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<td>B2Z</td>
<td>Business 2 Zone</td>
</tr>
<tr>
<td>B5Z</td>
<td>Business 5 Zone</td>
</tr>
<tr>
<td>CASBE</td>
<td>Council Alliance for a Sustainable Built Environment</td>
</tr>
<tr>
<td>CCZ</td>
<td>Capital City Zone</td>
</tr>
<tr>
<td>CHMP</td>
<td>Cultural Heritage Management Plan</td>
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<td>Council Plan</td>
<td>Council Plan 2017-2027</td>
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<tr>
<td>DCP</td>
<td>Development Contributions Plan Overlay</td>
</tr>
<tr>
<td>DDO</td>
<td>Design and Development Overlay</td>
</tr>
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<td>DELWP</td>
<td>Department of Environment, Land and Water and Planning</td>
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<tr>
<td>EAO</td>
<td>Environmental Audit Overlay</td>
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<td>EGM</td>
<td>Electronic Gaming Machine</td>
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<tr>
<td>ESD</td>
<td>Environmentally Sustainable Development</td>
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<tr>
<td>ESO</td>
<td>Environmental Significance Overlay</td>
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<td>FBURA</td>
<td>Fishermans Bend Urban Renewal Area</td>
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<tr>
<td>GRZ</td>
<td>General Residential Zone</td>
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<tr>
<td>HO</td>
<td>Heritage Overlay</td>
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<td>ITS</td>
<td>Integrated Transport Strategy</td>
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<tr>
<td>LPP</td>
<td>Local Planning Policy</td>
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<tr>
<td>LPPF</td>
<td>Local Planning Policy Framework</td>
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<tr>
<td>MSS</td>
<td>Municipal Strategic Statement</td>
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<tr>
<td>NCO</td>
<td>Neighbourhood Character Overlay</td>
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<tr>
<td>NRZ</td>
<td>Neighbourhood Residential Zone</td>
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<td>Plan Melbourne</td>
<td>Plan Melbourne 2017-2050</td>
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<tr>
<td>PPTN</td>
<td>Principal Public Transport Network</td>
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<td>RAP</td>
<td>Reconciliation Action Plan</td>
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<tr>
<td>RGZ</td>
<td>Residential Growth Zone</td>
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<tr>
<td>SBO</td>
<td>Special Building overlay</td>
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<td>SEIFA</td>
<td>Socio-Economic Indexes for Areas</td>
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<td>South East Melbourne Councils</td>
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<td>Social Impact Assessment</td>
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<td>SPP</td>
<td>State Planning Policy</td>
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<tr>
<td>SPPF</td>
<td>State Planning Policy Framework</td>
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<tr>
<td>The Act</td>
<td>The Planning and Environment Act 1987</td>
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<td>The Scheme</td>
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<td>The Tribunal</td>
<td>Victorian Civil and Administrative Tribunal</td>
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<td>VCAT</td>
<td>Victorian Civil and Administrative Tribunal</td>
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<td>VPA</td>
<td>Victorian Planning Authority</td>
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<td>Description</td>
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<td>VPO</td>
<td>Vegetation Protection Overlay</td>
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<td>WSUD</td>
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3 Executive Summary

3.1 Overview

The Port Phillip Planning Scheme (the Scheme) plays a key role in shaping the City’s evolution to protect and enhance liveability and the wellbeing of both current and future communities. The Scheme has an influence over important factors that create a liveable, attractive and sustainable City, like land use planning, housing, protection of heritage, the natural environment and responding to the impacts of climate change.

Council has undertaken an audit of the Port Phillip Planning Scheme (the Scheme) as the first step in carrying out a Planning Scheme Review. Council is required to regularly review its scheme by the Planning and Environment Act 1987. This is to ensure the Scheme reflects current state and local policy, addresses key planning issues affecting the City and is efficient and effective in carrying out the objectives of planning in Victoria.

This report makes 86 recommendations, ranging in nature from relatively minor corrections, improvements to Council processes, to recommending significant further strategic work to reform key policy within the Scheme relating to housing, heritage, neighbourhood character, urban design, employment, transport, sustainability and public open space.

The recommendations will be implemented in a number of stages over a four-year period, representing a continuous improvement approach.

3.2 Purpose

Council is required to review its scheme periodically in accordance with the requirements of the Planning and Environment Act 1987 (the ‘Act’) no later than one year after the Council Plan is approved.

The last Audit of the Port Phillip Planning Scheme (the ‘Scheme’) carried out in 2006 and resultant rewrite of the Local Planning Policy Framework (LPPF) implemented into the Planning Scheme in 2011.

It is now appropriate timing to review the Scheme due to:

- the legislative requirement of the Planning and Environment Act 1987
- the need to align with the We are Port Phillip Council Plan 2017-27 (the Council Plan)
- significant chances to state planning policy, including:
  - reformed residential, commercial and industrial zones
  - a new metropolitan strategy – Plan Melbourne 2017-50
  - rezoning of Fishermans Bend
  - fast-track planning permits – VicSmart
  - new apartment design standards
  - revised State Planning Policy Framework
  - ongoing Smart Planning reforms
  - Amendments to the Planning and Environment Act 1987

Benefits of the review include:

- updating the planning scheme to effectively respond to major issues facing the municipality
Port Phillip Planning Scheme Review
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- updating the planning scheme to support the objectives of State Planning Policy, recognizing the significant change in planning policy and legislation since the last review
- identifying and correcting inconsistencies, anomalies and errors
- ensure that the Local Planning Policy Framework assists decision making, and stands up to scrutiny at VCAT
- ensuring the application of zones and overlays, and content of schedules to zones, overlays and other provisions are working efficiently and effectively delivers its strategic intent (state and local policy); and
- bringing us back on track with the 4-year review cycle, following the adoption of the Council Plan in June 2017.

3.3 Scope

This report audits the performance of the Scheme and make recommendations to improve it. The time passed since the last review has seen major policy shifts and planning system reforms in both state and local policy, which created a significant level of review work. As a result, this audit focuses on a review of the policy and controls within the Scheme, rather than Council's planning processes and its overall administration of the Scheme.

The aims of the review are to provide:

- A current and relevant Scheme that reflects current policy and addresses key planning issues.
- A clear and unambiguous Scheme that clearly conveys the planning vision, objectives and strategies for the area.
- An effective and efficient Scheme that makes effective use of the Victoria Planning Provisions (VPP), reduces complex and repetitive content and streamlines planning processes.

The Audit has been informed by a review of current state and Council policies and other data. This has included:

- an analysis of the Victorian Civil and Administrative Tribunal (VCAT) and recommendations from Planning Panels Victoria
- permit data analysis
- a survey of regular scheme users; and
- consultation with Councillors and Council officers.

3.4 Findings

Overall, the policies and controls in Port Phillip Planning Scheme are sound, reflecting best-practice planning policy and significant strategic work undertaken by Council in recent years to manage the development and land use in Port Phillip.

The Scheme has the most extensive and detailed heritage and built form controls in Melbourne, which work effectively to manage growth and ensure the City retains its valued heritage and neighbourhood character, while accommodating growth.

However, there are a number of ways in which the Scheme could be improved and updated to address changes in policy and demographic, land use and development trends. These include improving the overall narrative for consistency, clarity and a more cohesive and holistic spatial vision to guide future growth and development in Port Phillip. There are also policies that could be strengthened and potential gaps that could be addressed to better
direct key outcomes of State Planning Policy Framework, Plan Melbourne 2017-50 and the Council Plan 2017-27. These findings are summarised in key themes based on topics addressed by the Scheme:

1. Activity centres and employment
2. Built form and heritage
3. Environment
4. Health and wellbeing
5. Public space
6. Housing and growth
7. Transport, parking and waste
8. Effectiveness and efficiency

Audit Themes
### 3.4.1 Activity centres and employment

Port Phillip is in a strategic position with high accessibility to the CBD and public transport network, making Port Phillip an attractive employment destination that will see a continued growth in jobs, including in Fishermans Bend. However recent trends are seeing the crowding out of office use by residential and retail uses in City’s core commercial and mixed-use areas. Port Phillip must balance the its role as an employment destination with its need to cater for housing growth.

The continued evolution and growth of Port Phillip’s activity centres will be the foundation for creating a 10-minute City, where people can live close to jobs, services and public transport. Council will need to clearly define the hierarchy, role and function of Port Phillip’s activity centres and to ensure they remain vibrant, balancing their growth with the protection of other values such as heritage and residential amenity.

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<td>Adequate employment land – jobs close to where people live</td>
<td>Undertake further strategic work on the City’s employment needs and trends (demand and supply) to inform MSS and determine whether a more proactive approach to retaining and attracting businesses is required, including creative (‘makers’) and knowledge-based industries.</td>
<td>Outcome 5.2 - A prosperous City that connects and grows business</td>
</tr>
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<td>Reinforcing the role and function of activity centres</td>
<td>Update and strengthen activity centre policy in the MSS to reinforce the role and function and future direction of activity centres, including those planned for Fishermans Bend. Develop a new Activity Centres Strategy to inform detailed land use policy and structure plans and consider the role of neighbourhood activity centres in delivering 10-minute walking neighbourhoods.</td>
<td>Outcome 4.2 – A City of diverse and distinctive neighbourhoods and places</td>
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<td>St Kilda Activity Centre</td>
<td>Develop a future vision and strategic framework (structure plan / urban design framework / review of existing planning controls &amp; policy) to guide the role and function of the St Kilda Activity Centre (Fitzroy/Acland Streets).</td>
<td>Direction 4 – We are growing and keeping our character</td>
</tr>
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<td>Reducing amenity conflicts in and around activity centres</td>
<td>Consider introducing more detailed design policy to manage the potential amenity conflicts for the interface between residential and commercial areas (e.g. on noise mitigation, odour and air emissions, loading and unloading, waste removal and storage, etc).</td>
<td>Outcome 4.1 – Liveability in a high density City</td>
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3.4.2 Built form and heritage

The City benefits from extensive detailed design policy in many of our growth areas. With a strong population growth projected for the City, these will need to be maintained to ensure they are delivering expected outcomes. Despite this, planning for growth in the City would benefit from a more cohesive overall vision like a city-wide spatial plan or urban design framework to protect key elements of our City and assist in more consistent, longer-term planning.

Port Phillip’s heritage precincts are among the most significant and extensive in Melbourne and are generally well protected by extensive planning policy and controls. However, due to evolving heritage criteria and increasing development pressure, a number of gaps have been revealed, along with the need for more site-responsive design guidance.

Neighbourhood character is integral to the fabric of the City and is part of what makes Port Phillip a great place to live. The Scheme has robust policy and controls for precincts to protect areas of heritage value and consistent neighbourhood character. However, there are opportunities to clarify the preferred future character for areas of mixed character or those intended to cater for a higher level of growth.

<table>
<thead>
<tr>
<th>Key issue/outcome</th>
<th>Recommendation</th>
<th>Alignment with Council Plan</th>
</tr>
</thead>
</table>
| A more holistic urban design framework | Undertake a review of Port Phillip’s built form and urban design policy to:  
  - better define and protect key features of the City’s urban structure and character  
  - integrate spatial elements of key strategies such as the Integrated Transport Strategy and Public Spaces Strategy  
  - define ‘design excellence’. | Direction 4 – We are growing and keeping our character |
| Strengthen neighbourhood character | In conjunction with the Housing Strategy, review Council’s neighbourhood character policy to better articulate Council’s preferred vision.  
Consider alternative to ‘Contributory heritage places outside of the heritage overlay’ designation to protect neighbourhood character.  
Progressively update the Port Phillip Design Manual 2000. | Outcome 4.2 – A City of diverse and distinctive neighbourhoods and places |
| Strengthen and broaden scope of heritage policy | **Port Phillip Heritage Review**  
Update thematic history  
Consider ‘Contributory heritage places outside of the heritage overlay’ properties for the Heritage Overlay.  
Review heritage overlay precinct boundaries  
Progressively update older heritage citations  
Undertake a city-wide social heritage assessment. | Outcome 4.2 – A City of diverse and distinctive neighbourhoods and places |
### Heritage Local Planning Policy

Comprehensively review the Heritage Local Planning Policy to strengthen and broaden the scope of the local policy to address different building typologies.

Provide guidance on the appropriate siting of ESD facilities on heritage buildings.

**Permit triggers**

Introduce planning permit exemptions for low-impact buildings and works in the Heritage Overlay.

### Aboriginal Cultural Heritage

Update MSS policy to:
- better reflect Council’s obligation to identify, assess and document places of historic, cultural and social significance
- support development that reflects Aboriginal values and urban design perspectives

Undertake a municipal-wide Aboriginal Heritage Study
Consider training for Council officers.

### Clarify built form controls

A policy-neutral review of all DDOs for clarity, consistency and to reduce duplication.

Review specific Design and Development Overlays to ensure built form requirements are achieving intended outcomes (e.g. DDO6 – St Kilda/Fitzroy Street Activity Centre and DDO8 – South Melbourne Central and DDO26 – St Kilda Road North).

Outcome 4.2 – A City of diverse and distinctive neighbourhoods and places
Outcome 1.4 – Community diversity is valued and celebrated

Direction 4 – We are growing and keeping our character
3.4.3 Environment

The Scheme has detailed policy on facilitating environmentally sustainable development to help mitigate the impact of the buildings on the natural environment. Policy also supports factoring climate change impacts into planning decisions, however, it is less clear in its implementation of these policies.

To more effectively deliver a greener and water sensitive City, we need to elevate the protection of ecologically significant vegetation, and an integrated water management approach.

To build a City that is more resilient to climate change, we need to work with the State Government to develop stronger planning mechanisms and an agreed approach to prioritising sustainable and resilient development.

<table>
<thead>
<tr>
<th>Key issue/topic</th>
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</thead>
<tbody>
<tr>
<td>Environmentally Sustainable Development</td>
<td>Continue to advocate to the Minister for Planning for a permanent or State-wide equivalent environmentally sustainable development policy which maintains and builds upon the existing local policy and improve advice on how applicants can meet the best-practice ESD objectives of this policy.</td>
<td>Smart solutions for a sustainable future (3)</td>
</tr>
<tr>
<td>Protecting vegetation</td>
<td>Apply the Environmental Significance Overlay to sites of biological significance to raise their profile and minimise the loss of vegetation of development. Consider using the planning scheme to protect significant trees across the municipality.</td>
<td>A greener, cooler and more liveable City (3.1)</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>Add policy support in the MSS for new development to consider the impact of a changing climate. Continue to advocate to State Government for stronger planning mechanisms to influence sustainable development outcomes and respond to climate change hazards, including coastal inundation and storm surges. Work with Melbourne Water and other Councils within the Elster Creek catchment on a whole-of-catchment approach to flood prevention, including exploring the use of planning mechanisms to deliver appropriate built outcomes and infrastructure upgrades.</td>
<td>A City that is adapting to climate change (3.3)</td>
</tr>
<tr>
<td>Greening the City</td>
<td>Update the MSS policy on significant trees to promote the enhancement of landscape character through additional canopy tree planting to reduce the urban heat island effect. Explore options to require additional canopy trees or green infrastructure for development.</td>
<td>A greener, cooler and more liveable City (3.1)</td>
</tr>
</tbody>
</table>
on private land to reduce the urban heat island effect. Review Council’s process in assessing green infrastructure proposals to identify if Council can facilitate better outcomes.

| Integrated water management | Update the MSS to reflect best practice integrated water management objectives and strategies, including flood management and increasing permeable surfaces and requiring on-site detention. | A water sensitive City (3.4) |
3.4.4 Health and wellbeing

Health and wellbeing policy is embedded throughout the MSS, addressing a range of factors that contribute to liveability such as access to education and employment, public open space, local shops, community services, leisure and cultural opportunities, affordable housing and active transport. However, there is the opportunity to raise the profile of health and wellbeing policy by specifically linking these outcomes to liveability. This includes emphasising the importance of a place-based approach to matters such as food-sensitive urban design and a greater understanding of the social impacts of development.

Further, with increasingly mixed-use activity centres, amenity conflicts arise between residential and licensed premises. Council should consider more detailed policy to manage the amenity impacts of licensed premises to ensure they make a positive contribution to our City.

<table>
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<tr>
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<tbody>
<tr>
<td>Community health and wellbeing</td>
<td>Strengthen local policies on liveable neighbourhoods and places within the MSS to raise the profile of planning policies that contribute to community health and wellbeing and place-making.</td>
<td>A safe and active community with strong social connections (1.1)</td>
</tr>
<tr>
<td>Accessible to all</td>
<td>Promote the concept of universal accessibility for people of all ages and abilities and age and child friendly cities in the MSS. Promote urban agriculture and food-sensitive urban design in the MSS.</td>
<td>Community diversity is valued and celebrated (1.4)</td>
</tr>
<tr>
<td>Promoted green infrastructure</td>
<td>Promote green infrastructure (including green walls, roofs, landscaping, canopy trees) and food sensitive urban design to address the link between public health, planning, urban design and environmental sustainability.</td>
<td>A greener, cooler and more liveable City (3.1)</td>
</tr>
<tr>
<td>Community infrastructure (CI)</td>
<td>Expand community infrastructure policy in the MSS to address co-location, clustering, adaptable spaces and design guidance for mixed use developments.</td>
<td>A safe and active community (1.1) with access to services (1.3)</td>
</tr>
<tr>
<td>Licensed premises</td>
<td>Develop a licensed premises policy to guide the appropriate location and design of licensed premises to ensure they make a positive contribution commensurate to the role of each activity centre and to effectively manage amenity impacts.</td>
<td>Liveability in a high density City (4.1) We thrive by harnessing creativity (5)</td>
</tr>
<tr>
<td>Social Impact Assessments</td>
<td>Revise the social impact assessment policy within the MSS to refine the trigger for when it’s required.</td>
<td>Liveability in a high density City (4.1)</td>
</tr>
<tr>
<td>Develop social impact assessment guidelines to set out processes, acceptable scope and methodology and to clarify the types of development where it’s required.</td>
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<tr>
<td>Access to services that support the health and wellbeing of our growing community (1.3)</td>
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</table>
### 3.4.5 Public spaces

Port Phillip has a vast network of public spaces, including parks gardens, foreshore and hard public spaces. These spaces add to the City’s character and provide leisure and recreation and conserve natural and cultural environments.

An increasing population and move towards high density living environments is putting pressure on existing spaces, which may lead to shortfalls in public space, recreation and sporting facilities. There is growing demand for new, high-quality public spaces that can also mitigate the impacts of climate change and contribute to a more liveable and water-sensitive City.

The City’s current Open Space Strategy is outdated and no longer adequately informs investment in public space. The new Public Spaces Strategy will inform updates to the Scheme, including a potential change to public open space contribution rates.

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| Ensure access to public space  | Review public open space policy and controls following completion of the Public Space Strategy to address public open space deficit and facilitate smarter, multi-use and adaptable spaces.  
Assess the potential for implementing revised public open space contributions in the Scheme.  
Reflect relevant strategies of the *Sport and Recreation Strategy 2015 – 2024* and *Activating Laneways Strategy 2011* into the MSS where appropriate. | Liveability in a high density City (4.1)                           |
| Solar access to foreshore and public space | Review existing overshadowing policy to aim for greater consistency across the City.  
Consider undertaking a broader sunlight to public spaces analysis for the wider municipality. | Liveability in a high density City (4.1)                           |
| Enhance the City’s laneways  | Incorporate the *Activating Laneways Strategy 2011* into the MSS to highlight the multi-functional role of laneways as unique public spaces that can reflect the City’s heritage, improve pedestrian connectivity and become destination places in their own right. | A City of diverse and distinctive neighbourhoods and places (4.2) |
| Balance competing interests on the foreshore | Update foreshore policy to reflect relevant policies of the updated *Foreshore Management Plan 2012* and the *Victorian Coastal Strategy 2014*. | A City of diverse and distinctive neighbourhoods and places (4.2) |
3.4.6 Housing and growth

Port Phillip continues to experience strong development pressure and significant population growth. The current Port Phillip Housing Strategy 2007-17 is based on sound principles of directing new housing in well-serviced locations with a high capacity for change. However, growth is exceeding levels previously anticipated and the City is facing new challenges and opportunities.

Fishermans Bend will make a significant contribution to housing growth, with 80,000 residents in new high-density neighbourhoods. Population growth will also increase urban density across established areas of the City with more medium to high density residential development and continued pressure to convert commercial areas to housing. The provision of housing in Port Phillip has established and emerging issues with a lack of diversity, accessibility, adaptability and affordability.

New opportunities are available to Council to influence housing provision following significant reform of state planning policy and residential zones in recent years. This includes the potential to capitalise on stronger state policy on affordable housing and to reflect Council’s affordable housing strategy.

<table>
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<tr>
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</table>
| New Housing Strategy | Prepare a revised Housing Strategy to:  
  • take into consideration current factors and demand influencing housing provision  
  • update housing policy to account for the new residential zones and Fishermans Bend  
  • consider using the new zones to more effectively direct housing growth and diversity while respecting heritage and neighbourhood character values  
  • consider the review areas that were not addressed by Amendment C123  
  • continue to monitor and understand housing trends in the municipality.  
  • clarify housing residential growth area definitions within the MSS. | Liveability in a high density City (4.1) |
| Fishermans Bend | Ensure best practice urban renewal planning and sustainable development outcomes for Fishermans Bend and holistically integrate this into the MSS. | Liveability in a high density City (4.1) |
| Housing affordability, diversity & accessibility | Strengthen affordable housing policy in the MSS by reflecting the directions of state policy and In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025. Update the Scheme to strengthen housing diversity policy by specifying the desired outcome and including policy support for alternative forms of housing. | An increase in affordable housing (1.2) |
| Development contributions | Update the MSS to include policy support for accessible housing that is suitable for people of all ages and abilities. | Review options to fund the infrastructure required to support a growing population. | Liveability in high density City (4.1) |
3.4.7 Transport, parking and waste

Road congestion will continue to be an issue as our population grows with Port Phillip’s road network at capacity. To manage this, new trips as our City grows will need to shift to non-car modes. An integrated land use and transport planning approach will help to reduce reliance on cars by directing growth to areas well served by public transport and shops and facilitate 10-minute walking neighbourhoods.

Prioritising walking, bike riding and public transport and accessible design when designing roads and private developments to ensure our streets are places designed for people and are recognised as places in their own right.

The Scheme will need to be updated to reflect an Integrated Transport Strategy and further consideration should be given to implementing more sustainable car parking rates in key high-growth locations.

<table>
<thead>
<tr>
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<th>Recommendation</th>
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</thead>
<tbody>
<tr>
<td>Integrate land use and transport planning</td>
<td>Update the MSS to reflect the outcomes of the Integrated Transport Strategy. Strengthen policies in the MSS on sustainable transport to promote the concept of placemaking in our streets. Support more and better designed bicycle spaces and facilities within private development, particularly where car parking is reduced.</td>
<td>We are connected and it’s easy to move around (2)</td>
</tr>
<tr>
<td>Sustainable car parking</td>
<td>Consider using the Parking Overlay to require more sustainable car parking rates (including maximum rates) for new office and residential development in select high-growth locations close to public transport, shops and services. Investigate the potential to secure development contributions for sustainable car parking rates to fund active transport initiatives. Consider ways to improve policies relating to car parking, including: • facilitating flexible car parking design • guidance to improve Green Travel Plans • supporting car share facilities in on-street locations, or where demand is demonstrated. • Encourage the provision of space that will accommodate on-site loading for residential development</td>
<td>The demand for car parking and car travel is moderated as our City grows (2.2)</td>
</tr>
<tr>
<td>Waste management</td>
<td>Include waste management requirements for multi-unit and high density development, which maximise recycling and diversion from land fill and require Waste Management Plans to be consistent with Council’s forthcoming Waste</td>
<td>A sustained reduction in Waste (3.5)</td>
</tr>
</tbody>
</table>
Management Guidelines for higher density residential development.
### 3.4.8 Effectiveness and efficiency

The Scheme is long, complex and at times repetitive. It could be simplified and clarified without losing its strategic intent.

The MSS will need to be restructured to more closely reflect the themes of the State Planning Policy Framework to improve clarity and reduce duplication and to prepare the Scheme for translation into the new integrated planning policy framework currently being developed by the state government.

The administrative parts of the Scheme, like reference and incorporated documents require updating to remove redundant provisions.

<table>
<thead>
<tr>
<th>Key issue/ topic</th>
<th>Recommendation</th>
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<tbody>
<tr>
<td>Making local policy stronger</td>
<td>The MSS will need to be restructured to more closely reflect the themes of the State Planning Policy Framework to improve clarity and reduce duplication. Council should take the opportunity to work with the state government to implement the proposed integrated planning policy as part of the Smart Planning reforms. Review all reference documents to ensure they are still current, relevant and useful. Relocate the area-based Local Planning Policies to the MSS and other relevant parts of the Planning Scheme.</td>
</tr>
<tr>
<td>Update and improve local planning policies</td>
<td>Review the following local policies: Non-residential uses in the residential zones – Update to address the residential zone reforms. Backpacker’s Lodges – retain and update to correct minor anomalies. Caretaker’s houses in industrial and business zones – retain and update to reflect zone reforms. Heritage - comprehensive review to strengthen and broaden its scope to respond to a broader range of development types, including commercial and industrial properties and to provide guidance for ESD facilities on heritage places. Subdivision - retain and update to ensure they remain relevant and clear. Urban design policy for non residential and multi unit residential development - revise and strengthen to consolidate common urban design policies throughout the scheme (including DDOs) and consider any gaps not addressed by the new better apartment standards. Outdoor advertising policy - update and strengthen policy on billboards, major promotional signs, electronic signs and acceptable locations. Stormwater management (water sensitive urban design) local policy - retain and update to broaden its application and on-site detention criteria.</td>
</tr>
<tr>
<td>Clarify and simplify planning scheme controls</td>
<td>Consider a policy-neutral review of all Design and Development Overlays to improve clarity and consistency and relocate generic requirements to local policy. Review the Design and Development Overlays for South Melbourne Central Activity Centre (DDO8), St Kilda area (DDO6) and St Kilda Road North Precinct (DDO26) to ensure the built form requirements are achieving intended outcomes. Review the schedule to Clause 52.28 to update the list of shopping strips/centres in which new gaming machines should be prohibited.</td>
</tr>
<tr>
<td>Increase efficiency</td>
<td>Introduce planning permit exemptions for properties in the Heritage Overlay for low-impact buildings and works. Explore the potential for Council to prescribe local classes of VicSmart applications to streamline simple planning applications.</td>
</tr>
<tr>
<td>Remove redundant controls</td>
<td>Review and update the incorporated documents within the Port Phillip Planning Scheme for accuracy. Update the Environmental Audit Overlay maps to remove obsolete provisions. Remove the redundant Incorporated Plan Overlay applying to Becton, Port Melbourne. Update the schedule to the Public Acquisition Overlay to reflect the maps. Review the schedule to Clause 66.06 to correct a minor anomaly.</td>
</tr>
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</table>
4 Introduction

4.1 What is the Port Phillip Planning Scheme?

A planning scheme is a legal instrument that guides decisions about land use and development. It includes a range of tools including state and local policies, zones, overlays and particular provisions that contain directions and controls for all land within the municipality.

See Appendix 2 for an outline of the Scheme and its parts.

4.2 Reason for the review

Review requirements

Council is required by the Act to regularly review its planning scheme – no later than one year after approval of the Council Plan.

Section 12B of the Act states the purpose of the review is to enhance the effectiveness and efficiency of the planning scheme in achieving:

- the objectives of planning in Victoria
- the objectives of the planning framework.

A planning scheme review provides the opportunity to evaluate the planning scheme to ensure that it:

- effectively sets out the policy objectives for use and development of land in the area to which the planning scheme applies
- makes effective use of State provisions and local provisions to give effect to State and local planning policy objectives; and
- is consistent in form and content with any directions or guidelines issued by the Minister.

Time since last review

The Port Phillip Planning Scheme was last holistically revised in June 2011 (Amendment C62) and through incremental changes since that time. The 2011 revisions were an outcome of the last Planning Scheme Audit, which was endorsed by Council in October 2006.

The 2006 Audit was completed following the 2005 Council Plan. The next scheduled review was due to be undertaken 4 years later in 2010 (following the 2009 Council Plan), however this was not undertaken as the outcomes of the 2006 Audit was still being implemented.

The last scheduled review was due to follow the 2013 Council Plan, however Council was advised by the state government to defer the review based on forthcoming state reform (zones reform and revised SPPF) and in anticipation of the release of Plan Melbourne, 2014.

Growth pressure (in Fishermans Bend and St Kilda Road) required Council to undertake significant strategic work in these areas as a matter of priority.

It is important that Council reviews its Scheme regularly so that it is up-to-date, effective and efficient and addresses current planning issues and influences to achieve the objectives of planning in Victoria, as required by the Planning and Environment Act 1987 (the Act).
Changing policy context

There is a need to holistically review the strategic direction within the Municipal Strategic Statement (MSS) to reflect the latest urban development trends, demographic and policy changes that have shaped Port Phillip in recent years.

The state government has undertaken significant planning system reform since 2006, which has implications for the policy direction within the Port Phillip Planning Scheme. Those of particular relevance are:

- **New Metropolitan Strategy**: Plan Melbourne 2017-2050 was released by the State Government in March 2017 providing a clear long-term vision and strategic direction for land-use infrastructure and transport planning in Melbourne.
- **Revised State Planning Policy Framework**: Revised to reflect the new metropolitan strategy and current planning issues.
- **State Reformed Zones**: New suit of Residential / Commercial and Industrial Zones that was introduced by the former Government in July 2013 that broadened their scope and introduced more mandatory requirements. More recently the residential zones were revised again in March 2017.
- **Fishermans Bend**: The July 2012 identification of Fishermans Bend as an urban renewal area and rezoned as Capital City Zone.
- **VicSmart**: Introduced streamlined permit processes for straightforward applications in September 2014.
- **Better Apartments**: New design standards were introduced in April 2017 to better manage the internal amenity of apartments.
- **Planning & Environment Act 1987 amendments**: Various amendments since 2006 on VicSmart, infrastructure contributions, recognising objectors and considering (community-wide) social and economic impacts in planning decisions.
Benefits of this review

The Port Phillip Planning Scheme (the Scheme) plays a key role in shaping the City’s evolution to protect and enhance liveability and the wellbeing of both current and future communities. The Scheme has an influence over important factors that create a liveable, attractive and sustainable City, like land use planning, housing, protection of heritage, the natural environment and responding to the impacts of climate change.

The Review will:

- update the planning scheme to effectively respond to major issues facing the municipality
- update the planning scheme to support the objectives of state planning policy, recognising the significant change in planning policy and legislation since the last review
- identify and correct inconsistencies, anomalies and errors
- ensure that the Local Planning Policy Framework assists decision making, and stands up to scrutiny at VCAT
- ensure the application of zones and overlays, and content of schedules to zones, overlays and other provisions are working efficiently and effectively delivers its strategic intent (state and local policy); and
- bring us back on track with the 4-year review cycle, following the adoption of the Council Plan in June 2017.

4.3 Aims of the review

A current and relevant planning scheme

The review should reflect current policy and planning issues by:

- updating the Scheme to respond to priorities identified in the Council Plan
- respond to new state policies set out in Plan Melbourne 2017-50
- effectively setting out the policy objectives reflecting adopted Council policies
- implementing the State Planning Policy Framework with localised strategies and objectives
- identifying emerging issues and opportunities in response to urban development trends; and
- providing policy guidance on current planning issues and challenges.

A clear and unambiguous planning scheme

The Review should ensure the MSS clearly outlines the strategic vision for the municipality to assist decision making on land use and development applications.

The MSS should clearly convey the relevant planning vision, objectives and strategies to provide a broad policy basis for making decisions under the scheme and to effectively implement municipal-wide and place-based strategies.

The Scheme’s local planning policies (LPP) should clearly identify and guide how discretion in a zone, overlay or particular provision will be exercised to increase the transparency of decision making.

The Review should clarify any existing policy ambiguities and increase transparency with clearer decision guidelines and application requirements.
An effective and efficient planning scheme

The Review will examine provisions of the Scheme to ensure it makes effective use of the VPP, reduce unnecessarily complex or repetitive content, and considers the potential to streamline planning processes. To do this, planning scheme provisions, such as LPPs, zones, overlays and schedules require review to ensure they are effective and efficient in achieving strategic intent (state and local policy) and responding to emerging planning issues. This may have the benefit of reducing unnecessary planning permit requirements and correcting errors or anomalies so that planning assessments are directed towards matters of policy importance.

4.4 Scope of the review

This Report audits the performance of the Scheme and makes recommendations for improvement. This will inform the continuous improvement of the Scheme by assessing what has been achieved since the last review, what has changed since that last review, and making recommendations as to where we go from here.

The time passed since the last comprehensive review of the Scheme has resulted in a significant number of changes to policies and strategies. To account for the significant level of review work, this Audit Report has been limited in scope to focus on a review of the Scheme.

This Audit Report does not include a review of Council’s planning processes to improve the administration of its statutory responsibilities. Council is undertaking a separate continuous improvement initiative to improve its statutory planning processes. This program includes the expansion of the online planning applications and electronic assessment processes to reduce timeframes taken to process applications (see Appendix 1 for further details).

4.5 Methodology

The Review will be undertaken over a number of stages:

- Stage 1: Planning Scheme Audit
- Stage 2: Revising the LPPF
- Stage 3: Planning Scheme Amendment

This Audit Report completes Stage 1 of the Review. The methodology undertaken to prepare the Audit Report accords with the guidelines outlined in Planning Practice Note 32 - Review of Planning Schemes (June 2015) and includes:

- Scoping the review, including:
  - identifying the aims of the review
  - developing a project methodology and consultation strategy
  - setting parameters for the review.

- Data collation, including:
  - previous Planning Scheme Review recommendations
  - analysis of VCAT decisions
  - analysis of planning panel recommendations

- workshops with statutory and strategic planners
• workshops with staff from across the organisation who have a relationship to land use planning outcomes in the following key areas; environment, transport, built form, residential areas, economic development, health and wellbeing, public space
• Council briefings
• targeted survey of regular users of the Scheme
• analysis of Planning Permit Activity Reporting System data
• review of key documents including the Council Plan, state government practice notes, relevant state government strategies such as Plan Melbourne and Council strategies and policies prepared since the previous review.
• Assessment and analysis, including:
  • carrying out the review by assessing the performance of the Scheme against set criteria
  • analysing review findings by considering the importance of addressing issues, and the potential course of action that can be undertaken.
• Report the outcomes of the review by consolidating key findings of the above steps and making recommendations to improve the Scheme.

Stages 2 and 3 of the Review will commence following Council adoption of the Audit Report. See section 15 (implementation) of this report.
5 The 2006 Planning Scheme Review

The last comprehensive audit of the Port Phillip Planning Scheme was endorsed in October 2006. It was completed in accordance with the requirements of the Act and involved a statutory review of the Scheme. The recommendations of the Audit resulted in a complete review of the existing Local Planning Policy Framework (LPPF) and a planning scheme amendment to implement the review (Amendment 62).

The 2006 Audit Report found the MSS and local policies required updating to reflect the Council Plan and relevant state, regional, and local policy and strategy references.

Recommendations of the 2006 Audit Report included:

- restructuring and redrafting the LPPF for best practice;
- strengthening the objectives, strategies and policies of the LPPF to better reflect the SPPF;
- updating MSS content to reflect currents strategies and policies;
- rewriting all local planning policies for best practice;
- updating specific areas for rezoning and other minor zoning anomalies;
- reviewing specific DDOs;
- reviewing incorporated documents (including translating some into the scheme);
- fixing municipal boundary and zoning anomalies; and
- continuous improvement initiatives through planning process improvements.

5.1 Implementation of the 2006 Review

5.1.1 MSS review

Following the 2006 Audit, a rewrite of the Local Planning Policy Framework (MSS and local planning policies) was undertaken. The Planning Scheme Amendment C62 was prepared to implement the review. A summary of the intent of the changes to the MSS is below:

- rewritten to a more concise and easy to use document
- focus only on land use and development matters
- stronger statements in relation to environmentally sustainable design and sustainable transport
- strengthening of policy in relation to sustainable transport
- clearer expression of Council's housing growth strategy
- defining the role and function of Port Phillip's activity centres
- new policy in relation to accessible buildings
- policy encouraging the use of more sustainable transport options
- directing the location of community facilities and services
- introduction of policy in relation to public open spaces
- introducing new policy on the social impacts of gaming venues, licensed premises and large scale housing developments
- considering the cumulative impacts of late night entertainment venues / licensed premises
- clearer strategic direction for neighbourhoods.

As well as making format and content changes to existing policies, Amendment C62 also introduced new local policies relating to:
non-residential uses in the residential zone
backpackers’ lodges
caretaker’s houses in industrial and business zones
subdivision policy

Amendment C62 also introduced a schedule to Clause 52.01 - Public Open Space Contribution and Subdivision to require a mandatory 5% contribution towards public open space when land is subdivided.

Amendment C62 was gazetted on 27 June 2011.

5.1.2 Outstanding items from the 2006 Review

The 2006 Review report made 109 recommendations to update and improve the Port Phillip Planning Scheme. The 2006 review recommendations have been assessed to determine if there are any outstanding items that may have implications for the current review.

The outstanding items most relevant to the 2017 audit includes:

- preparing neighbourhood character frameworks for areas not covered by the heritage overlay or other built form controls
- preparing a structure plan for the Acland Street/Fitzroy Street (St Kilda) Activity Centre
- considering a new local policy relating to licensed premises
- considering a Development Contributions Plan for the municipality
- undertaking a comprehensive review of Clause 22.04 Heritage Policy; and
- updating incorporated documents in Clause 81.01 (underway).

Although many recommendations were addressed, further work is required to:

- better reflect Healthy by Design and accessibility principles
- better reflect Council’s commitment to becoming a child-friendly and age-friendly City
- updating the Urban Iconography Strategy 2002

These outstanding items are addressed through the analysis and recommendations of this Audit Report.

A table of outstanding recommendations in Appendix 3.
6 Strategic context

This section provides an overview of changes to the municipal and regional policy context, key issues and trends since the land planning scheme review was undertaken in 2006. There is a need to holistically review the strategic direction within the MSS to reflect a number of urban development trends, demographic and policy changes that have shaped Port Phillip in recent years.

6.1 Snapshot of Port Phillip in 2016

Port Phillip’s population is growing and changing. This affects the way we plan for the future of our City, in catering for growth and different demands for services. The information below is drawn from ABS Census data (2016).

Population

- Port Phillip’s population was 108,558 in 2016\(^1\).
- Port Phillip has the highest residential population density in Greater Metropolitan Melbourne (52.7 persons per hectare).
- From 2011 to 2016, Port Phillip’s population grew by 11,196 people (approximately 10%).
- The City of Port Phillip is forecast to grow by approximately an additional 60,000 people to 168,549 by 2041.

Age Groups

Overall, we have a young population with the largest age groups\(^2\) being the ‘young workforce’ (25 to 34) and ‘parents and homebuilders’ (35 to 49).

The largest changes in the age structure in this area between 2011 and 2016 were in the older age groups:

- Parents and homebuilders (35 to 49 with +1,937 people)
- Older workers and pre-retirees (50 to 59 with +1,865 people)
- Empty nesters and retirees (60 to 69 with +1,262 people)
- Seniors (70 to 84 with +1,058 people)

\(^1\) 2016 Census estimated resident population

\(^2\) Service age groups divide the population into age categories that reflect typical life-stages. They indicate the level of demand for services that target people at different stages in life and how that demand is changing
Households

- There are 57,867 dwellings with an average household size of 1.91.
- Despite slight variations in percentages of household types, the top three dominant types have remained the same across Port Phillip for the past 20 years:
  - Lone persons (35.2% in 2016).
  - Couples without children (24.8% in 2016).
  - Couples with children (14.6% in 2016).
- There has been a steady decline of ‘group households’ in Port Phillip, with a loss of 312 households in the past 5 years, however it remains a higher proportion of total households (8.1%) compared to Greater Melbourne (4.7%).
- Port Phillip has a larger proportion of lone person households (35.2%) when compared to Greater Melbourne (22%).
- Port Phillip also has a slightly larger proportion of lone person households and a smaller proportion of larger households (with 3 persons or more), compared with other inner-city councils in the IMAP area\(^3\).

\(^3\) Port Phillip lone person household (35.2%); 3 persons (12%); 4 persons (7.7%); 5 persons (2.1%); 6 or more persons (0.6%).
IMAP lone person household (31%); 3 persons (14.1%); 4 persons (9.4%); 5 persons (3%); 6 or more persons (1.2%).
Dwelling types

- More than half of the dwellings in Port Phillip are high density\(^4\) (52.2%).
- Only a small portion of dwellings in Port Phillip are separate houses (8.4%).
- A significant portion of houses are medium density dwellings\(^5\) (37.7%).
- Nearly 90% of Port Phillip’s dwelling stock is medium or high density, compared to 82.1% percent across the IMAP area and 33% in Greater Melbourne.

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\(^4\) The ABS Census data’s definition of ‘High density’ includes flats and apartments in 3 storey and larger blocks.

\(^5\) The ABS Census data’s definition of ‘Medium density’ includes all semi-detached, row, terrace, townhouses and villa units, plus flats and apartments in blocks of 1 or 2 storeys, and flats attached to houses.

\(^6\) The ABS Census data’s definition of ‘Other’ includes houses and flats attached to shops or offices, and improvised homes, tents and sleepers out on Census night.
Household income

- Comparing the household incomes of Port Phillip to Greater Melbourne indicates that there was a larger proportion of high income households (those earning $2,500 per week or more) and a lower proportion of low income households (those earning less than $650 per week)\(^7\).
- In the past five years, the most significant change in income in Port Phillip was a higher rate of growth in the medium-highest income quartile\(^8\) with the addition of 1,646 households.

Overall, the census data reveals that Port Phillip is a relatively young population with smaller household sizes, however its population is diversifying. The City has a dense population, made up of a majority of medium-high density dwelling types (90%) and lone person and couples without children household types (60%).

6.2 Key issues and influences

The key issues and influences affecting the way Council will need to plan for in the future include:

- **Planning for urban intensification and growth**: Increased population and employment densities. Integrated spatial planning will (transport, open space, social infrastructure to support growth) will be required to direct growth and improve development outcomes. Balancing high demand for residential development with retaining employment land. Planning for the Fishermans Bend urban renewal area and other high-growth locations (e.g. St Kilda Road North – Anzac Station precinct).
- **Housing diversity and affordability**: Need for greater housing choice to support access to affordable housing. Facilitating accessible housing to suit an ageing community.
- **Importance of access to open space**: Addressing deficit and quality of public space in key areas, including within growth areas, and providing quality, adaptable, multi-use and resilient spaces.
- **Creating 10-minute neighbourhoods**: Increasing emphasis on walkable neighbourhoods, mixed use, access to open space, shops and services, recognising the built environment’s contribution to liveability.
- **Promoting good design**: Creating a more liveable high-density City by requiring well-designed buildings and promoting design excellence.
- **Managing development pressure while protecting what is valued**: Ensuring new development respects existing and preferred neighbourhood character. Addressing gaps in the heritage overlay and guiding new development in heritage areas.

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\(^7\) Overall, 29.8% of the households earned a high income and 14.8% were low income households, compared with 22.9% and 16.7% respectively for Greater Melbourne.

\(^8\) The medium highest income quartile is those households earning between $1,417 to $2,394 per week (quartiles include: lowest, medium lowest, medium highest and highest groups). The income quartile method is a powerful and objective way of looking at income data over time as household income over time is not comparable due to fluctuations and inflation.
Protecting Aboriginal cultural heritage and promoting Aboriginal urban design perspectives in our City.

- **Adequate employment land**: Employment land in the inner city is at risk of being crowded out by residential uses. Need to create jobs close to where people live and retain creative industries (‘makers’) in the inner city region. Understanding the City’s employment needs and trends is key to developing policies and strategies that ensure an adequate supply of employment land.

- **Adapting to climate change**: Planning for coastal inundation, storm surges and erosion impacts associated with climate change. Reducing greenhouse emissions and promoting greening of the City to mitigate the urban heat effect.

- **Infrastructure delivery to support growth**: Facilitating appropriate community infrastructure/space (right location, type and quality) and delivering infrastructure within ‘growth’ precincts

- **Managing amenity impacts within mixed use environments**: Managing conflicts between residential development and commercial uses, including licensed premises.

- **Facilitating active transport trips**: Promoting an integrated land-use and transport approach. Need for sustainable parking rates in private development and facilitating more sustainable transport modes. Facilitating active transport will reduce the impact of growth and congestion, shifting trips away from vehicles.

### 6.3 State and regional strategic context

#### 6.3.1 Plan Melbourne 2017 – 2050

The Victorian Government released its revised metropolitan planning strategy Plan Melbourne 2017-50 (the Plan) on 11 March 2017. The new Plan Melbourne aims to create a clear direction for planning and a clear vision for Melbourne by integrating long-term land use, infrastructure and transport planning to meet the city’s future environmental, population, housing and employment needs.

The Plan is made up of nine principles which are supported by seven outcomes, together with policy directions that will be taken to reach those outcomes.

Those outcomes and strategies of relevance to the City of Port Phillip include:

**Outcome 1: Melbourne is a productive city that attracts investment, supports innovation and creates jobs.**

**Policies**

- Strengthening Melbourne’s competitiveness for jobs and investment (1.1)
- improving access to jobs (1.2)
- creating job opportunities in urban renewal precincts (1.3)

**Implications for Port Phillip**

- Fishermans Bend is identified as a major urban renewal precinct that will play an important role in accommodating future housing and employment growth – need to consider the precinct’s role in providing jobs
- understanding the City’s employment needs and any need for protection from residential encroachment
- considering how to retain and support creative industries
• considering the future role of St Kilda Road corridor, which is identified as part of the expanded Central City
• considering the opportunities of being linked to the metro tunnel by Anzac station
• continuing to monitor and recognise the capacity of Port Phillip’s activity centres to grow and diversify to support local jobs and 20-minute neighbourhoods.

Outcome 2: Melbourne provides housing choice in locations close to jobs and services

Policies
• directing the supply of new housing in sustainable locations (2.1 & 2.2)
• increasing supply of social and affordable housing (2.3)
• providing greater choice and diversity of housing (2.5)

Implications for Port Phillip
• significant state reforms underway to facilitate social and affordable housing
• zone reforms provide new height limits and garden areas requirements in residential zones – need to consider how this will affect the City’s new housing
• need to develop a revised Housing Strategy to account for housing growth and promote housing diversity outcomes
• need to strengthen MSS policy on affordable housing to reflect In Our Backyard – Growing Affordable Housing in Port Phillip 2015-25 and utilise new planning tools or mechanisms if or when they become available.

Outcome 3: Melbourne has an integrated transport system that connects people to jobs and services and goods to market

Policies
• transforming the transport system (3.1)
• improving local travel options to support 20-minute neighbourhoods (3.3)
• improving freight efficiency (3.4)

Implications for Port Phillip
• scheme benefits from numerous existing policies preferencing sustainable transport modes
• a greater focus on an integrated transport system
• considering the impact of the new Anzac station on growth for housing and jobs and community development
• better defining key locations for housing growth around the Principal Public Transport Network in a new housing strategy

Outcome 4: Melbourne is a distinctive and liveable city with quality design and amenity

Policies
• creating great public places (4.1)
• build on cultural leadership (4.2)
• promoting design excellence (4.3)
• respecting heritage as we build for the future (4.4)
• strengthen community participation (4.6)

Implications for Port Phillip
• Scheme has an extensive and comprehensive heritage policy framework
• improvements could be made to address heritage gaps and better guide new development in heritage areas
• Scheme benefits from extensive and detailed design controls to guide built form outcomes
• consider integrating disparate design controls to set out a more holistic spatial plan to guide the City’s growth.

Outcome 5: Inclusive, vibrant and healthy neighbourhoods

Policies
• Creating a city of 20-minute neighbourhoods (5.1)
• supporting safe and healthy communities (5.2)
• delivering social infrastructure (5.3)
• delivering local parks and green neighbourhoods (5.4)

Implications for Port Phillip
• Strengthening health and wellbeing policy in the MSS
• Consider ways to better promote productive streetscapes for health and wellbeing
• delivering a Public Spaces Strategy to address open space deficit and facilitate smarter, multi-use and adaptable spaces
• assess whether our heritage constrained neighbourhood activity centres have any capacity to provide more choice in housing, shops and services
• refining the concept of the 20-minute neighbourhood for an inner City context (10-minute walking neighbourhoods).

Outcome 6: Melbourne is a sustainable and resilient city

Policies
• Transition to a low-carbon city (6.1)
• mitigate hazard events and adapt to climate change (6.2)
• integrate urban development and water cycle management (6.3)
• make Melbourne cooler and greener (6.4)
• protect natural habitats (6.5)
• improve policy on air quality, noise and waste (6.6 & 6.7).

Implications for Port Phillip
• consider how the Scheme can improve climate change adaptation policy
• exploring the use of planning mechanisms to promote the greening of our City
• update the MSS on integrated water management and waste policy.

These policies are discussed further in each policy theme under Section 11 – Planning Issues and Gaps.

6.3.2 Fishermans Bend

In July 2012, the Minister for Planning identified the Fishermans Bend as an urban renewal project of State significance and rezoned the area as Capital City Zone (CCZ). The Minister for Planning is the responsible authority for strategic planning and major applications.

Fishermans Bend is Australia’s largest urban renewal area, with the addition of the Employment Precinct, the total area is over 480 hectares.
Plan Melbourne 2017-50 identifies Fishermans Bend as a priority urban renewal area and a National Employment and Innovation Cluster (NEIC). Fishermans Bend is well positioned to accommodate a significant amount of residential and jobs growth over the next 35 years. It is expected that by 2050, it will be home to approximately 80,000 residents and provide employment for up to 80,000 people. In the Port Phillip portion of Fishermans Bend it is forecast to reach 68,000 residents and 34,000 workers by 2050. This rate of growth will have significant impacts on Council’s service delivery standards and the organisation’s resourcing.

Imlications for Review
The Review will need to ensure the Scheme is updated to holistically reflect and anticipate the development of Fishermans Bend.

6.3.3 Reformed residential zones

State Government reforms
The former suite of residential zones (Residential 1, 2 and 3) was replaced with the Neighbourhood Residential Zone (NRZ), General Residential Zone (GRZ) and Residential Growth Zone (RGZ) by Amendment V8 to the Victoria Planning Provisions on 1 July 2013. The new zones aimed to increase certainty about the type of development expected in residential areas by introducing mandatory height and density controls. They also broadened the range of activities allowed in the zones.

Amendment VC100 (July 2013) changed the Mixed Use Zone to promote the development of higher density housing and broaden the range of other land use activities such as office, food and drink premises and shop to establish ‘as of right’ with conditions limiting floor area.

Amendment VC110 (March 2017) introduced the most recent reforms to the residential zones, in response to recommendations from the Managing Residential Development Advisory Committee. The Committee recommended improvements to the 2013 reformed zones and their application.

Key changes to the zones include introducing a mandatory height limit in the GRZ and introducing a new garden area requirement in the GRZ and NRZ that requires a minimum percentage of garden area per dwelling, dependant on the size of the lot.

Implications for Review
Housing policy in the MSS will need to align with the new residential framework. The new mandatory height controls in the NRZ and GRZ provide Council with greater ability to manage residential development.

The garden area requirement may impact the built form outcomes of multi-unit development on Port Phillip’s larger residential lots in Ripponlea, Elwood, St Kilda and St Kilda East, however the majority of Port Phillip’s residential lots are too small to be affected by the new garden area requirement (applies to lots greater than 400m2).

Council will have the opportunity to consider the implications of the 2017 changes on its housing policy in a planned review of the housing strategy – see section 11.6.1 (housing strategy).

Council response to reforms
On 1 July 2014, a default translation to the zones was applied to the Port Phillip Planning Scheme through Amendment VC116. The General Residential Zone replaced all residential 1 and 2 zones as part of this amendment.
Council has been through a lengthy process of translating the new residential zones into the Scheme, in line with its adopted Housing Strategy - City of Port Phillip Housing Strategy 2007-2017. This included several rounds of extensive community consultation over a series of proposed planning scheme amendments:

- Stage 1 Proposal - Amendment C113 adopted on 13 May 2014 (consultation proposal).
- Stage 2 Proposal - Amendment C114 adopted on 26 August 2014 (further consultation areas).
- Councils updated translation - C118 and C123 adopted on 27 October 2015 (changes requested by the Minister for Planning)

Amendments C113, C114 and C118 were not supported by the Minister for Planning. Amendment C123 implemented the new residential zones through the Port Phillip Planning Scheme on 21 December 2017. It introduced the Residential Growth Zone (RGZ) and the Neighbourhood Residential Zone (NRZ) and associated local schedules into the ordinance, updates an existing schedule and introduces new schedules to the General Residential Zone (GRZ), applies the zones via changes to Planning Scheme Maps 1 to 9 and amends the Local Planning Policy Framework.

Notably, under Amendment C123, Council has defined specific areas across St Kilda, East St Kilda, Ripponlea and Elwood (initially proposed as Neighbourhood Residential Zone) where a further review of zoning could occur as part of an updated Housing Strategy. These ‘review areas’ would remain in a General Residential Zone, a ‘default’ position while the further strategic work takes place.

**Implications for Review**

Council will need to reconsider the application of the residential zones in light of the most recent reforms to the residential zones, including its commitment to consider the most appropriate zones for the ‘Residential Review Areas’ from Amendment C123.

### 6.3.4 Reformed commercial zones

Amendment VC100 (July 2013) introduced two new commercial zones which replaced the former five business zones. The new commercial zones sought to provide greater flexibility and growth opportunities, responding to changing retail, commercial and housing markets.

**Commercial 1 Zone**

The Commercial 1 Zone (which replaced the Business 1, 2 and 5 Zones) allows for a wider range of accommodation and retail uses when without the need for a permit (such as hotel, tavern, backpackers’ lodge, landscape gardening supplies, car sales, etc.), office on the ground floor, exhibition centre, place of worship (when compared to the former Business 1 Zone).

The changes provide Council with less ability to control the mix of uses in activity centres and adds support for residential uses at densities complementary to the centre in the purpose of the zone.

The former Business 1 Zone was predominantly applied to Port Phillip’s traditional retail strips in activity centres, with the Business 2 and 5 Zones applied to edge or out-of-centre locations. By consolidating the zones into one, the changes effectively erased the lower
intensity business zones that were intended to provide a transition to adjoining residential areas, or accommodate a predominantly office-based function.

For example, the strips of former Business 2 and 5 Zones along St Kilda Road is outside the activity centre boundary and can now accommodate intensive retail uses, with retail and shops no longer requiring a planning permit.

This has implications for growth and the designation of activity centres throughout the municipality – see section 11.1.2 for a discussion on the role and function of activity centres.

**Commercial 2 Zone**

Commercial 2 Zone (replaced the former Business 3 and 4 Zone) is applied to the business precincts of South Melbourne. These precincts have an office and light industrial focus.

The Commercial 2 Zone allows for a narrower range of commercial uses than the Commercial 1 Zone. However, when compared against the former Business 3 Zone, it has been expanded to accommodate a broader range of land uses without the need for a planning permit, including cinema, food and drink premises, restricted retail premises, shop, supermarket (with floor restrictions) and trade supplies.

Previously the zone was much more focused towards facilitating office and light industry land uses. Some accommodation uses and larger supermarkets are no longer prohibited, however they require a planning permit. Again, this allows less control for Council to prescribe the mix of uses in these areas.

**Implications for Review**

The reforms have altered Council’s discretion within the zones, making some existing policies obsolete. These will have to be updated or removed as a result.

Also see section 11.1.1 of this report for further discussion on the implications of reformed commercial zones.

**6.3.5 Reformed industrial zones**

Amendment VC100 (July 2013) amended the industrial zones to allow the consideration of more land uses with a permit. The amended industrial zones sought to respond to new and emerging trends regarding the mix of industry, office and some forms of limited retail, and provide greater incentives for business investment.

Key changes include:
- removing the default floor space area restriction for an office within the Industrial 1, 2 and 3 Zones
- allowing a small scale supermarket with associated shops and convenience shops in the Industrial 3 Zone (Williams Street, Balaclava precinct).

**Implications for Review**

Council’s discretion on land uses within industrial zones have altered and any existing policies will have to be made consistent.

Also see section 11.1.3 of this report for a discussion of any implications of reformed industrial zones.
6.3.6 VicSmart

Amendment VC114 (September 2014) introduced VicSmart into the VPP – a streamlined assessment process for straightforward planning permit applications. As part of this, certain classes of application are eligible for a 10 day permit process, no advertising and delegated decision making.

Amendment VC135 (March 2017) extended the VicSmart process to including more expensive buildings and works in industrial and commercial areas, small scale types of buildings and works in selected overlays, subdivision, advertising signs and car parking.

Amendment VC137 (July 2017) introduced additional classes of application into the VicSmart provisions for residential zones.

Implications for Review

Council now has the ability to increase the types of permits eligible for a streamlined planning permit process and the Review will need to consider the benefits of utilising this new tool. See section 12.4.4 of this report for a discussion for further discussion on reformed VicSmart provisions.

6.3.7 Better apartments

The State Government recently introduced the Better Apartments Design Standards to improve the liveability and sustainability of apartments across Victoria through Amendment VC136 (April 2017).

The Standards use the same performance-based approach currently used to assess residential developments (ResCode) and are incorporated into Clause 55.07 and 58 of the Scheme.

They aim to improve the internal amenity and design of new apartments by ensuring they have adequate daylight access, privacy, outlook, functional spaces, outdoor space, storage, natural ventilation and acoustic protection.

As part of the ‘Better apartment’ initiative, there is a greater focus on meeting the needs of people with limited mobility, providing for recycling and waste minimisation, energy and water efficiency and adequate landscaping to minimise stormwater run-off and to help cool our urban areas.

The State Government also released new Apartment Design Guidelines for Victoria and the Urban Design Guidelines for Victoria in August 2017 which provide advice on building design and the design of public spaces.

Implications for Review

Council will need to review its local policy on urban design (Clause 22.06) to ensure there is no conflict with the new apartment provisions. There is also the opportunity to consider any new policies that can supplement the standards.

6.3.8 Inner Melbourne Action Plan 2016 - 2026

The Inner Melbourne Action Plan (IMAP) is a collaborative partnership between the Cities of Melbourne, Port Phillip, Stonnington, Yarra and Maribyrnong. The aim of the IMAP is for the inner Melbourne municipalities to work together to strengthen the liveability, attraction and prosperity of the region, while responding to the challenges of rapid growth.

The Inner Melbourne Action Plan 2016 – 2026 sets out a shared vision and goals to create:
The plan set out five goals and 27 strategies which propose areas where Councils can work together to progress joint advocacy, policy and projects to help address the impacts of city growth and achieve a more liveable city.

The partnership and its underpinning Action Plan is based upon a range of regionally scaled advocacy, research and development initiatives.

Council will continue to work with IMAP on various strategic and research initiatives that affect the inner metropolitan region.

**Implications for Review**

There are a number of IMAP projects that will be progressed at staged intervals over the 10-year period. These range from research and data initiatives like the Census of Land Use and Employment Data, to policy initiatives on managing licensed premises and creating an urban forest and biodiversity approach. Where possible, the Review should consider the potential timing of IMAP research and policy inputs and align this with the Review's implementation plan.

### 6.3.9 Council Alliance for a Sustainable Built Environment

The Council Alliance for a Sustainable Built Environment (CASBE) is an association of Victorian councils committed to the creation of a sustainable built environment within and beyond their municipalities.

CASBE's focus is on applying Environmentally Sustainable Development (ESD) principles to the built environment through the statutory planning system.

The Environmentally Sustainable Development Local Policy of the Port Phillip Planning Scheme is a result of the CASBE alliance, who worked together to develop the planning scheme amendment and advocate for the policy's approval.

**Implications for Review**

Council should continue to participate in the CASBE alliance to monitor and improve its ESD planning and continue advocacy in the absence of a state-wide ESD policy.

### 6.3.10 State planning reform program

The State Government recently released a new metropolitan strategy – Plan Melbourne 2017-50. This strategy and its associated implementation plan outlines an ambitious reform program, to be reviewed every five years.

Key reform initiatives that may directly affect policy and provisions within Port Phillip Planning Scheme:

- Reformed planning provisions for social and affordable housing;
- Streamlined approval processes for specific housing types;
- Reformed planning provisions for shared housing, community care units and crisis accommodation;
- Incorporating the Principal Public Transport Network into planning schemes;
• Reviewing the planning and building systems to support environmentally sustainable development.

Smart Planning Program

The Victorian Government introduced the Smart Planning Program in July 2016 as a fully funded review and reform project. It aims to simplify planning rules and modernise digital tools, online resources and information to make the planning system easier to understand, more efficient, accessible, open and collaborative. Phases 1 and 2 of the program aim to be delivered by July 2018.

Initiatives include:
• streamlining the State Planning Policy Framework to integrate state and local policy within the SPPF to reduce duplication and complexity
• expanding VicSmart fast-track eligible permit classes
• developing an online planning portal for information and services
• developing an online permit lodgement system
• implementing a planning scheme information management system (PSIMS) to more efficiently manage local planning schemes
• interactive planning scheme maps.

The Reforming the Victoria Planning Provisions Discussion Paper was released in October 2017. The Paper foreshadows significant structural changes to integrate the state and local planning policy framework and to update and consolidate the particular and general provisions. This Review should anticipate this reform by ensuring local policies follow the structure of the existing SPPF themes, so that they can be more easily restructured to fit the new framework.

Implications for Review

There will be significant structural changes to the Victoria Planning Provisions and all planning schemes are scheduled for July 2018. Council will need to consult with representatives from the Department to ensure Review work remains relevant. A benefit of this timing is that the MSS can be rewritten into the new format as soon as it becomes available.

6.4 Legislative changes

Since 2006, there have been numerous amendments to the Planning & Environment Act 1987 (the Act) and the introduction of new Planning and Environment Regulations (in 2015) which set out requirements for operation of the Act.

Some of the more significant changes are as follows:
• Planning and Environment (VicSmart Planning Assessment) Act 2012 – Introduces a streamlined assessment process for straightforward planning permit applications;
• Planning and Environment Amendment (General) Act 2013 - amends this section to require Council to take all three effects (significant environmental, social and economic effects) into account in planning decisions.
• Planning and Environment Amendment (Infrastructure Contributions) Act 2015 – provides a new system for levying contributions towards the provision of infrastructure;
• Planning and Environment Amendment (Recognising Objectors) Act 2015 – requires Councils and VCAT to have regard to the number of objectors in considering whether a permit application may have a significant social effect;
• Planning and Environment (Fees) Regulations 2016 – new fees to be paid to the Minister, planning and responsible authorities for the preparation and consideration of planning scheme amendments, applications and planning permits, certificates of compliance and planning certificates.

Any implications of these amendments are discussed under the relevant planning issues in section 11.
7 Planning scheme amendments

Since the previous Planning Scheme Review was implemented in 2011, there have been 90 Planning Scheme Amendments gazetted that have implications for this review. The different types of amendments comprise:

- “C” amendments: changes to one planning scheme (in this case the Port Phillip Planning Scheme)
- “GC” amendments: changes to more than one planning scheme
- “VC” amendments: changes to the Victoria Planning Provisions (VPP) and planning schemes
- “V” amendments: changes to the VPP only

Department-led amendments

Following the last Planning Scheme Review in 2006, there have been a number of amendments to the Victoria Planning Provisions (VPP) which have introduced reformed planning controls or altered strategic direction. These amendments affect the strategic direction outlined in the LPPF, which is required to be consistent with the SPPF (part of the VPP). These changes sometimes provide the opportunity for Council to benefit from reformed planning controls and policy by localising content to better achieve the Scheme’s strategic objectives.

The following state-led amendments relevant to this review include:

**Policy**
- VC71 – Introduced a revised SPPF to reflect current planning issues (2010);
- VC94 – Introduced new strategies in the SPPF relating to the coastal impacts of climate change (2012);
- VC106 – Introduced Plan Melbourne 2014 into the planning scheme, replacing Melbourne 2030 (2014);
- VC134 – Implemented a revised Plan Melbourne (2017);

**Zones & overlays**
- VC88 & VC100 – Implemented commercial and Industrial zone reforms (2012-13);
- V8, VC104 & VC116 – Introduced the new suite of residential zones (2013-14);
- VC110 – Amended the residential zones to respond to recommendations of the Managing Residential Development Advisory Committee (2017);
- VC90 & VC95 – Introduced the Parking Overlay (2012-13);

**Particular provisions**
- VC114, VC135 & VC137 – Introduced the VicSmart planning assessment provisions (2014), including later expansion of VicSmart classes (2017);
- VC120 – Introduced a new particular provision for live music and entertainment noise (2014);
- V9 – Implemented Victoria’s new infrastructure contributions system;

**Area-based**
- C140 – Shrine of Remembrance controls (2014)
GC54 – Introduced the Port Zone into the Scheme for Station Pier and adjoining freight yard in Port Melbourne and made the Minister for Planning responsible authority (2016);
C102, GC16, GC7, GC29 & GC50 – Established the Fishermans Bend Urban Renewal Area and subsequent changes to the planning controls, including recent targets for dwelling diversity, affordable housing and employment and applying interim mandatory height and setbacks (2012 – 2017);
GC45 – Facilitated the delivery of the Melbourne Metro Rail Project which includes a station at Domain (2017);

The implications of these changes to strategic policy and statutory provisions for the review is examined in section 6 of this report (strategic context).

Council amendments
The following is a list of the key local amendments (Council-led) since the 2006 review:

Policy
- C62 – Implemented the 2006 MSS Review (2011)
- C97 – Inserted the new Environmentally Sustainable Development into the Scheme on an interim basis (2015)

Heritage
- C72 – Implemented HO3 Review – South (2011)
- C89 – Implemented HO1 Review – Port Melbourne (2013)
- C117 – Introduces permanent heritage controls to sites in Fishermans Bend (2017)

Design & development controls
- C57 (Parts 1 & 2) – Ormond Road Urban Design Guidelines (2008)
- C52 – Implemented the South Melbourne Central Structure Plan (2008)
- C80 – Implements the Carlisle Street Activity Centre Structure Plan (2012)
- C103 – Implemented the Bay Street Activity Centre Structure Plan 2014 (2016)
- C107 – Implemented the St Kilda Road North Precinct Plan 2013 (2016)
- C145 – Implemented interim height controls for the St Kilda Road South Urban Design and Land Use Framework (2017)

Zones & overlays
- C111 – Updated the Special Building Overlay to reflect revised flood extent (2016)
- C123 – Applies the reformed residential zones to Port Phillip (2017)

For a full list of amendments, refer to the "List of Amendments" at the start of the Port Phillip Planning Scheme, which is updated frequently.
8 Local strategic context

This section of the report identifies key strategic directions, initiatives and actions that are contained in strategic governance documents at the local level that have been adopted since the last planning scheme review.

8.1 The Council Plan 2017-27

The We are Port Phillip Council Plan 2017-27 sets out the long term vision for the City of Port Phillip over the next 10 years. This plan sets out what Council wants to achieve by 2027, and how it will support the current and future health and wellbeing of the City. It is a single, integrated plan that delivers the Council Plan, municipal public health and wellbeing plan, strategic resource plan, 10-year financial outlook and annual budget.

The Plan identifies the review and update of the Scheme, including the MSS, as one of the ways it will manage growth by ensuring an effective framework of local policy and controls.

Key directions and strategies include:

Direction 1 We embrace difference, and people belong

1.1 A safe and active community with strong social connections

- Providing access to flexible, multi-purpose facilities that support participation in community life through sport, recreation and life-long learning.

1.2 An increase in affordable housing

- Implement In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025 to increase the supply and diversity of affordable housing aligned to priority local needs – low income families, older people, key workers, and single people at greatest risk of homelessness.

1.3 Access to services that support the health and wellbeing of our growing community

- Facilitating access to relevant services that cater for all ages and life stages.
- Supporting co-located and integrated services, and shared use arrangements, to improve access for all.

1.4 Community diversity is valued and celebrated

- Protecting and promoting Aboriginal culture and heritage, and continuing reconciliation with our Indigenous community.

Direction 2 – We are connected and it’s easy to move around

2.1 An integrated transport network that connects people and places

- Improving the connectivity, safety and amenity of walking and bike riding networks.
- Influencing truck movements to facilitate business and manage local amenity impacts.

2.2 The demand for parking and car travel is moderated as our City grows

- Reducing reliance on cars, by directing housing and employment growth to areas with the best access to public transport and shops.
  - Develop a Parking Management Plan as part of the Integrated Transport Strategy, and develop new policies for paid parking, on-street permits and parking provision rates for new development.
Integrate land use and transport planning through a review of the Municipal Strategic Statement.

2.3 Our streets are designed for people
- Prioritising walking, bike riding and public transport when designing roads and allocating resources.
- Pursuing universal accessibility for people with disabilities, children and older people.

Direction 3 – We have smart solutions for a sustainable future

3.1 A greener, cooler and more liveable City
- Increasing canopy cover and diversity of tree species across our streets and open spaces.
- Facilitating the greening of our built environment, through green roofs, walls and facades.
  - Promote green buildings by applying environmentally sustainable design planning policy and guidelines.
  - Develop a heat management plan to help cool the City and reduce the impact on health.
  - Investigate opportunities to protect vegetation and increase canopy cover on private property.
  - Complete an Ecological Biodiversity Study, in partnership with the EcoCentre and local experts.

3.2 A City with lower carbon emissions
- Develop guidelines that enable increased uptake of environmentally sustainable design features, including roof top solar, in heritage areas.

3.3 A City that is adapting to climate change
- Requiring development to adapt to and positively influence the local climate.
- Managing and reducing the impacts of flooding and sea level rise.
  - Develop tools to help the community understand and adapt to the impacts of climate change.

3.4 A water sensitive City
- Reducing potable water consumption by encouraging more efficient water use and establishing alternative water sources.
- Improving the quality of water entering Port Phillip Bay and increasing ground permeability.

3.5 A sustained reduction in waste
- Update waste management guidelines for apartment developments and implement education programs.

Direction 4 – We are growing and keeping our character

4.1 Liveability in a high density City
- Requiring well-designed buildings that contribute to safe, lively, high amenity places.
- Designing, activating and managing public spaces that are safe and inviting places for people to enjoy.
- Extending, connecting and diversifying our open space network to cater for increased demand.
  - Review and update the Port Phillip Planning Scheme and Municipal Strategic Statement to ensure an effective framework of local policy and controls to manage growth and support healthy communities.
o Implement planning scheme amendments to strengthen design and development controls in areas undergoing significant change.
o Develop a new public space strategy.

4.2 A City of diverse and distinctive neighbourhoods and places

- Planning for 10 minute walking neighbourhoods that give locals access to shops, community spaces and a strong sense of place.
- Protecting heritage places that represent our historic, social, cultural and architectural identity.
- Ensuring new development integrates with, respects and contributes to the unique heritage, character and beauty of our neighbourhoods.
- Enhancing the environmental and recreational qualities of the foreshore.
  - Implement a program to strengthen heritage controls including assessing sites of cultural and social significance and implementing the review of Heritage Overlay 6 (East St Kilda) through the planning scheme.
  - Review the Housing Strategy to ensure new residential development is well located and respects the character and heritage of established neighbourhoods.
  - Review the Heritage Policy in the Planning Scheme to improve guidance on retention and adaptive reuse of the City’s heritage fabric.

Direction 5 – We thrive by harnessing creativity

5.1 A City of dynamic and distinctive retail precincts
5.2 A prosperous City that connects and grows business
5.3 A City where arts, culture and creative expression is part of everyday life

Direction 6 – Our commitment to you

6.1 A financially sustainable, high performing, well-governed organisation that puts community first

Implications for Review

This Review will need to consider how planning can reflect and implement relevant strategies. Every Direction is relevant to the Review in some way and these strategic directions are considered in more detail in under relevant themes of section 11 (Planning issues & analysis).

8.2 Key policies and strategies

Existing policies

The following key Council policies influence policy direction within the Scheme:

- City of Port Phillip Housing Strategy 2007-2017
- Port Phillip Design Manual 2000
- City of Port Phillip Activity Centre Strategy 2006
- Port Phillip Heritage Review
- Bay Street Activity Centre Structure Plan, 2014
- South Melbourne Central Activity Centre Structure Plan, 2007
- St Kilda Road North Precinct Review, 2013 (Updated 2015)
- St Kilda Road South Precinct Urban Design and Land Use Framework, 2015
- Carlisle Street Activity Centre Structure Plan 2009
Toward Zero – Sustainable Environment 2007-2020
Sustainable Design Strategy 2013
Open Space Strategy and Implementation Plan Framework 2009

Many of these strategies were introduced into the MSS via an issue or area specific planning scheme amendment as part of a continuous improvement approach to the Scheme. There may be opportunity through the MSS rewrite to better reflect these strategies in a more integrated manner the Scheme, or through an integrated spatial plan.

This will be discussed further in sections 11 (planning issues & analysis) and 12 (effectiveness & efficiency).

New policies

The Review needs to be cognisant of the shifts in adopted Council policy since the last Audit Report (2006). There has been a substantial amount of new strategic work adopted by Council which may have implications for planning policy, or could be reflected within the MSS.

While some of these policies and strategies have a more direct relationship with land use planning (and therefore the planning scheme), most policies will have some bearing on changes within the City in the foreseeable future.

The following Council strategies affect planning policy and will need to be more holistically incorporated into the MSS:

- In our Backyard – Growing Affordable Housing in Port Phillip, 2015-2025 – to introduce a new Council policy on affordable housing and is a strategic priority for Council.
- Integrated Transport Strategy (Draft 2018) – to update Council’s commitments to sustainable transport targets and policies.
- Draft Fishermans Bend Framework – to holistically reflect the long term strategic plan for the development of the FBURA (once the framework is finalised).
- Sport and Recreation Strategy 2015-2024 – to reflect the vision that will guide the provision of sport and recreation facilities to meet the needs of a growing and changing population.
- Access Plan 2013-18 – to ensure accessibility is a guiding principle in the development of all major strategic planning projects.
- Foreshore Management Plan 2012 – to reflect the long term strategic vision and direction for the foreshore by identifying coastal values that need protecting and informing land use management of the foreshore.
- Reconciliation Action Plan 2017-19 – to reinforce the importance of protecting places of Aboriginal cultural heritage.
- Greening Port Phillip, an Urban Forest Approach 2010 – to reflect Council’s vision and policy context for the development and management of trees in the City of Port Phillip to support greening of the City.

See Appendix 5 – Key Policies for a list and summary of key policies and their implications for the Planning Scheme Review.
8.3 Current strategic projects

8.3.1 Review of Heritage Overlay 6

A review of Port Phillip’s Heritage Overlay (HO) was undertaken in March 2017 and has been included as an updated Reference Document to the scheme. The review identified that Heritage Overlay 6 (HO6) – St Kilda East should be included in the Schedule to the HO Table in the City of Port Phillip.

The current Statement of Significance for HO6 inadequately describes the significance of the place, and there are some illogical precinct boundaries and properties that have been identified, warranting inclusion and updating of the HO.

Council undertook due diligence and commissioned the review of HO6, which is currently in draft form and identifies a number of sites that should be recognised for their heritage value and included within the overlay.

An amendment to the planning scheme (Amendment C142), will be prepared in the coming year to implement the findings of the Review of HO6. This amendment will undergo a public exhibition process in accordance with the requirements of the Planning and Environment Act 1987. This will provide a formal opportunity for all interested persons/groups to make a submission to the proposed report.

8.3.2 Waterfront Place, Port Melbourne

The Port Melbourne Waterfront Urban Design Framework (UDF) was adopted by Council in November 2013, and provides direction about the future of the waterfront at a time of growth and change.

The Design Guidelines are currently being reviewed to better consider built form, land use and planning controls for the precinct generally, and for three potential redevelopment sites. These land use and public realm improvements would help to leverage tourism opportunities for the Precinct to become a vibrant place of arrival and departure and a hub of activity where visitors are inspired to spend time. These strategic objectives should be incorporated into the MSS.

8.3.3 Public Spaces Strategy

Scoping is currently underway for a new Public Spaces Strategy, which will aim to review and update Port Phillip’s Open Space Strategy 2009.

The current Open Space Strategy provides strategic direction for the supply and development of all public open space within the City, including nine open space principles that are intended to guide future decisions regarding supply and management of open space. Recommendations of the strategy include:

- To address areas under served by public open space opportunities that exist in East St Kilda, Ripponlea and South Melbourne (complete);
- To promote Open Space principles across all council services;
- To develop a Playground Strategy (complete);
- To utilise the Developer Contributions Guidelines to gain funding or acquire land for the development of new open space (complete via Amendment C62);
- To use integrated planning methods in the management of Open Space;
To regularly seek feedback on our parks and open spaces and capital works upgrades;
To implement master plans for historic and regional open spaces such as Sandridge Beach, St Kilda Edge and the Elwood Foreshore;
To develop more diverse parks and open spaces;
To manage conflicting usage of parks and open spaces;
To increase capacity of sporting venues to provide for junior and female sport by upgrading facilities and grounds.

Since this time, many of the recommendations have been completed. The new Public Spaces Strategy will provide the opportunity to update these strategic directions.

8.3.4 New Housing Strategy

Scoping is currently underway for the development of a new Housing Strategy. The City of Port Phillip Housing Strategy 2007 to 2017 is due for renewal. The current strategy is based on sound strategic principles of providing opportunities for new residential development in well-serviced locations with a high capacity for change.

However, housing growth is exceeding levels previously anticipated and the City is facing a number of new challenges and opportunities. This includes the need to:

- holistically integrate the addition of 80,000 dwellings with the Fishermans Bend Urban Renewal Areas into the vision;
- consider the most recent changes to the residential zones in early 2017 and the 'review areas' of Amendment C123;
- the new strategic directions on housing in Plan Melbourne 2017-50.

An up-to-date and robust Housing Strategy that sets out a clear direction for housing development across the city will place Council in a better position to effectively respond to these changes. There is opportunity to better manage and direct housing growth through the use of amendment residential zones.
9 Data analysis

An important part of the Planning Scheme Review is an analysis of decisions and findings by
the Victorian Civil and Administrative Tribunal (VCAT) for planning permit appeals and
Planning Panels Victoria (for Planning Scheme Amendments). This analysis provides
valuable qualitative data regarding the key planning issues affecting the municipality.

These decisions and findings help to analyse:

• the performance of existing policy of the Scheme
• identify potential policy gaps or inconsistencies with State policy
• lessons to Council about its approach to addressing particular planning issues or its
drafting of planning controls.

9.1 VCAT analysis

The VCAT analysis was informed by a review of a sample of 224 VCAT cases over a period

Of the 224 cases considered by the Tribunal in the sample period, Council’s decision was
affirmed on 59 occasions (or 26% of all instances), set aside on 87 occasions (or 39% of all
instances) and varied on 69 occasions (30% of all instances).

The most common issues raised in VCAT cases related to off-site amenity impacts (raised in
73% of all cases) and built form issues such as height, scale, bulk and design (raised in 60%
of all cases).

In assessing various use and development proposals against Council policy, the following
findings are significant:

• On a number of occasions, the Tribunal determined Council had applied its ‘Limited
  Growth Areas’ housing policy to sites with good access to jobs, services and public
  transport, contrary to state policy.
• The Tribunal was often critical of Council’s refusal of an application on the basis of an
  inadequate response to neighbourhood character in circumstances where the street
  was more diverse in building typologies and eras and there was no single notable
  character.
• There were numerous occasions the Tribunal was critical with Council’s use of
  mandatory built form controls in DDOs, noting the inefficiency and wasted
  opportunities mandatory controls can create in circumstances where a proposed
  development clearly meets the spirit of the control but fails to meet the letter of the
  law9.
• The Tribunal approved a number of development proposals that exceeded Council’s
  heritage policy view line requirements (so as to not be visible from the street)
  indicating greater flexibility in the policy may be required for more contextual design
  responses.
• Numerous VCAT cases sought a waiver in car parking for sites close to public
  transport, suggesting there is a tension between the current parking requirements of
  the planning scheme and Council’s sustainable policy objectives.

9 170 Ormond Road Pty Ltd v Port Phillip CC & Ors (Correction) [2013] VCAT 988 (18
June 2013)
Council has been relatively unsuccessful at refusing a backpacker’s lodges due to inappropriate location and offsite amenity impacts. Council has had mixed success in refusing applications for licensed premises in proximity to support services or vulnerable communities, where the Tribunal often found there was insufficient evidence to support Council’s assertions of social harm.

Each of these findings are discussed further in the section 11 (Planning issues and analysis) or the section 12.2 (Local planning policies).

See Appendix 4 for a more detailed analysis of VCAT decisions.

9.2 Planning panels analysis

Panel Reports are produced when they are referred an amendment to the planning scheme to hear any unresolved community submissions and to recommend whether an amendment should proceed, with or without changes.

Since the last audit of the Scheme in 2006, 18 Amendments have had a Panel Report published (at the time of writing).

Overall, the independent Panel Reports generally supported the strategic direction of the planning scheme amendments but often recommended changes to how it was proposed to be implemented into the planning scheme. Key findings are examined in the themes below.

Mandatory and discretionary built form controls

- Planning Panels often supported the strategic work of Council in developing design guidelines, but questioned their translation into planning controls by debating the ratio of prescriptive versus mandatory controls within the framework.
- In cases with a very strong rationale for mandatory built form controls (e.g. to protect significant heritage values, or where there was a clear need for transition in scale) the Panel often supported Council’s use of mandatory built form controls.
- More often than not, they cautioned against a ‘heavy handed’ approach to mandatory requirements and recommended a more flexible approach (i.e. discretionary controls or an increase in allowable heights - particularly in commercial areas). Reasons given included:
  - the need for a more balanced approach to juggling protection of neighbourhood character with supporting growth in appropriate locations; and
  - maintaining flexibility to support good design outcomes and lot size diversity.
- In general, Panel reports tended to favour mandatory street wall heights and setbacks of upper floor levels without placing an absolute limit on the development potential of sites.

Heritage

- In all but one case, the Panel supported the strategic justification and methodology for heritage amendments.
- In a number of cases, Panels queried the level of heritage significance attributed to certain properties and the area used for the comparative analysis.
- Clause 22.04 Heritage Local Planning Policy does not currently provide guidance for industrial buildings and the type of growth envisaged in urban renewal and high growth areas such as Fishermans Bend.
Suggested the thematic history of the Port Phillip Heritage Review is updated in instances where an amendment considers an individual place or precinct is of sufficient importance to justify its preservation.

Best practice includes undertaking community consultation when preparing heritage studies.

Local Planning Policy Framework

- There is scope to reduce the length of the LPPF without changing the intent of the policies.
- Preferred a structure plan to be implemented by other VPP tools (like the MSS and DDO) over a local planning policy, to provide greater simplicity, transparency and certainty.
- Sustainable development is most efficiently assessed at the planning stage to achieve optimum ESD outcome.
- A Coastal Hazard Vulnerability Assessment for the region encompassing Port Phillip Bay should inform a planning tool to deal with coastal hazards and inundation associated with sea level rise (if supported by the state government).

See Appendix 5 for a more detailed analysis of individual planning panel reports.

9.3 Planning permit activity analysis

This section provides an overview of planning permits decided (for new use or development) over a period of two years, from 1 July 2015 to 30 June 2017. The purpose of the analysis is to identify any emerging land use changes or trends, and areas of high development activity to inform the Planning Scheme Review. Findings are summarised below.

9.3.1 Land use trends

Mixed Use

Within the two year period, the majority of new mixed use permits were issued for sites in Melbourne and South Melbourne (within the St Kilda Road North Precinct) and Port Melbourne.

Approximately 66% of planning permits for new mixed use developments were lodged with VCAT for review. The majority of these appeals were on failure to determine an application within the prescribed timeframe.

On 70% of occasions where an appeal for a mixed use development application was made to VCAT, a permit was issued by the Tribunal.

New office uses / buildings

Within the two-year period:

- only one permit was issued for a new office use / building (previously residential use), in South Melbourne
- only one permit was issued for a replacement office building, (i.e. office building on land that was previously used for an office), in Port Melbourne
eight permits were issued for mixed use buildings that make provision for small office tenancies within the proposed building. This indicates a relatively low market provision of new office use within Port Phillip in recent years. The provision of new office uses is significantly outweighed by the loss of existing office uses that have converted to other uses, which were converted to:

- residential use (14 permits)
- mixed use buildings (13 permits with no provision for office tenancies)
- leisure and recreation uses (8 permits).

The loss of existing office buildings is predominately occurring in the suburbs of South Melbourne, Melbourne (particularly within the St Kilda Road North Precinct) and Port Melbourne.

**Licensed Premises**

Of the licensed premises applications decided upon in the review period:

- The highest number of planning permits decided on for licensed premises within the review period were in St Kilda, followed by South Melbourne and Port Melbourne.
- In general, there were significantly more permits issued for licensed premises (85 applications) than there were refusals (three applications).
- The majority of applications received were for restaurants (64 applications) and bottle shop / convenience store (10 applications).
- Of the bottle shop applications, permits were most frequently located in St Kilda (four applications) on Fitzroy Street and Inkerman Street.

**9.3.2 Dwelling activity**

Of the residential or mixed-use planning permit applications for the construction of dwellings decided upon in the review period:

- 12% of applications were for developments greater than 50 dwellings
- 88% of applications were for developments of less than 50 dwellings where
  - 35% were replacement dwellings (29%) or single new dwellings (6%)
  - 17% were dual occupancy developments
  - 26% were developments between 2-10 new dwellings (with at least 5% being townhouses)
  - 8% were buildings with 10-19 new dwellings
  - 7% were buildings with 20-50 new dwellings
  - 6% were new buildings with unspecified number of dwellings
- Permits with the highest number of new dwellings were approved in Melbourne, South Melbourne (St Kilda Road North Precinct) and St Kilda
- The permit applications for dual occupancy were mainly in the suburbs of Port Melbourne and Elwood.
Figure 4: Total additional dwellings approved, by suburb, for period 1 July 2015 - 30 June 2017

Note: The increase in Windsor relates to a sole permit for 203 new dwellings approved for a site on Punt Road.
10 Consultation

The City of Port Phillip is committed to ensuring that the community’s knowledge, insight, concerns and ideas shape Council’s strategic planning projects. However, it is not intended that broad community consultation occur at this stage of the Review process. This is because of the significant level of community consultation that occurred during development of the Council Plan 2017-27, of which the Review is seeking to implement.

Community consultation will be undertaken at later stages in the process through statutory exhibition of a number of planning scheme amendments to implement stages of the Review. Some amendments are also likely to be preceded by a strategic review – e.g. the Housing Strategy which would also involve an extensive community engagement process.

In order to inform the Audit report, working groups were held with council officers and a survey of regular users of the Scheme was carried out.

10.1 Council officer workshops

In April and May 2016, a number of workshops were held with relevant City of Port Phillip officers. Feedback was sought on current planning-related issues, along with exploring how the Port Phillip Planning Scheme could reflect and implement key policies across Council.

The working groups were held around the seven key themes and played a key role in identifying policy gaps and recommended actions. The workshops sought officer feedback on planning issues, opportunities and challenges and sought advice on improving the Scheme. Key findings across a broad range of topics include:

Clarity of planning scheme

- The Scheme should be simplified without losing core content.
- The built form controls should be clarified and remove repetition.

Housing

- Housing policy needs to be clearer about what level of growth is expected and where.
- There is an increasing need to create more affordable housing.
- Character policy on contributory areas outside the HO should be clarified.

Activity centres

- There is a need to understand employment capacity and growth projections.
- There is a need to manage amenity impacts and expectations of increased residential development in activity centres.
- There is a need for a structure plan to guide development within the St Kilda Activity Centre, which is an important iconic destination for tourism.
- A clearer activity centre hierarchy and policies (including maps and boundaries) would help to provide a more holistic overarching growth strategy for the municipality.

Heritage

- The heritage local planning policy should be reviewed and extended to apply to various building typologies and development contexts.
- Exemptions for minor development from the need for a planning permit could be explored through the use of an incorporated plan.
- Environmentally Sustainable Development and heritage policy conflicts need to be clarified.
Community development

- Health and wellbeing principles should be more clearly embedded in the MSS.
- Policies and strategies around public open space need to be updated and strengthened.
- Local policy on managing licensed premises is lacking.

Environment

- The focus and emphasis on environmentally sustainable development should be increased.
- There is a policy gap around increased canopy cover and protecting trees on private land.

Transport

- Car and bicycle parking rates for new developments in activity centres need to be reviewed.

The emerging issues from the working groups are discussed in more detail according to the topic in sections 11 (planning issues and analysis) and 12 (effectiveness and efficiency) of this report.

10.2 Councillor feedback

Feedback was sought from Councillors on the planning issues addressed by the Review. Issues were raised on a broad range of topics, including:

- Creating a more site-responsive planning response (e.g. through pre-application process).
- Making heritage planning policy and controls more extensive (fill gaps) and permissive (flexible) for better design and environmentally sustainable development outcomes.
- Encouraging innovative environmentally sustainable development to address climate change, including rooftop gardens, solar panels and addressing sea-level rise.
- Promoting food security, urban agriculture and community gardens with its social and environmental benefits.
- Making it easy for people to get around with integrated sustainable transport infrastructure.
- Preventing overshadowing of the foreshore and major parks.
- Promoting better high-density outcomes, with site-responsive design, stronger waste requirements, wind analysis, building flexibility and loading zones and design review.
- Protecting employment land and industrial areas to accommodate creative industries.

10.3 Planning scheme users survey

Consultation is an important part of the monitoring and review process as there are many varied users of the Port Phillip Planning Scheme. A Planning Scheme Users Survey was undertaken to gather information on the useability and effectiveness of the Scheme to inform its review.

The survey was targeted to regular users of the planning scheme who provided feedback on their experience using and interpreting relevant parts of the Scheme. Regular users of the Scheme were defined as applicants who have lodged two or more unrelated applications since the last Port Phillip Planning Scheme Review was implemented in 2011. This was designed to capture a group with the potential to provide a higher level of critique than an
ad-hoc user. It also captured professionals who likely worked with other planning schemes across Melbourne, who could provide more of a comparative analysis.

The survey used an online methodology, with an email sent out to 753 regular users of the planning scheme, of whom 126 completed the survey (completion rate of 17%).

Of those who completed the survey, nearly two in three (66%) said they were “architects, builders or developers”, while close to one in five (19%) said they were “a town planning professional”. Smaller proportions indicated they were either “surveyors” (3%) or “building designers” (2%). Over one in five (21%) were residents of the City of Port Phillip, and 16% worked within the municipality.

Key findings include:

- Housing growth, environmentally sustainable development and urban design were rated as the three most important planning issues addressed by the Scheme, followed closely by neighbourhood character and heritage.

**Figure 5 – Most important planning issues**

- The majority of participants rated Sustainable Land Use and Development policy as either good or excellent (62%), but were less favourable about Sustainable Transport Policy (42% rating it as good/excellent), with users noting a lack of strong policy on increased bike infrastructure and reductions in car parking.

- The Built Form & Heritage Policy was most frequently used policy by participants (75%). The majority of participants rated Heritage policy as good / excellent (57%). Of the 43% rating Heritage policy less favourably (fair/poor/very poor), a number of common themes apparent in commentary included the subjective nature of the policy, a lack of flexibility and inconsistency.
Respondents were less favourable about Urban Structure and Character Policy with 45% rating it as good/excellent. Of the 55% rating it less favourably (fair/poor/very poor) common themes apparent in commentary included a lack of recognition of the diversity of building stock and changed character of residential streetscapes.

A substantial proportion of respondents believe the scheme is repetitious and could be made clearer – with 39% of respondents agreeing that ‘there is a lot of repetition and unnecessary content in the PPPS’ and that ‘the policy is hard to understand and could be made clearer’ (also 39%).

Reducing unnecessary and repetitive policy was most frequently rated as a way to improve the effectiveness and clarity of the scheme (60%), followed by rewriting policy to be more succinct (45%) and improving the structure (40%).

References to more detailed commentary and findings will be found in the analysis of the planning performance of relevant planning issues and scheme structure in sections 11 (planning issues & analysis) and 12 (effectiveness & efficiency) of this report.

See Appendix 6 for the Port Phillip Planning Scheme Users Survey Summary Report.
11 Planning issues & analysis

This section identifies the major planning issues and trends facing the municipality, structured around key themes addressed by the Scheme:

- Activity Centres and Employment
- Built Form and Heritage
- Environment
- Health and Wellbeing
- Public Space
- Housing and Growth
- Transport, Parking & Waste

Each section provides an overview of the current local and policy context, feedback from consultation, VCAT and Planning Panels analysis, the strategic performance of the Scheme and the implications or opportunities for this Review to address these issues.

11.1 Activity centres and employment

11.1.1 Employment land

Local context

The City of Port Phillip is in a strategic position between the Melbourne CBD and the Bay and is home to a number of iconic tourist attractions and annual events which has allowed it to prosper economically and socially. It has convenient transportation access for freight and distribution as well as good public transportation links to the CBD (particularly via tram). The City’s key employment areas include the St Kilda Road Corridor, South Melbourne, St Kilda, Port Melbourne and Fishermans Bend. These areas also highly accessible to the CBD and public transport network, making Port Phillip a major employment destination.

Urban renewal planned for Fishermans Bend will see the City’s population double through the planned development of new high-density and mixed-use precincts, impacting the number and type of businesses and jobs in that area. Fishermans Bend is expected to cater for 80,000 jobs by 2050, with just over half of these jobs (36,000) projected to be within Port Phillip.

Employment trends in the wider City are also expected to grow, with the wider trend of Melbourne’s shift towards the service sector and ‘knowledge economy’ having a strong influence on Port Phillip’s workforce and industry base, which is oriented towards the professional services, retail and community services sectors. Port Phillip will also remain a desirable location to work given the City’s accessibility to public transport (including the addition of Anzac Station as part of the Melbourne Metro rail project), proximity to other employment hubs (CBD, Docklands, Southbank) and attractiveness as a place to visit and live.

Council anticipates an increase in employment land with development of Fishermans Bend and the addition of the Anzac Station, which is likely to result in increased development activity in St Kilda Road North. It remains to be seen whether this development activity remains skewed towards residential development in line with current trends, or whether employment land will flourish to take advantage of the significantly quicker access to the...
CBD and other National Employment and Innovation Clusters around Melbourne (particularly Parkville).

These trends will have a range of implications for the City in terms of:

- Ensuring the City has an adequate supply of commercial land for a growing employment sector, particularly office space for the ‘knowledge economy’ which is at risk of being ‘crowded out’ by residential uses.
- Land use planning policy, with the need to understand the weaknesses and capitalise on the strengths of each activity centre to ensure there’s a range of essential shops and services that can support the local population.

**Figure 6 – Commercial and Industrial Zones**

**Policy context**

Plan Melbourne 2017-50 contains numerous policies relevant to economic development, including increasing Melbourne’s competitiveness, improving access to local jobs, the creation of jobs in urban renewal areas and a city of 20-minute neighbourhoods. In particular, Council is required to plan for the provision of adequate commercial land to support a competitive City and improve access to local jobs (Policy 1.1.7).

The Council Plan highlights Council’s vision for a City of dynamic and distinctive retail precincts (Outcome 5.1) and growing businesses (Outcome 5.2).
Other relevant documents include the Port Phillip Economic Development Strategy 2012-2016 and City of Port Phillip Activity Centres Review – Future Directions Strategy Paper (January 2006), however these are both in need of further work and/or updating.

IMAP Councils are also investigating urban manufacturing in the Inner Melbourne region. The over-arching hypothesis is that small, high-value added, highly-innovative urban manufacturers in Melbourne can benefit significantly from the agglomeration economies associated with inner-urban locations. It considers the level of value to the urban economy in preserving a place for manufacturing innovators in the central city and immediate inner suburban areas. The goal of this study is to deliver policy-relevant findings that can guide the IMAP councils in making strategic decisions about the use of employment land in the IMAP.

**Competition with residential uses**

**Local context**

The commercial zones reform in 2013 resulted in the majority of Port Phillip's business zones defaulting to Commercial 1 Zone which allows a much broader range of uses to facilitate mixed use precincts, including the specific endorsement of residential uses in the purpose of the zone. The reform, along with the high market value of housing, is seeing a market preference for residential land use and a decline in office uses in commercial zones and retail/office uses in mixed use zone.

The former zones encouraged office uses in the St Kilda Road North employment precinct (formerly Business 5 Zone), with the purpose of the zone to “encourage the development of offices”. The commercial land along St Kilda Road South (formerly Business 2 Zone) prioritised offices and associated commercial uses, with accommodation uses requiring a permit.

Recent trends along the St Kilda Road corridor have seen the majority of planning applications favouring buildings with retail at the ground floor and dwellings above. The permit activity analysis (refer to section 9.3 of this report) identified a significant loss of existing office buildings in recent years (July 2015-17), with the majority of them converting to residential or mixed-use buildings. This loss predominately occurred in the suburbs of South Melbourne, Melbourne (particularly within the St Kilda Road North Precinct) and Port Melbourne.

South Melbourne Activity Centre provides Port Phillip with a substantial amount of office space, with light industrial functions in the employment precincts to the north of the activity centre. There is pressure from landowners to rezone land within this precinct to allow residential uses, given its strategic location close to the inner City and transportation networks. This is inconsistent with the current strategic direction to maintain a mixed industry and business enterprise precinct (with new forms of hi-tech industry).

**Feedback**

Council officers raised a concern with the long term viability and vitality of our employment land when facing increased residential development.

The 2016 Managing Residential Development Advisory Committee Report acknowledged the Commercial 1 Zone and Mixed Use Zone are increasingly being used for residential, rather than commercial development in metropolitan Melbourne, as Councils have no control over accommodation uses that are now allowed ‘as of right’ in the zones.

> “While the growth in apartments has many positive outcomes, the Committee agrees with the general proposition that the current dynamics in the residential market have
favoured residential rather than commercial investment in some activity centres. This is potentially to the detriment of those activity centres and communities, where a more balanced provision of land uses might achieve broader planning objectives relating to service provision, accessibility and employment creation.”

The view that planning has a role in achieving a mix of residential and commercial uses in activity centres is shared by both the Advisory Committee and the Stonnington Amendment C172 Panel which considered the introduction of ‘vertical zoning’ in the proposed Activity Centre Zone for Chapel Street (requires a permit for a residential use on upper floors if it is in an area where commercial uses are encouraged). The Panel considered the proposal to be innovative, facilitative and likely to achieve the intended outcomes.

There is a growing awareness among Councils, academics and the industry, on the issue of residential uses crowding out employment uses, particularly in the Mixed Use Zone and Commercial 1 Zone. Notable projects include:

- Stonnington’s Activity Centre Zone for Chapel Street featuring vertical zoning requirements.
- Urban Manufacturing IMAP project researching urban manufacturing and policy options to retain creative industries in the inner-city.
- Melbourne City Council’s West Melbourne Structure Plan (draft for engagement) flags Council’s intention to create a customised schedule to the Special Use Zone to create a true mixed-use zone that facilitates a variety of employment uses, while allowing some residential uses.

Opportunities

Further strategic work is required to understand the contribution of employment land within the Port Phillip to the wider economy, and how to balance the City’s role as an employment destination with its need to cater for housing growth. This will help to inform the direction for revised local land use policy within the MSS.

There will continue to be significant demographic and workforce changes in Port Phillip in coming years, with a strong demand for employment growth in the inner-city region.

The St Kilda Road corridor is now clearly identified in Plan Melbourne as part of the expanded Central City which will provide for the continued growth of employment. With the metro tunnel currently under construction including Anzac Station located under the Domain interchange, adjacent to the St Kilda Road North employment precinct, will better link St Kilda Road with other key living, learning and work precincts across Melbourne, such as Parkville. It will also take significant pressure off trams to cater for the movement of worker populations from the CBD to St Kilda Road.

The 2013 reforms created the new Commercial 2 Zone to further the creation of commercial employment precincts. Council should consider a more strategic assessment of its commercial areas to fully understand the current and likely future implications at a detailed level. Such a review may highlight opportunities to refine application of this zone. Council has less influence to require the provision of office uses over accommodation uses given the default zone translation. 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.

10 Managing Residential Development Advisory Committee Report, 14 July 2016, pg.133-134
Council should also consider the commercial opportunities that the new Melbourne Metro will bring to the St Kilda Road North precinct, so that employment land can leverage off major transport investments (such as Anzac station, tram infrastructure improvements and the creation of improved cycling connections in this area).

Further, Council will need to ensure that planning for the Fishermans Bend mixed-use area appropriately facilitates the retention of commercial uses, employment opportunities and creative industries.

With the loss of Fishermans Bend as the City’s core designated industrial area, there may be further reliance on the South Melbourne employment precinct supplying the municipality with solely commercial land (excludes residential uses). South Melbourne’s employment precinct provides a unique opportunity to improve access to creative and high-value add industrial jobs because of its mix of attributes including its inner-city location, transport accessibility, existing employment cluster, access to shops and services, amenity (open space, heritage buildings, vibrant street life) and creative industries.

Any future rezoning decisions should be based on a wider study of employment land supply/demand and not be made in isolation.

It is timely that Council should carry out new strategic work to define the City’s employment needs to:

- ensure the City has adequate employment land to facilitate jobs close to where people live
- consider a more proactive approach at retaining employment in the St Kilda Road North precinct (e.g. vertical zoning mechanisms)
- consider applying customised zones to activity centres or key employment areas, Activity Centre Zone or Special Use Zone to prescribe a type of mixed use zone that provides greater protections for employment land
- consider the strengthening the unique role of the South Melbourne Central employment precinct
- ensure conditions can retain and support creative industries (‘makers’) in the inner city region
- clarify the future commercial role of Fishermans Bend
- take advantage of the IMAP Census of Land Use and Employment (CLUE) data to be developed over the coming years
- determine the need to retain the City's remaining small pockets of industrial zoned land
- update land use policy in the MSS.

**Recommendation 1:**

Undertake an employment land strategy to identify the City’s employment needs and trends and determine whether a more proactive approach to retaining employment land is required.
11.1.2 Activity Centres

Local context
Plan Melbourne identifies four Major Activity Centres in the City of Port Phillip (Bay Street, Port Melbourne; South Melbourne Central; Fitzroy/Acland Street, St Kilda; and Carlisle Street), along with six Neighbourhood Activity Centres (Centre Avenue, Bridport Street, Victoria Avenue, Armstrong Street, Albert Park, Ripponlea and Ormond/Glenhuntly Road). These strips are predominantly traditional shopping strips and tend to function independently of each other, each with unique characteristics that draw upon different catchments.

The FBURA will also contribute towards a number of additional activity centres in the future. The core activity centre in Fishermans Bend will be located within the Sandridge Precinct, while smaller activity centres are planned for Plummer Street in the Wirraway Precinct, and Buckhurst and Normanby Road in the Montague Precinct.

The role and function of activity centres

Policy context
Plan Melbourne seeks to create a city of 20-minute neighbourhoods (Direction 5.1) that are linked by public transport and facilitates local living, with easy access to a range of services and facilities within a 20-minute walk, cycle, or local public transport trip.
Plan Melbourne aims for all activity centres to have the capacity to grow and diversify the range of activities they offer to provide communities with access to a wide range of goods and services and local employment and to support local economies. However, many of Port Phillip’s neighbourhood activity centres are located within areas with strong heritage and neighbourhood character values, limiting their growth potential.

With the default rezoning of commercial land in activity centres (Business 1 Zone to Commercial 1 Zone) the use of land for retail premises no longer requires a permit, nor are shops subject to size restrictions, reducing the ability for Council to control the mix of uses within activity centres.

Direction 4.2 of the Council Plan aims to create a City of diverse and distinctive neighbourhoods and places. As part of this, Council is seeking to achieve this by planning for 10-minute walking neighbourhoods that give locals access to shops, community spaces and a strong sense of place. The MSS Review will need to refine Plan Melbourne’s concept of the 20-minute neighbourhood for Port Phillip’s inner-city context.

The City of Port Phillip Activity Centres Review – Future Directions Strategy Paper (January 2006) identifies the role, strengths/weaknesses and development potential for each of the Major Activity Centres. Since this review was undertaken, Port Phillip’s actual growth has outstripped projections11. A more recent supply and demand study undertaken for Council in 2015 indicates that the supply and demand analysis is outdated and not an accurate reflection of today’s centres, with the role of some activity centres having changed over the last decade. For example:

- Fitzroy Street has not seen a strong increase in retail and household goods as expected, with more food catering and entertainment uses than anticipated.
- The anticipation for South Melbourne Central to accommodate pent up demand for bulky goods in Port Phillip has not been realised12 with a larger growth in food catering and entertainment uses.
- Bay Street Activity Centre has undergone significant change with a more diverse mix of retail stores and services and a larger provision of food catering outlets (cafes, restaurants, take-away food).

Further, the study identified that a number of Port Phillip’s activity centres are imbalanced in land use mix, with a high proportion of food catering floorspace and an undersupply of retail facilities aimed at serving local residents, particularly in food/groceries.

The 2013 commercial zones reform replaced the former five business zones, resulting in default translations and a broadening of the range of activities allowed in commercial zones (and activity centres).

The current MSS land use policy (Clause 21.04) contains land use policy that identified types of land uses that are encourage or discouraged certain types of uses.

Some of these policies are now redundant, where the use has been made ‘as of right’ in the head provision. There is now less ability for Council to balance the retail mix within activity centres.

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12 Bulky goods retail in South Melbourne is at 4080m², rather than 11,200m² predicted in 2016.
Feedback
Feedback from Council officers included the desire for a more consistent approach to activity centre (e.g. clearer policy on each precinct, and maps with defined boundaries).

Opportunities

MSS activity centre policy
Activity centre policy in the MSS should be updated to reinforce the hierarchy role and function and future direction of activity centres. Many of the strategies seek to control the mix of uses within centres, referring to former business zones which have now been superseded. Further, the new commercial zones no longer provide Council with the same level of ability to control the mix of uses within centres.

The MSS Policy on considering out-of-centre development, or an extension of existing retail strips, to address a known retail gap or shortfall could be strengthened.

Further urban design and heritage work should also help to clarify how to balance additional growth in activity centres while maintaining heritage character and fine-grain subdivision of traditional retail strips. This is further explained in section 12.2.5 (heritage policy).

New Activity Centres Strategy

Further strategic work would provide Council with an understanding of the projected growth in demand for retail floorspace and the capacity of our activity centres and mixed-use areas to accommodate this. The current Activity Centres Strategy is over 11 years old and is outdated.

Although some activity centres have evolved differently to the demand projections contained in the current strategy, many objectives are still useful as general urban design and retail planning principles. It is the land use policies that are in need of an update, particularly in identifying the current strengths and weaknesses of activity centres and guiding permit discretion on land use mix.

A new Activity Centres Strategy should also consider opportunities to consolidate particular sites to intensify the existing commercial floorspace to accommodate demand in many existing activity centres (particularly grocery/supermarket floorspace) to serve the daily needs of local residential catchments. For example, accommodating Small Local Enterprise Precincts (e.g. shopping centre with local services and an anchor tenant).

Retail mix
Council’s existing suite of detailed land use and neighbourhood policies in the MSS will need to be revised to align with the new range of allowable uses under the Commercial Zones.

Plan Melbourne notes that all activity centres have the capacity to grow and diversify the range of activities they offer to provide communities with access to a wide range of goods and services and local employment and to support local economies and the development of 20-minute neighbourhoods.

The imbalance in retail mix in some of our centres has the potential to undermine the desire to create 20-minute neighbourhoods with activity centres being unable to supply their catchments with basic needs and services. It is also harming the vitality of centres by creating an imbalance in day and night time activities. For example, Fitzroy Street comprises 60% food catering floorspace and non-retail entertainment venues. This leads to wider precinct vitality and social problems, and a high shop vacancy rate of 15.5%.

There may be benefit in applying a customised zone to allow Council to control these uses (such as the Activity Centre Zone as an outcome of a major strategic review or structure...
plan). This should be more holistically considered in a review of the Activity Centres Strategy.

**Neighbourhood Activity Centres**

Plan Melbourne’s ‘20-minute neighbourhood’ concept (or ‘10-minute neighbourhoods’ in the context of the Council Plan) emphasises the role of neighbourhood activity centres as an integral part of the polycentric city concept, potentially providing more choice in housing, shops and services. However there is no clear criteria on how this is to happen in mature activity centres with heritage and fine grain built form constraints.

This highlights the need for Council to consider the need for structure plans or design guidelines for some neighbourhood activity centres to help balance the growth of activity centres with their strong heritage and neighbourhood character values.

Currently, the activity centres hierarchy/policy in the MSS is not consistent as it:

- does not define the role of some commercial precincts that defaulted to the Commercial 1 Zone where we can expect to see more traditional ‘high street’ retail and services establishing ‘as of right’ in these locations
- treats very small local activity centres (e.g. Tennyson Street, Elwood) and larger centres (Ormond Road/Glenhuntly) as NACs
- does not consider the role of ‘local activity centres’ (e.g. Inkerman St, Barkly Street).

A new Activity Centres Strategy should review all Neighbourhood Activity Centres (NACs) in the municipality, to establish a clear and consistent hierarchy and consider their ability to grow to fulfill their role in accommodating the local living needs of surrounding population.

**New Fishermans Bend Activity Centres**

The role and function of activity centres within the FBURA should be reflected in any revised policy, consistent with the framework and vision currently being developed by the State Government, in consultation with Council.

**Recommendation 2:**

Update land use policies within the MSS to align with the new commercial zones.

**Recommendation 3:**

Update and strengthen activity centre policy in the MSS to reinforce the role and function and future direction of activity centres.

**Recommendation 4:**

Develop a new Activity Centres Strategy and Implementation Plan to inform detailed land use policy and structure plans.

**St Kilda Activity Centre**

**Local context**

At present, the only Major Activity Centre with no comprehensive framework of land use and built form controls (such as is produced in a structure plan) is the St Kilda Activity Centre (Fitzroy/Acland Street), although the centre is subject to heritage and design control (DDO6) with the latter owing to a built form review in 2003.

A priority of Council over the next four years is to develop a strategic plan for the St Kilda precinct, including a strategy to revitalise Fitzroy Street (Outcome 5.1 of the Council Plan).
Feedback

Feedback from Council officers was on the need for a policy framework that guides increased residential development in Fitzroy Street and Acland Street to support Fitzroy’s revitalisation and facilitate more sustainable development.

Fitzroy Street is Port Phillip’s primary night time precinct, with the majority of businesses operating over the night with approximately 60% of floorspace comprising food catering and non-retail entertainment uses. This results in a lack of daytime retailers and a high commercial vacancy rate (15.5% compared to average strip centre vacancy rates of between 3-7%). A recent analysis undertaken by Council found an oversupply of bars and pubs in Fitzroy Street, however the centre is also experiencing a fall in nightlife patrons, who are attracted to other areas of inner Melbourne.

Acland Street is an iconic tourist destination with a strong history of attracting tourists to the area, however the centre is struggling to secure the visitor dollar as it once did. The centre includes a strong mix of retail facilities across all categories, however there is a shortfall in supermarket floorspace to serve expected population growth.

Both centres are affected by seasonality issues, being in close proximity to the foreshore.

Opportunities

There is a need for Council to develop a future vision and strategic directions for the St Kilda Activity Centre and its precincts to reinforce its role as a major tourist and entertainment destination, accommodate increased housing and meet the needs of local communities with businesses.

A structure plan and urban design framework should be prepared to guide the role and function of the St Kilda Activity Centre, and outcomes relating to land use, built form, the public realm, transport and access. A new plan will have to balance the need to reinforce the role of St Kilda as a tourist destination, with the centres increasingly residential role and local needs.

The plan will also need to review the need to retain the Comprehensive Development Zone at Acland Court and St Kilda Station – see section 12.3.1 (zones) for further analysis.

Recommendation 5:

Develop a future vision and strategic framework to guide the role and function of the St Kilda Activity Centre (Fitzroy/Acland Streets).

Amenity impacts of mixed-use environments

Local context

The City of Port Phillip is becoming an increasingly mixed-use environment. Planning officers raised the issue of a conflict between increasing residential development in activity centres, with existing commercial uses and the potential for higher intensity uses within the centre in the future.

Prior to the commercial zones reform, the ‘lower intensity’ commercial zones of Business 2 and 5 zoned land were applied at the edge of activity centres (e.g. locations in Carlisle Street and South Melbourne Activity Centres where commercial land has no frontage to the main street) to provide a transition to residential areas, or along major roads in out-of-centre locations (e.g. St Kilda Road South). The new Commercial 1 Zone allows a much higher intensity of commercial uses in these locations like hotels, bars, bottle shops, cinemas and
other retail premises, with the potential to introduce new amenity conflicts with surrounding residential precincts.

The recent apartment design standards introduced a noise impact objective to protect residents from external and internal noise sources by requiring appropriate levels of insulation where development was in a ‘noise influence area’. These areas are restricted to proximity to industrial uses, main roads and railway services and do not consider noise from existing business premises.

Opportunities

Some other inner-city Councils with vibrant mixed-use areas have detailed policy on managing amenity impacts in mixed used environments. For example, the Yarra Planning Scheme has an interface uses policy that contains off-site amenity impact policies (e.g. on odour and emissions, light spill, loading and unloading) to address the interface of new residential development with activity centres.

The purpose of the interface policy is to reduce conflict between commercial, industrial and residential activities and to maintain the viability of existing commercial or industrial activities. Strategies include:

- detailed design requirements for non-residential development near residential properties to minimise off-site amenity impacts (e.g. acoustic protection, location of plant services, light spill mitigation, etc);
- requiring new dwellings to include a range of design features to minimise the impact of the normal operation of business activities on dwelling amenity (e.g. layout, fume mitigation, noise assessments, screens, etc).

The Planning Scheme Review should consider expanding upon existing policy in Clause 22.06 to better guide the detailed design and planning of new development to reduce amenity conflicts in and around activity centres.

Residential amenity in activity centres could also be improved through licensed premises policy – see section 11.4.6 of this report on activity centre amenity issues.

Recommendation 6:

Strengthen policy to manage potential amenity conflicts in mixed use environments and activity centres.
11.1.3 Industrial land

Local context
The 2003 Industry and Business Strategy identified numerous challenges with Port Phillip’s industrial land, including high land prices, smaller land holdings, ageing industrial buildings and interfaces with residential areas.

Nevertheless, the Strategy recommended that Council maintain an adequate supply of industrial land in the municipality to meet the demand for a range of industry and business types. It also provided the rationale for rezoning the employment precinct land in South Melbourne from industrial to business zones, to support the transition of the precinct from an industrial area to a mixed industry and business enterprise precinct (with new forms of hi-tech industry).

With the rezoning of the South Melbourne precinct and Port Phillip’s core industrial area in 2008 (Amendment C52) and the FBURA to the CCZ in 2012 - the amount of industrial zoned land has diminished substantially, leaving three small areas:

- Normanby Road, Port Melbourne (IN1Z)
- City Road, South Melbourne (IN1Z)
- William Street, Balaclava (IN3Z).

Plan Melbourne identifies the need for industrial land in the right locations, particularly near transport gateways in outer-suburban areas and state-significant industrial precincts with no specific policy on inner-city industrial zoned land.

Opportunities
Industry-related policy within the MSS will need to be revised to reflect the loss of industrial-zoned land within the municipality in Fishermans Bend.

Strategic work is currently being progressed to explore the benefits of a more innovative form of small-scale urban manufacturing in Melbourne to foster creative industries and local employment.

The IMAP’s urban manufacturing study is investigating the economic benefits of retaining and facilitating small, highly innovative urban manufacturers (also known as ‘makers’) within inner-urban locations. There may be great value to the urban economy in preserving inner-city industrial areas for manufacturing innovators who contribute towards creative cities and tourism. It is worth considering the City’s need to retain the remaining small pockets of industrial land in this context.

The 2009 Carlisle Street Activity Centre Structure Plan identified a need for the William Street precinct’s further review in 5 – 10 years (4.4.3 Strategic Direction) making its further consideration timely. The 2013 zones reform now allows small scale supermarket with associated shops and convenience shops without the need for a permit, expanding the role of this precinct to accommodate daily retail needs.

The limited current supply of industrial land servicing the inner-south region of Melbourne suggests that Council should undertake more detailed investigations to ascertain what approach should be pursued in the future for these areas. The Williams Street precinct currently provides a variety of fitness, car services, light industrial retail and offices for creative offices / studios and shared workspaces for the local areas. The reformed zones expansion to accommodate daily retail needs in this zone may also promote further renewal in this area.

Any future review of industrial zoned land should consider both the supply and demand for industrial premises and the outcomes of the Urban Manufacturing IMAP.
Recommendation 7:

Carry out further strategic work to consider how to retain creative industries and urban manufacturers within the municipality, in partnership with the IMAP.

11.1.4 Tourism

Local context

Port Phillip is a popular inner city area of Melbourne, attracting more than 2.8 million visitors each year, making it the second most visited place in metropolitan Melbourne, following the CBD. Its tourism and natural assets, history, cultural diversity and unique atmosphere make the area an attractive destination for residents, visitors and businesses.

Attractions include the City’s vast network of open space with Catani Gardens and the St Kilda Foreshore, cruise ship destination at Station Pier, entertainment facilities like the Palais theatre and Luna Park, attractive heritage characteristics and dynamic arts culture.

The City’s strong tourism industry provides employment and economic benefits, however there is also a need for Council to manage associated adverse amenity impacts for local residents, businesses and traders such as late night noise, traffic and parking congestion.

Council envisions Port Phillip to be a prosperous City that connects and grows business (Outcome 5.2 of the Council Plan), in part by promoting Port Phillip as a visitor destination in a way that respects local amenity.

Opportunities

For the City to remain a desirable destination for tourism, new space must be found for office, retail, education, health, entertainment and cultural activities (Policy 1.1.1 of Plan Melbourne) and opportunities to facilitate private-sector tourism investment (Policy 4.2.3).

Council is currently working on the Waterfront Place Precinct Design Guidelines to improve the Station Pier public realm environs, which serves as an arrival and departure destination for international and interstate visitors to Melbourne (see section 8.3.2 on Waterfront Place).

The future development of St Kilda Triangle as a new public space, commercial and cultural facility has the potential to further boost tourism and generate social and economic benefits.

Other factors facilitating tourism to the City include its ability to remain distinctive and liveable with quality design and amenity (Outcome 4 of Plan Melbourne) which is discussed in section 10.4.1 (liveability).

Recommendation 8:

Progress further strategic work in response to development opportunities for important tourist destinations such as Waterfront Place and the St Kilda Triangle.
11.3 Built form and heritage

11.3.1 Urban design and spatial planning

Urban design focuses on the design of the public realm, its public spaces, streets, parks and paths. Urban design informs the design of infrastructure and buildings in as far as they affect the function and amenity of the public realm.

Policy context

Outcome 4.1 of the Council Plan seeks to maintain and enhance liveability in a high density City by:

- requiring well-designed buildings that contribute to safe, lively, high amenity places; and
- reviewing the Planning Scheme to ensure an effective framework of local policy and controls to manage growth
- implementing planning scheme amendments that strengthen design and development planning controls in areas undergoing significant change;
- developing a vision for the St Kilda Junction
- developing an urban design framework for the St Kilda Road North – Anzac Station precinct and surrounds.

Plan Melbourne 2017-50 includes a direction seeking to achieve and promote design excellence (Direction 4.2). It also flags the opportunity for councils to facilitate well-designed, high-density residential developments through flexible controls that maximise development opportunities.

The Port Phillip Planning Scheme addresses urban design in a number of ways, for example through:

- MSS objectives and strategies on the built form of the city, including urban structure and character, urban design and the public realm and heritage (Clause 21.05)
- urban design local planning policy for non-residential development and multi-unit residential development (Clause 22.06)
- built form policy and controls for specific areas in various schedules to the Design and Development Overlay
- guidance through the Scheme’s reference documents - Port Phillip Design Manual, Urban Iconography Study and various structure plans and urban design frameworks.

Local context

The strong population growth projected for the City of Port Phillip will increase demand for new higher-density buildings in accessible locations. The design of the built environment affects how people live, work and play. Good design and planning is integral to shaping a compact city environment into places that are better for people.

In the past few years, Council has undertaken considerable strategic work on a place specific basis to plan for a number of high growth areas through developing strategic frameworks (structure plans, urban design frameworks, planning controls) for St Kilda Road North (2014), St Kilda Road South (2016) and the Carlisle Street Activity Centre (2009).

The Scheme benefits from the most extensive built form controls out of any planning scheme outside of the CBD.
Feedback

Strong messages in the feedback from Council officers included:

- a lack of clarity on the design vision for some parts of the City
- uncertainty about what constitutes design excellence
- concern around the extent of discretion in built form controls; and
- repetition and complex design controls (DDOs).

Analysis

The MSS contains high-level strategies on reinforcing and protecting key elements of the City’s overall urban structure and physical character, however it does not fully define this structure or how it can be fostered.

Some parts of the City have clear and detailed design policy in the form of structure plans or urban design frameworks, with a corresponding design vision and suite of planning policy/controls (e.g. area-based policy in the MSS and built form controls in the DDOs).

However from a municipal-wide perspective, there is a number of ageing and disparate design-related reference documents and design controls that do not provide a cohesive, clear or current vision.

Opportunities

Despite benefiting from very thorough and extensive design controls, planning for growth in the City would benefit from a more cohesive overall vision like a city-wide spatial plan or urban design framework to assist more consistent, longer-term planning.

A spatial plan would:

- articulate Port Phillip’s distinctive urban structure and character
- acknowledge a hierarchy of key streets and activity centres
- identify key boulevards, views, landmarks, landscape, open space, historic street patterns and heritage places.

Benefits of a spatial plan include:

- providing the context for planning, prioritising and assessing built form, infrastructure, public space and land use outcomes
- solving issues at a strategic city-wide scale, with growth derived from the desired built form outcome
- ability to facilitate well-designed, high-density development by considering the City holistically and at a range of scales
- informing detailed planning for local areas to assist in achieving more considered and robust outcomes that assist in longer-term planning.

However, more detailed planning for key high growth locations will still be required, and should be monitored over time and improved where necessary. These more detailed place based strategies could use the overarching framework as a basis, providing a greater level of consistency in the design approach across the municipality while still allowing for local points of difference.

Refer to section 11.2.4 (neighbourhood character) for a discussion on providing a clearer, overall vision for the municipality in terms of preferred future character.
Recommendation 9:
Create a city-wide spatial plan to:

- better define the City’s urban structure and character at both a city-wide and local level
- integrate spatial elements of key strategies such as the Integrated Transport Strategy and Public Spaces Strategy
- protect key features of the City’s urban structure and character.
Figure 8 – Current planning framework for managing growth

- **Strategic Framework Plans**
  - 1. Fishermans Bend urban renewal area SPP

- **Urban Design Frameworks**
  - 2. Port Melbourne UDIF
  - 3. St Kilda Foreshore UDIF
  - 4. St Kilda Road South UDIF

- **Precinct Plans**
  - 5. Montague Precinct Structure Plan
  - 6. St Kilda Road North Precinct Plan

- **Activity Centre Structure Plans**
  - 7. South Melbourne Central Structure Plan
  - 8. Bay Street MAC Structure Plan
  - 9. Carlisle Street MAC Structure Plan

- **Masterplans**
  - 10. St Kilda Triangle Master Plan

- **Urban Design Guidelines**
  - 11. The Dunstan Estate Heritage Guidelines
  - 12. Garden City Estate Guidelines
  - 13. Fishermans Bend Estate Guidelines
  - 14. Beacon Cove Neighbourhood Character Guidelines
  - 15. Waterfront Place Design Guidelines
  - 16. Ormond Road Urban Design Guidelines

- **Neighbourhood Boundary**
11.3.2 Design excellence

Policy context
Clause 22.04 (Heritage Policy) of the Scheme requires Council officers to assess a building’s design excellence when assessing the quality of new development in a heritage overlay.

At the state level, a lot of recent work has progressed on apartment design, including:
- The Urban Design Guidelines for Victoria (reference document) addresses activity areas design, higher density residential development infrastructure design, large format retail premises, urban development design, physical activity design and public spaces design.

Design excellence is not defined in the Scheme, however the objective of the Clause 22.04 (Heritage Policy) includes the following parameters:

“To promote design excellence (in terms of building siting, scale, massing, articulation and materials) which clearly and positively supports the heritage significance of all Heritage Overlay areas.”

Plan Melbourne 2017-50 includes a direction seeking to achieve and promote design excellence (Direction 4.2).

Feedback
Feedback from Council officers indicated that design excellence has proven difficult to quantify due to its subjective nature. To combat this, defining more measurable parameters was identified as a key priority.

The concept of design excellence has been debated in a number of VCAT decisions where a commonly held view was that it was the ability of a design to take into account the statutory and contextual constraints of a site13.

Opportunities
Given the subjective nature of ‘design excellence’, the New South Wales Office of the Government Architect has released ‘Better Placed’ (September 2016). Better Placed seeks to shift the focus on measuring design excellence through a wider lens of integrating best practice planning, design, sustainability, engineering, materials and maintenance.

It may be useful for Council to consider better defining ‘design excellence’ and reviewing the efficacy of the Better Apartments standards and guidelines in influencing good design outcomes once some time has passed to determine if there is any policy gap at a local level.

Recommendation 10:
Review urban design policy to clarify ‘design excellence’.

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11.3.3 Built form controls

Discretionary / mandatory requirements

Planning built form controls for activity centres or high growth areas requires Council to consider the most appropriate balance between using performance-based (discretionary) or controls-based (mandatory) planning requirements.

On one hand, mandatory requirements ensure minimum or maximum standards are achieved to ensure new development is of an appropriate scale and provides certainty to both the community and developers. On the other hand, its mandatory nature can lock out good design outcomes, prevent site responsive design and result in generic buildings built to maximum height and setback requirements.

Discretionary requirements provide enough flexibility for Council to consider each proposal on its merits, but don’t guarantee maximum or minimum standards will be complied with. Built form controls must seek a balance between preventing inappropriate design and allowing more innovative designs with high quality architecture.

Policy context

Built form controls are typically expressed as either mandatory (must comply) or discretionary (should comply) requirements within a Design and Development Overlay. There are now also mandatory height controls within some of the zones, for example the Neighbourhood Residential Zone and General Residential Zone in relation to heights and building site coverage (known as ‘garden area’).

Panels

The Planning Panels Victoria have adopted a cautionary approach to endorsing mandatory controls, emphasising the need for a more balanced approach to ‘managing growth’.

“… the [planning authority’s] emphasis on managing ‘development pressure’ has led to restrictive built form requirements that do not recognise either the reality of recent development at greater scale or optimise the opportunity presented for urban renewal.”

Panels have generally supported some mandatory controls in areas with strong strategic justification, however they often recommended downgrading some controls to discretionary or increasing the scale of development permissible (e.g. increasing maximum mandatory heights from 3 to 5 storeys). As part of their recommendations in this regard, they have generally cited the need for increased flexibility to allow for identified built form outcomes and more contextual designs to emerge through the planning permit process.

In general, Panel reports tended to favour mandatory street wall heights and setbacks of upper floor levels to ensure podiums create a human scale street, without placing an absolute limit on the development potential of sites.

VCAT

VCAT members have also been critical on an over reliance mandatory controls citing that they can often appear arbitrary. They have tended to subscribe to the view that the pursuit of certainty is unlikely to produce consistently good development outcomes.

14 Amendment C122 Panel Report – St Kilda Road South Precinct (June 2017)
The following outline VCAT’s concerns with the overuse of mandatory tools:

- No flexibility to permit an innovative design that clearly meets the spirit of the control but fails to meet the letter of the law.\(^\text{15}\)
- The blunt application of mandatory controls without regard to site context can result in a wasted opportunity and inefficient use of sites well suited for change.\(^\text{16}\)
- Variable setbacks provide better development outcomes by striking a reasonable balance between protecting amenity and maintaining equitable development opportunities.\(^\text{17}\)
- Reliance on mandatory, often arbitrary minimum standards, is unlikely to consistently produce building designs that respond to their context.\(^\text{18}\)

In assessing a proposal against discretionary controls, VCAT often gave careful consideration to a site’s context and the proposed design response when deciding to permit a variation to the policy.

**Analysis**

While mandatory built form controls will be necessary to achieve desired built form outcomes in some areas, Council should be careful when imposing ‘blanket’ or uniform height controls as they could result in:

- arbitrary controls with unclear strategic justification
- controls that date quickly as a result of misjudging development capacity or growth pressure
- inflexible controls that reduce Council’s ability to consider each proposal on its merits or allow good design outcomes.

Risks of these outcomes include Council having to expend significant resources and time in revising built form controls to account for unexpected circumstances.

**Opportunities**

Detailed urban design analysis and modelling of controls should be undertaken for various lot sizes within the precincts to demonstrate potential development outcomes as a result of proposed design controls. This will help Council to pre-empt any site-specific issues.

Alternative built form controls should be considered for areas under significant redevelopment pressure that feature a diverse built form and lot sizes. For example, a combination of Floor Area Ratios (FARs) with accompanying built form controls (e.g. mandatory street wall height and side setbacks such as is proposed for Fishermans Bend) may provide a more sophisticated and site-responsive design framework in some locations. FARs can help to control the density of a development by tying its scale to the size of the lot. When used in combination with other built form controls, they can result in more site and context-responsive proposals and allow for a greater diversity of building typologies.

\(^{15}\) Becton Corporation Ltd v Port Phillip CC [2003] VCAT 1066 (22 August 2003) & Montezuma Developments Pty Ltd v Port Phillip CC [2016] VCAT 876 (6 June 2016)

\(^{16}\) Hocking v Port Phillip CC [2015] VCAT 124 (12 February 2016)

\(^{17}\) 7 Bowen Crescent Developments Pty Ltd v Port Phillip CC [2016] VCAT 1576 (15 September 2016)

\(^{18}\) Lintime Pty Ltd v Port Phillip CC [2015] VCAT 1244 (4 August 2015)
Strengthening the urban design local planning policy (Clause 22.06) to address common design issues, and removing some of the repetitive content in DDOs should also be considered.

Alongside policy and guidance, Council should consider the role of its resources and processes in facilitating good design outcomes including:

- Creating a spatial plan to provide a more holistic city-wide built-form vision.
- Obtaining effective 3D modelling software and developing an interactive model of the City to better understand and communicate the impacts of proposed developments (including cumulative applications).
- Consider process improvements of providing consistent and effective advice at the pre-application meetings (potentially as a 2-step process) and establishing a design review panel to assess larger developments.
- Identifying design issues in recent developments to analyse the effectiveness of current policy and processes.
- Collaborating closely with DELWP on Fishermans Bend development proposals to elevate the culture and discourse around quality design outcomes.

See review of DDOs at section 12.3.2 for more feedback on built form issues.

### 11.3.4 Neighbourhood character

Ensuring new development respects valued neighbourhood character is a fundamental objective of planning in Victoria. The Act contains an overarching objective to conserve and enhance those areas which are of aesthetic, architectural, historical or cultural interest to the community.

Neighbourhood character is integral to the fabric of the City and is part of what makes Port Phillip a great place to live, work and recreate. It is also a highly contested and elusive concept, making it important that both Council, the community and applicants have a common understanding about the key features of neighbourhood character.

One of Council’s key objectives is to create a City of diverse and distinctive neighbourhoods and places through ensuring new development integrates with, respects and contributes to the unique heritage, character and beauty of our neighbourhoods (Outcome 4.2 of the Council Plan 2017-27).

### Current framework

There are a number of ways the Scheme currently addresses neighbourhood character:

- MSS policy on urban structure and character, seeking to reinforce key elements of the City’s overall urban structure by requiring new development to respect the character of the local area (Clause 21.05).
- The Port Phillip Design Manual (2000) contains neighbourhood character descriptions for each area and is a reference document in the Scheme.
- Relevant structure plans or urban design frameworks for specific areas are reference documents, with key policies incorporated into the neighbourhoods section of the MSS.
- Design and Development Overlays – often contain neighbourhood character policies and provisions that apply to specific areas.
- Heritage Overlay - protect heritage values that contribute to the neighbourhood character values of an area.
The Neighbourhood Character Map identifies contributory heritage places outside the Heritage Overlay (in the Port Phillip Heritage Review incorporated document).

The standard Rescode provisions (Clauses 54, 55 and 56) require neighbourhood character to be assessed for all residential development applications.

The Neighbourhood Character Overlay applies to the Beacon Cove area.

Feedback

VCAT

A number of key themes were apparent in the analysis of neighbourhood character policy, including the current outdated and inconsistent neighbourhood policy framework and its lack of relevance to mixed-character neighbourhoods and diverse streetscapes.

Lack of clear guidance

The VCAT analysis (see Appendix 4 for detail) revealed a number of cases where the Tribunal disagreed with Council’s objection to proposals on the grounds of neighbourhood character, particularly in areas where character was mixed. In some instances, the Tribunal was critical of the guidance (or lack thereof) provided on neighbourhood character.

In the Wright decision19, the Tribunal disagreed with Council’s decision to refuse a permit on neighbourhood character grounds given the lack of a single, notable character in the area. In this case the Tribunal considered that, in diverse areas, Strategy 7.5 of Clause 21.05-2 sends the clear message that it is content to assess each proposal on its merits.20

In another decision21 on a dual-occupancy development in Balaclava, VCAT noted the preferred character statements as being unhelpful and inconsistent with the vision for areas earmarked for a higher intensity of growth in the Carlisle Street Activity Centre Structure Plan.

In the absence of sufficient guidance the Tribunal made reference to its own observations to determine neighbourhood character, particularly at the more detailed streetscape level.

Respecting the prevailing streetscape character

MSS neighbourhood character policy encourages residential development to respect and be consistent with the prevailing streetscape character. The policy provides a preferred maximum height for residential development in the context of the immediately adjoining dwelling (Strategy 7.5, Clause 21.05-2).

A number of VCAT decisions22 have disregarded this policy, and looked at the broader context, particularly where the street has more diverse building typologies and eras, sometimes finding that there was no prevailing pattern of siting or built form.

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19 Peter Wright & Associates v Port Phillip CC [2013].
20 Peter Wright & Associates Pty Ltd v Port Phillip CC & Ors [2013] VCAT 1396 (8 August 2013)
21 Justin v Port Phillip CC [2013] VCAT 2205 (17 May 2013)
22 Padelas v Port Phillip CC (Correction) [2015] VCAT 116 (10 February 2015), UI Dickens Street Pty Ltd v Port Phillip CC & Ors [2013] VCAT 1218 (16 July 2013)
Another decision\textsuperscript{23} used this policy when affirming Council’s decision to refuse a four-storey building given its massing, however they noted a more appropriate fourth level was possible with a greater setback and recessive design.

Another case noted that, despite attempting to distinguish between consistent and diverse streetscapes, the policy is the same in terms of the preferred height\textsuperscript{24}. The only point of difference is that consistent streetscapes should ensure the upper level does not dominate the streetscape.

**Consultation**

Feedback from Council officers in the workshops was generally positive on the performance of existing neighbourhood character policy. However, they indicated the character statements of the reference document – Port Phillip Design Manual need updating, with the more recent examples being more useful.

Feedback from the Regular Users Survey on neighbourhood character included the following responses critiquing policy applied to diverse streetscapes:

“\textit{It is a large area covering diverse neighbourhood characters lumped together under one expectation of design style.}”

“\textit{Ignores the diversity of building stock. Defaults to pretty Victorian era cottages as the development benchmark.}”

**Opportunities**

**Strengthening neighbourhood character policy**

Overall, the current policy framework for neighbourhood character is working well to protect areas of heritage value and consistent neighbourhood character. However, the framework is less clear for those areas of mixed character or areas intended to cater for a higher level of growth.

All areas have a character, yet it is more obvious or attractive in some areas than others. If a change in the character of an area is anticipated or sought, then this should be set out in a statement of the area’s preferred future character.

Currently, the Scheme has an inconsistent and outdated approach for neighbourhood character across the municipality with many areas lacking preferred character statements. This is particularly beneficial for areas with a more diverse character that is common to many parts of Port Phillip.

A municipal-wide approach to addressing neighbourhood character should be considered when developing a new Housing Strategy.

**Contributory heritage places outside of a heritage overlay**

\textit{Port Phillip has over 3000 properties identified on the Neighbourhood Character Map as ‘Contributory Heritage Places outside of a Heritage Overlay’.}

These are properties that are located outside of a Heritage Overlay (HO) that have contributory heritage significance, but are located in areas not deemed to be sufficiently

\textsuperscript{23}Kaazam Developments Vic Pty Ltd v Port Phillip CC [2013] VCAT 1565 (6 September 2013)

\textsuperscript{24}Wang v Port Phillip CC [2016] VCAT 193 (16 February 2016)
intact to warrant the application of a precinct based HO, or significant enough in their own right to justify a site-specific HO.

Council’s policy towards these properties has often been the subject of debate when deciding on applications for redevelopment. In one case, VCAT found that the MSS objective to protect and enhance the varied, distinctive and valued character of neighbourhoods across Port Phillip had no specific bearing on its decision to allow a redevelopment of a contributory property outside of the HO (see Appendix 4 for more detail regarding the analysis of VCAT decisions).

These properties are not protected from demolition, compared to properties in the heritage overlay which require a planning permit to demolish a building. A property’s contributory heritage status is mainly considered when assessing whether an application for new development on an adjoining site respects neighbourhood character. The policy does not clearly identify how new development must respond to this designation, particularly given neighbourhood character considerations are part of the permit process.

There are also some contributory properties that may be more suitable for protection under the Heritage Overlay – see section 11.2.5 (heritage issues and gaps).

**Updating the Port Phillip Design Manual 2000**

The neighbourhood character descriptions in the Port Phillip Design Manual 2000 were based on the Port Phillip Urban Character Study 1998. Although heritage and other aspects of neighbourhood character are longstanding, at almost 20 years since being written, there are some areas that have changed over time and have altered characteristics. There is a risk that out-of-date statements may cause VCAT afford them less decision-making weight.

The 2006 Planning Scheme Review also identified an inconsistency of the urban character assumptions in the Design Manual - which was not working well in mixed character areas, or where change was desired. However, the Review Report questioned whether it was an effective use of Council’s resources to ‘redo’ the municipal-wide character study. It recommended a future review of Neighbourhood Character Frameworks for areas not covered by the HO or DDO. Work to date has been focused on new character statements for the Carlisle Street and Bay Street Activity Centres in association with their structure plans due to their status as higher-growth areas under the housing policy.

Importantly, there are few preferred neighbourhood character statements that accompany the existing character descriptions in the Design Manual. Outlining the preferred future character of an area is particularly important for those facing high-growth, or where a change in character is sought or mixed character is evident.

Progressively updating the neighbourhood character statements for areas that have been subject to change, and are most likely to be subject to change should be part of Council’s future work program.

**Local Planning Policy**

There is the opportunity for more comprehensive local planning policy to incorporate preferred neighbourhood character statements into the Scheme across the municipality and outline neighbourhood character objectives for particular areas that have clear intended outcomes. Currently, the Port Phillip Design Manual is a reference document (not part of the scheme) and it contains few preferred character statements.

The Scheme previously had a Residential Neighbourhood Character Local Policy that was removed in the 2006 Review to reduce the level of duplication between the MSS and local policies. This was due to the high-level nature of the policy at the time.
The development of new policy on neighbourhood character, as a comprehensive breakdown of the municipality’s different areas and existing/preferred neighbourhood character should be considered in a future Neighbourhood Character Review.

**Neighbourhood character – zones and overlays**

Although the Neighbourhood Character Overlay is applied to the Beacon Cove in Port Melbourne, the use of a Neighbourhood Character Overlay more broadly to areas (outside of Heritage Overlay areas) should only be considered when there are specific characteristics of an area that are not being adequately catered for through policy, or the standard Rescode provisions and a strengthened policy approach would be more suitable.

A number of the Design and Development Overlays (DDOs) contain preferred character statements for activity centres alongside design objectives and requirements.

The new residential zones schedules provide an opportunity for Council to include neighbourhood character statements, however, these will be broad in nature given the expanse of land within each zone schedule. They also provide the opportunity to increase maximum mandatory heights and to vary Rescode standards like minimum setbacks, site coverage, permeability, landscaping and private open space.

Any use of the residential zone schedules to protect neighbourhood character requires a detailed strategic analysis and justification and should be considered as part of a revised Housing Strategy or Neighbourhood Character Review.

See section 11.6.1 (housing strategy) for further discussion on the role of a new housing strategy in protecting neighbourhood character.

See section 11.3.4 (environmental risks - enhancing landscape character) for a discussion on the landscape character of neighbourhoods.

**Impact of residential zones reform**

There may be implications for neighbourhood character policy from the latest changes to the residential zones (Amendment VC110, March 2017) which introduced a garden area requirement to replace the density control for lots over 400m².

The majority of Port Phillip’s fine-grain, historic residential areas have lots less than 400m² in size, however some areas with larger lots may be affected – like Ripponlea, Elwood, St Kilda East and St Kilda.

This may affect the way new multi-unit developments are designed, where reduced building footprints could increase the bulk of buildings at upper levels. This would place greater weight on the role of MSS’s neighbourhood character policy (or heritage controls) to protect valued characteristics of these areas.

**Recommendation 11:**

Review Port Phillip’s neighbourhood character policy to better articulate Council’s preferred vision.

**Recommendation 12:**

Consider the need to retain the ‘Contributory Heritage Places outside of the Heritage Overlay’ designation for properties not suitable for a heritage overlay and alternative ways to protect neighbourhood character of residential areas.
**Recommendation 13:**
Progressively update the Port Phillip Design Manual 2000, starting with the areas subject to the greatest change and development pressure.

### 11.3.5 Heritage framework

This section provides an overview of the Port Phillip Heritage Framework which includes the heritage studies used to inform the application of the heritage overlay to properties and precincts in Port Phillip.

Other sections of this report that also deal with heritage issues include:
- A review of the Heritage Local Planning Policy (development assessment) in section 12.2.5.
- A review of the Heritage Overlay (permit triggers) in section 12.3.2.

Port Phillip’s heritage places and precincts are extensive and among the most significant in Melbourne, including both European settlement built form and landscapes, vegetation and important places of Aboriginal cultural heritage. This heritage contributes to the City’s distinctiveness and liveability, with tourism and economic benefits through its contribution to the cultural economy.

**Figure 9 – Extent of the heritage overlay across the City of Port Phillip**
A review of Council’s heritage framework is timely in the context of the significant growth and development projected for the City of Port Phillip, and a renewed focus on heritage within Council and the community.

Plan Melbourne 2017-50 identifies that decisions that affect heritage places should recognise the value of heritage when managing growth and change (Policy 4.4.1) with the periodic identification and review of currently unprotected heritage sites and targeted assessments in areas facing substantial change.

Outcome 4.2 of Council’s Council Plan 2017-27 seeks to create a City of diverse and distinctive neighbourhoods and places through protecting heritage places that represent our historic, social, cultural and architectural identity and ensuring new development integrates with, respects and contributes to the unique heritage, character and beauty of our neighbourhoods.

Council priorities include:

- implementing a program to strengthen heritage controls including; assessing sites of cultural and social significance
- implementing the review of Heritage Overlay 6 (East St Kilda) through the planning scheme
- reviewing the Heritage Policy in the Port Phillip Planning Scheme to improve guidance on the retention and adaptive reuse of the City’s heritage fabric (residential, commercial, retail and industrial).

Background to Port Phillip’s heritage framework

The Port Phillip Heritage Review (the Heritage Review) is an Incorporated Document in the Port Phillip Planning Scheme and forms the framework for Council’s approach to heritage.

The Heritage Review was developed following fieldwork and a study undertaken by Andrew Ward and Associates between 1997-98 (the Ward Study). The review built upon a number of previous heritage studies undertaken by the former municipalities of Port Melbourne, South Melbourne and St Kilda. The Ward study used traditional A to F grading system that Andrew Ward used in his field work that was prevalent prior to the introduction of the New Format Planning Schemes in 1999. This was translated into a three part classification system, which is defined in and applied through Clause 22.04 (Heritage Policy) of the Port Phillip Planning Scheme.

The three part classification system is defined as follows:

- **Significant Heritage Places** include buildings and surrounds that are individually important places of either State, regional or local heritage significance or are places that together within an identified area, are part of the significance of a Heritage Overlay. These places are included in a Heritage Overlay either as an area or as an individually listed heritage place and are coloured "red" on the City of Port Phillip Heritage Policy Map in the Port Phillip Heritage Review, Volume 1-6."
• **“Contributory Heritage Places** include buildings and surrounds that are representative heritage places of local significance which contribute to the significance of a Heritage Overlay. They may have been considerably altered but have the potential to be conserved. They are included in a Heritage Overlay and are coloured "green" on the City of Port Phillip Heritage Policy Map, in the Port Phillip Heritage Review, Volume 1-6.

• **“Non-contributory properties** are buildings that are neither significant nor contributory. They are included in a Heritage Overlay and have no colour on the City of Port Phillip Heritage Policy Map in the Port Phillip Heritage Review, Volume 1-6. However any new development on these sites may impact on the significance of the Heritage Overlay, and should therefore consider the heritage characteristics of any adjoining heritage place and the streetscape as covered in this policy.”

Over time, Council has undertaken further heritage studies (of both precincts and individual sites) to further develop, verify and refine this earlier work, including precinct review in Swallow Street (2004), East St Kilda (2004), Elwood (2005), City Road Industrial Precinct (2005), Nightingale Street (2008), Heritage Overlay 3 (2009/10), Heritage Overlay 1 (2011) and Heritage Overlay 6 (2016 – not yet implemented).

**Heritage issues and gaps**

The former heritage grading system used for our Heritage Review doesn’t directly align with the current acceptable methodology for applying the heritage overlay – through recognised heritage criteria and the process set out in the Australia ICOMOS Burra Charter 2013. Both the broad nature of the 1998 Heritage Study and the evolution in acceptable heritage assessment methodology over time has resulted in a number of gaps and inconsistencies within the Port Phillip heritage policy framework.

There is the opportunity for Council to review the suite of heritage provisions to systematically identify gaps and respond to them. The substantial level of work required to will necessitate an incremental, continuous improvement and risk-based approach, prioritising the high-risk areas and issues first.

Council is in the process of developing a four-year heritage program to address concerns about growth and Council's alignment with the community on the conservation of properties of heritage values across the municipality.

The development and implementation of a four-year heritage program will:

• Consider emerging issues and challenges relating to the pressures of development and its impact on heritage places.

• Engage with the community to better understand what the community values and considers to be of significance.

• Provide for a more proactive and holistic approach to identifying and protecting new heritage sites within the municipality.

The scope of the four-year heritage program will include recommendations of this report.

**Updating the Port Phillip Heritage Review**

Feedback from the council officer workshops raised a number of issues with maintaining and updating the Port Phillip Heritage Review (Incorporated Document) which is an important part of the Council's heritage policy framework.

The Heritage Review requires a number of updates including:

**Heritage themes**
A wider review of the thematic history should be undertaken first to establish any gaps in the historical context and to provide a basis for undertaking a detailed review of gaps, precincts and citations. The thematic review should also consider post-war properties (i.e. properties constructed after World War II).

**Individual place citations**
Feedback from the workshop identified Council has not been maintaining individual property heritage citations within the Port Phillip Heritage Review (Incorporated Document). There are many basic older citations in need of updating – for example, some require a description, comparative analysis and a new statement of significance.

**Heritage precinct boundaries**
Feedback from the Planning Panels Review of the Elwood Heritage Precinct Review (HO8) was that the thematic history of the Heritage Review should be revised to include statements as to what sections of that history are of sufficient importance to justify the preservation of individual places and precincts, and what criteria should be adopted to identify appropriate places for these important themes.

The Panel for the Fishermans Bend Heritage Review in 2016 (Amendment C117) recommended that including a number of proposed HO properties in the pre-existing Albert Park heritage precinct (HO442) was not appropriate as they do not relate to the area. The Panel recommended Council review the Montague slum precinct for potential heritage significance on its own right instead.

**Recommendation 14:**
Update the thematic history in the Port Phillip Heritage Review to addressing any heritage gaps.

**Recommendation 15:**
Review heritage overlay precincts HO6 (part St Kilda/East St Kilda), (HO5 St Kilda Hill), HO7 (parts Elwood, Balaclava, Ripponlea) and HO8 (Elwood) and the Montague Precinct.

**Recommendation 16:**
Progressively review older individual heritage citations to ensure they meet the current criteria for establishing heritage significance.

**Contributory heritage places outside the HO**
One of the gaps ‘hot spots’ includes the ‘Contributory heritage places’ that are located outside of the heritage overlay. These places were not afforded heritage protection in the original Review as they are located outside areas deemed to be sufficiently intact to warrant a precinct based Heritage Overlay, however this requires review in light of current heritage methodology.

Council has had a recent experience reacting to the proposed demolitions of a number of properties where their significant heritage status was identified at the time the property was proposed to be redeveloped. This includes recent proposed amendments for the London Hotel and a single dwelling in Port Melbourne.

This type of reactive and ad-hoc action by Council to prepare last-minute heritage studies, amendment documents to introduce interim and permanent heritage controls is time-consuming, resource-intensive and at risk of failure.
Feedback
Feedback from Council officers in the workshops agreed that the status of these properties is ambiguous and does not provide certainty to property owners, prospective purchasers or Council officers.

Respondents for the Planning Scheme Users Survey also noted gaps and inconsistencies in the heritage policy framework:

“Heritage citations and overlays drastically out of date. For example modern replacement buildings still have a citation as significant Heritage buildings. Overlays etc. need a detailed review.”

Opportunities
Consequently, Council should consider ways it can utilise its resources more efficiently and effectively in identifying gaps in the Heritage Overlay.

One way Council can do this is by undertaking a review of all properties identified as ‘Contributory Heritage Places outside of the Heritage Overlay’ to determine which, if any, warrant inclusion in the Heritage Overlay.

This process would determine whether any of these properties earmarked for their heritage values in the past will meet the current-day criteria for heritage significance, thereby addressing the most pressing potential gaps within our Heritage Overlay.

Recommendation 17:
Undertake a review of all properties identified as ‘Contributory Heritage Places outside of the Heritage Overlay’ to determine whether any warrant inclusion within the Heritage Overlay.

Social significance
The City has recently lost two prominent buildings of social heritage significance in the municipality (the London Hotel, Port Melbourne and Greyhound Hotel, St Kilda) which were not protected from demolition by the Heritage Overlay. Despite Council’s attempts at seeking interim and permanent heritage protection, the Minister for Planning refused in both instances citing the following reasons:

- Council allowed a building permit for demolition to be issued;
- the social significance of the heritage place was not established beyond reasonable doubt;
- there may be other non-statutory means of recognising the hotels historic (cultural) and social significance.

Currently, there is ambiguity around how social significance is identified and treated in the planning system. Council should explore this issue further through a municipal-wide social heritage assessment that also explores whether the heritage overlay, or an alternative means is the appropriate way to recognise social heritage significance.

Recommendation 18:
Undertake a city-wide social heritage assessment.

Heritage & flooding
A Special Building Overlay (SBO) affects land liable to flood in a 1 in 100 year event due to overland flow paths from the stormwater drainage system. An SBO often requires new
development to raise habitable floor levels above stormwater flows to maintain its free passage and to minimise flood damage to property.

Councillors raised concerns about the effect of the SBO’s requirement to raise floor levels (and thus building heights) on heritage precincts. Feedback from Council’s heritage officers indicate that poor design outcomes can be negotiated through the planning permit process.

Further, upper level extensions within Heritage Overlay areas are still possible despite raised floor level requirements under the SBO. A practical approach is taken by Council officers in applying the 10 degree sightline (a performance measure in Clause 22.04 - Heritage Policy) in areas affected by an SBO to balance these different objectives.

It may be useful to consider incorporating further design guidance for SBO affected properties in the development of any heritage design guidelines.

11.3.6 Aboriginal cultural heritage

Background
Before the arrival of Europeans in 1835, the City of Port Phillip area was managed by the Yalukut Weelam clan of the Boon Wurrung people or language group, meaning ‘river home’ or ‘people of the river’. The local area has changed vastly since European occupation but it was once a kind of ‘temperate Kakadu’ surrounded by sea, river, creeks, lakes and lagoons. Between the sea and the river was a score of wetlands surrounded by dunes, heath, woodlands, salt marsh and beach.  

Several contemporary sites of interest in Port Phillip occupy locations that were first significant to the Boon Wurrung, the First Peoples of Port Phillip. These sites include:

- Ngargee Tree is a 300-500 year old River Red Gum in Albert Park, St Kilda which was a significant Corroboree Tree and junction for walking trails;
- St Kilda Town Hall sits on a natural spring and a former Boon Wurrung camp;
- St Kilda was known as Euro-Yroke, which means the ‘grinding stone place’, with the Esplanade once a stone quarry for tool making;
- Point Ormond Hill is a remnant of what was once a striking rocky headland called Little Red Bluff, which was a high placed used as an outlook and defensive location;
- Emerald Hill, now the site of South Melbourne Town Hall, which was a significant local site to engage in ceremonies and trade.

Policy context
Outcome 1.4 of the Council Plan 2017-27 is about celebrating and valuing community diversity and social inclusion by protecting and promoting Aboriginal culture and heritage and continuing reconciliation with our Indigenous community. This includes developing and implementing the Council’s second Reconciliation Action Plan 2017-2019 and updating the Aboriginal and Torres Strait Islander Arts Plan.

Council’s Reconciliation Action Plan 2017-19 (RAP) includes the following actions:

- Develop and maintain mutually beneficial relationships with Traditional Owners, Aboriginal and Torres Strait Islander peoples, communities and organisations.

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26 Eidelson 2015 Yalukit Willam, The River People of Port Phillip; City of Port Phillip
• Support the protection and recognition of the cultural and intellectual property of the Boon Wurrung people during the planning phase of the Fishermans Bend Urban Renewal Area.
• Update the Municipal Strategic Statement in the Port Phillip Planning Scheme to reinforce the importance of protecting places of Aboriginal cultural heritage. This includes facilitating stakeholder input into the review and incorporating policy objectives for identifying and protecting places of Aboriginal cultural heritage significance in the Fishermans Bend Urban Renewal Area.

Policy 4.4.2 of Plan Melbourne 2017-50 aims to respect and protect Melbourne’s Aboriginal cultural heritage. The Plan also seeks to protect Melbourne’s heritage through telling its stories (Policy 4.4.4)

Aboriginal Heritage Act Requirements

As a responsible authority for planning permits, Council has an obligation under the Aboriginal Heritage Act 2006 to check whether a Cultural Heritage Management Plan (CHMP) is required, and to only grant a planning permit that is consistent with an approved CHMP.

Generally, a CHMP is required for development in areas of Aboriginal cultural heritage sensitivity for development applications with high impact activities, like the construction of three or more dwellings or activities or buildings and works that result in significant ground disturbance as is common in Port Phillip. A CHMP may not be required, however, where land has already been subject to significant ground disturbance, like deep soil ripping, filling, underground tanks and basements.

A permit applicant is responsible for establishing whether a project requires a CHMP, and for undertaking one.

The Act was amended in 2016 (Aboriginal Heritage Amendment Act 2016) to improve the reporting requirements in relation to Aboriginal cultural heritage, including new measures for managing intangible heritage, increased roles for Registered Aboriginal Parties and Traditional Owners and of providing greater enforcement regulations.

Officer feedback

Feedback from Council officers indicates there is some uncertainty with regard to Council’s obligations under the Act.

Council should ensure officers have access to information and training to ensure it is effectively fulfilling its duties under the Act to identify areas of ‘cultural heritage sensitivity’ within the municipality where a Cultural Heritage Management Plan (CHMP) will be required and for what type of development.

Planning Scheme

The MSS contains an objective to protect and sensitively manage indigenous cultural heritage, with a number of strategies relating to Council’s obligation under the Aboriginal Heritage Act 2006 and Regulations, to identify sites of indigenous cultural heritage significance (Clause 21.05-1). It also contains strategies supporting the use of installing interpretive infrastructure and indigenous plant species on sites and areas of Aboriginal cultural heritage.

The Heritage Overlay identifies two Aboriginal heritage places, including:

• Corroboree Tree, Albert Park (HO14)
• Point Ormond and Surrounding Landscape, Point Ormond Rd, Elwood (HO227)
The Port Phillip Heritage Review (incorporated document in the Scheme) only addresses post-contact places of heritage significance and a horticultural study. To date, there has been no municipal Aboriginal cultural heritage study.

Some Aboriginal heritage places with material remains are suitable to be included in Heritage Overlay controls, as the Burra Charter encompasses the concept of ‘Place’ as embodied in the fabric and material remains of a place.

However broad protection of Aboriginal heritage places and areas of sensitivity (including those identified in the Heritage Overlay) is provided under the Aboriginal Heritage Act. A Register of Aboriginal Heritage sites is maintained by Aboriginal Affairs Victoria and Council has access to GIS mapping to identify sensitive sites.

Opportunities

New focus on telling stories

Planning and urban development practices do not typically acknowledge or include indigenous values, history or perspectives. There is an opportunity for Council, through planning and place-making to meaningfully engage with Indigenous communities to influence design outcomes and reflect indigenous values. The recently released Plan Melbourne 2017-50 provides policy support for development to reflect and celebrate cities and towns as indigenous places.

The MSS should be updated to reflect new strategies of Plan Melbourne 2017-50 which provide policy support for protecting Melbourne’s intangible heritage through telling its stories (Policy 4.4.4). This includes supporting new and innovative ways to tell Melbourne’s pre-contact heritage stories, through promoting the inclusion of Aboriginal urban design perspectives in new development (Policy 4.3.1), the arts, interpretive infrastructure, and cultural projects.

Aboriginal cultural values can be found in places of memory, ceremony and spirituality, stories and landmarks, archaeological sites, natural waterways and landforms and scarred trees. These values and perspectives can be adapted into the modern environment, through artistic expression, landscape design and architecture. Other outcomes can be more interactive, through the creation of public meeting and ceremonial spaces, cultural facilities and interpretive signage.

Updating the MSS

The MSS should also be strengthened to better reflect Council’s obligation to identify, assess, document and protect places of Aboriginal cultural heritage significance (in accordance with Clause 15.03-2 of the SPPF) and Council’s Reconciliation Action Plan 2017-19 (RAP) Action 11.

Policy objectives should also be included for identifying and protecting places of Aboriginal cultural heritage significance in the Fishermans Bend Urban Renewal Area.

Recommendation 19:

Update policy in the MSS relating to aboriginal cultural heritage to:

- better reflect Council’s obligation to identify, assess and document places of historic, cultural and social significance
- support development that reflects Aboriginal values and urban design perspectives.
Municipal Aboriginal Cultural Heritage Study

Council has not yet undertaken a municipal Aboriginal Cultural Heritage Study/Strategy which would contribute towards Council’s overall heritage management program. Such a study would provide a comprehensive document detailing the City’s tangible and intangible heritage, and potentially identifying further places of Aboriginal Heritage Significance in the Overlay.

An Aboriginal Cultural Values Interpretation Study has been undertaken by the State Government for the Fishermans Bend Urban Renewal Area to identify and understand the traditional, historic and contemporary cultural values and meanings in the FBURA. The scope of the municipal-wide Study could also include historical content for interpretative direction, principles and guidelines.

The scope of the study/strategy will need to be further refined, in consultation with the Aboriginal community. The following are potential benefits of a municipal Aboriginal cultural heritage study or strategy:

- providing an overview of Aboriginal cultural heritage within the City of Port Phillip
- reviewing existing and potential further sites of pre and post-contact Aboriginal heritage within the City
- providing a comprehensive record of all Aboriginal heritage places in the City
- conducting meaningful engagement with the Aboriginal community at early stages of the planning process
- providing a historical document to help inform interpretive infrastructure and inclusion of Aboriginal urban design perspectives in new development
- identify other actions for Council to celebrate and recognise the City’s indigenous heritage.

Recommendation 20:

Carry out a municipal Aboriginal cultural heritage study/strategy.

Training for Council officers

In light of the limited understanding of Aboriginal cultural heritage processes identified by Council officers, Council should consider hosting a recurring awareness and training program or developing internal guidelines to improve understanding of Aboriginal cultural heritage sites and processes.

The program scope should consider addressing:

- understanding of the nature and location of Aboriginal cultural heritage sites within the City of Port Phillip
- the role of planning in protecting Aboriginal heritage sites
- Cultural Heritage Management Plans and the processes triggered under the Aboriginal Heritage Act 2006
- recent State policy on promoting interpretive infrastructure and Aboriginal urban design perspectives in development.

Recommendation 21:

Consider training and/or developing guidelines to inform Council officers of Aboriginal cultural heritage sites and processes.
11.4 Environment

The Council Plan 2017-27 is highly focused on delivering smart solutions for a sustainable future for the City (Direction 3) seeking a City that is greener, cooler and more liveable, has lower carbon emissions, is resilient to climate change, is water sensitive and achieves a sustained reduction in waste.

11.4.1 Environmentally Sustainable Development

One of Council’s key priorities to promote the greening of our buildings through the application of environmentally sustainable development (ESD) planning policy and guidelines.

The Environmentally Sustainable Development Local Planning Policy was introduced into the scheme in November 2015 (Amendment C97) on an interim basis following a push by a number of Councils (Council Alliance for a Sustainable Built Environment - CASBE) to incorporate ESD into planning schemes to fill a state policy gap.

The ESD local policies seek to ensure that proposed developments are designed with the capacity of achieving best practice in addressing the principles of ESD from the design stage through to construction and operation.

The local policy requires development applicants to consider the following ESD categories:

- energy usage
- renewable energy generation
- water conservation
- sustainable stormwater management
- waste management
- urban ecology
- indoor environmental quality
- transport.

However, the ESD local planning policy will expire on 30 June 2019, or earlier if replaced by new state policy. The State Government has commitment to address ESD at the state level (Plan Melbourne Implementation Plan, Action 80 – Review of planning and building systems to support environmentally sustainable development outcomes).

The group of CASBE Councils is liaising with the State Government to monitor the performance of the policy and advocating for removal of the expiry date.

Also refer to section 12.2.13 for a review of Clause 22.13 - Environmentally Sustainable Development local planning policy.

Opportunities

Council can consider improving guidance and advice on how applicants can meet the objectives of the policy to achieve best-practice ESD outcomes in their development proposals.

Recommendation 22:

Continue to advocate to the Minister for Planning for a permanent Environmentally Sustainable Development Local Planning Policy, or an equivalent state-wide provision which maintains and builds upon the existing local policy and improve advice on how applicants can meet the best-practice ESD objectives of this policy.
11.4.2 Ecologically significant vegetation

Policy context

Direction 6.5 of Plan Melbourne 2017-50 aims to protect and restore natural habitats by clearly articulating the spatial extent and management objectives of each part of the green network.

Outcome 3.1 of the Council Plan is to create a greener, cooler and more liveable City, by increasing canopy cover and diversity of tree species across our streets and open spaces. This City’s commitment to maintaining its natural heritage and protect local biodiversity is reinforced by the Towards Zero Sustainable Environment Strategy (2007-2020).

The Greening Port Phillip Strategy (2010) recognises the role of the urban forest in supporting biodiversity by providing habitat for native flora and fauna. Actions include maintaining and strengthening wildlife corridors and increase habitat where appropriate.

Local Laws

Significant trees are protected by local laws in Port Phillip, requiring a permit to prune or remove a significant tree or palm (Community Amenity Local Law No.1, Clause 44) which is reflected in the MSS.

Planning Scheme

The Scheme currently has relatively limited policy on vegetation and biodiversity in the MSS:

- Clause 21.03 (Ecologically sustainable development) - Encouraging innovative landscape design that maximises biodiversity and uses indigenous and drought tolerant plant species.
- Clause 21.05-2 (Urban structure and character) – To maintain significant trees and vegetation as a key element of Port Phillip’s character.

Other policies and controls in the Scheme that seek to protect mature trees:

- the Heritage Overlay (approximately 22 properties), if the tree controls are ‘turned on’ via the schedule and through an individual listing for the Corroboree Tree, Albert Park (HO14).
- ResCode standards encourage the retention of mature vegetation, including significant trees.
- Environmentally Significant Overlay (ESO) schedules applying to small parts of the municipality, remnant indigenous vegetation along the parts of the light rail, the Corroboree Tree in Albert Park, the West Beach Natural History Reserve.
- A Vegetation Protection Overlay (VPO) for one English Oak Tree in St Kilda.

Local context

Since European arrival, native vegetation clearance has fundamentally altered the landscape of Port Phillip. Very little remnant vegetation now remains, however replanting efforts have been substantial leading to a number of significant sites of indigenous vegetation. Some native vegetation has also colonised environments such as rail lines and foredunes.
Feedback

Council officers raised the need for mechanisms in the planning scheme to assess biodiversity, particularly for private properties. Loss of vegetation and canopy cover will result in less biodiversity and habitat for native flora and fauna.

Another issue raised was the need to protect significant trees on private land from the effects of development such as basements intruding on root zones.

Opportunities

Ecologically significant vegetation

There are a number of indigenous vegetation sites – containing Grassy Woodland Plains and Coastal Dune Scrub that are not protected by planning controls, including:

- Canterbury Road Urban Forest
- Sandridge Beach, Port Melbourne
- Point Ormond Reserve
- HR Johnson Reserve
- Elwood Foreshore
- Tea Tree Reserve

The sites identified of being ecologically significant are on land owned or managed by Council. However, the site’s significant vegetation could be affected by buildings or works in the future, particularly with the intensification of uses in our parks and open spaces.

The ESO has broader applicability than the VPO and would be a suitable overlay to apply to sites of ecological significance. It can include a permit trigger for buildings and works.

This would provide a spatial representation and more transparent management of ecologically significant vegetation by outlining its extent and helping to mitigate incremental loss or damage from buildings or works.

Significant trees

The MSS contains policy seeking to maintain significant trees and vegetation as a key element of Port Phillip’s character, along with this being a standard of ResCode provisions. However, there are few formal tree controls (e.g. vegetation management overlays) within the municipality. Instead, Council relies on a local laws permit process for removing or pruning trees over a certain size.

Limitations of the current approach include:

- Policies seeking to retain mature vegetation have no statutory “teeth”
- The permit streams (local laws and planning permit) can sometimes result in contradictory permit decisions.
- There is essentially a duplicate assessment for situations where a planning permit is already required, given the local laws permit is still required.

There is the opportunity for Council to shift the protection of significant trees to the Scheme to proactively identify significant vegetation and trees. This process would involve an ecological study of the municipality to identify, assess (comparative analysis) and map significant vegetation to inform using planning scheme environmental management overlays (e.g. VPO, ESO) to protect significant trees, to supplement or replace the local laws process.

Benefits of this approach include
- raising the profile of significant tree protection, improving awareness and support (significant trees would be visible on planning scheme maps)
- reduce Council processes to one permit, if a planning permit is already triggered by the proposed buildings or works
- provide an upfront assessment of vegetation significance to better inform decision-making.

However, this approach may result in significant changes to the way Council’s permit processes operate. Further work is required to determine the most suitable approach.

The Council Plan identifies the need for an Ecological Biodiversity Study to be carried out in the next four years. This study should feed into the application of any environment management overlays.

Also see section 11.3.4 on ‘Cooling the City’ by facilitating greater canopy cover and green infrastructure.

**Recommendation 23:**
Apply the Environmental Significance Overlay to sites of biological significance to raise their profile and minimise the loss of significant vegetation.

**Recommendation 24:**
Explore the benefit of using the planning scheme provisions over local laws to protect significant trees across the municipality.

### 11.4.3 Integrated Water Management

Drainage infrastructure in Port Phillip is currently beyond capacity in many areas. Managing all aspects of the water cycle (mains water, stormwater, wastewater and groundwater) in an integrated water management approach offers the opportunity to limit the effect of these capacity issues while also facilitating reductions in potable water use and improving the quality of stormwater entering the waterways and Bay and mitigating flooding.

**Policy context**

Direction 6.3 of Plan Melbourne 2017-50 aims to integrate urban development and water cycle management to support a resilient and liveable city.

Direction 3 of the Council Plan 2017-27 is to have smart solutions for a sustainable future, with Outcome 3.4 identifying a vision for Port Phillip to be a water sensitive City. Water Management is identified as a Transformational project, further raising its priority. The Plan seeks to reduce potable water consumption, encouraging more efficient water use and alternative water sources and increasing ground permeability (Outcome 3.4, Council Plan 2017-27).

Priorities for Council over the next four years include increasing permeable land on private property and developing a Stormwater Management Policy and Guidelines to require onsite stormwater detention for new developments.

Council’s Water Plan - Toward a Water Sensitive City (2010) sets integrated water management targets for 2020 and outlines five strategies for integrated water management.

The MSS, at Clause 21.05-4 (Physical Infrastructure) and Clause 22.12 (Stormwater Management – Water Sensitive Urban Design) address integrated water management principles. See section 12.2.12 for a review of the local policy for stormwater management.
Opportunities

The MSS at Clause 21.05-4 (Physical Infrastructure) would benefit from being restructured to expand upon and promote an integrated water management (IWM) approach. An improved structure would draw together policies to cover:

- requiring development to adopt an integrated approach to water management and infrastructure provision (efficient and sustainable use of water);
- minimising the risk to people, property and the environment as a result of flooding; and
- protecting the ecological health of waterways from the impact of development.

The MSS at Clause 21.03-1 (Ecologically sustainable land use and development) seeks to promote sustainable design and development by:

- Encourage water sensitive urban design in all new developments, to increase on-site stormwater retention and treatment to improve water quality to the bay, and to facilitate water conservation.

Further detail should be added to expand on principles to minimise water consumption, harness stormwater as a resource for all water sources and recycle stormwater (e.g. greywater, stormwater, surface water, and groundwater).

Further strategies should be investigated in the review to consider:

- reducing impervious surfaces on private land (potentially utilising the permeability standard of ResCode);
- updating the local policy to require onsite stormwater detention facilities for new developments (see section 12.2.12 for a review of the WSUD local planning policy – Clause 22.12).

**Recommendation 25:**

Investigate ways to increase impervious surfaces in new development and facilitate onsite stormwater detention to become a more water sensitive City.
11.4.4 Environmental risks

Climate change resilience

The planning system can help to address climate change through encouraging more sustainable built form, however it also must play a role in responding to environmental hazards that are exacerbated by climate change (increasing frequency, intensity and extent), such as the urban heat island effect, flooding, storm surges and coastal inundation.

Policy context

There is strong state-wide policy support in the factoring climate change impacts into planning decisions, including Policy 5.6.1 of the Victoria’s Climate Change Adaptation Plan 2017-20 and direction 6.2 of Plan Melbourne 2017-50 which seeks to reduce the likelihood and consequences of natural hazard events and adapt to climate change.

Council’s vision is to be a city that is adapting to climate change (Outcome 3.3 of the Council Plan 2017-27) by increasing community resilience, requiring development to adapt and reduce the impacts of flooding and sea level rise.

Council’s Climate Adaptation Plan (2010) outlines a number of actions to address climate change, including updating the MSS, planning policy and controls to:

- restrict coastal and flood prone development, or require development to include climate resilient design measures;
- reduce/prevent future flooding by increasing absorbent surfaces, stormwater storage and treatment and water sensitive urban design applications; and
- new design and planting provisions (canopy trees, rooftop/vertical greening, etc) in new developments, activity centres and public spaces.

Opportunities

Currently the MSS has no particular climate change resilience policy on responding to natural hazard events.

Land use planning and development can have regard to climate change resilience by:

- managing intensification of high-risk areas from coastal inundation or flooding;
- encouraging sustainable design in all developments;
- reducing demand for the private car; and
- greening our urban areas.

Plan Melbourne 2017-50 introduced state policy support for considering climate change impacts, however at present there is no clear direction on how to implement this by considering climate change in planning decisions, or apply mechanisms to increase green infrastructure and canopy trees on private land.

Planning for land use and development should consider natural hazard events, including coastal inundation, storm surges, erosion impacts and the urban heat island effect, with the view to mitigating the potential future impacts of climate change.

Recommendation 26:

Add policy support in the MSS for new development to consider the impact of a changing climate.

Recommendation 27:
Continue to advocate to the State Government for stronger planning mechanisms that will allow Council to influence sustainable development outcomes and respond to climate change hazards.

Cooling the City

Policy context

The Council Plan seeks to achieve a greener, cooler and more liveable City (Outcome 3.1) through increasing canopy cover and the diversity of tree species across and facilitating the greening of our built environment through green roofs and walls.

Priorities for Council over the next four years include:

- promoting the greening of buildings through the application of environmentally sustainable design planning policy and guidelines
- developing a heat management plan to help ‘cool the City’
- implementing and reviewing progress on the Greening Port Phillip Plan - An Urban Forest Approach 2010
- investigating opportunities to protect vegetation and increase canopy cover on private property.

Plan Melbourne links the intensification of our urban areas to the urban heat-island effect, which can result in heat-related morbidity and mortality. It seeks to address this by:

- making Melbourne cooler and greener through greening urban areas, buildings, transport corridors and open spaces;
- strengthening the open space network; and
- updating residential development provisions to protect against the loss of tree canopy cover and permeable surfaces as a result of urban intensification.

Local context

As an inner-city and highly urbanised municipality, parts of Port Phillip are particularly sensitive to the Urban Heat Island Effect.

A map of Melbourne’s heat related vulnerability index and ambulance callouts (Jan 2002-Dec 2011)\textsuperscript{27} identified that while most suburbs within the City of Port Phillip rate in the mid-range for the vulnerability index, Port Melbourne and St Kilda rate extremely high for emergency ambulance callouts during days where the temperature had reached 34°C or higher.

Council currently has a range of policies that promote the use of green infrastructure in new buildings, including:

- Clause 21.03 (MSS) - encourages innovative landscape design that minimises water consumption and maximises biodiversity, including greater use of indigenous and drought tolerant plant species.
- Clause 22.13 (ESD Local Planning Policy) - promotes enhancing biodiversity and minimising the urban heat island effect, retaining significant trees and incuding productive gardens.
- Clause 22.12 (Stormwater Management – Water Sensitive Urban Design) requires a WSUD response for all new buildings and larger extensions.

\textsuperscript{27} Mapping Heatwave Vulnerability by the National Climate Change Adaptation Research Facility (NCCARF) and Monash University
• Clause 56.07 (Integrated Water Management) also requires the treatment of stormwater for subdivision.
• Clause 55.07 and Clause 58 (Apartment developments) requires the retention and replacement of significant trees and provision of a deep soil area for sites over 750 square metres to plant a canopy tree. If this is not possible, it seeks an equivalent canopy cover through canopy trees or climbers (over a pergola) with appropriately sized planter pits, vegetated planters, green roofs or green facades.

Green infrastructure

Green infrastructure can refer broadly to the interconnected network of physical assets that deliver landscape and environmental values or functions to people and places. This section, however, is focused on the type of green infrastructure that can occur on private land in a high-density environment like green walls, green roofs, green facades, landscaping and canopy trees.

Feedback

Council officers identified a need to better promote green infrastructure through creative and innovate green spaces in urban environments like greening laneways, walls and podiums to help cool the City.

Officers noted the poor design response and consideration of green infrastructure in recent high-density development applications. Green walls/roofs were often not well detailed at the planning stage, with little consideration to its design, functionality, access and maintenance.

This feedback suggests that Council processes in assessing development applications could also be improved. At present, different officers are assessing different aspects of the development – e.g. landscaping, sustainable design assessment, design and context. A more integrated and consistent process for Council officers when assessing for best practice outcomes could be considered in the future.

Policy performance

There are numerous existing ‘policy hooks’ within the Scheme to support the provision of green infrastructure in development.

Green infrastructure can provide multiple benefits, which is reflected it being addressed by many parts of the Scheme – e.g. green roofs, walls and facades can help to address stormwater management by slowing the entry of run-off into the stormwater system and reducing impervious surfaces.

Opportunities

Council should strengthen policy on green infrastructure by recognising its multifunctional role and intersecting benefits and embed policy support throughout the Scheme, including in health and wellbeing, urban design excellence, public space and climate change adaptation policy. This will also help to improve understanding in the broader community.

Council should review its approach to promoting (pre-application process) and assessing green infrastructure (planning application & referrals process) to ensure it is providing consistent, informed and useful advice to guide well-thought-out green infrastructure at the planning stage.

Council could also explore the benefit of developing quality measures for common types of green infrastructure which could be used as guidelines or a condition of permit. Quality measures may cover appropriate container size, soil specifications and substrates,
maintenance system, daylight requirements and plant species selection to ensure proposals are less likely to fail.

In planning for high-growth areas, Council could consider using incentive-based planning measures to facilitate specific green infrastructure outcomes.

Current policy is skewed towards residential buildings. The MSS should also promote green infrastructure in commercial buildings, which have an equal part to play in mitigating the effects of climate change and providing attractive and healthy workplaces.

**Recommendation 28:**
Review Council’s process in assessing green infrastructure proposals to identify if Council can facilitate better outcomes.

**Enhancing landscape character**

With its historic and fine grain urban fabric, the majority of residential areas in Port Phillip are made up of low-rise and medium-density residential development. As the City continues to densify, the need to retain and enhance the landscape character will become increasingly important.

**Feedback**

Officers also noted the importance of retaining and replacing and increasing canopy trees on private land given its value to the neighbourhood character and contribution to biodiversity and shelter.

**State policy context**

A garden area requirement was recently introduced by the State Government (Amendment VC110 - March 2017) which amended two of the residential zones (GRZ & NRZ) to replace the density control (dwelling cap) with a minimum garden area requirement. Its purpose is to protect the open space character of Victoria’s neighbourhoods by ensuring infill developments on lots over a certain size retain some garden space. However, this control will not apply to majority of residential lots in the municipality as are not large enough to trigger the requirement (over 400m2).

**Local policy context**

The ‘Greening Port Phillip – An Urban Forest Approach 2010’ has general objectives to enhance liveability by ensuring planning strategies (including the MSS, UDF and structure plans) incorporate trees to achieve the desired neighbourhood character, develop new boulevards and minimise the impact of the urban heat island effect by increasing overall canopy cover.

For development in residential zones, ResCode objectives in Scheme can introduce street setback requirements and landscaping objectives, including to retain and replant trees where these make up part of the neighbourhood character.

A new ResCode landscaping objective for apartment developments was recently introduced to promote climate responsive landscape design to reduce the urban heat island effect. This can be achieved by including an area of deep soil to accommodate a canopy tree, or to provide green walls/roofs where this is not possible. However, it remains to be seen how effective this new policy will be in facilitating effective or well-designed outcomes.
Policy performance
The current Scheme and regulatory context is skewed towards the protection and retention of existing landscape character in established neighbourhoods, particularly as it relates to the public realm. Arguably, it is equally important to enhance the landscape character on private land to help mitigate the effects of climate change, increase biodiversity and improve amenity and community health and wellbeing.

Opportunities
Council could investigate the addition of a new policy and mechanism to enhance landscape character in our neighbourhoods, building upon the well-established policy of protecting and replacing significant trees.

Council should investigate ways to strengthen its approach in requiring additional tree planting (either on private property or on street) as a result of new development, particularly if this is offsetting the displacement of existing mature vegetation.

Council has the opportunity to vary ResCode standards in the schedules to residential zones (e.g. landscaping standards) to achieve localised outcomes. For example, Brimbank City Council recently varied the ResCode landscape standard of its residential zones to require (discretionary) a minimum of one medium-sized canopy tree to be provided with new development. In reviewing the proposal, the Residential Advisory Committee accepted the tree planting requirement was strategically justified to reduce heat-related harm outlined in the Greening the West project, with the support of Brimbank’s Housing Strategy and the objectives of Plan Melbourne:

“The Committee finds the proposed use of the schedules is an effective mechanism to link data with statutory planning to improve health and wellbeing outcomes. While Council has a responsibility to improve environmental and liveability outcomes through investing in public spaces, private residential development also has a role.”

Recommendation 29:
Update the MSS policy on significant trees to promote the enhancement of landscape character.

Recommendation 30:
Explore options to require additional canopy trees or green infrastructure with new development.

Coastal impacts of climate change

Policy context
Much of Port Phillip is only one to three metres above sea level, making the City susceptible to the impacts of climate change over time, especially flooding from sea level rise and coastal erosion.

The SPPF addresses possible coastal inundation by requiring urban infill development to plan for an increase in sea levels of 0.2m over current 1 in 100 year flood levels by 2040 and 0.8 by 2100 (Clause 13.01-1 - Coastal inundation and erosion). However, at present, state policy provides no direction on an appropriate planning response to coastal inundation for existing urban settlements, limiting Council’s ability to effectively respond to this through the planning scheme.
Aside from the flooding of property and engineering responses, there are broader questions on how a risk-management approach could conflict with other state policies. For example, State policy recommends intensifying inner-city areas given their high amenity value, access to public transport, shops and jobs. This conflicts with the policy to avoid development in identified coastal hazard areas susceptible to inundation. There are also wider risks to consider on the future inundation of the public foreshore (if not protected) which is a valuable open space, recreation and tourist asset to the City.

Feedback

Council officers identified a weakness in the current process of referring planning applications to the relevant water management authority. Where land is affected by a Special Building Overlay (SBO), Council refers development applications to Melbourne Water as required by the Act. This ensures a response and provides Melbourne Water with a determining referral authority status.

For significant applications like infill development (new dwellings) on land in proximity to the coast with the potential to be affected by increased sea level and storm surge, Council may notify Melbourne Water under Section 52 of the Act and informally seek their advice which holds less decision-making weight.

There is also no formal trigger for considering the impacts of sea level rise on new development in the Scheme outside of SBO areas, making it difficult for Council to provide reliable and conclusive advice on coastal inundation issues to prospective permit applicants.

Opportunities

Council is currently working with the Municipal Association of Victoria and the Association of Bayside Municipalities on the Port Phillip Bay Coastal Planning Project to respond and adapt to coastal climate change, including developing a planning framework and practical responses for managing coastal hazards. The project will help to shed more light on an appropriate planning response and adaptation pathways, including land use policy, design measures and potentially new tools in the Scheme.

In the meantime, the MSS could be updated to incorporate policy support for considering coastal inundation impacts in specific locations in proximity to the coast and other relevant waterways (like the Elwood Canal), reflecting our obligations under the State Planning Policy Framework.

Council can continue work with partners to develop a bay-wide coastal hazard assessment and advocate for a planning scheme tool to identify and manage coastal inundation.

Recommendation 31:

Continue to advocate for new tools to identify coastal areas vulnerable to climate change, including coastal inundation and storm surges.

Flooding

Policy context

Port Phillip has progressed significant strategic work in flood mapping in recent years, with the planning scheme flood maps (Special Building Overlay maps) updated to reflect flood modelling data from Melbourne Water (Amendment C111 in May 2016). This updated mapping helps to reduce the risk and impacts of overland flooding by ensuring new development is appropriately sited and designed.
However, the MSS has limited policy on reducing the impact on flooding, referring to WSUD and requiring Environmental Management Plans for large developments.

Opportunities
 Council should consider improving the MSS by adding specific strategies on how Council will implement the flood objectives of the SPPF. For example, strategies could include avoiding the intensification of development on land prone to flooding if it increases the risk of flooding. Or by requiring development to mitigate the risk of flood to people, property and the environment, rather than state need for an Environmental Management Plan for large developments.

The SBO Review did not include any predicted increases in rainfall as a result of climate change for catchments. This should be reconsidered in any future review of the SBO areas. Additional flooding as a result of climate change and sea-level rise will be considered through Council’s participation in the Association of Bayside Municipalities coastal planning project as outlined in the ‘coastal inundation’ section of this report.

As Port Phillip is located at the bottom of the Elster Creek and Yarra River catchments, existing flooding issues will require a regional ‘whole-of catchment’ partnership approach to enable both proactive and emergency flood management responses. This includes advocacy to Melbourne Water on appropriate flood management options for the Elster Creek/Elwood Canal Catchment and working with partners to develop a long-term action plan for the Elster Creek catchment to mitigate flooding, including exploring the use of catchment-wide planning mechanisms to deliver appropriate built form outcomes and infrastructure upgrades.

Recommendation 32:
Update the MSS to reflect best practice integrated water management objectives and strategies, including the efficient and sustainable use of water, minimising risk of flooding and protecting the ecological health of waterways.

Recommendation 33:
Work with Melbourne Water and other Councils within the Elster Creek catchment on a whole-of-catchment approach to flood prevention, including exploring the use of planning mechanisms to deliver appropriate built form outcomes and infrastructure upgrades.

Contaminated Land

Policy context
In the planning system, potentially contaminated land is defined as land used or known to have been used for industry, mining or the storage of gas, wastes or liquid fuel. Where land is potentially contaminated and proposed to be used for a sensitive use (defined as residential, child-care centre, pre-school centre or primary school), agricultural or public open space, the planning authority must satisfy itself that the land is or will be suitable for that use (Ministerial Direction No.1).

The Environmental Audit Overlay (EAO) is a mechanism that is applied to potentially contaminated land to require an environmental audit to be undertaken (and any remediation
of land to be carried out) before the commencement of the sensitive use, or any buildings and works associated with that use.

Feedback
Council officers raised the issue of the EAO triggering the need for a costly environmental audit to be undertaken for minor buildings and works and low-scale development. They also raised the issue of the need for ongoing maintenance of the EAO (e.g. the need to remove the overlay when an audit is complete).

Opportunities
Council is unable to introduce permit exemptions to make the EAO more flexible as it has no local schedule. The State Government has identified a reform action (Action 29 of the Plan Melbourne 2017 Implementation Plan) to improve the processes for assessing and remediating contaminated to reduce the uncertainty of clean-up requirements and bring land to market sooner.

The SPPF directs Council to require applicants to provide adequate information on the potential for contamination where land is known to have been used for industry, mining or the storage of gas, wastes or liquid fuel (Clause 13.03-1).
11.5 Health and wellbeing

11.5.1 Liveability

Policy context
Council’s integrated Council Plan 2017-27 incorporates its Health and Wellbeing Plan. Council’s vision for a healthy community includes:

- a safe and active community with strong social connections, including facilities for sport, recreation and learning (1.1)
- an increase in affordable housing (1.2)
- access to services that support health and wellbeing (1.3)
- valuing and celebrating community diversity (1.4)
- designing out streets for people, including universal accessibility (2.3)
- a greener, cooler and more liveable City (3.1)
- liveability in a high density city (4.1)
- a City of diverse and distinctive neighbourhoods and places (4.2)
- a City where arts, culture and creative expression is part of everyday life (5.3)

Liveability
With increasing density and vertical living, more people will use our parks, villages, roads and footpaths, beaches and public transport. Our neighbourhoods will need to be safe and walkable, with good access to shops and flexible community spaces, and a balance of residential and commercial uses so we can reap the benefits of a vibrant ‘mixed use’ city while supporting healthy, active and connected communities.

‘Liveability’ is a term used throughout Plan Melbourne 2017-50, with its vision to create a distinctive and liveable city with quality environments. In its recent update, a new emphasis on the concept of ‘Place and Identity’ was introduced to support the Melbourne’s distinctiveness and unique character, which contributes to the City’s liveability.

Liveability refers to the degree to which communities are safe, attractive, environmentally stable, socially cohesive and inclusive. This requires affordable and diverse housing, convenient public transport, walking and cycling infrastructure, access to education and employment, public open space, local shops, health and community services, and leisure and cultural opportunities (Lowe et al. 2013)28.

The way we plan and manage our neighbourhoods affects community health and wellbeing by shaping places that people live in and identify with. By integrating a range of factors that improve community health and wellbeing, planning can help to facilitate liveable neighbourhoods.

Place-making
The concept of liveability is best promoted through ‘place making’ which is a conscious strategy designed to promote people’s health, happiness, prosperity and wellbeing. It brings together a range of factors and disciplines, including economic development, urban design and environment, culture, community engagement, finance and governance. Place-making

28 Victorian Public Health and Wellbeing Plan 2015-2019
can apply to whole regions or individual neighbourhoods and places. In all cases it aims to
capitalise on local assets, inspiration and potential.  
A place-based approach can target an entire community and focus on the multiple
determinants of health and wellbeing in a particular area, such as poor housing, social
isolation, transport and neighbourhood safety. It can also focus on community strengths and
enhancing protective factors.

Plan Melbourne recognises the role of place-making in creating pedestrian-friendly
neighbourhoods by integrating place-making practices into road-space management (policy
4.1.2). This recognises the ability of streets to be destinations in their own right – e.g.
prioritising pedestrians over vehicles and promoting activity.

The creation of place can also facilitate an identity and connection to a place. This can be
expressed through urban design, the landscape, historic or cultural elements and physical
and social infrastructure.

This approach is consistent the Council Plan policy to design, activate and manage public
spaces to be safe and inviting places for people to enjoy (4.1).

**Healthy neighbourhoods**

The state government recently addressed the concept of 'liveability and place-making' in the
SPPF through policy seeking to achieve neighbourhoods that foster healthy and active living
and community wellbeing (Clause 15.01-6 – Amendment VC139).

The policy includes strategies to design neighbourhoods that foster community interaction
and make it easy for people of all ages and abilities to live healthy lifestyles and engage in
regular physical activity by providing:

- connected walking networks and cycling networks
- streets with direct, safe and convenient access to destinations
- conveniently located public spaces for active recreation and leisure
- accessibly located public transport stops
- amenities and protection to support physical activity in all weathers.

It refers to the Urban Design Guidelines for Victoria (DELWP, 2017) to assist in achieving
this objective.

**Feedback**

There was strong support from Council officers on strengthening and integrating a number of
policies relating to health and wellbeing, community safety, active communities, urban
ekids and community infrastructure.

**Opportunities**

While the MSS currently addresses planning objectives that contribute to liveability, they are
scattered throughout the Scheme. The MSS benefit from providing localised policies to the
SPPF healthy neighbourhood’s policy (Cl. 15.01-6) to better promote the range of factors
that contribute to liveability in places to improve its sense of place, identity and liveability and
raise the profile of health and wellbeing policy.

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29 Plan Melbourne 2017-50, State Government of Victoria, p.78
30 Victorian Public Health and Wellbeing Plan 2015-2019, p.44
Council should also consider providing localised to State’s healthy neighbourhoods policy to address other aspects such as green infrastructure, place identity and access to transport, shops, employment and community services.

The MSS should emphasise the importance of a place-based approach to the planning and delivery of development, infrastructure, services and activities for activity centres to create attractive, well-landscaped and pedestrian-friendly environments that promote social interaction and physical activity. This includes developing and implementing structure plans and place-based infrastructure projects in partnership with local communities, local businesses and other key stakeholders.

The development of arts and cultural facilities should also be recognised in contributing to a sense of place, identity and distinctiveness for local areas.

**Recommendation 34:**

Strengthen local policies on liveable neighbourhoods and places within the MSS to raise the profile of planning policies that contribute to community health and wellbeing and place-making.

### 11.5.2 Universal accessibility

The Council Plan 2017-27 aims for our streets to be designed for people, partly by pursuing universal accessibility for people with disabilities (Outcome 2.3).

The City of Port Phillip Access Plan 2013-18 supports universal access and accessibility improvements to Council buildings and public spaces, including beach access.

One relevant action is to ensure accessibility is a guiding principle in the development of all major strategic planning projects. This can include streetscape planning, structure planning and urban design frameworks (Action 17.4.2).

The MSS should be updated to reflect the objectives of the Access Plan to support universal design, including street furniture, pathways and amenities in all publicly accessible buildings and spaces.

Council should also explore ways to extend the consideration of accessible infrastructure to Council’s commitment to becoming a child-friendly and age-friendly city. There is the opportunity to reflect relevant principles of Age Friendly Cities (World Health Organisation) and Child Friendly Cities and Communities (Victorian Local Governance Association) initiatives in the MSS.

**Recommendation 35:**

Promote the concept of universal accessibility for people of all ages and abilities and age and child friendly cities in the MSS.

### 11.5.3 Food-sensitive urban design

**Policy context**

Plan Melbourne 2017-50 introduced new policy on delivering local parks and green neighbourhoods in collaboration with communities, including by supporting community gardens and productive streetscapes (Direction 5.4).

‘Food-sensitive urban design’ is a term used to describe the incorporation of spaces in our City that can be used to grow food and generative ecologies, from backyards to community gardens and streetscape planting of fruit trees. They can help to provide communal spaces
where people can engage in sustainable practices and connect with their community, reducing social isolation and providing recreation, education and access to healthy foods.

Local context
Port Phillip has a number of different types of community gardens, mostly on public land, ranging from large incorporated gardens such as Veg Out in St Kilda to small community initiatives like small plots in a playground at Te-Arai Reserve, St Kilda East. However with an increasingly dense urban environment, a greater focus will be placed on using private land for community uses, like open space, community facilities and community garden initiatives.

Feedback
Council officers noted a policy gap in the MSS on the linking of green infrastructure as critical to community health and wellbeing, particularly in a dense, inner-city environment.

Opportunities
The Planning Scheme can support innovative urban agriculture by encouraging it to be incorporated into the design and layout of new development on private land. This may include the provision of private or shared garden space for healthy food production on private land in larger residential and mixed use developments, including rooftop gardens.

Recommendation 36:
Promote urban agriculture and food-sensitive urban design in the MSS.

11.5.4 Community infrastructure

Local context
The City of Port Phillip is facing significant population growth that will increase demand for all Council services and amenities. As an established urban area, the City has limited space for additional community infrastructure and faces high land prices. This growth, coupled with the increasing cost of providing services, will stretch services and infrastructure.

One focus for Council is how to manage the rapid urban growth in the Fishermans Bend while ensuring there is adequate and timely provision of community infrastructure, and that it is delivered in an efficient and cost-effective way.

Another key concern is how we are going to plan for current and future infrastructure and service requirements in our established areas and manage the impact of additional growth in Fishermans Bend on surrounding community infrastructure.

Policy context
Plan Melbourne 2017-50 recognises the need to deliver social infrastructure to support strong communities (Direction 5.3).

The Council Plan 2017-27 seeks to:

- create a community with strong social connections by providing access to flexible, multi-purpose facilities and investing in a long-term program of community facility upgrades to ensure they are fit for purpose and meet current and future community needs (Outcome 1.1);
• improve access to services that support the health and wellbeing of our growing community by providing co-located and integrated facilities and cater for all ages and life stages (Outcome 1.3).
• Collaborate with partners and service providers to undertake neighbourhood based planning and delivery of community infrastructure, services, programs and outreach aligned to community needs.

Feedback
The current MSS has policy relating the equitable and accessible location and flexibility of community services and facilities to meet community needs. Council officers noted this could be strengthened by providing guidance for integrated community infrastructure and service delivery, including:
• facilitate the co-location and clustering of community infrastructure hubs
• facilitating adaptable spaces
• more detailed locational criteria for activity centres and where accessible by public transport
• design, space and access criteria for delivering community infrastructure in mixed use developments - including configuration, street frontage and accessibility
• identifying the current and future needs of the community (health and social data).

Opportunities
Council will collaborate with partners and service providers to undertake neighbourhood based planning and delivery of community infrastructure, services, programs and outreach aligned to community needs.

Council officers have also flagged the need for preparation of a municipal Community Infrastructure Strategy to inform community infrastructure policy and explore the potential to collect development contributions towards identified infrastructure needs. See section 11.6.5 for further discussion on development contributions.

Another tool Council may use to assess the capacity of the existing and planned community infrastructure is a Social Impact Assessment for particular types of development (see section 11.4.7 on Social Impact Assessments).

Recommendation 37:
Expand community infrastructure policy in the MSS to address co-location, clustering, adaptable spaces and design guidance for mixed use developments.

11.5.5 Safer design
Council officers noted that the perception of safety was poor in some areas of the City and policy in the MSS could be strengthened to achieve development aligned with safer design principles through environmental design.

The Scheme currently has ‘safer design principles’ referenced throughout the MSS on building design and the public realm, public open space and in considering the cumulative impact of late night entertainment uses.

There is more detailed safer design policy in design controls for some areas with requirements for development to address street activation of buildings and passive surveillance of the street.
Further strategic work should be undertaken for the St Kilda Activity Centre to identify issues associated with the imbalance between night and day economies and real or perceived safety impacts. This includes investigating ways to facilitate a greater mix of compatible uses and activities to maximise natural surveillance and support 24-hour public presence in activity centres. See section 11.1.2 (activity centres) on undertaking further strategic work for the St Kilda Activity Centre.

11.5.6 Licensed premises

Local context
Licensed premises can contribute to a vibrant night time economy and provide employment opportunities. They can also support the social, artistic and cultural vibrancy of our City with live music, food and entertainment.

At the same time, Port Phillip has a high density of licensed venues and is seeing increasing residential development in and around our entertainment precincts. This places pressure on Council to enforce all available laws to balance the needs of the commercial operators and the residents who wish to maintain their amenity.

The social and cultural benefits of tourist and entertainment uses need to be balanced with the alcohol related harm and amenity impacts to ensure Port Phillip continues to be a desirable place to visit and live.

Policy context
The Council Plan 2017-27 seeks to create a City of dynamic and distinctive retail precincts (outcome 5.1) by collaborating to ensure our entertainment and local economies thrive, while ensuring safe, enjoyable places for everyone. Council will work with IMAP councils to develop approaches to better manage licenced premises and entertainment precincts.

Clause 52.27 (Licensed Premises) triggers the need for a planning permit to use land to sell or consume liquor under certain circumstances. The purpose of the provision is to ensure licensed premises are situated in appropriate locations, and no adverse amenity impacts on the surrounding area occur – like considering the hours of operation and number of patrons in proximity to residential uses. There is little guidance in the state system as to what constitutes ‘appropriate locations’, however there is a practice note guidance Council on how to consider the ‘cumulative impact’ of licensed premises, where clustering can result in anti-social behaviour.

The current MSS has general policy relating to licensed premises in Clause 21.04-6 (Tourism and the Arts) with an objective and strategies that seek to minimise the impact of tourism and entertainment uses. There are also policies throughout the LPPF relating to discouraging licensed premises and the concentration of bars, taverns and nightclubs in activity centres, while other policies seek to support the entertainment role of some centres while preventing the cumulative impacts of such uses on amenity and community safety.

Prior to the default translation of the former business zones to the new commercial zones, the lower intensity business zones (Business 2 and 5 zones) were primarily located at the edge of activity centres. The default translation of the former Business 5 Zones into the Commercial 1 Zone allowed a higher intensity of commercial uses in these locations like hotels, taverns and bottle shops, which may increase amenity conflicts with surrounding residential precincts.
The Port Phillip Activity Centres Direction Strategy (2006) identifies St Kilda and Bay Street Activity Centres as having regional entertainment and tourist role.

**Feedback**

**Officers**

Council officers raised concerns about the high level of complaints and compliance investigations into licensed premises and their adverse amenity impacts, particularly near residential areas (e.g. courtyards at the rear). Council officers suggested a licensed premises local planning policy to help to manage amenity impacts, as demonstrated in similar policies in other inner-city Councils.

**Data**

A review of permits decided in recent years (July 2015-17) found the highest number of permits issued were in St Kilda and South Melbourne, followed by Port Melbourne. The majority of permits issued were for liquor licences associated with a restaurant. However there were 10 applications for bottle shops within this period, with 4 of these located in St Kilda. See section 9.3.1 (land use trends – licensed premises).

Planning compliances investigations for licensed premises over the last three years (July 2014 – June 2017) reveal that licensed premises have consistently remained the second highest complaint (following non-compliance with planning permits/the planning scheme) at an average of 85 complaints per year.

A recent supply and demand study commissioned by Council has provided some insight into the night-time economy of Port Phillip’s activity centres. The analysis revealed that there is an oversupply of pubs, taverns and bars considered supportable at the St Kilda Activity Centre, where some may be supported by gaming as a source of revenue.

**VCAT**

The analysis of VCAT cases revealed a series of inconsistent decisions by VCAT on the impact of new licensed premises. In three recent VCAT cases, Council sought to refuse a planning permit for the use of land for packaged liquor outlets due to their inappropriate location close to community services, social support providers and vulnerable persons or its cumulative impact, and was successful in one instance.

In the successful case, Council’s decision for refusal was affirmed on the basis of the venue’s close proximity to the housing of vulnerable young people and families. In the other two cases, VCAT set aside Council’s decision - both of which were also proximate to community services or vulnerable people.

See section 9.1 VCAT Findings – licensed premises for further details.

**Alcohol-related harm**

The City of Port Phillip experiences significantly higher levels of alcohol-related harm compared to other metropolitan Melbourne areas. The social and cultural benefits of tourist and entertainment uses need to be balanced with the alcohol related harm and amenity impacts to ensure Port Phillip remains a desirable and safe place to visit and live.

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31 Morraine Nominees Pty Ltd v Port Phillip CC 2017 & Lahdo v Port Phillip CC 2017 VCAT 868 & Pace Development Group Pty Ltd v Port Phillip CC [2017] VCAT 1015
However, Council’s discretion in considering the health and social impacts of licensed premises is limited under Clause 52.27 (Licensed premises) to considering appropriate locations and amenity impacts, rather than more broadly considering alcohol-related harm in the wider community (e.g. family violence)\(^\text{32}\).

Although the social effects of a planning application may conceivably be a relevant consideration under the Act (Section 60), a number of VCAT decisions and Panel Reports\(^\text{33}\) have found that as a general principle, a broad concern about the social harm caused by the community’s accessibility to alcohol, or the potential for the abuse or misuse of alcohol, will rarely (if ever) be a relevant consideration in the exercise of discretion under Clause 52.27 for a planning permit. They note the abuse or misuse of alcohol is an appropriate consideration under the Liquor Control Reform Act 1998.

Circumstances where licensed premises may cause ‘social impacts’ under the scope of the Act is on amenity impacts or safety issues. For example, Council was successful in a recent VCAT case\(^\text{34}\) to refuse a packaged liquor application by establishing a direct nexus between the selling of packaged liquor and its proximity to housing for vulnerable people:

“The impact on the vulnerable and disadvantaged young people is not about social impact in a broad, abstract, or social sense, but a situation where the very substance many of these young people are vulnerable to are close by and accessible.”

The South East Melbourne Councils (SEMC) alliance is currently advocating to the State Government for reform of the policy frameworks to address the density and floorspace of licensed premises, in particular packaged liquor to reduce alcohol harm to local communities.

Research to date has indicated that alcohol-related harm in the community may be linked to the total floor area size of all types of licensed premises (including packaged liquor outlets) rather than just the number of premises in an area.

Council should monitor the outcomes of the SEMC advocacy and consider research findings in a review of licensed premises policy.

Social Impact Assessments – licensed premises are further discussed in section 11.4.7 of this report.

**Opportunities**

The review of VCAT decisions found that, in the absence of more specific policy, the Tribunal often defers to the current broad policy support for entertainment venues in and around Major Activity Centres.

More detailed local policy on licensed premises will enable Council to more effectively manage the location, venue type, mix, capacity, venue design, operation and hours and patron movement to protect the amenity of nearby properties. Locational policy can guide an appropriate separation distance from vulnerable persons and community services.

Policy could also set out application requirements, like a noise amenity plan to ensure compliance with State Environment Protection Policies and a cumulative impact assessment report.

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\(^{32}\) Hunt Club Commercial Pty Ltd v Casey CC (includes Summary)(Red Dot) [2013] VCAT 725

\(^{33}\) Yarra Planning Scheme Amendment C209, Panel Report 27 June 2017, p.33

\(^{34}\) Lahdo v Port Phillip CC 2017 VCAT 868
Policy could also address an identified oversupply of licensed premises in particular activity centres to support the social and economic vitality of activity centres (e.g. Fitzroy Street – see section 11.1.2 - St Kilda Activity Centre).

Council has been criticised by VCAT for providing insufficient evidence to support its assertions that proposed licensed premises would cause unreasonable social impacts. The review should consider requiring a Social Impact Assessment as part of the permit process for particular types of licensed premises/locations to provide social evidence.

**Recommendation 38:**

Develop a licensed premises policy to guide the appropriate location and design of licensed premises to ensure they make a positive contribution commensurate to the role of each activity centre and to effectively manage amenity impacts.

### 11.5.7 Social impacts

An objective of the Act is to consider social and economic effects when decisions are made about the use and development of land. In assessing planning permits, Council has a mandate to consider any ‘significant social and economic effects’ which it considers a proposed use or development may have (Section 60(1)). And as a planning authority, Council must consider ‘social and economic effects’ in carrying out planning scheme amendments (S 12(2)).

In doing so, Council should integrate a range of relevant environmental, social and economic factors into its decision-making on land use and development applications, and balance these to make a decision in favour of net community benefit and sustainable development (Clause 10.02 – 10.04 of the SPPF).

Social effects are not defined in the P&E Act, but those matters which VCAT have held to be relevant social effects under the Planning and Environment Act 1987 include whether development:

- increases demand for /or provides adequate community facilities and services;
- improve or reduces accessibility to social and community facilities;
- provides greater or lesser choice in housing, shopping, recreational and leisure services;
- meets the needs of targeted groups, such as aboriginal communities, youth, unemployed, aged, disabled, etc
- improves or reduces community safety and amenity;

In defining ‘significant social effects’ under Section 60(1)(f) of the Act for permit applications VCAT have held that they must affect an identifiable section of the community, and be based on proper evidence or empirical analysis, preferably though a formal social impact assessment.

**Social Impact Assessments**

A Social Impact Assessment is a tool that analyses the social consequences of planned development and provides the social evidence needed to influence development design in favour of a positive social outcome. The process uses measureable social variables (and sometimes community consultation) to assess the potential social impacts of change and plan for ways to manage negative impacts, or enhance positive impacts.
An SIA provides a comprehensive social assessment method to enable Council to satisfy itself of the social impact of planning decisions, and to influence development outcomes to mitigate and manage anticipated adverse effects.

Benefits of undertaking SIAs may include:

- providing a means of comprehensively assessing the social effects of development to satisfy our obligation under the Act
- proactively responding to the social consequences of development to facilitate better outcomes for the community
- providing evidence of likely social impacts to influence development outcomes within the planning process (e.g. decision will be upheld at VCAT)
- building social capital by engaging the community in the decision-making process
- improving relations between government and the private sector and communities.

The benefits of this approach are consistent the Council Plan 2017-27, by providing a way for Council to effectively measure impact of development applications on the community’s health and wellbeing, providing greater transparency in decision-making, and community involvement in the lead up to planning applications (Directions 1 & 6).

Current policy

The current MSS, at Clause 21.04-8 (Social Impact Assessments), contains policy to ensure major land use and development proposals deliver a positive social benefits to the community through requiring the preparation of an SIA with planning applications for the following types of development:

- Residential development where the form or density is not anticipated by the planning scheme (over 30 dwellings);
- Residential development accommodating residents of a specific age cohort or with high needs (over 20 residents – e.g. student housing, aged care facilities);
- Where a planning permit or rezoning is required for a new venue (or a change to an existing venue) where gambling occurs;
- New Taverns, Nightclubs and Hotels, or where an increase in the patron numbers to such Licensed Venues is proposed;
- Rezoning of land from and Industrial, Business or Public Use zone which enables residential use for the first time (over 30 dwellings)
- Rezoning of public open space.

The local policy for Gaming (Clause 22.07) has an application requirement a social and economic assessment of the benefits and disadvantages of the proposed gaming machines.

Feedback

Feedback from Council officers found there is limited awareness of the Social Impact Assessment requirement in the MSS.

Since the policy was introduced in the previous MSS Review (Amendment C62, 2011) it has not been widely used, with only a small number of SIAs having been required or received for permit applications relating to the installation of gaming machines and licensed premises.

Officers also suggested the triggers relating to the types of development that require a SIA should be reviewed.

Policy performance

The legislative framework provides Council with a mandate to consider any significant social effects of a proposed development and to satisfy itself that a net community benefits is
achieved. In order to make that decision, a certain degree of information may be required by Council like a Social Impact Assessment.

The Planning Institute Australia recognises that there is limited understanding or poor perceptions by development proponents and local authorities of the benefits of SIAs. They concluded that they are often viewed as a 'tick the box' requirement at the end of the development process with no real value. Less rigorous SIAs can also result from this assessment being developer-led (viewed as biased), insufficient timeframes, budget constraints, limited community feedback, lack of data and few identifiable impacts.

In order to overcome these limitations and common pitfalls in practice, a number of Councils have developed Social Impact Assessment Planning Guidelines to supplement their policy. The Guidelines can inform both applicants and Council officers by setting out the legislative requirements, definitions, best practice methodology, community engagement methods, access to information and data sources and identifying in detail the types of development that are most likely to require an SIA.

Opportunities

In order to improve understanding and uptake of the policy within Council, and to guide permit applicants in appropriate SIA scope and methodology, Council should consider developing its own set of SIA guidelines.

The current list of ‘trigger points’ that relate to types and scale of development that would trigger the need for a SIA to be provided also needs refinement and review.

Council should be careful not to impose onerous requirements where it lacks justification. For example, there is less need to thoroughly assess social impacts for more common or smaller-scale developments when it would result in incremental social change in an area or is a use or development that is anticipated by the Scheme. Many of the likely social impacts of these uses can often be sufficiently addressed by the regular planning process - for issues related to traffic, noise, amenity and design and through community consultation.

Larger-scale residential developments that result in a sudden and significant increase in local population to an area are more likely to result in more complex social impacts, including generating demand for community facilities, providing greater or lesser choice in housing, shopping, recreational and leisure services and meeting the needs of targeted groups. In these circumstances, a SIA can provide the social evidence needed to influence the site layout or design, land uses and accommodation of social and safety factors.

Further, an SIA is a useful tool for larger scale development to assess the capacity of existing or planned community (and other) infrastructure in areas surrounding proposed developments.

It is common practice among councils to require a Social and Economic Impact Assessment for gaming applications. This reflects existing Council policy on harm minimisation and should be retained.

SIAs are also often required for planning applications for licensed premises. Clause 52.27 (Licensed Premises) limits Council's discretion to the proposal's amenity impacts on the surrounding area and ensuring it's an appropriate location. This would help to establish evidence demonstrating the potential for a direct social harm impact on an identified group of vulnerable persons, given the proposal's proximity to social housing and Council’s support services – see Section 11.4.6 on licensed premises.

The SIA requirement for a Nightclub, Tavern or Hotel should be revised to consider all licensed premises for circumstances where its location is likely to harm to a particular segment of the community.
Other general amenity and cumulative impacts are currently adequately catered for by the current planning permit process which considers cumulative impact.

**Recommendation 39:**
Revise the social impact assessment policy within the MSS to refine the trigger for when it’s required.

**Recommendation 40:**
Develop social impact assessment guidelines to set out processes, acceptable scope and methodology and to clarify the types of development where it’s required.