

CITY OF PORT PHILLIP DOT REFERRAL REPORT

Application No: PA2503652-1 (Council reference: PDMR/0007/2026)

INTRODUCTION

1. This submission provides the Department of Transport and Planning (**the Department**) with the City of Port Phillip's (**Council's**) position on Planning Permit Application PA2503652-1 (**the application**), in response to notice of the application received on 14 April 2026 under section 52 of the *Planning and Environment Act 1987*.
2. The submission is structured in five parts: a brief introduction (including the history of the site); a summary of internal referrals; an assessment of the proposal, centred on six key questions arising under the relevant provisions of the *Port Phillip Planning Scheme*; and a recommendations section, which sets out a series of recommendations (in order of preference) for the Department to consider before deciding on the application.
3. Planning application PA2503652 was approved by the Department of Transport and Planning on 5 August 2025. The permission granted approved to use and develop the land for a nine storey, residential hotel (162 rooms) with restricted retail at the ground floor and office use at top floor; and a car parking reduction. Plans for PA2503652 have not been endorsed.
4. This amendment application seeks to introduce an additional level to the approved building, increasing its height by 2.95 metres and bringing the total to 10 storeys. Changes include the addition of nine hotel rooms and a reduction of 246.6 square metres of office space at Level 7, as well as a new 275.7 square metre hotel conference facility at Level 9. Minor design modifications are also proposed to address technical updates and ensure compliance with permit conditions. These include the relocation of the substation, the inclusion of interconnecting hotel room doors and minor internal refinements.
5. The information submitted for the application includes the following:
 - Architectural plans prepared by Hayball title "*Moray Street Commercial Development 134 Moray Street South Melbourne Vic*", Project No 2072, Plan no's TP01.01(5), TP02.00(13), TP02.01(10), TP02.02(7), TP02.03(7), TP02.04(7), TP02.05(7), TP02.06(8), TP02.07(8), TP02.08(9), TP02.09(8), TP02.10(8), TP02.11(7), TP03.00(9), TP03.01(9), TP03.02(9), TP03.03(9), TP04.00(10), TP04.01(10) and TP08.01(3), dated 12/12/2025.
 - Supporting Documents:
 - Waste Management Plan dated 23rd January 2026
 - Traffic Impact Assessment dated 5th February 2026
 - SMP dated 22nd April 2026.
 - Landscape Plan dated January 2026
6. The following table provides a summary comparison between the approved and proposed development:

Approved - PA2503652 (PDMR/00004/2025)	Proposed – PA2503652-1 (PDMR/0007/2026)
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162 residential hotel rooms on levels 1-7 comprising: • 135 studio room • 27 one-bedroom rooms	171 residential hotel rooms on levels 1-7 comprising: • 141 studio rooms • 30 one-bedroom rooms
278.6sqm of restricted retail premises on the ground floor	275.3sqm of restricted retail premises on the ground floor
845.1sqm of office floor space on levels 6 and 7	589.4sqm of office floor space on level 8
	Residential hotel conference space on level 9 (new level)
Lobby, gym and conference rooms are provided but these are only for guests of the site so considered ancillary	Lobby, gym and conference space are provided but these are only for guests of the site so considered ancillary
A total of 26 car parking spaces and 31 bicycle spaces all provided in the basement level and accessed from Moray Street.	A total of 26 car parking spaces and 31 bicycle spaces all provided in the basement level and accessed from Moray Street. (No changes to car or bicycle car parking)

7. The application relates to land at 134 - 138 Moray Street, South Melbourne (**the site**). The site is regularly shaped, with a 25.43sqm frontage to Moray Street and length of 40.8m along York Street with an area of approximately 1037 square metres. It is situated on the southwest corner of Moray Street and York Street, South Melbourne.
8. The site was previously occupied by a double storey concrete panel building with 14 car spaces within the building. This building has now been demolished, and the site is vacant. The site has vehicle crossovers on both the Moray and York Street frontages. A Caveat (AB224883E) applies to the northwestern corner of the subject site. The caveat is for substation and carriageway purposes.
9. The site is within the Commercial 2 Zone (**C2Z**) and affected by Schedule 8 to the Design and Development Overlay (South Melbourne Central) (**DDO8**).
10. The applicable permit triggers are:
 - Clause 34.02-1 (Commercial 2 Zone) – Use of land for Residential Hotel
 - Clause 34.02-4 (Commercial 2 Zone) – Construct a building or construct or carry out works
 - Clause 43.02-2 (Design and Development Overlay) – Construct a building or construct or carry out works.
 - Clause 52.06-3 – Reduce the number of car parking spaces
 - Clause 52.34-1 – Reduce the number of bicycle parking spaces

11. The application qualifies for assessment under Clause 53.22 (Significant Economic Development), the purpose of which is to prioritise and facilitate the planning, assessment and delivery of projects that will make a significant contribution to Victoria's economy and provide substantial public benefit, including jobs for Victorians. On this basis, the Minister for Planning is the responsible authority, pursuant to Clause 72.01-1.
12. As set out in the assessment of the original application the site has an important history, especially in regard to the findings by VCAT for the original town planning application 1194/2016 and its effect on the assessment of application under DDO8. A summary of the history is provided below.
13. Planning Permit P1194/2016 was issued in December 2018 following a VCAT appeal (*134 Moray St Pty Ltd v Port Phillip CC (Corrected)* [2018] VCAT 1831) against Council's 2017 refusal, with the Tribunal determining that DDO8 controls are not mandatory and should instead be assessed on design merit. The permit approved a multi-storey development within the South Melbourne Central precinct, guided by objectives to achieve high design quality and public realm outcomes, and was subsequently endorsed and extended. Since approval, the development has undergone two amendments: Amendment A (2021) introduced significant design changes including additional basement levels, removal of upper floors, and revised layouts and building services; while Amendment B (2022) focused on façade refinements, internal reconfiguration, minor floor area reductions, and updated landscaping and building elements.
14. The DTP application that was approved on 5 August 2025, was a complete departure from the original planning approval for a different land use (residential hotel instead of Office) and a completely different form. The 2018 planning permit approved a faceted architectural design that stepped up from Moray Street, with a continuous street wall and no setback along York Street. This design was characterised by angled, faceted elements, creating a sculpted form rather than a single flat plane. In contrast, the design presented through the DTP referral adopts a more rectilinear approach, introducing a defined podium to both Moray and York Streets, above which a setback mid-rise tower rises to an overall height of nine storeys.

REFERRALS

15. The application has been referred to several internal departments of Council. The referral comments are summarised below:

Strategic Planning

16. Comments have been provided from Council's Strategic Planning Unit that from a strategic planning perspective, the proposed hotel use is supported; however, the additional storey and increased building height are not. The proposal is not aligned with the South Melbourne Structure Plan or the forthcoming C219port Amendment, which, although not yet gazetted, is considered relevant. Concerns are raised regarding the excessive building height (10 storeys versus a preferred 7) and increased floor area ratio, which exceeds the future mandatory control. Strategic Planning indicates that a taller building may be supported only if overall floor area is reduced and impacts on the public realm and adjoining properties are acceptable.

Urban Design

17. Comments have been provided from Council's Urban Designers that that from an urban design perspective, the proposed additional storey is not supported as it represents an overdevelopment of the site and exceeds the built form intent of DDO8 and the South Melbourne Structure Plan. Concerns relate to excessive height, visual bulk, and impacts on amenity, including daylight, wind, and building separation. It is recommended that the building height be reduced, or alternatively that setbacks, floor area, and design elements be revised to mitigate these impacts, supported by further analysis such as wind and equitable development modelling.

Traffic and Parking

18. Council's Traffic Engineers identified issues with the clarity of proposed on-street drop-off and pick-up arrangements, the inadequate setback of the garage door, and required headroom clearances for vehicle access and waste collection. However, these matters relate to previously approved components of the development and are not affected by the current amendments, and no new traffic or parking concerns have been raised.

Sustainability

19. Council's Sustainable Design Advisor considers the proposal to provide an acceptable ESD outcome, as the amendments largely maintain the commitments of the approved design. While minor changes include an additional level, new hotel rooms, and conference space, these do not significantly alter ESD performance, although the BESS score has slightly reduced and must not fall below the original. Some conditions remain outstanding, including shading requirements, updated documentation, and energy modelling, but these are minor and can be addressed through compliance with existing permit conditions.

Waste Management

20. Council's Waste Officer supports the proposal in principle but notes minor inconsistencies in the Waste Management Plan, particularly regarding the number and sizing of glass bins. A revised WMP is required to correct these details and ensure adequate waste provision

Landscape Architect

21. Council's Landscape Architect has provided comments that the landscape plans are generally acceptable but require further refinement to address outstanding issues and improve coordination. Key concerns include insufficient detail of existing public realm conditions, opportunities to enhance planting design (particularly vertical planting and rooftop landscaping), and inconsistencies between architectural and landscape plans. Additional requirements include reinstating crossovers, providing new street trees, improving planting on the Level 9 terrace, and submitting updated plans and maintenance strategies to ensure appropriate tree protection, plant selection, and long-term landscape management.

ASSESSMENT

22. The following questions for determination arise under the relevant provisions of the Planning Scheme:
- Is the application consistent with the Planning Policy Framework (PPF)

- Is the proposed built form acceptable to its context including the requirements of Design and Development Overlay Schedule 8?
- Are the proposed car parking, bicycle parking and access arrangements acceptable?
- Are the proposed environmentally sustainable development and water sensitive urban design outcomes acceptable?
- Are the proposed waste management arrangements acceptable?
- Is the proposed landscaping acceptable?

23. These questions are addressed in turn below.

Is the application consistent with the Planning Policy Framework (PPF)

24. In the original referral report for the DTP referral, it was noted that:

The proposal has broad policy support, particularly under the policy theme of Clause 17 (Economic Development) and the key strategies under this theme of Employment (Clause 17.01), Commercial (17.02) and Tourism (Clause 17.04), all of which support the use of the land as a residential hotel with a restricted retail premises.

25. In the report prepared by DTP officers, the original application was also considered to have broad policy support as set out in paragraphs 52 to 57 of the report. Of particular relevance are the two paragraphs below that have been copied from the DTP report

The proposal has broad policy support, particularly under the policy theme of Clause 17 (Economic Development) and the key strategies under this theme of Employment (Clause 17.01), Commercial (17.02) and Tourism (Clause 17.04), all of which support the use of the land as a residential hotel with a restricted retail premises.

It is also considered that the proposal measures favourably against the key built form policy of Clause 15 (Building Environment and Heritage) which seeks to ensure land use and development appropriately responds to its context, achieves architectural and urban design excellence, and achieves best practice sustainable development outcomes

26. The changes sought in the amendment application would continue to allow for a mixed-use development with restricted retail on the ground floor and residential hotel on the upper levels.
27. Given that there would be no changes to the approved uses, the amended proposal would continue to provide an appropriate response to State and Local Planning Policy Framework.
28. In addition to the changes to the height of the building, it is proposed to add nine hotel rooms, reduce 246.6sqm of office space and add a conference room. Putting aside the consideration of the built form changes (which are considered below) these changes are considered acceptable and to continue to satisfy the State and Local Planning Policy Framework.

29. It is noted that, given the Commercial 2 zoning of the site, any potential amenity impacts arising from the hotel use—including the additional rooms proposed as part of this amendment—are inherently limited due to the absence of sensitive residential uses in the immediate surrounding area.

Is the proposed built form acceptable to its context including the requirements of Design and Development Overlay Schedule 8?

30. The site is affected by the Design and Development Overlay (Schedule 28) (**DDO8**), which applies to South Melbourne Central. More specifically, the site is located within Area 7, known as the Eastern Business Precinct.
31. DDO8 provides the primary framework for assessing proposed built form, establishing local expectations for scale, massing and setbacks within the precinct. The DDO setting a range of overall design objectives, specific preferred character statements and Design objectives for each precinct and actual requirements for height, setbacks and elements of built form and design.
32. As set out above the VCAT decision for the original application at 134 Moray Street (*134 Moray St Pty Ltd v Port Phillip CC* (Corrected) [2018] VCAT 1831) determined that the DDO8 controls are not mandatory, despite Council's intention when drafting DDO8 and how the controls have been applied previously. Rather, it was determined that a preferable approach was to treat the DDO8 requirements as discretionary, allowing them to be varied where an alternative design response appropriately meets the scheme's broader objectives for preferred character, design, and intent.
33. A comprehensive review of the South Melbourne Central Structure Plan (SMCSP) is being undertaken which will ultimately lead to an amendment to DDO8; this is intended to remove any doubt as to which requirements are mandatory and discretionary. A Panel hearing has recently taken place on the proposed new controls but any planning scheme amendments in this regard will still be several months away. In the interim, Council must still be guided by the Tribunal's findings in *134 Moray St Pty Ltd*.
34. As the primary change proposed under this amendment is the introduction of an additional storey and associated increase in building height, the relevant considerations are the DDO8 design requirements specifically relating to height. In this context, DDO8 sets out the following design objectives addressing building height:

Overall SMC Design Objectives

To maintain the distinction in building scale between SMC, which is characterised by low to medium rise buildings, and the high-rise buildings of Southbank, the CAD and Kings Way."

To emphasise the edges of SMC along Kings Way and north and west of City Road with higher scale built form.

To ensure that new development on sites containing or adjacent to a heritage place is of a form and scale that is respectful of the heritage place."

To ensure that the sense of openness and sky visibility of SMC's wide main streets is maintained.

To ensure that new built form does not unreasonably diminish sunlight access, particularly to key pedestrian routes.

Maintaining sunlight access to the southern footpath of principle activity streets all year round.

To realise the development potential of large sites with design outcomes that respect streetscape character and urban amenity.

Area 8-7 Eastern Business Precinct

To provide the main 30-metre-wide streets with a greater sense of enclosure and definition through new built form and planting, while avoiding a canyon effect and retaining the sky visibility. This also includes the section of Eastern Road between Bank and Dorcas Streets that is a key movement route

35. The proposal to increase the building height to 10 storeys is not consistent with those design objectives of DDO8 that relate to height, as it fails to maintain the intended low to medium rise scale of South Melbourne Central and undermines the clear distinction between this precinct and the higher-rise areas of Southbank, the Capital City Zone and Kings Way. At 10 storeys, the development transitions toward a higher scale built form that is inconsistent with the established and preferred character, and has the potential to set an undesirable precedent for incremental height increases across the precinct.
36. There is a clearly established built form character in the immediate area. The recently completed and constructed development at 122 Moray Street, directly opposite the subject site, presents an 8 storey form that is considered to appropriately respond to the surrounding context and aligns with the preferred scale of development. Its height also avoids unreasonable overshadowing of the opposite footpath on York Street, consistent with a key objective of DDO8. While the approved development at 140–144 Moray Street which is directly adjacent to the subject site would be 10 storeys, it incorporates a highly articulated and recessed upper-level form, with angled and setback elements that significantly reduce its visual bulk and street presence. In contrast, the proposed additional storey for the subject site does not achieve a comparable level of modulation or recession and would present as a more prominent and visually intrusive built form. As such, the proposal does not reflect the established or emerging character of this part of South Melbourne Central.
37. The introduction of an additional storey would also exacerbate the perceived vertical enclosure of the street and reduce sky visibility, contrary to the policy objective to maintain a sense of openness along SMC's wide main streets. Furthermore, the proposal does not satisfy the sub-precinct requirement to provide a sense of enclosure while avoiding a canyon effect and retaining sky visibility. At 10 storeys, the building would result in an excessive overall height, contributing to a canyon-like condition rather than a balanced streetscape outcome.
38. It is also noted that Council's Urban Design and Strategic Planning officers do not support the additional storey, having identified it as an overdevelopment of the site that exceeds the built form intent of DDO8.
39. Overall, notwithstanding that the proposal does not give rise to adverse overshadowing or heritage impacts, it represents an over-scaled development

outcome that fails to respect the preferred height, character and visual openness of the precinct, and is therefore inconsistent with the strategic intent of DDO8.

40. The other minor internal and ground-level adjustments would not result in any consequential impact. The proposed relocation of the substation would lead to slight reconfiguration of the retail and lobby areas, improving functionality while maintaining the approved streetscape presentation. The inclusion of interconnecting hotel room doors and minor internal refinements would enhance operational flexibility without affecting external outcomes. Overall, these changes are limited in scope, respond to operational requirements, and are not anticipated to give rise to any material changes in built form or amenity beyond those already assessed.

Are the proposed car parking, bicycle parking and access arrangements acceptable?

41. The amendment application does not propose any changes to car parking or bicycle car parking and purposes to retain the existing access arrangement where car parking and bicycle parking provided in a single basement level accessed from Moray Street.
42. Council's Traffic and Parking unit have provided comments that have reiterated earlier concerns raised about the original application in respect to clarity of proposed on-street drop-off and pick-up arrangements, the inadequate setback of the garage door, and required headroom clearances for vehicle access and waste collection. However, as no changes have been made to the access arrangement (and that the access arrangement has already been deemed acceptable in the previous assessment by DTP officers) it is considered that there is not any scope to raise these issues for this amendment application.

Are the proposed environmentally sustainable development and water sensitive urban design outcomes acceptable?

43. Council's ESD officer has reviewed the amendment application and provided comments that the proposal provides an acceptable ESD outcome, as the amendments largely maintain the commitments of the approved design. It was noted that some conditions remain outstanding, including shading requirements, updated documentation, and energy modelling, but these are minor and can be addressed through compliance with existing permit conditions.

Are the proposed waste management arrangements acceptable?

44. Council's Waste Officer has reviewed the amendment application and provided comments that they support the proposal in principle. They have noted minor inconsistencies in the Waste Management Plan, particularly regarding the number and sizing of glass bins. As such, it is recommended that should the amendment be approved a revised WMP be required to correct these details and ensure adequate waste provision.

Is the proposed landscaping acceptable?

45. Council's Landscape Architect has reviewed the amendment application and provided comments that the landscape plan is generally acceptable, but requires further refinement. Key concerns include:
 - Insufficient detail of existing public realm conditions

- opportunities to enhance planting design (particularly vertical planting and rooftop landscaping)
 - Inconsistencies between architectural and landscape plans
 - Reinstating crossovers, providing new street trees
 - Improving planting on the Level 9 terrace
 - Submitting updated plans and maintenance strategies to ensure appropriate tree protection, plant selection, and long-term landscape management
46. The existing Condition 12 would be retained on any permit that is approved and would continue to require details of species selection and details of irrigation.
47. However, matters such as the public realm, street trees, reinstating crossovers are not part of the amendments being sought. It is also noted that the existing Condition 14 requires on-going maintenance of the landscaping. As such, no further maintenance strategies can be requested.
48. As such, the existing landscaping conditions would be sufficient to address the matters that have been raised, and can be considered, under this amendment application.

Conclusion

49. The amendment application cannot be supported as the proposed increase to 10 storeys represents an overdevelopment that is inconsistent with the design objectives of DDO8. In particular, it fails to maintain the preferred low to medium rise character of South Melbourne Central, undermines the intended distinction from nearby high-rise areas, and does not respond appropriately to the established built form context.
50. The additional storey would also diminish the sense of openness and sky visibility and contribute to a canyon-like streetscape outcome, contrary to precinct objectives. On this basis, the proposal does not achieve an acceptable built form outcome and is inconsistent with the strategic intent of the overlay.

RECOMMENDATIONS

Recommendation A

Having regard to the matters outlined above, it is recommended that the Minister for Planning Refuse to Amend the Permit in respect of Planning Permit Amendment Application PA2503652-1 on the following grounds:

- (a) The proposal is inconsistent with the design objectives of Design and Development Overlay Schedule 8 (DDO8), as it fails to maintain the preferred low to medium rise building scale of South Melbourne Central and undermines the intended distinction between this precinct and nearby higher-rise areas.
- (b) The additional storey results in a building height and scale that does not respond appropriately to the established and emerging built form character of the surrounding area, particularly when compared to nearby developments.
- (c) The proposal would result in excessive building height that contributes to increased visual bulk and prominence, contrary to the objective of achieving a balanced and contextually responsive built form outcome.

- (d) The development fails to maintain the sense of openness and sky visibility of the street and would contribute to a canyon-like streetscape condition, contrary to the relevant design objectives of DDO8.

Recommendation B

If the Minister for Planning is of a mind to grant an amended permit for Planning Permit Amendment Application PA2503652-1, then the existing conditions for Updated Bess Report (Condition 8), Waste Management Plan (Condition 11), and Landscape Plan (Condition 12), will need to be amended to reflect the changes in the amendment application.

