



3 Objectives

We have created a municipal-wide housing vision to guide the Council's actions over the next 15 years as we meet our evolving community's housing needs and aspirations.

Our Housing Vision

A City with liveable neighbourhoods and places to live that meet the needs of our diverse and growing community.

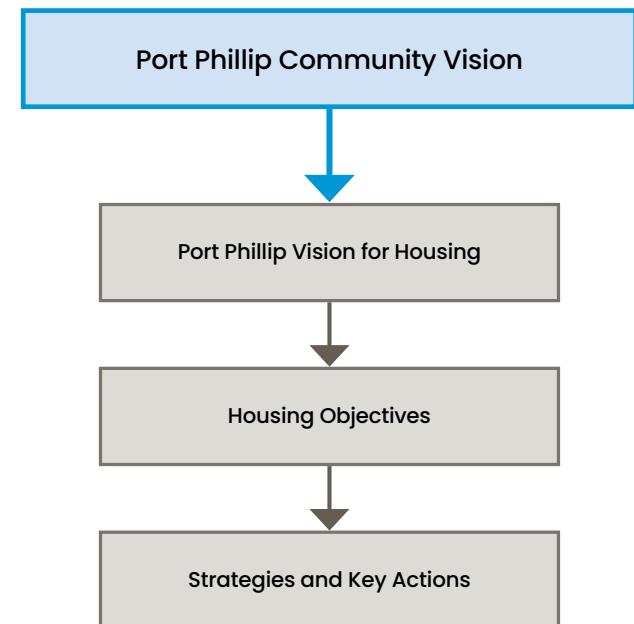
An evolving City that respects its rich history while looking and adapting to the future. A City of safe, distinct, inclusive, interconnected neighbourhoods. A City that continues its long-standing commitment to providing affordable housing and is a home to our diverse community. A City that is sustainable and resilient to meet the challenges of a changing environment.

Our housing vision directly responds to the community vision in our Council Plan: "Proudly Port Phillip: A liveable and vibrant City that enhances the wellbeing of our community."

This section outlines how we will achieve our housing vision through six objectives:

- 1 Ensure adequate housing supply
- 2 Direct new housing to appropriate locations
- 3 Ensure new housing responds to neighbourhood character and heritage values of established residential areas
- 4 Encourage a range of housing options to support our diverse community
- 5 Support new housing that is well-designed and resilient to climate change impacts
- 6 Facilitation the provision of more affordable housing

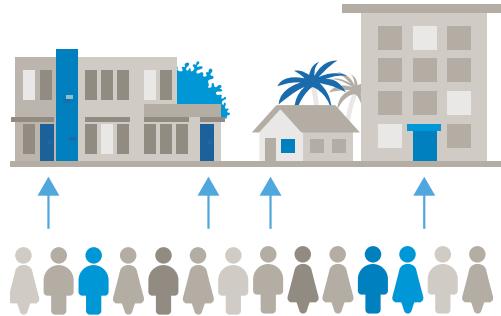
Each objective includes the relevant housing needs, key messages, what the community told us, and a detailed discussion section. It also includes strategies to achieve the desired aims and ambitions for housing and residential development and actions to implement our objectives.



OBJECTIVE 1

OBJECTIVE 1 - Ensure adequate housing supply

Relevant housing needs



Ensuring sufficient land is available to accommodate projected population growth (land supply).

Key messages

- Population growth is a key driver of housing demand and the property market over the long term.
- We expect an additional 43,510 people to move to our city and live in an additional 21,480 homes by 2036.
- Port Phillip has a strong housing supply pipeline (currently up to five years) to meet expected demand (short term).

- There is sufficient residential land in Port Phillip to accommodate projected housing demand over the next 15 years (long term).
- It is important to ensure that residential uses complement, rather than displace, economic activity and employment.

What the community told us

At the industry workshop during our phase two engagement, we wanted to hear from industry professionals (most of whom are involved in the delivery of housing) what they saw as the main roadblocks to housing supply. Issues with approval processes and the availability of affordable land in Port Phillip were raised as key issues. Balancing community concerns about development and meeting housing demand was also discussed.

Discussion

Before the COVID-19 pandemic, Port Phillip's population grew at an average of 1.5 per cent per year (1,489 people) between 2006 and 2020, mainly due to strong overseas migration.¹²

Port Phillip's population growth corresponded with an increase in residential development activity during this period, with an average annual increase in dwellings equating to approximately 1,000 per year.

Figure 9 shows that 2010/11, 2013/14 and 2015/16 were the years with the most significant growth in dwelling stock.

In 2021, Port Phillip's population declined sharply by 6.31 per cent from the previous years (108,627 in 2016) to 103,508. In June 2022, the population increased by 0.53 per cent. The return to growth is consistent with other parts of inner Melbourne and reflects the temporary impacts on population levels caused by pandemic period restrictions and very low migration rates.

OBJECTIVE 1

It is expected that population growth, along with demand for inner-city living, the attractiveness of Port Phillip as a place to live, and State policies that support urban consolidation, will continue to drive the demand for housing in Port Phillip in the longer term, in line with Victorian Government projections.¹³

Figure 9. Annual net new dwellings

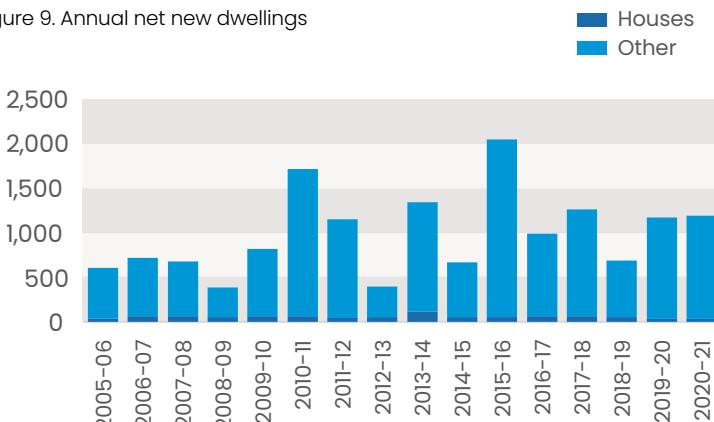
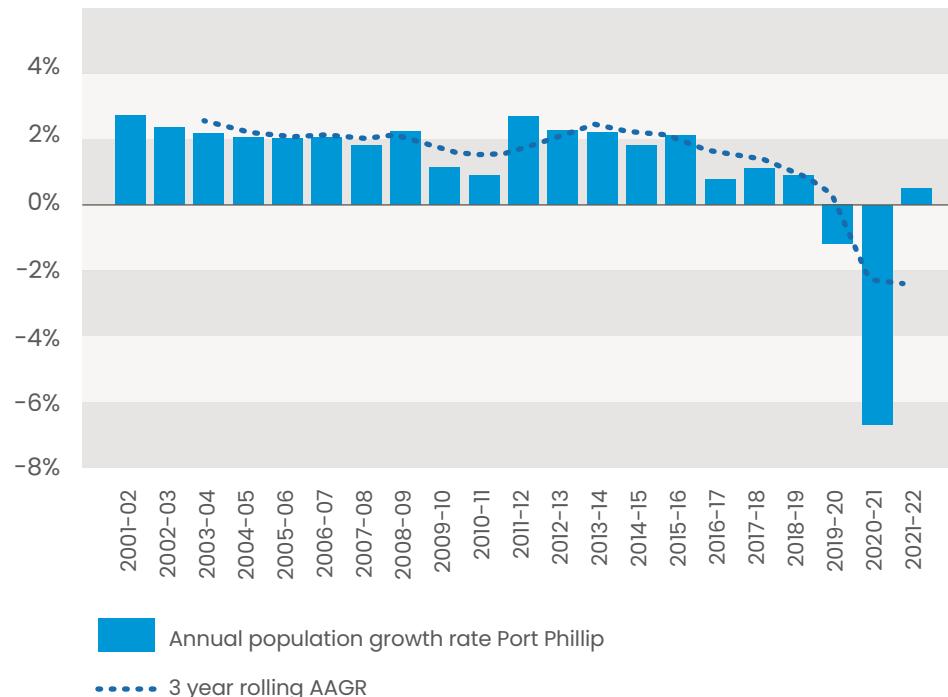


Figure 10. Annual population growth rate (June 2001 to June 2022)



OBJECTIVE 1

Population and dwelling projections

Victorian Government population and household projections forecast that by 2036, an extra 43,510 people will move to the City of Port Phillip and live in an additional 21,480 homes.¹⁴

The projected change in households in Port Phillip from 2021 to 2036 (15 years) indicates a growth in the number of couples without children (27 per cent), while the proportion of families with children will decline from 21.8 per cent in 2021 to 19.7 per cent. The number of people living by themselves is projected to remain steady at 41 per cent and continue to be the most common household structure in Port Phillip.

We need to support the development of new housing to meet the demands of the growing residential population. The Strategy investigates ways to ensure that new housing is designed to meet the community's needs and adapt to its proliferation in the coming years.

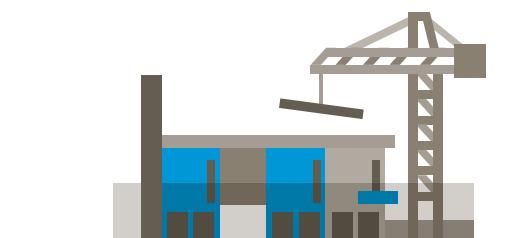
This will facilitate transitions between life stages, including shared, sole-person, couple, and family housing, and downsizing later in life. More housing choices will also be required to attract and retain families with children in the area and ensure the continuation of a diverse population in the City of Port Phillip.

Total residential land capacity

There must be enough suitable residential land for housing change and growth to ensure Port Phillip can accommodate the projected additional 23,000 to 26,700 dwellings required between 2021 and 2036.¹⁵

The supporting technical document to this strategy, the Housing Capacity Report, Urban Enterprise, 2024, has identified the potential to incorporate approximately 52,000 to 58,000 additional dwellings across the municipality.¹⁶ This considers all feasible sites being developed to the maximum extent the planning controls allow. Some residential land is unsuitable or likely to be redeveloped for additional housing – refer to Table 3 for sites excluded from the capacity assessment.

Although this is a theoretical capacity figure and practical development will be somewhat less, a current housing development pipeline of more than 14,000 dwellings indicates that significant developments, at least in aggregate terms, will likely provide substantial new dwelling supply in the coming years relative to demand.



OBJECTIVE 1

NO	ISSUE	EXCLUSION METRIC	APPLIES TO	BASIS
1		Construction year after 2010	All zones	Recently constructed buildings are unlikely to be redeveloped in the study timeframe given the economic life of the improvements.
2	Recent and high value improvements	The ratio of Capital Improved Value (CIV) to Site Value (SV): CIV: SV ratio > 1.5 (NRZ) CIV: SV ratio > 5 (Other zones)	All zones	Properties with higher value improvements are less likely to be redeveloped than sites with lower value improvements, especially in infill areas such as the NRZ. ¹
3	Lot size	Lot size < 500 sqm	C1Z, MUZ, RGZ	Small lots are less likely to be redeveloped or subdivided for higher density development due to the physical constraints associated with the lot size.
4		Strata title or similar	NRZ, GRZ	Strata titled properties can be difficult to redevelop given the need to acquire all properties within a development. The exclusion has not been applied to zones with policy support for high density development where incentives to consolidate are greater.
5	Fragmented ownership	Sites with more than 20 residential units or 5 commercial properties	All zones	Redevelopment of properties with a large number of existing units and separate landowners is less likely to be achieved given the difficulty in acquiring units.
6		Victorian Heritage Register	All zones	State heritage significance likely to constrain development.
7	Heritage and character restrictions	Significant Heritage Places (Clause 22.04)	NRZ	Individual sites that are separately identified as Significant Heritage Places are less likely to be redeveloped in the NRZ where heritage buildings typically occupy a large proportion of the site. Redevelopment of Significant Heritage Places has occurred in other zones, for example by retaining facades and major heritage elements while redeveloping the balance of sites.
8		Neighbourhood Character Overlay	All zones	Overlay promotes neighbourhood character consistent with existing development, therefore lots are less likely to be redeveloped.
9		Public Acquisition Overlay	All zones	Permit application will trigger public land acquisition.
10	Other	School, childcare, aged care, public use, public housing, infrastructure.	All zones	Assumed that these land uses will remain over the assessment timeframe and not be available for redevelopment

Table 3. Sites excluded from the capacity assessment. Source: Urban Enterprise.

OBJECTIVE 1

Residential precinct capacity

Fishermans Bend alone can accommodate approximately 30,000 additional dwellings (more than half of the total capacity).¹⁷ A further capacity of 8,000–10,000 dwellings (more than 15 per cent of the total capacity) can be accommodated in the St Kilda Road Precinct. Apartments in mid- and high-rise towers will continue to be the predominant housing type in these areas. Most of the future housing capacity exists due to existing planning controls permitting medium and high-density residential development within Fishermans Bend and the St Kilda Road North Precinct, which includes the Domain Precinct. Table 4 summarises the capacity results by precinct.

Port Phillip's Major Activity Centres have relatively limited housing capacity by comparison, with the potential for approximately 2,900 to 3,900 dwellings across all Major, Neighbourhood and Local Activity Centres.

The capacity study also suggests that residential infill opportunities are limited in the established residential areas of South Melbourne, Middle Park and Albert Park. However, more substantial infill opportunities exist in the established residential areas of Port Melbourne, St Kilda and Elwood, especially in areas zoned as Residential Growth Zone (RGZ) and General Residential Zone (GRZ), where new low-rise apartments are already being built.

Figure 11. Residential land supply



OBJECTIVE 1

PRECINCT	TOTAL	% OF TOTAL
St Kilda Road Precinct	10,206	18%
St Kilda Road South Precinct	1,582	3%
Fitzroy Street Major Activity Centre	400	1%
Acland Street Major Activity Centre	262	0%
Bay Street Major Activity Centre	716	1%
South Melbourne Central Major Activity Centre	1,049	2%
South Melbourne Precinct Balance	830	1%
Carlisle Street Major Activity Centre	763	1%
Armstrong Street Neighbourhood Activity Centre	51	0%
Ormond Road / Glenhuntly Road Neighbourhood Activity Centre	117	0%
Bridport Street / Victoria Avenue Neighbourhood Activity Centre	147	0%
Local Activity Centres	438	1%
Sub-total – Centres and Precincts	16,561	29%

PRECINCT	TOTAL	% OF TOTAL
St Kilda Balance	2,690	5%
Port Melbourne Balance	1,345	2%
Elwood Balance	3,174	6%
South Melbourne Balance	173	0%
Albert Park Balance	251	0%
Balaclava Balance	1,005	2%
Ripponlea Balance	355	1%
St Kilda East Balance	1,103	2%
Middle Park Balance	445	1%
St Kilda West Balance	455	1%
Windsor Balance	161	0%
Sub-total – Suburb balance	11,157	19%
Fishermans Bend	29,937	52%
Total	57,655	100%
Percentage of total		100%

Table 4. Capacity results summary – Net additional dwellings (scenario 2 – maximum capacity). Source: Urban Enterprise, 2024, Port Phillip Housing Market and Capacity Assessment.

OBJECTIVE 1

Housing supply pipeline

In the short term, the City has a strong housing supply pipeline to meet expected housing demand. According to the 2022 Urban Development Program data, 85 planned major residential development projects (ten or more dwellings) are at different stages of the development timeline, which propose to deliver 14,464 new dwellings in Port Phillip in total.¹⁸

It is difficult to predict when or what percentage of the planned developments will proceed through construction. Based on the same data, in 2022, about 6,000 (42 per cent) of those dwellings have been approved, and about 2,500 (18 per cent) were under construction. It is important to note that while Council has a direct role in approving planning permits, the timing for the development of these sites is up to landowners and developers and can be influenced by changes in market conditions such as inflation, construction costs and labour shortage.

While Council cannot foresee future market conditions, we will continue to work with the Victorian and Australian Governments to increase the housing supply in appropriate locations.

Additionally, reviewing activity centre heritage and built form controls should be considered to ensure they facilitate and support growth.

Employment land and precincts – land zoned for economic activity

Many of the City's employment precincts and activity centres also have the potential to include housing under the existing zoning controls. In Port Phillip, less than 20 per cent (410 hectares) of land is designated primarily for employment uses. Of this, only about 1.14 per cent (23 hectares) of the land is set aside exclusively for employment purposes, zoned as Commercial 2 or Industrial 1 or 3. All housing, particularly in commercial and mixed-use zoned areas in activity centres and employment precincts. Table 5 shows the employment land precincts in Port Phillip.

While this provides economic benefits for these areas, including increased local expenditure and a more stable labour supply for local businesses, this land use flexibility presents a challenge as it intensifies the competition between spaces designated for residential living and those designated for employment.

At the municipal level, the estimated additional development capacity of activity centres and employment precincts (excluding Fishermans Bend) is 1.71 million sqm of gross floorspace, substantially higher than the projected floorspace demand of 562,000 sqm over the period to 2041.

Where possible, land use and development outcomes are considered, however, the opportunity for residential development in most areas reduces the employment floorspace that may be delivered. This would reduce overall employment capacity to approximately 520,000 sqm, while net additional employment floorspace could be as low as 181,000 sqm if all developable sites in employment zones were developed with a land use mix weighted towards residential.

This capacity assessment demonstrates the importance of employment-only zones (such as the Commercial 2 Zone in South Melbourne) for safeguarding land for employment uses in the context of strong competition for inner urban land from residential alternatives.

A key direction of the *Port Phillip Spatial Economic and Employment Framework* is to align housing, transport, and employment policy and to ensure that residential land use complements, rather than displaces, economic activity and employment. In locations where residential and non-residential land uses are permitted under current zoning, local planning housing policy direction is needed to balance complementary land uses, as opposed to crowding out of non-residential uses.

Infrastructure provision

To ensure a liveable municipality, Port Phillip's residents require access to infrastructure and community facilities, such as quality roads, drainage, public transport routes, public open space and health or childcare facilities. New housing should be directed to areas with existing infrastructure capacity wherever possible. However, as our population grows, this will likely strain the existing infrastructure. New or upgraded infrastructure will be necessary in our neighbourhoods to appropriately service our community.

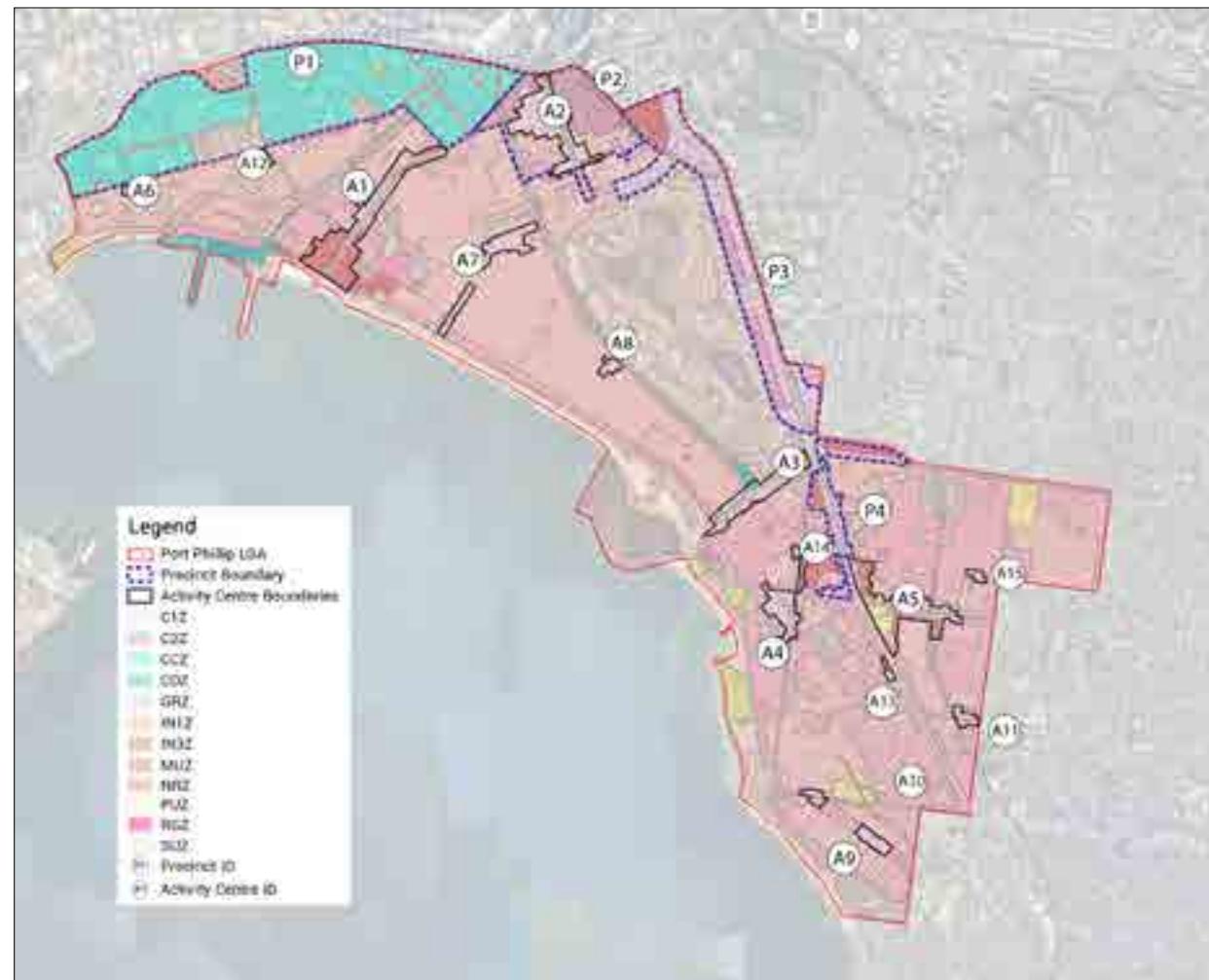


Figure 12. Port Phillip employment land precincts. Source: Urban Enterprise

OBJECTIVE 1

Providing sufficient infrastructure and services is challenging for local governments in a constrained budget environment. One method to fund critical projects is the introduction of a Development Contribution Plan (DCP). A DCP sets contribution rates for developers and outlines how future residents, visitors and workers will be provided with timely access to the services and infrastructure they need. An existing DCP applies to development in Fisherman's Bend, as this area requires a significant investment in new facilities for the projected population. A similar DCP could be adopted in other areas or the entire municipality; however, Council has no policies to adopt additional DCP. This strategy will create the background for further work to assess if there is a need for or benefit from a DCP.



OBJECTIVE 1

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

Table 5. Employment land precincts. Source: Urban Enterprise

OBJECTIVE 1

STRATEGIES (S) AND ACTIONS (A)	ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
SI.1 Balance the need to accommodate housing growth with adequately supporting employment land to accommodate growth in businesses and jobs.				
AI.1.2 Review the local planning policy, specifically Clause 11 (Settlement), Clause 16 (Housing), and Clause 17 (Economic Development), to ensure consistency among these policies. Ensure that the policy balances the need for housing growth with the need to allocate sufficient employment land to support business expansion and job creation.	Deliver	Short-term	Lead	Subject to annual plan and budget
SI.2 Monitor population growth, land capacity, and evolving development trends in Port Phillip to plan for future housing growth and needs.				
AI.2.1 Establish a housing monitoring system that identifies and tracks key indicators to inform strategic planning projects. It might include: <ul style="list-style-type: none"> Maintaining the housing capacity study Reviewing population forecasts Reviewing current housing stock Reviewing proposed housing stock Reviewing available rental housing accommodation Correlating yearly forecast population to current and proposed Port Phillip housing stock Identifying the proposed shortfall in housing capacity Identifying areas suitable for future residential development Capturing data from the planning permit and building occupancy stages. 	Deliver	Ongoing	Lead	Operating budget/ Business as usual
AI.2.2 Provide annual updates to Council on the Port Phillip Housing Strategy, reporting on residential housing patterns and the delivery of actions to ensure an adequate supply of residential land for future housing and population growth.	Deliver	Ongoing	Lead	Operating budget/ Business as usual
AI.2.3 Investigate the feasibility, potential benefits, and challenges of applying a Development Contribution Plan in areas of the municipality beyond Fishermans Bend.	Deliver	Medium	Lead	Operating budget/ Business as usual

“

To maintain the liveability of neighbourhoods, we need first to have considered that everyone has access to adequate green space, green canopy cover, public transport, schools and distance to shops before we add more housing stock that will result in more people using the existing resources.

Phase 3 survey respondent



OBJECTIVE 2

OBJECTIVE 2 - Direct new housing to appropriate locations



Relevant housing needs

New housing in appropriate locations close to jobs, public transport, open space, and other key facilities and services.

Key messages

- The location of new housing is critical to supporting liveability and creating a city that is environmentally sustainable and resilient to climate change.
- Although Fishermans Bend alone has sufficient development capacity, this does not mean that all housing growth should be concentrated in this urban renewal area.

- Most of Port Phillip's neighbourhoods are highly walkable, thanks to the compact settlement pattern and established transport network.
- New housing will be directed to areas close to services, jobs, public transport, activity centres and that have the capacity for change.
- Housing development will be limited compared to the rest of the established residential areas to protect valued heritage and neighbourhood character.
- Some medium-density infill development can be accommodated in established residential areas with diverse neighbourhoods near activity centres and the fixed rail Principal Public Transport Network.
- Some well-serviced areas are also areas most at risk from climate change impacts, such as increased flooding and extreme weather events, and this challenge cannot be resolved based on the data available at this time.

What the community told us

Throughout the engagement, the participants expressed the desire for well-designed, accessible, and energy-efficient housing options in the right locations. Locating future housing near infrastructure and amenities is seen as crucial. Infrastructure and open space were seen as important when planning for new housing. Participants also believed that new development should adequately consider existing infrastructure capacity and ensure adequate provision of open spaces.

Discussion

Deciding where to locate new housing can impact liveability and help to create a city that is environmentally sustainable and resilient to climate change. The fact that there is sufficient development capacity in Fishermans Bend alone does not mean that all housing growth should be concentrated in this urban renewal area. It is important to direct housing growth to areas close to services, jobs, public transport, and activity centres that have the capacity for change.

OBJECTIVE 2

Living locally

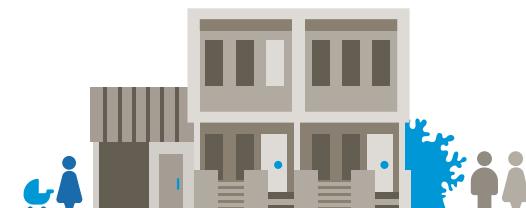
The Victorian Government's long-term strategy, Plan Melbourne 2017–2050, is guided by the principle of 20-minute neighbourhoods. These neighbourhoods focus on living locally and sustainably. They allow people to meet most of their daily needs within 800m of home, with safe bike riding and local transport options. This represents a 10-minute walk to a destination and a 10-minute walk home.

Notably, the concept focuses on the role of Neighbourhood Activity Centres (especially those with good public transport connections), which, in addition to Major Activity Centres, can provide a range of local goods, services, and employment for our local community. For a healthy, walkable activity centre to survive and thrive and enable people to live locally, they need enough people living within the walkable catchment to support them.

10-minute walkable neighbourhoods

Council's *Integrated Transport Strategy: Move, Connect, Live 2018–28* aims for 10-minute walking neighbourhoods. This strategy involves locating housing and jobs "close to existing (or soon to be completed) high-quality pedestrian routes and frequent public transport services that connect to key destinations like schools, employment, shops and community facilities."

Our established compact housing settlement pattern (excluding Fishermans Bend) and well-connected transport network mean that accessing work, shops, and recreation is already possible within a 10-minute walk from our neighbourhoods. Most of the municipality performs well as walkable neighbourhoods (Walk Score, 2023), with a larger percentage of Port Phillip's population walking to work than the Melbourne average (4.7 per cent compared to 2.0 per cent, respectively).¹⁹



OBJECTIVE 2

Facilitating housing in and around activity centres

During the three rounds of engagement, the community consistently expressed a strong preference for housing located close to public transport, open space, and local shops.

There are several activity centre categories in Port Phillip (refer to Table 6), with each playing a different role. Port Phillip's activity centres are generally preferred locations for new housing given their proximity to services, facilities and public transport. There are economic benefits that flow from locating housing in activity centres, including increased local expenditure and the generation of new land uses and commercial formats. Research in Melbourne's city centre during the COVID-19 pandemic confirmed the importance of a mix of commercial and residential land uses for improving retail resilience.²⁰ Additionally, the *Port Phillip Spatial Economic and Employment Framework* identified that in certain parts of the municipality, such as St Kilda, an increase in housing and population could contribute to economic recovery from challenging conditions for tourism, hospitality, and entertainment businesses.



Figure 13. Council's proposed transport network.

Source: *Move, Connect, Live 2018-28*

OBJECTIVE 2

The benefits of locating housing within centres need to be balanced with ensuring the ongoing economic viability of potential land use conflicts that may arise due to the competing needs of commercial and residential uses, including amenity impacts such as noise, traffic, and parking.

Port Phillip's activity centres are anticipated to accommodate a moderate amount of additional housing capacity, with the potential for approximately 2,900 to 3,700 new dwellings across all centres. Most of Port Phillip's activity centres are located within areas with a strong heritage and neighbourhood character values, constraining their growth potential and constraints such as small lot sizes and fractured land ownership. So, while the physical aspects such as fine grain, walkability, heritage and character make these locations desirable places to live, they also pose barriers to redevelopment.

Structure plans provide the overarching vision and direction for future growth, land uses and built form in activity centres. They are also the basis for updating planning provisions in a planning scheme. Currently, the Major Activity Centres of Bay Street, Port Melbourne and Carlisle Street, Balaclava, have existing structure plans, with the work for a new South Melbourne MAC Structure Plan underway.

The St Kilda MAC currently does not have a structure plan; hence, this work must be undertaken for the activity centre to ensure that its role in accommodating housing, population and economic growth is realised.

Port Phillip also has several Neighbourhood Activity Centres, which provide a key opportunity to support the 10-minute walkable neighbourhood concept of Council and the delivery of the Victorian Government's Housing Statement.

The *Port Phillip Spatial Economic and Employment Framework* outlines the increasingly important role of these centres in accommodating more employment uses and recommends that we explore opportunities to encourage and support housing and employment growth in the Neighbourhood Activity Centre. It further recommends to re-categorise 'Centre Avenue Port Melbourne' and 'Tennyson Street Elwood' from Neighbourhood Activity Centres to local centres, reflecting the current scale and role of these centres, and prioritise locations including Bridport Street Albert Park, Ripponlea, Ormond Road, Elwood and Armstrong Street Middle Park. Ormond Road is the only Neighbourhood Activity Centre with detailed land use and built form guidance.

ACTIVITY CENTRE NAME	ACTIVITY CENTRE CATEGORY
Bay Street	Major Activity Centre
South Melbourne	Major Activity Centre
St Kilda (Fitzroy and Acland streets)	Major Activity Centre
Carlisle Street	Major Activity Centre
Centre Avenue	Neighbourhood Activity Centre
Bridport Street and Victoria Avenue	Neighbourhood Activity Centre
Armstrong Street	Neighbourhood Activity Centre
Ormond Road and Glen Huntly Road	Neighbourhood Activity Centre
Tennyson Street	Neighbourhood Activity Centre
Glen Eira Road	Neighbourhood Activity Centre
Graham Street	Local centre
Brighton Road	Local centre
Inkerman and Grey Streets	Local centre
Inkerman Street	Local centre

Table 6. Port Phillip activity centres

OBJECTIVE 2

Areas surrounding Major Activity centres, Neighbourhood Activity Centres and train stations (within 800 metres) provide a potential opportunity for new infill housing to support 10-to-20-minute walkable neighbourhoods. Further strategic work is required to determine the appropriate level of housing growth that could be accommodated in these areas because Heritage Overlays protect some of the areas. While a Heritage Overlay does not prohibit development, it requires compliance with the Council's heritage policy and will impact development outcomes and potential yields. While a Heritage Overlay is often seen as the reason for limiting growth, it is the combination of the residential zone (which restricts building height and site coverage), a Heritage Overlay, and various land constraints, including lot sizes, street width and site access. We will investigate whether additional housing capacity could be achieved through up-zoning some of this land through feasibility testing and further capacity study.

Managing the impacts of coastal inundation and flooding in future housing development

Sustainable settlement requires planning residential areas to be resilient to climate change impacts over time. As a coastal municipality, Port Phillip is particularly vulnerable to the impacts of coastal inundation and flooding because of climate change. The rising sea levels, intensified rainfall, and greater frequency of storm surges could substantially impact the future development of Port Phillip. This mainly affects low-lying urban renewal areas like Fishermans Bend and established regions like South Melbourne, Port Melbourne, Albert Park, Middle Park, St Kilda, Balaclava, and Elwood.

The Special Building Overlay (SBO) covers many of these areas. Conditions that apply to development in these locations include ground floor levels being set above the flood level, increased boundary setbacks, and limitations on the design of basement parking and access.

Current state

In October 2021, the Minister for Planning approved Amendment VC171, which revised the Victoria Planning Provisions (VPPs) and planning schemes, including Port Phillip's Planning Scheme, to strengthen coastal hazard planning and implement the Marine and Coastal Policy 2020.

Amendment VC171 replaced the previous requirement for Councils to plan for sea level rise to 2040 with a new requirement to plan for a sea level rise to 2100. It also emphasises the need to consider the combined effects, such as tides, storm surges, coastal processes, and local conditions, when assessing climate change-related risks.

These changes have highlighted more locations vulnerable to flooding than what is currently affected by the SBO, including additional sites either susceptible to flooding or facing an elevated flood risk. This information is not currently reflected in the Planning Scheme.²¹

Melbourne Water has provided 2018 flood data, modelling, and mapping to assist our City in considering this new benchmark.

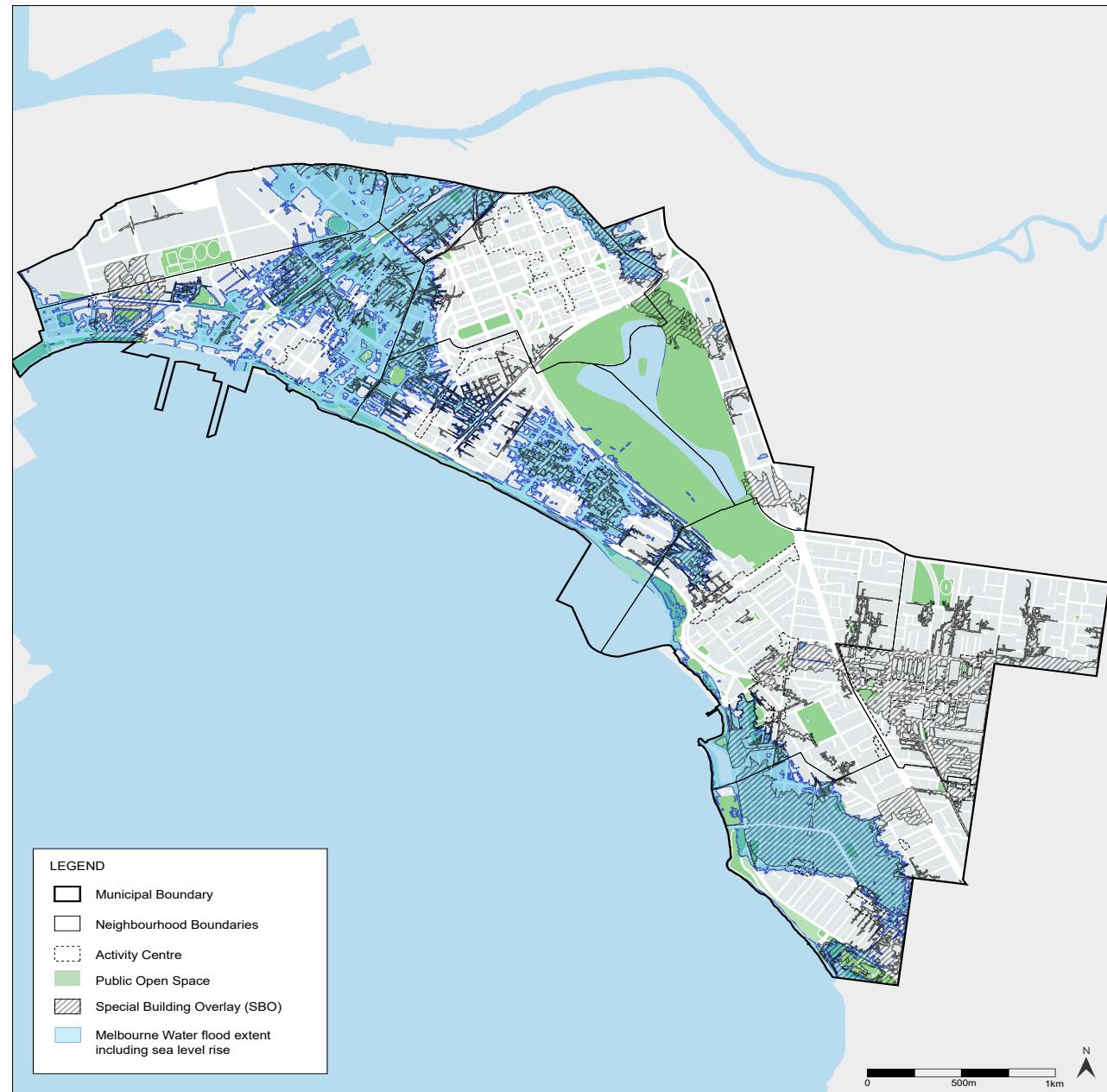
OBJECTIVE 2

The Water Act 1989 and State Planning Policy require us to use this data to determine flood levels. This modelling is an interim measure while planning scheme amendments are prepared to introduce the new controls into the Port Phillip Planning Scheme to identify land subject to future flooding and to ensure appropriate referrals to Melbourne Water.

In January 2024, the Department of Energy, Environment and Climate Action (DEECA) released the Port Phillip Bay Coastal Hazard Assessment (PPBCHA). This project provides additional and different modelling on coastal erosion, permanent and tidal inundation, and groundwater.

Figure 14. Melbourne Water Forecast data – Sea Level Rise (1 in 100-year), 2018

Disclaimer: The map is subject to change and will be regularly updated to reflect best available data. Users of the document should ensure they have sought and identified the most appropriate and up to date flood data, prior to commencing the statutory planning process.



OBJECTIVE 2

Until Melbourne Water and Council have comprehensively reviewed the Assessment data, we will continue to rely on the Melbourne Water 2018 sea level rise data and mapping as the best available to inform statutory and strategic planning processes and decisions. This is an interim measure while planning scheme amendments are being prepared to introduce the new controls into the Port Phillip Planning Scheme to ensure appropriate statutory referrals to Melbourne Water. These amendments are anticipated to commence in 2024.

A proactive approach to flood risk mitigation

Flood mitigation can be addressed at the precinct or individual lot scale. In 2019, the Victorian Government released the Guidelines for Development in Flood-Affected Areas to assist with managing the impact of flood risk on our community.

At present, under the direction of Melbourne Water and the Victorian Government, flood risk is managed on a site-by-site basis by elevating finished floor levels. At the precinct level, it is managed through larger-scale flood mitigation measures (such as infrastructure projects to mitigate the impacts of flooding).

Managing flood impacts site-by-site is generally addressed at the planning permit application stage. During this stage, Melbourne Water, as the floodplain manager, provides statutory referral comments on new development, primarily regarding minimum floor levels based on current flood mapping.

Melbourne Water has provided preliminary guidance at the precinct level for South Melbourne to proactively steer high levels of built form and development density away from areas at elevated risk of flooding, as defined by the safety criteria outlined in the Guidelines for Development in Flood Affected Areas. The Structure Plan is well placed as a forward-looking strategic planning document to support flood mitigation efforts in the area, including formulating land use policies considering flood risk.

At a higher level, the Housing Strategy can also direct future housing growth to areas with lower risk through the Residential Development Framework Plan. This aligns with Clause 13.1-1S on Natural Hazards and Climate Change impacts.

Council is currently conducting a comprehensive flood study in partnership with Melbourne Water. This study includes flood modelling and mapping across the entire municipality to identify areas affected by riverine, overland flooding, and coastal inundation. Once completed, the Council will seek guidance from Melbourne Water and the Victorian Government to update the Residential Development Framework Plan. The update might involve identifying areas with flood risk that require intervention for housing capacity to be realised and excluding any areas from future housing development due to safety risks. We are committed to regularly updating the flood mapping. The Residential Development Framework Plan will be updated whenever new flood information becomes available. Property owners are encouraged to contact us to discuss any future development plans.

OBJECTIVE 2

Car parking

Including a car parking space in a residential development can add up to \$50,000 to the cost of each apartment.²² Minimum car parking requirements can encourage an oversupply of car parking, which results in increased traffic, noise and emissions and a poorer quality urban environment.²³ Currently, minimum car parking requirements are mandated through Clause 52.06 of the Scheme, a state-standard provision that applies the same rates across the state. This does not allow Council to require a reduction to the standard rates to encourage more sustainable development.

The Victorian Government has shown a willingness to update minimum car parking requirement provisions to move to a public transport accessibility level system, a measure of public transport connectivity. The public transport accessibility level of a location is a representation of how well it is connected to public transport services.

The shift to a more site-specific approach will support the reduction in reliance on cars and the oversupply of car parking in areas where it is less required. This will mitigate the issues that result from minimum car parking requirements and provide the community benefits of more active and public transport.

Much of Port Phillip is well-serviced by public transport through trains, trams and buses. Onsite car parking in some areas that could be better connected to public or active transport modes and amenities is necessary but can be improved through access to electric vehicle charging facilities to lessen future emissions. Less onsite car parking is often appropriate in well-connected areas to support Council's commitment to achieve a zero-net emission carbon City. Through advocacy, the Strategy will support modernising minimum car parking requirement policies. This will promote an integrated land-use and transport approach to reduce the impact of growth and congestion by shifting trips away from vehicles.



OBJECTIVE 2

The Residential Development Framework Plan

We have developed a Residential Development Framework Plan (the Plan) to plan for housing change over 15 years and provide guidance on where new housing should be located in Port Phillip.

In preparing the Plan, we have considered the following aspects:

- Existing contexts, including neighbourhood context, existing land use zones and overlays
- Constraints including Heritage Overlays, Neighbourhood Character Overlays, environmental considerations such as flooding
- Opportunities including activity centres, strategic areas and sites and transport accessibility including existing and proposed train stations.

The Plan directs growth based on the principles that:

- Most new housing is directed to designated locations with the capacity for change that are located close to shops, services, public transport, and jobs.
- Housing development will be limited compared to the rest of the established residential areas to protect valued heritage and neighbourhood character.

Further details on the Residential Development Framework Plan are outlined in Part 4.



A Residential Development Framework Plan identifies housing change areas suitable for different levels of growth. It provides certainty to the community about where growth and intensification will be encouraged. It also defines where valued neighbourhood character will be protected and where development is constrained.

OBJECTIVE 2

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
S2.1	Direct new housing to appropriate locations.				
A2.1.1	Designate land suitable for substantial, moderate, incremental, and minimal change in a Residential Development Framework Plan.	Deliver	Short term	Lead	Operating budget/ Business as usual
A2.1.2	Implement the Residential Development Framework Plan by including it in the Port Phillip Planning Scheme, updating local planning policy to provide guidance on the appropriate location for new housing, and update residential zones and schedules.	Deliver	Short term	Lead	Subject to budget in Planning Scheme Amendments Program
A2.1.3	Undertake a program of structure planning for Port Phillip's Major Activity Centres (prioritising St Kilda – Fitzroy Street and Acland Street) and Neighbourhood Activity Centres to guide the appropriate location and form of new housing.	Deliver	Ongoing	Lead	Subject to annual plan and budget
A2.1.4	Investigate opportunities for new infill housing within established residential areas proximate (within 800 m) to major activity centres, neighbourhood activity centres and existing and future train stations.	Deliver	Medium term	Lead	Operating budget/ Business as usual
A2.1.5	Review local planning policy to manage land use conflicts between residential and commercial uses in mixed use environments.	Deliver	Medium term	Lead	Operating budget/ Business as usual
A2.1.6	Advocate for changes to the on-site parking rates mandated through Clause 52.06 of the Planning Scheme for residential developments in appropriate locations.	Advocacy	Ongoing	Lead	Operating budget/ Business as usual
S2.2	Ensure the location of housing upholds direction from state and local overland flood management, foreshore management and coastal adaptation plans to reduce risk to population, infrastructure, ecosystems and property from sea level rise, storm surges, coastal erosion, tidal inundation, and groundwater intrusion.				
A2.2.1	Advocate to the Minister for Planning to amend the Port Phillip Planning Scheme to update existing or introduce new planning overlays to ensure new development responds to increased risks associated with sea level rise and flooding impacts.	Advocacy	Ongoing	Lead	Operating budget/ Business as usual
A2.2.2	Continue to monitor available flood data, work with Melbourne Water and seek their advice on flood risk areas in the City of Port Phillip.	Deliver	Ongoing	Partner	Operating budget/ Business as usual
A2.2.3	Update the Residential Development Framework Plan to reflect the latest 'best available data' for flooding as it becomes available.	Deliver	Ongoing	Lead	Operating budget/ Business as usual

OBJECTIVE 3 - Ensure new housing responds to neighbourhood character and heritage values of established residential areas



Relevant housing needs

- New housing that respects heritage and responds to preferred neighbourhood character.
- Access to a range of housing choices that are well designed to consider the environment, health and wellbeing (design quality and sustainability).

Key messages

- Port Phillip is a city of neighbourhoods where every property, public place and piece of infrastructure contributes to establishing a distinct character.
- Neighbourhood character is different from heritage.
- Neighbourhood character is how an area looks and feels and the qualities that distinguish it from others. It is not static and evolves.

- While all areas have a history or a heritage, not all are historically significant. Heritage significance is determined by recognised criteria based on the Burra Charter.
- Respecting heritage does not mean preventing change or limiting housing growth. Instead, it is about facilitating the appropriate adaptive use of our beloved heritage buildings and ensuring that new development does not adversely impact heritage significance.

What the community told us

Community members told us what they value the most about their neighbourhoods:

- The village-type feel – built on the mix of activities around and the walkability of the streets.
- They feel more welcome and safer in spaces designed for a range of activities, where streets are easy to navigate for people of all ages and abilities, and there is a mix of housing types for different families and lifestyles.
- The existing eclectic character that comes from the diversity in architecture, including the feel and a mix of contemporary and heritage structures.

- Trees and vegetation in streets, parks, and private gardens. People recognise greenery as the defining visual character of their neighbourhoods and see the environmental benefits of trees and vegetation, from ground-level gardens to green walls and roof-top gardens. They also value the functional aspect of greenery to reduce water runoff.
- Community members see the most significant opportunities for improving neighbourhood character as:
 - Increasing tree canopy and vegetation coverage
 - Maintaining and expanding open spaces
 - Having a diverse and high-quality built form that respects and integrates with existing urban form
 - Increasing Environmentally Sustainable Design requirements for buildings
 - Having diverse housing to cater for a diverse community
 - Protecting significant heritage buildings and creating new heritage for future generations.

OBJECTIVE 3

Discussion

Clear guidance for preferred built form outcomes ensures that new developments can create resilient, safe, and inspiring neighbourhoods when planning for future housing change and growth.

Preferred Neighbourhood Character – Findings from the Neighbourhood Character Study

Planning tools, such as Heritage Overlays, Design and Development Overlays (DDO), and Neighbourhood Character Overlays, already cover many areas. These tools, which will be regularly reviewed, will continue to shape future built form outcomes in these areas.

Character statements have been developed as part of the Neighbourhood Character Studies for residential areas not covered by these planning tools.²⁴ The Neighbourhood Character Conversations with the community in July 2023 also informed the statements. The statements will provide guidance on balancing future housing growth with neighbourhood character, sustainable development, and other community benefits.



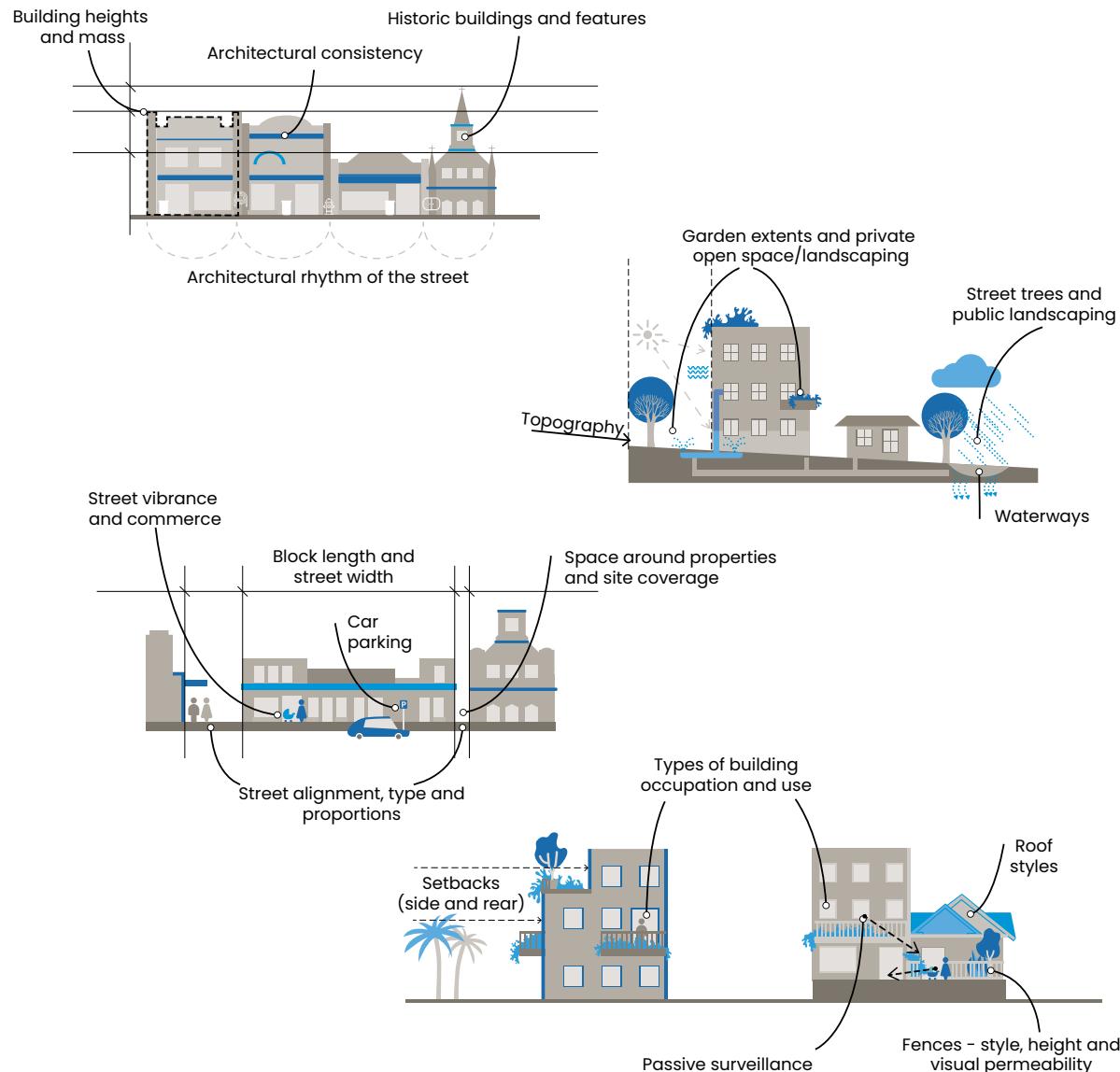
OBJECTIVE 3

What is Neighbourhood Character?

Neighbourhood Character describes elements of the public and private realm that make one area distinctive from another, creating a sense of place. Every property, public place or piece of infrastructure contributes, no matter how great or small. It is the cumulative impact of all these contributions that establishes neighbourhood character.

Neighbourhood Character is different to attractiveness or heritage. All areas have a character in the same way all people have a personality. In some areas the character may be more obvious, more unusual, or more attractive, but no area can be described as having no character.

Some of the most common physical attributes that define neighbourhood character are identified in the diagram below. These elements are a condensed list of those described in Planning Practice Note 43 Understanding Neighbourhood Character. Respecting neighbourhood character does not mean preventing change. Instead, new development in Port Phillip will play a significant role in shaping neighbourhood character of areas.



OBJECTIVE 3

Balance future housing growth with heritage significance

Heritage is different to the concept of neighbourhood character. All areas have a history or a heritage, but not all are historically significant. Heritage significance is determined by recognised criteria with reference to the Burra Charter, a set of guidelines used in Australia to help protect and manage places of historical and cultural significance. The planning scheme often protects areas of heritage significance via tools such as the Heritage Overlay.

The Heritage Overlay affects large areas of the municipality through individual heritage significance or heritage precincts. For instance, the city has some of the earliest European settlements in the metropolitan area. Our community highly values our heritage precincts, which contain many established residential areas. Council's heritage policy and guidelines provide guidance to balance future housing growth with heritage significance. We commenced the Heritage Program in 2017 to review and update existing heritage protections and documentation so they satisfy current Victorian Government requirements and reflect community attitudes towards heritage.

While the Heritage Overlay does not prohibit development, it does require compliance with the Council's heritage policy. Combined with other land constraints, such as lot sizes, street widths, and site access, this can impact development outcomes and potential yields.

For example, when calculating potential housing capacity, the *Housing Market and Capacity Assessment* (Urban Enterprise, 2024) excludes individual sites in the Neighbourhood Residential Zone (NRZ) identified as Significant Heritage Places.²⁵ These sites are considered less likely to be redeveloped because heritage buildings typically occupy a large portion of the site. However, the same capacity study includes Significant Heritage Places outside the NRZ because redevelopment has been observed in those areas. Often, this redevelopment involves retaining facades and major heritage elements while redeveloping the remaining parts of the sites.

Facilitate housing growth in areas with capacity

Existing infrastructure and services serve most of the municipality. During the consultation, community feedback indicated a strong preference for facilitating housing growth and diversity across the city.

The Neighbourhood Character Study Focus areas with Neighbourhood Character statements will provide guidance on balancing future housing growth with neighbourhood character, sustainable development, and other community benefits. This will be done by informing new design objectives, standards, and requirements for the Planning Scheme, including neighbourhood character objectives and requirements in the schedules of the residential zones.

Outside the Neighbourhood Character Study focus areas, there is an opportunity to apply the same principles to ensure our streets and suburbs continue to evolve with future housing development. We will identify pockets in established residential areas that can accommodate appropriate housing growth levels.

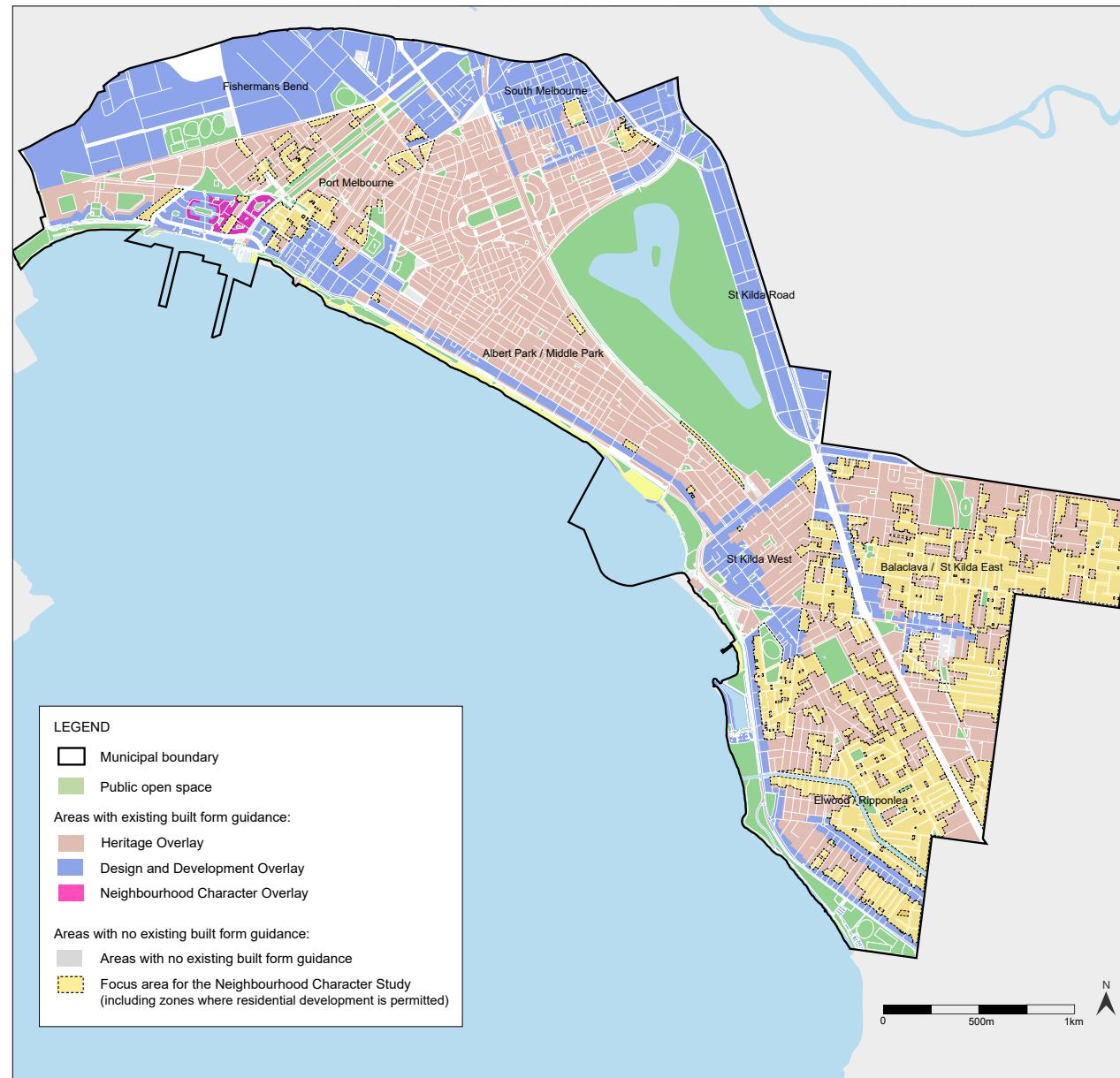
OBJECTIVE 3

These pockets may include heritage areas near activity centres and train stations. Once identified, the areas will be investigated through feasibility testing, capacity modelling and specific built form reviews.

We will also review residential zones where there is either an apparent inconsistency between the zone's application and the new Victorian Government planning practice note or a misalignment between the zone and other controls, such as the Design and Development Overlays. This is particularly important because Port Phillip's residential zones were introduced over a decade ago. They have not been reviewed despite significant changes in strategic policy, such as the release of the Victorian Government's Housing Statement.

Our actions will increase the housing supply and the efficiency of planning decisions by aligning height controls in schedules for Neighbourhood Residential Zones and General Residential Zones with the corresponding Design and Development Overlays.

Figure 15. Neighbourhood Character Study focus area and existing guidance area



OBJECTIVE 3

Focus areas – preferred character statements

The supporting technical report develops each area's preferred future neighbourhood character statement based on desktop analysis, street surveys, and community input to guide future development.

The statements aim to reflect an area's valued features and characteristics and be forward-looking to meet contemporary housing needs. The preferred character statements will inform new design objectives, standards, and requirements for the Planning Scheme, including objectives and requirements in the schedules of the residential zones.

These statements might specify preferred minimum street setbacks, site coverage, landscaping, front fence height, and other design elements that contribute to the desired character when appropriate. This ensures that new developments align with the neighbourhood's intended character, contributing to our housing vision.

Six distinct character areas have been developed based on existing character identification and future opportunities. Each location is provided with one preferred character statement.

These Neighbourhood Character Statements have been translated into suggested Neighbourhood Character Objectives that

can be incorporated into the Port Phillip Planning Scheme and introduced via a future planning scheme amendment.

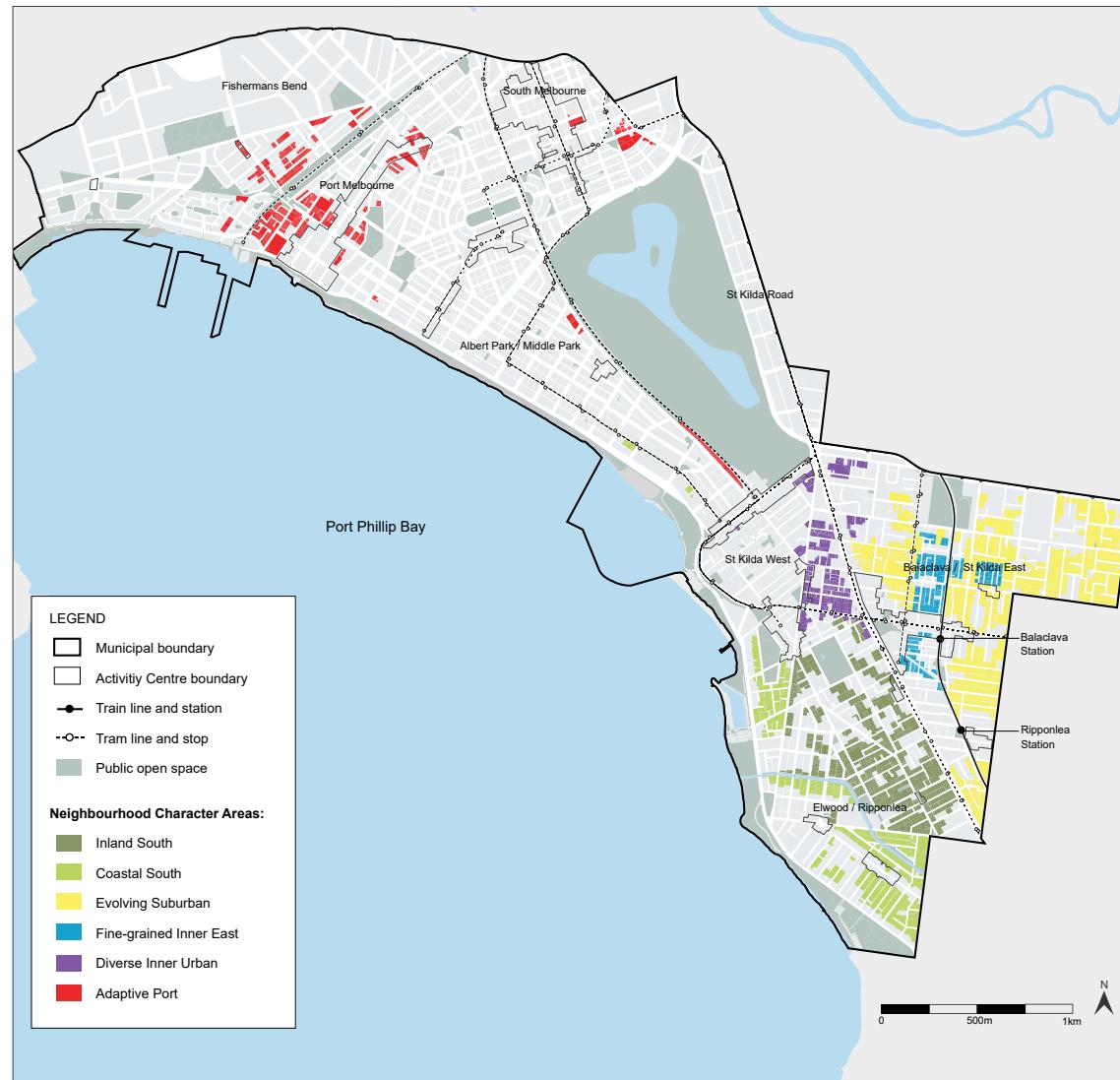
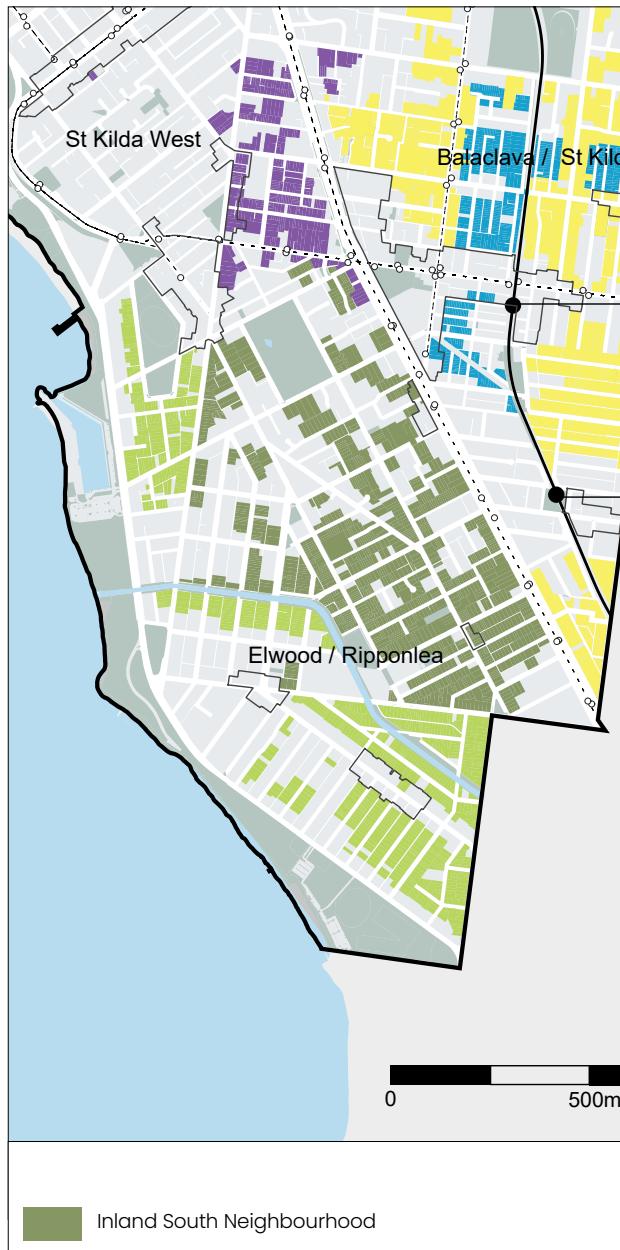


Figure 16. Neighbourhood character areas

OBJECTIVE 3



INLAND SOUTH

Neighbourhood Character Statement

Elwood and southern St Kilda form a green and leafy character area that is driven by high-quality landscaping, low and visually permeable fence lines, as well as mature street trees and vegetated verges within the public realm.

The lush nature of the area is enhanced by mature canopy trees within private lots and generous gardens with a variety of shrubs, grasses and groundcovers, which tie into surrounding natural elements such as the Elsternwick Creek and Yalukit Willam Nature Reserve, St Kilda Botanical Gardens and the coastline.

Development in the area will be a mix of architectural styles and typologies, including single dwellings, townhouses, and apartments. The variation in styles and typologies will be united by a careful material palette to help create cohesive streetscapes.

The dark red bricks and terracotta tiles of Californian bungalows, timber detailing of Victorian cottages, cream brick of post-war apartment blocks and rendered stairways and arches of Spanish Mission and Art Deco apartments are all valued existing elements that will inspire contemporary responses in highly sustainable built form outcomes.

Car access will be prioritised from rear laneways wherever possible, and where access is off a primary street, vehicle storage will be positioned behind the building line to minimise visual impact and accentuate the visibility of landscaping.

Landscaping buffers between constructed driveways and side boundaries will minimise the visual impact of parallel driveways and protect the desirable spacious and green nature of the neighbourhood.

OBJECTIVE 3



COASTAL SOUTH

Neighbourhood Character Statement

Coastal Elwood and St Kilda are highly landscaped with unique references to the coastal proximity through durable and light material palette and native coastal plant species. High-quality landscaping, low fence lines and vegetated verges within the public realm will enhance the sun-kissed and airy character of the area.

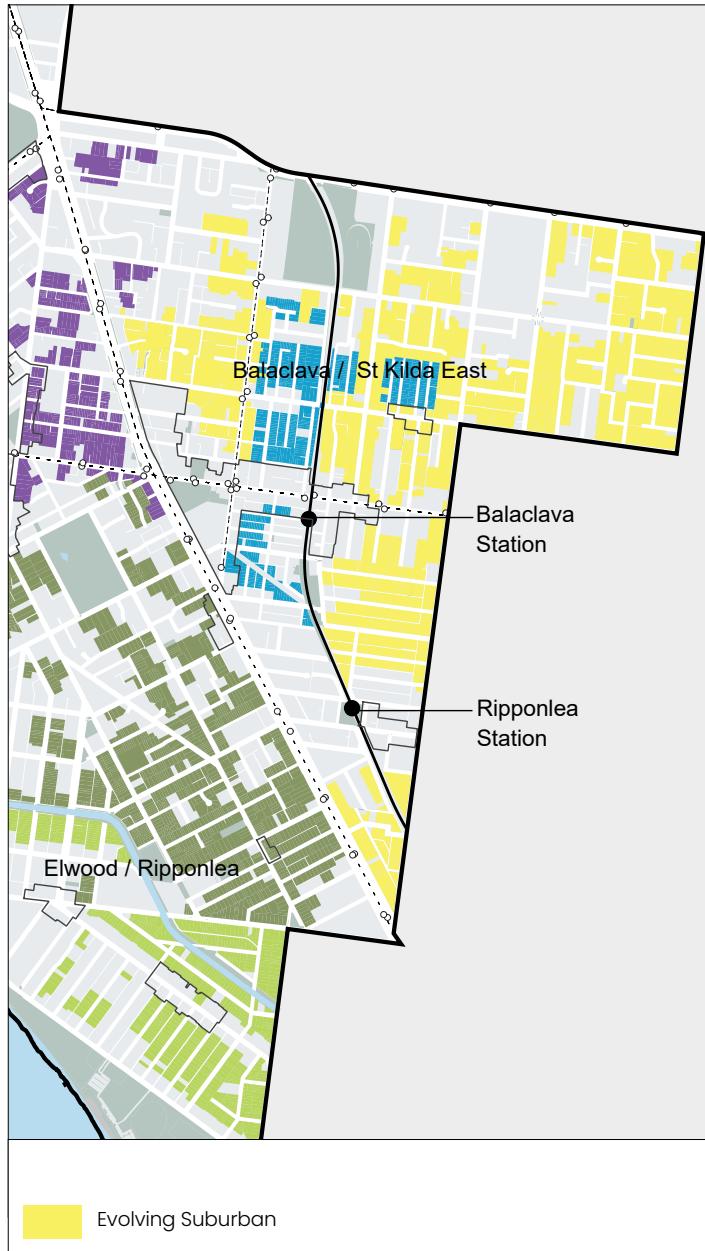
Development in the area will be a mix of architectural styles and typologies, including single dwellings, townhouses, and apartments.

Mature, valued vegetation will be protected and retained where possible, and a landscape character reflective of the local context will incorporate indigenous coastal plants, supporting a connection to and sense of place. Low-lying coastal scrub vegetation will encourage visual permeability throughout the neighbourhood and give a powerful visual identity to the area, tying it to its valued coastline.

Along with landscaping character, the architecture of the neighbourhood will subtly reference connection to the coast through a robust, natural, light, and textural material palette. Low fences and landscaped front, rear and side boundaries will support public and private interaction, creating safe and comfortable streets.

Dwelling facades will consider the threat of flood damage and finished ground floor levels will be raised to reduce the impact of potential inundation in the future. Secondary frontages along waterways and oriented towards the coast will feature windows and balconies to reinforce important views and connection to streets and waterways. Landscape on walls and rooftops will be encouraged, supporting a strong and connected landscape integrated into the built form.

OBJECTIVE 3



EVOLVING SUBURBAN

Neighbourhood Character Statement

An eclectic area with a community focus, built form varies from smaller single dwellings to townhouses and apartments supporting a self-sufficient inner-suburban neighbourhood that thrives with local activity and dwelling diversity.

Architectural style and materiality is diverse but consistent in its delivery of robust and high-quality outcomes that build upon the existing flat front facades, orthogonal building massing, and common use of brick. Large, deep lots with medium side and front setbacks will ensure a coarse-grained spacious and calm feel as the area develops.

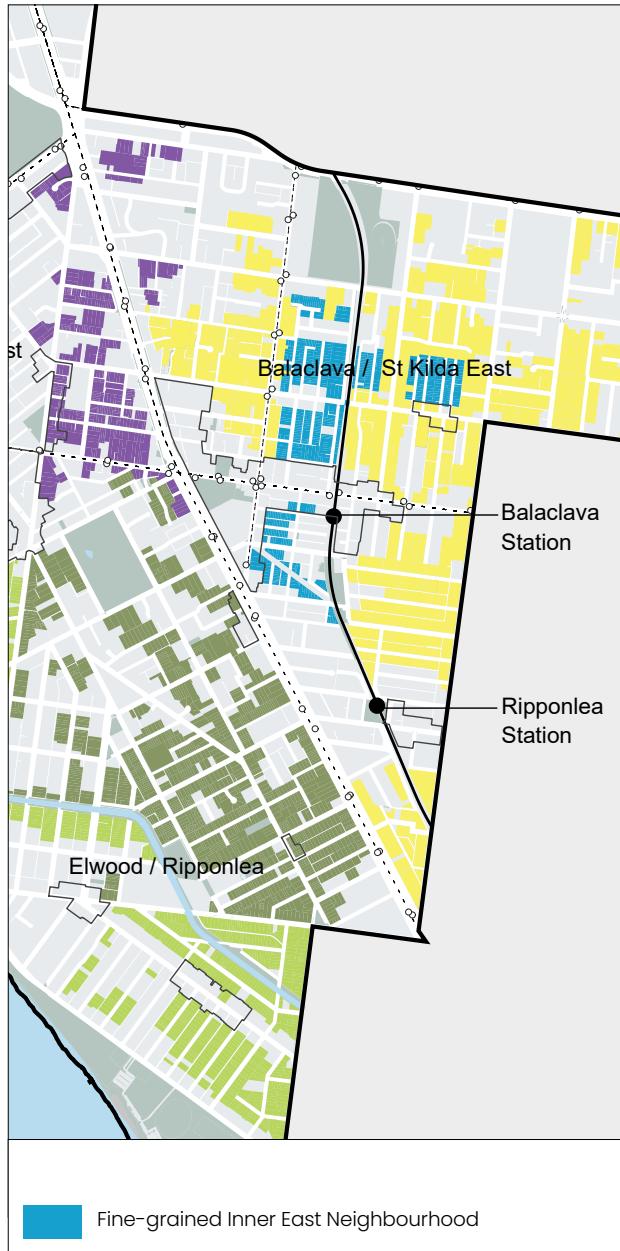
Upper levels of buildings are designed to provide diversity in the skyline, avoiding a monotonous, single-height roofline, providing both visual interest and allowing for air and natural light to penetrate through the streetscape.

Safe and engaging streets are created through the delivery of human-scaled and diverse dwellings oriented towards the street with visible entrances, articulated front facades and interaction with the street from verandas, balconies, and other habitable spaces.

Enhanced landscaping and canopy coverage in the private and public realms creates green streetscapes and reduces urban heat. Canopy trees dominate the streetscape and mature vegetation is prominent. Vehicle cross-overs are minimised and where possible provided from rear laneways, promoting safe pedestrian pathways.

Low and permeable front fences, that may incorporate planting, enhance the green image of this inner-suburban neighbourhood..

OBJECTIVE 3



FINE-GRAINED INNER EAST

Neighbourhood Character Statement

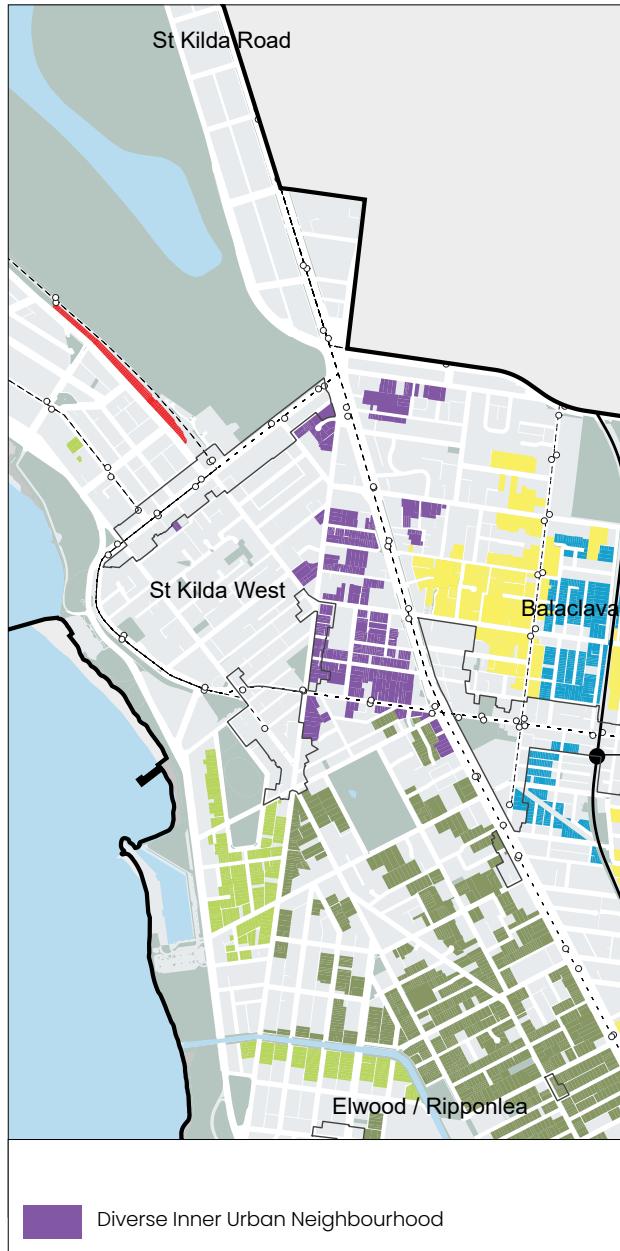
This low-lying, tightly packed pocket is an intimate, human-scaled character area. Fine-grained streets of narrow lots with attached single-storey weatherboard workers cottages inform a feeling of enclosure that is reinforced by narrower streets, small building setbacks, thin footpaths, street verges and smaller public landscaping. The large cobblestone gutters further reduce the visible street width and give this area a 'back-street' laneway feeling that enhances its quiet and approachable character.

Future development will allow light and visual access to the street, permitting with verandas and front porch social spaces encouraging interaction between dwellings and creating a welcoming, safe neighbourhood with evident passive surveillance.

Permeable and low front fencing will ensure dwellings engage with the streetscape and encourage interaction between neighbours to further emphasise the human scale of this character area.

This area will have high site coverage due to the narrow, short lot sizes and lack of front or side setbacks. As such, roof gardens, green walls and planting along fence lines will be crucial to provide biodiversity, habitat and connection to nature whilst also reducing the urban heat island of this tightly packed inner-suburb pockets.

OBJECTIVE 3



DIVERSE INNER SUBURBAN

Neighbourhood Character Statement

With remarkable variation in building form, era and scale, this area offers an inner urban character with the potential for excellent diversity and flexibility in its built form. With a distinctive array of rooflines, façade arrangements, street orientations and material choices, this neighbourhood showcases adaptable, innovative and environmentally sensitive design. The prevalent material palette leans towards modernity, incorporating elements such as steel structures, aluminium framing, timber, exposed concrete, and pockets of brickwork.

Side setbacks are generally small or non-existent, while front setbacks differ creating variation within the character area allowing for flexible new development. With the area's proximity to – and views of – the Melbourne CBD presents a strategic location for future growth in areas identified for moderate and substantial housing growth. The neighbourhood is dynamic and lively, celebrating its artistic and creative heritage through distinctive, adaptable, and forward-looking architecture.

Landscape will be interwoven with the architecture through fence line planter boxes, balcony, rooftop and wall gardens with canopy trees providing essential shade. These planting elements soften the built form of the area and ensure there is a biodiversity connection between the coast, Albert Park Lake, and the leafy inner suburbs further east. Permeable fences improve visual access onto front gardens enhancing the feeling of safety through passive surveillance.

OBJECTIVE 3



ADAPTIVE PORT

Neighbourhood Character Statement

This area will combine high-density, adaptable development with a consistent building mass, profile, and materiality. The built form will feature orthogonal dwellings with flat facades that often extend to the front boundary, creating a noticeable street wall uniformity. Side setbacks will be consistent and small or non-existent, which fosters a cohesive rhythm along the streetscape.

The essence of the neighbourhood's character lies in its industrial heritage combined with modern coastal living. New development will be innovative and flexible, responding to each unique site.

Despite the built form diversity, a commonality will be formed by small to non-existent setbacks, robust street walls, engaging rooflines and a unique semi-industrial material palette. A visual identity is formed by referencing building profile, materiality, scale and rhythm of the area's working class architectural typologies: warehouses, bank houses, cottages, and wrought-iron terraces.

Development will embrace best-practice environmentally sensitive design and incorporate planting into fences and facades. Landscaping on shared and private rooftop gardens will be visible across the roofline.

With high-density living anticipated, addressing challenges such as limited private greenspace, high impermeable surfaces and climate change-induced weather extremes is crucial and may require interventions in the public realm. Flood risk will also be factored into the construction and materiality of building facades, and raised finished ground floor levels will reduce the risk of damage from inundation. Increased landscaping and Water Sensitive Urban Design (WSUD) initiatives such as rain gardens, particularly featuring native coastal vegetation, will be an important part of achieving this neighbourhood's resilient future character and visual identity.

OBJECTIVE 3

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
S3.1	Reinforce highly-valued existing neighbourhood character and heritage elements that contribute to Port Phillip's unique neighbourhood identity.				
A3.1.1	Review and update the Port Phillip Planning Scheme to implement the Neighbourhood Character Study and Preferred Character Statements by making changes to residential zone schedules within the focus area and updating Municipal planning strategies and local planning policy if required.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A3.1.2	Review and update the residential zones and schedules outside of the Neighbourhood Character Focus Area to ensure a consistent approach when facilitating additional housing in pockets with capacity across residential areas.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A3.1.3	Continue to review heritage controls to ensure application of the Heritage Overlay and relevant documentation is up to date.	Deliver	Ongoing	Lead	Subject to annual plan and budget
A3.1.4	Protect significant trees and vegetations in private realm that are valued by communities via suitable planning tools.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A3.1.5	Develop design (including vegetation) guidelines for developments for new residential developments to facilitate desirable built form outcomes, and innovative and resilient landscapes in the private realm.	Deliver	Short to medium term	Lead	Subject to annual plan and budget



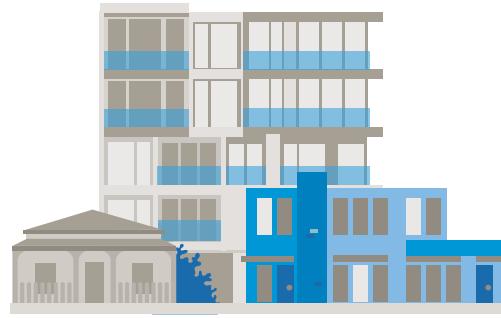
“

For families looking to move into the area and have space for kids, it can be quite expensive.

Phase 2 survey respondent

OBJECTIVE 4

OBJECTIVE 4 - Encourage a range of housing options to support our diverse community



Relevant housing needs

Ensuring access to housing choices that are fit for purpose for people at different life stages and of varied abilities and needs.

Key messages

- Diverse and accessible housing choices are important to support and cater for our diverse and changing community.
- The range of housing choices available in our City will impact the social makeup of our community.
- While there is a sufficient supply of housing in Port Phillip, the housing being built lacks diversity.

What the community told us

Throughout the engagement, we heard from participants that there is a need for larger apartments, particularly those with three and four bedrooms, the lack of which was seen to limit the options for families wanting to live in apartments in Port Phillip.

Changing living arrangements was the most common reason people cited for moving out of their homes. We also heard that most of our community would like to see housing that accommodates diverse housing needs in the future.

Discussion

Housing diversity refers to a mix of different housing options. This can include a range of housing types, such as apartments, townhouses, and separate houses. It can also include housing of varied sizes (number of bedrooms), designs, layouts, and tenure.

Housing diversity in Port Phillip

One of the biggest challenges we face in Port Phillip is the limited choice of housing types available to our community. For example, the majority (66.8 per cent) of dwellings in our city have two or fewer bedrooms.

The lack of diverse housing choices means that as people's lifestyles change – as they opt to work from home, start families, or become empty nesters – they may have to move out of Port Phillip to find housing that meets their needs. Due to the land cost, it is unlikely that there will be many single dwellings on a lot built in Port Phillip in the future. Given this, alternative family housing solutions must be available. A diversity of apartment types, locations and price points will be needed across our city to satisfy different market segments and life stages, accommodate population growth, provide opportunities for movement within the housing market, and provide for diverse and vibrant communities.

In Port Phillip, we need more diverse housing choices, particularly larger dwellings in new apartment developments to accommodate families and various other life stages.

OBJECTIVE 4

There are already state planning provisions (clause 58.02-3 & 55.02-3 Dwelling diversity objective) in the Port Phillip planning scheme that encourage a range of dwelling sizes and types in developments of ten or more dwellings. The local planning policy applying to the Fishermans Bend Urban Renewal Area aims to facilitate housing diversity by encouraging new developments of 100 dwellings or more to provide a certain percentage of three-bedroom homes.²⁶

The 2018 *Port Phillip Planning Scheme Review Audit Report* recommended that the Council consider identifying acceptable housing diversity ratios, particularly for key housing growth areas. For example, this could be a policy encouraging a minimum percentage of three-bedroom dwellings in a new development with more than 10 dwellings.

We want Port Phillip to remain diverse and inclusive into the future. The availability of diverse housing choices for a diverse community is important in realising this future.

Facilitating housing diversity – recent planning scheme changes

The Victorian Government has recently changed planning schemes under the Victorian Housing Statement, making getting approvals for different housing types easier.

The changes include:

- Amendment VC243, which came into effect in October 2023, aims to facilitate housing supply and diversity by removing permit requirements to construct or extend a single dwelling on a lot 300 sqm or bigger.
- Amendment VC253, which came into effect in December 2023, will help facilitate the construction of small second dwellings at the rear of existing dwellings, such as granny flats. These small second dwellings, up to 60 m² in size, were previously only able to be constructed for dependents, such as grandparents, as temporary accommodation that needed to be removed when the dependant no longer required the accommodation. The amendment will allow their construction on a 300m² or larger lot without a planning permit.

VC253 could impact 16,000 lots in Port Phillip. The easing of planning requirements may help facilitate small-scale infill developments such as granny flats or additions to single houses, which can provide accommodation for larger household types and multigenerational households.

Planning for more inclusive housing – dwelling accessibility

Dwelling accessibility is the design and layout of a home that ensures it meets the needs of any occupant. It might include designing or modifying homes to include accessibility features such as ramps, elevators, and wider doorways to make the spaces more accessible to people with disability or temporary mobility difficulties. Accessible housing often provides a kitchen, living room, bathroom, and bedroom on the same floor.

Many Port Phillip residents can live independently without assistance but have mobility challenges for many reasons, including old age. As the number of people aged 75 and over is projected to increase over the next 15 years, it becomes more likely that every home will be required to respond to the needs of a person with a physical limitation.

OBJECTIVE 4

Families with young children and people with temporary injuries also have mobility challenges in dwellings that are not adequately designed to allow for easy accessibility for people using prams, wheelchairs and mobility aids. Homes of the future should be designed to allow for better access and movement to support occupants at different life stages and of varied abilities and needs.

Universal design

To create an inclusive and accommodating living environment, it is important to prioritise the design of apartments to be accessible and suitable for residents throughout their lifetime. This can be achieved by incorporating the seven principles of Universal Design into the planning and construction processes:

1. Equitable use – the design is useful and marketable to people with diverse abilities.
2. Flexibility in use – the design accommodates a wide range of individual preferences and abilities.
3. Simple and intuitive use – the design is easy to understand, regardless of the user's experience, knowledge, language skill, or current concentration level.

4. Perceptible information – the design communicates necessary information effectively to the user, regardless of ambient conditions or the user's sensory abilities
5. Tolerance of error – the design minimises hazards and the adverse consequences of accidental or unintended actions.
6. Low physical effort – the design can be used efficiently, comfortably, and with minimal fatigue.
7. Size and space for approach and use – appropriate size and space are provided for approach, reach, manipulation, and use regardless of the user's body size, posture, or mobility.

Gold Level Liveable Housing Design standards

We acknowledge and welcome the work of the National Construction Codes Board in amending the National Construction Code (NCC) to adopt the Silver Level Liveable Housing Design standards for all new dwellings. However, we advocate for amending the NCC to help achieve Gold Level Liveable Housing Design standards for all housing, including affordable and social housing.

Gold Level standards will ensure that kitchens and laundries are accessible and adaptable, a bedroom space on the ground level, light switches and power points are accessible, and doors are easily openable for persons with a disability.

Currently, universal access in the design of apartment developments over four storeys is encouraged by the Planning Scheme for new apartments through Clause 58.05. However, the National Construction Code provides the minimum standards for the design construction of all types of dwellings. As planning approval for a development is sought before building approval, there is an opportunity for Council to promote accessible dwellings by encouraging applicants to incorporate accessibility into the early stages of design for all dwelling types that require a planning permit, through the Planning Scheme.

Planning for an ageing population

Ageing in place in secure housing or other accommodation is fundamental for health and wellbeing. In addition, people prefer to remain in their local community as they age.

OBJECTIVE 4

Compared to Greater Melbourne, older residents in Port Phillip are more likely to rent, live in a flat or apartment, or live alone. A person may choose to relocate to an apartment for many reasons, including financial factors, health issues, experiences of family violence, the death of a spouse, lifestyle change, or wanting to downsize.

Being able to age in place was a key theme identified by the City of Port Phillip *Positive Ageing Policy* survey respondents. As such, a key goal of the *Positive Ageing Policy* is to enable secure, affordable, and accessible housing to allow people to 'age in place'. This means creating housing appropriate for everyday needs and close to transport, shops, and services, allowing older residents to live independently. To support this, new housing in our city must be easy to navigate, capable of cost-effective adaptation, and responsive to the changing needs of occupants.

Local residential aged care facilities

While we support and encourage more housing that allows people to grow old at home, we also recognise that it can be necessary for a person to relocate to a residential aged care facility to receive adequate care and support when independent living is no longer possible. As our ageing population grows, there will be an increasing need for residential aged care facilities. Facilitating an increase in the diversity of aged care options is also essential.

Five residential aged care facilities in Port Phillip currently provide 370 beds or places. Unless more facilities are developed, the municipality is expected to have a substantial shortfall of places by 2036 based on the Australian Government target of 78 aged care places per 1,000 people aged 70 years or over. The local planning policy relating to aged care facilities can be further reviewed to strengthen and facilitate the delivery of more residential aged care facilities.

Given high land values and the sector's standard operating model, residential aged care facilities in inner Melbourne typically take the form of taller apartment buildings. Land use for residential aged care is supported in all residential zones, the Commercial 1 Zone and the Comprehensive Development Zone. The Port Phillip Planning Scheme currently encourages the locating and designing residential aged care facilities and older persons' housing to integrate with local communities.

OBJECTIVE 4

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
S4.1 Encourage residential development with a range of dwelling typologies and sizes (bedroom mix).					
A4.1.1	Implement the <i>Residential Development Framework Plan</i> to achieve a diverse range of housing options.	Deliver	Short to medium term	Council	Operating budget/ Business as usual
A4.1.2	Introduce minimum bedroom number ratios for major housing developments (of 10 dwelling or more).	Deliver	Short to medium term	Lead	Operating budget/ Business as usual
A4.1.3	Support extensions to existing dwellings to provide accommodation for larger household types and multigenerational households.	Deliver	Ongoing	Lead	Operating budget/ Business as usual
A4.1.4	Support the provision of residential aged care facilities within or close to services, jobs public transport and activity centres and precincts.	Deliver	Ongoing	Lead	Operating budget/ Business as usual
S4.2 Encourage all residential developments to incorporate design features that provide accessibility and adaptability to people of all abilities.					
A4.2.1	Advocate for the Victorian Government to amend the National Construction Code to require Gold Level accessibility standards for all new residential development.	Advocacy	Ongoing	Lead	Operating budget/ Business as usual
A4.2.2	Advocate for the Victorian Government to address the following gaps in <i>Apartment Design Guidelines for Victoria</i> to improve the liveability and design of apartments: <ul style="list-style-type: none"> Additional Gold Level universal design standards (beyond mobility) to ensure apartments are safer and easier to enter, move around and live in. Additional adaptable apartment design standards (beyond adaptable bathroom) to allow buildings to accommodate a diverse range of lifestyle needs. 	Advocacy	Ongoing	Lead	Operating budget/ Business as usual
A4.2.3	Develop a design guideline document and supporting factsheets based on <i>Liveable Housing Design Guidelines</i> (2012) to promote accessible design, for use by the private sector and Council officers.	Deliver	Short to medium term	Lead	Subject to future budget bid



“

Need to incorporate sustainability principles and climate-change resilience. We are past the time of ignoring these crucial factors as a global community.

Phase 3 survey respondent

“

It is mostly apartment living, and the new ones are really small. It is also quite expensive. In saying that, there are some very nice places to live in Port Phillip.

Phase 2 survey respondent

OBJECTIVE 5

Support new housing that is well-designed and resilient to climate change impacts



Relevant housing needs

Access to well-designed housing choices that consider the environment and the health and wellbeing of occupants.

Key messages

There is an opportunity to encourage low, medium, and high-density development, which achieves good quality, amenity, and sustainability outcomes.

What the community told us

Throughout all the community engagement phases, there was a strong emphasis on sustainable housing design. Participants advocated integrating climate change considerations into building design, including passive cooling, better insulation, and electric vehicle charging stations. Community members also called for better design guidelines to ensure new developments meet sustainability standards.

Discussion

Design quality

Good design is essential to achieving sustainable, high amenity and quality housing that meets our community's needs and contributes to our neighbourhoods' vibrancy.

The lack of land available to develop new separate houses means that apartments will continue to be the predominant housing type in Port Phillip. Therefore, they must be well-designed, liveable, and provide a high level of internal and external amenities to improve the occupant's health, well-being, and overall quality of life.

The Victorian Government's *Apartment Design Guidelines for Victoria*²⁷ (the Guidelines) provide standards for improving apartment design in Victoria. The standards address building design elements such as siting and arrangement, building performance (noise impacts, energy efficiency) and dwelling amenities. These standards are in the Victoria Planning Provisions and the Port Phillip Planning Scheme at Clauses 55.07 and Clause 58.

To improve the quality and liveability of future apartments in Port Phillip, additional guidance is required to:

- Ensure that small apartments have a high standard of amenities through minimum sizes and layouts.
- Provide a clear and quantifiable definition of adequate daylight in apartments and guidance to maximise sunlight access.
- Provide clear guidance on applying communal open and enclosed space requirements for multiple dwelling and apartment developments.
- Provide a minimum interface distance between buildings.

OBJECTIVE 5

Support quality design in Build-to-Rent products

With almost half of our City (49 per cent) being renters,²⁸ diverse housing choices must also be available for rent. This may include housing models such as build-to-rent (BTR) housing. BTR is an emerging approach to residential housing where properties in residential development are specifically designed and built to hold for rental over the long term, generally facilitated by having a corporation as a landlord for the development. It has the potential to increase rental supply and the diversity of housing choices and mix and increase long-term rental options.²⁹

While BTR products have the potential to provide housing diversity, an emerging issue in this field is the provision (or lack of) for internal amenities (small apartment sizes, no balconies, poor internal layout) associated with this type of housing where dispensation is offered due to communal amenities provided. One reason is the need for more clarity in the planning scheme around the parameters to consider when assessing BTR applications. It is important to recognise that BTR developments are a type of dwelling;

therefore, the same set of considerations that apply to other residential developments should apply.

If BTR development is being considered, ensuring a strong focus on the quality of construction, design, and amenities is essential. In particular, the Guidelines should be applied to BTR development to facilitate a potential future tenure change, such as rent-to-buy.

Sustainable housing

In 2020, a third of emissions in our City came from residential uses (a combination of electricity, gas, and waste).³⁰ Attaining zero-net emissions across Port Phillip is vital to our climate change mitigation response.

The current suite of Environmentally Sustainable Development (ESD) requirements in the Port Phillip Planning Scheme does not reflect the urgency to tackle climate change. Port Phillip is working with the Council Alliance for a Sustainable Built Environment (CASBE) and 23 other interested Councils to introduce a new planning policy that elevates ESD for development and encourages a move towards net zero carbon development.

Council's *Act and Adapt: Sustainable Environment Strategy 2023–28* includes a goal for a City with lower carbon emissions by committing to a zero-net carbon emissions target by 2028. The updated *City of Port Phillip Sustainable Design Strategy* will also address Council's commitment to achieving zero-net emissions.

The early integration of net zero-carbon elements into the design of a new building, when the opportunities are most significant, will most effectively reduce the emissions of housing development. New ESD requirements will support improvements in new buildings' energy and water efficiency and the performance of new subdivisions. This will contribute to more affordable living by reducing reliance on gas and electricity to power homes, reducing greenhouse gas emissions and reducing detrimental stormwater discharges into our rivers and bays.

Building design and subdivision features that make recycling easier, support more walking, bike-riding, public, and shared transport options, and minimise exposure to air pollution and noise will enhance residents' quality of life.

OBJECTIVE 5

A high proportion of existing housing stock in Port Phillip will remain relatively the same over the term of the Strategy. Given this, Council will investigate ways to support residents in retrofitting their homes through improvements to thermal comfort and air quality and implementing climate change adaptation strategies. Whilst this can be challenging in the context of the Heritage Overlay, it does not prevent sustainable measures from being incorporated.

This will include investigating ways of ensuring the planning framework supports these retrofitting measures rather than creating barriers to adaptation. Additionally, it is essential to encourage applicants to consider integrating sustainable design measures when adding and extending dwellings.

Note: many of these can happen outside the planning application process through sustainability incentives and facilitation programs.

Increase greening and permeability in housing development

The Port Phillip community has consistently raised greening as a significant priority for the city. The aesthetic value of green spaces drives this emphasis, as does their contribution to local neighbourhood character and their role in supporting biodiversity and mitigating the impacts of a changing climate.

However, despite this emphasis, over the past 10 years, as the city has grown and densified, tree canopy cover on private land has decreased by about one per cent, while the canopy cover in the public realm has slightly increased³¹. Some of the most notable canopy loss has occurred along St Kilda Road and in the suburbs of St Kilda, Balaclava, Ripponlea and Elwood. This loss can be partly attributed to development pressure and the lack of vegetation protection, such as Environmental Significance Overlays (ESOs) or Vegetation Protection Orders (VPOs).³²

Loss of permeable surfaces is another challenging issue the city is facing. Permeable Surfaces, including garden beds, lawns, green roofs, and other unsealed

surfaces, allow water to be absorbed into the soil and either returned to the atmosphere through evaporation and plant transpiration or infiltrated into groundwater. These surfaces provide our city with many social, economic, and environmental benefits, from flood protection and stormwater quality improvement to greening, cooling, and habitat preservation.

Improving permeability outcomes within private space is particularly important for a highly urbanised environment such as Port Phillip, where permeability in the private realm is already very low, and flooding is a significant threat. The planning scheme already outlines strategies and controls to retain and protect significant trees and requires landscaping treatment measures such as permeable landscaping and alternative greens. In addition, the Strategy proposes actions aligned with other new Council strategies, such as the draft *Urban Forest Strategy 2024* and the *Act and Adapt Sustainable Environment Strategy 2023–28*, to encourage the provision of canopy trees, deep soil, and overall greening as important means to increase permeability and greening in private development.

OBJECTIVE 5

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
A5.1 Encourage new apartment buildings to be well-designed and liveable and provide a high level of internal and external amenity.					
S5.1.1	Advocate for the Victorian Government to improve the <i>Apartment Design Guidelines for Victoria</i> to address known gaps in the areas of climate resilience and sustainable design.	Advocacy	Ongoing	Lead	Operating budget/ Business as usual
S5.1.2	Review local planning policy on building design, including for built-to-rent.	Deliver	Medium term	Lead	Operating budget/ Business as usual
S5.1.3	Continue Council's Good Design Program including: <ul style="list-style-type: none">Annual Design and Development AwardsDeveloping guidance on good design to improve design quality of low, medium, and higher density housing development.	Deliver	Ongoing	Lead	Subject to future budget bid
A5.2 Encourage the sustainable design and construction of new housing.					
S5.2.1	Support ongoing improvements to Environmentally Sustainable Development (ESD) standards and sustainability outcomes, including continued advocacy to the State Government to authorise the preparation of the Elevating ESD Targets Planning Scheme amendment.	Advocacy	Ongoing	Partner	Operating budget/ Business as usual
S5.2.2	Facilitate increase of canopy trees, and other type of innovative and resilient urban greenery in private developments via planning tools.	Deliver	Medium term	Lead	Subject to annual plan and budget
S5.2.3	Develop new guidelines to assist implementation of new ESD planning provisions.	Deliver	Ongoing	Lead	Operating budget/ Business as usual
S5.2.4	Investigate new permeability requirements for residential development.	Deliver	Medium term	Lead	Subject to annual plan and budget



“

I have lived here for over 40 years and seen housing in Port Phillip become less and less affordable.

Anonymous community member

“

Aim for 25 per cent. Keep St Kilda diverse and with many different people from all walks of life. People need safe and secure homes.

Survey respondent

“

10% seems reasonable. It helps to provide a range of housing and a diversity of people living in the area. Otherwise, there is the risk of enclaves just for the wealthy.

Survey respondent

OBJECTIVE 6

OBJECTIVE 6 - Facilitate the provision of more affordable housing



Relevant housing needs

Access to housing choices that are affordable to live in regardless of changing social or economic status (affordable housing).

Key messages

- Affordable housing is essential for sustainable, inclusive, and productive communities. At different times during one's lifetime, anyone could become homeless or need affordable rental housing.
- The City of Port Phillip has a long history of commitment to increasing the affordable housing available in the municipality.

- The *In Our Backyard – Growing Affordable Housing In Port Phillip 2015–2025* strategy represents Council's overall target and vision for Affordable Housing. The Strategy will help implement the In Our Backyard Strategy through planning tools.

- To facilitate the provision of affordable housing in Port Phillip, the Strategy proposes an affordable housing policy that contains:

- Ten per cent of new dwellings in future developments should be affordable housing.
- The target aligns with Housing Assistance Need analysis: 10 per cent of all households in Port Phillip are experiencing severe or moderate rental housing stress.
- The 10 per cent target is not a mandatory requirement. Under the current state policy framework, local governments cannot impose a mandatory affordable housing target.

What the community told us

- Finding suitable and affordable housing in Port Phillip becomes increasingly difficult as years pass. This is a common experience for both homeowners and renters.
- The Housing Strategy should place a greater emphasis on both affordable and social housing.
- The City of Port Phillip has the potential to be a leader in providing community and affordable housing, building on its strong history in this area.
- Over 75 per cent of the responses received in Phase 3 agreed that the 10 per cent target was appropriate or believed it should be higher.

Discussion

Housing affordability and affordable housing

Affordable housing and housing affordability are related but distinct concepts.

OBJECTIVE 6

Housing affordability is relative to income level and focuses on the relationship between housing expenses (such as prices, mortgage payments or rents) and household incomes. The same house can be affordable for one household but not for another.

Affordable housing is a specifically defined term. In Victoria, under the *Planning and Environment Act 1987*, it refers to housing needed by those in very low, low, or moderate-income households.

The Victoria Government determines and annually reviews the income ranges for affordable housing (excluding social housing). The 2023 income ranges for each household are articulated in the table 7.

These income ranges cover many families, older people, and early-career workers in healthcare, hospitality, and creative industries.

The shortfall of affordable housing in Port Phillip

Known for its vibrant neighbourhoods and cultural diversity, Port Phillip has seen a significant increase in housing prices in recent years. The surge in property values has led to a growing disparity between the cost of housing and the income levels of the community who live or wish to live here.

Based on ABS 2021 census data,³³ about 20 per cent of all households required housing assistance because they were very low-to moderate-income households spending more than 30 per cent of their income on housing. Among those 10,500 households in need, half are in severe or moderate rental stress, and another half are either homeless or living in social housing.

The total number of households in Port Phillip is forecast to grow to 83,675 by 2041. If the current supply of social housing dwellings stays the same,³⁴ the need for housing assistance is forecast to increase to 17,300 households by 2041, indicating an estimated shortfall of 12,600 affordable dwellings.³⁵

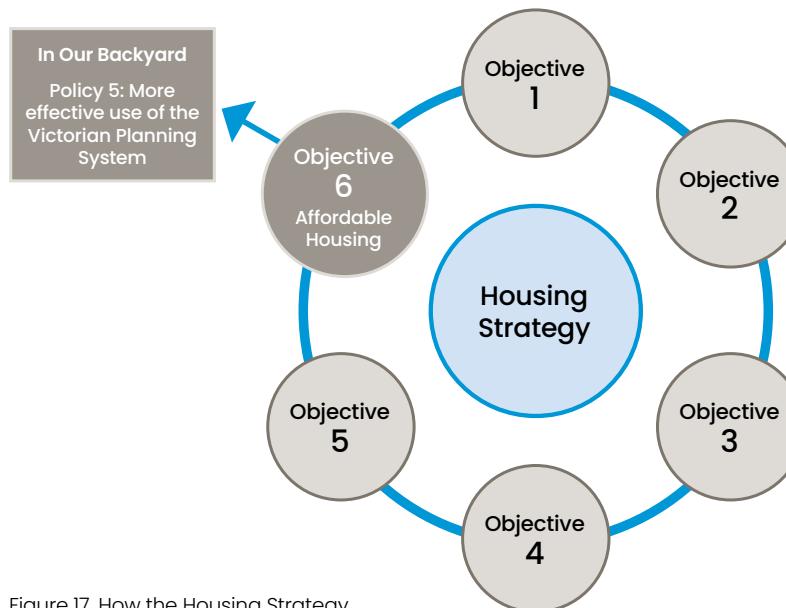


Figure 17. How the Housing Strategy implements the *In Our Backyard* Strategy

OBJECTIVE 6

Figure 18. Affordable housing as defined under the *Planning and Environment Act*. Source: diagram adapted based on Affordable-Housing-Agreements_DIGITAL.pdf (chiavic.com.au)

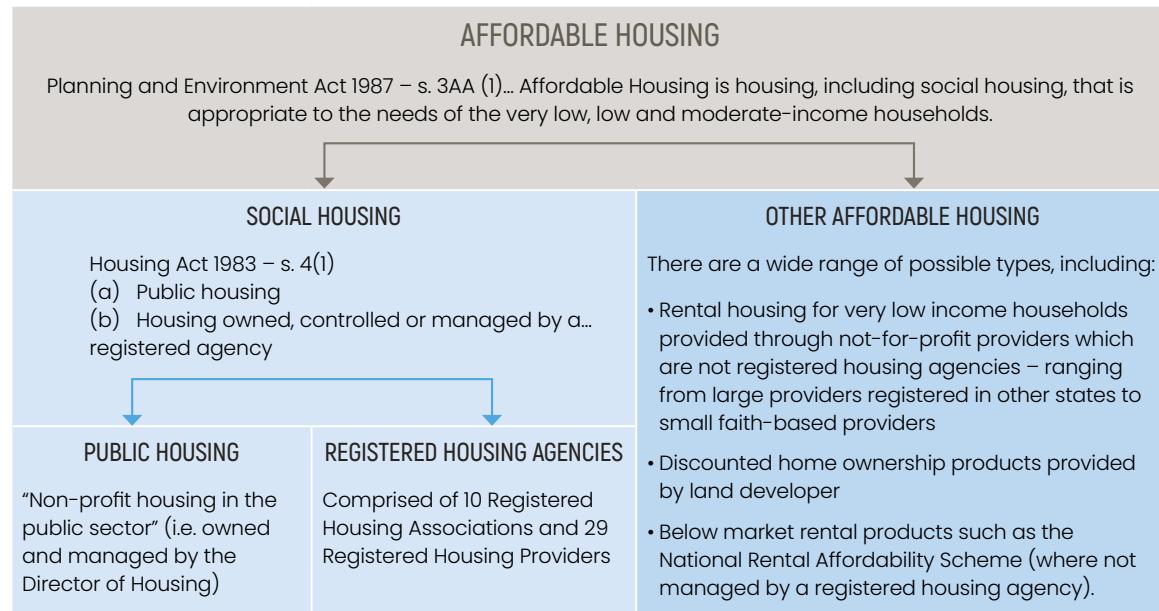


Table 7. Income ranges for affordable housing (Greater Capital City Statistical area of Melbourne), June 2023. Source: Victorian Government Gazette, 2023, *Planning and Environment Act 1987*, Section 3AB – Specification of income ranges.

HOUSEHOLD	VERY LOW-INCOME RANGE (ANNUAL)	LOW-INCOME RANGE (ANNUAL)	MODERATE INCOME RANGE (ANNUAL)
Single adult	Up to \$29,770	\$29,771 to \$47,630	\$47,631 to \$71,450
Couple, no dependant	Up to \$44,650	\$44,651 to \$71,450	\$71,451 to \$107,170
Family (with one or two parents) and dependent children	Up to \$62,510	\$62,511 to \$100,030	\$100,031 to \$150,030

OBJECTIVE 6

HOUSEHOLD TYPE (2021 DATA)	PORT PHILLIP LGA		PORT PHILLIP		FISHERMANS BEND*	
			excluding Fishermans Bend			
	Total	2021	2021	2041	2021	2041
Homeless	1,200	1,900	1,200	1,900	0	0
	2%	2%	2%	3%		
Severe rental stress	2,500	5,400	2,500	4,300	0	1,100
	5%	6%	5%	6%		9%
Moderate rental stress	2,900	5,300	2,900	4,200	0	1,000
	6%	6%	6%	6%		8%
Living in social housing	3,900	4,700†	3,900	3,900	0	800†
	7%	6%	7%	6%		6%
TOTAL need for assistance	10,500	17,300	10,500	14,400	0	2,900
	20%	21%	20%	20%		23%
Affordable housing shortfall	6,600	12,600	6,400	10,500	0	2,100

Table 8. Need of housing assistance and affordable housing shortfall 2021–2041

*Port Phillip portion to the Fishermans Bend Urban Renewal Area

†Assumes an additional 800 Affordable housing from Fishermans bend based on assumption that the 6% affordable housing target would be fully implemented.

Percentages (%) are a share of all households. The count of social housing comprises long-term accommodation (not temporary accommodation)

Background facts:

In Australia, the largest cohort experiencing homelessness is single men. However, women over the age of 45 are the fastest-growing cohort of the population experiencing homelessness. An estimated 7,000 women over the age of 50 were homeless in 2016, reflecting a 31 per cent increase since 2011. The number would be bigger if it included those who resort to couch surfing or living in cars, who are often not included in statistics related to homelessness.

OBJECTIVE 6

Housing for Frontline Workers

Frontline workers in essential public services like healthcare, education, policing, emergency services, transport, and community welfare play a vital role in our city's functioning and safety. Yet, it is hard for them to afford median rents in Port Phillip.

Between 2016 and 2021, there has been a loss of essential workers in many regions of Melbourne, with the Inner East (-11%) and Inner Melbourne (-9%) experiencing the most significant net losses of essential workers.

Compared to the overall labour force, essential workers in Melbourne are more likely to live in outer suburbs and nearby regional cities. The concentration of essential workers living within 15 kilometres of the Melbourne CBD has decreased since 2011 due to a lack of housing affordability in these areas, while there has been an increase in essential worker residents in outer suburbs and adjacent regional areas.

This creates labour supply problems for inner urban businesses, impacting their efficiency and viability.

Recent disruptions and crises, particularly the COVID-19 pandemic, have further highlighted our cities and populations' dependence on these workers and the risks for overall resilience when services are inadequately staffed.

Intervention and innovation across the housing system are critical to improving access to housing for essential workers if the Port Phillip economy is to function effectively as a city in the future.

The impact of short-stay rental accommodation on housing affordability

The rise of platforms like Airbnb has made it easier for property owners to rent out their homes or units as short-stay accommodations (SSA). In Port Phillip, about 1 to 3 per cent³⁶ of all dwellings are used for SSA.

The impact of SSA on housing affordability has yet to be established. Research conducted in 2018 suggested short-term letting platforms like Airbnb do not significantly worsen rental affordability across Melbourne.³⁷ However, their impact on the availability of rental properties, particularly in high-demand inner city areas like St Kilda, is more evident.

The COVID-19 pandemic may have intensified the availability challenges. According to the ABS 2021 data, the average household size has dropped across Metropolitan Melbourne since the pandemic. This trend indicates that fewer people are opting to live in shared housing, putting more pressure on the rental supply. Notably, from April 2022 to April 2023, the City of Port Phillip's property vacancy rate dropped by 1.5 percentage points, to 0.9 per cent.³⁸

During consultation on the *Places to Live: Discussion Paper*, some community members expressed that Council should engage with the State Government and implement local measures to address the impacts of short-term rentals and find ways to incentivise regular rentals.

It is important to note, though, that SSA is not a defined use in the planning scheme, and there is no planning tool that can directly regulate the SSA market. However, in cases where SSA might impact the amenity of neighbouring properties, Council would consider using existing legislation and its Local Laws to address amenity concerns.

OBJECTIVE 6

In September 2023, the Victorian Government announced its intention to introduce a new 7.5 per cent levy on SSA.³⁹ At the time of writing, the timing for the new levy's introduction is still being determined, and it is unclear whether the Victorian Government is considering any further levies or regulation of SSA. We will monitor the short-term accommodation market and its impact on rental vacancies and housing affordability.

Council investment in community housing

Council has a long-standing commitment to affordable housing. We were among the first Councils in Victoria to develop a community housing program between 1985 and 2006 (under the former City of St Kilda) and to set up a housing reserve to directly fund social housing after 2005.

From 2005 to 2015, Council contributed \$4 million from this housing reserve to the Port Phillip Housing Trust (PPHT), used by the PPHT's trustee company, HousingFirst, to purchase land for social housing projects.

Since 2015, with the adoption of our *In Our Backyard – Growing Affordable Housing Strategy 2015 – 2025*, Council has allocated \$5 million over 10 years (\$500,000 per year) into a housing reserve – the IOBY Reserve. The reserve can be allocated to various partners to deliver social housing in Port Phillip.

To date, \$4.755 million of the IOBY Reserve has been allocated to the 28 Wellington Street Common Ground project, in addition to an adjoining surplus lane valued at \$365,000.

This project will house people experiencing rough sleeping under a partnership with St Kilda Community Housing and Homes Victoria.

Council also makes property contributions from time to time. Under the *In Our Backyard* strategy, Council has contributed a 1,800 m² public car park site in Marlborough St, Balaclava, to the Port Phillip Housing Trust. Housing First has developed this site as a 46-unit community housing project for families, older people, and people with disability and a replacement car park.



Kyme Place community housing, Port Melbourne
 (Source: City of Port Phillip)



Marlborough Street community housing, Balaclava
 (Source: HousingFirst)

OBJECTIVE 6

New beginnings: Anisha and her daughter Serenity

Imagine what it would be like to be pregnant, escaping a destructive relationship, essentially homeless and with no friends or family nearby.

This is exactly the situation that Anisha found herself in when she turned up for a pre-natal appointment at the Royal Women's Hospital.

Referred to Cornelia Program, a ground-breaking partnership between Housing First, the Royal Women's and Launch Housing, she was able to bring her baby home to a lovely studio apartment in St Kilda.

The Cornelia Program aims to break the cycle of homelessness for vulnerable women and their babies and is the first such collaboration in Australia between a hospital, a housing provider and a homelessness service that focuses on this cohort of at-risk women.

Over the nine months she spent there, Anisha received the practical support and counselling she needed to start getting her life back together and to look after her precious new daughter, Serenity.

Showing just how determined she is to make a new life for herself and now her daughter, Anisha and Serenity have now transitioned out of the Cornelia Program and are living independently.

Anisha is determined to get back to work. She has a Certificate 2 & 3 in food and dreams one day of having her own food truck – serving food that reflects the real taste of the Torres Strait Islands, the food she grew up with.



Anisha and daughter Serenity
Source: Housing First

OBJECTIVE 6

Affordable housing on government land

The *In Our Backyard* strategy and the *Port Phillip Council Plan 2022 – 31* recognise the benefits and opportunities for Council to support the renewal of existing public housing sites to increase the yield, diversity and quality of housing in existing estates where there is a clear social benefit.

In Port Phillip, the Big Housing Build, announced in 2020 by the Victorian Government as a COVID-19 pandemic stimulus, funded the delivery of seven projects with 260 units (net 182 units). Five have been completed, and two are committed or under construction at the time of writing. Examples of these developments include the Marlborough St community housing development in Balaclava by Housing First, which comprises 46 units, and the Wellington St Common Ground project in St Kilda by St Kilda Community Housing, featuring 26 units.

The Victoria Housing Statement, announced in September 2023, included many initiatives, including to:

- Invest \$1 billion in the Affordable Housing Investment Partnership, which aims to provide low-interest loans and government guarantees for affordable and social housing in Victoria.
- Develop all 44 public housing high-rise towers across Melbourne by 2051, with a guarantee of at least a 10 per cent uplift in the number of social housing units at these sites and additional affordable and market homes.
- Streamline the planning process for medium to high-density residential developments that meet set criteria. For projects in metropolitan Melbourne worth at least \$50 million, including at least ten per cent affordable housing will cut application timeframes from more than twelve months to four.

A national cabinet on housing has also been established with the National Housing Accord that sets a target of constructing 1.2 million new, well-located homes within five years, starting from July 1, 2024.

Under the Victorian Government's Housing Statement, the Minister can consider planning applications for developments that are considered a significant economic development or significant residential development with an affordable housing component, bypassing standard Council planning approvals process. Council will continue to advocate for open lines of communication and regular dialogue between the Victorian Government and affected councils, ensuring the community voice is heard.

Council supports the retention and delivery of new social housing built under such Victorian government initiatives and will continue to advocate for outcomes expressed in our *City of Port Phillip Guiding Principles* (adopted by Council on 19 October 2022), which aims to provide overarching guidance to all state government public housing projects. This includes outcomes around a net increase in social housing dwellings, dwelling diversity, high-quality and sustainable design, and engagement with the community through the stages of development. The full list is contained in Table 9.

OBJECTIVE 6

Strategic alignment	Projects reflect the values of social equity, diversity and inclusion and have alignment with Council strategic policy directions.
Social housing yield	Projects deliver a net increase in social (public and community) housing dwellings and do not reduce the overall number of new bedrooms provided. The people accommodated on the site are increased, resulting in a reduction in the public housing waitlist. Projects are retained in public ownership
Dwelling mix	Projects deliver a mix of housing types, sizes and tenures that meet the needs of existing and future residents and diverse households and needs groups, including families. Projects ensure that different housing types are integrated and visually indistinguishable, with all residents benefitting from equitable access to residential amenity.
Holistic consideration of resident needs	Projects integrate health and wellbeing into design, provide opportunities for social connections, include measures to minimise the cost of living, maintain or improve access to public transport, local services and employment and provide potential for on-site resident support services and social enterprises.
Design excellence	Projects deliver a high-quality built environment, universal housing design outcomes and high amenity within buildings and outdoor spaces.
Sustainability	Projects incorporate best-practice environmentally sustainable design and respond to climate change impacts, including minimising operating costs for residents.
Neighbourhood integration	Projects integrate with the surrounding community and public realm, retain valued vegetation and features, prioritise walking and cycling and manage potential impacts on the surrounding community, including amenity, traffic and parking.
Broader public benefit	Projects provide quantifiable benefits to the surrounding community, such as public open space, community facilities and/or spaces for not-for-profit organisations and service organisations that support the local community
Council jurisdiction	Projects manage demand and impacts on Council infrastructure, facilities and services including open space.
Community engagement	Projects provide inclusive and effective Council, resident and community engagement through all stages of development, that provides opportunities for meaningful input that influences outcomes.

Table 9. City of Port Phillip Guiding Principles for Victorian Government public housing projects

OBJECTIVE 6

10 per cent affordable housing target

To facilitate the provision of crucial affordable housing in Port Phillip, we aim that 10 per cent of housing within the new housing developments on private land (excluding Fishermans Bend⁴⁰) should be affordable housing.

It's important to note that, given the voluntary framework in Victoria, the 10 per cent target should not be understood as requiring developers to provide 10 per cent of housing units as affordable housing for free (though it might be appropriate under specific circumstances, especially where rezoning land is involved).

Instead, it suggests that for each private development past a certain development threshold, a proportion of the housing units should be reserved for individuals and families falling within the affordable housing income ranges. The percentage of the costs related to affordable housing paid by any party will be decided via voluntary negotiations on a case-by-case approach. The voluntary negotiation would consider factors such as development feasibility, government subsidies available, and preferences of the community housing sector.

This approach ensures a flexible and nuanced consideration based on each unique case.

The target is influenced by several factors:

- Align with housing assistance need: About 10 per cent of all households in Port Phillip are experiencing severe or moderate rental housing stress.
- Progressive increase of social housing stock: 6.5 per cent of the housing stock in Port Phillip is classified as social (public and community) housing. In 2015, the same figure was 7.2 per cent. The proposed 10 per cent target aims not only to maintain the current proportion of social housing stock, but also to gradually increase the proportion of affordable housing units in Port Phillip over time.
- Align with Victoria Housing Statement: At least 10 per cent of Affordable Housing is encouraged through the Victorian Government development facilitation program and surplus public land development. This is already included in the Port Phillip Planning Scheme (at clause 53.23 Significant Residential Development with Affordable Housing).
- Align with the existing target in Structure Plans: Both the Council's adopted Bay Street Activity Centre Structure Plan (2014) and Carlisle Street Activity Centre Structure Plan (2009) seek to make 10 per cent of new dwellings affordable.
- Government efforts: the Australian and Victorian Governments are working to address the affordable housing needs. This could involve various policies, initiatives, and funding to support the development of affordable housing.
- Private Sector Involvement: Private capital has significantly increased in social bonds that focus on social issues (including affordable housing). In Australia, superannuation funds have already shown an appetite to invest in housing, including social and affordable housing projects.⁴¹
- Cash contributions: Landowners or developers can provide a cash contribution instead of affordable housing units. However, the preferred option is to have affordable housing dwellings delivered by private developers in situ, so that the affordable housing is more evenly distributed.

OBJECTIVE 6

Overall, we will address the shortage of affordable housing by involving the private sector and leveraging multiple government efforts. The proposed target range aims to balance the housing needs of the community and create a sustainable and equitable approach to increasing affordable housing availability in Port Phillip.

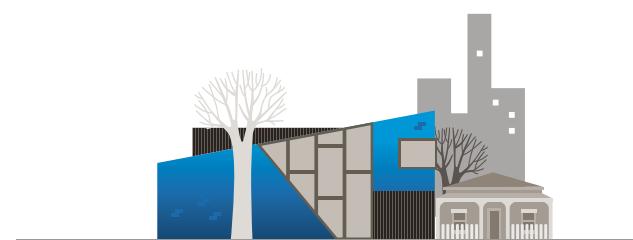
Diverse and innovative affordable housing models

As developers and the private sector increasingly respond to the issue of housing affordability, we need to support diverse and innovative housing models as they arise. This also heightens the need to establish a central system to register those new affordable housing units and ensure these homes stay affordable in the life cycle.

By supporting the private sector's take-up of diverse and emerging housing models, we are more likely to achieve a broader range of affordable housing in Port Phillip. We will encourage greater diversity and choice of private affordable housing models, such as:

- Shared equity schemes
- Community Land Trusts
- Specialist Disability Accommodation for people on the National Disability Insurance Scheme (NDIS) packages
- Affordable 'build to rent' or 'rent to buy'
- Collaborative development projects for key workers.

A shared equity arrangement might offer a unique pathway for moderate-income households to buying a first home in Port Phillip.



OBJECTIVE 6

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
S6.1	Facilitate the provision of more affordable housing in Port Phillip.				
A6.1.1	Introduce policy into the Planning Scheme for areas outside Fishermans Bend, for all rezonings to residential use, and in major developments to provide for at least 10% affordable housing.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A6.1.2	Support emerging affordable housing models, including but not limited to affordable "Build to Rent" and affordable "Rent to Buy", shared equity housing and Community Land Trusts.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A6.1.3	Support the retention of and delivery of new social and affordable housing on public land, including through the redevelopment of public housing sites.	Partner	Ongoing	Lead	Operating budget/ Business as usual
A6.1.4	Identify opportunities for social and affordable housing on Council land or strategic sites in or near activity centres and undertake review of planning controls to facilitate appropriate affordable housing development.	Partner	Ongoing	Lead / Partner	Operating budget/ Business as usual
A6.1.5	Explore targeted incentives to support affordable housing, including innovative affordable housing models (such as the fast tracking of planning permits).	Deliver	Short to medium term	Lead	Operating budget/ Business as usual
A6.1.6	Develop non-statutory toolkits to support the take-up and application of emerging housing models by the private sector.	Deliver	Short to medium term	Lead	Operating budget/ Business as usual
A6.1.7	Support the development of a state-wide affordable housing register to record voluntary agreements (via section 173 of the P&E Act) with the private sector.	Deliver	Short to medium term	Lead / Partner	Operating budget/ Business as usual
A6.1.8	Continue to advocate for planning reforms to introduce a mandatory requirement for affordable housing.	Advocacy	Ongoing	Lead / Partner	Operating budget/ Business as usual