By contrast, less than 300,000 visitors stayed overnight in 2019 compared with almost 8m across inner Melbourne. The concentration of visitor attractions in Port Phillip and the municipality's proximity to the CBD presents the opportunity to increase overnight visitation in the future, both as part of the expanded central city and at key tourism nodes such as St Kilda.

In terms of employment, tourism plays a significant and growing role in Port Phillip. The tourism and hospitality sector accounts for 7.8% of the employment in the municipality and 7.3% of value added.



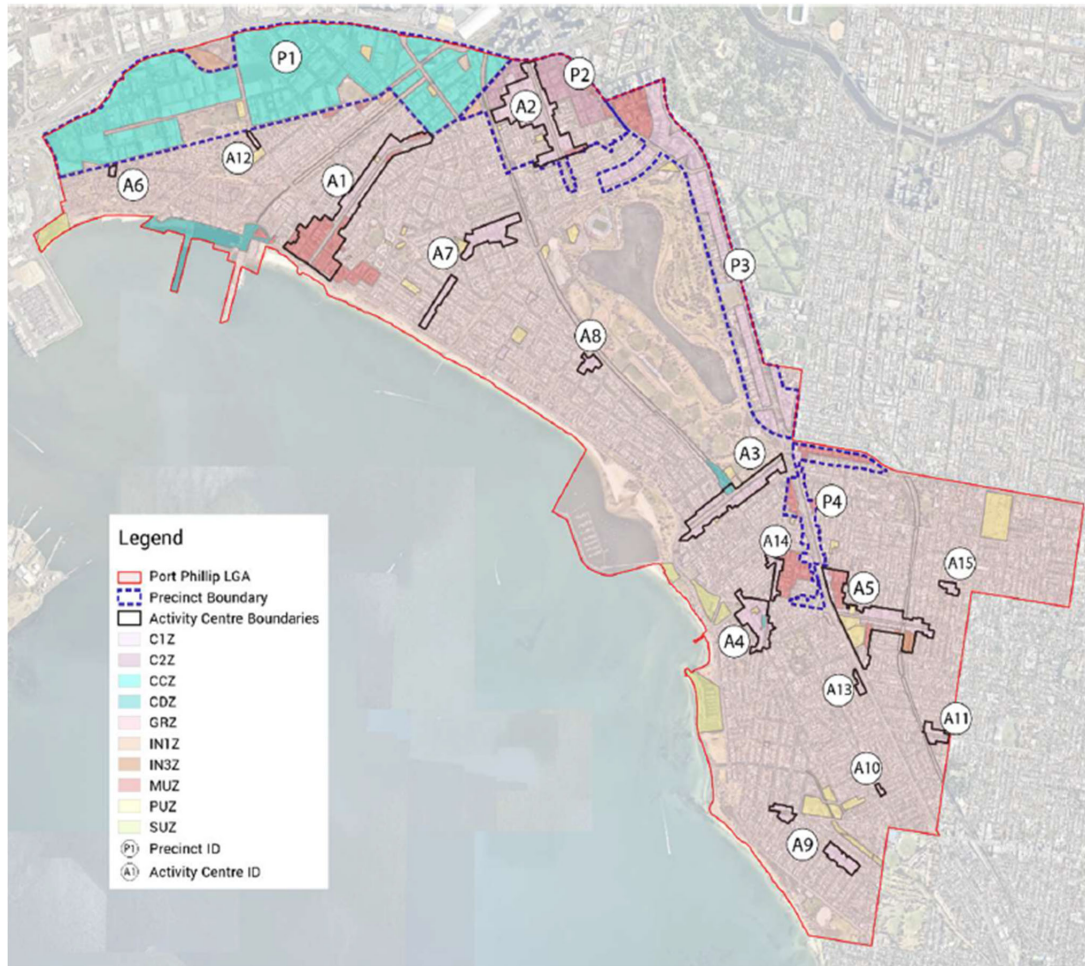
Economic and Employment Areas

Key employment areas within Port Phillip are shown below.

Figure 5: Location of Employment Land and Precincts

Code	Name	Location	State policy categorisation	Local Policy Categorisation
Major Precinct				
P1	Fishermans Bend	Port Melbourne	State significant commercial	Urban Renewal Area
P2	South Melbourne Central	South Melbourne	Regional Industrial	Industrial Area
P3	St Kilda Road North / Albert Road	Melbourne / South Melbourne	State significant commercial	Primary Employment Node
P4	St Kilda Road South	St Kilda	Local commercial area	Secondary Employment Node
Activity Centres				
A1	Bay Street	Port Melbourne	Major Activity Centre	Major Activity Centre
A2	South Melbourne	South Melbourne	MAC	Major Activity Centre
A3	Fitzroy Street	St Kilda	MAC	Major Activity Centre
A4	Acland Street	St Kilda		
A5	Carlisle Street	Balaclava	MAC	Major Activity Centre
A6	Centre Avenue	Port Melbourne	Local commercial area	Neighbourhood Activity Centre
A7	Bridport Street / Victoria Avenue	Albert Park	Local commercial area	Neighbourhood Activity Centre
A8	Armstrong Street	Middle Park	Local commercial area	Neighbourhood Activity Centre
A9	Ormond Road / Glenhuntly Road	Elwood	Local commercial area	Neighbourhood Activity Centre
A10	Tennyson Street	Elwood	Local commercial area	Neighbourhood Activity Centre
A11	Glen Eira Road	Ripponlea	Local commercial area	Neighbourhood Activity Centre
A12	Graham Street	Port Melbourne	Local commercial area	Local centre
A13	Brighton Road	Elwood	Local commercial area	Local centre
A14	Inkerman / Grey Streets	St Kilda	Local commercial area	Local centre
A15	Inkerman Street	Balaclava	Local commercial area	Local centre

Source: Urban Enterprise.



Source: Urban Enterprise



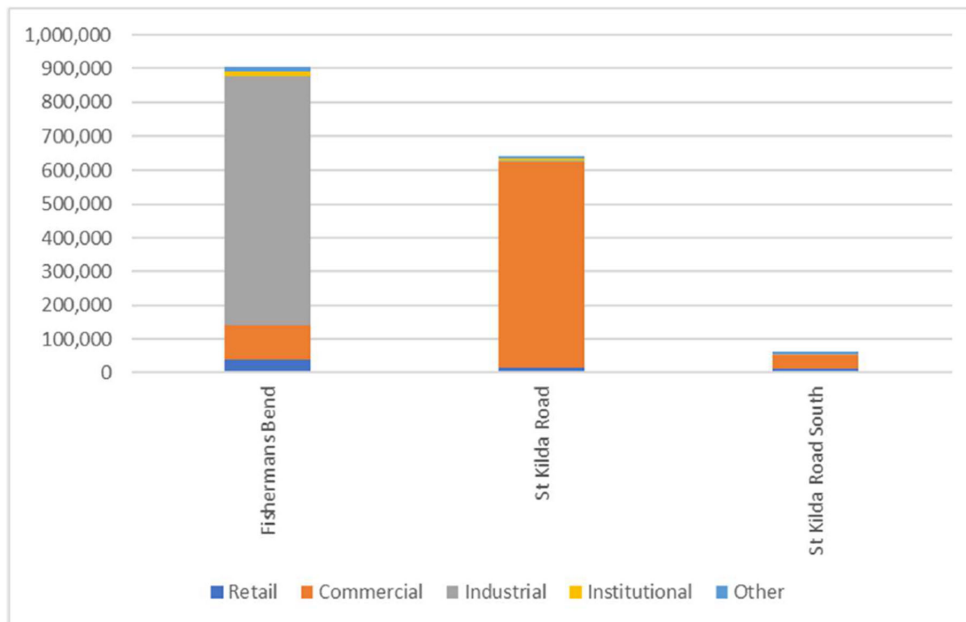
Employment Precincts

There are 4 employment precincts in Port Phillip:

- **St Kilda Road North** - 37.1ha and 26% of Port Phillip's employment (2016)
- **St Kilda Road South** - 9.3ha and 4% of Port Phillip's employment (2016)
- **Fishermans Bend** - 151.5ha and 15% of Port Phillip's employment (2016)
- **South Melbourne Enterprise Precinct** - 20ha

Fishermans Bend currently comprises a substantial supply of industrial floorspace and St Kilda Road North accommodates a major concentration of office / commercial floorspace.

Figure 6: Existing Employment Floorspace in Employment Precincts



Source: Urban Enterprise

The following sets out the drivers for change in these precincts. South Melbourne Enterprise Precinct is discussed with the South Melbourne Major Activity Centre.

Drivers for future change for St Kilda Road (North)

- The completion of ANZAC Station will significantly expand the capacity and accessibility of the precinct in terms of public transport.
- Alfred Hospital is a major health and research institution immediately adjacent to the St Kilda Road precinct. Ongoing expansion of the hospital is proposed, and office space already extends throughout the St Kilda Road precinct. St Kilda Road is a strategic location for businesses seeking proximity to the Hospital for both medical and office purposes, especially given the absence of commercial land at any other hospital interface.
- The Victorian Government is investing heavily into the Arts Centre precinct which will increase the breadth, quality and attractiveness of the northern part of the precinct to visitors.
- Expected population growth in the Domain and St Kilda Road will generate demand for local retail goods and services and further increase the local labour force.
- Post-pandemic changes to office working practices and workplaces, will require a focus on improving worker amenity in the St Kilda Road Precinct to attract and retain employment.

Drivers for future change for St Kilda Road (South)

- Population growth in the catchment will generate demand for additional retail and services space in the activity centres. Attraction of more residents to the area is likely to increase demand for local business creation and small office spaces within the suburb and surrounding areas.
- St Kilda Road carries more than 30,000 vehicles per day through this section of St Kilda (VicRoads) – this level of access and exposure to passing traffic will support the ongoing attractiveness of the corridor to businesses which see this as an advantage, especially showrooms, specialist retailers and commercial recreation businesses.
- High vacancies and a lack of precinct-based amenity in St Kilda Road South could present challenges to business attraction and commercial investment.
- The availability of lower rent space for emerging retailers, larger format retailers, newer businesses and creative industries is an important element supporting economic development.
- The large supply of traditional main street linear employment zoning and premises throughout St Kilda limits the differentiation of precincts and makes defining the employment role of St Kilda Road South difficult.
- There is no need to increase the employment capacity of land in the St Kilda Road South precinct.

Drivers for future change for Fishermans Bend

- The Fishermans Bend NEIC is expected to accommodate 40,000 jobs at completion and the proposed opening of the University campus will substantially alter the education landscape in the northern part of Port Phillip. Certain businesses, students and other organisations typically seek proximity benefits associated with tertiary institutions, which is likely to benefit Wirraway and Sandridge.
- Early development has primarily focused on medium and high-density housing, visitor accommodation and isolated mid-rise office space and retail development, however the Framework Plan now requires applications to respond to the non-residential floorspace requirements of the various precincts.
- The primary catalyst for substantial redevelopment of land in Fishermans Bend other than residential will be the delivery of public transport infrastructure to the area along with road and public realm upgrades.
- Diminishing opportunities for new commercial floorspace development in the Melbourne CBD and Docklands is expected to drive demand for office space in Fishermans Bend.
- Population increase in Montague, will increase the local labour force and demand for goods and services, benefitting local businesses in South Melbourne.
- Fishermans Bend will result in the displacement of a range of businesses and jobs, which is likely to reduce the diversification and certain specialisations of Port Melbourne and South Melbourne economies (especially relevant to creative industries). Strategic planning for Precinct plans should seek to accommodate a mix of employment types, premises, and densities.
- New retail centres and anchors will provide strong competition for South Melbourne and Port Melbourne retailers in the medium term. Clearer policy direction is required for future retail centres and anchors in Fishermans Bend to optimise outcomes for existing and new centres.

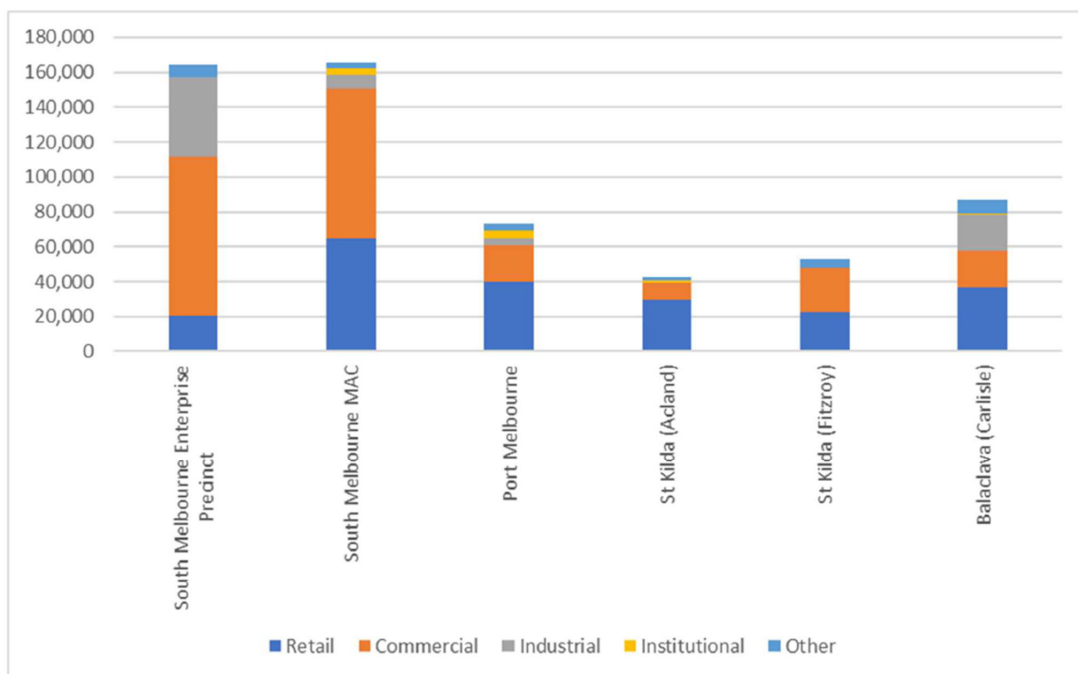


Major Activity Centres (MAC)

South Melbourne MAC has the greatest employment floorspace of all MACs, and that when combined with the South Melbourne Enterprise Precinct, comprises a substantial proportion of the employment floorspace in Port Phillip (330,000sqm).

Employment zones in St Kilda’s two MACs (St Kilda, which includes the Fitzroy Street and Acland Street) and Balaclava (Carlisle Street) provide more than 180,000sqm of employment floorspace combined.

Figure 7: Existing Employment Floorspace in MACs and Enterprise Precinct



Source: Urban Enterprise

South Melbourne – MAC and Enterprise Precinct

Drivers for future change

- The South Melbourne MAC is surrounded by urban renewal areas – Montague (Fishermans Bend), Domain and Southbank, which combined are projected to experience around an addition 30,000 residents in the future. Strong population growth in surrounding areas (especially Southbank and Domain) means that the retail and services role of South Melbourne will need to increase over time.
- ANZAC Station will be within walking distance of the eastern part of the area, supporting an intensification of the employment role over time. Strategic planning should facilitate employment intensification within the walkable catchment of the station.
- Competition from Fishermans Bend has the potential to diminish the overall number of businesses involved in creative and media-related activities, many of which occupy former industrial premises. Fishermans Bend will also compete with South Melbourne for investment in the development of new employment premises.
- There is a need to protect the unique attributes of South Melbourne, including mid-rise building scale, heritage values and land use mix which underpin its popularity for hospitality and commercial businesses.
- There is strong demand for office space which needs to be considered alongside the significant cluster of creative, media and design-related businesses. As the only substantial area of employment-only zoned land in the municipality, the ongoing business role of the Enterprise Precinct is of high economic importance to the City and should be protected and enhanced.

Port Melbourne

Drivers for change

- Limited population growth is expected in the surrounding established areas (Port Melbourne, Albert Park and Middle Park). However, major investment, population growth and business opportunities will be available in Fishermans Bend.- which will create a substantially larger labour force and demand base than currently exists for retail and hospitality businesses. As the closest beach with a prominent hospitality offering, Port Melbourne can strengthen and expand its existing retail, hospitality, personal services, and commercial recreational offer over time.
- Potential new large core retail stores in Fishermans Bend are likely to place strong competitive pressure on the core retail role of Bay Street. This will require a strong focus on place brand, competitive advantages, and differentiation of the Bay Street offer.
- Proximity to Station Pier is a strategic opportunity that should be considered in future local area planning for the area.
- Employment land is well occupied with limited opportunities for more intensive development and very low observed shopfront vacancies.

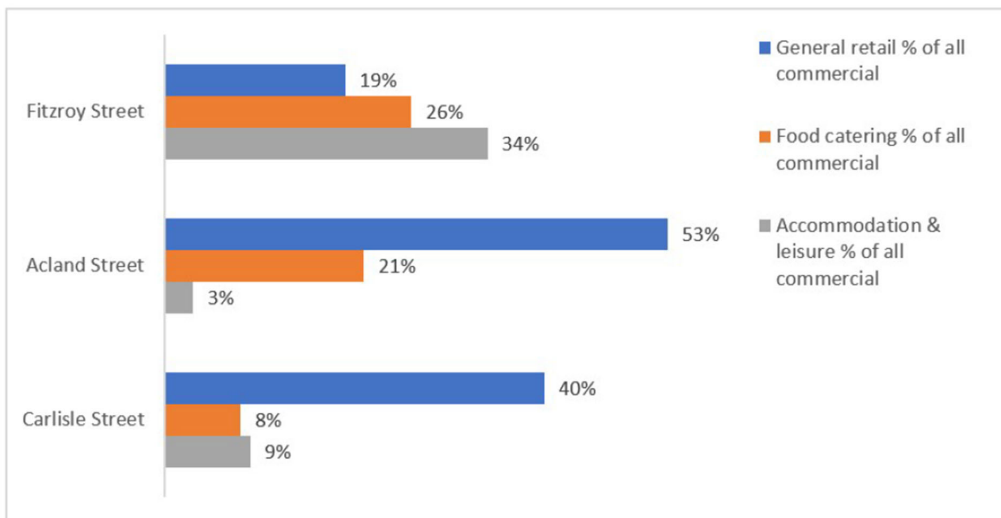


- The centre has a relatively limited economic role beyond retail and hospitality. Future planning should consider opportunities to diversify the economic role of the centre to accommodate greater local employment.

St Kilda and Carlisle Street (BalACLava)

While this area includes two Major Activity Centres (St Kilda and BalACLava), it is defined by three distinctive activity areas which differ in terms of their role and economy, as shown by Figure 8. Fitzroy Street is strongly weighted towards accommodation, leisure and food catering uses, while Acland Street and Carlisle Street are more ‘typical’ activity centres with general retail the most common use.

Figure 8 Land Use Mix St Kilda and Carlisle Street (BalACLava)



Source: Urban Enterprise

Drivers for change

- Ongoing residential development at medium and higher densities in St Kilda requires a greater focus on convenience retail and services over time.
- Currently, other than local government and private sector investment in key projects such as the St Kilda Marina and tourism accommodation / apartments, there are no broader changes or investments proposed in the St Kilda area which could materially change the accessibility or attractiveness of the area to drive employment or business growth.
- The area has been highly exposed to the impacts of the COVID pandemic due to the economic specialisations in tourism, events, music and hospitality. Although regional visitation will be critical to ongoing performance (especially to events, live music and recreation), revitalisation will require greater diversification of land uses and employment types, especially in Fitzroy Street.



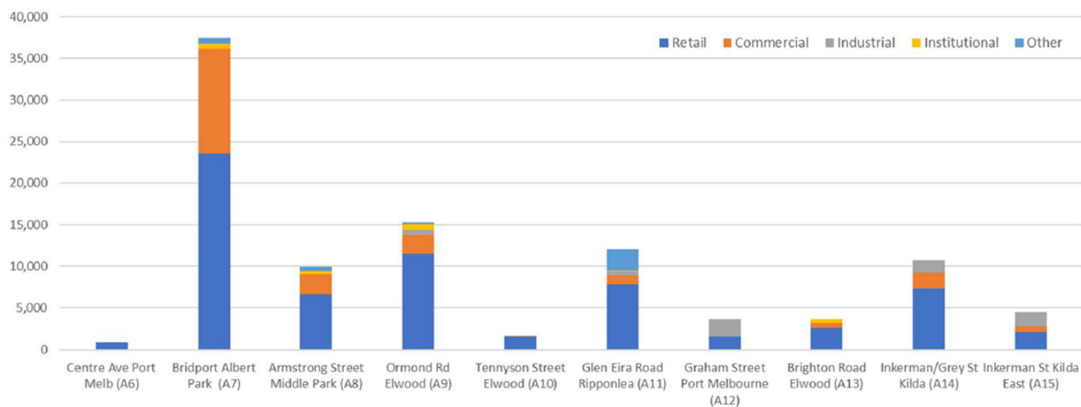
- An overall increase in employment land is unlikely to be required in the medium term, however opportunities for development and land use transition within existing centres will be important, as well as opportunities to accommodate retail sector growth in locations convenient to concentrations of new residential development.

Neighbourhood and Local Activity Centres

Port Phillip has a thriving network of local and neighbourhood centres, most of which can be described as retail 'villages'. None of these centres containing a full-line supermarket, with many containing small independent supermarkets under the IGA or Foodworks brand. Most centres are occupied by independent retailers and hospitality businesses, especially retail services and cafes.

Together these centres accommodate approximately 93,000 sqm of retail, commercial and institutional floorspace in employment zones. At typical densities for these premise types of 25 - 30sqm per worker, it is estimated that the smaller centres accommodate approximately 3,000 – 4,000 jobs in the municipality.

Figure 9: Existing Employment Floorspace



Source: Urban Enterprise

Future roles

Many smaller centres have attributes which support the planning policy aspiration of the 20 minutes neighbourhood, especially: local shopping; local public transport; walkability; and green streets and spaces.

As the municipal population and employment increases, local and especially neighbourhood centres will have an important role to play in accommodating employment and small business growth. The following neighbourhood and local centres are well positioned to support a greater scale and diversity of employment land uses over the planning period:

- Victoria / Bridport NAC, Albert Park
- Ormond Road NAC, Elwood
- Glen Eira Road NAC, Ripponlea.

This is based on the role of the centres in serving a local spatial catchment (consistent with the 20 minutes neighbourhood objective) and the existing mix of uses which will be attractive to a range of uses including health, retail and commercial.



Local Industrial Areas

Land zoned for industrial purposes is now extremely limited (<4ha). Only 38% of the floorspace is used for 'industrial' purposes, the remainder is mainly used for commercial or retail. In all cases these areas are small and isolated from other industrial zones.

The protection of these areas for industrial purposes is not considered a priority for the SEEF, however it is noted that the Balaclava industrial precinct does provide a diversity of premise types which benefits the local economy.

Consideration of an alternate employment zoning could be considered as part of future local planning for the areas, from an economic perspective, given proximity to public transport, activity centres and a substantial and growing skilled workforce.

Table 2: Local Industrial Area Profiles

Area	South Melbourne	Port Melbourne	Balaclava	
Zone	IN1Z	IN1Z	IN3Z	
Property area (ha)	0.8	0.4	1.2	
Floorspace (sqm)	Retail	900	0	1,500
	Commercial	7,500	6,800	600
	Industrial	2,600	0	9,000
	Other	300	0	1,300
	Total	11,300	6,800	12,500
Land use profile	<p>Located fronting City Road adjacent to the South Melbourne Enterprise Precinct and MAC.</p> <p>Primarily accommodates offices and larger format retail premises.</p> <p>Some former industrial buildings have been converted to office space and creative studios (e.g., media, sound recording).</p>	<p>A single property fronting Williamstown Road and adjacent both the Fishermans Bend URA and the Port Melbourne Light Rail.</p> <p>Currently accommodates a combination of office space and industrial engineering activities.</p>	<p>Located adjacent Balaclava Train Station and within the Carlisle Street Major Activity Centre.</p> <p>Accommodates a mix of light industrial, warehouse, commercial recreation, office and showroom businesses.</p>	

Source: Urban Enterprise

Land zoned for economic activity

Employment land is predominantly concentrated in the northern section of the municipality including Fishermans Bend, South Melbourne and St Kilda Road.

Approximately 410 hectares of land in Port Phillip is within zones primarily designed to accommodate employment uses. Of this, the Capital City Zone, which covers Fishermans Bend, accounts for some 46%.

< 24 hectares of land, however, is reserved solely for employment purposes (C2Z, INZ1 and INZ3).

The expansion of the central city and flexible zoning in both Fishermans Bend and St Kilda Road is resulting in residential development directly competing with former commercial and industrial premises.

Land zoned for industrial purposes is now extremely limited (<4ha).

Table 3 Land zoned for Employment by Suburb

Suburb	C1Z	C2Z	MUZ	CCZ	CDZ	IN1Z	IN3Z	SUZ	Total
St Kilda	27.1	0	15.3	0	2.6	0	0	9.0	54.0
Port Melbourne	7.6	0	20.8	140.0	5.4	0.8	0	3.9	178.4
Elwood	6.1	0	0	0	0	0	0	1.6	7.6
St Kilda East	0.6	0	0	0	0	0	0	0	0.6
Melbourne	28.6	0	0	0	0	0	0	0	28.6
South Melbourne	29.7	14.7	11.9	35.6	0	1.2	0	0	93.1
Southbank	1.4	5.6	0	11.9	0	0	0	0	18.9
Albert Park	9.9	0	0.3	0	0	0	0	0	10.3
Middle Park	2.5	0	0	0	0	0	0	0	2.5
Balaclava	5.9	0	0.9	0	0	0	1.5	0	8.3
Ripponlea	1.8	0	0	0	0	0	0	0	1.8
St Kilda West	0.1	0	0	0	0	0	0	0	0.1
South Wharf	0	0	0	1.1	0	0	0	0	1.1
Windsor	2.8	0	1.1	0	0	0	0	0	3.9
Total	124.1	20.3	50.4	188.5	8.0	2.0	1.5	14.4	409.2

NB: Data represents gross zoned area, not property area

Source: Urban Enterprise

Capacity

Port Philip is in a position where further population and employment growth can be accommodated.

At a municipal level the estimated additional development capacity of activity centres and employment precincts (excluding Fishermans Bend) is 2.38m sqm of gross floor space, which is much higher than the projected demand of 670,000sqm for employment land over a 20 years period.

The 2.38sqm gross floor area provides an indication of the theoretical scale of additional floorspace that could be delivered based on current planning controls and property circumstances for the purposes of strategic planning, a capacity which is acknowledged as unlikely to be realised over the 20 year period of the SEEF.

The extent to which development capacity is realised however is difficult to predict given the prevalence of flexible zoning – ie a zone that allows for residential and employment uses. It is subject to the ultimate balance of employment and residential floorspace.

The delivery of this gross floor space could be substantially lower if there is widespread conversion of existing commercial premises to mixed use developments that are predominantly residential.

When possible land use and development outcomes are considered, the opportunity for residential development in most areas reduces the employment floorspace that may be delivered within the overall capacity to approximately 679,000sqm, while net additional employment floorspace could be as low as 194,000sqm if all developable sites in employment zones were developed with a land use mix weighted towards residential.

This highlights the importance of protecting land zoned solely for employment uses in the context of strong competition for inner urban land from residential alternatives.

Neighbourhood and Local Activity Centres

In most smaller centres, floorspace occupancy is very high, with businesses extending into former dwellings adjacent to main street commercial premises. Opportunities for new businesses to establish are primarily limited to new space created through mixed use redevelopment.

Several centres have very limited capacity, namely: Centre Avenue and Graham Street in Port Melbourne, Tennyson Street in Elwood, Armstrong Street Middle Park and Inkerman Street St Kilda East.

Public Transport Improvements

Transport infrastructure has a key role in supporting economic activity. It connects people to jobs. At a local level Council is committed, through *Move, Connect, Live: Integrated Transport Strategy* (MCL) 2018, to:

- Partner with the Victorian Government and public transport providers to increase the reliability and frequency of both tram and bus services
- Identify and advocate for improvements to missing public transport links and areas of poor public transport connectivity
- Advocate for improved connections within Elwood and from Port Melbourne to St Kilda.

Key public transport improvements to facilitate movement to Port Phillip's employment areas include:

- A proposed new bus service to connect Fishermans Bend to Anzac Station to link key destinations.
- A new tram line using new bridges and options for a new train line and stations in Fishermans Bend.
- Filling in the 400m tram network gap along Park Street, South Melbourne, linking Anzac Station to Clarendon Street Major Activity Centre and Enterprise Precinct.
- Reallocating bus resources to provide:
- More frequent services on routes 234 (Garden City – City (Queen Victoria Market)), 235 (City – Fishermans Bend); 246 (Elsternwick – Clifton Hill via St Kilda) which runs past Alfred Health Precinct; and 606 (Elsternwick Station – Fishermans Bend) and
- More direct, frequent and reliable bus routes.

Strategic Framework

Vision

The vision for Port Phillip's employment land has been developed to facilitate economic prosperity at the local and state levels and support the delivery of the community vision.

Port Phillip accommodates a diversity of economic activity that is significant to Melbourne and to the local communities which support and benefit from specialised places.

Port Phillip's location advantages will continue to attract both high value businesses and talent (increasingly in knowledge-based services, health and education) as well as demand for housing close to the central city.

As employment land continues to transition to higher density and high value uses continuing a long history of evolution in the municipality – Port Phillip's network of distinctive and vibrant neighbourhoods will enable a diversity of employment locations and premise types to attract businesses and skilled workers which are responding to global economic opportunities.

Well established specialisations and advantages in creative activities, events and hospitality will continue to drive a culture of innovation and creativity and attract visitors and talent.

Local employment land will meet the needs of residents and provide opportunities for employment close to home, responding to the need for sustainable, resilient and liveable communities.



Objectives

- **Location advantage:** To accommodate employment growth in locations of advantage due to existing clusters, infrastructure and place characteristics.
- **Manage transition:** To strategically and proactively manage transition of former industrial areas – particularly Fishermans Bend – so that economic opportunities are maximised and consider local specialisations and opportunities.
- **Complementary uses:** To ensure that residential land use complements, rather than displaces, economic activity and employment.
- **Specialised sectors:** To support the recovery, resilience and growth of specialised sectors with links to creative identity, innovation and specialisation.
- **Attraction:** To create amenity rich places and precincts that attracts and retains a talented professional workforce.
- **Institutions:** To promote opportunities for business and employment growth aligned with health and education institutions.
- **Activity centres and villages:** To promote the availability of a range of retail, service and employment types in activity centres and villages.



Direction 1: Accommodate and optimise an expanded central city

Context

Employment land in the northern parts of the municipality - St Kilda Road and Fishermans Bend - is identified in policy as forming part of Melbourne's 'central city'. This land, along with South Melbourne, has an important role to play in accommodating demand for employment which has previously been attracted to the CBD and adjacent areas.

Public transport investment – particularly ANZAC Station – will provide stimulus for further business and employment growth. The precinct around ANZAC station has potential to accommodate a mix of residential, commercial and institutional land uses which will require clearer policy direction and discretion than is currently available to ensure economic opportunities are capitalised on.

Although there is substantial capacity to increase gross floorspace in these areas, current zoning is flexible and there is competition between residential and employment land uses.

Institutional sector demand for floorspace is expected to grow strongly in inner Melbourne, much of which requires office floorspace strategically proximate to institutions such as Alfred Hospital and university campuses (or NEIC).

Growing demand for health services, incremental expansion of the Alfred Hospital into commercial space along St Kilda Road, and benefits of accommodating a range of supporting land uses within health 'clusters' warrants a review of the optimal land use mix and zoning in the southern section of St Kilda Road.

Strategies

- Ensure local policy reflects the State significant commercial roles of St Kilda Road and Fishermans Bend and directs large scale commercial developments to these areas.
- Prepare an Economic Development Plan for the ANZAC Station area - In conjunction with the State government and City of Melbourne - which identifies economic objectives, optimal land use mix and suitable planning zones within the station's catchment.
- Prepare a Precinct Plan for the Alfred Hospital precinct - in partnership with Alfred Hospital, City of Melbourne and City of Stonnington - to identify long term direct and indirect health sector requirements and optimal land use mix and zoning.
- Advocate for the timely delivery of public transport and public realm infrastructure to and within Fishermans Bend to support employment intensification and growth as part of the expanded central city.
- Distinguish between the roles of the various city edge commercial precincts, including:

- **St Kilda Road North, Domain and Albert Road**, which are strategically located to accommodate high density commercial uses, complemented by residential and retail uses.
- The **South Melbourne Enterprise Precinct and the southern part of the Montague Precinct** of Fishermans Bend where precinct characteristics support mid-rise commercial land uses, particularly for smaller businesses and creative activities.
- **The Sandridge Precinct of Fishermans Bend**, which is planned to accommodate high density commercial offices but will require Precinct Planning to ensure that a variety of employment spaces are available and that the characteristics of the urban environment and land use mix align with contemporary business and employee expectations.
- Monitor the effectiveness of the Fishermans Bend planning controls that relate to preferred employment densities to ensure that mixed use development delivers sufficient employment floorspace.

Direction 2: Support the Areas of specialisation and innovation

Context

Many of Port Phillip's specialisations are linked to creative pursuits and innovation, attributes which are embedded in the cultural identity of the community.

Spatially, key areas of specialisation and innovation have been identified in South Melbourne and St Kilda. Both locations are experiencing challenging economic conditions however, which if not addressed, could erode the accumulated economic and social value of these activity clusters. These include COVID pandemic impacts, incremental and likely future redevelopment of industrial and lower cost business spaces, and competition from emerging creative precincts in other parts of Melbourne.

Although it is inevitable that inner urban areas will be the subject of demand from a range of land uses, retention of a variety of premise types will be important to provide opportunities for innovation and creative activities. This is particularly important in Port Phillip given planning zones across most of the municipality allow and encourage redevelopment of former industrial and lower scale commercial land.

The South Melbourne Enterprise Precinct is a strategic location for ongoing commercial, creative and media activity. State policy support needs to be translated into local policy with associated actions to retain employment land and improve conditions conducive to innovation ecosystem principles.

Creative industries and tourism-related businesses are strongly influenced and supported by the enduring presence of iconic public venues, open spaces and destinations which attract visitors and talent. Council has an important role to play in identifying, protecting, and investing in these public facilities to foster complementary economic growth, specialisation and innovation.



Strategies

- In **South Melbourne**, finalise the current Structure Plan having regard to:
 - retain land in the Commercial 2 Zone where not specifically required for alternate employment uses;
 - the need for local policy to formalise Enterprise Precinct boundaries and policy designation, and to respond to the “**Factors Driving Success of Enterprise Precincts**”; and
 - Protect the unique attributes including mid-rise building scale, heritage values and land use mix of South Melbourne which underpin its popularity for hospitality and commercial businesses.
- In **St Kilda**, ensure future planning prioritises support for and growth of businesses and venues associated with music, tourism, events, arts and hospitality, along with other land uses (especially residential and commercial accommodation) which will underpin greater local demand for a broader economic role.
- In **St Kilda Road South**, retain land in the Commercial 1 Zone to provide secondary employment space while enabling residential intensification. Ensure planning for the St Kilda area differentiates between the roles of each sub-activity centre and St Kilda Road South.
- For locally significant **industrial areas**, consider the merits of alternate employment zones (such as the Commercial 2 Zone) on a case-by-case basis as part of local structure plans.
- Advocate for State government policy on the incentivisation of affordable workspace.
- Implement Council’s Live Music Action Plan and seek to translate any nominated live music precincts into local planning policy.
- Recognise the high value of the City’s public land, community facilities and institutions in supporting the City’s economic specialisations in creative activities and tourism and prepare a co-ordinated strategy to protect, improve and identify business opportunities which complement these assets.
- Prioritise opportunities for new tourism, accommodation and hospitality businesses to capitalise on proximity to strategic tourism assets including Station Pier, St Kilda Triangle and St Kilda Pier. This should include local planning policy support as well as targeted local tourism plans for these areas and support for development proposals which will support and enhance Port Phillip’s regional and global tourism role.

Direction 3: Position precincts for changing work practices and to attract talent

Context

Port Phillip has a highly educated labour force and substantial professional business and employment base. This is underpinned by the characteristics of the municipality which attract both residents and workers, especially: proximity to the CBD; rich open space and waterfront assets; built form heritage; extensive hospitality offering and entertainment options.

Business attraction and retention in this sector will depend to a great extent on the ability to attract and retain talent in the context of strong competition from other city fringe locations and changing workplace and precinct amenity expectations. Even prior to the COVID pandemic, professional workers were expressing preferences for mixed use environments with a range of building types and high precinct amenity, especially those with a variety of places for workers and businesses to interact both during and after working hours (such as at bars, restaurants and cafes). Post-pandemic changes to working practices have further highlighted the importance of quality office and mixed use precincts, including the availability of workspaces closer to existing residential areas.

Council's aim for 10-15 minute neighbourhoods and Plan Melbourne's policy support for 20 minute neighbourhoods align with the need to provide opportunities for office space in high amenity locations across the municipality. This need is especially important for smaller businesses which are increasingly attracted to the flexibility and convenience of co-working space, serviced offices and other smaller tenancies.

Strategies

- As part of Precinct Plans for Fishermans Bend, ensure that worker amenity is prioritised and differentiation of roles is achieved between precincts and activity cores.
- In all employment areas and activity centres, encourage (where appropriate) the provision of co-working space and smaller office types to provide suitable premises for smaller businesses and flexible working.
- Plan for an appropriate mix of residential and non-residential space in St Kilda Road North (and the ANZAC Station precinct) to create a vibrant precinct which meets the expectations of the emerging workforce and global talent.

Direction 4: Strengthen and diversify activity centres and key villages

Context

Port Phillip has a network of thriving activity centres and villages that provide a goods and services to residents across the municipality, often in high amenity settings. As is common across Melbourne, the land use mix in smaller centres is weighted towards retail, however Port Phillip also has a strong provision of hospitality businesses.

This is an important direction which responds to the need to accommodate demand for additional employment-related uses across the municipality, diversify local centres where retailers are often facing economic challenges, meet changing living and working patterns associated with COVID impacts and facilitate policy directions for 10-20 minutes neighbourhoods.

Although employment growth is expected to be greatest in the major city-edge precincts of South Melbourne, St Kilda Road and ultimately Fishermans Bend, moderate growth is also projected for suburban locations such as St Kilda, Elwood and Albert Park.

This Strategic Direction encourages employment growth and commercial development within activity centres and selected villages across the municipality, generally proportionate with the position of each centre in the activity centre hierarchy. These centres have an increasingly important role to play in accommodating small professional spaces, allied health providers, commercial recreation and personal services. An Activity Centres Strategy presents an opportunity to review the hierarchy and identify locations and types of development which can accommodate an increase in local employment and diversity of land uses.

Strategies

- Continue to direct employment and larger scale retail and related developments to the Major Activity Centres at Port Melbourne, South Melbourne, St Kilda and Balaclava.
- Prepare an updated Structure Plan for the St Kilda Major Activity Centre, with a focus on differentiating the role of each sub-precinct, facilitating pandemic recovery and diversifying the overall land use mix.
- As part of a future Activity Centres Strategy, identify suitable locations and policy directions which accommodate greater employment and commercial floorspace within Neighbourhood Activity Centres, including at upper levels. Priority locations include Bridport Street Albert Park, Ripponlea, Ormond Road. Elwood and Armstrong Street Middle Park. Residential land immediately surrounding these centres could also be suitable to accommodate small-scale professional and allied health uses within existing buildings, warranting review of existing policy settings to ensure employment in these areas is encouraged.

- Re-categorise Centre Avenue Port Melbourne and Tennyson Street Elwood activity centres in policy from Neighbourhood to Local to reflect the current scale and role of these centres.



Direction 5: Align Housing and employment policy

Context

In the context of an inner metropolitan location such as Port Phillip with substantial areas of flexible zoning, it is critical that economic and planning policies and strategies are aligned. The availability and affordability of housing and the opportunity to develop residential uses within strategic employment areas all directly influence the local economy. For example:

- Residential development is providing strong competition for employment land uses in parts of the city fringe;
- Declining housing affordability has reduced the number of local 'creatives' and students, eroding a key element of the municipality's creative culture which had endured for generations. Low housing affordability can also restrict opportunities for businesses to hire skilled staff, especially in casual and lower paid roles such as in hospitality, a challenge which flows throughout the economy; and
- Residential development in some areas has revitalised economic conditions within activity centres by bringing an increased local demand base and usually higher income residents.

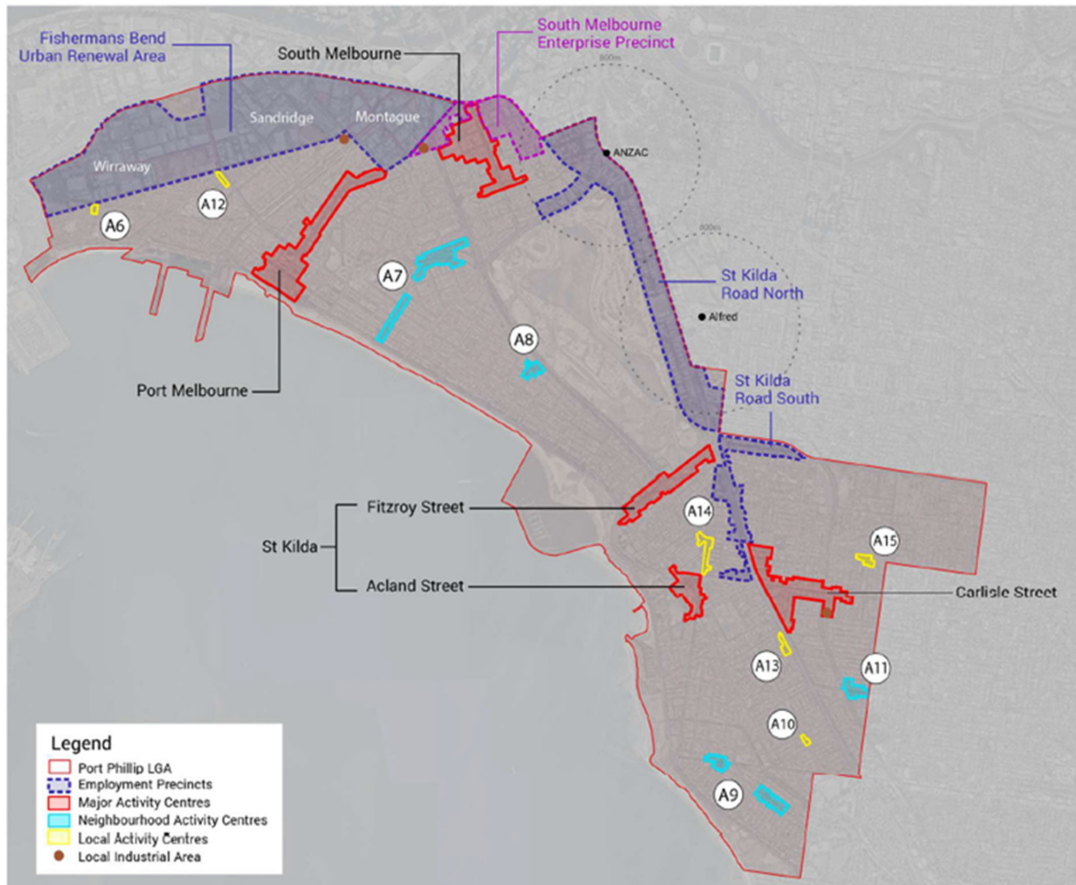
In locations where both residential and non-residential land uses are permitted under current zoning, strong policy direction is needed to achieve a balance of complementary land uses, as opposed to 'crowding out' of non-residential uses. Although the scope of the SEEF does not include recommendations on housing policy, it is important that the preparation of future housing policy and strategies have close regard to these directions.

Strategies

- Ensure that the updated Housing Strategy directly considers the findings and directions of the SEEF as an input to policy directions and local recommendations for housing.

Spatial Framework

The map shows the spatial framework which identifies the recommended roles of employment precincts and activity centres.



Source: Urban Enterprise.

