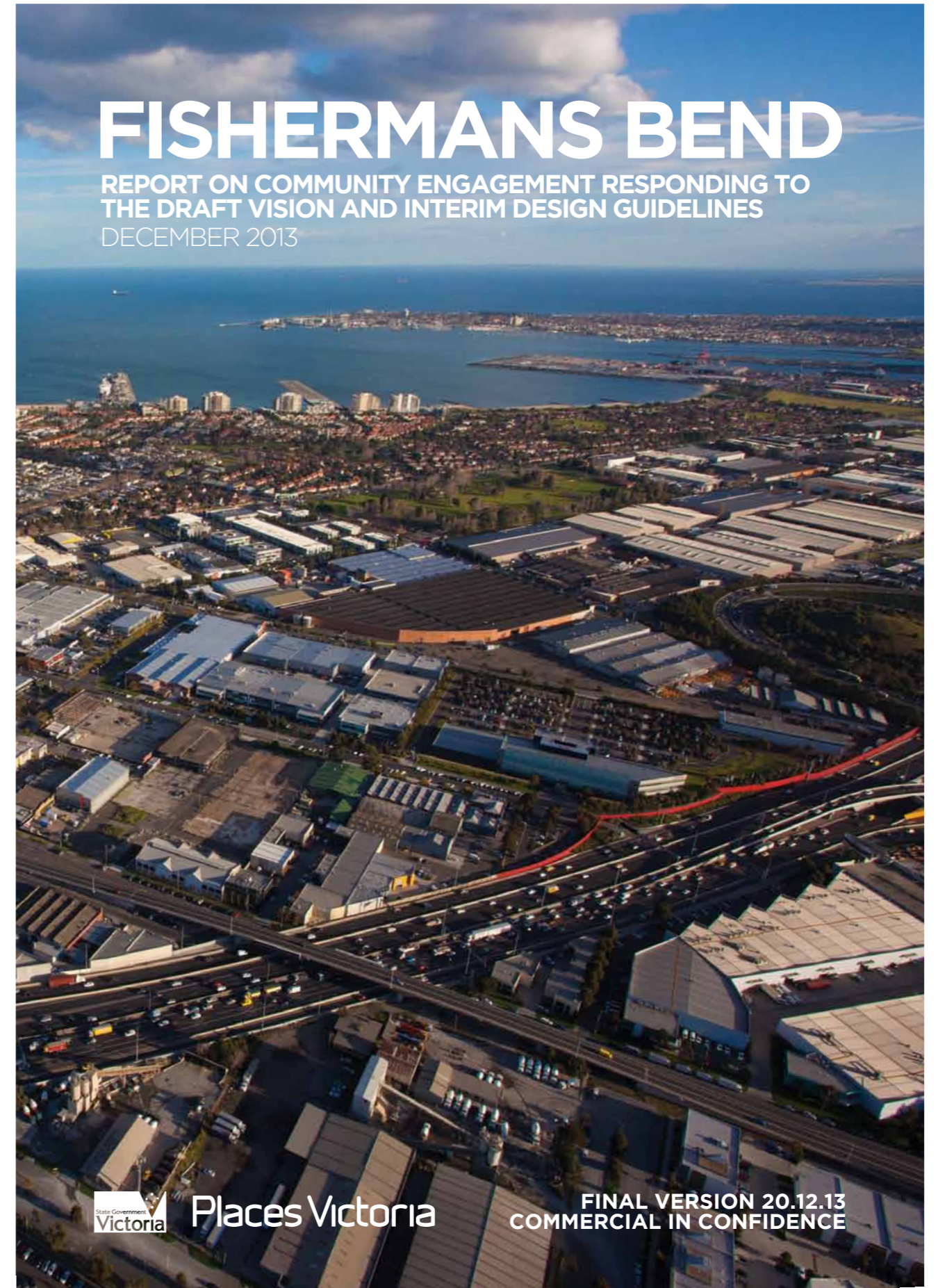


FISHERMANS BEND

REPORT ON COMMUNITY ENGAGEMENT RESPONDING TO
THE DRAFT VISION AND INTERIM DESIGN GUIDELINES
DECEMBER 2013



 Places Victoria

FINAL VERSION 20.12.13
COMMERCIAL IN CONFIDENCE

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Executive Summary

On 16 September 2013, the Premier of Victoria and Minister for Planning announced the commencement of community engagement for the Fishermans Bend Urban Renewal Area project. The engagement process ran for 10 weeks, concluding on 22 November 2013. The process was managed by Places Victoria in partnership with the City of Melbourne, City of Port Phillip, Department of Transport Planning and Local Infrastructure and the Capire Consulting Group.

Two key documents were released for consultation:

- Fishermans Bend Urban Renewal Area Draft Vision; and
- Interim Fishermans Bend Urban Renewal Area Design Guidelines.

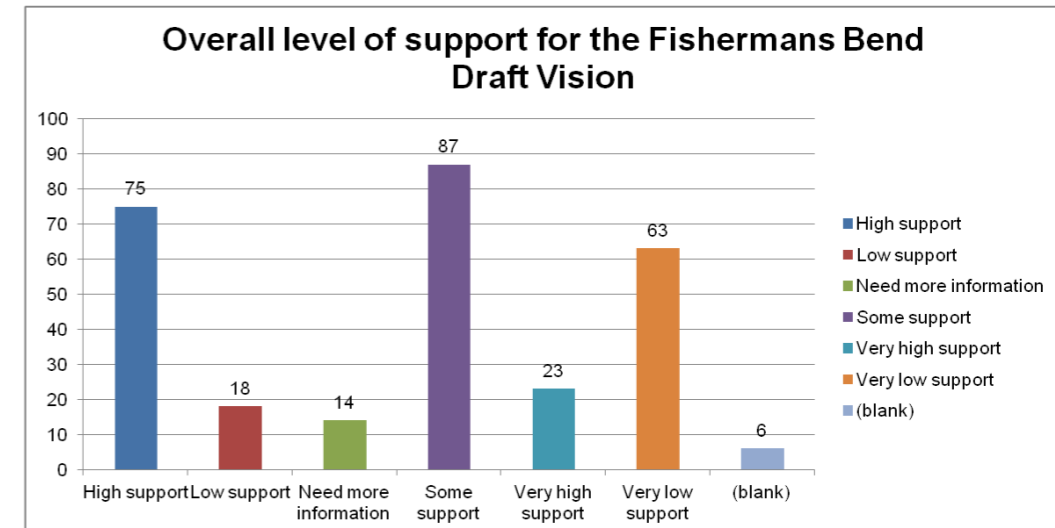
Members of the community were invited to participate in the community engagement process via a comprehensive program of major and minor consultation events held in different locations throughout Port Melbourne, South Melbourne and Docklands.

The following observations were gained from the community engagement process.

There is a very high level of support for the Fishermans Bend vision, with some specific areas of concern...

General

- The process was well attended with over 600 people making submissions, attending workshops or completing the online survey.
- Most participants in the community engagement process – including Fishermans Bend land owners and the development industry - expressed very high levels of support for the Fishermans Bend project generally, particularly the vision to:
 - Expand Melbourne's CBD through a mix of high density development types, land uses and activities;
 - Provide capacity to increase Melbourne's productivity, competitiveness and employment;
 - Provide opportunities for increased population and housing growth in a strategic location close to jobs, services and infrastructure; and
 - Provide an opportunity for Melbourne to lead the way in sustainable, world class urban renewal which enhances the city's livability and attractiveness.
- There was generally very high support for the 10 Strategic Directions and 10 Key Moves proposed in the Draft Vision. Refer to the graph below.
- The majority of participants indicated 'some support' for the Draft Vision overall, reflecting support for the project but also specific areas of concern. These are summarised below.



Stakeholders accept the merits of high density development at Fishermans Bend but have polarised views about how it should be achieved....

Urban Form

- The majority of participants support the vision for high density development but note the importance of development being sensitive to interfaces with established residential areas and public spaces.
- There is a clear discrepancy between general community aspirations for high densities to be delivered through mid-rise building typologies (e.g. 4-18 storeys), and developer aspirations for more flexible height limits (e.g. unlimited or generous height limits, with the opportunity for height bonuses in return for infrastructure and public realm outcomes).
- The majority of participants agree that more evidence and justification is required to support the height limits proposed for Fishermans Bend, including:
 - Objective analysis of development feasibility, particularly the minimum height at which development becomes feasible in different parts of Fishermans Bend;
 - Clear design guidelines which protect the amenity of adjacent properties and provide guidance for development in areas of building height transition; and
 - Further analysis of the optimal ratio between building heights and street widths, to deliver human scale and generally inviting, comfortable environments.

Both the community and development industry are highly skeptical of government's commitment to the infrastructure and land use proposals in the Draft Vision...

Delivery

- There is general skepticism amongst the community and development industry that the project partners - particularly the State Government - will deliver the Key Moves contemplated by the Draft Vision, particularly the government's capacity to deliver proposed public transport infrastructure, schools and larger open space areas that require land acquisition.
- Similar to the above, the development industry is concerned about the level of certainty attached to the Fishermans Bend project generally. This includes:
 - Certainty that infrastructure and open space will be delivered in a timely manner– which affects product planning, marketing and sales potential;
 - Certainty that proposed land uses will be facilitated (e.g. that commercial development is delivered in proposed commercial hubs and that low value residential development does not crowd out other land uses);
 - Certainty that development applications will be processed within reasonable timeframes; and
 - Certainty that more detailed planning will be done to clarify 'the type of development that is likely to go up next door', as this is also critical for successful sales and marketing.
- All stakeholders agree that a clear project funding strategy is required. However, there is some divergence between community views that 'developers' should pay for the majority of infrastructure, and development industry concerns about the impact of development contributions on overall feasibility.
- There is strong consensus that regardless of the funding model chosen, the State Government should fund at least some of the required infrastructure, particularly public transport and social infrastructure.
- The City of Melbourne, City of Port Phillip and the development industry have called for a clear governance structure to be implemented as soon as possible, preferably a partnership that coordinates infrastructure funding and delivery, as well as strategic and statutory planning for Fishermans Bend.
- There is strong support for the provision of affordable housing throughout the Fishermans Bend as a means to achieving diverse and sustainable communities, with the development industry keen to explore height bonuses in return for affordable housing or other public good outcomes.

Early transport infrastructure investment and attention to freight and congestion issues are seen as critical success factors...

Transport and linkages

- The proposed Collins Street tram extension is strongly supported by the majority of the community and development industry. The transport and urban development benefits of a 'main street' and direct connection to the CBD are well understood.
- Many Yarra's Edge residents and berth-holders of the Marina are opposed to the Collins Street Tram extension bridge over the Yarra River, fearing that the bridge will negatively affect their amenity, views and local open space (Point Park) and their ability to navigate their boats under it. Melbourne City Council asked for a further review of design options to ensure the bridge does not impede access from Port Phillip Bay to the existing Marina Yarra's Edge for existing berth holders and upstream maritime traffic. Amenity concerns have also been expressed by Fishermans Bend land owners along the proposed alignment through the Lorimer precinct.
- There is strong consensus that public transport plus bike and walking infrastructure must be delivered early if the project objectives are to be met, particularly if car parking rates are to be kept low.
- There is concern that potential traffic congestion and freight movements have not been sufficiently addressed, particularly the influence of Port of Melbourne traffic, industrial traffic and the precinct's inherent accessibility constraints (like Docklands, Fishermans Bend is effectively a cul-de-sac and is therefore vulnerable to acute traffic congestion issues).
- Almost all participants cite the need for the Fishermans Bend to be a safe, walkable environment with fine grain development patterns, dense transport networks and a high quality public realm. This feedback was often (rightly or wrongly) contrasted to the experience of Docklands or Southbank.

People want a vibrant mix of businesses and a clear economic development strategy, including a plan for managing existing industries...

Economic and Employment

- There is strong consensus that Fishermans Bend must be a place where people live and work, particularly given its strategic location next to the CBD. There is also concern that without adequate planning controls, residential development will crowd out commercial development and lead to a wasted opportunity for productivity and employment growth.
- Participants want a diverse mix of businesses at Fishermans Bend, particularly creative industries, small business and retailing. Councils, peak industry bodies and other professionals cite the need to:
 - Retain existing high value businesses, particularly the creative industry cluster which is already emerging in Fishermans Bend; and
 - Facilitate catalyst projects such as a university, entrepreneurial hub, tourism or research and development projects which stimulate investment and economic development.

- Land owners, business owners and industry cite the need for a clear plan to manage existing businesses in the Fishermans Bend, including:
 - Management of the interface between existing industry and new development; and
 - Development of a business facilitation strategy for affected industries that need to move out of Fishermans Bend.
- A few participants requested the Fishermans Bend boundary be amended to include some isolated commercial/industrial areas immediately outside.

Community infrastructure must be provided if developers are to deliver family friendly housing and bring families back to the central city...

Community

- The participant's state there is an urgent need for more schools in the Port and South Melbourne catchments, and whilst the proposed primary school in Ferrars Street is seen as positive, it will largely accommodate the existing demand only. The community is seeking certainty about the timing of subsequent schools, and guarantees that land will be set aside for future schools.
- The community cite the delivery of community infrastructure as key to achieving a livable community and avoiding the "mistakes of Docklands". Developers require schools and other family infrastructure to be in place if they are to deliver family oriented product in line with the vision.
- All parties want to see a mix of land uses and activities, development at a human scale, and diverse neighborhoods with distinct character at Fishermans Bend. A number of industry stakeholders cite the need for more detailed precinct planning and design guidelines to better define the role, function and character of each Fishermans Bend neighbourhood.
- The need for new models of delivering community infrastructure and open space in high density settings is seen as a priority, particularly given constraints on land acquisition and funding.

Open Space and Amenity

- The Port Melbourne Football Club is highly valued and its viability to remain at North Port oval over the longer term needs to be assured.
- There is broad community concern around the creation of new open space (active and passive) for new residents. There was also an aligned need to upgrade and enhance the existing sporting facilities (i.e. JL Murphy Reserve) whilst protecting the existing parks (i.e. Westgate Park)

The community want government to plan for climate change and ensure best practice environmental outcomes, however developers are wary of overloading costs...

Environment and Sustainability

- Numerous submissions cited the need to plan for climate change and sea level rise.
- Decontaminating the land at Fishermans Bend will be costly and complex. The development industry in particular are calling on the State Government to mitigate the risk and make the development process more efficient through data sharing and streamlined processes.
- There is broad stakeholder support for best practice sustainability features in infrastructure and built form, although the development industry caution against inflating the cost of projects though unrealistic standards.

Submitters want Fishermans Bend's unique identity and sense of place to be protected and enhanced through diversity, affordability and heritage conservation...

Neighbourhood

- Fishermans Bend has numerous heritage buildings and features which need to be integrated into the development to achieve a unique sense of place and identity. Further detailed heritage assessments are required to identify and protect these features, and there needs to be greater recognition of Aboriginal heritage in all aspects of the project.

Current Planning Applicants

- Some of the current developers with applications pending a decision by the Minister for Planning (including many with land in the Montague Precinct) made a submission. They all question the maximum heights as described in Key Move 10 as they appear arbitrary and not based on any apparent criteria. They request flexibility in heights rather than imposed maximum heights. This is driven by their belief that four to 18 story development in this area is not financially feasible.

Recommendations

Places Victoria recommends that the Minister for Planning:

- Formally respond to the Fishermans Bend community engagement process and submissions received by releasing a public report on the process in early 2014.
- When the Fisherman Bend community engagement report is released, provide direction on the following important matters:
 - Which government agency will lead the Fishermans Bend Urban Renewal Area project;
 - When the next phase of planning for Fishermans Bend will be publicly released, noting that the Draft Vision committed to releasing a Fishermans Bend Strategic Framework Plan in summer 2014; and
 - What additional community engagement and consultation phases will be carried out, including whether or not the Fishermans Bend Strategic Framework Plan will be formally exhibited and accompanied by the regular Panel hearing process.
- Define a process for responding specifically to Fishermans Bend land owners and their representatives who have commenced development application processes and who have concerns with the Draft Vision and Interim Design Guidelines;
- Ensure that the key themes raised during the community engagement process are considered and responded to in the next phase of planning for Fishermans Bend (e.g. the Fishermans Bend Strategic Framework Plan);
- Note and agree to the recommendations contained in Places Victoria's Final Report on the Fishermans Bend project, particularly recommendations relating to the critical themes that emerged during the community engagement process.

1.0 Introduction and purpose

The redevelopment of Fishermans Bend is one of Australia's largest urban renewal projects.

The Fishermans Bend Urban Renewal Area project (Fishermans Bend) includes approximately 250 hectares of land on the doorstep of Melbourne's CBD, providing opportunities for Melburnians to live close to existing jobs, services, public spaces and transport connections.

In 40 years, Fishermans Bend is projected to be home to more than 80,000 residents and a workplace for 40,000 people. In the next 10 years, the Fishermans Bend is expected to deliver almost \$2 billion of private investment and create 13,500 construction jobs, boosting Melbourne's economic growth and securing jobs and investment for decades to come.

The Minister for Planning has declared the Fishermans Bend a site of state significance and rezoned it as part of an expanded Capital City Zone. The rezoning expands the previous Capital City Zone by more than 50 per cent.

The project area is divided into four precincts: Lorimer, Montague, Wirraway and Sandridge. Fishermans Bend is located north of Williamstown Road, east of Todd Road and City Link, west of City Road, south of the West Gate Freeway and is bounded by Lorimer Street to the north-east.

In July 2012 Places Victoria was requested to deliver the State Government's vision for Fishermans Bend.

1.1 Community engagement overview

On 16 September 2013, the Premier of Victoria and Minister for Planning announced the commencement of community engagement for the Fishermans Bend Urban Renewal Area project. The engagement process ran for 10 weeks, concluding on 22 November 2013. The process was managed by Places Victoria in partnership with the City of Melbourne, City of Port Phillip, Department of Transport Planning and Local Infrastructure and the Capire Consulting Group.

Two key documents were released for consultation:

- Fishermans Bend Urban Renewal Area Draft Vision; and
- Interim Fishermans Bend Urban Renewal Area Design Guidelines.

Members of the community were invited to participate in the community engagement process via a comprehensive program of major and minor consultation events held in different locations throughout Port Melbourne, South Melbourne and Docklands. These included:

- A series of four major community engagement events held in different locations throughout Port Melbourne, South Melbourne and Docklands;
- A series of smaller 'pop up' events held in places of frequent community congregation, such as schools and shopping centres;
- A permanent Fishermans Bend project kiosk established and staffed at Places Victoria's offices on Collins Street, Docklands;
- Completion of the Fishermans Bend project survey, either online or in hard copy; and
- Registration of interest in the Fishermans Bend project via the Fishermans Bend online portal.

All members of the community were invited to make a submission to the Fishermans Bend project. The project received an outstanding level of engagement, with more than 600 submissions received and around 600 people also attending the various consultation events and activities. The following table summarises the engagement activities and responses in more detail.

Community Engagement Activity	Fishermans Bend Community Engagement Response
Fishermans Bend Website	Page views: 11,839 Unique views: 9,438 Average time on page: 4.03 minutes
Community engagement forum attendees	Major community engagement events: 290 Pop up community engagement events: 300
Letter drop – unaddressed	Unaddressed letters to residents and businesses: 48,405 <i>(Letter was sent to addresses in Melbourne, Port Melbourne, South Melbourne, Docklands, Southbank and South Wharf)</i>
Letter drop – absentee landowners	City of Port Phillip: 4,976 City of Melbourne (Lorimer precinct only): 90
Letter drop – targeted	168 letters sent to City of Port Phillip key stakeholders
Phone calls to Places Victoria	325
Surveys completed	286
Submissions received	386
Media releases	Two – launch of the documents and a community engagement release
Media coverage	79 articles/radio/television media pieces from the launch date through to the close of community consultation
Advertising	<i>A total of 10 colour ads appeared on the following dates:</i> Herald Sun: Saturday, 5 October The Age: Saturday, 5 October Weekly Review City: Thursday, 3 and 10 October Caulfield Port Phillip Leader: Tuesday, 1 and 8 October Melbourne Leader: Monday, 30 September and 7 October Docklands News: Wednesday, 2 October Weekly Review Bayside: Wednesday, 2 October
Briefings and industry presentations	More than 20
Emails and other misc requests	Not quantified
Workshop participants	300+

1.2 Report structure

This report is structured as follows:

Section 2 summarises the key themes raised during the community engagement program and compares the views of different stakeholder groups. The comparison provides a snapshot of key areas of agreement and disagreement. The key themes presented are:

- Urban Form, including building height and density;
- Transport, including the proposed Collins Street extension;
- Economic development and employment, including business growth and transition;
- Implementation and delivery, including project governance, funding and commitment;
- Environment and sustainability, including built form and infrastructure standards;
- Community building, including community infrastructure and diversity;
- Open space and public realm; and
- Urban Design, including character, diversity and heritage.

Section 3 provides a more detailed summary of the views of key stakeholder groups, including:

- The general public;
- Informed community groups;
- Peak industry bodies, including planning and development industry bodies as well as development; and
- Fishermans Bend land owners and/or their professional representatives.

Section 4 presents the quantitative findings of the Fishermans Bend community engagement survey, including the stated level of support for each Strategic Direction and Key Move presented in the Draft Vision, as well as overall level of support for the Fishermans Bend project.

Section 5 (Appendices) presents the following reports and submissions in full:

- Capire Consulting Group report on the major community engagement forums.
- City of Melbourne submission
- City of Port Phillip submission
- Urban Development Institute of Australia submission
- Property Council of Australia submission
- Housing Industry Association submission

2.0 Key Themes and Issues

This section of the report summarises the key themes and issues raised during the community engagement program and compares the views of different stakeholder groups. The comparison provides a snapshot of key areas of agreement and disagreement. The key themes presented are:

- Urban form, including building height and density;
- Transport, including the proposed Collins Street extension, traffic and car parking;
- Economic development and employment, including business growth and transition;
- Implementation and delivery, including project governance, funding and commitment;
- Environment and sustainability, including built form and infrastructure standards;
- Community building, including community infrastructure and diversity;
- Open space and public realm; and
- Neighbourhood character, including affordability, diversity and heritage.

Fishermans Bend Urban Renewal Area – Key Issue Summary

Theme: Urban form
Key Issue: Building height and density

Legend:
 ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies - other	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Retain building heights proposed in Draft Vision	✓✓✓	✓	✗	✗✗✗	-	✗✗✗	✓	✓✓	✓
Distribute building heights more evenly across the Fishermans Bend	-	✓✓✓	✓	-	-	✓	✓	✓	✓
Four to eight story development is not financially feasible at the Fishermans Bend	-	-	✓✓✓	✓✓✓	-	✓	-	-	-
Buildings should not exceed 25 storeys to maintain human scale and amenity	✓✓	✓✓	✗	✗	-	✗	-	-	-
Proposed height limits are arbitrary and require evidence and justification	✓	✓✓	✓✓✓	✓✓✓	-	✓✓✓	-	-	-
More flexible building heights will facilitate more private sector delivery of infrastructure	-	-	✓✓✓	✓✓✓	-	✓✓✓	✓	-	-
Density should be regulated through plot ratios, not maximum building heights	-	-	-	✓	-	✓	✓✓	-	-
Height limits should be preferred - not maximum – and include provision for height bonuses in return for infrastructure	-	-	✓	✓	-	✓	✓✓	✗	-

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Transport
Key Issue: Public transport links to Fishermans Bend

Legend: ✓✓✓ Strongly agree xxx Strongly disagree
✓✓ Agree xx Disagree
✓ Some agreement x Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies - other	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
A connection between the CBD and Fishermans Bend is important but should be delivered via a solution that doesn't affect resident amenity and boating activity (e.g. different alignment, tunnel or operable bridge)	✓	✓	✓	✓	✓	✓	✓	✓	-
The proposed Collins Street extension is a vital element of the Fishermans Bend Draft Vision	✓ x (YE residents)	-	✓	✓	-	✓	✓✓✓	✓✓✓	-
Light rail links to Domain and South Yarra are vitally important	✓	-	✓	-	-	-	✓✓✓	✓✓✓	-
Light rail services to Fishermans Bend should be provided via a spur off the existing 109 route as a priority	✓✓✓	-	✓	✓	-	-	✓	✓	-
Water transport services between Fishermans Bend, Docklands and the CBD need to be considered in more detail	✓✓	✓	✓	✓	✓✓	✓	✓✓	✓✓	✓✓
Williamstown Road should be used as a public transport corridor	✓	-	-	-	-	-	✓	✓	-
The proposed metro stations and metro rail service are a vital element of the Fishermans Bend Draft Vision	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓	-
Public transport connections to Fishermans Bend are vital and should be provided as early as possible	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	-
The proposed metro rail extension should be brought forward to relive the need for the Collins Street light rail extension and its amenity / waterways impacts	✓	-	-	-	-	-	-	-	-
Further detail is required on the development implications of land reservations for long term metro stations, including permissible shorter term uses	-	-	✓✓	-	-	✓✓	-	-	-

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Transport
Key Issue: Traffic and car parking

Legend: ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies - other	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Private vehicle use should be appropriately reduced in Fishermans Bend, including by restricted car parking rates	✓	✓✓	✓	✓	-	-	✓✓	✓✓	-
Low car parking rates must be supported by early investment in alternative transport modes, particularly public transport, walking and cycling infrastructure	✓✓	✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	-
Adequate car parking provision is critical because most people will still use their cars	✓	-	✓	-	-	✓✓✓	✓	✓	-
Car parking should be provided in strategically located, shared parking facilities / transport hubs to reduce the need for provision in individual buildings.	✓	✓✓	✓	-	-	-	✓	✓	-
On-street car parking should be limited to preserve space for public realm, pedestrian and cycling activities and infrastructure	✓	-	-	-	-	-	✓	✓	-
Potential traffic volumes in Fishermans Bend have not been considered in sufficient detail and traffic congestion is likely to be a significant issue	✓✓✓	✓	✓✓	✓	-	✓	✓	✓	-
The impact of freight traffic, particularly from the Port of Melbourne and existing Fishermans Bend industrial uses, needs to be considered in more detail and mitigation strategies developed	✓✓	✓✓✓	✓	-	✓	✓	✓✓✓	✓✓✓	-
Proposed boulevards are a key component of Fishermans Bend and central Melbourne	✓	✓✓			✓		✓✓✓	✓✓✓	-

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Transport
Key Issue: Active transport and strategic linkages

Legend: ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies - other	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Good linkages to transport hubs and destinations to the east and west of Fishermans Bend are just as important as CBD connections	✓✓	✓✓	✓	✓	-	-	✓✓	✓✓	-
Fishermans Bend is difficult to get to and connections must be considered thoroughly or access and movement will be compromised and congestion will be an issue	✓	✓	✓✓	✓✓	-	✓	✓✓	✓✓	-
Safe cycle paths to key destinations and cycling facilities must be a transport priority for Fishermans Bend	✓✓	✓✓✓	-	-	-	-	✓✓✓	✓✓✓	-
Fishermans Bend must be a safe, highly walkable pedestrian environment	✓✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓	-

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Economic Development and employment
Key Issue: Various

Legend: ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies - other	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Fishermans Bend must be a place where people live and work	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	-
It is vital to encourage a diverse mix of businesses, particularly creative industries, small business and service retailing	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	-	✓✓✓	✓✓✓	-
Catalyst economic development projects are important, such as the development of an entrepreneurial hub, university, or research and development hub	✓	✓✓	-	-	-	-	✓✓	✓✓	-
The existing role and function of Bay Street needs to be supported	✓✓	-	-	-	-	-	-	-	-
Employment areas need to be diverse, fine grain, with lots of small retailing, small business and tourism opportunities	✓✓	✓✓	-	-	-	-	-	-	-
A clear plan for the management of existing businesses is required, including strategies to retain existing creative industries and high value jobs	✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	-
A clear facilitation strategy is required for businesses that need to transition out of Fishermans Bend, including identification of alternative locations	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓
The interfaces between existing industries and new development needs to be carefully managed, particularly to maintain opportunities for continued industry operation as well as development	-	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	✓✓	-
Retail providers are competing with residential developers and therefore require planning flexibility and the capacity to develop air rights	-	-	✓✓✓ (Supermarket providers)	-					

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Implementation and delivery
Key Issue: Various

Legend: ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General Public	Informed Community Groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies – other i.e. University of Melbourne, OVGA, POMC	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Provide planning certainty, particularly around land use and open space	✓	✓✓	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	✓✓✓	-
Establish a panel or MAC to further consider the next steps	-	✓	✓✓✓	✓✓✓	-	✓✓✓	-	-	-
Provide for further detailed planning in the process	✓✗ (Note 1)	✓✓✓	✓✓✓	✓✓✓	-	✓✓✓	✓✓✓	✓✓✓	✓
Have a credible rollout plan, with details around <i>early delivery of critical infrastructure</i> . (including overseas comparisons)	✓✓✓✗✗✗ (Note 1)	✓✓✓✗ (Note 1)	✓✓✓	✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓
Provide leadership and clear governance structure	✓✓✗✗	✓✓✓	✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓	-
Develop and implement a funding strategy	✓✓✗	✓✓	✓✓✓✗✗✗ (Note 2)	✓✓✓✗✗✗ (Note 2)	✓✓	✓✓✓✗✗✗ (Note 2)	✓✓✓	✓✓✓✗✗✗	✓
Affordable housing must be part of the plan	✓	✓✓✓	✗	✓	✗	✗	✓	✓✓✓	-

Note 1 - disagreement that the State can deliver – i.e. no confidence that all elements can be delivered.
 Note 2 - disagreement that developers cover all the costs – must be spread across all the community/state/council.

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Environment and sustainability
Key Issue: Various

Legend: ✓✓✓ Strongly agree xxx Strongly disagree
✓✓ Agree xx Disagree
✓ Some agreement x Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development	Peak bodies – other i.e. APA, Citipower,	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Have a plan to manage sea level rise / climate change	✓✓✓	✓✓✓	✓	✓	-	✓	✓✓✓	✓✓✓	✓✓
Have a contaminated land management strategy	✓	✓✓	x	✓	-	x	✓✓	✓✓	-
Develop and implement a sustainable infrastructure plan for: stormwater (integrated urban water management), heating/cooling, noise, power, wind and waste	✓✓✓	✓✓✓	✓	✓	✓	✓	✓✓✓	✓✓	-
Move sensitive land uses away from gas pipelines	✓	-	-	-	✓✓✓	-	-	-	-
Require Green roofs and community gardens	✓✓✓	✓✓	x	-	-	✓	✓✓	✓✓	-

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Community building

Key Issue: Various

Legend:
 ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development UDIA, HIA, Property Council, AILA	Peak bodies other includes Sports peaks, Health peaks, National Trust etc	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Need more schools (e.g. early years, primary, secondary etc)	✓✓✓	✓✓✓	✓✓	✓	✓	✓✓	✓✓	✓✓✓	-
Deliver community infrastructure early	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓	✓
Need more sports infrastructure	✓✓✓	✓✓	-	-	✓✓✓	-	✓✓	✓✓	-
Need more community engagement to build community ownership/community development	✓✓	✓✓✓	-	-	✓	-	✓✓✓	✓✓✓	✓✓
Need places for community to meet/gather (e.g. meeting rooms, neighbourhood houses, mens sheds, high quality public realm etc)	✓✓	✓✓✓	-	-	✓✓	-	✓✓✓	✓✓✓	-
Need more health facilities (1)	✓✓	✓✓	-	-	✓	-	✓✓	✓✓	-
Need spaces for arts/culture/performing/music	✓✓✓	✓✓✓	-	-	✓	-	✓✓	✓✓✓	-

Notes

(1) Includes submission from Alfred Health who believe that additional hospital capacity should be consolidated on the existing Alfred Hospital site, they do not support a new hospital in Fishermans Bend. Alfred Health suggest there will be a need for other health facilities such as an additional Community Health Centre and that a population of 80,000 would require services of up to 200 general practitioners

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Open space and public realm

Key Issue: Various

Legend:

✓✓✓ Strongly agree
 ✓✓ Agree
 ✓ Some agreement

××× Strongly disagree
 ×× Disagree
 × Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development UDIA, AILA, Property Council, HIA	Peak bodies – includes Sport peak bodies, National Trust, Health peaks, Port of Melbourne etc	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Need open space strategy	✓	✓✓✓	✓✓	✓✓✓	✓✓	✓	✓✓✓	✓✓✓	✓✓✓
Need more open space	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	✓	✓✓✓	✓✓✓	
Need more sports fields (e.g. for soccer, football, cricket etc)	✓✓✓	✓✓✓	-	-	✓✓✓	-	✓✓✓	✓✓✓	✓✓
Protect existing parks (e.g. JL Murphy reserve, Westgate Park, Point park) (1)	✓✓✓	✓✓✓	-	-	✓✓✓	✓	✓✓✓	✓✓✓	✓✓
Allow the public to have more access to the Port Melbourne Football Ground and also ensure viability of the Football club (2)	××× ✓	✓	-	-	××	-	-	✓	-
Support 8% open space contribution	-	✓	××	✓	-	×	✓✓✓	✓✓✓	✓✓

Notes

- (1) The issue of loss of valuable green space at Point Park was strongly mentioned by the many residents living in Docklands who are opposed to the extension of the Collins Street bridge.
- (2) There were many submissions from supporters of the Port Melbourne Football Club who were strongly opposed to removing gates to the ground as this would restrict the ability of the club to sell tickets on match days and would severely impact on the club's viability. The other issue for the club is ensuring that the oval needs to be maintained at a very high standard. There are also some community members who believe the ground is an important community resource and that it could be shared for wider community benefit. Everyone agreed that the club is an extremely important part of the community and Port Melbourne's history

Fishermans Bend Urban Renewal Area – Submission Review – Key Issue Summary

Theme: Neighbourhood character
Key Issue: Various

Legend: ✓✓✓ Strongly agree ✗✗✗ Strongly disagree
 ✓✓ Agree ✗✗ Disagree
 ✓ Some agreement ✗ Some disagreement

Contention	Stakeholder level of agreement with contention								
	General public	Informed community groups	Fishermans Bend land owners or professional representatives	Peak bodies – planning and development UDIA, HIA, Property Council, AILA	Peak bodies other includes Sports peaks, Health peaks, National Trust etc	Current planning permit applicants	City of Melbourne	City of Port Phillip	City of Hobsons Bay
Ensure that there is a diversity of dwelling types; including a large proportion of 3 bedroom family dwellings	✓✓✓	✓✓✓	✗✗	✗✗✗	-	✗✗	✓✓✓	✓✓✓	✓
Include a requirement for 20% of housing stock to be affordable/social housing	✓* ₁	✓✓✓	✗	✓	-	✗	✓	✓✓✓	✓
Ensure that development creates a fine grain, human scale and visually interesting built form	✓✓✓	✓✓✓	✓	✓	✓	✓	✓✓	✓✓✓	-
Ensure that built form doesn't create wind tunnels	✓✓✓	✓✓✓	✓	-	-	✓	✓	✓✓✓	-
Provide tree lined streets for shade and visual amenity	✓✓✓	✓✓✓	-	✓	✓	✓	✓✓✓	✓✓✓	✓✓
Ensure that buildings can provide for a mix of land uses and businesses	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	-
Ensure that the lessons of Docklands and Southbank are applied	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓	✓✓✓	✓✓✓	-

*Note 1: Submissions supported concept of affordability but did not specify a percentage.

3.0 Key stakeholder groups

This section of the report summarises the views of key stakeholder groups, including:

- The general public;
- Informed community groups;
- Peak bodies, including those associated with the planning and development industry as well as other industries; and
- Fishermans Bend land owners and/or their professional representatives.

The summaries are structured as follows:

- Key opportunities raised;
- Key issues raised;
- Major areas of agreement/divergence; and
- Further work suggested.

3.1 General public

Key Opportunities

There is an opportunity to acknowledge and retain the industrial history and character of Fishermans Bend including existing fine grain buildings. Some individuals expressed a desire for new developments to integrate heritage aspects into their design. There was also some support for the retention of existing industrial structures and for their redevelopment to facilitate new appropriate uses.

The need for additional schools was strongly communicated, and was perhaps the most frequently mentioned type of community infrastructure. Currently there is only one school that services the area, and projected population growth will require additional schools.

Many participants also cited the need for hospital and medical facilities in the area and sporting facilities including indoor courts and other facilities, as well as active recreation opportunities in parks.

A number of participants also called for the inclusion of affordable and diverse housing. Some participants also called for the inclusion of social housing.

Additional parks and open green spaces were highly supported as well as the enhancement of the existing facilities.

There were some suggestions from participants to link the area to tourism as an employment generator.

There was a calling for flexible multi-use community spaces that can be used to support a variety of events and gatherings. Entertainment venues (such as music venues, small restaurants and cafes) were also desired close the Yarra River.

Key Issues

The extension of the Collins Street tram via bridge connection over the Yarra River was strongly opposed. Reasons cited include the loss of green space at Point Park, noise levels, impact on property prices and the restriction of boat access to the Yarra (impact on Marina at Yarra's Edge). Some individuals proposed that existing bridges should be upgraded to support tram access or that alternative routes should be investigated.

Individuals associated with Port Melbourne Football Club strongly opposed any changes to the ground and its proposed use as open space. Individuals expressed that the oval has recently been upgraded to meet VFL league standards and the proposed changes would no longer see the ground fit for competition. The ground's surface has also had past problems in regards to quality and maintenance. Additional foot traffic would further exacerbate this problem. The club has a long established history in the community and opposition to any changes were strong. Some individuals stated that current green spaces in the area are underutilised, and that their improvement should be a priority before the Port Melbourne Football Ground.

There were concerns about the projected 80,000 increase in population and the inability for current infrastructure to cope with this additional demand, particularly given the current lack of community infrastructure and already congested roads (the crowded Westgate Bridge was cited several times). Individuals expressed the desire for key infrastructure to be implemented first, before development and population growth.

High densities and tall buildings were generally not supported by individual participants.

Major areas of agreement/divergence

Agreement	Divergence
Public Transport, cycling and walking were all generally supported, despite the positioning and route of the light rail connection representing a point of contention.	Opinions on density and scale were disputed. Tower developments were generally unsupported. European cities like Paris and London were positively cited as models for development.
There was agreement that individuals do not want Fishermans Bend to be the next Docklands (or Southbank), given Docklands' lack of community infrastructure, lack of street life and windswept streets.	Opinions on design were also divergent, with some individuals seeking a modern look, whilst others wanted the heritage and history of the area to be retained in the architecture.

Suggested further work

- Consider alternative light rail route
- Increased school provision
- Improve underutilised open/green spaces

3.2 Informed community groups

Key Opportunities

There is an opportunity to acknowledge and retain the pre-European and industrial history and character of Fishermans Bend including existing fine grain buildings. Some community groups expressed a desire for new developments to integrate heritage aspects into their design. There was also strong support for the retention and adaptive reuse of existing industrial structures.

The need for additional schools was strongly communicated. Currently there is only one school that services the area and it is near capacity. Projected population growth will require additional schools.

The overwhelming majority of submissions identified the provision of new open space – passive and active – as critical to the success of the area and to ensure that it did not negatively impact on existing open space which serves existing communities and is at capacity.

A large number of submissions highlighted the early delivery of public transport infrastructure in the Fishermans Bend as the key opportunity to set the pattern for lower car ownership and a connected place that is people friendly.

A number of participants also called for the mandatory targets of 20 per cent for the provision of affordable and social housing. Coupled with this target was the request that 30 per cent of affordable/social housing be provided by registered housing associations.

Some see an opportunity to create a new business precinct based around creative industries of Sth Melbourne.

Key Issues

Open space

The vast majority of participants stated that existing open space is at or over capacity and should not be used to meet the requirements of new development.

New passive and active open space areas should continue the generous provision and thoughtful layout of 19th and early 20th century Melbourne which contributes so much to present day livability.

Some participants felt that open space should be funded through the development contribution.

Housing/built form

All submission called for diversity in housing stock – including family size dwellings.

Submissions opposed the podium/tower model as a solution for intensive development with many preferring mid-rise eight storey development as a better means of achieving development intensity, diversity and a family friendly place. Submissions suggested that we look to Europe rather than Hong Kong for inspiration.

Some submissions called for a more subtle approach to the towers, with towers ‘sprinkled’ throughout to give diversity and emphasis to key areas rather than large swaths of tower/podium in more than half the area.

Submissions called for strong and detailed planning controls to deliver the land use and business mix, infrastructure and built form outcomes of the Draft Vision.

Infrastructure/Community facilities

The majority of submissions supported the extension of the Collins Street tram via bridge connection over the Yarra River and down Plummer Street as an immediate project to prove that this will be a public transport rich area.

It was consistent through all submissions that existing infrastructure is at capacity and that new infrastructure is required to service the area with key transport and community infrastructure identified and provided early in the life of the development.

There was strong concern about existing vehicle and freight traffic impacts on the area and the impact of the Webb Dock expansion. It was felt that unless freight traffic was removed from the area boulevards as community focal points as envisaged in the Draft Vision would never be realised.

There was strong consensus in submissions that developers should fund infrastructure and community facilities.

Economy/business

There were concerns expressed that existing and future service industry would be priced out meaning that the area missed out on local access to jobs and services.

There was a need to assess existing businesses and develop a strategy to retain compatible businesses.

Environment/Sustainability

Submissions consistently expressed concerns that sea level rises, flooding and soil contamination will negatively impact on redevelopment of the area and in particular built form at street level.

Major areas of agreement/divergence

Agreement	Divergence
Public Transport, cycling and walking were all strongly supported. Collins Street tram extension was seen as the key priority project that will set the tone for the whole development.	Opinions on density and scale were disputed. The provision and extent of tower developments were not supported. More midrise development along the lines of European cities like Paris and London were positively cited as models for development.
There was agreement that individuals do not want Fishermans Bend to be the next Docklands (or Southbank), given Docklands’ lack of community infrastructure, lack of street life and windswept streets.	Consistent disappointed with the lack of community input into the development of the Draft Vision.
There was agreement that DCPs should fund significant amounts of infrastructure.	There was diversity in opinion as to whether the DCP should fund the entire infrastructure or only the local infrastructure.
It was consistent across submissions that infrastructure commitment and delivery of key catalyst infrastructure needs to occur.	There was consistent skepticism about the delivery on the Vision and in particular the provision of community and transport infrastructure.

Suggested further work

- Community engagement on next steps of the implementation – strategic framework plan – precincts plans
- Develop an open space and community infrastructure needs assessment based on population forecasts
- Detailed open space planning and site acquisition
- Planning for the provision of schools to serve a population of 80,000
- Detailed heritage assessment of the area
- Develop detailed planning controls to provide certainty of built form, land use, and business mix and building height.

3.3 Peak bodies

Key Opportunities

Industry generally welcomed the redevelopment of Fishermans Bend, given the locational advantages of being adjacent to CBD, and made suggestions about the best opportunities for staging development. However all participants cautioned that the devil was in the detail in terms of staging, implementation and the provision of key infrastructure.

Key Issues

- There were common concerns from peak bodies about the lack of detail in regard to governance, government intervention and controls to facilitate implementation of the strategic plan;
- Timely provision of infrastructure and who will pay for it, how will developer contributions work and are there alternative forms of infrastructure funding;
- There were concerns about contamination issues, how the extent of contamination would be identified and who would pay for remediation;
- The importance of understanding key learnings from Docklands was a common theme;
- The Draft Vision was considered to be inwardly focused and Fishermans Bend was not integrated well with surrounding established areas such as Williamstown Road and existing retail and community facilities in Port Melbourne and South Melbourne;
- There are opportunities for innovative partnerships between private developers and social housing providers. Planning system and statutory support required to facilitate affordable housing;
- Issues of development readiness, particularly in the Montague precinct were identified;
- Accommodation of families;
- The viability of high density development and the ability to maximise development opportunities and return was a key issue;
- The locational impact of the Westgate Bridge;
- The timing and provision of additional public transport to Fishermans Bend was a key issue;
- Carparking provision and the location and extent of carparking was a key issue, and the response differed between peak bodies;
- Overshadowing of open space;
- Clearly structured hierarchy of streets;
- Street activation;
- AILA and MGS on behalf of the UDIA prepared alternative concept designs and design studies;
- Alternative development scenarios were prepared by Spade Consultants on behalf of the UDIA.; and
- The ability for existing industry and business to operate and also to transition from the precinct was raised i.e. How can similar industries be clustered and enticed to the area?

Areas of agreement/divergence

Agreement	Divergence
Vision for Fishermans Bend, but there could be some improvement. How it will be implemented needs further work.	The development scenarios for Montague in terms of density, height and scale. Prescriptive approach to dwelling mix and car parking ratios will impact on apartment prices. Development outcomes will not be viable unless land can be secured at a low cost per square metre. Height is an important factor in producing sufficient yield to offset construction costs for medium – high rise development.
Key learnings from Docklands need to be taken on board.	Development readiness, land assembly and staging Approaches to scale.
Extension of Collins St tram, but challenges in terms of spanning the freeway and the Yarra corridors.	Invest early in multiple fixed route public transport services.

Suggested further work

- Consider alternative light rail routes
- Detail about developer contributions, development readiness and staging/sequencing
- Timing and provision of key social and transport infrastructure
- Statutory implementation of vision and guidelines
- Design Guidelines
- Employment strategy to create employment at Fishermans Bend
- Sustainability strategies and implementation
- Contamination and remediation
- Impacts of flooding
- Funding models
- Governance models for development of precinct

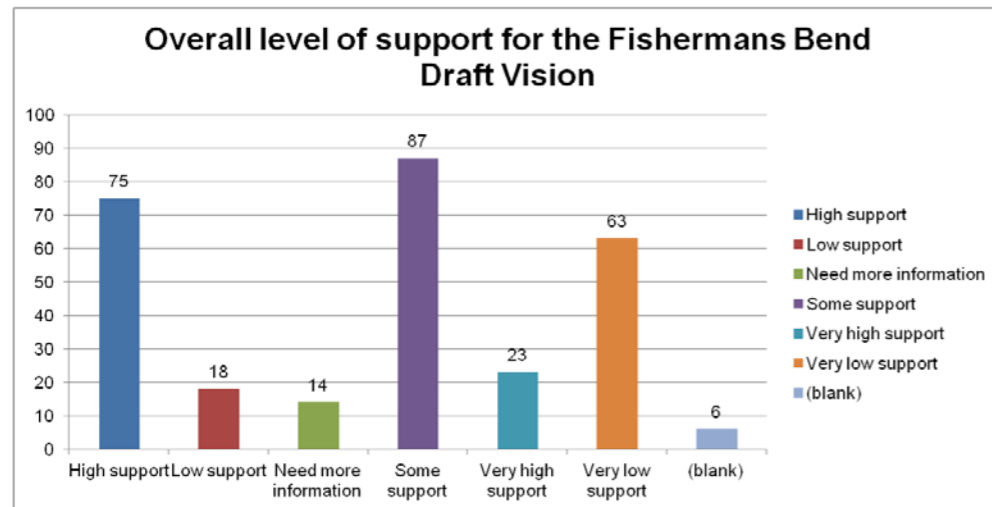
4.0 Fishermans Bend Survey Results

This section of the report presents the quantitative findings of the Fishermans Bend community engagement survey, including the stated level of support for each Strategic Direction and Key Move presented in the Draft Vision, as well as overall level of support for the Fishermans Bend project.

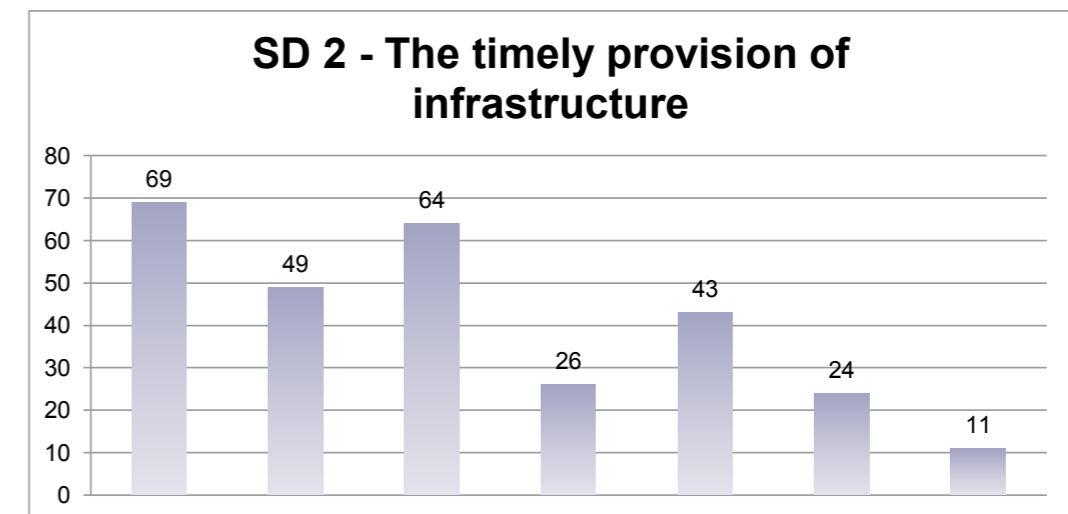
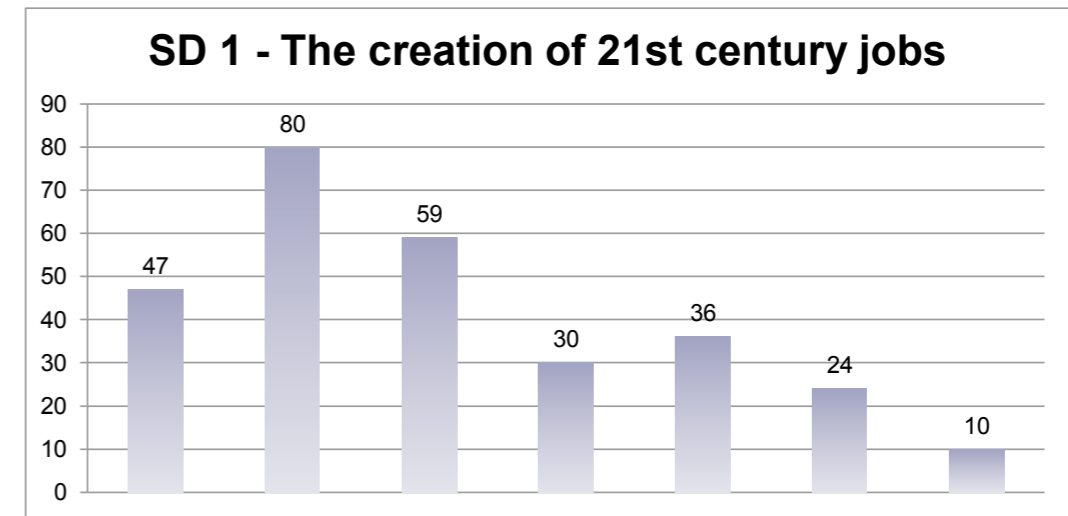
The qualitative inputs provided through the surveys have been treated as submissions and summarised in the previous section.

In total, 286 surveys were completed during the community engagement period.

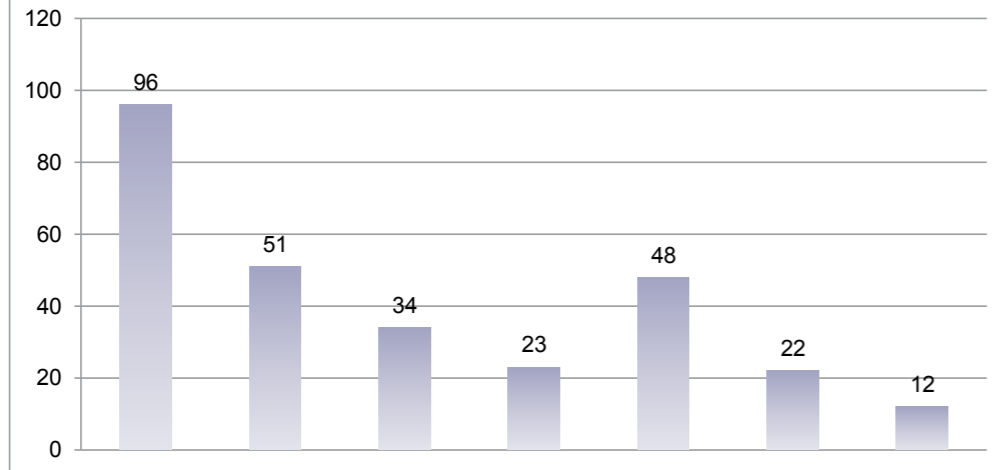
Overall level of support for the Fishermans Bend Urban Renewal Area Draft Vision



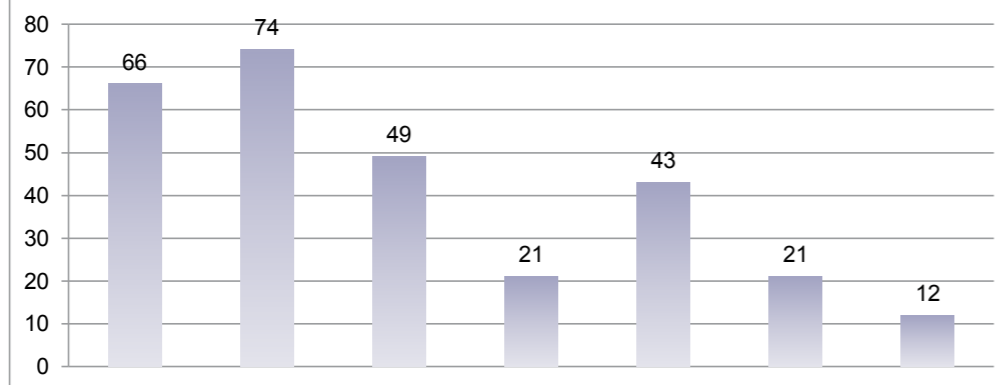
Overall level of support for the Fishermans Bend Urban Renewal Area Strategic Directions



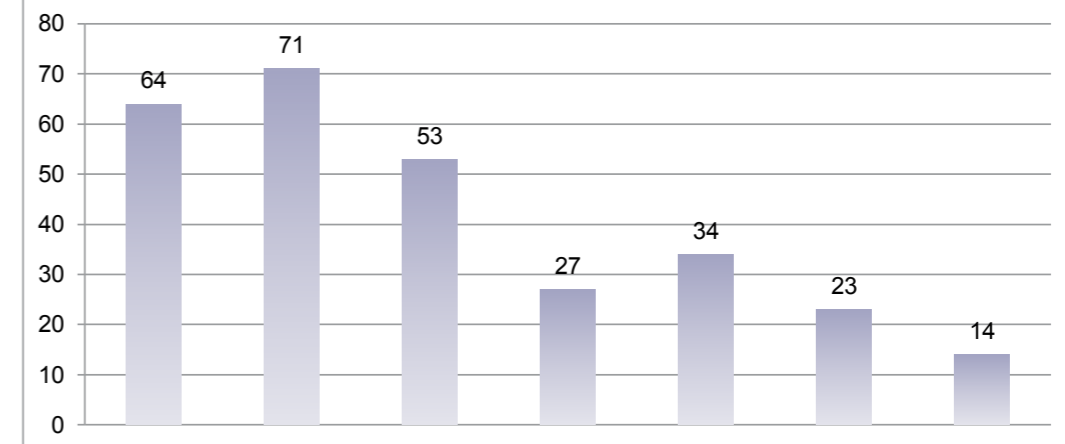
SD 3 - A place that is easy to get around



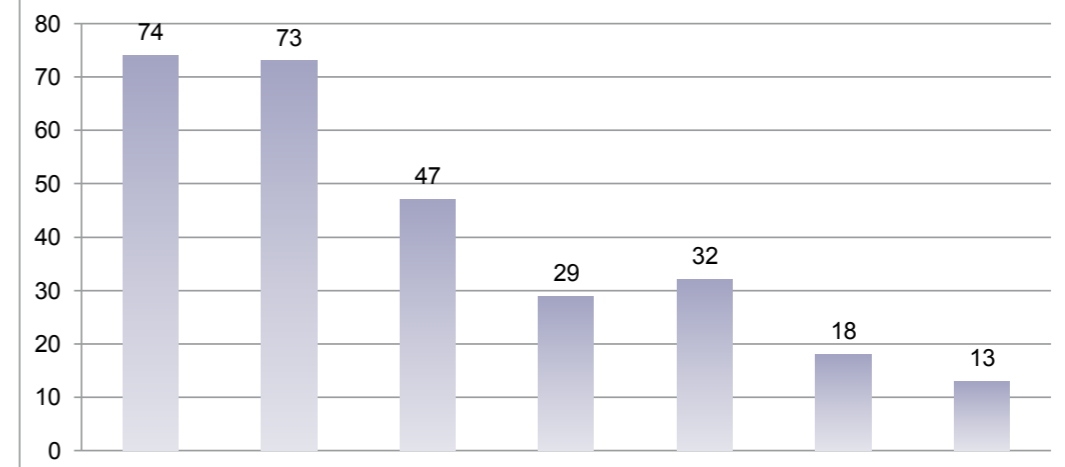
SD 4 - A vibrant mix of uses and activities

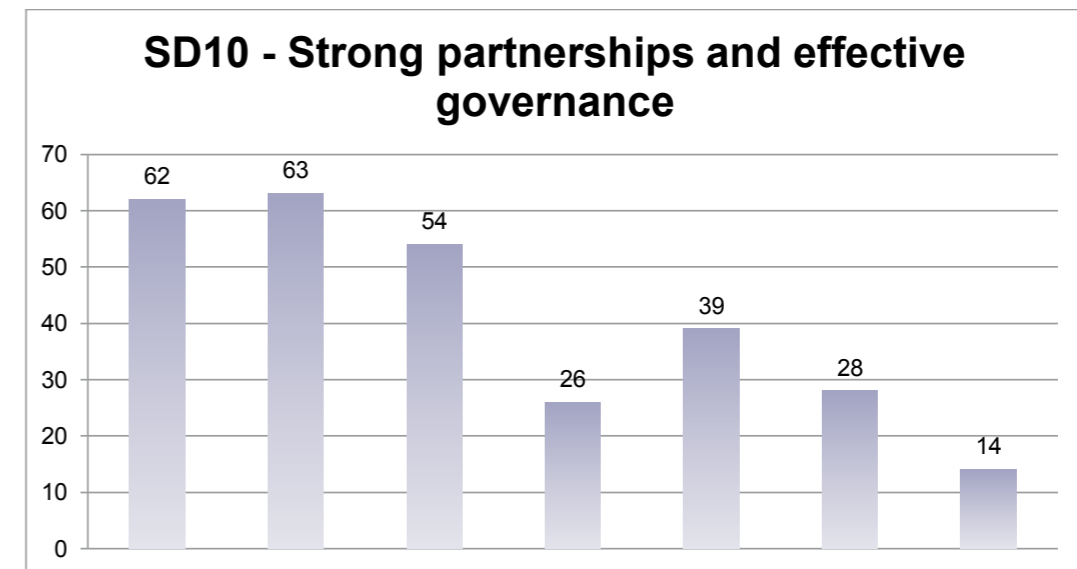
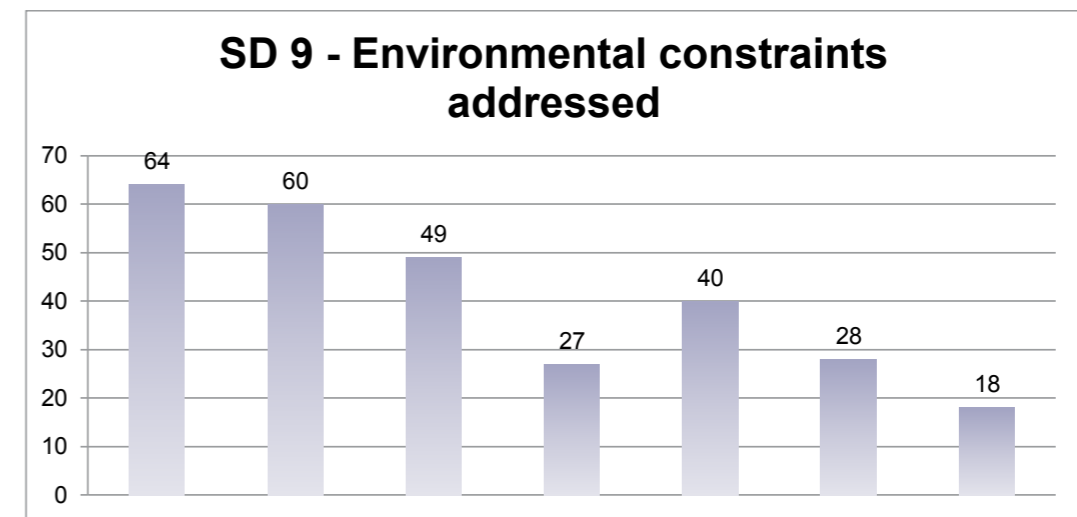
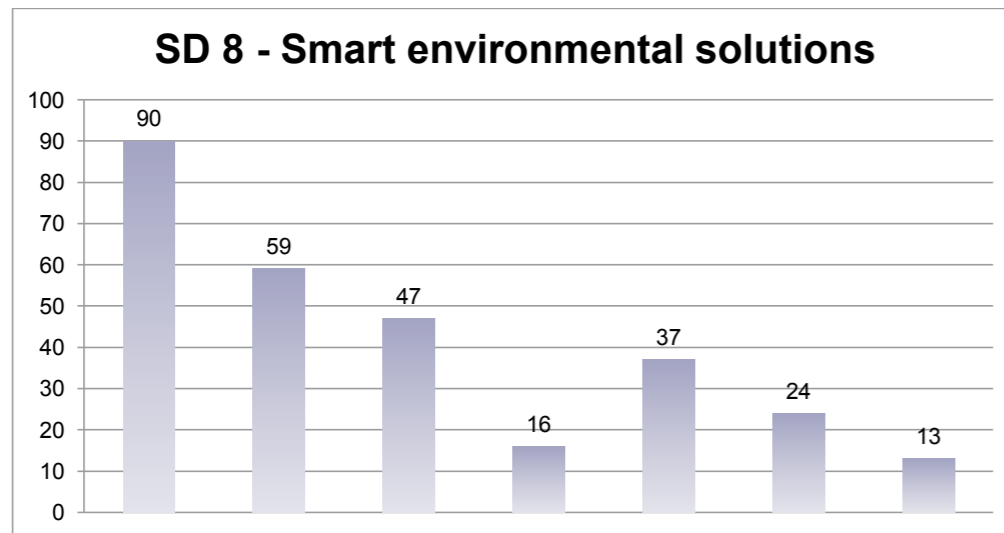
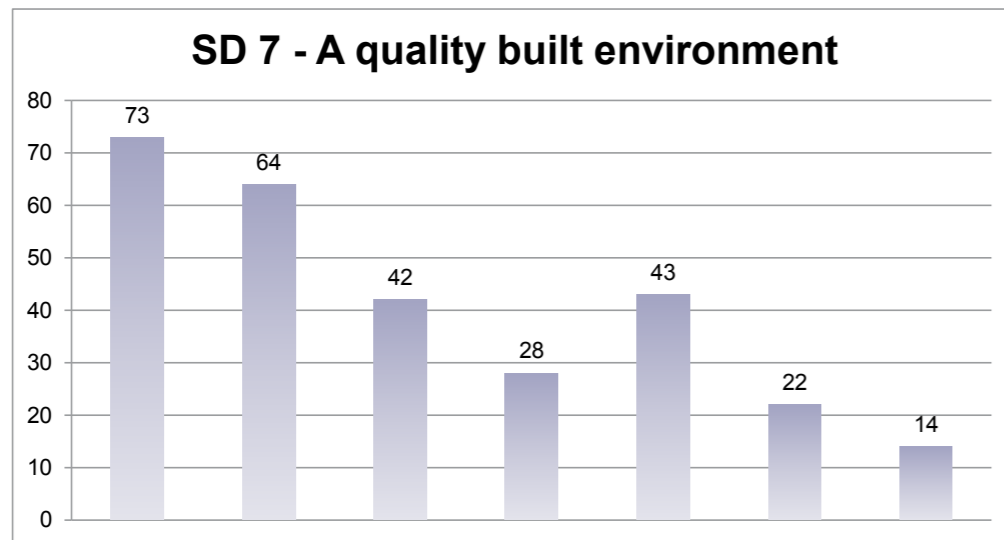


SD 5 - Distinctive and diverse neighbourhoods

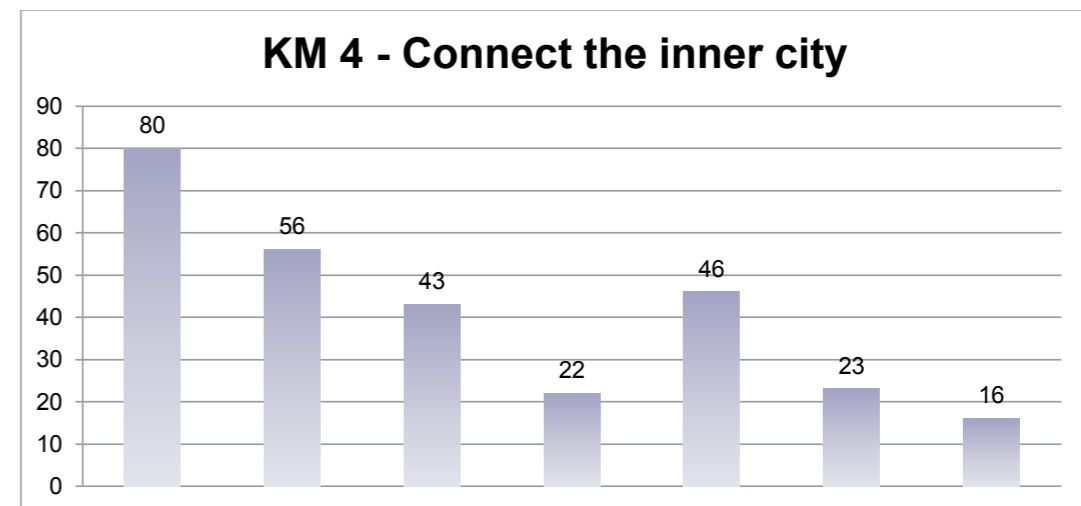
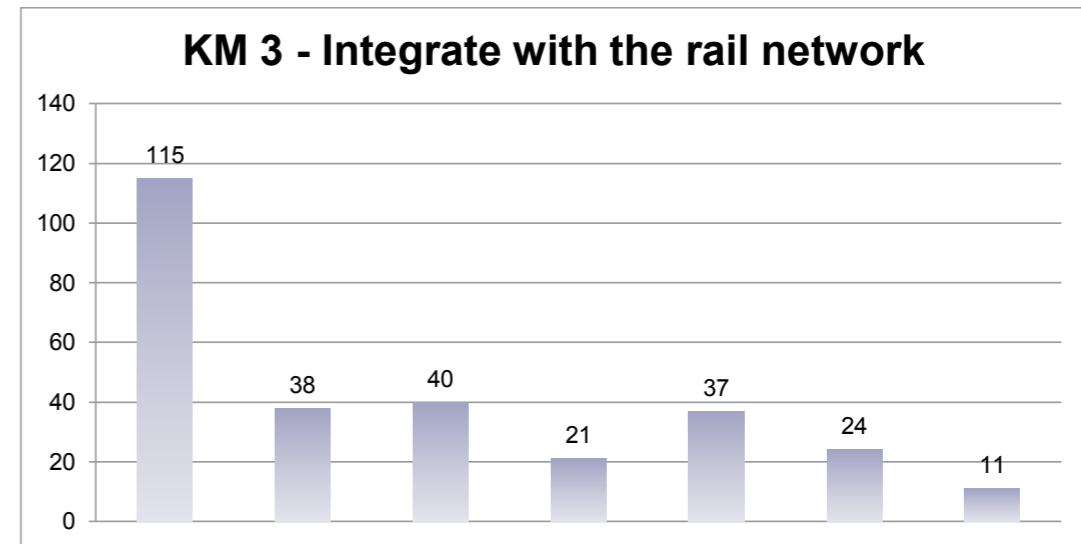
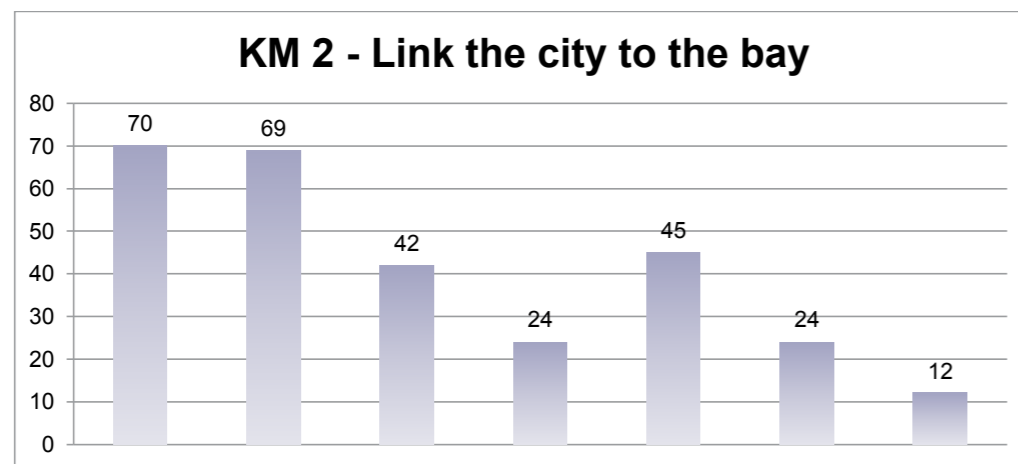
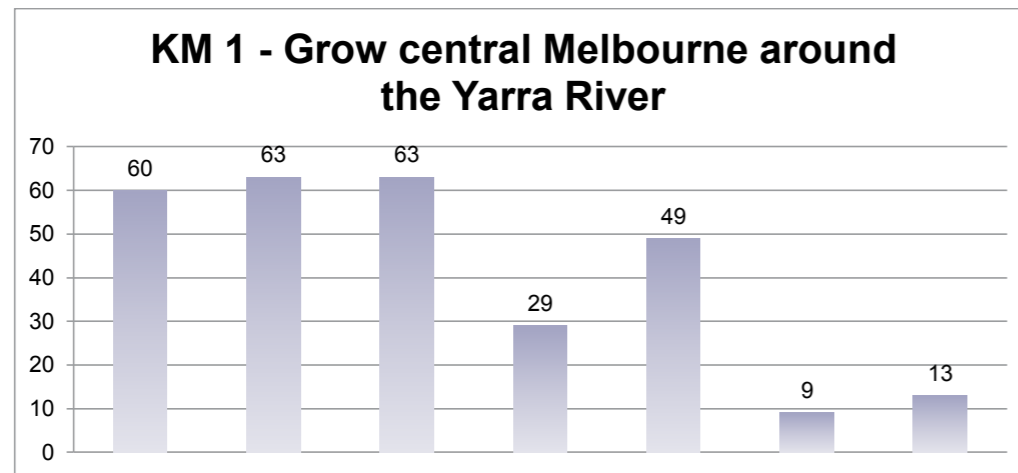


SD 6 - A great place for families

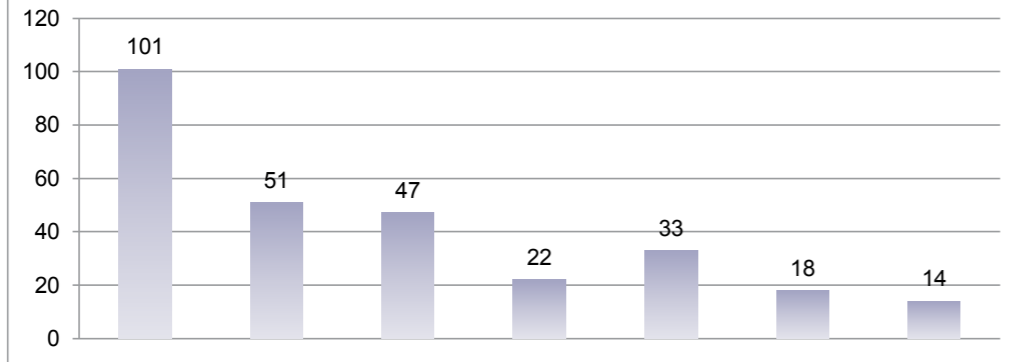




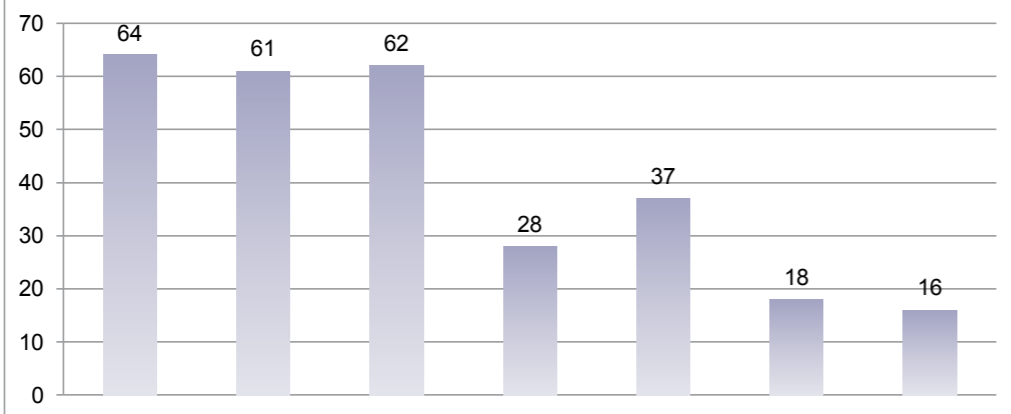
Overall level of support for the Fishermans Bend Urban Renewal Area Key Moves



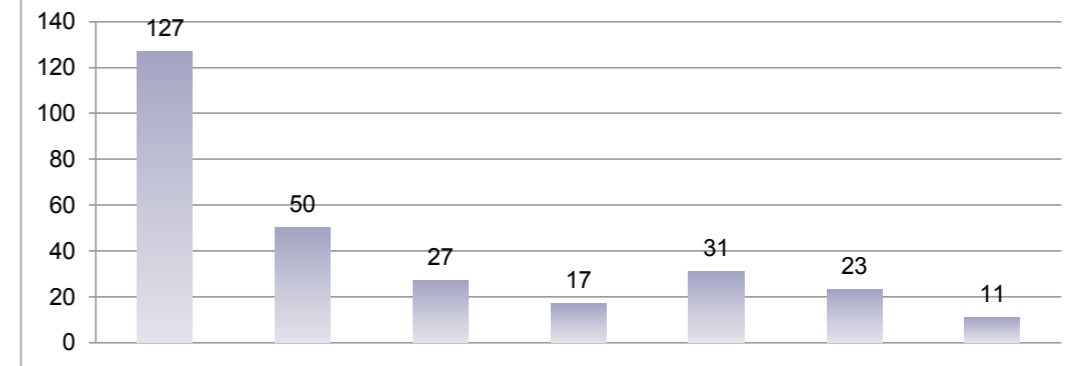
KM 5 - Extend Melbourne's parks to the bay



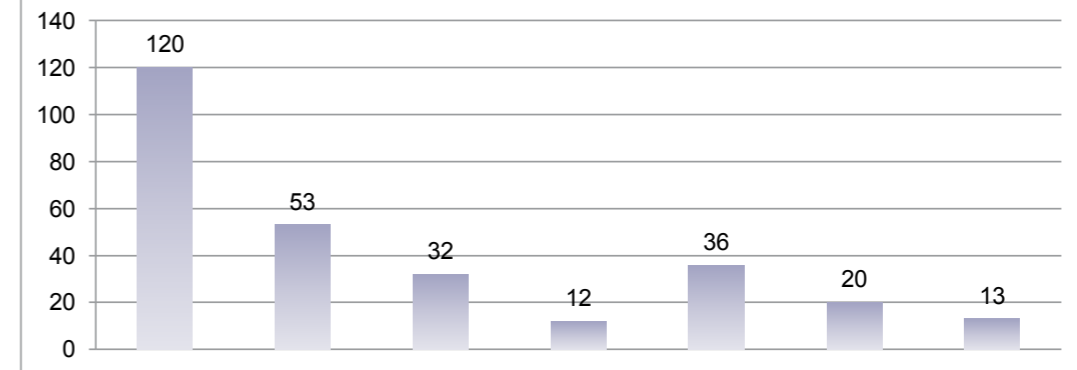
KM 6 - Deliver new boulevards



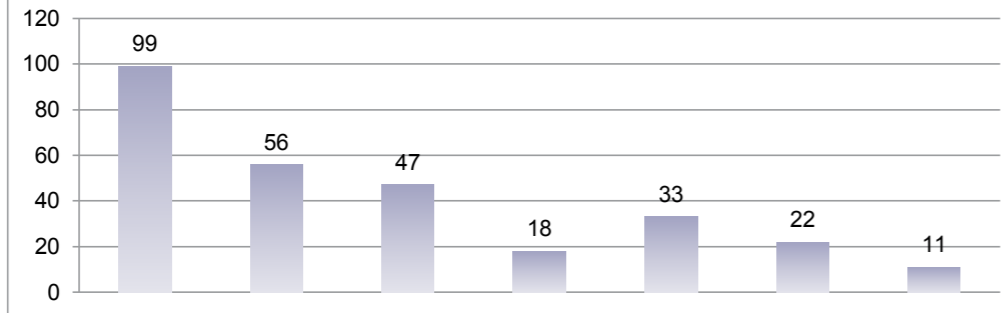
KM 7 - Create a network of local parks and green spaces



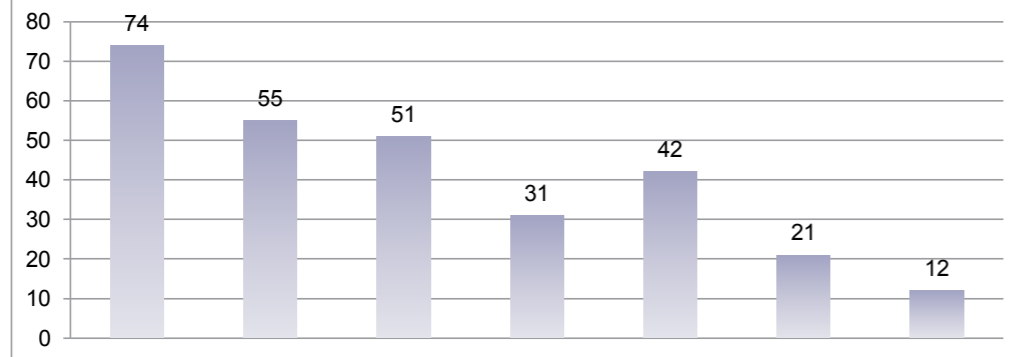
KM 8 - Create a walkable and cycle friendly place



KM 9 - Create centres for local communities



KM 10 - Create distinctive and diverse neighbourhoods



5.0 Appendices

The following reports and submissions are provided as appendices:

- A. Capire Consulting Group report on the major community engagement forums
- B. City of Melbourne submission
- C. City of Port Phillip submission
- D. Urban Development Institute of Australia submission
- E. Property Council of Australia submission
- F. Housing Industry Association submission

Appendix A

Capire Consulting Group report on the major community engagement forums



Fishermans Bend Urban Renewal Area

Community Consultation Feedback Report

Places Victoria, December 2013

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Fishermans Bend Urban Renewal Area

Community Consultation Feedback Report

Places Victoria, December 2013

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1 Key observations

These observations take into account information gained from more than 296 people at four community information sessions.

There was broad support for urban renewal in the area and specific support for the draft vision and design guidelines. There was equally strong interest in more detailed plans to fund and deliver the vision.

Three key themes

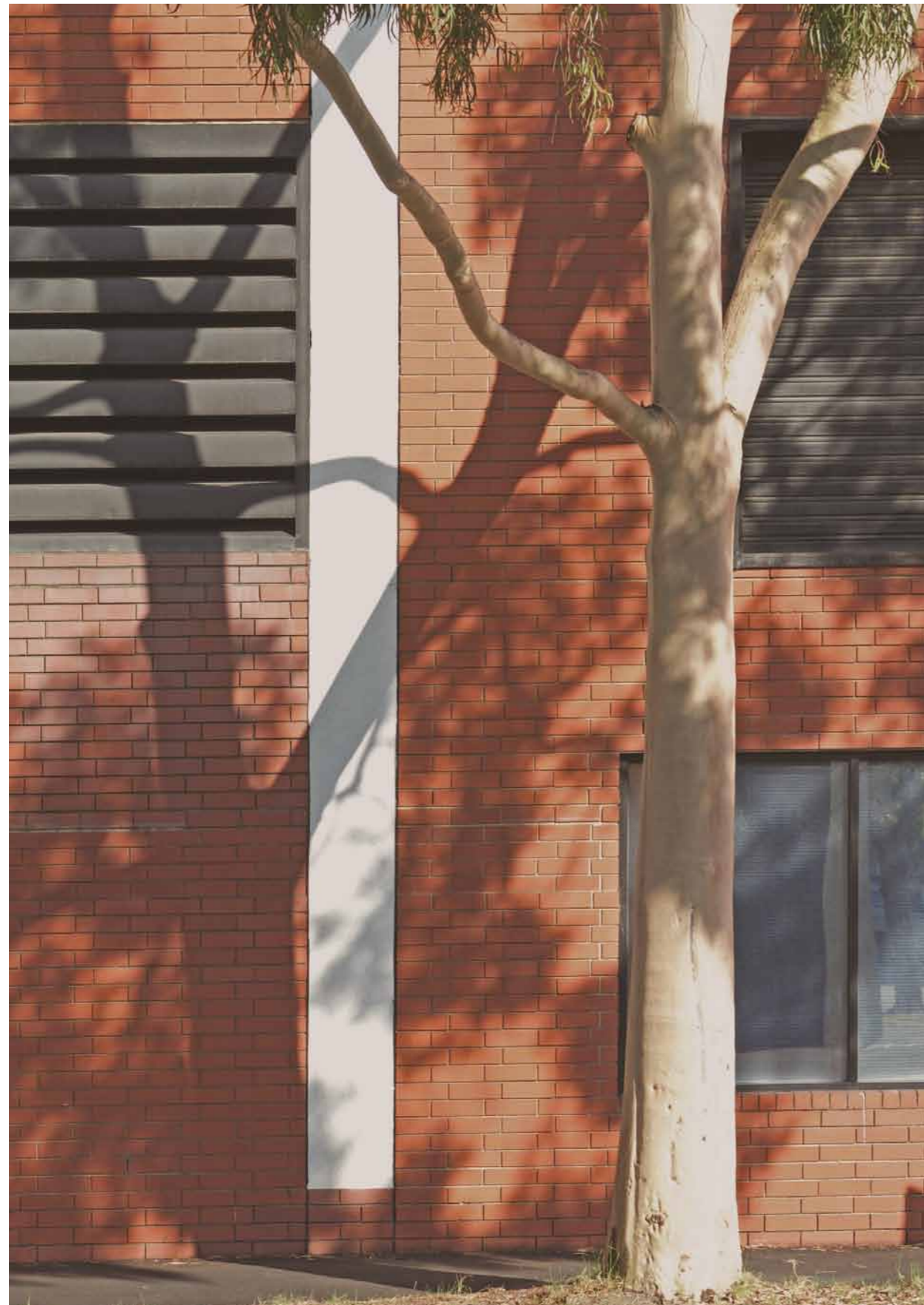
The three key themes to emerge were:

- Traffic management – it's vital to get traffic, transport and bike/pedestrian access right because there is already congestion in the area and to and from the CBD
- Early delivery of schools and community facilities is essential because neighbouring facilities are already at or exceeding capacity
- Strict control is required to ensure the vision can be delivered or achieved.

Three key areas of concern

The three key areas of concern were:

- That Fishermans Bend could become like Docklands – people considered Docklands to be cold, windy, soulless, uninteresting to walk through and difficult to live at because of a lack of community facilities
- The bridge to extend the Collins Street tram – particularly in the way it impacts the apartment views and marina access of Yarra's Edge residents.
- The viability of the Port Melbourne Football Club – people are concerned that opening up the space to the community will reduce gate takings.



Summary of levels of support for Strategic Directions

Strategic direction	Level of support
#1 The creation of 21st century jobs	High level of support
#2 The timely provision of infrastructure	Very high level of support
#3 A place that is easy to get around	Very high level of support
#4 A vibrant mix of uses and activities	High level of support
#5 Distinctive neighbourhoods	Very high level of support from both local residents and other stakeholders
#6 A great place for families	Very high level of support
#7 A high quality built environment	Very high level of support
#8 Smart environmental solutions	Very high level of support
#9 Environmental constraints addressed	Very high level of support, particularly in relating to green spaces and school land
#10 Strong partnerships and effective governance	Very high level of support

Summary of levels of support for Key Moves

Key move	Level of support
#1 Grow central Melbourne around the Yarra River	High level of support
#2 Link the city to the bay	High level of support for the concept, low level of support for the Collins Street river crossing
#3 Integrate with the rail network	High level of support
#4 Connect the inner city	High level of support
#5 Extend Melbourne's parks to the bays	High level of support
#6 Deliver new boulevards	High level of support
#7 Create a network of local parks and green spaces	High level of support
#8 Create a walkable and cycle friendly place	High level of support for the concept and moderate support for specific bike related proposals
#9 Create centres for local communities	High level of support
#10 Create distinctive and diverse neighbourhoods	High level of support

2 Introduction

Background

The redevelopment of Fishermans Bend is one of Australia's largest urban renewal projects.

The Fishermans Bend Urban Renewal Area Project (FBURA) includes approximately 250 hectares of land on the doorstep of Melbourne's CBD, providing opportunities for Melburnians to choose to live close to existing jobs, services, public spaces and transport connections.

In 40 years, Fishermans Bend is projected to be home to more than 80,000 residents and a workplace for 40,000. In the next 10 years, FBURA is expected to deliver almost \$2 billion of private investment and create 13,500 construction jobs, boosting Melbourne's economic growth and securing jobs and investment for decades to come.

The Minister for Planning has declared the Fishermans Bend Urban Renewal Area a site of State significance and rezoned it as part of an expanded Capital City Zone. The rezoning expands the previous Capital City Zone by more than 50 per cent.

The project area is divided into four precincts: Lorimer, Montague, Wirraway and Sandridge. Fishermans Bend is located north of Williamstown Road, east of Todd Road and City Link, west of City Road, south of the West Gate Freeway and is bounded by Lorimer Street to the north-east.

Places Victoria has responsibility for delivering the Government's vision for Fishermans Bend.

Community engagement

On 16 September 2013, the Premier and the Minister for Planning announced the project, a community consultation process and released two key documents:

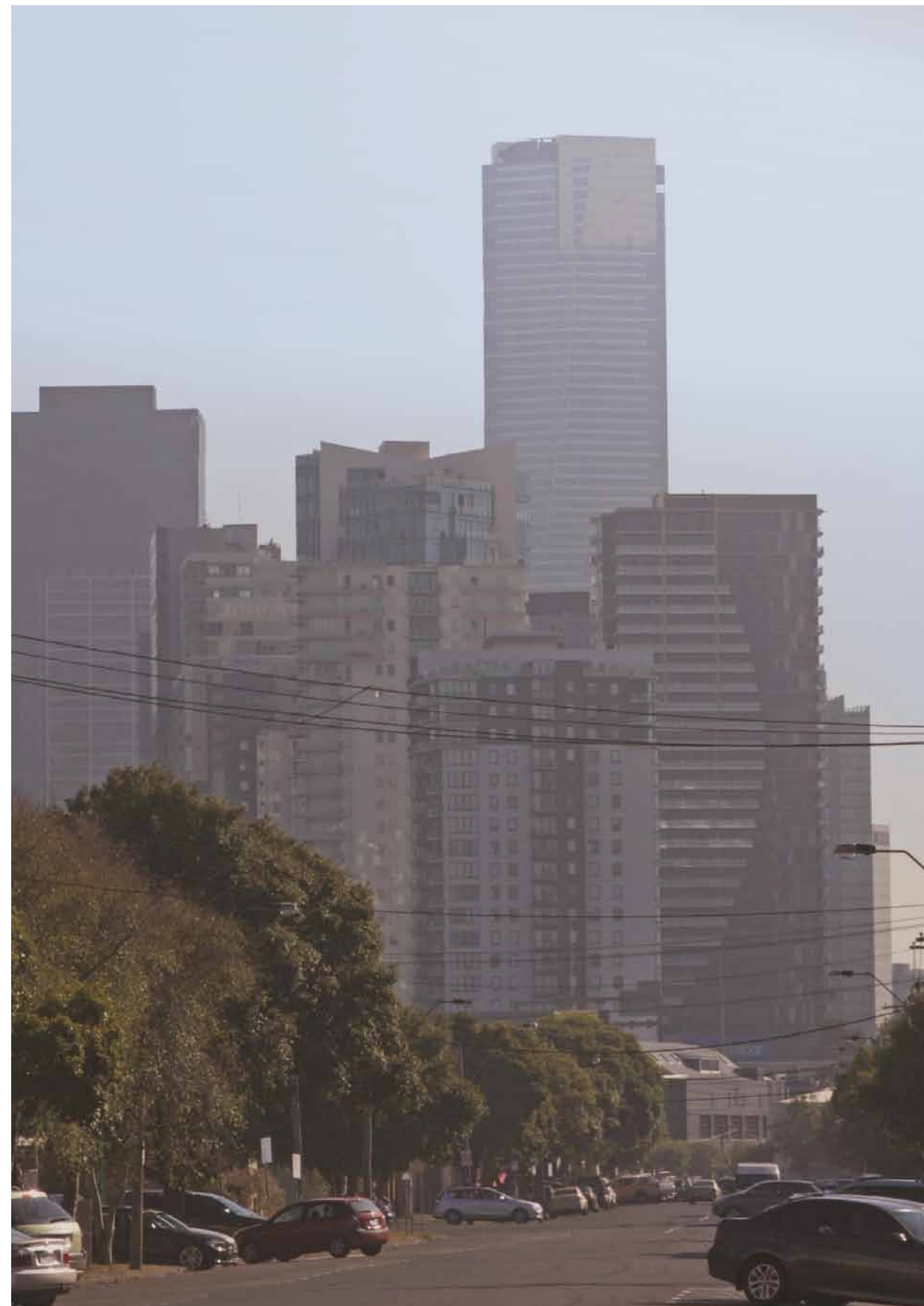
- Fisherman Bend Urban Renewal Area Draft Vision
- Interim Fishermans Bend Design Guidelines

The purpose of the ten-week community engagement process was to enable community members to provide feedback on the documents and to provide their own ideas for the implementation of the vision and for the area generally.

The consultation was designed to allow community members with sufficient time to become familiar with the documents, to discuss concerns and queries with a project team member and to provide feedback by lodging a submission or completing a survey.

Community engagement for the project concluded on 22 November 2013. A final structure plan for the Fishermans Bend Urban Renewal Area is expected to be released in early-2014.

Places Victoria appointed Capire Consulting Group to design and deliver a community consultation program on its behalf.



Report purpose

This report provides a summary of the feedback received during four community consultation events. The feedback was received from community participants and recorded by project staff.

The report details the process and findings limited to the community information sessions. Other engagement activities conducted by Places Victoria and the City of Port Phillip have been reported on separately to this document.

In order to avoid bulky repetition of material and increase the readability of the report, participant feedback has not been duplicated throughout the report, even though it may have been relevant to more than one strategic direction or key move. With that in mind, to be accurate it will be important to read and consider the report as a whole, rather than review an excerpt in isolation.

Limitations

There were limitations in the community engagement process which need to be acknowledged:

- Consultation feedback is not comparable to an opinion poll as participants do not constitute a representative sample because they self-select to participate.
- All communications activities to inform residents of the consultation opportunities were organised by Places Victoria and the City of Port Phillip.
- Venue selections and venue bookings were managed by Places Victoria and the City of Port Phillip.



3 Community engagement approach and activities

The Fishermans Bend Urban Renewal Area community engagement commenced on 16 September 2013 and ran for ten weeks, closing on 22 November.

Community information sessions

Four community information sessions were designed as 'drop-in' sessions where community members could find out more about the draft vision and design guidelines and talk with a project expert.

Sessions were held at locations in the City of Port Phillip and City of Melbourne. They were designed to ensure community members had an opportunity to attend weekday, weekend, daytime or after-business hours sessions.

Information aids at the events included large A0 sized display boards outlining the strategic directions and key moves and large maps of the current area and proposed vision for the area. Take-away information materials included the:

- *Fishermans Bend Urban Renewal Area Draft Vision*
- *Fishermans Bend Urban Renewal Area Design Guidelines*
- *Fishermans Bend Urban Renewal Area Fact Sheet*
- walking tour map of Fisherman's Bend
- printed survey forms, with stamped addressed envelopes
- a handy wallet sized card detailing on one side the web addresses for more information, and on the other side details on how to complete a survey online, make a submission or arrange an appointment with a Places Victoria project officer.

Approximately eight to ten project staff from Places Victoria, the Department of Transport Planning and Local Infrastructure, City of Port Phillip and City of Melbourne attended each session and were engaged in conversations with community members.

The sessions were design to provide the participant with a journey starting with the current and future precinct maps, moving through the strategic directions, the key moves and finally to a reading area with the project materials and survey forms provided on tables.

In total, approximately 296 people attended the community information sessions.

Tuesday 8 October, 5–7.00pm**Sol Green Community Centre, South Melbourne**

The first session was held in two adjoining rooms, providing ample space for participants to progress through the journey and talk to project staff positioned at boards along the way. Thirty seven people attended.

Thursday 10 October, 1–3.00pm**Docklands Hub, Docklands**

This afternoon session was held in limited space at the Docklands Hub with conversations spilling out on to the grass outside. Project staff spoke with 36 people.

Saturday 19 October, 10am–12 noon**Gasworks Farmer's Market, Albert Park**

This session was held at the regular Farmer's Market at Gasworks Park, attracting passers-by as well as people responding to the advertised opportunity to discuss the project. This was a very popular session that ran for a little over 4.5 hours due to the busy nature of the location and the sustained interest of people.

Unlike the other sessions, this one attracted people out shopping at the market, who generally had little knowledge of the project but generally good knowledge of the area. These 'shoppers' were interested in the draft vision and mostly supportive of the project.

People attending the stand did not formally sign in however we estimate approximately 200 people passed through the stand, viewing the boards, speaking with staff and picking up information to take home.

Wednesday 30 October, 5–7.00 pm**Boyd Community Hub, Southbank**

This final session was attended by 23 people who generally had long conversations with several staff over the course of their visit. Several participants referred to formal submissions being prepared for the consultation process and to engagement events being run by the City of Port Phillip.

It is reassuring that the last session attracted the lowest number of attendees, suggesting that as the engagement period progressed, people felt more informed and able to make a submission or complete a survey.

Intercept surveys

At each community information session a small number of participants were randomly selected to complete an intercept survey. This survey was designed to find out how people heard about the session, to gauge the level of understanding and support for the draft vision and to collect demographic details (age and postcode of residence). Conducting the surveys also provided an opportunity to check that participants were achieving what they expected at the sessions and to ensure they were aware of their feedback opportunities.

Participant profile

- Approximately 60% male
- Mainly residents in neighbouring suburbs of Docklands, South Melbourne and Port Melbourne
- Predominantly aged between 35–70 years

Gasworks Farmer's Market engagement event



4 Response to the Strategic Directions

There was an overall level of support for urban renewal at Fishermans Bend, and for the concepts outlined in the draft vision. Participants generally considered the project to be a significant opportunity for the area and for Melbourne more widely.

Some concern was shown regarding 'why is Melbourne growing so fast?' showing a lack of understanding or comfort with Melbourne's projected population growth, however, these comments were minimal.

Direction #1

The creation of 21st century jobs

There was broad respect for and appreciation of the role Fishermans Bend has in using its location to provide accommodation to service jobs in the current Melbourne Central Business District (CBD), and to provide additional jobs as part of an expanded CBD.

Several residents specifically expressed a desire for community jobs and also saw an opportunity for Fishermans Bend to provide key worker housing.

Direction #2

The timely provision of infrastructure

The timely provision of infrastructure is considered essential by local residents, due to lack of capacity in existing facilities and services.

Schools particularly emerged as currently they have exceeded capacity and are unable to cater for higher enrolments from local residents. Several participants mentioned it was reassuring and necessary to see plans for a school included in the vision. More participants mentioned more generally the need to not rely on current school facilities to cater for additional residents. There was also comment that one school will not be enough to cater for the expected population of Fishermans Bend.



Direction #3

A place that is easy to get around

In commenting on any of the content relating to traffic, transport and parking, participants stressed the high level of current congestion in the area. It was also stressed how important it was for the precincts to have good pedestrian and cycling paths within them, between them and connecting them to the surrounding areas. There was also strong support for direct public transport links with the city.

Specific transport comments included:

- *'Improving the Port Melbourne light rail trail would be better than the proposed Bay Street/ Buckhurst route because Bay Street involves too many road crossings and is too dangerous.'*
- *'Need to improve the bike connection to the Yarra River near the Convention Centre. There needs to be increased capacity for bike access behind or in front of the casino to strengthen the connection with the Convention Centre.'*
- *'Need more than three lanes from Port Melbourne to the city to cater for any increase in traffic. We also need more lanes out on the Westgate Freeway.'*
- *'The Ingles and Salmon Street bridges both need widening to cater for pedestrians and cyclists.'*
- *'There is too greater a focus on connection to the CBD when the Spencer Street intersection has no capacity. Cyclists currently cannot all fit to wait for a red light.'*
- *'Need to also strength connection between Fishermans Bend and Southbank.'*
- *'Traffic signals will struggle to be effective with the volume of traffic at the Williamstown Road connection to J.L. Murphy Reserve.'*
- *'Bike access to Todd Road is a good idea but in reality, will be difficult to make safe.'*

The Collins Street bridge extension was opposed however local residents suggested a spur line extending from the existing Port Melbourne tram line, supplemented by buses down Lorimer Street.

In terms of integrating with existing suburbs, a Beacon Cove resident said *'the views to the city from Beacon Cove are likely to change significantly. Residents should have their expectations managed about this.'*

Direction #4

A vibrant mix of uses and activities

There was strong support for this concept with community members consistently expressing a desire for these areas to be established as communities where people can work, shop and socialise.

There was strong appetite for pedestrian access around the areas, high-quality open spaces and facilities people associated with 'normal' communities such as schools, gyms, nursing homes, cafes, playgrounds.

There was also strong support for the notion of diverse and affordable housing choices, particularly for three bedroom apartments and accommodation suitable for retirees and older people downsizing.

Direction #5

Distinctive neighbourhoods

There was strong support for distinctive neighbourhoods with distinct personalities. There was also very high levels of support for the fine-grain concept of development. Even when people didn't verbalise support this concept they did indirectly but wanting this to be different to Docklands.

There was strong support to recognise and honour the historical value of the area. Several participants suggested a heritage audit of the area and subsequent plan to incorporate historical elements into the four precincts.

Suggestions included naming open spaces and community facilities to acknowledge the heritage of the area and providing protection to the art deco architecture through the Planning Scheme.

There was also support to refer to the area by the precinct names over time because Fishermans Bend has strong industrial connotations which communities need to be able to move on from.

The notion of transitioning built form from the low-rise scale in established areas through to existing tower forms at Southbank and Docklands also gained strong support. One participant said *'it just makes sense to have high density closer to the city.'*

Direction #6

A great place for families

There was a high level of support for the family-friendly concepts outlined.

There was a clear demand for accommodation suitable for older people; single level dwellings with larger living areas. A former Port Melbourne resident spoke of having to move to Brighton to find a three bedroom apartment with larger living areas. She said *'I had to move away from family, friends, everything I knew just to get a three bedroom apartment.'*

Similarly a couple spoke of the difficulty they had in finding a three bedroom apartment for their family that was in a good location. Because these apartments are rare they ended up spending more than they had planned and more than they thought was reasonable.

A resident who had recently undergone surgery outlined how important it was to have services and community facilities at ground level. *'It's tempting to have these services on a mezzanine level but some people simply can't walk the stairs to use them. They need to be at ground level.'*

There was also strong support for social housing and key worker housing to be mixed with and indistinguishable from private housing.

Direction #7

A high quality built environment

There was strong support for this strategic direction.

There was very little concern expressed about density per se, but there was strong concern around overshadowing and restricted access to natural light.

There was also support for measures to reduce wind. Dockland was consistently cited as an example of urban development which is cold and windy at street level.

One resident said *'tall buildings shouldn't be all set back from the street – Bay Street has lost its community feel in some parts because the buildings are too far back from the footpath.'*

Direction #8

Smart environmental solutions

There was strong support for Fishermans Bend including environmental solutions in its design.

There was particular interest in the role of solar power. *'People should be able to install solar power panels on their rooves, but their rooves need to get sunshine and not be overshadowed.'*

Direction #9

Environmental constraints addressed

There was strong support of the need to address the environmental constraints of the area. While it was not raised in conversation as an issue as often as traffic or schools, those who did raise it had specific concerns.

Community members commented particularly on the need to ensure the environmental safety of land planned for use as public open space and for the primary school.

Other specific constraints mentioned that need addressing were:

- noise from Webb Dock
 - noise from trucks on Pickles Street
 - the flammability of Coode Island.
-

Direction #10

Strong partnerships and effective governance

There was a very high level of support for strong, effective and transparent governance structures that provide certainty for all stakeholders, not only the development industry.

When commenting on the need for strong governance, or when expressing general support for the vision, people often expressed concern extending to cynicism that the governance would be strong enough to ensure the vision is achieved.

One local resident said people living in vertical communities deserve as much respect in the planning process as residents of traditional communities. *'As an adjoining owner in a vertical community, I have no rights to find out about the building proposed for next door. The system relies on the goodwill of my owners' corporation and building manager. We don't even have accessible letterboxes to be informed. It's difficult and it needs thinking through.'*

Another outlined the difficulty in securing funding for apartments once the construction of a neighbouring tower is announced. *'People wanting to buy in my building have been unable to get a loan because their views will be blocked by a neighbouring tower and the bank considers the apartment to now be significantly overvalued.'*

Gaps, priorities and identified changes or additions to the new directions

There were no significant gaps in the draft vision identified through the consultation process.

Participants did nominate a number of changes or additions to the draft vision but these related to a level of detail not covered in the consultation documents. Comments relating to changes or additions have been included throughout the report.

Two clear community priorities emerged through the consultation process:

1. Deliver the school and other essential services in time for the first new residents.
2. Deliver the transport links early to avoid adding to the existing local congestion.



5 Response to the Key Moves

Key move #1

Grow central Melbourne around the Yarra River

There was strong support for developing the area around the Yarra River and connecting Fishermans Bend to the CBD, Docklands and Southbank.

Community members raised concerns about current pedestrian and bike congestion at key intersections between the CBD, which will be alleviated by new crossings.

There was also strong support for planning controls that ensure rather than encourage the delivery of a high-quality public realm.

There was strong support for less intensive development at interfaces with established residential areas.

There was strong support for family-friendly neighbourhoods.

Key move #2

Link the city to the bay

This topic attracted high interest from participants, particularly from residents and marina users of Yarra's Edge.

There was generally strong support for the concept of prioritising walking, cycling and public transport.

People opposed to the proposed bridge over the Yarra, adjacent to Yarra's Edge and raised the following concerns:

- *'Any structure (for public transport or any other purpose) will restrict access from the private marina to the Yarra.'*
- *'Collins Landing and Points Park are both popular open spaces and we can't lose them.'*
- *'A bridge that could open and close intermittently won't work because boat owners need unrestricted access to move their boats dependent on the weather.'*
- *'The water views from apartments would be significantly impacted.'*

- *'The proposed connections to the east and west of the bridge take up too much open space.'*
- *'Pedestrian access along the river would be restricted and this is currently a pleasant waterside walkway.'*

Community members also raised that the plan is missing a public transport link along Graham Street and that it needs more north-south connections between Fishermans Bend and Port Melbourne.

Key move #3

Integrate with the rail network

There was strong support for the concept of extending the rail network into Fishermans Bend, but also uncertainty about how likely this would be to eventuate.

Key move #4

Connect the inner city

There was extremely strong support to deliver public transport early in the development.

Key move #5

Extend Melbourne's parks to the bays

There was little direct feedback on the details of the priority projects listed, however there was strong support more generally for creating quality open green space and pleasant pedestrian / cycle paths.

Key move #6

Deliver new boulevards

The concept of delivering new boulevards was met with general support, particularly at Gasworks Market where we had many people discovering the project for the first time. It was common for people to say *'that's a great idea'* as they passed by the display board.

Key move #7

Create a network of local parks and green spaces

There was a very high level of support for open spaces that provided for passive and active recreation and for dog walking. There was however general concern expressed by a large portion of participants who felt there was not enough open space proposed considering the size and density of the area.

Participants were particularly supportive of open space being secured and developed early in the project. Several participants raised questions about how this early provision of community infrastructure would be funded. Other questions included whether the locations of the open spaces would be fixed from the start of the development.

In terms of the facilities within the open spaces there were suggestions to establish community gardens and create public art.

There was strong concern from members and supporters of the Port Melbourne Football Club in using the oval as community open space if it affected the club's revenue from gate takings. Participants expressed the depth of passion and history at the club and that its viability is vital to the Port Melbourne community.

Key move #8

Create a walkable and cycle friendly place

There was great interest and strong support for creating communities that are easy to walk and cycle around.

'Footpaths need to be wide enough for two or three prams so new mothers can go for a walk together. At the moment it's hard to walk and socialise at the same time so we just end up in a café.'

Key move #9

Create centres for local communities

There was strong support for the concept of local communities where people could transition through life stages and have their day-to-day needs met.

The Ferrars Street School was particularly well received and there was a general need expressed for more than one school to service Fishermans Bend and excess demand from the surrounding area.

To deliver the school and other community facilities there was a recognition consistently articulated that these investments need to occur early because the surrounding suburbs cannot support additional demand.

Key move #10

Create distinctive and diverse neighbourhoods

There was strong support for the priority projects outlined.

There was particular demand to increase the commitment to social housing from the Port Phillip Housing Association (PPHA). PPHA's representative expressed a wish to be further involved in development plans and outlined the following considerations:

- *'Relying on a commercial model may deliver poor quality housing in a bad location. Residents often need a higher level of amenity as they spend more time in the home.'*
- *'Mandating the public/social mix may also be problematic because the private sector is reluctant to discount land.'*



6 Delivering on the vision

It is a key observation that community members are interested in more detail about the timeframe for the staged delivery of the precincts and also about the proposed funding model for delivering community infrastructure.

It was common for people to express support for the draft vision and design guidelines and then qualify this support by saying *'if it actually ends up like that'* or *'if there's the funding to deliver the vision'* or *'unless the developers just get to do whatever they want.'*

There were many questions about what the Development Contributions Plan (DCP) would cover and suggestions that a DCP should be established from the start and contributions spent early to deliver services and facilities before people move in.

In terms of the timing of delivery, one participant said *'the regional nodes should be developed first.'*

Creating a sense of community in the new precincts was really important to people.

Many of the comments relating to the interface with existing suburbs, traffic flow and the feel of buildings at street level stemmed from a desire to establish and strengthen a community. Rather than make suggestions, at this stage of the engagement people were more comfortable to pose questions about how a community could be created or make a statement that community is important.

One suggestion to integrate FBURA with the existing neighbourhoods is to provide physical resources needed by the existing suburbs in the new area so *'residents are encouraged to drift across.'*

What was very clear in terms of community development is that people want community infrastructure considered in the overall plan and delivered early in the project's implementation.

7 Key observations on design guidelines

The following comments were made by participants in response to the *Interim Fishermans Bend Design Guidelines*, Department of Transport, Planning and Local Infrastructure, September 2013.

There was generally a high level of support for the guidelines expressed with a degree of concern that they will be enforced. It was felt that the guidelines need to be legislated, otherwise they will always be interpreted in favour of the developer.

The other over-riding view that emerged from the consultation process was summed up in comments such as, 'as long as it's not like Docklands.'

The following items attracted specific comments:

1. Site layout and development typology

- Maximise a northern orientation for buildings and green spaces whenever possible.
- There was specific concern that solar access to Buckley and Plummer Streets would be reduced if the proposed height limits are applied.
- While there were no comments on the specific precinct targets for three bedroom dwellings, there was a high level of support for three bedroom apartments suitable for families.
- Wide support for the provision of affordable and social housing, in a way that is indistinguishable from privately owned properties. There was also support for targeted key worker housing. There was a desire to further develop detail of a delivery model of ensure this type of accommodation met the needs of its residents.
- There was a very high level of support for high-rise towers to have a lower scale interface at street levels. 'Don't make this like Docklands of Southbank' was a common remark.



2. Building design and height

- Many people saw a need to make heights mandatory. Purchasers need certainty of how high the neighbouring building will be.
- Participants were generally supportive of proposed height limits. 'The way the heights have been set just looks sensible.' Graded height limits against existing 1-2 story buildings with density close to the city.
- A resident living in Bridge Street South Melbourne support mandating a maximum of four stories to the south but was comfortable with taller towers closer to Docklands.
- Balancing this view was a minority who were not supportive of the proposed height limits. One resident asked for a maximum of six stories throughout the area, another did not want any towers in the area, other were supportive of four to eight height limit throughout the area.
- '18 stories is too low in Montague Street, you need to get enough density in to support the local retail.' Another participant said there should be less density around Montague Street 'as it's already so busy.'
- The heritage of the area is important and people requested the physical heritage assets of the area be audited and retained, and the role of the area in industry and in migration be interpreted in the development.

3. Wind and weather protection

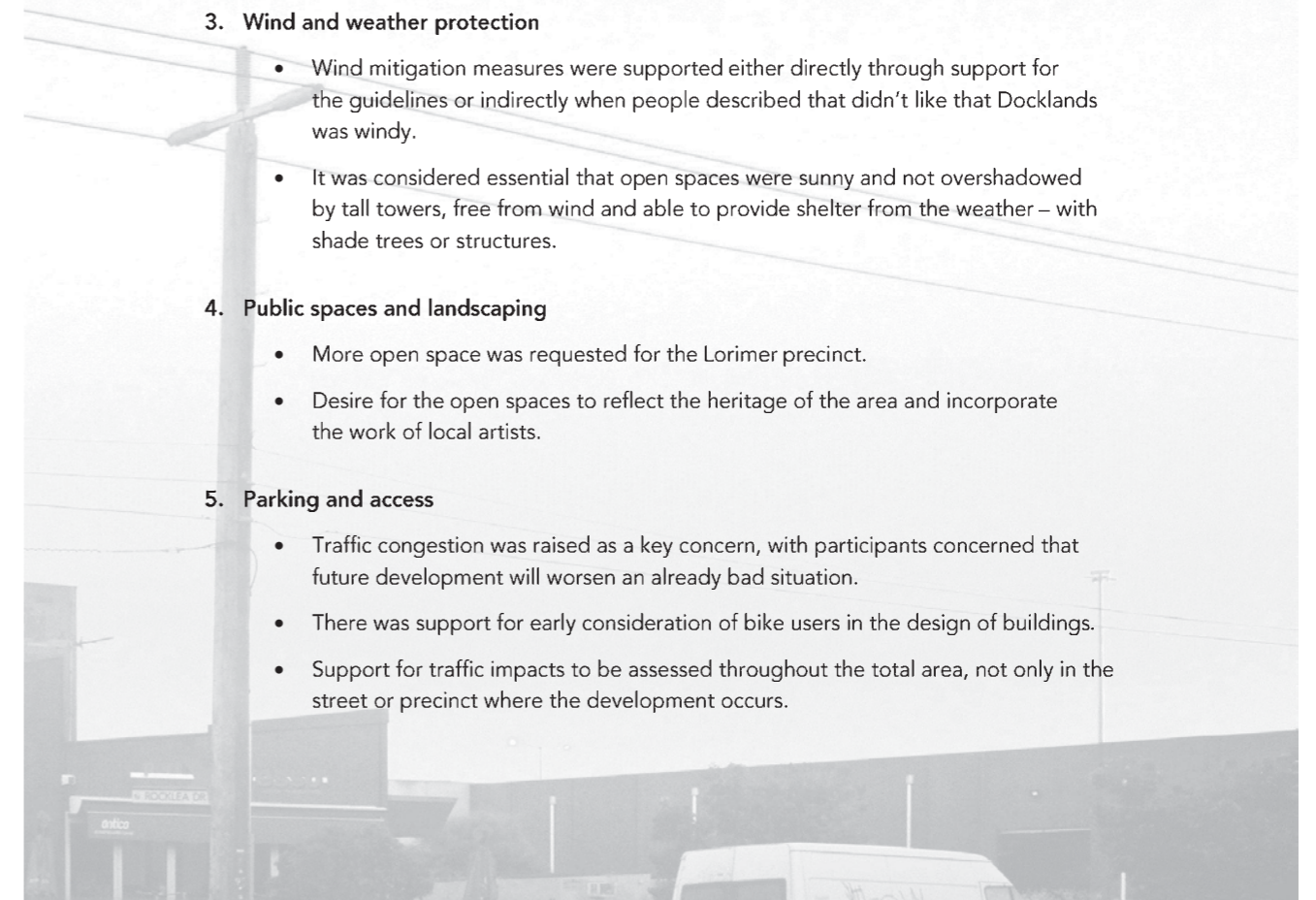
- Wind mitigation measures were supported either directly through support for the guidelines or indirectly when people described that didn't like that Docklands was windy.
- It was considered essential that open spaces were sunny and not overshadowed by tall towers, free from wind and able to provide shelter from the weather – with shade trees or structures.

4. Public spaces and landscaping

- More open space was requested for the Lorimer precinct.
- Desire for the open spaces to reflect the heritage of the area and incorporate the work of local artists.

5. Parking and access

- Traffic congestion was raised as a key concern, with participants concerned that future development will worsen an already bad situation.
- There was support for early consideration of bike users in the design of buildings.
- Support for traffic impacts to be assessed throughout the total area, not only in the street or precinct where the development occurs.



6. Sustainability and energy efficiency

- There was general support for Fishermans Bend incorporating environmentally sensitive design principles.
- The Alternative Technology Association commented that it could add a lot of value looking at world best practise in sustainable design.
- There was specific concern that the existing building regulations did not require higher sustainability standards.

Other ideas for Fishermans Bend

Many of the ideas participants provided had already been included in the draft vision and design guidelines, which can be considered an indication of the positive regard for the documents.

Ideas for Fishermans Bend not included in the draft documents included:

- Charging for road access to the CBD, similar to the scheme in London.
- Providing road preference for high occupancy cars.

While it is not an idea or suggestion, it is worth noting that there are a substantial number of professionals interested in finding out more and working on the project.

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Appendix B

City of Melbourne submission

CITY OF MELBOURNE

Submission to the Fishermans Bend Urban Renewal Area Draft Vision and Interim Design Guidelines

CITY OF MELBOURNE COMMENTS ON FISHERMANS BEND URBAN RENEWAL AREA DRAFT VISION AND INTERIM DESIGN GUIDELINES

November 2013



CITY OF MELBOURNE

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1. OVERVIEW

Thank you for the opportunity to provide the City of Melbourne's comments on the Fishermans Bend Urban Renewal Area (FBURA) Draft Vision and Interim Design Guidelines. The Draft Vision was prepared by Places Victoria with the advice and guidance of the City of Melbourne, the City of Port Phillip, the Department of Transport, Planning and Local Infrastructure (DTPLI) and the Office of the Victorian Government Architect.

The Draft Vision effectively captures many of the aspirations for the FBURA that the City of Melbourne has considered since July 2012 when the Minister for Planning requested Places Victoria to prepare a Strategic Framework Plan for the FBURA to guide future development patterns, determine infrastructure needs and establish a development contributions framework to fund infrastructure investment.

The City of Melbourne is generally supportive of the Draft Vision and Interim Design Guidelines. In particular of the aspirations for transport and community infrastructure to support the economic growth of Melbourne's Central City, for the necessary funding and delivery of community services and facilities and transport infrastructure to precede and shape the growth of the area.

We recommend that the following major changes are incorporated into the Strategic Framework Plan for release in summer, 2014:

- More defined aspirations and targets for the environmental sustainability objectives.
- Reinstatement/realignment/additional bridge and further investigation of the Yarra River bridge design options and delivery that considers the maritime role of the docklands/river.
- Additional detail on the Lorimer precinct to provide greater clarity on the built form and public realm proposal contained in the Draft Vision and Design Guidelines.
- Incorporate Howe Parade alignment green link to Westgate Park.
- Elevate the importance of creating "Healthy Cities" into the overall Strategic Directions.

The Interim Design Guidelines were prepared by the Department of Transport, Planning and Local Infrastructure (DTPLI). We have included a number of detailed recommendations in our comments below. Generally these request more specific guidance on achieving the desired urban design outcomes for Fishermans Bend as outlined in the Draft Vision.

Comments have also been included to ensure that development in Fishermans Bend contributes to achieving the adopted policies of the City of Melbourne.

2. COMMENTS ON THE DRAFT VISION

We understand that following public consultation the Minister will request that the Draft Vision is consolidated into a Strategic Framework Plan and that this and the Interim Design Guidelines will be translated into Melbourne and Port Phillip Planning Schemes' controls. The City of Melbourne response is therefore focused on recommendations for changes to the Draft Vision proposal that should be incorporated into the Strategic Framework Plan.

The City of Melbourne is generally supportive of the Draft Vision. Our comments below focus on the key elements that are supported in the Draft Vision, significant changes that need to be considered and other, more minor changes that we feel should be addressed to facilitate a broader understanding and implementation of the Draft Vision.

a City of Melbourne support for the Draft Vision

The City of Melbourne particularly supports the following elements of the Draft Vision:

1. Acknowledgement of the need for the timely delivery of infrastructure to support economic growth and the health and wellbeing of new communities. This is required to create a successful place.
2. Central city growth centred on the Yarra River – see also part b. below.
3. Support for a tram link across the river connecting the Hoddle grid and the FBURA (down Plummer Street). This will be critical to attract investment in private development that creates jobs in the city. Without high frequency, direct public transport services into the existing CBD, the FBURA could develop as a predominantly residential suburb which will be difficult to convert to commercial uses. This would compromise Melbourne's position as a nationally significant economic hub and reduce our global competitiveness.
4. The proposal for a metro rail line to the FBURA with early identification of the alignment, reserves required to ensure that can be delivered in the medium term.
5. Aspiration for family-friendly living and the creation of new liveable neighbourhoods that are supported by the services and facilities they need, and where residents are connected to each other via a network of great streets and a well-designed park and open space network.

b Major Recommended Changes

More defined aspirations and clearer targets for the environmental sustainability objectives.

The aspiration in Strategic Direction 8 that smart environmental solutions are essential to creating sustainable communities is supported but requires more clarity of the objectives and timeline for delivery of these outcomes. Considering significant governance, financial and regulatory barriers to the implementation of precinct scale solutions, we would recommend that the steps to be taken to progress precinct-scale planning in the FBURA be included in the Strategic Framework Plan.

More emphasis on the Yarra River as a defining characteristic of the central city

Further emphasis is needed on the Yarra River as an important defining characteristic of Melbourne's central city that should be celebrated, embraced and confirmed through decisions around the central city expansion.

To emphasise this, we recommend adding an additional paragraph to P30/31 as follows:

'The Yarra River and Victoria Harbour will increasingly play a central role in defining the city centre. This will continue to expand to include recreational and public water transport, along with other activities both on the water and along its edges. This activity should be strengthened and encouraged as Fishermans Bend grows as a place.'

In addition, the potential ferry shuttle shown in Key Move 4 (p41) could be added to Figure 7.

Further investigation of design options ensuring that the Collins Street Extension Yarra River Bridge does not impede access from Port Phillip Bay to the existing Marina Yarra's Edge for existing berth holders and upstream maritime traffic.

The proposed bridge crossing and alignment connecting Collins Street extension to FBURA and Plummer Street is supported by the City of Melbourne. This will be a critical connection to the existing CBD for public transport, pedestrians and cyclists. Early instalment of a bridge will ensure the growth of jobs and businesses that will only be attracted to the FBURA if good access to existing businesses and services in the Hoddle Grid and Docklands is available. It will also enable the new community to establish with good access to the services and facilities in the Docklands.

There is however significant local concern, mainly coming from Yarra's Edge residents and those with boats at the marina with the alignment and role of the proposed bridge crossing. We understand that there are three key issues with the bridge, which are:

- The bridge will constrain or block passage for the majority of boats at the Marina Yarra's Edge which have air drafts exceeding 4m. Current existing minimum bridge clearances further to the east are 3.18m at the Webb Bridge (pedestrian) and 2.89m Charles Grimes Bridge (road) at high tide.
- the bridge will take precious park space away at Point Park; and
- views and amenity will be compromised by the bridge.

Whilst it is understandable that the proposed new crossing raises these issues in the emerging Yarra's Edge community this needs to be balanced with the broader city-shaping objectives of the Fishermans Bend urban renewal area. These include an extension of the future city centre, new populations of 80,000 residents and 40,000 workers, the need for Lorimer (and other precincts) need to be developed with excellent public transport access and convenient and effective walking and cycling accessibility to both Docklands and the Hoddle Grid. This will benefit the whole central city and the current alignment seems to offer the best opportunity to do so.

However the detailed alignment, design, role and operation of this bridge connection needs to be thoughtfully considered to ensure that a workable solution for a river crossing can be achieved. For example, an operable bridge would allow access to the existing marina to yachts within an agreed timetable. Additional open space could be delivered to compensate the potential losses in Point Park.

The City of Melbourne is committee of management and landlord of Marina Yarra's Edge which has 149 berths/sea bed leases with tenure until 2030. More detailed technical investigation of the design options for this connection is critical to the success of the FBURA and must be a priority in the finalisation of the Strategic Framework Plan. We recommend working closely with all key stakeholders to progress this issue.

Additional detail on the Lorimer precinct to provide greater clarity on the built form and public realm proposal contained in the Draft Vision and Design Guidelines.

Further detailed design and planning work on the vision outlined for the Lorimer precinct is required urgently to provide an effective guide for future development. In particular further development of the design for the public realm initiatives (including the open space, parks, urban squares and improved streetscapes) and the built form proposals included in the Draft Vision.

We recommend that some of the design and planning thinking that has informed the proposals included in the Draft Vision be incorporated into the Strategic Framework Plan. This will enable the strategic directions for the Lorimer Precinct to be tested, refined and clarified and made more explicit.

Incorporate Howe Parade alignment green link to Westgate Park.

This link will provide pedestrian and cycle connectivity to the Yarra River west of FBURA and the Port of Melbourne site.

Elevate the importance of creating “Healthy Cities” into the overall Strategic Directions.

The health (physical, mental and emotional) of future communities will determine whether the FBURA can be considered a success. This should be further emphasised in the Draft Vision and, subsequently, in the Strategic Framework Plan, to ensure that this directly informs decision making on future development, infrastructure investment and policy development. “Healthy Cities” is an evidence-based, conceptual framework promoted by the World Health Organisation to support planning and design decision making. A good example of planning for healthy communities can be seen in the Centre for Active Design in New York (<http://centerforactivedesign.org/about/>). We would recommend the inclusion of Healthy City principles and measurables into the Strategic Directions.

Other Recommended Changes

The following comments generally focus on providing greater clarity on some of the supported aspirations in the Draft Vision. Further explanation of these important concepts will be useful to inform the discussion and decision making for the FBURA.

On page 19. Add additional clarity on what constitutes ‘Smart Environmental Solutions’ as follows:

- Include: Maximum use of solar resource, particularly in medium rise areas.
- Include: precinct-wide resource recovery infrastructure enabling sorting and extraction.
- Include: Plan for future impacts of sea level rise

On page 30. The aspiration for expanding the opportunity for ‘family-friendly’ living is welcome and supported. The City of Melbourne is committed to providing a vibrant and inclusive city for everyone to enjoy, including children. As part of this commitment, Council is seeking to become accredited as a UNICEF (United Nations Children’s Fund) Child-Friendly City. Around the world UNICEF’s network of 850 Child-Friendly Cities listen to the voices, needs, priorities and rights of children to inform how the city is run.

Adding an explanation of what is meant by family-friendly living would clarify the objective. We suggest adding a definition on page 21 along the lines of:

‘Family friendly living refers to a pleasant urban setting which is, inclusive and safe, built on a human scale with places where people gather, connect and contribute to neighbourhood life.

These places build a sense of belonging for residents and help make the neighbourhood safer. Parks, childcare centres, schools, grocery stores, libraries, and cultural, sports and community centres in the neighbourhood need to be easy to access and enjoy.

A suggested measure of success is the 8/80 rule, where family friendly places are assessed according to whether they are comfortable and accessible places for those who are 8 years old, or 80 years old. If so, they will likely be successful places for the full age spectrum that represents our family-friendly aspirations’

On Page 34. Improvements to the public realm are supported but more explicit statements are needed on what is meant by ‘streetscape enhancements’ and ‘high quality public realm’. For example:

“Streetscape enhancements: A streetscape refers to the overall character of a street or route. While they are public spaces, they usually form part of the movement network and may need to address multiple movement networks while fulfilling places roles such as providing places for seating, places to meet friends and allow a range of open space roles. Enhancements to the streetscape refer to improving the overall character of a street, focusing on its role to contribute to the pedestrian experience, while also considering and balancing the need to fulfil other roles, such as the needs of public transport.

High quality public realm: Public realm, which refers to any publicly or perceived public streets, pathways, right of ways, parks and open spaces, defines our urban experience. It connects buildings to streets to neighbourhoods and creates the everyday social and civic spaces of a city. High quality public realm refers to vibrant, accessible, diverse and connected places. High quality suggests that the physical environment is designed to enhance the overall pedestrian experience, and it supports the overall social, economic and environmental aspects of place.”

On Page 48. Add a statement to clarify what a cycle-friendly street is such as the following at the end of second paragraph:

‘This includes designing each street to provide for safe and convenient cycle access to every front door.’

One page 52. Include a range of typologies to be located within each FBURA neighbourhood. This will help define what a ‘diversity of built form outcomes’ is intending to achieve and how to achieve it. This should be related to, and tested against, the proposed height controls.

The following comments include recommendations for additional priority projects to be considered as follows to ensure that the key moves can be progressed.

On page 44. Add a potential project to

“Work with VicTrack/VicRoads on exploring opportunities to create linear parks or green ecological functional space along the train line / major roads using now often vacant / underutilised land, without compromising safety issues.”

On Page 44. Add a potential project

“Where possible, explore the opportunity of creating ecologically more sophisticated green boulevards and potential high amenity routes, by incorporating a whole range of green elements in the same space: eg. grass, bush, trees.”

On Page 46. Add a potential project

“The green network should demonstrate a wide range of uses, from active recreation to ecologically functional urban parks and spaces. Secure key sites early to demonstrate new types of open space, such as urban wetlands, to showcase the potential of open space, and as demonstration projects, to influence the potential of private green space design”.

3. THE INTERIM DESIGN GUIDELINES

The following comments outline detailed recommendations to ensure that the application of the Interim Design Guidelines is considered and that they are effectively translated into meaningful planning controls.

Many of the recommended changes below are necessary to deliver on a number of City of Melbourne policy objectives.

Location	Comment
p.4	Recommend outlining exactly what urban context is significant and should be considered (e.g. views, solar access to existing parks, any historic buildings or established landscapes...). Analysis drawings would be useful to set the site context at the start of the document. Development applications would then be required to respond to urban design context objectives with a concept statement, their own analysis and drawing.
P4 1.2	Add focus on a public-realm and contextual approach to develop larger sites. Add at the end of 1.2 text: “The master plan should promote a strong public-realm approach to create a series of routes and spaces that contribute in a meaningful way to the larger pedestrian and movement networks. Resulting development blocks and sites should activate these proposed routes and spaces.”
P4, 1.2 Note 3	The site master plan must integrate within its surrounding context. Add the following at the end of Note 3: “and must enhance and contribute to existing and proposed open spaces, open space network links and movement networks.”
P 4 1.1 Note 2	Natural features located on the existing site and adjoining public land should be detailed in the context plan and help inform design of the site. E.g. swales, existing vegetation, topography. Add sentence to Note 2: “This should include how the site and existing site features (such as swales, soil type, existing vegetation, topography, etc) positively inform any design proposition.”
p.5, Note 4	Further guidance is needed on the design of laneways and any ‘Little Streets’ to ensure that car park access on new laneways does not undermine the potential of lanes as people-oriented spaces, and it is the lanes that can offer so much due to their scale. Consider adding at the end of the point: “Within Lorimer, car access points should be located along proposed little streets.”

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Location	Comment
p.5, 1.3 Note 5	<p>“Active uses” aren’t necessarily an indicator of quality, but rather a fine scale and high quality of design. This principle needs to be explored further and perhaps illustrated.</p> <p>Consider adding at end of note: “A fine scale, high quality and considered design to enhance the pedestrian experience will be important to demonstrate in the design of all public links. Where possible, trees and vertical landscaping should be considered to add to the pedestrian experience.”</p>
P6, 1.5	<p>Mixed uses should be fine grained, not coarse.</p> <p>Add text at end of 1.5 text: “The mix of uses should be fine grained, to create synergies between uses, and encourage urban intensity for the proposed medium to high densities of Fishermans Bend.</p>
P6, 1.5 Note 2	<p>A more robust and flexible toolkit of building typologies (such as perimeter blocks, linear blocks, L-shaped, C-shaped, etc, courtyard housing, whatever is appropriate to the geometry of the site, offering narrow floorplates for natural cross ventilation, high floor to ceilings for ample natural daylighting, a mix of private and communal gardens, courtyards and open spaces.</p> <p>Recommend that as part of Note 2, a range of typologies is shown that could form the basis for a range of development forms.</p>
p.7, Figure 1.6	<p>Where tower and podium is stated as such, it is suggested that the words are re-stated to suggest frontage buildings (which would be finer grain) and tower.</p> <p>Delete the following text: “(by pursuing a podium and tower format)”</p> <p>Replace text with: “Low rise street frontages should develop as clusters of singular buildings, with distinct frontages.”</p>
p. 8, 2.1 Note 3	<p>For the first point, add at the end of the note: “Car parking will not be allowed on the ground floor of any new building. Car parking on levels above ground level need to be designed to allow for future conversion, considering future use heights, daylighting, cross ventilation, and ownership/management plan to facilitation easy conversion.”</p>
P8, 2.1 Note 7	<p>Narrower frontages provide a finer grain approach to high density urbanism that creates more desirable, people-focused outcomes. Narrower frontages help promote and realise the aspirations, as set out in the Strategic Directions.</p> <p>Final dot point - Delete text: “30” and “(20m in Montague)” and replace with “10”.</p> <p>Add sentence: “This fine grain approach to ground level frontages applies to all ground floor uses. Often, larger desired frontages can be accommodated through a narrow frontage with atrium or corridor forms that link to a larger central space (for example for supermarkets and other large floorplate uses).”</p>
P8, 2.1	<p>Recommend adding Note 8: Multiple front doors to fine grained ground floor frontages produces a structure that has resilience and promotes active streets.</p>

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Location	Comment
p. 8, 2.1 Note 5	<p>This note needs to provide guidance on what should be done. E.g. no more than a percentage of glazing per frontage with a focus on the use of windows (not glazing) and articulation to the ground level design to provide transparency and interest.</p>
P8 2.1 Note 6	<p>Allow façade greening but it must be majority evergreen species and maintained in good condition at all times.</p> <p>Add to note after the work artwork “or façade greening”, and add second sentence: “For façade greening, they must be located in suitable growing locations, be of a majority evergreen species and maintained in good condition at all times.”</p>
p.9, Note 2.3 Note 1	<p>Encourage greater variation in the parapet line, as is the case in the central city.</p> <p>Add after text: “Variation in parapet height should reflect variation in small scale frontages and creation of narrow front buildings throughout the precinct to reinforce pedestrian scale. Exceptions to this principle may be reflected in specific street sections for the various precincts.”</p>
P 9, 2.3 Note 3	<p>Laneway height, based on successful City of Melbourne examples, should not be three times taller than the laneway width. Therefore the minimum 20m height that is over the maximum height of a 6m wide laneway. The guidance needs to change to reflect this.</p> <p>Recommend deleting text and add: “As a general rule, the building frontages along a laneway should not exceed three times the width of the laneway, at which point, a meaningful setback is required.”</p>
P10 2.6 Note 3	<p>Towers should be 20m apart, especially for habitable-facing rooms.</p> <p>Add: “Such justification includes where visual privacy is maintained, such as where habitable rooms do not face habitable rooms and sufficient daylight reaches habitable rooms.”</p>
P11 2.5	<p>De-emphasize tower and podium typology as this does not encourage more thoughtful approaches to site specific design and alternative building typologies.</p> <p>Remove words “or podium” in text under 2.5 as sentence still is clear in meaning and intent without these words.</p>
P11 2.5 Note 3	<p>States that all occupied roof space must be clear of any required setbacks. The image depicting required setbacks shows an occupied space within the setback which is not necessarily a concern (as long as there is no adverse impact to other adjoining or abutting properties).</p> <p>If note 3 remains it is recommended that it be amended to advise that non-publically accessible green vegetated roofs are exempt from this requirement.</p> <p>Please clarify intent of the rule which is understood that spaces above the 20m threshold (or otherwise stated) should not interrupt the set-back space ABOVE this level. Please clarify or rephrase Note 3 further to more clearly state this.</p>

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Location	Comment
P11, 2.7, and add Note 3	<p>The role of towers is larger than promoting visual variety – they ought to help create visual markers, aid legibility and promote sense of place.</p> <p>At the end of the sentence, add: “and aid overall neighbourhood and precinct legibility while promoting a unique sense of place.”</p> <p>Add Note 3: “Consider the view corridors to proposed towers and overall townscape to orient towers that contribute to the larger legibility, townscape and sense of place, considering the street, neighbourhood and precinct scales.”</p>
P11, 2.8 Note 1	<p>Green roofs are generally better suited to flat surfaces. This note currently encourages sculpted roof forms. This could exclude consideration of a green roof. Recommend amending note to say slender or fragmented tower forms are generally more visually appealing, as are sculptured roof forms or vegetated roofs.</p> <p>Add to end of sentence: “and vegetated roofs.”</p>
P11, 2.8 Add Note 5	<p>Add additional Note 5</p> <p>High buildings work on a large range of scales, including citywide, precinct, neighbourhood, street, block, plot and human interaction scales. Due to their greater visual dominance, it is even more important that designs successfully address integration, massing, layout, expression and honesty, proportion, order, materials, detail and style, considering the full range of scales.</p>
p.11, 2.9	<p>Consider adding a note/principle about creating contemporary heritage – i.e. some architectural and landscape gems that immediately become treasured.</p>
P.11, add 2.10	<p>The podium part of the typology prevents no natural cross ventilation and makes the block impermeable to sunlight, resulting in no courtyards, laneways or the like. The tower also offers little to no natural ventilation as opening a window (if even possible) at 50-100m in the sky can have dire consequences.</p> <p>Add 2.10: “Building design should provide long term adaptability and consider long-term costs and uses to create healthy and sustainable uses, especially for residential design.”</p> <p>Add Note 1: “Buildings should provide cross ventilation and daylight to all habitable rooms”</p> <p>Add Note 2: “Buildings should consider how ‘lifetime home’ principles can ensure the long term suitability of a dwelling can be facilitated over time with minimal changes.”</p> <p>Add Note 3: “A range of building typologies can introduce a range of desired housing types to provide diversity in each precinct, and create more family-friendly housing.”</p>
P12, 3.1 Note 3	<p>Make guidance stronger, remove the word “generally.”</p>

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Location	Comment
P 14, 3.3	<p>Add Note 6</p> <p>Canopies can be utilised spaces for plants.</p> <p>Add Note 4: “Canopies may be used to shade and provide shelter for users below, but through a considered design, they could also act as a planting area above to create visual interest from upper levels.”</p>
P 14 4.1	<p>Add note 5</p> <p>Maximising permeability, infiltration and passive irrigation of all public and private landscapes should be encouraged. Sustainable, simple and robust irrigation systems should be installed in all public and private landscaping to maximise vegetation health.</p> <p>Add Note 5 under 4.1: “Permeability of surfaces, water infiltration and passive irrigation is important for public landscapes. Sustainable, simple and robust irrigation systems should be installed in all public landscaping to maximise vegetation health. Vegetation health should enhance the local urban ecosystem and adaptation to climate change.”</p>
P14, 4.1 add Note 6	<p>Proposed open space, whether developer proposed or that is detailed in the draft vision document should state that development is not overshadowed.</p> <p>Add Note 6: “Solar access to existing and proposed open spaces as well as existing low rise residential areas should not be overshadowed by any new building – see 2.2 Note 1.”</p>
P14, 4.1 add Note 7	<p>Most of the existing open spaces in the precinct currently have an active sports focus. Creating larger open spaces that have a passive recreation focus will be important also.</p> <p>Add Note 7: “Proposed open spaces should consider a wide range of uses, including but not limited to active uses, passive uses, biodiversity and ecological uses, etc, and promote social inclusion of the anticipated culturally and age diverse future population.”</p>
p.14, Note 4.2	<p>Introduce a stronger principle around requiring developers to incorporate onsite communal outdoor space, and to have it low down where the environment is more conducive to spending time.</p> <p>Change the word “podiums” to “lower storey rooftops.”</p> <p>Consider expanding 4.2 Note 1 by adding the following: “Such communal spaces should be provided for easy and convenience access for residents, and in suitable microclimate locations. Often this occurs on ground level or near ground level.”</p>

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Location	Comment
P14, 4.2	<p>Very encouraging seeing the inclusion of rooftop greening in the design guidelines. Also recommend including green façades/walls to provide more choice to developers. Vegetation should be publically visible where possible to add vibrancy to the public realm.</p> <p>Add the following after "Private landscaping": "(which can also include green walls and facades)"</p>
P14, 4.2 Note 2	<p>Biodiversity spaces that are green but not habitable should be encouraged.</p> <p>Delete "and" and replace with a comma.</p> <p>At the end of the sentence, add: "or biodiversity/ecological landscapes."</p>
P15, 4.2, Note 5	<p>Add green facades along with walls as these are often cheaper and easier to implement and maintain.</p> <p>Add after "Any green walls": ", facades,"</p>
P15, 4.2 Add Note 6	<p>Communal and green spaces that are about ground level should provide deep soil conditions to allow for plants and trees to grow and mature in time.</p> <p>Add Note 6: "Communal and green spaces that are about ground level should provide sufficient deep soil conditions to allow for plants and trees to grow and mature in time."</p>
P15 4.2, Add Note 7	<p>Maximising permeability, infiltration and passive irrigation of all public and private landscapes should be encouraged. Sustainable, simple and robust irrigation systems should be installed in all public and private landscaping to maximise vegetation health.</p> <p>Add Note 5 under 4.1: "Permeability of surfaces, water infiltration and passive irrigation is important for private landscapes. Sustainable, simple and robust irrigation systems should be installed in all private landscaping to maximise vegetation health. Vegetation health should enhance the local urban ecosystem and adaptation to climate change."</p>
P15 4.2, Add Note 8	<p>Outdoor area for a break out space for non-res uses if more than 100 people with easy access from facilities such as kitchen and toilet (consider impact on residential use).</p> <p>Add Note 8: "Provide outdoor areas for non-residential uses if such uses encompass 100 people or more, such as an office. The outdoor space should be in easy access from facilities such as a kitchen and toilets."</p>

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Location	Comment
p.15, Note 4.3	<p>The scale of details in the building elevation in laneways is also important, particularly as pedestrians will experience the built form in a more intimate space and at a slower pace.</p> <p>Change 4.3 text from "separated 100 metres or more" to "separated 60 – 100 metres" to reflect public links should occur typically every 30 – 50 metres.</p> <p>Under Note 1, remove the word "generally"</p>
P15, 4.3 add Note 5	<p>Recommend augmenting note to include that laneway facades should be greened where possible and/or street trees provided where space and ground conditions allow.</p> <p>Add Note 5: "For pedestrian sense of place and relating to human scale, links should be designed with greened facades and occasional street trees provided where space, light and ground conditions allow."</p>
p.16, first paragraph	<p>Recommend further de-emphasising private cars in favour of other travel options. .</p> <p>In paragraph, change the word "limit" to "minimise."</p>
p.17, Note 5.4.2	<p>Could visitor parking just be on-street?</p> <p>Under 5.6 add Note 3: "The exception to this principle is visitor and accessible parking, which can (and in some precincts and areas) should be provided as on-street car parking."</p>
P17, 5.5 Note 2	<p>A specific ratio to replace private car parking with on-site car share spaces should be defined.</p> <p>Note 2 add: "Each on-site and easily accessible car share space can be provided to replace 6 private car parking spaces."</p>
p.17, note 5.6 Note 1	<p>This is a larger issue of car parking, where it is located, how much is provided and future adaptability.</p> <p>For the first point, add at the end of the note: "Car parking will not be allowed on the ground floor of any new building. Car parking on levels above ground level will need to be designed to allow for future conversion, considering future use heights, daylighting, cross ventilation, and ownership/management plan to facilitation easy conversion."</p> <p>For the second point, add: "Appropriately designed screening can include façade vegetative greening, where properly maintained."</p>
P 19 6.4 add Note 2	<p>Add Note 2: "Appropriately treated grey water can be utilised for sub-surface landscape irrigation as a back-up for harvested stormwater."</p>

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Location	Comment
P20 6.5 add Note 3	Add Note 3: "Flats should be designed to allow cross ventilation through design, including allowing for dual aspect and allowing for all habitable rooms to have open able windows."
P20 6.4 add Note 4	Add Note 4: "Promote day lighting through the development of shallow office floor plates. Day lighting encourages increased productivity, healthy visual connections to the outdoors, reduced energy costs and facilitates long-term adaptability and conversion to other uses."
P20. 6.6 Add Note 4	Healthy and well irrigated vegetation close to ventilation inlets and walls aid in cooling and should be included. Add Note 4: "Healthy and well irrigated vegetation close to ventilation inlets and walls aid in cooling, and should be encouraged in appropriate locations."
P21 6.9, add Note 3	Add Note 3: "Promote Green Factor approach, or similar, to deliver appropriate landscape outcomes for each development site. Each development application must demonstrate that their design proposition meets the Green Factor by using the Green Factor Score Sheet. The scoring system is designed to encourage larger plants, permeable paving, green roofs, vegetated walls, preservation of existing trees, and layering of vegetation along streets and other areas visible to the public. Bonuses are provided for food cultivation, native and drought-tolerant plants, and rainwater harvesting."

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It is encouraging to see a section dedicated to sustainability and energy efficiency and includes a statement about Clause 22.19 (Energy, Water and Waste) of the Melbourne Planning Scheme.

However, the design guidelines needs to be significantly enhanced if the precinct and individual buildings are to achieve the requirements of Clause 22.19 and the overall sustainability related objectives and vision for the area.

The design guidelines in this section need to provide clarity and certainty to the development industry on the sustainability design expectations. Many of the current design guidelines, in this regard, are vague and are limited to encouragement only. It is suggested further clarity and certainty is provided as suggested below:

Section	Comment
1 Site layout and development typology	Add (potentially) Co –location of underground infrastructure (augment and lay new) such as NBN, water reticulation, stormwater, sewerage, gas infrastructure and heating/cooling loops through shared services trenches.
2 Height	<p>Section 2.2:</p> <p>It's encouraging to see that Section 2.2 provides guidance on amenity and Note 4 of Section 1.2 states that layouts should maximise northerly orientation for buildings and open spaces. This needs to be articulated more in the building design and height section (2) and expanded further in section 6.</p> <p>It is suggested that more guidance is provided for the high rise developments along the northern section of the site to ensure these developments are set back and designed in a way that allows solar access to low-rise buildings in the southern section of the site.</p> <p>Section 2.6</p> <p>It is suggested that the following is added as a new note or statement to ensure that setbacks assist with achieving sustainability objectives:</p> <p><i>High or tower buildings are also encouraged to be set back from the site boundaries to minimise impact on the environmental performance and renewable energy generation potential of the proposed building and adjoining properties.</i></p> <p>This addresses the policy statement outlined in Clause 22.25 – last sentence. This includes solar access for passive heating and solar panels.</p>

6 Sustainability and energy efficiency

6.1 Suggest Notes 1 and 2 (3) are moved to **1 Site layout and development typology**.

6.3 Add Note Precinct scale/streetscape WSUD measures to be mandatory to assist stormwater management. The public realm can play a strong role to improving drainage of Fishermen's Bend – ie through pervious pavements and rain gardens, storage, permeable tramways etc

6.5 The daylight and ventilation requirements need to be linked to other design features such as building setback/separation, site design, building depth and site design. The requirements in 2.6 and 3.2 need to be significantly enhanced in order to achieve good daylight, ventilation, energy efficiency and overall sustainability vision and objectives for the site. It's possible that a natural ventilation requirement only applies to buildings of certain height (e.g. 10 storey or less).

6.6 – **Enhance section** to include more guidelines that relate to thermal comfort of the buildings and public spaces and design features that can be adapted to changing climate (e.g. appropriate solar access; enhance external shading section, landscaping requirements, insulation, draft proofing lighter external facades, reduced glazing areas in west).

6.7 Solar access to be considered within the development area and surrounding areas (for example towers on the north of City Road will impact adjacent buildings).

Enhance design guidelines related to solar panels that allow buildings and precincts to produce renewable energy on site (e.g. solar access for solar energy systems).

- Incorporate roof forms with suitable structure, orientation, inclination and solar access.
- Consider integrating solar panels into the building structure such as facades, roof and shading structures.

Daylight and solar access, natural ventilation, building separation and building depth requirements in the following design guides/code provide a good reference for enhancing the design guidelines for Fisherman's Bend.

- Moreland Higher Density Design Code
- NSW Flat Design Code (<http://www.planning.nsw.gov.au/?tabid=158>)

Note 1 Change to: Buildings approvals to consider solar access of existing buildings

Add Note 2 Other micro renewable energy solutions should be considered (refer Port Phillip's wind energy study)

Add Note 3: Provide a statement and/or plan illustrating the sustainable design opportunities and constraints (sustainability potential) of the site.

This would allow for early and cost effective consideration of sustainable design features and infrastructure.

6.8 Add Note 2 Consider integrating a sewer heat recovery system with cogeneration district heating system to heat high rise residential dwellings.

Add Note 3 Smart grids have the potential to significantly reduce energy demand, through improved efficiency, balancing loads, and providing demand management/ demand response solutions at peak times. These initiatives could reduce peak demand and may result in infrastructure upgrade savings.

Add note: Renewable fuel sources should be prioritised over fossil fuels.

6.9 Add to Note: Precinct sustainable development frameworks including Green Star and One Planet Living are encouraged

Requirements of Clause 22.19 of the Melbourne Planning Scheme (updated every three years).

Add 6.10 Precinct infrastructure and building scale infrastructure to recover resources is required. For example, waste shoots that allow for resource separation.

General

- The following areas also need to be enhanced:
 - Water efficiency, biodiversity and urban ecology, sustainable materials
 - Flexible and adaptable building design – including climate change adaptation
 - Designing to promote waste avoidance, reuse and recycling

3 Wind and weather protection

Add 3.4 Climate change impacts (or flood, inundation and heat) managed within the precinct

Note: Building footprints to consider flood modelling (1d-2d modelling already undertaken by City of Port Phillip.

Note: Tidal water ingress will impact precinct scale water retention and reticulation.

5 Parking and Access Can this heading be change to 'mobility and access'

Add 5.2 Precinct waste recovery systems to be installed and utilised to maximise extraction and minimise vehicle use

4. FURTHER WORK SUPPLEMENTARY TO THE STRATEGIC FRAMEWORK PLAN

a A Lorimer Structure Plan

A Lorimer Structure Plan should be prepared to provide more detail for this local precinct. The Structure Plan should be developed with comprehensive community engagement that enables the draft Vision to be shared, debated and realised through future planning and design control and investment decisions.

b A Design Review Panel

Considering the scale of change required to transform existing industrial areas into vibrant, liveable communities, we recommend that a Design Review Panel be established to advise on planning applications of significance.

c Achieving Affordable Housing

It will be important to align the provision of affordable housing with the new principles of governance and partnership set out in Plan Melbourne. Affordable housing can be achieved through innovative approaches across community housing, social housing and public housing sectors. Engagement with this sector is vital to achieve affordable housing opportunities in the FBURA. This will be critical to achieving the outcomes of Strategic Directions 5 – Diverse Distinctive and Diverse Neighbourhoods and 6 – A Great Place for Families.

d Continuing Community Engagement

The Community Engagement process that has been initiated by Places Victoria should continue through the evolution of planning strategies, policy-making and development decisions for the FBURA.

Aboriginal stakeholder groups need to be consulted and engaged during the entire life-cycle of the FBURA implementation. The City of Melbourne can assist in this engagement process and would recommend that this is done in a timely way to enable these stakeholders to inform the Strategic Framework Plan. This will facilitate the identification of opportunities for advice and partnerships in relation to community infrastructure, sustainable design and landscapes, as well as representations of past and contemporary indigenous culture through the FBURA to be considered in a meaningful way.

e Determining Appropriate Governance Models

We understand that the Strategic Framework Plan will suggest a preferred model of governance. The City of Melbourne is keen to have discussions on the preferred governance model for the delivery of the FBURA.

This will need to consider development outcomes through the facilitation of changes to planning policy and its implementation, investment decisions in new infrastructure and upgrades to existing infrastructure, development contributions plan implementation and the relationship to existing capital works maintenance and upgrade done to existing assets owned and managed by the City of Melbourne and the City of Port Phillip.

Appendix C

City of Port Phillip submission



CITY OF
PORT PHILLIP

Fishermans Bend Urban Renewal Area Draft Vision and Interim Design Guidelines

DRAFT Submission on behalf of Port Phillip City Council

November 2013

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Message from the CEO

As the local authority, Council remains strongly committed to the successful and innovative redevelopment of the Renewal Area. To assist in furthering this commitment Council has, not only created a dedicated Fishermans Bend Team, but realigned the organisation in order to respond to the challenges and maximise the benefits of the significant inter-generational opportunity presented by the development of the Renewal Area. This realignment will position Council to successfully embrace these challenges and opportunities and ensure that the significant growth potential provided by the Renewal Area will create a positive legacy for community of Port Phillip.

Tracey Slatter
CEO
Port Phillip City Council

Introduction

The City of Port Phillip (CoPP) welcomes the opportunity to make a submission in support of the Fishermans Bend Urban Renewal Area Draft Vision (Draft Vision) and the Interim Design Guidelines, both issued in September 2013.

The Draft Vision represents an incredibly positive opportunity to reshape how Melbournians think about urban growth, housing, working and getting around. As the major urban renewal project in metropolitan Melbourne, it has the potential to become a truly city shaping, transformational project.

The Draft Vision has been a process of partnership and collaboration between Place Victoria, Department of Transport Planning and Community Development, the City of Melbourne and the City of Port Phillip. The result of this process is a Vision that identifies the key elements needed to inform the next steps in the journey to make this renewal project a world class, long term success.

The City Port Phillip is proud to have been part of the preparation of this Vision.

Development of Council's submission

In preparing this submission Council has continued the close partnership with Places Victoria, the Department of Transport, Planning and Community Development and the City of Melbourne by assisting at the Places Victoria consultation sessions. In addition to the Places Victoria sessions, Council held six additional 'pop up' information sessions and several interactive events to assist in encouraging community interest and participation in the consultation process. These events have provided great insight and assistance in informing the preparation of Council's submission.

The 'pop up' sessions were held at:

- Port Melbourne Primary School, Graham Street
- South Melbourne Market, Cecil Street
- Bay Street, Port Melbourne
- The Salford Lads Club Café, Bridge & Fennell Street
- Industri Café, Ferrars Street
- Sandridge Community Centre and Trugo Club, Garden City Reserve

Over 295 community members attended these Council organised sessions. More detail from these consultation sessions is provided in Attachment 3.

This submission is made as a continuation of the strong relationship that has developed between Council, Places Victoria, City of Melbourne and the Department of Transport, Planning and Local Infrastructure, a productive partnership that resulted in the development of the Draft Vision.

In preparing this submission Council continues to look to the future of the Renewal Area and has framed this submission with a strong emphasis on the complex range of next steps required to deliver the Vision. Specific comments, suggestions and additions to the Draft Vision and the Interim Design Guidelines are contained in Attachments 1 & 2.

Key Messages on the Vision

The Vision for Fishermans Bend Urban Renewal Area has broad support across the community.

The ten Strategic Directions contained in the Draft Vision are key scene setting aspirations to guide the regeneration of the Fishermans Bend Urban Renewal Area.

Council and the community strongly support the overall Vision proposed for the Renewal Area as a city shaping project of enormous potential.

As part of Council's consultation sessions the community were asked to nominate their key comments and issues.

The key comments and issues raised were:

- Generally supportive of the Draft Vision but sceptical key community and transport infrastructure will be delivered
- Deliver the Collins Street tram extension upfront
- Deliver schools – current lack of primary and secondary in Port and South Melbourne
- Deliver community facilities early
- Deliver parks and green links upfront
- Building heights in the Draft Vision are supported
- Protect the interface along Williamstown Rd, Boundary Street and City Roads
- Protect existing open spaces
- Provide more sporting fields and larger areas of open space
- Provide a genuine mix of uses –with a focus on jobs
- Develop at a human scale and texture
- Integrate the industrial history into a new Fishermans Bend
- Prioritise walking and cycling routes
- Manage the interface with the Port Capacity Project
- Plan for existing and future truck and car traffic – traffic is a significant issue that needs to be managed; and
- More detailed planning required

The issue of certainty was one that was raised consistently across all the consultation 'pop ups'. This concern can be best summed up by the community's comments on the Draft Vision, which can be paraphrased to, *"it's a nice plan, but they'll never build it"*.

As planning continues for the Renewal Area Council is keen to continue the positive engagement with the community to enhance community ownership and understanding of the project. Ongoing engagement and the understanding of background material that informed the Draft Vision could enhance community ownership.

Whilst the Draft Vision is broadly supported, the critical issues are the next steps and the implementation of the Vision to deliver certainty.

The development of a partnership based governance structure, together with a strong commitment to the timely provision of infrastructure and clear planning provisions will create certainty and direction for investment in the precinct, ensuring quality built form and land use outcomes that grow a strong, connected community.

The Vision can deliver:

- a vibrant mix of land uses as an extension of the capital city, including commercial development at a scale which capitalises on the areas strategic location, helping to maintain Melbourne's competitiveness in the global economy.
- maximum benefit from the presence of catalyst transport and community infrastructure projects.
- housing choice to support a diverse community, including family households.
- best practice sustainability outcomes and optimal precinct wide utility solutions.
- quality streets and public spaces, optimising liveability in a higher density setting that seamlessly integrate the area with the surrounding communities.

In addition to supporting the Strategic Directions Council supports the ten Key Moves. Council sees the following of the ten Key Moves as critical to the success of the Renewal Area:

Key Move #2 – Link the city to the bay

If the Fishermans Bend area is to truly be part of an expanded central city the development of the new Plummer Street green boulevard, linking back through to Collins Street is critical.

The extension of the Collins Street tram into Fishermans Bend is strongly supported as a key piece of early delivery, catalyst infrastructure. The early delivery of the tram extension project will transform the connectivity of the Renewal Area to the Central City creating a catalyst for significant employment growth and send a strong and clear signal that this Renewal Area will be different and more than a residential area.

Key Move #7 – Create a network of local parks and green spaces

The early identification, reservation and provision of new public open space is critical to ensure that the Renewal Area fulfils the Draft Visions Strategic Directions of Distinctive and diverse neighbourhoods, A great place for families and A high quality built environment.

The location and provision of new open space areas will be a key driver in setting, not only the physical look and feel of Fishermans Bend but also the establishment of the neighbourhood character and demographic diversity.

With the average dwelling density at 200 dwellings per hectare and an apartment style built form, the role of local parks and linear connections to the network of regional green spaces will be critical for the development of social networks and healthy lifestyles.

Key Move #9 – Create centres for local communities

The development of a series of primary and secondary centres is critical to the successful delivery of the Vision. These centres will provide the catalyst for the redevelopment and the basis for the long term development of diverse and sustainable communities.

To be successful in the creation of centres for local communities, the development of the Strategic Framework Plan and detailed precinct plans must clearly identify, plan for, commit to and deliver early, the land use mix, public open space, schools, community and transport infrastructure needs set out in the Draft Vision. This will send a clear and positive investment signal to the community and the industry about the future direction of Fishermans Bend.

Key Move #10 – Create distinctive and diverse neighbourhoods

The proposed height limits for each neighbourhood precinct (Figure 27) strike an appropriate balance between facilitating a more diverse and intensive urban form whilst allowing for an appropriate transition from the established areas of Port and South Melbourne and back toward the existing central city area.

The height limits proposed in the Draft Vision document are supported and should be carried through to the next stage in the Strategic Framework Plan, detailed precinct planning and implemented as mandatory planning provisions in the Port Phillip Planning Scheme.

The Vision for Fishermans Bend is not a 'business as usual' growth area model.

The Draft Vision sets out a new urban form and mix of land uses that does not follow the traditional 'business as usual' formula for a growth area.

The new urban form proposed breaks from the conventional land use segregation model, proposing mixed residential and employment activities within walkable precincts that have greater provision for cycling and public transport.

This new urban form, with its complex mix of land uses, is proposed to be developed in an existing industrialised urban area in private ownership. As there is little publicly owned land available to help guide and influence the outcomes, there is an even stronger need for decisive leadership and a definitive planning direction from the State to ensure that the Vision is realised. Key elements in this leadership are:

- the early identification and provision of sites for infrastructure and public open space, and
- the investigation of innovative delivery and partnerships models with the private sector.

Clear guidance, detail and direction on land use mix, infrastructure and economic development will be required as part of the next stage of the project.

Making it happen – Key next steps

With the Strategic Directions and Key Moves contained in the Draft Vision supported, Council's focus is now on the next steps required to successfully implement the Vision.

As noted earlier, the development future envisioned for Fishermans Bend is not one that can be achieved through a 'business as usual' model to urban growth.

To achieve the Fishermans Bend Draft Vision the approach needed must:

- recognise the scale of the project area and the significant investment in infrastructure required to create the Vision
- facilitate the Collins Street Tram extension as the first step in the expansion and connection of the Renewal Area to the central city
- establish certainty of building heights through planning provisions
- ensure that the community feels ownership of the project
- provides a significant ongoing role for the City of Port Phillip, including the return of Responsible Authority status
- recognise that the area is not a greenfield location or lower scale infill development
- acknowledge that the area contains significant existing industrial and creative industry activity, which is a major economic contributor to metropolitan Melbourne
- develop mechanisms to retain and enhance the existing creative industry presence to assist in building a sustainable employment base and knowledge based industry niche for the area
- manage freight traffic around and through the Renewal Area due to the proximity of Webb Dock and the Westgate Freeway; and
- bring to fruition the vision of a truly integrated mixed use residential and employment precinct, rather than a conventional residential "dormitory" suburb, serviced by a basic range of shops.

Whilst there is broad community and industry support for the future set out by the Draft Vision, there is a degree of concern and scepticism from the community around the delivery of the Vision and in particular the timely provision of public infrastructure that is necessary to act as a catalyst for driving private investment in the area.

The traditional limited intervention model for planning and development of the growth precincts will not deliver the Vision. We know the many lessons learnt from Docklands and Southbank these need to be incorporated into our thinking and applied with vigour.

Council is strongly of the view that the key to making the Vision a reality is the provision of certainty.

Providing certainty - Key priorities

"Unless commitment is made, there are only promises and hopes; but no plans."

Peter F. Drucker

Delivery on the Vision requires substantial public and private sector investment. This investment is required not only from the government and traditional development sector but also from future residents and business operators. All of these players need a high degree of certainty in order to make their investment commitments.

Attracting the private investment required to realise the Urban Renewal Vision will not occur without clear planning guidance.

Council's **four priorities** to provide the certainty required for long term investment and delivery of the Vision are:

1. **Certainty of the Vision**
2. **Certainty of infrastructure provision and delivery**
3. **Certainty of a modern and sustainable economy**
4. **Certainty of governance responsibilities**

Priority 1 - Certainty of the Vision

The Draft Vision has captured people's imagination and there is now a once in a lifetime central city renewal opportunity to plan, create and manage one of the most innovative and inclusive new urban precincts in the world.

The Vision needs to quickly move on to next level of implementation through preparation of a clear Strategic Framework Plan accompanied by detailed precinct plans for each of the neighbourhoods.

Whilst the Renewal Area presents a wealth of opportunities due its inner city location close to the Bay, the CBD, Docklands and the culture of Southbank and St Kilda, this location also presents significant challenges to the achievement of the Draft Vision derived from the industrial nature of the surrounding area and the Renewal Area itself.

To provide confidence that the Draft Vision is achievable, the challenges of the redevelopment of the Renewal Area need to be addressed with clarity and certainty. The challenges to fulfil the Draft Vision are:

- Delivery of Amenity - given the significant industrial uses and freight traffic in the surrounding area.
- Delivery of community and transport Infrastructure - given the limited public land holdings.
- Delivery of the land use mix, social and affordable housing and built form outcomes – given the land has been rezoned.

The next steps in the project should address these issues.

Key Issues

Delivery of amenity

Certainty is needed around the amenity of the area. The proximity of Webb Dock and the Westgate Freeway create uncertainty around future amenity of the Renewal Area. Clear traffic modelling and planning is required to show that as the Webb Dock area is expanded and the existing freight dominant industrial uses of the area relocate, that there will be a significant improvement to the amenity of the area.

- Develop a road freight movement strategy and network given the proximity of Webb Dock and the Westgate Freeway to ensure that freight traffic intrusion into the Renewal Area is minimised and does not prejudice the delivery of the Vision.

Social and affordable housing

In greater Melbourne, the threshold income in 2011 required to purchase a median priced dwelling was \$135,000. This meant that 70 per cent of Melbourne's households were unable to afford to purchase a median priced house.

In the City of Port Phillip, the threshold income required to purchase a median priced dwelling in Port Phillip in 2011 was \$269,000. Despite Port Phillip's higher median income, this meant that 86.5 per cent of households could not purchase a median priced house.

In the absence of any clear requirement for the provision of social and affordable housing the Renewal Area is likely to be unaffordable to 99% of renters or purchasers with moderate income or below.

The provision of social and affordable housing is critical to support social and cultural diversity. Addressing housing affordability and providing access to a range of social tenure housing is needed not only to ensure disadvantaged communities are located close to established support services, but also to ensure lower income, 'key workers' can be housed.

There is a need to provide mechanisms to ensure the provision of social and affordable housing in the Renewal Area. An absence of social and affordable housing within the area will present a fundamental barrier to achieving Strategic Direction #6: *'Fishermans Bend is a place for all people and ages through the creation of diverse, liveable and family friendly communities'*.

Built form

The Draft Vision proposes a range of built form outcomes including heights, street interfaces, setback and the development of a fine grain, human scale built form and public realm.

Environmental factors including ground conditions, flooding, tidal inundation and sea level rise may have a significant impact on the ability to develop parts of the Renewal Area and will impact on the built form outcomes, particularly at street level. The absence of a strong policy direction for dealing with these issues may work against street activation and the realisation of the fundamental characteristic of the Renewal Area.

Council strongly supports the need for planning scheme provisions to deliver specific built form guidance to enable the Renewal Area to achieve the diversity and character outcomes set out in the Draft Vision. There is a need to develop Design and Development Overlays that confirm the building heights as mandatory, setbacks and street interfaces of the Draft Vision and to guide built form to create the different precinct character areas.

Next steps

Strategic Framework Plan

Develop a Strategic Framework Plan that:

- builds on the Draft Vision
- incorporates the Strategic Directions and Key Moves of the Draft Vision into a range of more conventional development and land use themes and mechanisms such as:
 - movement network, including an overall road hierarchy, location of new streets and street widening
 - a public open space framework and identification of land acquisition
 - public transport routes, nodes and stops
 - building heights and setbacks; and
- leads to the development of planning scheme provisions that provide strong guidance for land use mix and built form outcomes
- addresses how the impacts of climate change – specifically climate adaptation to heat waves and flooding/ sea level rise may impact on the ability to realise the Vision
- develops public realm standards for the public realm standards, including road cross sections, street infrastructure and finishes, to inform the development contributions and assist in creating distinct neighbourhood and precinct character

The Strategic Framework Plan should also form the basis for the development of strong and clear Neighbourhood Precinct Plans and detailed planning controls designed to implement the Vision.

Neighbourhood Precinct Plans

Develop neighbourhood precinct plans that set out in more detail:

- building heights and setbacks
- mechanisms to address interface issues
- street layouts, widths and cross sections prioritising walking and cycling
- land use mix, detailed planning for primary and secondary centres (as depicted in the Vision) and identification of the location for smaller neighbourhood and local centres.
- the location and areas of parks, schools and community facilities
- the identification and reservation of land for the provision of the transport network and community infrastructure including:
 - Collins/Plummer Street Tram extension
 - Public transport;
 - Bicycle and walking routes
 - New local streets and road widening
 - New open spaces

- New community facilities
- the integration of the industrial heritage of the area into the future built form and character
- the integration of sustainability initiatives across the precincts including, waste collection/disposal, third pipe infrastructure, stormwater harvesting and co-generation opportunities.

Land use mix

Develop more detailed land use planning provisions to facilitate the employment and business outcomes and opportunities in the precincts that are set out in the Vision.

There is a real and significant risk that without strong and clear planning provisions that direct land use location and mix that the land use vision will not be delivered.

Social, affordable and accessible housing mix

Rather than simply to aspire to 'encourage' the provision of social and affordable housing, the next step of the development of planning provisions should be framed to deliver a 20% social and affordable housing mix within the Renewal Area.

There is a need to develop a Social and Affordable Housing Strategy that delivers on the social and affordable housing mix of 20%.

The next steps must ensure that housing provides:

- A mix of types and tenures
- Accessible and 'visitable' designs
- Adaptable designs for different lifestyle phases
- Quality living environments, with minimum apartment sizes, natural light and ventilation, minimum ceiling heights and adequate storage.

Built form

There is a need to establish detailed planning and design guidelines that build on the themes of the Draft Vision and the Interim Design Guidelines, including the industrial heritage, but also provide for the development of unique character statements, for each of the precincts.

There is a need for the preparation of Detailed Design Guidelines to take into account the challenges of potential sea level rise and inundation, particularly the effect raised floor levels may have on street interfaces and neighbourhood character.

Introduce into the Port Phillip Planning Scheme a Design and Development Overlay that implements the heights of the Draft Vision as mandatory heights and establishes design criteria to develop the individual precinct character of the Vision.

Priority 2 - Certainty of infrastructure provision and delivery

The Draft Vision rightly highlights the critical importance of the early provision of infrastructure, such as public transport, community facilities and public spaces as crucial to successful community and economic development. This will particularly be the case in the early transition and establishment stages of the Renewal Area.

Community infrastructure is crucial, not only in providing access to services, but in supporting an active, healthy and cohesive community. An engaged and well-connected community will be achieved through providing places which facilitate social interaction, access to information and the building of community relationships.

Council strongly supports the Draft Vision's principle of early provision of infrastructure, however for it to be provided, infrastructure needs to be clearly identified and committed to. The infrastructure concepts of the Draft Vision now need to translate into detail in the Strategic Framework Plan and clearly identify a clear commitment to the type, scale and locations of the infrastructure and community facilities that will be provided in the Renewal Area. This degree of certainty is critical to providing confidence to private investment that will be so critical to the development of the Renewal Area.

The Strategic Framework Plan needs to establish quickly and definitively "what" goes "where".

Key Issues

The fundamental approach to the planning and provision of community infrastructure proposed in the Draft Vision is generally supported however particular consideration needs to be given to the following matters:

- Acknowledgement that community infrastructure within and close to the Renewal Area primarily services existing communities and is operating at capacity.
- Accurately quantify and locate the broad range of community infrastructure and open space to be provided in the Renewal Area and develop a program for the early delivery of the infrastructure.
- Acting on the critical need for a priority to be placed on the early delivery of infrastructure to attract private sector investment and a diverse population, including families and the older persons.
- The importance of community infrastructure, not only in providing access to services, but in supporting the development of strong social networks.

- Put an emphasis on 'clustering' and 'co-location' of community infrastructure based on related and complementary activities in accordance with *Figure 25: Key Move 9 - A series of new local centres*.
- Investigate innovative models for the provision of community infrastructure, including vertical and mixed use approaches, and a range of delivery approaches.
- Identify and reserve locations for community and transport infrastructure including :
 - the extension of the Collins Street tram network into Fishermans Bend - along Plummer Street and Fennell Street (with delivery committed to within the next five years).
 - Melbourne Metro project (Stage 1) and commencement of construction in the short term.
 - Melbourne Metro (Stage 2) linking Fishermans Bend into the rail network in the short to medium term.
 - delivery of tram services along Ingles Street connecting Fishermans Bend to Domain (medium term).
 - Park Street Tram extension.
 - road widening and new local street networks; and
 - identification of key community infrastructure – at the primary, secondary and neighbourhood levels.

These elements will assist with the critical task of finalising the Development Contributions Plan and the development of a very robust business case that projects cash flow from all sources and establishes governance and financing mechanisms to borrow against these future revenues allowing for infrastructure investment to lead development.

In addition to detail precinct planning, critical 'next steps' also include:

- Review and refinement of floor-space allocations and costs for community infrastructure.
- Investigation of incentives / planning requirements to facilitate the delivery of community infrastructure as part of private development.
- Design Guidelines / Criteria for public open space contributions (where the land rather than cash contributions are made) to achieve the delivery of quality local open spaces.

Priority 3 - Certainty of a modern and sustainable economy

The Renewal Area and the areas of South Melbourne and Docklands immediately adjoining the Renewal Area are currently home to a significant proportion of creative, design and knowledge based industries. These "knowledge industries" provide substantial employment and economic benefits to the area and the State. With appropriate encouragement and nurturing these industries have the potential to grow to a level to rival the economic contribution of the traditional manufacturing industries that previously called Fishermans Bend home.

Economic Contribution of Creative Industries

The Creative Industries in the City of Port Phillip directly account for 12,700 jobs. This is just over 15% of total employment in the municipality. This is more than three times metropolitan and State levels which account for less than 5%. Even in comparison with the Inner Melbourne region, where the Creative Industries account for 9% of employment, the City of Port Phillip can rightly claim to be a 'Creative City' in a national context. The City accounts for nearly 13% of Victorian Creative Industry jobs despite accounting for less than 4% of total Victorian employment.

Creative Industry Concentrations

The spatial distribution of the key Creative Industries in Port Phillip varies by sub-division. The concentration of firms from an industry sub-division is a result of a natural process where firms maximise competitive advantage by locating in areas which have good access to skilled labour, client markets, supplier networks, and other institutional players.

The sub-division within the Creative Industries is generally:

- Music and Performing Arts
- Film, Television and Radio
- Advertising and Marketing
- Software Development and Interactive Content
- Writing, Publishing and Print Media
- Architecture, Design and Visual Arts

There is the opportunity, with increased connectivity back to the central city and appropriate planning provisions, to further strengthen the creative industry niche of the precinct and leverage existing operations such as Dockland Studios Melbourne.

Other existing industries

As an established and successful industrial precinct the Renewal Area contains a large range of other industrial uses. Whilst many of these industries are in transition due to broader structural changes in the economy or may not be an appropriate "fit" into the long term, there are a large

number of businesses that could remain in the Renewal Area and continue to provide employment for the region.

Overall there is an urgent need to develop a strategic business and investment retention and attraction framework for the Renewal Area. Without such a framework there is the risk that the area will become dominated by residential development and many of economic opportunities presented by the Renewal Area will be lost to interstate or international locations.

Future opportunities

The renewal of Fishermans Bend provides a once in a generation opportunity to establish a key National Employment and Business Cluster in a premier location and as a complementary expansion of the central city area.

The level of change and growth anticipated in the inner region is such that key regional or national facilities could establish in the precinct. Further investigation into the potential for the Renewal Area to accommodate centres of excellence for medical research, higher education, information technology or other industry specialisations should be undertaken in order to maximise the economic potential of the area.

Key Issues

A need to develop planning provisions and strategic infrastructure framework that delivers:

- Retention and expansion of the existing creative industry mix
- The area needed to implement a phased expansion of the central city
- Encourages agglomeration of commercial uses in the areas close to the CBD and primary centres
- An economically robust and sustainable mix of land uses
- Industry appropriate and affordable commercial spaces
- An attractive place for new economy investment at a range of different scales and sectors

To achieve the business and economic growth contained in the Draft Vision consideration needs to be given to the preparation of:

- A business transition, retention and attraction strategy
- A Business Audit, including an Ownership and Business intention Study
- Economic Direction & Business Sector Vision Development
- Renewal Area Business Prospectus
- The potential for the establishment of a national employment cluster and/or centre for excellence.

To maintain and enhance the economic potential of the Renewal Area, investigate the creation of a Renewal Area Business Development Committee.

Priority 4 – Certainty of governance responsibilities

In the next ten years, the Project is expected to deliver almost \$2 billion of private investment and create 13,500 construction jobs, boosting Melbourne's economic growth and securing jobs and investment for decades to come.

Fishermans Bend Urban Renewal Area - Draft Vision – September 2013. p 5

The early delivery of infrastructure is critical to the transformation of Fishermans Bend from an industrial area to a mixed use area and to attract private investment.

Fishermans Bend Urban Renewal Area - Draft Vision – September 2013. p 67

Now that the Draft Vision has been established and the project is moving into the implementation stage a detailed plan for the determination of governance responsibilities needs to be developed.

Just as international investment values a national governance environment of stability and certainty, investors in the Fishermans Bend Urban Renewal Area will seek certainty and stability in the governance structure. The roles and responsibilities of the State and Melbourne and Port Phillip City Council's in the governance of the Renewal Area need to be clearly defined and established.

In addition to assisting in providing investment certainty, the governance structure needs to contribute to the development of the identity, sense of belonging and community spirit. As the level of government closest to the community, Council is best placed to play a key role delivery many of the governance and community development needs of the Renewal Area.

Governance issues that need to be addressed include:

- responsibility for and preparation of detailed precinct structure planning,
- the development of infrastructure standards, provisions and maintenance, and
- the establishment of a program for the funding and delivery of community and physical infrastructure.

Council strongly supports the principal contained in the Draft Vision of the early provision of infrastructure and the broad funding principals set out in the Vision. However, there is an urgent need to develop and commit to a more detailed plan for infrastructure funding and delivery. In developing funding mechanisms there needs to be a clear recognition of the role that traditional State and local government funding sources should provide and how other mechanisms such as development contributions can supplement the funding. In particular State revenue streams generated through development of the Renewal Area also need to be considered.

A clear governance model that continues the partnership approach, with a key role for the City of Port Phillip and sets out detailed strategic planning, infrastructure funding delivery and decision making responsibilities, is critical to the next steps in the development of the Fishermans Bend Urban Renewal Area.

Key Issues

Governance structure

The governance structure should continue the strong partnership between the State and Port Phillip City Council that has occurred through the first stage of the project. It is critical to establish a governance structure that builds on the successful partnership between Places Victoria and Port Phillip City Council, formally recognises Council's role in the Renewal Area and maintains the positive momentum that this partnership has developed.

The recent creation of the Metropolitan Planning Authority and the need to move on to detailed precinct and infrastructure planning means that this is an opportune time to establish a joint 'board' style, governance structure for the Renewal Area based on the sub-regional partnership model proposed in Plan Melbourne.

Membership of this governance structure should include:

- Metropolitan Planning Authority
- Places Victoria
- City of Port Phillip; and
- City of Melbourne

The current governance structure that applies to the Docklands Renewal Area is a useful starting point from which to develop the partnership based governance structure for the Fishermans Bend Urban Renewal Area.

A formalised partnership arrangement provides Council with a genuine role in planning for the future of the Renewal Area and continues to make good use of Council's local knowledge and technical expertise that has made such a valuable contribution to Places Victoria and the State Government in the initial stages of planning for the Renewal Area.

Financial Infrastructure and Delivery Strategy

A Financial Infrastructure and Delivery Strategy that clearly identifies the required infrastructure, funding sources and delivery timeframes needs to be prepared.

The Financial Infrastructure and Delivery Strategy finally adopted must be capable of financing and delivering critical infrastructure upfront and delivering other infrastructure in a timely manner over the life of the project. Without this, the Vision for the Renewal Area will not be delivered.

This strategy needs to:

- Investigate the creation of a debt facility that funds the upfront delivery of key infrastructure.
- Finalise the Development Contributions Plan (DCP) including, inclusions and exclusions, revenue collection, expenditure and administration responsibilities.
- Ensure that the component infrastructure of any DCP is consistent with DCP conventions and does not expose the DCP to legal challenge.
- Direct an equitable share of DCP revenue to local infrastructure, ensuring Council does not inherit a significant financial burden or cash flow issue and is able to deliver, in a timely manner, quality streetscapes, public spaces and community facilities which are critical to the Vision and liveability within a high density setting.
- Apportion funding responsibilities across all beneficiaries of infrastructure, including land owners, developers, future residents / businesses, and State and local government.
- Capture an equitable proportion of the land value "uplift" created by the capital city rezoning.
- Guarantee a funding stream that ensures catalyst transport and 'pioneer' community infrastructure can be delivered early.
- Recognise State income generated through the Renewal Process such as:
 - Land tax receipts
 - Property transfer Stamp duty
 - Other general revenue increases
- Provide the potential for annual State budget submissions and allocations.
- Match revenue collection rights with expenditure obligations.
- Investigate innovative and alternative funding mechanisms.

Precinct planning and development approval

The governance structure needs to commence the process for the transfer of planning and development approval responsibility for the Renewal Area back to the Port Phillip City Council.

As a first step in that transfer of Responsible Authority status for the four storey, lower scale interface areas should be returned to Port Phillip City Council following the consultation period. Responsible Authority status for the balance of development types in the Renewal Area should be returned upon the completion of the Strategic Framework Plan.

ATTACHMENT 1

Improvements, additions and edits to the Draft Vision

Page No	Comment
Maps throughout Draft Vision	There are inconsistencies in the mapping across the Key Moves. Issues include: <ul style="list-style-type: none"> • Different scale between Key Move maps • Council reserves not being shown, including Elder Smith Reserve The Maps should be reconciled to ensure accuracy throughout.
Page 7	Fourth paragraph – name Melbourne City Council and Port Phillip City Council
Page 11	Timeline – the land was rezoned in 2012 not 2013
Page 14	Fourth paragraph light rail routes are 109 and 96
Page 19	Main challenges – dot point 1 should start “Creating new or >>>”
Page 19	Main challenges - dot point 8 should include reference to flooding and sea level rise and the impact on buildings at street level.
Page 19	Main challenges – dot point 10 should include reference to a diverse and affordable range of dwelling types
Page 25	Distinctive and diverse neighbourhoods - first dot point “each with a distinct...” should add “character” or similar adjective
Page 25	Distinctive and diverse neighbourhoods - second dot point should read “post European settlement”
Page 25	Distinctive and diverse neighbourhoods - fourth dot point should be “Creating, enhancing or maintaining...”
Page 25	A great place for families – fifth dot point include “accessible”
Page 25	A high quality built environment– second dot point – Should read “A scale and orientation of buildings...”
Page 27	Strong partnerships and effective governance – first dot point add reference to the Design Guidelines
Page 27	Strong partnerships and effective governance – At the end of the current sentence add “.. and shared between the State and local authorities”
Page 30	Potential priority project list should include Collins Street Tram as a key link into the Renewal Area around the river.
Page 30 & 31	The map in Figure 7 incorrectly shows the location of the high intensity Capital City development areas in Montague and southern Sandridge. The map should accord with the map at Figure 27.
Page 38	Potential priority projects – re-order list with “identify and protect...” as first dot point.
Page 38	Potential priority projects – third dot point should read “A permeable and fine...”

Page 40	Potential priority projects – Add Collins Street Tram extension.
Page 44	Potential priority projects- Add “Identify road widths and develop appropriate cross sections to reserve land to develop the boulevards”
Page 44	Figure 19- Question why Dynon Road, Alexandra Parade and others distant from the Renewal Area are shown on this map
Page 46	Potential priority projects – third dot point should be moved to Key Move 8
Page 48	Add new Potential priority project – Develop and freight movement strategy to reduce the impact of freight traffic
Page 50	Add a new Potential priority project – Acquire land for new parks and community facilities
Page 50	Potential priority projects – Add a new dot point for land use direction – “Develop a suite of planning provisions that direct commercial and retail activity into the Primary and Secondary centres.”
Page 52	Add new Potential priority project – Develop an Affordable Housing Plan with a requirement for 20% of housing stock to be accessible and affordable.
Page 52	Potential priority projects – second dot point – reword “promote housing choice” to “provide a range of housing types suitable for a diverse range of family types”.

ATTACHMENT 2

Improvements, additions and edits to the Interim Design Guidelines

Overall

There are a number of general issues with the design guidelines that require clarification or additional information.

Land use

The Guidelines contain a number of statements around land use issues. These are built form guidelines, these statements should be removed or reworded to ensure that they speak to the built form requirements designed to provide spaces for particular land uses.

Precinct character

How do these guidelines work towards creating the differing neighbourhood characters set out in the Vision? The guidelines need to include reference to neighbourhood character statements; these should be developed as part of the Strategic Framework Plan to assist in delivering the Vision.

Master plans

Master plans are referred in the Design Guidelines. What are the:

- triggers and requirements for master plans,
- status of master plans,
- mechanisms to approve them and give them statutory weight in the planning system?

Administration issues

The guidelines need a brief introduction section that:

- clearly explains the link and relationship to existing State and local policy in the Port Phillip Planning Scheme.
- clearly explains the relationship to the Strategic Framework Plan and any relevant Precinct Plan
- provides an explanation for the layout of the guidelines, the thematic issues, the development requirements, and the role of the "Note" and a range of definitions for terms used throughout the document.

Page, Section and Note	Comment
Section 1.	Site layout and development typology
Page 4	In the last sentence of the thematic issue add 'permeable' before the words 'pedestrian friendly environment,'
Page 4, 1.2	How are "larger, complex or staged development sites" defined/determined?
Page 4, 1.2	Add "movement network" after the words "open spaces"
Page 4, 1.2	Add an additional sentence, "The master plan must be in accordance with the Strategic Framework Plan and the relevant precinct plan."
Page 4, 1.2 Note 1	What is the trigger and process for creating and agreeing to a "master plan"?
Page 4, 1.2 Note 1	Reword to encourage the outcome. " Subdivision of large sites is encouraged to enhance the permeability of the area. An agreed master plan must be in place prior to the creation of any additional lot."
Page 4, 1.2 Note 2	Move Note 2 down the order to follow on from all the master plan Notes
Page 5, 1.3	Add the word "and permeable" after "ensure an accessible," in the second line.
Page 5, 1.3 Note 1	Add the word "community" between "key facilities." , in the last line
Page 5, 1.3 Note 3	Reword to read, "Links, laneways and street must be transferred to Council at time of subdivision."
Page 5, 1.3 Note 4	After the first sentence insert, "These shared links must be designed and constructed to limit vehicle speed to 10kmh."
Page 5, 1.3 Note 5	At the end of the sentence add, "...and as a minimum be provided with surveillance opportunities from adjoining buildings."
Page 6, 1.4	Reword to read, "New development must be sited in accordance with setbacks, rights of way, proposed road widening or reservations set out in the Strategic Framework Plan or the relevant Precinct Plan."
Page 6, 1.4 Note 1	This Note is not relevant to the design and is a governance issue. Delete Note 1.
Page 6, 1.5	There is a strong emphasis on land use in this section. Reword to read, "Development form and layout be designed to allow for a mix of residential and employment activities, across a range of hours and encourage the establishment of activities which build on the Strategic Framework."
Page 6, 1.5	This is a land use comment, reword to relate to built form or delete.

Note 1	
Page 6, 1.5 Note 5	This is a land use comment, reword to relate to built form or delete.
Section 2.	Building height and design
Introduction	Delete the second and third "should" from the sentence.
Introduction	This section should be modified to include reference to noise amenity issues from in the Renewal Area and surrounding industrial areas. Section 6.1 and the accompanying Notes should be relocated into this section as noise issues relate more closely to building design than sustainability and energy efficiency.
Page 8, 2.1	What are "significant public laneways".
Page 8, 2.1 Note 1	This note covers all possible land uses, how does this relate to building design and height. Delete or reword to read: "Buildings must be designed to provide a visual connection from and to public areas through the use and positioning of windows, doors and balconies to the street frontage within the first 20 metres of building height.", or similar.
Page 8, 2.1 Note 4	At the start of the Note add, "Buildings on corner sites must address each street frontage."
Page 8, 2.1 Note 7	Reword to emphasis the Visions desire to create a finer grain street rhythm through the appearance of street frontages of around 10-12 metres.
Page 9, 2.2 Note 1	The overshadowing standard used should be winter solstice.
Page 9, 2.2 Note 2	Reword to reflect height limits specified across the Renewal Area not just adjacent to the 'low rise' areas.
Page 9, 2.2 Note 3	The wording should be consistent with Note 1, "New buildings must not overshadow." The overshadowing standard used should be winter solstice. Rewording Requested: Expand the Note to protect the footpath of key pedestrian streets/links from overshadowing in particular: - Plummer Street, - Buckhurst Street and - the Montague 'Highline'.
Page 9, 2.2 New Note	Add a new note that provides more tailored interface provisions responding to individual contexts: - <u>City Road</u> – Podium of 12metres (3 storeys) to correspond to the parapet height of heritage buildings. Potential also to reduce upper level setbacks to 5 metres. - <u>Boundary Street</u> – Podium of 10.5 metres (3 storeys) to respect the scale

	and proximity of residential development to the west. - <u>Williamstown Road</u> – Podium of 14 metres (4 Storeys) with 5 metre landscape setback at ground level. (Privacy for residential entries)
Page 9, 2.2 Note 6	This Note should be reworded to reflect the height limits proposed throughout the Renewal Area, particularly the four storey interface areas.
Page 9, 2.3 Figure 2.3	This figure shows a rigid parapet form contrary to Note 1.
Section 4	Public spaces and landscaping
Introduction	Not all sites will be required to provide Public Open Space on site. This introduction needs to be clear about the difference between Public Open Space and publicly accessible areas on private development such as fore courts
Page 14, 4.1 Note 2	After the words, "a clear open space role.." add the words "as identified in the Strategic Framework Plan or relevant Precinct Plan."
Page 14, 4.1 Note 3	After the word "overhung" add the words " or overshadowed"
Page 14, 4.2 Introduction	Insert additional comment that: "All landscaping, communal and rooftop gardens should be designed in accordance with water sensitive urban design principles.
Page 15, 4.3 Introduction	In the last line after the word "separated" add the word "by"
Page 15, 4.3 Introduction	Add a new sentence, "These through block links should be inviting to pedestrians, feel safe and read clearly as public lane ways."
Page 15, 4.3 Note 1	Delete the word "generally"
Page 15, 4.3 Note 3	Reword the second sentence to read, " If intended to function as shared spaces these links should be designed with a maximum street design speed of 10kmh."
Page 15, 4.3 New Note	Add a new Note. "Laneways must achieve high quality urban design standards (including finishes, lighting and landscaping) to create spaces that are welcoming and make a positive contribution to the public realm network."
Section 5	Parking and access
Introduction	Reword, replace the word "limit" with "minimise", after the word "usage" add "encourage motor vehicle alternatives"
Introduction	Include reference to transport mode splits of 80% walk, bike or PT, 20% by private car.
Page 16, 5.1	Add a new sentence to the start of the Note, "Clear pedestrian priority should

Note 4	be designed into driveway crossovers and access ways”.
Page 17, 5.3 Note 1	Replace the word “without” with “no”
Page 17, 5.4 Note 1	Delete the words “whatever type”
Page 17, 5.4 Note 2	Include provision for bike parking in the first level basement or similar location.
Page 17, 5.5	Reword to read, “Alternative transport modes to private car usage should be actively promoted.”
Page 17, 5.5 Note 3	Reword to delete “higher ceiling heights are encouraged” and replace with “a minimum floor to ceiling height of 3.5metres is required for parking areas.”
Section 6	Sustainability and energy efficiency
Page 18, 6.1	Relocate Section 6.1 and accompanying Notes to Section 2 Building design and heights and make the changes set out below.
Page 18, 6.1	Add reference to potential amenity impacts from existing industrial land uses of the Port of Melbourne and north of the Westgate Freeway.
Page 18, 6.1 Note 2	Replace the word “adjacent” with “in an area of..”
Page 19, 6.3 Note 1	Add Council as a drainage authority in addition to Melbourne Water.
Page 19, 6.3 New Note	Add a new Note 2. Green walls and roofs should be watered by storm water collected for reuse and or grey water recycling. Streetscape designs should incorporate local storm water detention and be designed to contribute to the passive watering of soft landscape areas, particularly trees.
Page 19, 6.4 Note 1	Add an acknowledgement that grey water could be used for sub surface irrigation.
Page 20, 6.5 New Note	Add a new Note 3. All dwellings should have windows that can be opened to allow for natural cross flow ventilation.
Page 20, 6.6	Delete the words: “not limited to” and replace with “include” “but should include” and replace with “and”
Page 21, 6.9	Relocate 6.9 to be the first item in this Section as this is the broader strategic sustainability statement.
Page 21, 6.9 Note 2	Add reference to Port Phillip Planning Scheme Clause 22.13.

ATTACHMENT 3

Results from Community engagement on the Draft Vision and Interim Design Guidelines

To assist the community in engaging in the project and help inform Council’s submission, Council conducted six ‘pop up’ consultation sessions to engage with the community on the Draft Vision and Interim Design Guidelines.

As part of this process the community were invited to leave comments of the Vision. The comments have been grouped under several themes and are reproduced “verbatim” below.

TRANSPORT & ACCESS

- When is the tram line coming?
- Make the tram the first thing – not cars.
- To be part of the city it needs to have a tram back to the city.
- They’ll never put in the light rail or schools
- Melbourne is trams – build it.
- Accessible transport options – footpaths, crossovers
- Make Montague Street more pedestrian and bike friendly
- Community transport
- Improve the infrastructure for public transport
- Build metro rail and shops above
- Don’t support the bridge / tram line over the Yarra if boats can’t get under it
- Improved motor transport and ample parking
- Free parking for residents (also for foreshore)
- Will the proposed train line be built along with Doncaster rail link, airport link & VFL park?
- It would be helpful to show 5 or 10 year stages from 2014 - 2044

COMMUNITY & NEIGHBOURHOOD

- Total plan.. If only!
- Support medium density development
- Create a community!
- Delivering social infrastructure early
- Schools, childcare, parks important
- Aged care and activities
- Emergency services – doctors and support
- Wirraway household size average?
- Leave Port Melbourne as is!
- Caravan park – close to the city
- Integrated art – delivered early
- Concerned that it will result in overcrowding
- Put infrastructure in first
- About time to do something positive
- Melbourne needs affordable PUBLIC housing - don't be snobs, you are driving thousands into homelessness
- What about the noise from the flight path?
- What is going to happen with all the south bound freight traffic along Williamstown Road and surrounding streets?
- Keep talking and letting us know what is going on.
- Not more of Southbank or Docklands

SCHOOLS

- I think we should have more primary schools
- We need schools now, not in 5-10 years
- Planning school facilities for more than children and equipment
- School's essential
- Build state schools
- They'll never put in the light rail or schools
- Must have enough schools, medical and aged care from the start

OPEN SPACE

- North Port Oval – important community
- Resource / sports grounds - home of important historical football club
- Hands off Port Oval
- No development on PMFC oval
- Port Melbourne Football Oval fence – leave it!
- Don't touch Port Melbourne oval
- Keep parks (don't let be given to development)
- Enough sports grounds?!
- Where has Elder Smith Reserve gone on the plans?
- Sports grounds already at capacity – we need a lot more!

Appendix D

Urban Development Institute of Australia submission



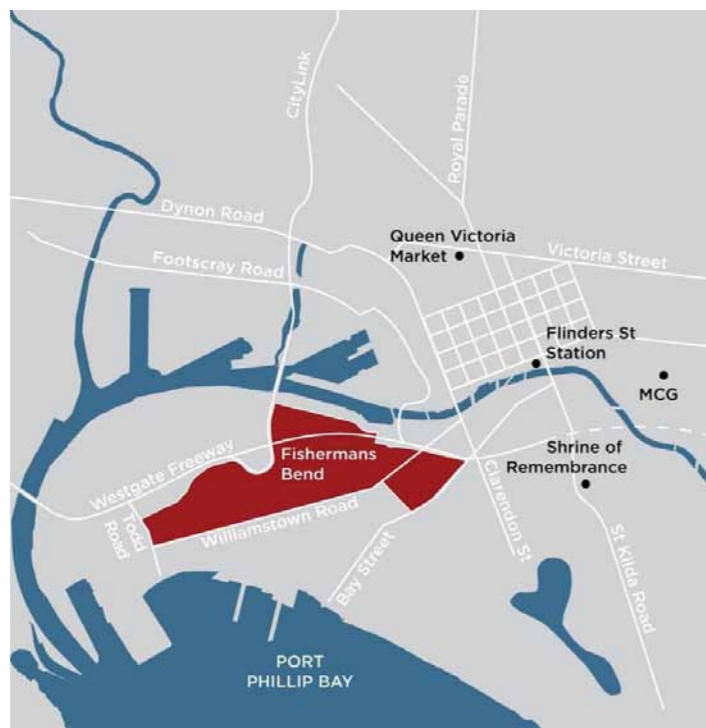
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INDEPENDENT URBAN DESIGN ADVICE

Fishermans Bend Urban Renewal Area

November 2013



Source: Fishermans Bend Urban Renewal Area Draft Vision; September 2013; Places Victoria

Prepared by

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DIRECTORS

1. BACKGROUND

I have been asked by UDIA to comment on the proposed Fishermans Bend Urban Renewal Area Draft Vision of September 2013 as it relates to areas within my areas of expertise in Urban Design and Architecture.

2. FISHERMANS BEND URBAN RENEWAL AREA DRAFT VISION

2.1. The recognition of the future role of Melbourne's inner urban brownfields areas and their effective role in accommodating Melbourne's need for new housing, workplace and infrastructure has been a major factor in driving the prosperity and continuing economic vitality of the city through the past 20 years.

2.1.1. A combination of a need to accommodate the changing needs of 21st Century workplace most notably to deliver larger campus floor plates for top 200 company commercial tenants has combined with the adaptive reuse opportunities arising in remnant industrial building stock for the design and service industries to see inner Melbourne contribute significantly higher densities of high value new jobs in this period than capital cities in other states.

2.1.2. The former industrial areas of Docklands and Southbank have played major roles in this renaissance along with the central city.

2.1.3. The availability of large reasonably priced land parcels close to services and facilities has repeatedly been put forward by leading experts in property economics as a major reason for Melbourne's competitiveness.

2.1.4. The period has also coincided with changing workplace practices, changing markets for workplace growth (with a higher emphasis towards the service sector and hospitality) and in changing household and career characteristics and home ownership and work patterns.

2.1.5. A significant growth in apartment living popularity has been evident as smaller households and in particular a growth in single person households has coincided with the emergent retirement of the first cohort of downsizing baby boomers, and an emergent role of Melbourne as a centre and university education hub for the Asian region.

2.1.6. Melbourne has also built a range of infrastructure that has supported its continued exceptional profile as an events city. These factors and more, outlined in multiple studies have seen an emergent demand for apartment living, more compact townhouse living and short term accommodation that has underpinned the relatively rapid build-out of much of Southbank, the St Kilda Road corridor,

Docklands and the inner urban infill opportunities on former industrial sites along the Yarra corridor in particular.

- 2.1.7. Successive Governments have understood that the continued prosperity of the city is dependent on the continued land supply to accommodate the needs of new enterprises and workforces seeking to enjoy proximity to the amenities and lifestyle that the central city region offers. To this end growth strategies have been identified for areas such as Arden Macaulay, E-Gate, Forrest Hill, Cremorne, Josephs Road Footscray and now Fishermans Bend.
- 2.1.8. This vision for transformation is welcome and is strongly supported.
- 2.1.9. So too is the recognition that Fishermans Bend has the capacity to make a substantial contribution to the employment and accommodation needs of the city and that these platforms need to be considered as interrelated entities.
- 2.1.10. I would endorse the proposition that Fishermans Bend should be able to accommodate densities over the broader 250 hectares in the order of 200 dwellings per hectare though this is contingent in the western ends of the precinct on the timely delivery of public and active transport infrastructure and community infrastructure.
- 2.1.11. Whilst considerably lower than the 300+ densities in Forrest Hill and parts of Southbank the proposition is one that accords with an acknowledgement that as a series of four neighbourhoods, greater opportunities and alignment for density might be afforded in the transit rich areas that best integrate with the adjacent central city and Southbank extensions whilst the more remote Wirrawee areas might be somewhat more oriented to urban living and have a higher bias to family accommodation and services.

3. THE DRAFT VISION

3.1. Draft Vision

- 3.1.1. In my view the Draft Vision is too generic and fails to define a primary platform for Fishermans Bend. This vision in its current form could be ascribed to any number of mid-tier activity centres.
- 3.1.2. I think an underlying ambition could be drawn from its unique location, history, interfaces, purpose and capacity. This combination of attributes should distinguish Fishermans Bend from Docklands, E-Gate, Southgate and Arden Macaulay.

- 3.1.3. As an example of an alternate vision the following could provide a more representative example of the type of approach ,

"To regenerate Fishermans Bend as a world class, distinctive, active transit-oriented extension of the central city, designed for and to meet the diverse needs of 120,000 residents and workers. This extension will be built around distinctive and valued local assets. These will be supplemented with new high quality facilities and an upgraded and extended network of rail, active transit, park, infrastructure that integrate Fishermans Bend with the community of Port Phillip and the Central City."

3.2. Key Directions

- 3.2.1. In general terms the intent of the *Directions* are reasonable but in my view they are too frequently introverted and disconnected in their ambition and require review.
- 3.2.2. Additionally the nexus between goals is not consistently understood. The directions suggest that insufficient learning's have been drawn from recent experience in the development of Docklands and Central City Infill.
- 3.2.3. Docklands for example has been highly criticised for its lack of soul and the poor relationships of land use to public realm arrangements. Words such as *Siberia* have been used to not only describe the climate perceptions but more particularly the sense of isolation from 'the action' and vitality that is seen to embody the central city experience. Playgrounds are framed by corporate offices and main roads rather than housing and family-oriented activity whilst streets and spaces too frequently are not designed to deliver the amenity and character that might attract the knowledge workers and level of activity sought by those who live and work there.
- 3.2.4. For example, little has been demonstrated of what characteristics should embody a place that underpin the *stickiness* and attractiveness of them as perceived high quality locations to work, recreate, socialise, network and live for the knowledge workers and diverse household profile they are seeking to attract to the precinct.
 - 3.2.4.1. Whilst the vision touches on propositions for new community infrastructure it does little to innovate on how these might be procured in a more timely dynamic and integrated way in the context of the high cost of land, relative scarcity of public land and diverse community needs evident in this instance.

- 3.2.4.2. The existing plans e.g. Figure 25 continue to perpetuate suburban paradigms of community infrastructure on identified single purpose locations. In other parts of the world and even in examples such as Docklands we are seeing the emergence of other typologies that integrate public and private development into single place solutions where community activities might be embedded in lower podium levels and residential or workplace areas above or vice versa.
- 3.2.4.3. These opportunities are not seriously discussed despite the success of recent examples such as the City Library and the Lady Gowrie Kindergarten. These more intense programming responses for sites not only ensure a greater level of vibrancy and integration but also diminish the cumulative land costs as a percentage of public infrastructure delivery within the Fishermans Bend precinct. Greater focus on partnerships and more intensive land use would have direct effects on the affordability of housing and other measures and the likely timing of these as a consequence.
- 3.2.4.4. Alternatively the community development plan should not simply be developed as it would appear to be on the basis of a mapping of publically owned land but rather on the potential of land and integration of community activities. Figure 25 flags the proposition for example of potential development of the former MTC storage facility as a Secondary College. Whilst the location near light rail is understandable, the proposed land use has it seems dampened perceptions of potential scale in this precinct to maximum of 8 storeys and areas to its south at 4 storeys for the entire block between Thistlethwaite and City Roads.
- 3.2.4.5. In contrast immediately east of the elevated rail, towers above midrise podiums (with the podiums presumably comparable to the proposed 8 storeys to the west) are seen as acceptable.
- 3.2.4.6. In contrast the Montague Secondary College site, a locally individually heritage listed facility has arguably greater development potential earmarked for both the school itself and environs but consistently 8 levels for the entire block.

- 3.2.4.7. There would appear to be a strong case to say that in the absence of existing ownerships there would be a strong case for higher intensity development in the eastern end of Montague and also a strong case to co-locate a new secondary college with the adjacent specialist secondary facility on Montague and Buckhurst Streets enabling the sharing of a range of core facilities. Facilities would continue to be on a light rail line servicing the Port Melbourne, Beacon Cove and new Montague communities ensuring the school is accessible by both existing and new communities including the burgeoning Southbank corridor.
- 3.2.5. In its current form, a review of the directions would see Docklands largely complying with one notable exception i.e. a great place for families. This would suggest to me the directions are not sufficiently unaligned to the end vision sought or if they are, this vision needs review.
- 3.2.6. The document has not in my view sufficiently interrogated the implications of its Directions and whether they deliver a coherent whole that with the means will deliver the outcome that is sought. I am sure this is not the intent but the outcome will almost certainly be this.
- 3.2.7. Additionally the *means* are often predicated by assumptions that are neither aligned with what I perceive to be the intent of the words as stated nor what exists on the ground. For example we see as the *means* of the Direction- *Distinctive and diverse neighbourhoods*, the notion of *"Maintaining the existing fine grained Street Pattern, particularly in Montague"*.
- 3.2.7.1. If Montague is the benchmark we see for the most part a street grid of blocks approximately 270 metres long and 115 metres southeast to northwest. In the 600 metres long block between Boundary and Ferrars Streets and Gladstone and Buckhurst Streets there are only three interconnecting streets and there are none west of Montague and none for over 200 metres between Gladstone Place and Kerr Street.
- 3.2.7.2. Similarly there are no interconnecting streets other than Montague Street connecting City Road to Thistlethwaite Street other than Montague Street for nearly a combined 500 metres of street frontage.

- 3.2.7.3. In comparison, for a comparable part of Flinders Street between Spencer and Market Streets (540 metres approximately) there are 6 intermediate streets or lanes. Or one every 75 metres on average. This would suggest that either there is a misunderstanding of what constitutes a fine grain street network, or there is a poor analysis of the precinct in question.
- 3.2.7.4. Having said this, I agree that in the context of the target household and workplace markets and the desire to deliver an active transit oriented outcome, a fine grain urban proposition is warranted.
- 3.2.7.5. The reality is however that in this previously largely industrial context, this network does not exist in any widespread manner in the present form of this part of the city and will require the cooperation of land owners and redevelopment of properties in order to achieve it.
- 3.2.7.6. Innovative measures need to be put in place to incentivise these strategies or alternatively PAO's established that deliver them.
- 3.2.7.7. The same can be said for the characteristics of streets with the typically wide nature of them at 30 metres or in some cases more, of a scale that is unusually wide in the context of fine grain, intimate urban places sought. It could reasonably be observed that in contrast, many of our most popular inner Melbourne lanes and residential streets have a substantially more intimate scale. Brunswick Street for example is only two thirds this width whilst Flinders Lane is only half this. Even Bay Street Port Melbourne is narrower by nearly 20%.
- 3.2.7.8. I would suggest that these broad streets are very difficult to invest with the vitality and characteristics represented in the associated photos accompanying the document. Conversely, much can be learnt from recent development that has adopted more innovative approaches to achieving fine grain urban outcomes and the much learnt from the characteristics and typologies that have delivered them. In central Melbourne the QV development exemplifies this alternate approach and has delivered the intensity, connectedness, mixed-use, synergies and character sought in the document. Similarly in South Yarra Forrest Hill, the Daly Street extension to

Yarra Street and the South Yarra Station offered by the developer has delivered important new connections and a valuable new addition to the pedestrian experience.

- 3.2.7.9. In my view the present *means* and *directions* are characterised by insufficient acceptance of the existing shortcomings and challenges of the precincts we have at our disposal and as a result have invested the work with insufficient consideration of how to both incentivise and deliver these vital new links, places and spaces.
- 3.2.8. The same can be said regarding the poor alignment of effective place-making and infrastructure provision.
 - 3.2.8.1. The precinct is not uniform in its constraints or opportunities yet the document fails to acknowledge this.
 - 3.2.8.2. Nor does it place sufficient value on the development readiness of areas or the additional benefits and liveability that can be delivered through effectively extending the edges of the existing settlements as a priority and incentivising change at these important abutments in lieu of building remote or isolated development.
 - 3.2.8.3. At present there is arguably more strategic incentive for change in remote industrial areas such as west of JL Murphy Reserve within Fishermans Bend than there is to redevelop large sections of the Montague Precinct notably the area bounded by City Road, Buckhurst Street, Ferrars and Boundary Streets fully integrated with public transport street and community services infrastructure as well as forming a natural extension of the existing fabric of Southbank and Yarra's Edge. Floor space uplift opportunities in these remote areas for example are sometimes in the order of 15 times existing versus in some instances as little as double in the Montague area.
 - 3.2.8.4. There is no doubt for example that the development readiness of some areas far exceeds that of others and this should be actively promoted by the plan.
 - 3.2.8.5. Considerable value can be delivered through effectively extending the city in lieu of building remote or isolated development in the early stages of the development of Fishermans Bend. Lessons

from Docklands and conversely lessons from best practice examples of international urban renewal such as Rive Gauche in Paris would demonstrate the problems of building communities in isolation versus extending and hence integrating new workforces and communities with a strong culture of existing communities.

- 3.2.8.6. Equally we have seen too often, government promises for timely infrastructure not met in practice. This has frequently led to frustration with development outcomes not aligned with a preferred vision, or undermined by a mismatch to the context with which they are faced.
- 3.2.8.7. In this instance there are great opportunities to work from the edges of the site where they connect to established and known urban form and communities:
 - 3.2.8.7.1. The Southbank Interface,
 - 3.2.8.7.2. The Lorimer and Docklands Interface
 - 3.2.8.7.3. The Garden City Interface and South Melbourne edges.
- 3.2.8.8. This has the advantage of leveraging new communities on the significant investment that Government and the private sector have made already and the significant economic and productivity benefits that might also arise. This could and should in my view be one of the directions.
- 3.2.9. Montague for example has arguably some of the best access to active transport choices of any part of inner Melbourne south of the Yarra.
 - 3.2.9.1. The precinct sits at the nexus of the recently upgraded 109 and 96 tram services offering some of the best connections to job, entertainment and services opportunities in all of Melbourne.
 - 3.2.9.2. It also sits immediately adjacent to an established network of major State entertainment, convention, hotel and hospitality facilities and adjoins key bike networks linking to Port Melbourne, St Kilda and Albert Park Lake, to the west and south and the Docklands and Capital City Trail to the north and east. Southern Cross Station is only 800 metres away to the north.

- 3.2.9.3. It sits close to the regional fresh food and hospitality hub of the South Melbourne Market and enjoys walkable access to the Bay Street and Clarendon/Coventry Activity Centres as well as the CBD.
- 3.2.9.4. There is a substantial amount of development opportunity afforded by the relative absence of substantial heritage or low rise residential interfaces. And there are a substantial number of larger development sites and sites that could due to their age be readily consolidated.
- 3.2.9.5. There is an existing established built form for the adjacent areas of between 100 and 150 metres immediately to the east, regrettably typically compromised by the high traffic characteristics of City Road.
- 3.2.9.6. However in the more benign interfaces to the river in examples such as Eureka and Freshwater Place, sophisticated urban place making has been delivered.
- 3.2.9.7. A substantial number of sites within 200 metres of the light rail exceed 500 square metre development footprints.
- 3.2.9.8. Presently the elevated nature of the St Kilda Line creates a significant barrier to east-west movement along the Thistlethwaite Street, Douglas Street and Railway Place alignments. More significantly scaled development has the opportunity of being able to mitigate these barriers and create an integrating connection and public terraces at platform level.
- 3.2.10. The triangular block bounded by York, Ferrars, and City Road separates the larger Montague precinct to City Road's north from the southern fine grain neighbourhoods south of York Street that form part of the historic South Melbourne residential area.
- 3.2.11. This block could and should be considered as a transitioning site for built form between the finer grain low-rise predominantly one and two storey older heritage terraces to the south and what could be more significant development to the north.
- 3.2.12. York Street itself forms part of an important arterial network connecting to the CitiLink and Docklands Precincts via City Road.
- 3.2.13. Despite this, south of the 109 light rail alignment, an area that aligns with the tall recently developed apartment buildings flanking Whiteman and Haig Streets

east of the St Kilda light rail alignment South of Buckhurst Street, development has been earmarked of typically a maximum of 4 storeys.

3.2.14. In contrast in the fine grain areas of Bay Street Port Melbourne have allowed set back taller form and these larger capacity sites have readily accommodated a new residential community. Similarly in the environs of the South Melbourne Market between Market and York Streets substantial new development a comparable distance from residential neighbourhoods has seen the adoption of preferred maximum heights of substantially greater ambition.

3.2.15. With much of the building stock at the end of its life, with the rail corridor an effective two levels above street level and with the low rise buildings in some cases almost at the allowed maximums little incentive exists to either invest or transform these well located and well physically separated areas to deliver the integration, dynamic workplace opportunities and mix of uses sought. Add to this, the provision within the documentation that seeks inter-block links every 100m and what we have is a document that is more likely to stifle development in what is arguably the location with the greatest potential to leverage off established public and active transport and retail services.

3.2.16. In my view there is an alternative strategy that should be considered for the Montague Precinct that learns from the lessons of other inner urban policy developed recently and tested for Southbank and Arden Macaulay and indeed in the development of the South Melbourne Central Structure Plan.

3.2.16.1. There is a strong case in my view to acknowledge that change should be actively encouraged in the Montague Precinct.

3.2.16.2. Equally there is little justification for constraining the scale of the area north of City Road to 4 levels. In my review of the existing stock, other than for a small number of instances the building stock is generally poor and even where heritage exists it is largely restricted to facades with interior areas already the subject of substantial transformation.

3.2.16.3. City Road and Montague Street are and will remain dominated by traffic for the foreseeable future and the absence of on street parking constrains the potential for mixed use and commerce to these interfaces. In contrast, the significant opportunities for amenity can be derived in the hinterland zone and through the development of a network of interconnecting north south links.

3.2.16.4. This could and should in my view be one of the directions.

3.2.16.4.1. *Establish the existing and new light rail corridors as zones of higher density development.*

3.2.16.4.2. Under the goal; of Strong partnerships and effective governance, I would recommend the inclusion of a principle that, *Encourages phasing of development in a manner that extends the existing city and leverages existing facilities and infrastructure.*

3.2.17. Fishermans Bend forms part of an important new necklace of urban renewal zones around the central city that form vital potential linkages with adjoining inner urban suburbs. Moreover if effectively integrated, they can in their proximity also form very strong relationships and synergies with these areas and define distinctive and memorable new neighbourhoods that will underpin Melbourne's continuing vitality and competitiveness.

3.2.18. Our waterways effectively provide a means to link these inner urban areas of Forrest Hill, Cremorne, Southbank, Fishermans Bend, Docklands, E-Gate, Arden Macaulay and Footscray. Indeed there is already evidence of success as a *string of pearls*. Synergies are frequently evident between our Sporting Cluster to the east, and our Cultural Cluster, adjoining Entertainment/Casino, and Exhibition/Convention precincts with very significant advantages emerging over competitor cities through their purposeful interconnection.

3.2.19. Whilst the radial connections and linkages to the Central City will continue to be important and have with the extension of Collins and Latrobe Streets in particular connected Docklands to the CAD, their quality and poor interface resolution has demonstrably rendered them less successful than might have been achieved. To ensure this doesn't occur, Fishermans Bend should have a Direction. *"To integrate Fishermans Bend with surrounding neighbourhoods and the regional active transit network."*

3.2.20. In this context the third objective should be to ensure it is *"A place that is easy to get to and around"*.

4. THE PROPOSED VISION

4.1. The proposal has at its core a number of primary structural approaches described as 'moves' that seek to underpin the viability of higher density sustainable urban living. The key elements include:

- 4.1.1. An extension of the Collins Street Tram across the Yarra into Yarra's Edge and across the Freeway on the Fennel Street alignment down to and along Plummer Street. The distillation of key public transport.
- 4.1.2. The extension of the 109 alignment as a high quality lineal park.
- 4.1.3. The development of a new lineal park network in Buckhurst, Station and Turner Streets, eastern extension and Woolboard Road.
- 4.1.4. A series of new primary centres aligned with Ingles Street and Plummer and Salmon Streets with three small secondary centres and three precinct parks.
- 4.1.5. A proposed underground rail spur extension with new stations aligned with the two major centres.
- 4.1.6. The extension of the Collins Street Tram is supported although it does raise a number of major challenges in spanning the Freeway and Yarra corridors. It is unclear why there has not also been further opportunities explored to use the obvious surplus capacity in the Williamstown Road and Docklands Boulevard corridors to explore stronger links between two adjoining communities of more than 100,000. At present the connecting networks continue to perpetuate the proposition of a radial system with both tram and train returning to the central city. Whilst these are important I would suggest that other relationships are increasingly vital to the optimisation of the productivity and economic benefits of the proximity of these two new clusters of major change ringing the CAD.
- 4.2. Built form has been configured with the tallest form contained between Graham Street and the CitiLink/Bolte Bridge connection to the west, Lorimer Street to the north, Woodgate and Fennell Streets to the south east and Ingles and Boundary Streets and a midblock zone to the south west.
- 4.3. In a number of instances unrestricted scale has an immediate abutment with 4 level developments with intermediate midrise development only evident in Wirraway and in a small area in Montague.
- 4.4. Lineal parks are positioned in locations where it would be envisaged substantial overshadowing would occur such as in the northern example of the Turner Street extension.
- 4.5. In my view the approach to scale resolution in response to context and objectives is confused and opportunities to both optimise development and amenity have not been realised.
- 4.6. Local precedents that might inform built form responses include:

- 4.6.1. The City of Melbourne has recently undertaken Planning Panel Reviews for both Southbank and Arden Macaulay, both areas with substantially similar issues to address and both within areas wherein the street network and scale is comparable to the morphology in this instance.
- 4.6.2. In the Arden Macaulay example Council sought to utilise the street wall approach as a means of responding to this wide scale nature of boulevards such as Macaulay Road with a one for one ratio applied with upper level setback suggested enabling preferred development for an additional 30%.
 - 4.6.2.1. These scales were it was hoped, likely to enhance the level of engagement with the street and facilitate change recognising much of the existing building stock was at the end of its life and additionally that there was a key goal to use planning tools to incentivise change and transformation.
- 4.6.3. In Southbank heights of 100-160 metres have typically been supported in the areas north of City Road.
- 4.6.4. Areas where higher amenity was sought such as in Sturt Street were supported with lower 40 metre constraints.
- 4.6.5. In South Melbourne Central and along the St Kilda foreshore, design parameters were put in place aimed at ensuring important boulevards retained access to sunlight at the equinox.
- 4.6.6. In this context of very recent decision making, one has to ask why the street wall approach has not been adopted in this instance where the major road reserves of Plummer, City and Williamstown Roads and Montague and Ingles Streets are each in the order of 30 metres in width a dimension comparable to Arden Macaulay's street profiles and where previous land uses are similar.
 - 4.6.6.1. If a concern exists about overshadowing of adjacent public space assets or valued pedestrian corridors this is not evident in the plan. In any event a performance standard could address this issue to ensure amenity is retained through important times of the day. Section 2.2 of the Fishermans Bend Guidelines 2013 Note 1 and 3 address these concerns as they relate to new development abutments to existing parks and neighbourhoods.
 - 4.6.6.2. If a concern existed regarding heritage interfaces this could be also dealt with via other provisions within the planning scheme but again this does not appear to be the case if the Montague School

precinct was to be a starting point for appraisal of determining juxtaposition of heritage with new development form.

4.6.7. The quality of built form that exists between the No. 96 viaduct, along City Road and its extension down to Boundary Street and the northern edge of Williamstown Road is generally poor. It does not in my view warrant the suggested low 4 storey podium outcome as a means of responding to existing character. Indeed the policy would likely result in little change occurring at a point where both land use transformation and built form change should be actively sought.

4.6.7.1. In City Road a strong case could be put for the area bounded by Boundary Road to the west and Railway Place to the east to have a maximum street wall of 30 metres similar to the Arden Macaulay Strategy. Beyond the boundary and integrating this new built form into the surrounding fabric, between Raglan and Boundary Streets transitional development of 4-6 levels could be envisaged.

4.6.7.2. This street wall principle could also be applied on the major north-south streets and Williamstown Road. This would accommodate development of between 7 and 10 levels dependant on use.

4.6.7.2.1. A zero setback from the street in the area between Boundary Street and Railway Place on the City Road interface could be encouraged where ground level commercial activity is encouraged.

4.6.7.2.2. Conversely in the extension of Williamstown Road from Ingles Street to Howe Parade, where the road provides the interface between new development and the largely coherent form of Garden City, a more nuanced approach is warranted. This allocation where a primary housing role is envisaged may see development and underlying basements set back from the street allowing for a new secondary tree canopy and landscape interface buffer to be provided.

4.6.7.2.3. This scale of edge applied to the perimeter interfaces to the proposed new urban parks and existing urban parks would also be appropriate, delivering an outcome not dissimilar to that characterising some

recent interfaces with Freshwater Place for example and that achieved to many new best practice international examples.



Freshwater Place *Residential Development Bilbao*

4.6.7.2.4. The area bounded by York Street and City Road could be envisaged to incorporate built form of 2-6 storeys that could mediate the transition to the residential hinterland areas to the south.

4.6.7.3. The application of the principle of optimising development intensity in the areas around key transport nodes adopted for Sandridge and Wirraway should also be applied to the hinterland areas south of the proposed upgraded 109 transit park zone in Montague between Boundary Street and City Road with the exception of the area around the Montague School where consideration should be given to how major recreational outside areas can be protected from unreasonable overshadowing.

4.6.8. I am generally satisfied that there should be a principle of diminished development capacity west of Ingles Street and that other than the issues that I raise around street wall heights that the propositions for this area are ample and indeed problematic if at least light rail is not introduced at an early stage of the Wirraway redevelopment phase.

4.6.9. The locations of the proposed lineal parks are also problematic when principles of building height and design as proposed in the draft guidelines are applied.

4.6.9.1. The inclusion of new lineal park area on the south side of areas where taller built form is proposed would appear to be poorly thought through.

4.6.9.1.1. Examples include the proposed eastern extension of a lineal park from Turner Street and similarly along the

109 route and Buckhurst Street corridors. In a number of instances these alignments also have significant implications for development yield and orderly site development to their north.

- 4.6.9.1.2. There is sound basis for the development of the 109 alignment as a high quality lineal park all the way through to Clarendon Street.
- 4.6.9.1.3. Equally there is sound ground for Buckhurst Street to be a high quality pedestrian street. However Buckhurst Street like its parallel much wider neighbouring corridor is indicated as a lineal park.
- 4.6.9.1.4. Of concern are the draft guidelines that seek to ensure that proposed public spaces not be overshadowed at the equinox between 11:00am and 2:00pm. If applied to these new corridors of Buckhurst Street and Turner Street eastern extension, this would have significant development consequences that would appear inconsistent with the stated built form intent.

4.6.9.2. In the case of Turner Street the better option might be to consider a wider pedestrian promenade on the Lorimer Street interface east of Rogers Street up to Point Park Crescent and the proposed Collins Street Tram Viaduct. With low rise housing occupying much of the interface up to Hartley Street on the northern side of Lorimer Street, users of this realigned promenade could be guaranteed high quality solar access irrespective of the form of development on the these large redevelopment sites in the eastern end of the Montague Street precinct. The 5 metre wide existing pedestrian pavement zone promenade could potentially be doubled or even trebled and this would be a better outcome in my view than a much wider, constraining overshadowed link through the hinterland of the Subaru site and its eastern neighbours. The lack of certainty provided by this inter-block link will also diminish the opportunity for efficacy and continuity in the short to medium term.

4.6.9.3. Arguably however right through the document, insufficient consideration has been given to the northwest/southeast

connecting streets where a higher level of amenity is typically available in the public realm when applying higher density typologies. In the Turner Street corridor for example little is emphasised of the value of integrating Rogers Street, Foundry Way and the Yarra's Edge promenade as key links. Likewise an opportunity also exists to extend Hartley Street north into the South Wharf Drive and Point Park and to utilise some of the excessive Hartley Street road zone for public space. These would optimise leverage of the riverfront promenade and deliver high amenity for users without compromising optimisation of development of adjoining sites.

- 4.6.9.4. The document should also have considered further opportunities beyond the site boundary for improvement and continuity of ideas. An obvious opportunity exists to recalibrate the Docklands Boulevard to provide for a wider southern park between Whiteman Street and the eastern Clarendon Street interface and to reconfigure the Whiteman Street corridor rail interface as a high quality lineal park

4.6.10. Montague Precinct

- 4.6.10.1. The Montague precinct has arguably some of the best access to active transport choices of any part of inner Melbourne south of the Yarra.
- 4.6.10.2. The precinct sits at the nexus of the recently upgraded 109 and 96 services offering some of the best connections to job, entertainment and services opportunities in all of Melbourne.
- 4.6.10.3. It also sits immediately adjacent to an established network of major State entertainment, convention, fresh food, hotel and hospitality facilities and adjoins key bicycle networks linking to Port Melbourne, St Kilda and Albert Park Lake, to the west and south and the Docklands and Capital City Trail to the north and east. Southern Cross Station is only 800 metres away to the north.
- 4.6.10.4. There is an existing established built form for the adjacent areas of between 100 and 150 metres immediately to the east regrettably typically compromised by the high traffic characteristics of City Road.

- 4.6.10.5. However in the more benign interfaces to the river in examples such as Eureka and Freshwater Place sophisticated urban placemaking has been delivered. Presently the elevated nature of the St Kilda Line creates a significant barrier to east west movement along the Thistlethwaite Street, Douglas Street and Railway Place alignments.
- 4.6.10.6. The triangular block bounded by York and Ferrars Streets, and City Road separates the larger precinct to City Road's north from the southern fine grain neighbourhoods south of York Street that form part of the historic South Melbourne residential area.
- 4.6.10.7. York Street itself forms part of an important arterial network connecting to the CitiLink and Docklands Precincts via City Road.
- 4.6.10.8. A substantial number of sites within 200 metres of the light rail exceed 500 square metres as a development footprint.
- 4.6.10.9. Despite this, south of the 109 light rail alignment (an area that aligns with the tall and recently developed apartment buildings flanking Whiteman and Haig Streets east of the St Kilda light rail alignment), and south of Buckhurst Street, development has been earmarked for development of typically a maximum of 4 storeys.
- 4.6.10.10. In contrast in the fine grain areas of Bay Street Port Melbourne setback taller form has been readily accommodated and similarly in the environs of the South Melbourne Market between Market and York Street substantial new development a comparable distance from residential neighbourhoods has preferred maximum heights of substantially greater ambition.
- 4.6.10.11. With much of the building stock either at the end of its life, or mediocre in quality, and with the rail corridor an effective 2 levels above street level and with the low rise buildings in some cases almost at the allowed maximums, little incentive exists in the current plan to either invest or transform these well located and well physically separated areas to deliver the integration, dynamic workplace opportunities and mix of uses sought.
- 4.6.10.12. In my view there is an alternative strategy that should be considered for the Montague Precinct that learns from the lessons

of other inner urban policy developed recently and tested for Southbank and Arden Macaulay.

- 4.6.10.13. There is a strong case in my view to acknowledge that change should be actively sought in the Montague Precinct.
- 4.6.10.14. Equally there is little justification for constraining the scale of the area north of City Road to 4 levels.
- 4.6.10.15. The building stock is generally poor. City Road and Montague Street are, and will remain dominated by traffic for the foreseeable future and the absence of on street parking constrains the potential for mixed-use and commerce to prosper in these interfaces.
- 4.6.10.16. The significant opportunities for transformation and amenity can be derived in the hinterland zone and through the development of a network of interconnecting north south. The development guidelines that seek these links at 100 metre centres and also seek to deliver a diversity of housing in this precinct collectively seek to deliver a lot without underpinning the goals with a compelling reason for action.
- 4.6.10.17. I do support the inclusion of interconnecting streets on the sites with very large frontages in the precinct and I would further recommend the inclusion of development bonuses for the inclusion of the measures sought in the manner so successfully developed in locations such as Vancouver to facilitate key goals.
- 4.6.10.18. At the moment I am concerned that the Montague Precinct and in particular its southern areas is underpinned by a large number of expectations but underpinned by very little correlation with the necessary development economics required to facilitate the goals.
- 4.6.10.19. A further issue that needs to be embraced and learnt from in shortcomings in other development is the need to ensure high quality amenity is achieved between lower level development above the commercial podium levels to ensure these deep blocks do not leave occupants reliant on deep and poorly scaled light courts that undermine public confidence and long term attractiveness of the area as a place to live.
- 4.6.10.20. Finally the approach to community infrastructure needs to be more imaginatively visioned. Clusters are an obvious response to the

relatively constrained public land holdings that exist within the area. The benefits of developing hubs that are used over extended hours and can leverage underlying core activities to a new level are obvious. The Arden Street Oval precinct is an obvious inner city example that is already tested and might underpin an approach to the Port Melbourne Football Ground precinct. The use of airspace to stack program rather than spread it must also be a key goal and one likely to raise potential for additional affordable housing, and community program that might otherwise be unaffordable within a high land cost context. Partnering opportunities should also be brought forward through the provision of a seed funding provision with Government earmarking the area as one where they will provide underpinning financial support for community housing agencies to invest in affordable housing given the success of the Mariner and Merchant developments in Docklands where support was available. Likewise early preparedness to invest in community facilities might provide opportunities for integration within development creating the activation of streets at podium levels sought but rarely achieved in Southbank.

4.6.11. In the appendix I have sought to append two diagrams

4.6.11.1. The first identifies a possible additional light rail option something akin to the 109 extension to Box Hill that would provide public transport services at an early stage for the extended corridor to enable development in the interface with Garden City and around the key public space assets of Plummer Reserve and the Port Melbourne Football Ground linking this growth zone back to Southbank and the CBD and the adjacent communities of South Melbourne, Middle Park, Albert Park and St Kilda

4.6.11.2. The second attempts to capture some of the issues and opportunities I have identified in my report. In essence revising Figure 27 to acknowledge the Freeway corridor and what I consider to be the substantially greater development opportunities in the eastern part of the FB study area and towards Docklands and on the Lorimer Street corridor to foster and promote extension

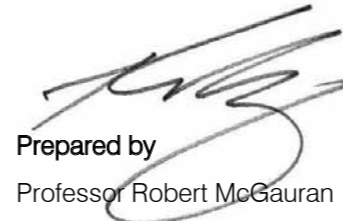
of the city at an early stage to leverage off existing substantial infrastructure investment.

4.6.11.3. I have also flagged key nodes for intensive diverse Community hubs and identified the opportunity to develop at a higher intensity around the Port Melbourne Footy Ground in a manner similar to that proposed around Arden St oval and also along the Williamstown road corridor.

5. DOCUMENTS FORMING THE BASIS OF THE REPORT

5.1. A number of documents were referred to in the preparation of this report, including:

- Plan Melbourne
- Local Planning Schemes City of Port Phillip and Melbourne
- Urban Design Charter
- State Planning Policy Framework
- Safer Design Guidelines for Victoria (Crime Prevention Victoria and the Department of Sustainability and Environment, 2005).
- Guidelines for Higher Density Residential Development (Department of Sustainability and Environment, 2005).
- Precinct Structure Planning Guidelines (Growth Areas Authority, 2009).
- Melbourne 2030 (Department of Sustainability and Environment, 2002).
- Melbourne 2030: A planning update Melbourne @ 5 million (Department of Planning and Community Development, (2008).
- Activity Centre Design Guidelines (Department of Sustainability and Environment, 2005).



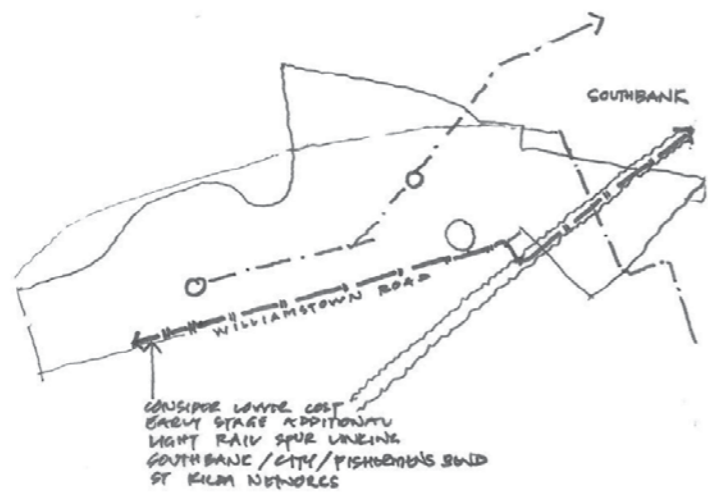
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Dated

November 2013

APPENDICES



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22 November 2013

Sent by email to fishermansbend@places.vic.gov.au

RE: SUBMISSION TO FISHERMANS BEND URBAN RENEWAL AREA DRAFT VISION

INTRODUCTION

Approximately 250 hectares of land in Fishermans Bend was rezoned to Capital City Zone over 12 months ago in July 2012. When the land was rezoned, media coverage at the time gave a strong impression that the area would be high density living, as an extension to the Docklands and Southbank areas and consistent with the purpose of the zone. This created a string of applications for high density residential developments, mostly within the Montague precinct, only to find that most of the Montague precinct is nominated as low rise (4-8 storeys), less intense development.

The UDIA have coordinated this submission in conjunction with Urbis, SJB Planning and Meinhardt, who are acting on behalf of the following (applicants who have current planning applications before the Minister for Planning):

1. Auction Properties Pty Ltd c/ Urban Pty Ltd
2. Blue Earth Pty Ltd
3. 138 Buckhurst Street Pty Ltd
4. Kushinda Pty Ltd
5. Circa Property Group
6. Apex Vic Pty Ltd ATF Investment Unit Trust
7. BPM Developments
8. Austpac Montague Street Urban Renewal Fund
9. Buckhurst Developments Pty Ltd

A map showing the locations of the sites that are subject to current planning applications is appended to this submission.

The UDIA submits the following in response to the Fishermans Bend Vision.

CURRENT PLANNING APPLICATIONS

We understand that developers were encouraged by officers of the then Department of Planning and Community Development to submit applications for high rise development within the range of

heights reflected in current applications. Even in the absence of a structure plan, such advice was understandable given the Minister's announcement in relation to the role of Fishermans Bend and given the purpose of the Capital City Zone of encouraging high density residential development. There is nothing in the announcement that was made by the Minister, nor indeed in the schedule to the zone that suggested that there would be in effect, height limits of the order proposed in the vision.

At a broader strategic level, it was reasonable to infer that the Fishermans Bend Urban Renewal Area would be viewed in a similar way to Docklands and/or Southbank, given its proximity to these areas and given the opportunity available through the absence of any character to be protected or sensitive existing urban interfaces. In this context, it is not surprising that there are murmurs that the vision that was eventually published is not one endorsed by the Department. Somewhere along the line, it appears that the vision has been obscured by local government interests or outcomes rather than the strategic outcomes that it is understood were initially developed to underpin a vision more similar to Docklands.

Again, at a broader strategic level, the vision seems to be counter-intuitive to the emphasis that this Government is placing on protecting established residential areas and focusing and optimising change in the larger activity centres and in urban renewal areas such as Fishermans Bend.

INFRASTRUCTURE

There is no doubt that a substantial amount of infrastructure will be required to transform Fishermans Bend from an industrial to residential/mixed use precinct. Some of the infrastructure required has been alluded to in terms of providing open space and pedestrian and cycling links (which would require land acquisition).

The public transport infrastructure mooted in the vision will, in particular, be extremely expensive to put in place, especially the underground metro rail system. There is also no doubt that a significant proportion of the infrastructure required will be sought to be funded through developer contributions. Therefore yield will become a very important consideration. There is a direct correlation between the yield that can be delivered from a site and what that site can afford to pay by way of developer contributions. The lower the yield, the less the contributions and the less the opportunity of developer contributions being able to be used to fund a substantial portion of the infrastructure required. In any vision for Fishermans Bend, the correlation between the intensity of development and the level of contributions must be acknowledged. At 4-8 storeys, there is no such acknowledgement.

EMPLOYMENT

The other aspect that requires further work in the vision, is how the existing employment activities will transition out of the area and how the "clean" industries will be retained and coexist with residential development. An employment base in the area is of utmost importance if 40,000 new jobs are to be created. An economics analysis has not been done to support the vision as published.

SOCIAL AND COMMUNITY FACILITIES

Other than two activity hubs for community facilities and a couple of schools, there is no detailed social impact assessment or a social and community facilities plan that has been done to support the proposed 80,000 future residents. A plan detailing what is needed in terms of child care facilities, maternal health, local health centres and supportive allied health services as well as other community and recreational facilities would be of great benefit. Presumably this information would be found in the Development Contributions Plan.

IMPLEMENTATION ISSUES

Land Assembly

An aspect of implementation that needs to be considered is how 'development ready' is Fishermans Bend? Considering that land is privately owned and like so many failed attempts around activity centres, land assembly is exceptionally difficult to achieve and this is a must if the pedestrian, cycling, vehicle, public transport and green links are to be delivered. Part of the reason that the numerous applications that have been lodged for approval are situated in the Montague precinct is that those sites have been acquired by developers and are ready for delivery. Yet, this is the precinct that has severe height controls that inhibit the economic viability of developing the land parcels.

Statutory Planning Controls

The Design Guidelines released with the Vision mention that local policies (within the Clause 22 local policy section) of the Cities of Melbourne and Port Phillip for Fishermans Bend include objectives that set out a framework to assist in achieving design excellence and integration. It is unclear how the vision and the guidelines will be given statutory effect within those planning schemes and how it will be used by the Minister for Planning to make decisions on applications that fall under the definition of 'major development' for which he is the Responsible Authority. Will the design guidelines and the vision form reference documents in the planning schemes and the local policies updated or will they be used as the basis for overlays such as a Design and Development Overlay for height controls?

DETAILED ECONOMIC AND URBAN DESIGN ANALYSIS FOR THE MONTAGUE PRECINCT

Due to the number of applications currently before the Minister for Planning for determination within the Montague precinct (in particular, the applicants listed in the introduction), it was considered desirable to obtain independent expert advice on the appropriateness of the urban design principles (in particular the proposed height controls) and an economic analysis of whether the proposed height controls are feasible for development.

The UDIA engaged the services of MGS Architecture Planning Interior Design and Spade Consultants to undertake the analysis and their reports are attached. Some highlights from the analysis are outlined below.

Economic Analysis

- Apartment prices in the precinct are likely to be significantly impacted by a prescriptive approach to dwelling mix and car parking ratios.

- The yield obtainable in certain development scenarios is significantly impacted by restrictive height limits.
- Building and construction costs associated with mid and high rise development will be the same in the Montague Precinct as they are elsewhere including locations where higher sales values, greater building height and more a more flexible product mix and parking ratios can be secured.
- Four level development outcomes are likely to be viable in locations where land can be secured at a low cost per square metre or in locations where a high sales price for apartments can be realised. Pursuing the least expensive development outcomes may not satisfy the design objectives outlined in the Interim Design Guidelines for Fishermans Bend.
- Unless high prices for apartments can be secured, height becomes an important factor in producing a sufficient yield to offset higher construction costs for medium to high rise residential development.

The attached report provides greater detail on the economic impacts of various development scenarios, but the summary points above highlight that the current proposals will not get off the ground due to the height restrictions, unless the apartments are sold at high prices, which is not a realistic or desirable outcome. The success of this urban renewal area is dependent upon the private sector to deliver the developments and yet the vision inhibits this from occurring.

Urban Design Analysis

The urban design analysis goes into detail on several precincts including the Montague precinct and assesses the connectivity within Fishermans Bend and into surrounding areas, including the CBD. The report is highly critical of the interconnectivity of the Montague precinct, drawing a comparison with Flinders Street between Spencer Street and Market Street, which has six intermediate streets or lanes, or one every 75 metres. The draft vision states as a Direction- "*Distinctive and diverse neighbourhoods*", with the notion of "*maintaining the existing fine grained street pattern, particularly in Montague*".

The report says that if Montague is the benchmark, there is for the most part, a street grid of approximately 270 metres long and 115 metres wide, south east to north west. In the 600 metres long block between Boundary Street and Ferrars Street and Gladstone and Buckhurst there are only three interconnecting streets and there are none west of Montague and none for over 200 metres between Gladstone Place and Kerr Street. Either there is a misunderstanding of what constitutes a fine grain street network or a poor analysis of the precinct in question. It does not compare to the fine grained network of streets in the Flinders Street example outlined above.

In the view of the urban design expert, there is an alternative strategy that should be considered for the Montague precinct that learns from the lessons of other inner urban policy developed recently and tested for Southbank and Arden Macaulay. There is a strong case to acknowledge that change should be actively sought in the Montague precinct.


The report also states that there is little justification for constraining the scale of the area north of City road to 4 levels. The building stock is generally poor, City Road and Montague Street are, and will remain dominated by traffic for the foreseeable future and the absence of on street parking constrains the potential for mixed-use and commerce to prosper in these interfaces.

The UDIA concurs with the findings in both the economic and urban design analysis reports that do not justify a height limit of 4 to 8 storeys within the Montague precinct. Please refer to the attached reports for the complete analysis of the draft vision.

Given the issues presented by the proposed vision for Fishermans Bend, we submit that a new vision should be undertaken as part of a detailed structure plan. The Metropolitan Planning Authority has recently been setup to lead (among other things) urban renewal projects and this site presents the perfect opportunity for the Authority to demonstrate its new role. The Authority should lead the preparation of the Fishermans Bend Structure Plan and not Places Victoria since their main charter should be as a government development agency, not the strategic planning body.

I look forward to your response to our submission. Please feel free to call me on 9832 9602 or email me at tony@udiavic.com.au to discuss any of the matters raised.

Yours sincerely



Tony De Domenico
Executive Director

MAP ILLUSTRATING LOCATIONS OF SITES SUBJECT TO CURRENT PLANNING PERMIT APPLICATIONS





FISHERMANS BEND ECONOMIC ANALYSIS

Prepared for the Urban Development Institute of Australia (Victoria)

November 2013



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Disclaimer

It is important to recognize that the projections contained in this report simply reflect the assumptions made. While the assumptions are based on an objective assessment of economic trends and their likely future dynamics, there can be no certainty that they will be realized. Spade Consultants Pty Ltd does not guarantee that this report is without flaw or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise for you relying on any information in this Report.



1. EXECUTIVE SUMMARY

- a) The Fishermans Bend Urban Renewal Area (FBURA) represents a unique opportunity to expand the Melbourne Central Business District and provide accommodation for around 80,000 residents in close proximity to high intensity areas of existing employment.
- b) The Draft Vision for the FBURA (effectively a Draft Structure Plan) and the Interim Design Guidelines provide a level of direction in relation to future development in the area. The Draft Vision envisages varying height limits between and within the FBURA's four precincts.
- c) The analysis contained in this report considers a series of development scenarios broadly in accordance with the height limits outlined in the Draft Vision. Specifically, the analysis calculates the residual land value associated with land in the Montague Precinct after the development scenarios have been realised and provides commentary on whether the residual land value is likely to provide sufficient incentive for exsiting landowners to sell their land to a developer.
- d) The findings of the analysis include:
 - Increasing the sales price of apartments will make most development scenarios work however achieving higher prices is unrealistic due to the Montague Precinct being a new high density residential precinct exposed to significant competition from surrounding areas such as Port Melbourne, Southbank, Melbourne CBD and Docklands where there is an established residential market, infrastructure and amenity.
 - Apartment prices in the FBURA are likely to be significantly impacted by a prescriptive approach to dwelling mix and car parking ratios.
 - The yield obtainable in certain development scenarios is significantly impacted by restrictive height limits.
 - Building and construction costs associated with mid and high rise development will be the same in the Montague Precinct as they are elsewhere including locations where higher sales values, greater building height and more a more flexible product mix and parking ratios can be secured.
 - Four level development outcomes are likely to be viable in locations where land can be secured at a low cost per square metre (ie as demonstrated in Scenarios 1A and 1B) or in locations where a high sales price for apartments can be realised. Pursuing the least expensive development outcomes may not satisfy the design objectives outlined in the Interim Design Guidelines for the FBURA.
 - Unless high prices for apartments can be secured, height becomes an important factor in producing a sufficient yield to offset higher construction costs for medium to high rise residential development.



2. BACKGROUND, PURPOSE AND DIRECTION

2.1 A major new urban renewal opportunity

Since its election in 2010, the State Government has promoted an area of Fishermans Bend, south-west of the Melbourne Central Business District as a major urban renewal area.

On 2 July 2012, the Minister for Planning declared an area of approximately 250 hectares a site of State Significance and rezoned it as part of an expanded Capital City Zone. The rezoning expanded the area of the Capital City Zone by more than fifty percent.

2.2 A Vision for the Fishermans Bend Urban Renewal Area

For the purposes of this economic analysis, it is not necessary to provide a detailed overview of the planning process undertaken to date nor is it necessary to provide a detailed outline of the proposed planning controls.

It is sufficient to note that:

- A Draft Vision for the FBURA was released in September 2013 by Places Victoria;
- Development of the FBURA is conceived as a long term project. By 2050, the FBURA is envisaged to accommodate up to 40,000 new jobs and 80,000 residents;
- The FBURA is divided into four precincts; Lorimer, Montague, Wirraway and Sandridge (refer Figure 1)
- The Draft Vision is aligned with the draft Metropolitan Strategy (Plan Melbourne) and forms a key urban renewal objective along with several other inner industrial areas;
- The Draft Vision promotes 10 strategic directions for the FBURA. These are:
 - The creation of 21st century jobs;
 - The timely provision of infrastructure;
 - A place that is easy to get around;
 - A vibrant mix of uses and activities;
 - Distinctive and diverse neighbourhoods;
 - A great place for families;
 - A high quality built environment;
 - Smart environmental solutions;
 - Environmental constraints addressed; and
 - Strong partnerships and effective governance.



Figure 1: Fishermans Bend Urban Renewal Area (Precincts)



Source: Places Victoria

- The Draft Vision also identifies ten 'key moves', nominated to give effect to the strategic directions. Significant amongst the 'key moves' are:
 - The potential extension of the Collins Street tram line over the Yarra River to accord with the alignment of Plummer Street, which would then act as the key activity spine of the FBURA;
 - The longer term, potential introduction of an underground heavy rail line on a similar alignment with two underground stations serving the FBURA;
 - A network of boulevards, open space, pedestrian and cycling connections aimed at providing connectivity and amenity;
 - Several town centres aimed at providing focal points;
 - Community infrastructure including schools; and
 - The creation of distinctive and diverse neighbourhoods.



- The final point above – distinctive and diverse neighbourhoods – is given some degree of guidance through precinct descriptions and proposed height limits. High level precinct descriptions are provided at page 52 of the Draft Vision:

Distinctive neighbourhoods are fundamental to creating a strong sense of place for new communities. They will also support a variety of housing stock to help realise the vision for a 'diverse, family-friendly community' at Fishermans Bend.

Lorimer, much of Sandridge and the northern section of Montague will be characterised by well-spaced towers above podiums that prioritise a sense of human scale and fine grain street patterns at street level.

Development within Lorimer will emphasise its connectivity to the Yarra River and associated waterfront activities, with the east-west 'Lorimer Parkway' providing a focal point through a series of high quality public spaces and landscaping.

Sandridge will evolve as the primary commercial and employment hub of Fishermans Bend, with employment uses complimented by residential apartments, shopping and entertainment.

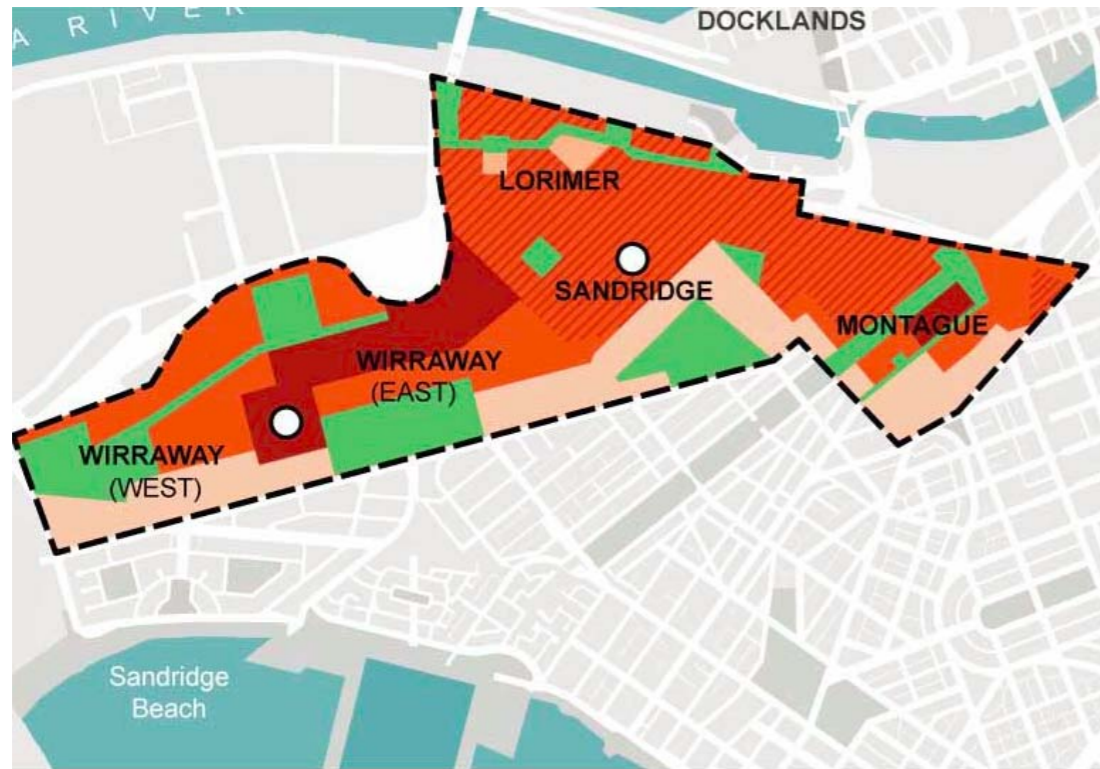
The southern neighbourhood of Montague will retain its existing fine grain and gritty charm, with the retention of heritage buildings and laneways, and complementary new development maintaining an industrial feel. The Buckhurst Street 'green spine' will become a focal point for locals, with open space and community facilities connected by quality pedestrian and cycle links.

The Wirraway precinct will offer family focused housing, including townhouses and mid-rise courtyard and perimeter block development styles. The Plummer Street 'spine' will become a focal point, complemented by a series of shopping, community and civic destinations.

- The Draft Vision notes that detailed precinct planning will need to be carried out and that planning controls and design guidelines will be required to give effect to the strategic directions;
- At page 53 of the Draft Vision, a map provides a series of proposed height limits across and within the four precincts. This map is provided at Figure 2.



Figure 2: Proposed height limits for each neighbourhood precinct



- Precinct Parks (Public & Private)
- Possible Metro station
- Maximum 4 storey buildings
- Maximum 8 story buildings
- Maximum 18 storey buildings
- Towers above mid rise podiums

Source: Fishermans Bend Draft Vision (page 53), Place Victoria, September 2013



- Concurrent with the Draft Vision (September 2013), Places Victoria released a set of Interim Design Guidelines, which are provided as guidance for developers and architects, and as a checklist for those assessing planning permit applications. They are not intended to be prescriptive or comprehensive. Key points include:

- A mix of residential and employment uses is sought across the FBURA;
- Larger sites (over 20 dwellings) are expected to incorporate a diversity of residential typologies and dwellings sizes, including an affordable housing component. The following precinct targets should be met:

Precinct	1 Bed Dwellings	3+ Bed Dwellings
Montague	max 25%	min 25%
Lorimer	max 25%	min 25%
Sandridge	max 20%	min 40%
Wirraway	max 15%	min 50%

- Developments should maintain a low, pedestrian scale face to streets with up to 20 metres (and not more than 5 storeys) said to achieve this objective;
 - Specific issues may limit height in certain areas particularly in locations adjacent to, or proximate to, established residential areas (the proposed height limits referred to in the Draft Vision are referred to);
 - A public open space contribution will be set at 8% of site area or 8% of site value or a combination thereof as appropriate and at Council's discretion;
 - The preferred parking ratio should not exceed 0.5 space/dwelling for two bedroom dwellings and generally without parking for one bedroom dwellings;
 - Employment parking will be dependent on the nature of the use but for offices should not exceed one space per 100 sqm of net floor area;
- A development contribution has been foreshadowed to provide for infrastructure in the FBURA. At this point of time, no details are known in relation to the scale of contribution or how it will be applied (for example per hectare or per dwelling/net floor area).

2.3 Development interest in the Fishermans Bend Urban Renewal Area

Since the rezoning of land within the FBURA to the Capital City Zone, it has been reported there has been significant interest from landowners and developers. It is understood there has been a number of parcels of land that have changed hands, with acquisition prices reflecting expectations about the future development potential of land in the FBURA.

In total, it is understood that between 25 and 30 proposals have been lodged with the Department of Transport, Planning and Local Infrastructure, most of which aim to seek approval for single or multi tower residential or mixed use development outcomes of between 20 and 54 storeys.



2.4 Reaction to the Draft Vision and Interim Design Guidelines

The release of the Draft Vision and Interim Design Guidelines in September 2013 has provided some degree of public clarity about the direction the Victorian Government would like to see development take in the FBURA.

It has been reported that a number of landowners have expressed disappointment in the height limits proposed for various areas within the FBURA and have queried whether such height limitations will result in viable development outcomes for specific landowners and, more broadly, deliver on the State Government's overall objectives for the FBURA.

2.5 The purpose and nature of this economic analysis

Following the release of the Draft Vision and Interim Design Guidelines, Places Victoria is seeking submissions from interested parties. The Urban Development Institute of Australia (Victoria) (UDIA) has been asked to coordinate a submission responding on behalf of specific landowners in the FBURA. To support this submission, the UDIA has asked Spade Consultants (the Consultant) to undertake economic analysis examining the viability of various forms of residential development within the FBURA.

Specifically, the Consultant has been asked to:

- Undertake a viability analysis of 4 storey, 8 storey and 18 storey residential development in the FBURA (with a focus on the Montague Precinct), specifically;
 - The type of built form product, if any, that would be viable;
 - The depth of the market for such product and, therefore, the likely timing of development;
 - The degree to which such product would be aligned with stated government objectives and goals for development in the FBURA and the Montague Precinct in particular;
- Assess whether a development outcome comprising 4 levels is likely to provide sufficient incentive for existing owners/businesses to relocate to alternative locations (including demonstration by way of case study); and
- Provide some commentary in relation to requirements for a proportion of all dwellings to be provided as one or three bedroom configurations.



3. APPROACH AND METHODOLOGY

3.1 How this analysis approaches the issues

There is no definitive method to establish the economic viability of specific types of development in a given location. Formulas such as those employed in this report provide useful indicators as to the broader question of viability but uncertainties in the market are impossible to predict with a high degree of accuracy. Accordingly, while this report provides a guide as to the kind of development outcomes that may prove viable or unviable, we prefer to avoid making definitive statements.

There is however a need to provide guidance to structure planning and planning controls in specific locations and a subsequent requirement to be able to 'road test' development concepts to gauge their current and future viability.

Given the strategic importance of residential development in the FBURA, it is useful to outline the consultant's conceptual approach to testing the viability of higher density forms of residential development.

In 2007 the consultant was engaged by the Priority Development Panel (PDP) to investigate and report on the key drivers and parameters that guide the financial viability of residential development in and around activity areas.

The resulting report "*An analysis of the viability of residential development in activity centres (September 2007)*" was, we understand, well received by the PDP and widely circulated within the planning sections of the then Department of Sustainability and Environment, including to the office of the then Planning Minister.

3.2 Setting some high level parameters

That report ("the September 2007 Report") was completed following a number of interviews and workshops with development practitioners and other stakeholders involved in high density residential development.

The findings of the September 2007 Report remain relevant and include:

- Many developers approach higher density forms of development from a "reverse engineering" position. When a land parcel is identified as a potential opportunity they ask, "what will the market bear in this particular location?"
- Determining what the market will bear in a given location is dependent on both the general location of the site and by the specific site characteristics. Informing the answer will be specific factors such as:
 - The desirability of the location itself;
 - The median house price of the surrounding area;



- Physical and man-made factors such as proximity to beach, river or parks, entertainment precincts and shops;
- Proximity to transport including railway stations, tram routes or convenient freeway or arterial road access; and
- The possibility of attractive views.
- An approach recorded by a number of development industry practitioners is to consider the median house price of the surrounding area. That is to say, that in order for higher density development to be viable the median house price of the surrounding area should be materially higher – say 25% - than the expected sale price of the average unit or apartment.
- The explanation provided was relatively simple. If a two bedroom unit or apartment is to be put to the market at or around \$500,000, the median house price of the surrounding area will necessarily be in the vicinity of \$600,000 or more. Where the new higher density dwelling cannot be put to the market at a price materially below that of the surrounding median house price, the consumer will generally choose the option which provides a land based component in their purchase, that is to say a house. In short, a house is considered to offer better value for money.
- Where this 'rule of thumb' is not met, the developers stressed the actual choice confronted by the home buyer. The choice becomes a decision between a new 80 square metre two bedroom apartment with (most likely) one car park or, for little or no extra outlay, a 15-20 year old 3 bedroom brick veneer freestanding house on perhaps 700 sqm of land. It should also be noted that no GST is payable on an existing dwelling.
- The development industry view was that unless the home buyer has a specific reason for choosing the unit or apartment over the house, the home buyer will generally prefer the traditional home.

In established apartment markets such as the Melbourne Central Business District and city fringe areas, a comparison with median house prices in nearby areas is less relevant.

Sitting beneath the key principle outlined above, the September 2007 Report noted a number of additional points relating to cost and viability. These included:

- The cost of construction does not alter according to location. The cost of construction on an equivalent site is essentially the same in Ringwood or Preston as it is in Southbank or Port Melbourne.
- Building regulations and practices dictate that construction costs generally begin to change when a building exceeds 4 levels and commercial construction rates begin to apply.



The reasons are:

- i) Height allowances for construction workers which commence at around 5 levels;
- ii) The requirement for a tower crane beyond around 6 levels;
- iii) The requirement for a materials hoist beyond around 6 levels;
 - Consequently, an increase in dwelling yield is required to offset the additional construction costs.
 - Only a limited number of locations can sustain both the quantity of units or apartments delivered through true high rise projects along with the price point required to provide a reasonable return. This is generally limited to Melbourne's Central Business District and city fringe locations such as Docklands, Southbank and St Kilda Road along with several premium suburban locations such as Port Melbourne, St Kilda, Hawthorn and South Yarra.
 - Unlike the broadhectare land market, the cost of land in higher density development diminishes as a percentage of the unit or apartment price according to the degree to which a higher than expected dwelling yield is obtained from a given property. For example, while the land value per dwelling in a high density residential development may represent in the range of 5% to 15% of the sales price of apartments, in the broadhectare market, land may represent up to 50% of the value of a house and land package.
- iv) A change from lightweight to reinforced concrete construction.

These points are established as 'rule of thumb' principles that can be used to determine the viability of higher density forms of development in specific locations.

Importantly, exceptions exist for every rule. Niche developments that do not fit these rules can be found in locations around Melbourne, though – again importantly – niche developments do not in themselves indicate the presence of a sustainable development model across the board.

That is to say, it is not the first higher density development in a location that may be the most difficult to complete, but rather the second, third and fourth developments that must test the market for the depth required to establish the sustainability of the market in that location. In this regard, factors such as amenity, location and the macro-economic outlook will determine the depth of the market.

This analysis begins with the same philosophical approach but notes some key changes or differences in regard to the FBURA.



3.3 The FBURA represents a different market to suburban activity centres

Unlike suburban activity centres, the FBURA represents an extension of an established apartment market at Southbank (to the east) and Docklands (to the north). The established nature of these markets means that, while there may be limitations to the depth of the market for particular dwelling typologies or in specific market segments, there is a proven market for high density residential product in the area.

The FBURA has the following attributes which should act to support a sustainable high density residential market:

- Proximity to the largest concentration of employment in the metropolitan area;
- Proximity to Melbourne's key cultural and entertainment precincts;
- Few interfaces with existing residential areas;
- Proximity to coastal and river aspects;
- Attractive views;
- A willingness by government to deliver key infrastructure critical in establishing amenity, educational facilities and connectivity with broader transport networks.

For these reasons, we do not doubt the FBURA represents a viable long term opportunity to provide a major high density urban renewal area.

3.4 Current land use in the FBURA

Presently, the FBURA is primarily used for industrial purposes with an estimated 18,000 person working in the area. The industrial profile of these businesses has been changing over the past few decades with a decline in traditional manufacturing and growth in transport, wholesale trade and technical services.

The FBURA is in multiple private ownerships with over 1,000 parcels of land ranging in size from 13 hectares down to parcels in the order of 500m² or less.

3.5 The Montague Precinct

The focus of this analysis is the Montague Precinct (see Figure 3), expected to be one of the earlier precincts promoted for intensive development within the FBURA.

The Montague Precinct is bounded by the Westgate Freeway, City Road, Boundary St and Johnson St. Unlike the Lorimer, Sandridge and Wirraway precincts, it is already relatively well serviced by public transport with light rail 109 running through the precinct.

The Consultant considers that, for the most part, the Montague Precinct performs its current role as a light industrial and mixed use/commercial area successfully. There appears to be few vacancies and most properties appear to be well presented and utilised, particularly in the southern part of the precinct where land parcels are of a finer grain. The existing built form is primarily low rise (typically one or two levels). A substantial number of buildings within the precinct can be described as utilitarian and



the built form is of varying age and quality. Businesses located within the precinct are an eclectic mix with a strong representation of automotive and general support services.

Other businesses include offices, equipment hire, publishing houses and other light industry and services. In several streets, there are a small number of dwellings.

Figure 3: Montague Precinct



As is evident in Figure 3, land parcels tend to be larger in the northern part of the Montague Precinct. In the south, areas generally proximate to Boundary Street and City Road, land tends to be more fragmented with a considerable number of land parcels less than 1,000 square metres.

Based on a high level analysis, we estimate the Montague Precinct comprises a gross area of around 44 hectares.

Based on the Draft Vision, and after excluding streets and major thoroughfares, public open space, tram routes and land in the Public Use Zone, we estimate a net developable area of around 26 hectares.

The net developable area includes around 400 separate parcels of land, though it can be assumed a number of these parcels are aggregated in joint ownership. Based on cadastral analysis, it is evident the Montague Precinct is the most fragmented in terms of land parcels and building form within the FBURA.

Based on the proposed height limit map at page 53 of the Draft Vision, we have estimated¹ the net developable area within each of the four proposed height limit areas.

These are:

	Hectares
- Maximum four storey buildings	7.4
- Maximum 8 storey buildings	5.9
- Maximum 18 storey buildings	3.6
- Towers above mid-rise podiums	<u>9.1</u>
- Total	26.0

3.6 Key outputs of the analysis

In this analysis, we are not concerned with whether or not there will be a sustainable market for high density residential product in the FBURA. As we have already established, we are satisfied a future market will exist.

Rather, this analysis seeks to establish a series of typical development scenarios relevant to a number of hypothetical sites within the Montague precinct. Each basic development scenario is informed by the Draft Vision and Interim Design Guidelines.

For example, development scenarios have generally been modelled on the maximum height limits proposed in the Draft Vision for different areas within the Montague Precinct.

Construction and development costs, along with development contributions and other charges, developers' margin and finance charges have been estimated based on our experience and knowledge. It is acknowledged that such costs will vary on a case by

¹ As the Proposed Height Limit map at page 53 of the Draft Vision does not align to title boundaries, estimates have been made in some cases as to where the height limit boundaries fall.



case basis and according to the specific goals and objectives of different landowners and developers. It is also acknowledged that no decision has yet been made in relation to the quantum of Development Contributions.

Necessary in each development scenario is the application of sales values to the finished apartments. Again, there is arguably no 'right' figure that can be adopted. We have had regard to typical sales values achieved in comparative locations such as Southbank and Port Melbourne but it is acknowledged that apartment prices will vary based on a variety of factors.

The viability of the development scenarios depend upon the inputs selected. We note that each scenario is particularly sensitive to apartment sales values.

The key output produced in each development scenario is a residual land value. The residual land value effectively becomes an estimate of the value of the land after all costs associated with the development scenario are subtracted from the estimated gross realisation (the sum total of all sales achieved for the development scenario) of the development scenario.

The residual land value provides a guide as to whether an incentive exists for a landowner to sell a site to a prospective developer. If the residual land value provides little real incentive for the current owner to sell, there is a question mark over whether the development scenario being considered will happen in this form.

This is particularly exacerbated in situations where the landowner also operates a business from the site. In these situations, additional costs associated with the relocation of the business, if an acceptable alternative site can be found, also need to be taken into account.

In some cases, for example, the most sensible economic decision for a landowner may be to simply retain existing land uses and continue with the present nominal return (based on current rental income) until the dynamics of the development equation change or until the potential development scenario, effectively the development yield and sales prices, can be increased.

In each case, the residual land value assumes the land is vacant and remediated at the commencement of development. Any costs associated with demolition and/or remediation would need to be deducted from the residual land value.

Each development scenario is assumed to be in current dollars in terms of both sales achieved and costs. In other words, each development scenario provides a snapshot of the potential viability of a different development type at this point of time.



4. ESTABLISHING DEVELOPMENT SCENARIOS

4.1 Introduction

In establishing development scenarios generally consistent with the Draft Vision, it has been necessary to select specific development outcomes. We acknowledge that there are multiple scenarios that may apply in each case.

In this sense, we have selected a number of different development types that accord to the different maximum height limits outlined in the Draft Vision.

The approach to each scenario has been to present a development scenario which represents a general fit with the goals and objectives of the Draft vision and Indicative Design Guidelines.

They are presented as three 'basic' scenarios:

- Scenario 1A: a four storey residential apartment development;
- Scenario 2A: an eight storey residential apartment development; and
- Scenario 3A: an 18 storey residential apartment development.

For each basic scenario – 1A, 2A and 3A – we have added at least one variation. For example, Scenario 1B provides for additional car parking beyond the nominated car parking rates contained in the Interim Design Guidelines and contains a product mix containing only two and three bedroom apartments. These variations have been completed and assessed for the purposes of demonstrating the way in which seemingly minor changes can result in changes to the residual land value. Effectively, they represent a method of sensitivity testing the results of the analysis.

Generally, we have not selected forms of development that represent the lowest end of the market in regard to product, fittings and fixtures. Rather, we have tended towards the average, though made a deliberate effort to select a variety of models that promote economy in construction without necessarily compromising design and quality. For example, we have in all instances avoided basement parking and instead considered decked parking with acceptable cladding from an aesthetic point of view to ensure cost efficiencies are maximised. Similarly, where possible (ie for 4 level apartment development) we have assumed lightweight construction techniques are utilised to avoid higher construction rates that apply on commercial construction sites. This has not however been possible in every instance.



4.2 General Principles

Unless otherwise stated, we have assumed:

- Gross dwelling floorspace has been calculated as follows:
 - 1 bedroom, one bathroom (60 m²);
 - 2 bedroom, 2 bathroom (80 m²);
 - 3 bedroom, 2 bathroom (100 m²).

We note that apartment sizes in inner city locations have been decreasing, however for the purposes of this exercise and our modelling, we have taken the approach outlined above. It should be noted that the areas outlined are gross areas and inclusive of balconies and storage.

- Car parking is provided above ground;
- All parking is provided within the site;
- In the basic scenarios, car parking is provided at the ratios set out in the Interim Design Guidelines.

For commercial reasons, we have some doubt as to whether apartments in the FBURA will be marketable at a sufficient volume with the car parking ratios ascribed in the Interim Design Guidelines. For sensitivity analysis purposes we have provided a variation to each main scenario in which car parking is provided at the flat rate of one space per apartment.

- A DCP equating to \$15,000 per apartment regardless of the size of each apartment has been adopted. Due to the varying height limits proposed within the FBURA (and therefore significant variations in yields) we assume it would be regarded as inequitable to apply the DCP on a per hectare basis.

We note the assumption we have adopted in relation to DCP costs is unlikely to represent an equitable arrangement and a development contribution is more likely to be configured with regard to the size of individual apartments.

- Development margins have been set at an appropriate level to ensure sufficient developer incentive exists to undertake projects in the FBURA;
- Construction and other costs are realistic but assumptions will be dependent on the approach and individual circumstances of individual developers.

4.3 Construction Costs

Construction costs have been sourced from Rider Levett Bucknall's *Riders Digest*, Australia 2013 (Melbourne Edition). Rider Levett Bucknall is a global property and construction group.



4.4 Sales prices applied to Development Scenarios

The result of each development scenario analysis is highly sensitive to the sales prices adopted for completed dwelling products. The approach taken by the consultant has been to review the current asking price for comparative new or near new apartments at Southbank (specifically the western end of Southbank, closest to the Montague Precinct) and at Port Melbourne (no beach front apartments were included in the sample reviewed).

We have analysed a sample of comparative dwelling product in these areas to establish benchmark sales prices for input into the scenario modeling. In the base case scenarios we have tended towards a conservative pricing regime given the 'stripped back' nature of elements such as car parking provision and the fact the Montague Precinct will represent a relatively new high density housing market.

For development scenarios which represent an 'upgrade', for example, the application of more conventional car parking ratios and a more commercial product mix, we have tended towards adopting the prevailing average asking price for new and near new apartments at Southbank as we believe these are more likely to be indicative of pricing in the Montague Precinct than those applicable in Port Melbourne where a premium appears to apply due to proximity to the beach and an established retail/entertainment strip.

For reference, the average asking price for apartments in Southbank and Port Melbourne given the samples taken and the parameters outlined above are provided at Figure 4.

Figure 4: Average asking price for apartments (selected mix – Southbank and Port Melbourne)

Location	Bedrooms	Bathrooms	Car parks	Average asking price
Port Melbourne	2	2	1	\$ 675,000
Port Melbourne	1	1	1	\$ 500,000
Southbank	3	2	1	\$ 760,000
Southbank	2	2	1	\$ 640,000
Southbank	1	1	1	\$ 440,000
Southbank	1	1		\$ 390,000

Source: realestate.com.au

Generally, we have adopted the average Southbank selling price for 'upgrade' scenarios, while adopting a more conservative approach to 'basic' scenarios.

4.5 Description of Development Scenarios

This analysis deals with seven development scenarios.



Scenario 1A (4 level basic) provides for a development outcome broadly consistent with the goals and objectives outlined in the Draft Vision and Interim Design Guidelines for the 4 storey height limit area. Specific assumptions include:

- a basic 4 level walk up residential development outcome on a 2,000m2 parcel of land;
- a medium quality, residential development of 62 apartments with car parking provided at ground level and 3 levels of apartments above (comprising 1, 2 and 3 bedroom dwellings);
- Car parking is assumed at the ratios outlined in the Interim Design Guidelines as follows:
 - 1 bedroom, 1 bathroom (0 car park)
 - 2 bedroom, 2 bathroom (0.5 car park per dwelling)
 - 3 bedroom, 2 bathroom (1 car park per dwelling)

Scenario 1B (4 level upgrade) provides for a more commercially driven development outcome with additional car parking provided and a varied product mix. Specific assumptions include:

- a 4 level basic, walk up residential development outcome on a 2,000m2 parcel of land;
- a medium quality, residential development of 55 apartments with car parking provided at ground level and 3 levels of apartments above, comprising 2 and 3 bedroom dwellings;
- Car parking is assumed at the following ratios:
 - 2 bedroom, 2 bathroom (1 car park per dwelling)
 - 3 bedroom, 2 bathroom (1 car park per dwelling)

Scenario 1C (4 level smaller corner lot) provides for an upmarket development outcome on a smaller corner lot (conceptually located on or near Boundary St or City Road). Specific assumptions include:

- a 4 level residential development outcome on a 800m2 parcel of land;
- a higher quality quality, residential development of 18 apartments with car parking provided at ground level and 3 levels of apartments above comprising only 3 bedroom dwellings;
- Car parking is assumed at the ratios outlined in the Interim Design Guidelines as follows:
 - 3 bedroom, 2 bathroom (1 car park per dwelling)



- A lift is provided as part of the development;

Scenario 2A (8 level basic) provides for a development outcome broadly consistent with the goals and objectives outlined in the Draft Vision and Interim Design Guidelines for the 8 storey height limit area. Specific assumptions include:

- an 8 level residential development outcome on a 3,000m² parcel of land;
- a medium quality, residential development of 133 apartments with car parking, services and a retail/office component provided at level 1 and 2 and 6 levels of apartments above comprising 1, 2 and 3 bedroom dwellings;
- Car parking is assumed at the ratios outlined in the Interim Design Guidelines as follows:
 - 1 bedroom, 1 bathroom (0 car park per dwelling)
 - 2 bedroom, 2 bathroom (0.5 car park per dwelling)
 - 3 bedroom, 2 bathroom (1 car park per dwelling)
- Lifts are provided as part of the development;

Scenario 2B (9 level upgrade) provides for a more commercially driven development outcome with additional car parking provided and a varied product mix. Specific assumptions include:

- a 9 level residential development outcome on a 3,000m² parcel of land;
- a medium quality, residential development of 129 apartments with car parking, services and a retail/office component provided at levels 1, 2 and 3 with 6 levels of apartments above comprising 1, 2 and 3 bedroom dwellings;
- Car parking is assumed at the following ratios:
 - 1 bedroom, 1 bathroom (1 car park per dwelling)
 - 2 bedroom, 2 bathroom (1 car park per dwelling)
 - 3 bedroom, 2 bathroom (2 car parks per dwelling)
- Lifts are provided as part of the development.

Scenario 3A (18 level basic) provides for a development outcome broadly consistent with the goals and objectives outlined in the Draft Vision and Interim Design Guidelines for the 18 storey height limit area. Specific assumptions include:

- an 18 level residential development outcome on a 3,000m² parcel of land;
- a medium quality, residential development of 329 apartments with car parking, and services provided at levels 1, 2 and 3 and 15 levels of apartments above comprising 1, 2 and 3 bedroom dwellings;



- Car parking is assumed at the ratios outlined in the Interim Design Guidelines as follows:
 - 1 bedroom, 1 bathroom (0 car park dwelling)
 - 2 bedroom, 2 bathroom (0.5 car park per dwelling)
 - 3 bedroom, 2 bathroom (1 car park per dwelling)
- Lifts are provided as part of the development;

Scenario 3B (20 level upgrade) provides for a more commercially driven development outcome with additional car parking provided and a varied product mix. Specific assumptions include:

- a 9 level residential development outcome on a 3,500m² parcel of land;
- a medium to higher quality, residential development of 304 apartments with car parking, services and a retail/office component provided at levels 1 to 5 and 15 levels of apartments above comprising 1, 2, and 3 bedroom dwellings;
- Car parking is assumed at the following ratios:
 - 1 bedroom, 1 bathroom (1 car park per dwelling)
 - 2 bedroom, 2 bathroom (1 car park per dwelling)
 - 3 bedroom, 2 bathroom (1.2 car parks per dwelling)
- Lifts are provided as part of the development.

4.6 Development Scenario analysis outcomes

The seven Development Scenarios have been calculated in order to provide a residual land value so that it is possible to analyse each in regard to:

- The key variables likely to impact on the viability of different development outcomes; and
- The likelihood that a landowner will be provided with sufficient incentive to dispose of their property in order to facilitate redevelopment;

Figure 5 provides a summary table of the development scenario analysis.

Detailed spreadsheets outlining each development scenario analysis are provided at Appendix A.



Figure 5: Summary table of Development Scenario analyses

Description	Scenarios						
	1A 4 level basic	1B 4 level upgrade	1C 4 level small corner lot	2A 8 level basic	2B 9 level upgrade	3A 18 level basic	3B 20 level upgrade
Mix							
- 1 bedroom	20	0	0	43	34	106	43
- 2 bedroom	30	36	0	64	64	159	159
- 3 bedroom	12	19	18	26	31	64	102
- total dwellings	62	55	18	133	129	329	304
- total car parks	21	55	18	71	160	144	332
- retail/office (sqm)				1,250	1,000		1,000
Sales price/dwelling							
- 1 bedroom	\$375,000	\$0	\$0	\$400,000	\$440,000	\$425,000	\$440,000
- 2 bedroom	\$500,000	\$575,000	\$0	\$550,000	\$640,000	\$550,000	\$640,000
- 3 bedroom	\$600,000	\$675,000	\$800,000	\$650,000	\$760,000	\$675,000	\$760,000
Gross sales realisation	\$29,700,000	\$33,500,000	\$14,400,000	\$73,800,000	\$83,800,000	\$175,700,000	\$202,500,000
Developer's margin (included as a % of total costs, excluding land)	20%	20%	20%	15%	15%	15%	15%
Total development cost (including developers margin but excluding land)	\$24,900,000	\$27,600,000	\$11,200,000	\$68,200,000	\$76,100,000	\$162,000,000	\$180,500,000
less							
- 8% public open space contribution	\$382,000	\$475,000	\$255,000	\$448,000	\$614,000	\$1,100,000	\$1,800,000
- estimated DCP contribution	\$930,000	\$825,000	\$270,000	\$2,000,000	\$1,940,000	\$4,900,000	\$4,600,000
Final residual land value	\$3,488,000	\$4,600,000	\$2,675,000	\$3,152,000	\$5,146,000	\$7,700,000	\$15,600,000
Final residual land value/sqm	\$1,744	\$2,300	\$3,344	\$1,051	\$1,715	\$2,567	\$4,457
Site area (sqm)	2,000	2,000	800	3,000	3,000	3,000	3,500
Notional average land price per dwelling	\$56,000	\$84,000	\$148,000	\$24,000	\$40,000	\$23,000	\$51,000



5. DISCUSSION OF DEVELOPMENT SCENARIOS

5.1 The landowner's perspective

Before interpreting the results of the different development scenarios, it is necessary to consider the perspective of existing landowners in the Montague Precinct as it is their preparedness to sell to a developer that will determine the timing and success or otherwise of development in the FBURA.

Landowners will generally hold land within the Montague Precinct as investors, or as business owners occupying property to run their business. Investors will seek a commercial return by way of rental, while some business owners may use it as a superannuation or other investment and may not be ready to divest.

There is no definitive sales figure that will induce an existing landowner to sell land as each circumstance will depend on a range of factors. These include:

- How long they have owned the property and the original acquisition price;
- Whether the land owner likes the current location and it suits their business needs;
- The extent to which any capital gain (less capital gains tax implications) offsets the loss of existing income flows generated by the property in its current state;
- The cost and hassle associated with replacing one asset with another;
- Where the landowner also operates a business from the property:
 - costs associated with relocating the business to an alternative site; and
 - business disruption and business risk associated with relocation.

In short, the price received for land in an area like the Montague Precinct needs to amount to a figure that provides a sufficient incentive for landowners to sell after taking into account costs associated with replacing one asset with another. For example, where an owner decides to relocate it can cost up to \$1,000/m² to construct a new office/warehouse excluding land acquisition, design and approval costs.

Where this does not occur, it is likely that some landowners will simply retain existing holdings and wait until the value of the land has increased because of higher realisation values for end product or more flexible planning controls provide a greater yield. This can take years to occur. In addition, it will provide for a fragmentation of each precinct where early residents are part of major construction zone for a period of ten twenty years.

It should be noted that in an area or areas identified for urban renewal, where there is an expectation that higher density development will be permitted in the future, vacant land is generally more valuable than land with improvements. Accordingly, when reviewing the residual land value calculated in the development scenarios undertaken in this analysis, it is important to note that costs associated with demolition and site remediation (if required) need to be subtracted from the residual land value.

By way of reference, we note that an asking price per square metre in the range of \$3,500 and \$5,000 depending on size, location, views and amenity, applies for land



and buildings in inner urban locations of Melbourne that have been identified for urban renewal. We have used this price range as an indicator in the development scenario analyses to measure the general viability or otherwise of a particular development scenario.

We note that in the Montague Precinct the vast majority of land parcels have improvements of some kind meaning that, generally, additional costs will be incurred in preparing land for development. This will impact further on residual land values.

5.2 Demolition and remediation cost impacts

As noted, the majority of sites within the Montague Precinct have improvements in the form of buildings. While buildings vary in terms of quality, size and scale, in most cases they appear to be of masonry construction with concrete floor slabs.

Accordingly, demolition and remediation costs will need to be subtracted from the residual land value to determine the 'net residual value' of land for landowners.

In terms of demolition, costs will vary depending on the nature of the building to be removed. Demolition costs are in the range of \$60/m² to \$80/m². In the following discussion of development scenario outcomes we have provided a residual land value before demolition costs are taken into account.

For example, if it is assumed that 60% of a site is occupied by an existing single level building and a rate of \$80/m² is applied, the following demolition costs would apply:

- for a 2,000m² site, demolition costs would account for approximately \$95,000 (ex GST);
- for a 3,000m² site, demolition costs would account for approximately \$145,000 (ex GST); and
- for a 3,500m² site, demolition costs would account for approximately \$170,000 (ex GST)

Assessed against the residual land price/m², the impact is relatively minor.

While these costs are provided as a guide, we have not included demolition costs in the development scenario analysis due to the varying nature of built form in the precinct.

Remediation costs are rather more difficult to predict as the circumstances relating to individual properties will differ. It is our understanding however, that where remediation and/or excavation works are required the impact on the residual land value/m² after remediation may be significant. For example, a 5,000m² plus site within the Montague Precinct that has been brought to our attention is presently undergoing remediation works with costs to date understood to be in excess of \$1 million.



In this case, the impact on the residual land value after remediation costs have been allowed for, further reduces the residual land value. We have not sought to quantify potential remediation costs as the variables involved are unknown and subsequently the costs represent to wide a range to provide a meaningful guide.

Accordingly, we have not included remediation costs in the development scenario analysis.

5.3 Scenario 1A (4 level basic)

Scenario 1A provides for a basic 4 level, 62 apartment development on a 2,000 square metre site using product mix and car parking ratios outlined in the Interim Design Guidelines.

The realisation values are lower than the average for similar product nearby in Southbank due to the restriction on product mix and the reduced number of car parking spaces within the development.

A 20% developer's margin has been applied due to the fact it is a relatively small project with a high risk profile.

The residual land value is calculated at \$1,744 per square metre which is a low price from a landowner's perspective. Moreover, the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this development scenario is unlikely to provide sufficient incentive for an existing landowner to sell the site at present or in the foreseeable future.

5.4 Scenario 1B (4 level upgrade)

Scenario 1B provides for a 4 level, 55 apartment development on a 2,000 square metre site using a more commercial product mix and car parking ratios based on current local provisions.

The realisation values are higher than in Scenario 1A but remain lower than the average for similar product nearby in Southbank.

A 20% developer's margin has been applied due to the fact it is a relatively small project with a high risk profile.

The residual land value is calculated at \$2,300 per square metres which is a low price from a landowner's perspective. Moreover, the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this scenario is unlikely to provide sufficient incentive for many existing landowners to sell, though depending on individual circumstances or location it is possible some sites may be available.



5.5 Scenario 1C (4 level small corner lot)

Scenario 1C provides for a boutique, high end 4 level, 18 apartment development on a 800 square metre site corner site.

It comprises only of 3 bedroom apartments and realisation values are higher due to the exclusive nature of the development. Realisation values are typical for similar product in the adjoining Southbank area.

A 20% developer's margin has been applied due to the fact it is a relatively small project with a high risk profile.

The residual land value is calculated at \$3,350 per square metre which is typical of some local and current selling prices but does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this development scenario may work in the current environment but sales may be slow due to an unproven and new market in this location. It should be noted that this development scenario results in a boutique and relatively high end product and provides for a yield that is around one third of that achieved in Scenarios 1A and 1B.

5.6 Scenario 2A (8 level basic)

Scenario 2A provides for a basic 8 level, reinforced concrete construction of 133 apartments on a 3,000 square metre site using the product mix and car parking ratios outlined in the Interim Design Guidelines.

The realisation values applied are lower than the average for similar product nearby in Southbank due to the restriction on product mix and the reduced number of car parking spaces within the development.

A 15% developer's margin has been applied on a \$74 million gross realisation project which is the minimum a developer will require to account for the risk associated with this kind of development.

The residual land value is calculated at \$1,050 per square metre which is well below current sale prices in the area. Moreover, the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this development scenario does not represent a viable development outcome now and for the foreseeable future due to the product mix, reduced car parking ratios and the 8 level height limit. The 8 storey height control introduces a more costly construction cost regime without producing a sufficient uplift in yield and selling price to offset the increased costs of construction.



5.7 Scenario 2B (9 level upgrade)

Scenario 2B provides for a 9 level, reinforced concrete construction development of 129 apartments on a 3,000 square metre site using a more nuanced product mix and car parking ratios based on current local provisions.

The realisation values are higher than in Scenario 2A and are similar to the average for similar product nearby in Southbank.

A 15% developer's margin has been applied on a \$84 million gross realisation project which is the minimum a developer will require to account for the risk associated with this kind of development.

The residual land value is calculated at \$1,700 per square metre and is less than half the current sales price in the area. Moreover, the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this scenario is unlikely to provide sufficient incentive for landowners to sell now and for the foreseeable future due to the product mix, reduced car parking ratios and the 9 level height. The 9 storey height control introduces a more costly construction cost regime without producing a sufficient uplift in yield and selling price to offset the increased costs of construction.

Sales prices would however improve if site specific locations become well regarded due to improved amenity and/or views which in turn would provide for a more viable outcome and improved residual land values. It should be noted however that to achieve this outcome in the current environment would require more of an emphasis on boutique or high end development outcomes.

5.8 Scenario 3A (18 level basic)

Scenario 3A provides for a basic 18 level, reinforced concrete construction development of 329 apartments on a 3,000 square metre site using the product mix and car parking ratios outlined in the Interim Design Guidelines.

The realisation values applied are lower than the average for similar product nearby in Southbank due to the restriction in product mix and the reduced number of car parking spaces within the development.

A 15% developer's margin has been applied on a \$176 million gross realisation project which is what a developer will require to account for the risk associated with this kind of development.

The residual land value is calculated at \$2,550 per square metre which is low from a landowner's perspective. Moreover, the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this development scenario is unlikely to provide sufficient incentives for an existing landowner to sell the site at present.



5.9 Scenario 3B (20 level upgrade)

Scenario 3B provides for a 20 level, reinforced concrete construction development of 304 apartments on a 3,500 square metre site using a more commercial product mix and car parking ratios based on current local provisions. The development is at 20 levels to provide for additional car parking without reducing the saleable gross floor area.

The realisation values are higher than in Scenario 3A and are similar to the average for product nearby in Southbank.

A 15% developer's margin has been applied on a \$203 million gross realisation project which is what a developer will require to account for the risk associated with this kind of development.

The residual land value is calculated at \$4,450 per square metre which is similar to land values in other inner urban locations identified for higher density development. It should be noted however that the residual land value does not allow for demolition of existing improvements or site remediation if required.

It is reasonable to conclude that this scenario is likely to provide sufficient incentive for landowners to sell and a developer to undertake a speculative development, although lending institutions would require substantial pre-selling of apartments before funding construction.

5.10 Other scenarios

For the purposes of this analysis, we undertook a further development scenario of approximately 40 levels. This scenario demonstrated that as height, and consequently yield, increased so too did the residual land value/m².

We have not however included this scenario, as, in our experience, the assumptions used in the scenario modelling used in the analysis become less reliable as developments of greater scale are modelled.



6. CONCLUSIONS

There are a number of conclusions that can be drawn from the development scenario analysis.

- 6.1 Improving the gross realisation of projects by increasing the sales price of apartments will make most development scenarios work however achieving higher prices is unrealistic due to the Montague Precinct being a new high density residential precinct exposed to significant competition from surrounding areas such as Port Melbourne, Southbank, Melbourne CBD and Docklands where there is an established residential market, infrastructure and amenity.**
- 6.2 Apartment prices in the FBURA are likely to be significantly impacted by a prescriptive approach to dwelling mix and car parking ratios.**
- 6.3 The yield obtainable in certain development scenarios is significantly impacted by restrictive height limits.**
- 6.4 Building and construction costs associated with mid and high rise development will be the same in the Montague Precinct as they are elsewhere including in locations where higher sales values, greater building height and more a more flexible product mix and parking ratios can be secured.**
- 6.5 Four level development outcomes are likely to be viable in locations where land can be secured at a low cost per square metre (ie as demonstrated in Scenarios 1A and 1B) or in locations where a high sales price for apartments can be realised (eg. Hawthorn, South Yarra, Richmond). In all but rare cases, four level development is likely to be dependent on the use of cost efficient methods of construction. Pursuing the least expensive development outcomes may not satisfy the design objectives outlined in the Interim Design Guidelines for the FBURA.**
- 6.6 Unless high prices for apartments can be secured, height becomes an important factor in producing a sufficient yield to offset higher construction costs for medium to high rise residential development.**



APPENDIX A

DEVELOPMENT SCENARIO CALCULATIONS

Notes:

1. Land value is based on the assumption that land is cleared of all improvements and remediated to provide for residential development.

2. Any demolition, remediation costs and transaction costs inc stamp duty associated with preparing land for residential development should be subtracted from notional land value or the notional land value/sqm if required

SCENARIO 1A: 4 LEVEL APARTMENT DEVELOPMENT (4 LEVEL BASIC)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area		Gross realisation
1 bedroom, 1 bathroom, 0 car parks	20	375,000			7,500,000
2 bedroom, 2 bathroom, 0.5 car parks	30	500,000			15,000,000
3 bedroom, 2 bathroom, 1 car park	12	600,000			7,200,000
Gross realisation of project (inc GST)	62		2,000		29,700,000
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	62		4,800	2,250	10,800,000
Car park construction costs	21	30,000			630,000
Ground floor entry and services			400	1,800	720,000
<i>Total construction costs</i>					<i>12,150,000</i>
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 15% of construction costs		0.15			1,822,500
Council Charges (0.5% of total construction costs)		0.005			60,750
Sales and Marketing (6% of gross realisation)		0.06			1,782,000
Insurance (0.5% of total construction costs)		0.0			60,750
Interest (Financing - assume 10% of total construction cost)		0.1			1,215,000
Contingency (10% of total construction costs)		0.1			1,215,000
Landscaping (1.25% of total construction costs)		0.0125			151,875
Site works and drainage (2% of total construction cost)		0.02			243,000
Legal (\$3,000 per dwelling)		3,000.0			186,000
<i>Total additional costs</i>					<i>6,736,875</i>
Total costs before profit					18,886,875
GST					1,888,688
Total costs including GST					20,775,563
Profit (20% of total cost inc GST)				0.2	4,155,113
TOTAL COST (Including profit, excluding land)					24,930,675
Interim land value (before POS contribution and DCP)					4,769,325
Interim land value/sqm					2,385
Less 8% Public Open Space contribution		0.08			381,546
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			930,000
RESIDUAL LAND VALUE					3,457,779
RESIDUAL LAND VALUE/sqm					1,729
Residual land value per dwelling					55,771



SCENARIO 1B: 4 LEVEL APARTMENT DEVELOPMENT (4 LEVEL UPGRADE)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area	Gross realisation	
1 bedroom, 1 bathroom, 1 car park	0	-		-	
2 bedroom, 2 bathroom, 1 car park	36	575,000		20,700,000	
3 bedroom, 2 bathroom, 1 car park	19	675,000		12,825,000	
Gross realisation of project (inc GST)	55		2,000	33,525,000	
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	55		4,800	2,250	10,800,000
Car park construction costs	55	35,000			1,925,000
Ground floor entry and services			400	1,800	720,000
<i>Total construction costs</i>					13,445,000
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 15% of construction costs		0.15			2,016,750
Council Charges (0.5% of total construction costs)		0.005			67,225
Sales and Marketing (6% of gross realisation)		0.06			2,011,500
Insurance (0.5% of total construction costs)		0.0			67,225
Interest (Financing - assume 10% of total construction cost)		0.1			1,344,500
Contingency (10% of total construction costs)		0.1			1,344,500
Landscaping (1.25% of total construction costs)		0.0125			168,063
Site works and drainage (2% of total construction cost)		0.02			268,900
Legal (\$3,000 per dwelling)		3,000.0			165,000
<i>Total additional costs</i>					7,453,663
Total costs before profit					20,898,663
GST					2,089,866
Total costs including GST					22,988,529
Profit (20% of total cost inc GST)				0.2	4,597,706
TOTAL COST (Including profit, excluding land)					27,586,235
Interim land value (before POS contribution and DCP)					5,938,766
Interim land value/sqm					2,969
Less 8% Public Open Space contribution		0.08			475,101
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			825,000
RESIDUAL LAND VALUE					4,638,664
RESIDUAL LAND VALUE/sqm					2,319
Residual land value per dwelling					84,339



SCENARIO 1C: 4 LEVEL APARTMENT DEVELOPMENT (4 LEVEL SMALL CORNER LOT)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area	Gross realisation	
1 bedroom, 1 bathroom, 1 car park	0	-		-	
2 bedroom, 2 bathroom, 1 car park				-	
3 bedroom, 2 bathroom, 1 car park	18	800,000		14,400,000	
Gross realisation of project (inc GST)	18		800	14,400,000	
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	18		1,800	2,500	4,500,000
Car park construction costs	18	30,000			540,000
Ground floor entry and services			200	2,000	400,000
<i>Total construction costs</i>					5,440,000
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 15% of construction costs		0.15			816,000
Council Charges (0.5% of total construction costs)		0.005			27,200
Sales and Marketing (6% of gross realisation)		0.06			864,000
Insurance (0.5% of total construction costs)		0.0			27,200
Interest (Financing - assume 10% of total construction cost)		0.1			544,000
Contingency (10% of total construction costs)		0.1			544,000
Landscaping (1.25% of total construction costs)		0.0125			68,000
Site works and drainage (2% of total construction cost)		0.02			108,800
Legal (\$3,000 per dwelling)		3,000.0			54,000
<i>Total additional costs</i>					3,053,200
Total costs before profit					8,493,200
GST					849,320
Total costs including GST					9,342,520
Profit (20% of total cost inc GST)				0.2	1,868,504
TOTAL COST (Including profit, excluding land)					11,211,024
Interim land value (before POS contribution and DCP)					3,188,976
Interim land value/sqm					3,986
Less 8% Public Open Space contribution		0.08			255,118
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			270,000
RESIDUAL LAND VALUE					2,663,858
RESIDUAL LAND VALUE/sqm					3,330
Residual land value per dwelling					147,992



SCENARIO 2A: 8 LEVEL APARTMENT DEVELOPMENT (8 LEVEL BASIC)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area		Gross realisation
1 bedroom, 1 bathroom, 0 car park	43	400,000			17,200,000
2 bedroom, 2 bathroom, 0.5 car park	64	550,000			35,200,000
3 bedroom, 2 bathroom, 1 car park	26	650,000			16,900,000
1,250m2 of retail/office at \$250m2 and capitalised at 7%					4,460,000
Gross realisation of project (inc GST)	133		3,000		73,760,000
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	133		12,000	2,500	30,000,000
Retail/office construction costs			1,250	2,000	2,500,000
Car park construction costs	71	35,000			2,485,000
Ground floor entry and services			1,250	1,800	2,250,000
<i>Total construction costs</i>					<i>37,235,000</i>
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 10% of construction costs		0.10			3,723,500
Council Charges (0.5% of total construction costs)		0.005			186,175
Sales and Marketing (6% of gross realisation)		0.06			4,425,600
Insurance (0.5% of total construction costs)		0.0			186,175
Interest (Financing - assume 10% of total construction cost)		0.1			3,723,500
Contingency (7.5% of total construction costs)		0.1			2,792,625
Landscaping (1.25% of total construction costs)		0.0125			465,438
Site works and drainage (2% of total construction cost)		0.02			744,700
Legal (\$3,000 per dwelling)		3,000.0			399,000
<i>Total additional costs</i>					<i>16,646,713</i>
Total costs before profit					53,881,713
GST					5,388,171
Total costs including GST					59,269,884
Profit (15% of total cost inc GST)				0.15	8,890,483
TOTAL COST (Including profit, excluding land)					68,160,366
Interim land value (before POS contribution and DCP)					5,599,634
Interim land value/sqm					1,867
Less 8% Public Open Space contribution		0.08			447,971
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			1,995,000
RESIDUAL LAND VALUE					3,156,663
RESIDUAL LAND VALUE/sqm					1,052
Residual land value per dwelling					23,734



SCENARIO 2B: 9 LEVEL APARTMENT DEVELOPMENT (9 LEVEL UPGRADE)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area		Gross realisation
1 bedroom, 1 bathroom, 1 car park	34	440,000			14,960,000
2 bedroom, 2 bathroom, 1 car park	64	640,000			40,960,000
3 bedroom, 2 bathroom, 2 car park	31	760,000			23,560,000
1,000m2 of retail/office at \$300m2/pa and capitalised at 7%					4,290,000
Gross realisation of project (inc GST)	129		3,000		83,770,000
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	129		12,000	2,600	31,200,000
Retail/office construction costs			1,000	2,000	2,000,000
Car park construction costs	160	35,000			5,600,000
Ground floor entry and services			1,250	1,800	2,250,000
<i>Total construction costs</i>					<i>41,050,000</i>
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 10% of construction costs		0.10			4,105,000
Council Charges (0.5% of total construction costs)		0.005			205,250
Sales and Marketing (6% of gross realisation)		0.06			5,026,200
Insurance (0.5% of total construction costs)		0.0			205,250
Interest (Financing - assume 10% of total construction cost)		0.1			4,105,000
Contingency (7.5% of total construction costs)		0.1			3,078,750
Landscaping (1.25% of total construction costs)		0.0125			513,125
Site works and drainage (2% of total construction cost)		0.02			821,000
Legal (\$3,000 per dwelling)		3,000.0			387,000
<i>Total additional costs</i>					<i>18,446,575</i>
Total costs before profit					59,496,575
GST					5,949,658
Total costs including GST					65,446,233
Profit (15% of total cost inc GST)				0.15	9,816,935
TOTAL COST (Including profit, excluding land)					75,263,167
Interim land value (before POS contribution and DCP)					8,506,833
Interim land value/sqm					2,836
Less 8% Public Open Space contribution		0.08			680,547
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			1,935,000
RESIDUAL LAND VALUE					5,891,286
RESIDUAL LAND VALUE/sqm					1,964
Residual land value per dwelling					45,669



SCENARIO 3A: 18 LEVEL APARTMENT DEVELOPMENT (18 LEVEL BASIC)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area	Gross realisation	
1 bedroom, 1 bathroom, 0 car park	106	425,000		45,050,000	
2 bedroom, 2 bathroom, 0.5 car park	159	550,000		87,450,000	
3 bedroom, 2 bathroom, 1 car park	64	675,000		43,200,000	
Gross realisation of project (inc GST)	329		3,000	175,700,000	
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	329		30,000	2,700	81,000,000
Car park construction costs	144	35,000			5,040,000
Ground floor entry and services			2,300	1,800	4,140,000
<i>Total construction costs</i>					90,180,000
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 7.5% of construction costs		0.075			6,763,500
Council Charges (0.5% of total construction costs)		0.005			450,900
Sales and Marketing (6% of gross realisation)		0.06			10,542,000
Insurance (0.5% of total construction costs)		0.0			450,900
Interest (Financing - assume 10% of total construction cost)		0.1			9,018,000
Contingency (7.5% of total construction costs)		0.1			6,763,500
Landscaping (1.25% of total construction costs)		0.0125			1,127,250
Site works and drainage (2% of total construction cost)		0.02			1,803,600
Legal (\$3,000 per dwelling)		3,000.0			987,000
<i>Total additional costs</i>					37,906,650
Total costs before profit					128,086,650
GST					12,808,665
Total costs including GST					140,895,315
Profit (15% of total cost inc GST)				0.15	21,134,297
TOTAL COST (Including profit, excluding land)					162,029,612
Interim land value (before POS contribution and DCP)					13,670,388
Interim land value/sqm					4,557
Less 8% Public Open Space contribution		0.08			1,093,631
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			4,935,000
RESIDUAL LAND VALUE					7,641,757
RESIDUAL LAND VALUE/sqm					2,547
Residual land value per dwelling					23,227



SCENARIO 3B: 20 LEVEL APARTMENT DEVELOPMENT (20 LEVEL UPGRADE)					
GROSS REALISATION (INC GST)	Qty	Sale Price (inc GST)	Site Area	Gross realisation	
1 bedroom, 1 bathroom, 1 car park	43	440,000		18,920,000	
2 bedroom, 2 bathroom, 1 car park	159	640,000		101,760,000	
3 bedroom, 2 bathroom, 1.2 car park	102	760,000		77,520,000	
1,000m2 of retail/office at \$300m2 and capitalised at 7%				4,290,000	
Gross realisation of project (inc GST)	304		3,500	202,490,000	
DEVELOPMENT COSTS	No.	Unit cost	Gross Floor Area (sqm)	Construction rate per sqm (\$)	Total
Dwelling construction costs	304		30,000	2,800	84,000,000
Retail/office construction costs			1,000	2,000	2,000,000
Car park construction costs	332	35,000			11,620,000
Ground floor entry and services			1,500	1,800	2,700,000
<i>Total construction costs</i>					100,320,000
Additional Costs associated with development:					
Fees (Project Mgt, Architect, Planning etc) 7.5% of construction costs		0.075			7,524,000
Council Charges (0.5% of total construction costs)		0.005			501,600
Sales and Marketing (6% of gross realisation)		0.06			12,149,400
Insurance (0.5% of total construction costs)		0.0			501,600
Interest (Financing - assume 10% of total construction cost)		0.1			10,032,000
Contingency (7.5% of total construction costs)		0.1			7,524,000
Landscaping (1.25% of total construction costs)		0.0125			1,254,000
Site works and drainage (2% of total construction cost)		0.02			2,006,400
Legal (\$3,000 per dwelling)		3,000.0			912,000
<i>Total additional costs</i>					42,405,000
Total costs before profit					142,725,000
GST					14,272,500
Total costs including GST					156,997,500
Profit (15% of total cost inc GST)				0.15	23,549,625
TOTAL COST (Including profit, excluding land)					180,547,125
Interim land value (before POS contribution and DCP)					21,942,875
Interim land value/sqm					6,269
Less 8% Public Open Space contribution		0.08			1,755,430
Less nominal figure for DCP (at an average of \$15,000 per dwelling)		15,000			4,560,000
RESIDUAL LAND VALUE					15,627,445
RESIDUAL LAND VALUE/sqm					4,465
Residual land value per dwelling					51,406.07



Appendix E

Property Council of Australia submission



Property Council of Australia
Victorian Division

Submission to Places Victoria

Discussion Paper: Fishermans Bend Urban Renewal Area Draft Vision and Interim Fishermans Bend Design Guidelines

November 2013

EXECUTIVE SUMMARY

The Property Council welcomes the opportunity to engage with Places Victoria in relation to the Draft Vision and Interim Guidelines documents for Fishermans Bend.

Our submission contains a summary of our key concerns as well as a series of recommendations which we believe will facilitate the success of the project as well as achieve higher levels of industry investment and growth.

Our recommendations are based around:

- The ten strategic directions in the Draft Vision,
- The Draft Guidelines and
- General commentary from our membership.

We look forward to working with the Government to achieve these outcomes together.

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INTRODUCTION

The Property Council of Australia is the largest and most influential advocacy organisation in the property sector. We have 2,200 member companies that represent property assets worth over \$600 billion. Approximately 500 of these members are part of the Victorian Division.

Members of the Property Council represent the entire property investment cycle: finance, design, development, property maintenance and the services that underpin the sector.

The property sector is a critical part of the Victorian economy being responsible for producing \$36.9 billion worth of GSP, employing 312,000 people and generating 39.5 per cent of total state tax revenue each year.

The Property Council has consistently advocated for the Victorian Government to have a holistic long term plan that accommodates Victoria's future growth. The Fishermans Bend renewal area provides additional space for Metropolitan Melbourne to grow in capacity, for both employment and residential developments.

The Property Council is committed to achieving a better growth management system for Victoria by implementing strategies which encourage development and stimulate the economy. We look forward to working with the Government in achieving that aim.

We have also attached the Property Council's previous submission with respect to Fishermans Bend for your information.



Jennifer Cunich
Executive Director, Victoria Division
Property Council of Australia

More flexible and easy to follow guidelines

The Property Council agrees that there is a need for Design Guidelines to ensure a high quality and appropriate form of development within the Fishermans Bend area. The Design Guidelines fail to meet the balance between government guidance and market forces. At times, the guidelines seem overly prescriptive or proscriptive and at other times, silent on salient issues.

We believe that if there is demand in the market, developers should be allowed to create supply to meet it rather than adhering to restrictive policy. It is not for the Government to create an artificial economy on the land and to inflate prices in the area. Additionally, to achieve the economies of scale discussed in the documents, considerable site consolidation will be necessary.

A finer grain could be realised on larger sites through good design and the integration of heritage buildings within larger landholdings, however, site consolidation in general should be left to market forces and not dictated by the Guidelines.

Recommendation 1

That the State Government revise the Interim Design Guidelines to achieve/reflect the objectives of the document and to allow for design and innovation in the area.

Introducing an employment strategy

The Draft Vision provides that Fishermans Bend will accommodate up to 40,000 new jobs over the next 30 to 50 years. The Property Council welcomes additional employment opportunities and commends the State Government's pursuit of employment creation. What is lacking within the document however, are details to give the propositions substance.

The Property Council believes there needs to be a strategy that clearly sets out employment objectives for the area and identifies key goals for attracting employment. Without a focussed economic development effort, we fear that the precinct will fail to meet its employment objectives.

Recommendation 2

That the State Government develop an employment strategy that outlines employment creation objectives including strategies for attracting employment and investment to the precinct.

Attracting employment via clustering

The Fishermans Bend precinct is not a location that is 'naturally attractive' to major employment uses, especially commercial and office uses. Creative 21st century jobs require diverse, interesting, well serviced, high amenity and highly accessible locations. 21st century jobs also benefit from proximity and clustering with similar businesses to allow business synergies to be established and by forming alliances with research and development organisations and institutions. Consequently,

clustering of an industry should be encouraged in the area. Few of these characteristics exist at Fishermans Bend at present.

Melbourne's Sporting and Biomedical Precincts have both managed to achieved this clustering effect. Through research, the Government needs to ascertain what originally attracted these businesses to these areas and attempt to replicate it.

Recommendation 3

That the State Government research the potential clustering of similar industries and develop a strategy for enticing them to the area.

Precinct wide sustainability initiatives

This urban renewal precinct offers an ideal opportunity for precinct wide:

- Integrated water management practices,
- Automated waste collection systems, and
- Installation of Co-gen and Tri-gen systems.

Unfortunately, the documents make little to no mention of these initiatives which could turn this urban renewal area into a global leader in sustainability and demonstrate world class urban renewal best practices. These practices have successfully been implemented in urban renewal areas overseas and their suitability should be considered for the precinct.

Recommendation 4

That the State Government research the viability of precinct wide sustainability initiatives in Fishermans Bend.

Sustainable stakeholder partnerships

The Fishermans Bend area provides an excellent opportunity to pursue new standards of sustainable urban form, transport and building development. However, an effective and fair partnership approach is required between Government and the development industry to ensure that the sustainability outcomes sought are consistent with market demand and with the commercial realities of development decisions.

The Property Council wishes to emphasise the importance of sustainable practices to a point. When sustainable initiatives become liabilities or where their benefit is far outweighed by the cost, they become detrimental to development and investment.

When this occurs, land holdings are not developed and interest in the area becomes stagnant. Therefore, it is important that any provisions with respect to sustainability are analysed in terms of

their cost. This analysis needs to be thorough and examine all possible consequences if it is determined that they are not yet financially viable, they should not be implemented.

Recommendation 5

That the State Government and developers form a partnership with respect to the precinct's future sustainability provisions.

Recommendation 6

That the State Government conduct analysis on the cost implications of any sustainability standard before it is implemented.

Addressing environmental constraints

The Property Council is concerned that the area's environmental challenges are significant 'unquantified constraints' hindering the realisation of many elements of the Vision. These challenges involve land contamination and geotechnical constraints posed by past industrial use of the land and by soil types throughout the area.

This soil and ground water contamination will affect and dictate what kind of development can take place and where in the precinct depending on the extent of the contamination. This is an opportunity for the Government to work with the EPA to enhance the remediation process and streamline regulations to make them more efficient and effective.

Despite the fact that flooding is an important consideration for what is low lying land close to both the Bay and the Yarra River, there are no guidelines dealing with this risk in the documents. Area-wide design solutions need to be outlined and implemented within the Guidelines to address this challenge.

Further, the State Government needs to identify what can and cannot be achieved in the precinct via feasibilities and forecasting.

Recommendation 7

That the State Government conduct feasibility studies and analyse the impacts on development due to soil contamination.

Recommendation 8

That the State Government implement guidelines which consider the impact of flooding on Fishermans Bend.

Cost projections for remediation

The cost of remediation must be assessed by the State Government to inform investment in the area. Currently, the cost of the contamination to the developer is unknown, thus, this unknown represents a financial risk to invest in the precinct.

By calculating these costs, it makes the price of development easy to calculate and increases transparency with respect to developer contributions in the area. This decreases the risk of investing in Fishermans Bend and makes investment increasingly attractive to potential stakeholders, in particular, those who are more conservative or risk averse.

Recommendation 9

That the State Government undertake cost forecasts for the remediation of contaminated land in Fishermans Bend.

Incentives for remediation innovation

The Property Council believes that if the private sector has to bear the investment risk of remediating heavily contaminated land, they should be incentivised to do so. This will help expedite investment in the precinct.

Incentives could include accelerated project approval or a discounted DCP. Similarly, if they are willing to remediate more land than their property, for example, a city block, in cooperation with developers, then increased incentives on a sliding scale should be considered.

Recommendation 10

That the State Government incentivise the private sector to remediate contaminated land in the precinct.

Providing infrastructure

The Property Council does not believe that Metro Rail will be implemented in the Fishermans Bend precinct due to the low densities planned. We also do not believe it would be an effective use of government funds given the alternatives available e.g. trams.

As the precinct develops, interim strategies need to be put in place so that residents and visitors to the area have access to public transport. Without public transport, it will be difficult to encourage residents to move to a predominantly pedestrian community with limited public and private car spaces without creating pressure on surrounding suburbs.

New bus routes through the area or extended tram routes are more cost effective options for the precinct which can be implemented as needed. They should be considered as a priority.

Recommendation 11

That the State Government provide interim public transport solutions for Fishermans Bend.

Recommendation 12

That the State Government increase density in Fishermans Bend or remove Metro Rail from the plans.

Sequencing development

As with any large precinct, sequencing of neighbourhoods and their development is necessary to prioritise where and when infrastructure and services are provided. The status quo of allowing all neighbourhoods to develop simultaneously will strain resources as the State Government will be required to provide public transport to a large area which may not be of sufficient density.

The Property Council suggests the State Government strategically sequence the development of Fishermans Bend starting with the peripheral suburbs/neighbourhoods like Montague and Lorimer as they can take advantage of existing services and facilities in established, surrounding areas.

When required, the interim public transport strategy and other facilities should correlate and complement the sequencing of development. This ensures that residents have timely access to adequate services while not wasting revenue on superfluous expenditure.

Recommendation 13

That the State Government sequence the development of Fishermans Bend's proposed suburbs/neighbourhoods.

Sequencing triggers

The State Government needs to determine at what point they will provide services and infrastructure and when they will be required. The Property Council suggests that triggers should be created within the development sequencing which are formulated to indicate when provision is necessary. These triggers should be directly linked to the density in the area. They should correlate with the sequencing of development and direct government when stages of the interim transport solutions need to be implemented.

Recommendation 14

That the State Government create strategic milestones which will trigger a required further investment in infrastructure, services and facilities.

Funding Fishermans Bend

The Property Council does not consider it the responsibility of the private sector to fund economic infrastructure through a DCP type arrangement when the State Government stands to benefit from its implementation and has not exhausted all available options for revenue.

Currently, the State Government and many councils are part or full owners of a number of infrastructure, building and land assets which do not need to be held in public hands or in their present locations. These could be sold or leased to the private sector to fund infrastructure for the Fishermans Bend precinct.

The Port of Melbourne, Victoria's share of the Snowy Mountain Hydro Scheme, vacated school and other education sites, public buildings in prime locations and tracts of vacant land in and around Melbourne are all examples of assets which could be transferred to the private sector through either ownership or a long term lease operation.

We believe public assets should only be held by government when it is evident that the public interest cannot be successfully served by the private sector. Before further charges are imposed on investment or a DCP framework is developed, these and other sources of revenue raising should be investigated for funding economic infrastructure.

Recommendation 15

That the State Government conduct an audit of public buildings, vacant land and state-wide local government assets which are not of long term strategic value to the broader community.

Recommendation 16

That the State Government, City of Port Phillip and City of Melbourne sell or lease public assets to fund required infrastructure and services in Fishermans Bend before imposing new taxes on developers.

Local Council Service Delivery

The Property Council supports service delivery reform in Local Government and believes that it would save superfluous spending at a local level.

The Property Council is of the view local councils do not need to spend money replicating services in each council district. Currently, unnecessary and scarce funds are being spent on local governments inefficiently on customising services in each municipality e.g. ticket inspectors. Put simply, it is not necessary for each council to have different parking inspectors doing the same job, in a different uniform, reporting to a different manager. This is not good business practice.

If the State Government was able to make these operations more efficient by amalgamating and stream lining processes, they would save significant costs state-wide.

By taking advantage of synergies between councils, costs could be significantly reduced thereby allowing for funding of initiatives in the Fishermans Bend precinct and other council enterprises.

Recommendation 17

That the State Government review, streamline and reform the Local Council's service delivery to fund Fishermans Bend and other enterprises.

Funding models

The Property Council has come to understand that public funds have not been allocated to provide public services in the area and are concerned as to who is expected to fund the documents' propositions.

It is not appropriate for investors to be expected to fund public services in the area just because they are viewed as being able to afford it. In the end, these costs are passed onto the consumer, thereby undermining housing affordability. If mishandled, increased taxes could also act as a major disincentive to invest. Funding models need to be devised with industry and private sector consultation and accessible to the public.

Recommendation 18

That the State Government consult the private sector if it chooses to devise funding models for the precinct.

Planning and frameworks

The Property Council recommends that planning be expedited and frameworks be applied with flexibility to ensure that the Fishermans Bend Vision is successfully established.

While it is important for planning to be executed properly, the current approval process is viewed as arduous and drawn out. The current, positive media exposure on the Vision has increased public awareness and given the area momentum. This assists in attracting investors, stakeholders, future residents and visitors.

This momentum, however, is lost in the bureaucracy, approvals and stringent application of frameworks. To take full advantage of the current interest in the area, planning needs to be accelerated and frameworks need to be applied less rigidly. This will provide added incentive and attract investors and developers to the area.

Recommendation 19

That the State Government and Local Government commit to expediting planning and apply flexibility to frameworks.

Affordable housing

Affordable housing is one of the ideals espoused in both The Draft Vision and Interim Guidelines however there are no provisions for it in either document. In order for developers to incorporate housing that is affordable, the Government will need to ensure maximum flexibility for the development industry.

Currently there is an undersupply of affordable housing in Victoria due to taxes and compliance costs which are ultimately passed onto the consumer. By introducing more flexibility in guidelines and not over regulating development, developers will be able to produce a less expensive product for the consumer.

The Property Council support population targets however we do not support affordable housing targets. In our view, targets are not the solution as the associated cost of this will be passed on to other residents via an inflated purchase price or through the business costs of more complicated design requirements.

The cost of living in the area is also an issue. The Government needs to ensure that they do not introduce guidelines which increase the running costs of buildings or the living costs in the area.

This trend of unaffordability will be mirrored in the area unless the Government provide less rigid guidelines and allows for innovation in the provision of affordable housing.

Recommendation 20

That the State Government introduce more flexibility in the design guidelines for the provision of affordable housing.

Creating a strategic plan for use and activity mixes

A vibrant mix of uses and activities is essential to any urban renewal area and increases amenity for both residents and visitors to the area. There is however, little in the Draft Vision to explain how this will occur.

In light of the fact that the documents are intended to provide facilities for a resident population of 80,000 and a workforce of 40,000, the considerable demand and pressure this will create for new education, social, health and medical, recreation and other community facilities is not addressed in the documents.

The Property Council believes that a strategy needs to be in place to ensure that a mix of uses and vibrant character is attracted to Fishermans Bend. This could be achieved via targets for State Government to achieve or initiatives to entice a variety of uses to the area.

Recommendation 21

That the State Government plan for how a vibrant mix of uses will occur and create initiatives to encourage them.

Communication of vision for neighbourhood character

Given the size of the Fishermans Bend precinct, the Property Council sees the creation of distinctive neighbourhoods as a fundamental element of the Vision and essential to the liveability of the area.

The documents refer to “detailed precinct planning” yet the planning controls and guidelines are given for the entire urban renewal area and no distinction is made between suburbs/neighbourhoods. From the document, there is no discernable difference between each of the precincts nor any indication as to how one is at all unique from any other. This needs to be rectified.

Recommendation 22

That the State Government provide further modelling and communication with respect to their vision for each of the suburbs/ neighbourhoods.

Distinctive neighbourhood planning

Each of the neighbourhoods needs to be given an independent set of design guidelines which reflect their character, diversity and distinctiveness. Currently, there is no character assigned to any of the neighbourhoods or any differentiation in either the draft vision or, more pertinently, the design guidelines.

The lack of detail in the documents undermines the potential for investment in the precinct. Not only does it leave investors guessing when infrastructure like the Yarra River Bridge will be provided, it also means they are unable to make informed decisions about where and when to develop.

The preparation of a strategic framework plan and other documents with respect to the area would benefit from the involvement of key stakeholders from the property industry. This will resolve the abovementioned matters and ensure the new frameworks are viable for investors and developers.

Recommendation 23

That the State Government create a detailed plan for each of the precincts with unique planning controls and guidelines prepared with involvement from key stakeholders from the private sector.

Planned precinct demographics

The Property Council does not believe that Fishermans Bend needs to be solely a family oriented precinct to be successful. The land in the precinct is highly developable due to its location.

Moreover, there are other target demographics that could benefit from living in close proximity to the CBD which are not already accommodated for in established suburbs.

Fishermans Bend is unique being 250 hectares of land located less than 3km from the CBD. In light of the fact that CBD land produces the most tax per square meter, it would be far more financially prudent to implement uses of the same genus in Fishermans Bend e.g. commercial, retail and apartment living. This would create additional tax revenue for both state and local governments to address Victoria's pressing infrastructure backlog and growing services burden.

Recommendation 24

That the State Government allow market forces to dictate the demographics of Fishermans Bend.

Building height limits

The proposed height limits are unclear. Street names and the hierarchy of roads are required in the documents' diagrams to better define the boundaries of the different proposed height limits.

The management of the different edges and interfaces of the different height limits also needs to be reviewed. An example of this is the many designated towers adjacent to buildings with a four or eight storey maximum heights. This interface variation is seen prolifically in the Sandridge and Montague areas.

Not only does this have planning implications, it can also cause overshadowing due to the height discrepancy. Consequently, minimum height restrictions should replace the maximum height restrictions to ensure that any variation is chosen by the developer and not enforced by stipulation.

Recommendation 25

That the State Government review the variation in building heights across the whole precinct and set a minimum height restriction for each Fishermans Bend suburb/neighbourhood.

Density

The Property Council regards Fishermans Bend as an opportunity for new, high density residential and commercial development in close proximity to the CBD.

There is a demand for high density, inner city living, particularly for young professionals who work in the CBD however with the Docklands and Southbank already sold off and much of it strata titled, there is a declining supply of land to build this kind of accommodation. Fishermans Bend presents the opportunity to bring new supply to market.

Recommendation 26

That the State Government increase precinct wide density in Fishermans Bend.

Traffic issues

Currently, Fishermans Bend is an industrial precinct and acts as an important thoroughfare between the Port of Melbourne and the freeway network. While the documents discuss preserving existing uses in the area, there is no discussion as to how truck movements through the area generated by existing non-residential activities in proximity to Fishermans Bend will be accommodated.

A strategy needs to be developed to ensure that traffic flow and access to the Port of Melbourne is not affected by the development in the area.

Recommendation 27

That the State Government develop a strategy accommodating existing truck movements in Fishermans Bend.

Strong partnerships and effective governance

Currently, two local governments have interests across the precinct. This, combined with Victorian Government's interests, will inevitably lead to conflict and inconsistency in planning and tax standards.

Strong and unified governance will be required to realise the vision presented in the documents and will not be achieved through the abovementioned framework. One minister, authority, council and framework ensures consistency and cohesion across the entire precinct.

Recommendation 28

That the State Government appoint a single minister for overarching governance of the precinct.

Recommendation 29

That the State Government appoint a single authority to oversee all development.

Recommendation 30

That the State Government amend council boundaries so that a single council is responsible for the Fishermans Bend precinct over the long term.

Recommendation 31

That the State Government develop an overall strategic framework for the whole area.

More uses in Fishermans Bend

There is currently a growing demand for tourism accommodation in Melbourne. Being so close to the CBD and other tourist attractions, Fishermans Bend is an appropriate location for more tourist

accommodation to be built. The document does not, however, make provision for any accommodation despite growing demand.

There is also an omission of acknowledging other facilities and services which may benefit from being located so close to the CBD. There needs to be a broader and more detailed discussion of other uses that this urban renewal area could accommodate beyond offices and apartments.

Recommendation 32

That the State Government consider other uses which are in demand in Metropolitan Melbourne and could benefit from proximity to the CBD.



melbourne's future

A Plan for Fishermans Bend

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1. AN AGREED VISION

Establish an agreed vision for Fishermans Bend upfront.

It is important that a vision for the design and use of Fishermans Bend be laid out immediately. This vision should be developed in conjunction with the community, public and private stakeholders and the investors who will make the Fishermans Bend precinct a reality. The Victorian Government must, as a part of this process, reassess current government landholdings in Fishermans Bend to ensure its use is appropriate in the context of the new Central City Zone.

2. GOVERNANCE ARRANGEMENTS

The governance arrangements for Fishermans Bend must be clear from the outset.

Clear governance arrangements will be critical to the success of Fishermans Bend. Currently, two local governments have interests across the precinct. This, combined with Victorian Government's interests, will inevitably lead to conflict and inconsistency.

The governance operation of the entire Fishermans Bend precinct should instead be based on the following framework:

▲ *A single minister to be responsible for overarching governance.*

A single minister reporting to Cabinet should be responsible for the overall governance of Fishermans Bend. This minister should have the support of other relevant ministers and their departments which will be coordinated through an established development authority.

▲ *A single approval authority to oversee all development.*

This authority should be responsible for development assessment and approval. It should be governed by a board and report to only one minister. This authority should be funded out of consolidated revenue and should not have its own revenue raising capability. It must have the appropriate amount of authority to effectively coordinate relevant government stakeholders, authorities and utilities rather than only having planning powers.

▲ *A single council to be responsible for the entire precinct.*

As Fishermans Bend is proposed to be covered by the Capital City Zone, Melbourne City Council should have local authority over Fishermans Bend. This will only be effective if municipal boundaries are redrawn.

3. A COMPREHENSIVE SITE AUDIT

Audit the existing development context of the Fishermans Bend precinct, determine the overall potential of the area and make this information publicly available.

A comprehensive audit is required to understand the overall status of the Fishermans Bend precinct. This audit should cover factors such as:

- ▲ Land ownership – public, private, other;
- ▲ Existing hard infrastructure such as the road network, the street structure and public transport services;
- ▲ Status of the power grid, water and sewerage facilities and the capacity of this infrastructure to service a growing population over time;
- ▲ Existing community infrastructure such as schools, community facilities and open space;
- ▲ Existing industries and jobs currently in operation at Fishermans Bend and the economic potential of Fishermans Bend as a future employment precinct;
- ▲ Soil quality and use; and
- ▲ Existing and forecast demographics.

4. STAGED DEVELOPMENT PLAN

Outline publicly, a logical staging process for the development of Fishermans Bend.

A clear development plan for Fishermans Bend should outline the development stages to ensure existing and planned infrastructure assets are used efficiently. The development plan must respond to the size of the precinct, acknowledge it cannot be developed all at once, and consider the flow-on effect of rezoning on land values, land supply and market drivers.

5. INVESTMENT FACILITATOR

Set up a one-stop-shop for Fishermans Bend to attract and facilitate public and private investment.

The Victorian Government should adopt a 'shop-front' approach to attracting investment into Fishermans Bend. A one-stop-shop for information and engagement must be established up front so that stakeholders and investors are able to access information and engage with government in an efficient and informed manner. Full integration with the Fishermans Bend governance structure is essential.

6. TRANSPORT INFRASTRUCTURE

Develop a transport plan for the Fishermans Bend precinct.

Hard infrastructure needs to be planned for at a precinct level. This will be crucial to the success of Fishermans Bend, its integration with Melbourne and its future community. A transport plan must:

- ▲ Outline the public transport required to service Fishermans Bend including light rail, bus networks and other potential forms of public transport such as ferries;

- ▲ Prioritise major transport initiatives;
- ▲ Clearly outline how public transport in Fishermans Bend will link into Melbourne's existing public transport network;
- ▲ Reflect the practical uses available in Fishermans Bend (for example, can underground car parking be built due to soil composition?); and
- ▲ Be aligned to the staged development plan so that transport infrastructure is delivered as and when the Fishermans Bend precinct evolves.

7. TRAFFIC MANAGEMENT PLAN

Develop a traffic management plan which is aligned to the transport plan.

Fishermans Bend currently services a major truck route and its existing traffic flows are mostly geared toward servicing the precinct's existing industrial uses. A traffic management plan will be crucial to managing the changing and varied traffic flow as the precinct evolves. It is vital that this plan be aligned to the transport plan so that public and private transportation is fully integrated inside Fishermans Bend and through its links with Melbourne.

8. COMMUNITY INFRASTRUCTURE

Start planning for community infrastructure needs up front.

Community infrastructure such as schools, child care, sporting facilities, street lights and policing requirements are vital to the life of a community. Population projections and other forecasts should form the basis of government planning so that community infrastructure is delivered as and when the community grows. The Victorian Government must establish clear development rules for the provision of future community infrastructure based on population trigger points.

9. FUNDING INFRASTRUCTURE

Determine upfront how all infrastructure will be paid for in Fishermans Bend.

Explore alternative funding mechanisms for infrastructure in Fishermans Bend which could include a special purpose levy, a bond regime or a public private partnership model. The Victorian Government must establish a fixed and equitable infrastructure funding mechanism which provides certainty to the property industry and does not undermine housing affordability objectives and private investment opportunities.

10. OPEN SPACE STRATEGY

Develop a public strategy up front for the provision of open space across the entire Fishermans Bend precinct.

Determine how much public open space is required across the entire Fishermans Bend precinct. Lock open space requirements across the precinct for a ten year period to provide certainty and equity across the entire development setting.

11. HERITAGE AND CULTURAL HERITAGE

Establish the heritage value and cultural heritage considerations in the Fishermans Bend precinct as it currently exists and lock it in time.

Heritage values and cultural heritage considerations must be established up front and locked in time so that once the audit is complete, it cannot be extended further. This is the only way to provide certainty to the community and to the development industry on heritage matters in Fishermans Bend.

12. ENVIRONMENTAL ASSESSMENT

Determine the environmental considerations in Fishermans Bend so that they are known up front.

Environmental considerations such as soil contamination, the extent of remediation activities required, and the costs involved must be outlined up front as part of the Victorian Government's audit across Fishermans Bend. The Victorian Government must define its position on the following:

- ▲ Where the Government's responsibilities start and end with regard to land remediation;
- ▲ If the Government will assume responsibility for land remediation;
- ▲ If the Government will subsidise remediation activities undertaken by private organisations; and
- ▲ How environmental waste will be managed as the Fishermans Bend precinct evolves.

13. RELOCATION STRATEGY FOR EXISTING INDUSTRIES

Develop an action plan for the existing industries and land uses in Fishermans Bend.

The Victorian Government must develop a transparent action plan for either relocating or compensating the existing land users in the Fishermans Bend precinct. These existing uses include

business, industrial and even the freight and logistics route that runs through the middle of Fishermans Bend.

14. PRECINCT SCALE ENVIRONMENTAL SOLUTIONS

Ensure the entire Fishermans Bend precinct is compatible for precinct-scale environmental solutions prior to redevelopment in order to avoid modern technology lying idle.

The Victorian Government must invest in precinct-wide solutions for heating, cooling, energy, water and waste infrastructure systems upfront. In addition, an easy and cost effective process for the private sector to invest in these environmental technologies must be established.

15. AFFORDABLE HOUSING

Provide affordable and diverse housing choice at Fishermans Bend.

Innovative methods for providing affordable and diverse housing choices should be implemented at Fishermans Bend. Places Victoria has achieved great success with the National Rental Affordability Scheme as demonstrated by The Nicholson project. Fishermans Bend must be considered as a prime development site for similar projects.

16. HEIGHT LIMITS

Fishermans Bend has been identified for major urban renewal and as such, minimum height limits should be imposed across the precinct.

Appropriate minimum height limits should be enforced across the Fishermans Bend precinct so as to ensure the highest and best uses are achieved within Melbourne's biggest urban renewal development setting. Minimum height limits should be closely tied to the staged development plan so as to achieve the best development outcomes closer to Melbourne's CBD.

Appendix F

Housing Industry Association submission



SUBMISSION BY THE
Housing Industry Association

to the
Places Victoria
On
**Fisherman's Bend Urban Renewal Area Draft Vision and
Interim Design Guidelines**

22 November 2013

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1. About HIA and Introduction

HIA is Australia's peak residential building industry association, representing over 40,000 members nationally, including 13,000 members in Victoria.

HIA members comprise a diversity of residential builders, including all Top 100 builders, all major building material manufacturers and suppliers, residential developers, small to medium builder members, contractors and consultants to the industry. In total, HIA members construct over 85 per cent of the nation's new housing stock.

HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality driven, affordable residential building and development industry.

Housing is a first order necessity to peoples regular and active functioning and participation in society. All levels of government should be looking at the roles they need to be playing to address the shortage of housing stock in most Australian cities. But a balance of policies and market forces is required to ensure that different types of housing stock can be developed to meet the needs of a growing population.

Low or inappropriate housing availability and high rents continue to be the unfortunate fallout from a shortage in land and housing stock, which presents a barrier to achieving these goals.

In October, the Victorian Government released *Plan Melbourne*, the new metropolitan strategy to replace *Melbourne 2030*.

Amongst the initiatives are plans to direct all new dwellings to strategic inner city urban renewal sites and existing growth areas together with plans to block any future expansion of Melbourne's Urban Growth Boundary. Also at least 50 per cent of Melbourne is set to be included in Australia's most restrictive Zone - the Neighbourhood Residential Zone.

The State Government wants to see balanced growth between regional cities and Melbourne. In theory the idea of channelling growth into specific locations is a reasonable idea, however regional areas require the economic investment to assist in attracting and sustaining the population growth.

Whilst Plan Melbourne provides a level of certainty for some, it has failed to address the real issues for many of HIA's members. By channelling a major proportion of housing growth into strategic urban renewal sites, growth areas and regional cities, the Government is locking out opportunities for small builders who are filling the demand for small to medium density developments in and around Melbourne and regional cities existing inner to middle ring suburbs.

What is important in any Plan is that it provides the framework in which population growth can be housed. It is also important to ensure planning processes are in place to facilitate development in a timely fashion to accommodate demand and that the permit assessment process is commensurate with the scale of the development. Victoria's planning system is still slowed down tremendously by simple development matters. Streamlining planning controls, exempting simple planning matters and improved assessment tools can make a significant contribution to a more effective planning system in Victoria.

Turning specifically to Fisherman's Bend and its long term role in providing inner city housing opportunities, what is most important to the residential building industry, is that land is being provided for development in a manner that is timely, efficient and abundant in accommodating demand.



The Fishermans Bend Urban Renewal Area is intended to accommodate 80,000 residents by 2050. The State Government has said in Plan Melbourne that by 2050, Melbourne will require 239,000 apartments and 358,000 townhouses and units. If the 250 hectares of Fisherman's Bend are developed to density expectations of 200 dwellings per hectare, this Urban Renewal Area will potentially provide Melbourne 50,000 dwellings by 2050.

Fisherman's Bend strategic planning needs to have regard to overall housing targets for Melbourne and whether it is capable of providing the housing supply required to accommodate demand in its area.

The draft Vision identifies that the Fisherman's Bend area is used primarily for industrial purposes. Whilst acknowledging the profile in the area is changing it is not clear from the Vision documents as to how a transition to a larger residential population will occur. There is still much detail lacking around the transition to housing development and how land and land ownership will be managed to ensure the Government's vision can indeed become a reality.

HIA would like to make the following submission to the Fisherman's Bend Urban Renewal Draft Vision, Draft Vision – Moves and the Interim Design Guidelines. There are several elements of the documents that HIA does not wish to comment on, therefore these matters have been excluded from the following responses.



2. HIA Response: Fisherman's Bend Urban Renewal Area Draft Vision

Direction 2: The timely provision of infrastructure

Key community facilities and services are available and accessible to attract and support a diverse community at the early stages of development.

Consideration of a range of funding options to meet the cost of essential infrastructure.

Existing businesses continue to operate as change occurs.

New schools built to serve new neighbourhoods.

Delivering key transport links, including a new tram line, underground rail line with two new stations and new and improved bus routes.

Upgrading existing open space and creating sufficient new open space to match population growth.

Infrastructure such as public transport, community facilities, schools and open space is delivered in a timely way to match population growth.

HIA's key concerns about infrastructure provision in any new development setting is the scale of infrastructure required, the timing of its provision and payment methods envisaged by Government.

In regard to the payment for infrastructure, the documentation is unclear as to what is proposed for infrastructure delivery at Fisherman's Bend. In addition the Government has conducted a review of local development contributions but the outcome is as yet to be announced so this may have an impact on the preferred payment structure.

HIA considers *development specific infrastructure* to be infrastructure which provides essential access and service provision and without which the development could not proceed. These items are considered to be core requirements for housing development and should be provided in a timely manner to facilitate affordable development.

Development specific infrastructure items within the boundaries of the development HIA considers should be provided by the developer as part of the cost of development. For example, local roads, drainage, stormwater, land for local open space and direct costs of connecting to local water, sewerage and power supplies.

HIA defines *community and regional infrastructure*, as items of broader physical, community and social infrastructure for new development.

HIA considers these items to be ancillary to the direct provision of housing and an increased population and could include headworks for water, sewerage and power supplies which may be part of a specific contributions plan; community facilities such as schools, libraries & child care; district and regional improvements such as parks, open space and capital repairs; public transport capital improvements; district and regional road improvements.

In summary, *development specific infrastructure* establishes a nexus with the services necessary for the provision of an allotment or building whilst *community social and regional infrastructure* establishes a nexus with the needs of the population who will occupy the premises from time to time.

State and Local Governments are increasingly reliant on development contributions to fund social and community infrastructure to support residential development. The complex array of levies is growing and is adversely affecting housing affordability.

HIA opposes development contributions for broader community infrastructure items as they represent an upfront "user pays" funding model for items from which the whole community uses and benefits from over a longer period. It is a burden on developers and new homebuyers to partially or wholly fund infrastructure items from which the whole community derives benefit.

Given the Government's policy direction and the heavy investment it is placing in growing strategic infill sites, more detailed information about the payment methods for key infrastructure items would have been expected at this stage. The review of development contributions underway outlines a contribution model for strategic infill sites - the DLS or Development Levy Scheme (variable model). HIA has concluded that in the absence of information about infrastructure funding that this is the envisaged way forward for funding at Fisherman's Bend.

If this is the case, it is HIA's view that the DLS should differ from the current DCP model in that it is limited to



	<p><i>allowable</i> items and <i>standard</i> rates are applied where possible. Also a higher degree of strategic justification would be required.</p> <p>The DLS is intended to target 'exceptional circumstances' where local requirements justify a variation. The levies under this model may also include a <i>capped</i> contribution amount.</p> <p>The Government needs to clarify how it will be charging for infrastructure and how development contributions are planned to be configured. In doing so, it should not be used as an opportunity to simply demand contribution amounts above and beyond the norm or to charge at a rate to catch up on previous underinvestment in municipal infrastructure (in other areas outside of Fisherman's Bend).</p> <p>Finally the following general principles should continue to apply to any models of contributions applied to the site:</p> <ol style="list-style-type: none"> 1. Levies should not be relied upon as the sole source of funding for which could be expected to be provided by local or state government; and 2. Additional items of infrastructure should not be able to be requested by State or Local Government or the Council via permit conditions or other means. <p>As previously stated, in HIA's view development specific infrastructure establishes a nexus with the services necessary for the provision of the allotment or building and could realistically be expected to be funded by the developer. Whereas community social and regional infrastructure establishes a nexus with the needs of the broader population who will occupy the area over a longer period. These types of infrastructure should be funded through more broad-based state and local rates charges.</p> <p>HIA has persistently pursued with all tiers of government (and the finance sector) alternative methods of funding housing infrastructure rather than the current reliance on development contributions.</p> <p>Alternative forms of Infrastructure Funding (other than direct proponent funded) Supported by HIA</p> <p>HIA has continued to support a range of alternate funding methods including bonds and tax increment funding, together with funding via general taxation measures.</p> <p>HIA has persistently highlighted alternate forms of infrastructure funding with relevant Federal and State Government agencies as well as banking institutions. These forms include:</p> <p>Commonwealth Government infrastructure bonds which would be tax preferred and would see the Commonwealth Government support state and local governments to build new, and to revitalise existing, infrastructure;</p> <p>Local government infrastructure bonds modelled on the lines of the U.S. local authority municipal bonds system;</p> <p>State government infrastructure bonds modelled on the lines of the U.S. local authority municipal bonds system;</p>
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	<p>Tax increment financing (TIF) under which a local (or state) government authority would designate TIF areas from which future tax revenues would be used as security against which long-term loans (from the Commonwealth or the states) for capital expenditure could be raised; and</p> <p>Emphasise the appropriateness of public funding of residential infrastructure given its contribution to the long term productive capacity of the Australian economy. A move towards simpler charging systems whereby much of the cost of new residential infrastructure, like the cost of refurbishing or replacing aging infrastructure, is spread across the entire community would overcome the problems inherent in the various charging systems that have long failed. This would simplify charging, provide certainty and create neutrality between providing new and refurbishing/ replacing existing infrastructure.</p> <p>The key to achieving a sustainable and sizable recovery in new residential construction remains taxation (and regulatory) reform. HIA's advocacy regarding reform of residential infrastructure funding reflects this fact.</p>
<p>Direction 3: A place that is easy to get around</p> <p><i>Taking an integrated approach and linking all modes of transport.</i></p> <p><i>The preferred choice for getting to and around Fishermans Bend will be by walking, cycling and public transport.</i></p> <p><i>Go anywhere, anytime public transport to the CBD and surrounding suburbs.</i></p> <p><i>Creating an excellent and safe walking environment for residents, workers and visitors, with seamless high-priority links between centres, public spaces and public transport.</i></p> <p><i>Create strong connections to adjoining neighbourhoods and the bay.</i></p>	<p>As Fisherman's Bend is currently not well serviced by public transport, adequate provision should be made for car parking. In accordance with the Victorian Planning Provisions. Adequate car parking should be allowed for developments to ensure housing is appropriate for intended occupants.</p>



Direction 4: A vibrant mix of uses and activities

People can work, shop and socialise locally.

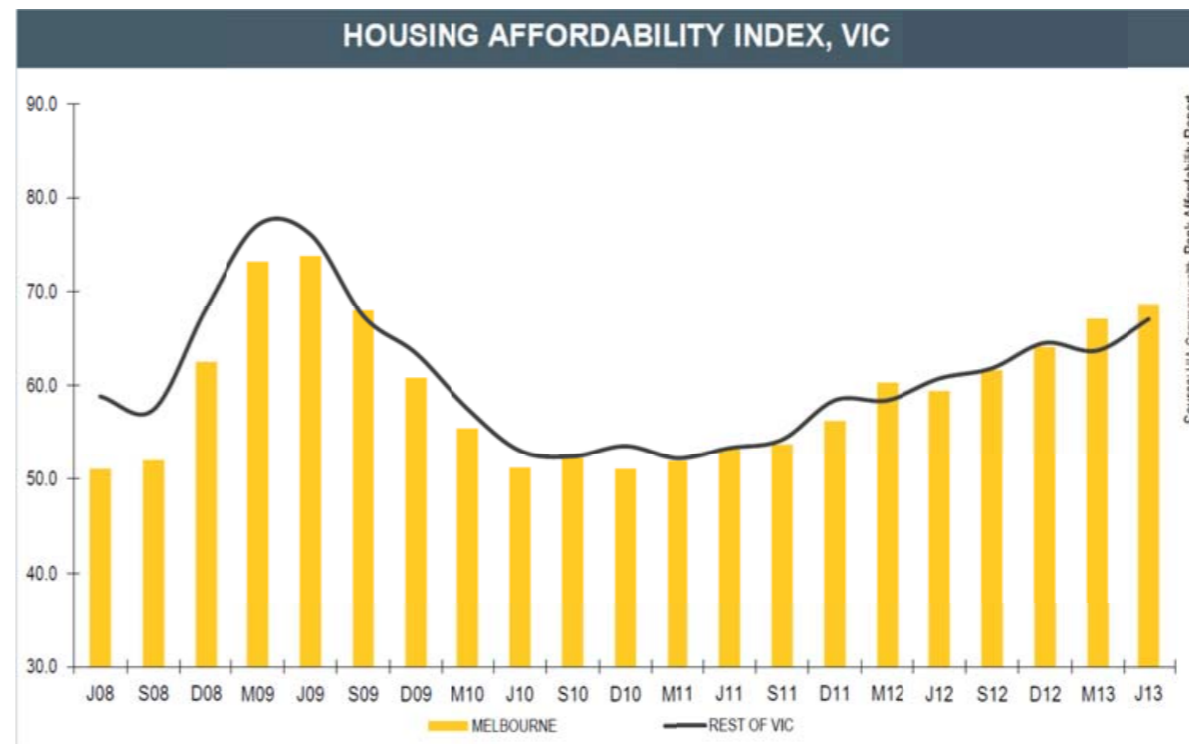
Establishing compact neighbourhoods where people can walk to schools, community facilities, open space and public transport.

Providing diverse and affordable housing choices.

Through new residential development, the opportunity to increase the population by 24,000 new residents by 2025 and 80,000 new residents by 2050.

Current Housing Affordability in Melbourne and Victoria

The HIA-Commonwealth Bank Affordability Index describes the relationship between household income and mortgage servicing costs based on prevailing home prices and mortgage interest rates. An increase in the index means that the burden of mortgage repayments has fallen and vice versa. The development of affordability in Melbourne and the rest of Victoria between 2008 and 2013 is illustrated below.



Affordability in both Melbourne and the rest of Victoria rose again during the June 2013 quarter. In Melbourne, the index increased by 2.4 per cent, representing a 15.5 per cent increase on a year previously. Across the rest of the state, affordability rose by 5.3 per cent during the June 2013 quarter and was 10.5 per cent higher than a year earlier..

The current **interest rate easing cycle** has been the main driver of improving affordability in Victoria.

However, while the official cash rate is historically low, indeed lower than during the previous cyclical trough reached in the immediate wake of the GFC, affordability in Victoria (both in Melbourne and the rest of the state) has **not** reached a level commensurate with that time.

Housing affordability is still a major issue in this state. The situation is similar to that in NSW – back in mid-2009 easing dwelling prices combined with easing mortgage interest rates to drive affordability higher. This time

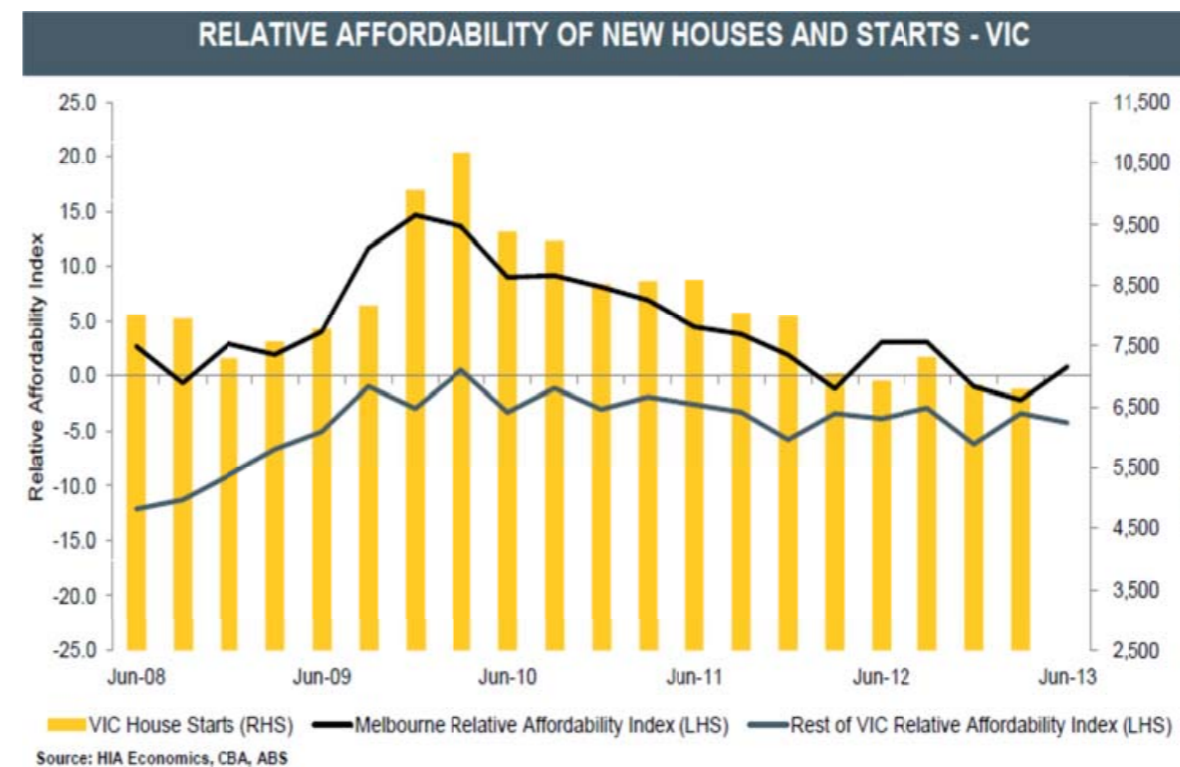


around stronger price growth has offset some of the effects of the reduction in mortgage interest rates.

Affordability of New Housing

HIA also calculates the relationship between the affordability of new dwellings compared with existing dwelling. This is summarised in the chart below for the 2008 to 2013 period.

An index reading equal to 0 indicates that new house prices are the same as established house prices. A reading above 0 indicates that new houses are more affordable than established houses, while a reading below 0 indicates that new houses are less affordable than established houses.



The chart shows that in Victoria, the affordability of new houses relative to established houses has been **declining**, particularly in Melbourne. The index still registered a positive reading of 0.9 but this represents a **deterioration** compared with 12 months ago when the index registered 3.1. Across the rest of Victoria the index registered -4.2, a slight deterioration compared with the previous quarter's reading of -3.4 and also the June 2012 quarter result of -3.9.



	<p>Genuine structural changes to housing affordability will be contingent upon a stock of housing supply that grows commensurately with the population and its housing needs. While super low interest rates do provide temporary support for new home building activity, policy reform, as politically difficult as it may be, needs to be implemented to drive a sustained improvement to residential construction so as to genuinely address the housing affordability challenge in Australia.</p> <p>Improved housing affordability will require broad based action from Government including better planning systems, plentiful land supplies and an examination and reform of the taxation treatment of housing. This includes examination of, and changes to, the current heavy reliance on development contributions by authorities for infrastructure. These are ultimately passed on to home buyers through higher prices.</p> <p>Affordable housing mixes cannot be manufactured by governments and planning policies. The preferential treatment of 'affordable' housing' within the planning system or through other statutory requirements is an inequitable and inefficient way to increase affordable housing stock. If it is the Government's aim to promote a range of housing then the planning system should be structured to allow for it. Housing quotas designed to improve the availability of affordable housing are often imposed on new development. The quota is in effect a tax on new housing as the costs incurred by developments in subsidising a particular form of housing must invariably be borne by all new home buyers in that development, and not the general community. This is inequitable and unfair.</p> <p>Further, affordable housing quotas do not address the underlying root causes of the affordability problem they provide only ad-hoc relief to what is a much larger community issue that requires a whole of community solution. An holistic and sophisticated approach to the issue of providing increased levels of affordable housing and solving housing affordability is essential and should be addressed by government to assist with their aims in the new Fisherman's Bend Precinct.</p>
<p>Direction 6: A great place for families</p> <p><i>Developing a strong sense of community, through accessible places and facilities which can adapt to changing needs.</i></p> <p><i>Building new homes that are affordable to low and moderate income households.</i></p> <p><i>Providing a mix of housing types, including apartments in high, medium and low rise developments, warehouse lofts and townhouses that are suitable for singles, couples, people with children, older households and students.</i></p> <p><i>Providing family-friendly three bedroom homes throughout Fishermans Bend, particularly in Wirraway.</i></p> <p><i>New homes are flexible, adaptable and of sufficient size and layout to provide usable and comfortable spaces.</i></p> <p><i>Social housing is mixed with and indistinguishable from private market housing.</i></p>	<p>Building to suit a range of families and achieving a mix of housing is always a desirable outcome. Providing a diversity of housing sizes and densities assists in providing a greater housing choice at a range of budgets. Whilst identifying these as noble aims and preferred built form outcomes, the affordability of building different types of housing is a matter of economic viability both for industry to build and for consumers to purchase in a central city context.</p> <p>In relation to the aim of facilitating a diversity of built form however, there are matters of economics to consider.</p> <p>Whilst industry builds a product that complies with relevant planning and building regulation, it must also take into consideration the needs and preferences of the market and ultimately build it at a cost that the market will bear for that particular product. Builders do not build product that consumers and investors will not or can not purchase. Suggesting that a particular product should be built will not just make it happen.</p> <p>Regulating such matters unfortunately does not mean that they will ultimately be built either.</p>



	<p>The demand for living in and around the CBD puts an immense amount of pressure on prices, particularly when compared to Greater Melbourne. The higher prices means there will always be an affordability challenges on a higher scale in these areas. Innovative low cost designs are always encouraged and promoted by the housing industry. Designing efficient smaller apartments will mean they are more affordable.</p> <p>Making good use of internal spaces is always the aim. But once again, it is important to recognise that innovative low cost design solutions (either internally or externally) are unlikely to be solutions that can be quantified and codified. It will not be delivered through mandatory maximum unit sizes or other height controls. These options are disincentives to innovation and only create further 'red tape' in an already complex design process.</p> <p>It is unclear what is meant by houses being "adaptable". This can take on several meanings and should be clarified.</p> <p>It is also unclear what is meant by having social housing mixed with private market housing – does this mean a public/private housing mix.</p> <p>Housing affordability is an issue that relates to average household income and the mortgage costs associated with home ownership. Social and public housing is intended to serve specific disadvantaged sections of the community. Requiring the building of homes affordable to low and moderate income households is in part a matter for social housing and is covered by public housing programs.</p> <p>Please also refer to HIA's comments on housing affordability in response to Direction 4.</p>
<p>Direction 7: A high quality built environment</p> <p><i>Densities at an average of 200 dwellings per hectare, with higher densities around public transport and activity centres and lower densities around open space and interfaces with existing residential areas.</i></p> <p><i>A scale of building that allows natural sunlight and daylight to reach streets and lower building levels.</i></p> <p><i>Buildings that minimise the impact of wind to ensure a comfortable pedestrian environment.</i></p> <p><i>Careful consideration of the location and design of tall buildings.</i></p> <p><i>Buildings are designed to create a positive pedestrian experience at street level.</i></p> <p><i>The location and design of high rise buildings is determined by context and the need to avoid adverse impacts on the quality of streets and parks such as overshadowing.</i></p> <p><i>Tower separation distances increase with building height.</i></p>	<p>HIA believes that Fisherman's Bend presents a significant opportunity to provide infill housing supply to accommodate Melbourne's population growth. Higher density living options should be able to be facilitated through a smooth planning process though to ensure that development is proceeding without substantial land holding costs for applicants.</p> <p>However, mandatory height limits should not provide an unnecessary limit on development potential. Fisherman's Bend is a new development area that has an emerging neighbourhood character as opposed to an existing character requiring protection.</p> <p>As previously mentioned, there are many factors in creating higher density living options beyond the design of a building that contribute to its economic viability and therefore the probability that it will be built. Whilst industry builds a product that complies with relevant planning and building regulation, it must also take into consideration the needs and preferences of the market and ultimately build it at a cost that the market will bear for that particular product. Builders do not build product that consumers and investors will not or can not purchase and should the planning regime lead to such an imbalance, development within the precinct will be stifled.</p>



<p>Direction 8 Smart environmental solutions</p> <p><i>Ensuring buildings achieve high environmental performance standards at the design, construction and operation phases.</i></p> <p><i>Minimising mains potable water consumption and encouraging the use of alternative water sources, such as rainwater and grey water.</i></p> <p><i>Establishing an aspiration for zero carbon buildings by 2025.</i></p> <p><i>Preparing a fully integrated water cycle strategy across Fishermans Bend, as discussed in Melbourne's Water Future.</i></p> <p><i>Early identification of innovative precinct-scale storm water solutions to manage the impacts of flooding and enhance biodiversity and water quality.</i></p> <p><i>Local decentralised energy systems providing heat and power.</i></p> <p><i>Development is future proofed to enable connection to planned alternative district water supply, energy supply, waste collection and treatment systems.</i></p>	<p>The environmental performance standards of construction and design are regulated by the Building Code of Australia. Planning has a role in the design of new buildings however the delineation between Planning and Building systems in regulating building construction should be maintained.</p> <p>An aspiration for zero carbon buildings is considered inappropriate without clear guidance on the definition of zero carbon, and a clear road map of how such an aspiration should be considered within the planning process in 2013, as opposed to 2025. Any moves to introduce such standards must be undertaken with the rigour of a cost benefit assessment process.</p> <p>Further comments on the specifics are made in the response to the Interim Design Guidelines.</p>
<p>Direction 9 Environmental constraints addressed</p> <p><i>Remediation of contaminated industrial land is undertaken at a precinct-wide scale through early engagement with existing landowners and future developers.</i></p> <p><i>Early identification of efficient, innovative techniques to remediate site contamination.</i></p> <p><i>Maintenance of separation buffer distances to existing industrial uses where required.</i></p>	<p>Within the residential building industry there are number of waste sets that require unique responses such as the disposal of potentially contaminated soil. The cost of removing soil that may or may not be contaminated and the cost of clean fill to be sourced and transported to the same site should be addressed in terms of opportunities to reduce waste generation associated with the building industry.</p> <p>The cost associated with the responsible disposal or treatment of this waste is often excessive and the impact of these often unforeseen costs on the viability of a residential development project can be significant.</p> <p>Given the redevelopment of a post-industrial site will clearly encounter contaminated land, and given that the developers who take on construction within the site will be providing a broader community benefit by remediating each site as construction occurs, it would be appropriate for the Government to lead this remediation process with assistance in coordinating and facilitating adequate locations for placement of contaminated soil leaving the site, and ensure that the costs associated with such cleaning are not disproportionately carried by future home buyers.</p> <p>The Government should lead and assist industry in providing cost effective soil removal and relocation services within proximity of the metropolitan area, where the greatest demand for these services exists, as well as in regional locations where the economies of scale and greater transportation costs are preventing adequate market uptake of such industries and industry completion.</p> <p>One of HIA's members indicates that for a proposed 64 apartment development in Brunswick \$11,200 of the cost of each apartment will relate to the cost of the tip fees for the contaminated soil on site. This soil will be processed by a company who will treat the contaminated soil reducing its volume and then dump the waste at the only EPA certified tip in Melbourne, which our member informs us will be full in about five years. Given the</p>



	<p>public benefit that is derived from the cleaning up of these inner city sites, a more active role by government in supporting this process would seem appropriate.</p> <p>Urgent assistance is required as noted in the recently released report of the Potentially Contaminated Land Advisory Committee Report.</p>
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3. HIA Response: Fisherman’s Bend Urban Renewal Area Draft Vision - Moves

<p><u>Move 1: Grow central Melbourne around the Yarra River</u></p> <p><u>Potential Priority Projects</u></p> <p><i>New pedestrian and cycle river crossings between the CBD, Docklands and Fishermans Bend</i></p> <p><i>Establish planning controls that encourage:</i></p> <ul style="list-style-type: none"> • <i>the mix and intensity of uses and high quality public realm of central Melbourne to extend into Lorimer, Sandridge and parts of Montague;</i> • <i>the development of major commercial centres around proposed transport hubs, particularly in Sandridge and Lorimer;</i> • <i>less intensive development in Wirraway and parts of Montague, especially at interfaces with established residential areas; and</i> • <i>family friendly urban neighbourhoods.</i> 	<p>It is appropriate that the site be supported by an network of pedestrian and cycleways that can connect residents to the CBD and adjoining areas.</p> <p>The management of public transport within the precinct will larger fall outside the scope of those developing the site and be undertaken in consultation with relevant public and private providers.</p>
<p><u>Move 2: Link the city to the bay</u></p> <p><u>Potential Priority Projects</u></p> <p><i>Collins Street tram extension including:</i></p> <ul style="list-style-type: none"> • <i>New pedestrian, cycle and tram river crossing;</i> • <i>New pedestrian, cycle and tram bridge over the M1 Freeway;</i> • <i>A series of public spaces and squares at tram stops;</i> • <i>Prioritised tram operations to ensure fast and reliable services;</i> <p><i>Identify, protect and secure future land requirements for street widening and public transport services; and</i></p> <p><i>Streetscape enhancements and greening.</i></p>	<p>As proposed Fisherman’s Bend guidelines set lower maximum car parking rates than what is allowed in the existing Victorian Planning Provisions, the provision of public transport early in the development of Fishermans Bend will be essential in securing it as an attractive area to live and visit. Residents need to have confidence that choosing to live or work in the precinct will be easy and practical in respect to access, transport options and parking when necessary.</p>



Move 10: Create distinctive and diverse neighbourhoods

Potential Priority Projects

Detailed precinct planning;

Establish planning controls and design guidelines which:

- *protect heritage attributes and encourage the reuse of heritage buildings and manage the area's significant historical archaeology;*
- *establish a high quality public realm;*
- *facilitate a diversity of built form outcomes;*
- *promote housing choice;*
- *ensure sensitive development at interfaces;*
- *establish high levels of residential amenity (such as tower separation distances);*

Assess the potential for development contributions to be directed towards affordable housing managed by Registered Housing Associations.

In relation to the aim of facilitating a diversity of built form outcomes and promote housing choice there are several matters to consider.

Whilst identifying these as noble aims and preferred built form outcomes, the affordability of building different types of housing is a matter of economic viability both for industry to build and for consumers to purchase in a central city context.

As mentioned earlier in this submission, whilst industry builds a product that complies with relevant planning and building regulation, it must also take into consideration the needs and preferences of the market and ultimately build it at a cost that the market will bear for that particular product. Builders do not build product that consumers and investors will not or can not purchase.

Regulating such matters unfortunately does not mean that they will ultimately be built.

Designing efficient smaller apartments will mean they are more affordable. The demand for living in the CBD puts an immense amount of pressure on prices, particularly when compared to Greater Melbourne. The higher prices means there will always be an affordability challenges in these areas.

Innovative low cost housing designs are always encouraged and promoted by the housing industry. It is important to recognise that innovative low cost design solutions are unlikely to be solutions that can be quantified and codified. It will not be delivered through mandatory maximum unit sizes or other height controls. These options are disincentives to innovation and only create further 'red tape' in an already complex design process.

Further, development contributions add to the cost of development and consequently housing prices. HIA does not support development contributions towards affordable housing. There is a greater good element associated with providing affordable housing, there is not a strong enough nexus between undertaking a development and the need for provision of affordable housing. HIA's comments on development contributions earlier in the submission – under proposed Direction 2) should also be taken into account here.



4. HIA Response: Interim Design Guidelines Fisherman's Bend

HIA welcomes the opportunity to comment on the Interim Design Guidelines for Fisherman's Bend. HIA believes the Design Guidelines for Fisherman's Bend should play an important role in encouraging the right mix of housing types given demand. Although guidelines provide flexibility, they will be used as a regulatory instrument therefore requiring balanced scrutiny prior to being used as a decision-making guideline.

HIA believes the public outcomes sort through the design guidelines need to be balanced against issues of cost, practicability and effectiveness in meeting strategic objectives of the Victorian Government for Fisherman's Bend.

The Interim Design Guidelines for Fisherman's Bend articulate both the construction and type of development the Victorian Government, through Places Victoria, would like to see in this strategic urban renewal project.

HIA believes there are a number of matters raised in the Guidelines that are not within the jurisdiction of Victoria's Planning System and planning approvals. In particular, suggesting that the Building Code of Australia be surpassed is beyond scope of these guidelines.

Also the mandating of maximum building heights and prescribing of dwelling types which removes the ability for developers to provide a more diverse mix of dwelling sizes which meet the needs of the market is likely to be a disincentive to the delivery of a broad housing mix.

The proposed Fisherman's Bend Guidelines should align with State Planning Policy and be consistent with the existing Victorian Planning Provisions for higher density development.

Since 2004, Guidelines for Higher Density Residential Development have been incorporated in the Victorian Planning Provisions and have applied across the State. These Guidelines are referenced in the State Planning Policy Framework as well as the decision guidelines of a number of zones. The guidelines outline best-practice design objectives for higher density residential development, i.e. of four or more storeys.

As Fisherman's Bend is a new development area, with an emerging character, building height limits should not restrict housing supply potential. The Guidelines should ensure that the required densities can be achieved to allow for households targets for inner Melbourne to be met.

HIA opposes mandating affordable housing components of development, requiring developers subsidize a part of their development only increases the overall cost of development, eventually contributing to house price inflation.

In developing Design Guidelines for such a strategically significant site, Places Victoria should endeavor to provide the right performance standards to ensure government objectives are met with developments that are economically viable and ensure a product can be built that accommodates Melbourne's housing needs.

HIA would recommend that the referencing in the guidelines is made clearer. Currently the Guidelines use 'Notes' below each guideline however it is unclear what weight the notes have in the assessment process.

Detailed comments on proposals relevant to the housing industry are provided in the following table.



5. HIA Comments

1 Site layout and development typology	HIA Comments															
<p>1.4 Any new development must respect proposed site setbacks or rights of way which might occasionally be indicated to accommodate proposed public realm and infrastructure requirements.</p> <p>No immediate economic compensation is available, but negotiated development outcomes will be considered. The developer must treat the area in an attractive and integrated manner, until such reservations are acted upon.</p>	<p>HIA requests clarification regarding this guideline and the meaning of <i>must respect proposed site setbacks or rights of way</i>.</p> <p>HIA would call for appropriate economic compensation where it is warranted for existing or future land owners who may face a loss of developable land as a result of such requirements after zoning of the land.</p> <p>HIA would also call for the appropriate planning to be made upfront so that developers and landowners have certainty regarding development potential and land availability.</p>															
<p>1.5 A mix of residential and employment uses is sought, to provide variety and extend hours of activity, with particular emphasis on the inclusion of facilities which are lacking or insufficient in the surrounding area.</p> <p>Larger sites (over 20 dwellings) are expected to incorporate a diversity of residential typologies and dwelling sizes, including an affordable housing component. The following precinct targets should be met:</p> <table border="1" data-bbox="617 1205 1219 1377"> <thead> <tr> <th>Precinct</th> <th>1 Bed Dwellings</th> <th>3+ Bed Dwellings</th> </tr> </thead> <tbody> <tr> <td>Montague</td> <td>max 25%</td> <td>min 25%</td> </tr> <tr> <td>Lorimer</td> <td>max 25%</td> <td>min 25%</td> </tr> <tr> <td>Sandridge</td> <td>max 20%</td> <td>min 40%</td> </tr> <tr> <td>Wirraway</td> <td>max 15%</td> <td>min 50%</td> </tr> </tbody> </table>	Precinct	1 Bed Dwellings	3+ Bed Dwellings	Montague	max 25%	min 25%	Lorimer	max 25%	min 25%	Sandridge	max 20%	min 40%	Wirraway	max 15%	min 50%	<p>HIA does not support inclusionary housing policies or affordable housing quotas.</p> <p>Affordable housing quotas are counterproductive to dealing with housing affordability issues. Quotas push up prices for the part of the development which is not included or sold as “affordable housing”. The remaining apartments need to be sold at a higher price to subsidise the cost of those that are being sold at a lower price, adding to price pressures. Affordable housing quotas are generally ineffective and only result in further increases in housing cost and should not be relied on to improve the supply of affordable housing. Unscrupulous operators may then be able to purchase “affordable” apartments and on sell them above market prices therefore profiting.</p> <p>The quota system is in effect a tax on new home purchasers, who ultimately will bear the cost of any development subsidy that the quota requires. This unfairly places the burden of providing affordable housing onto new home purchasers.</p> <p>Further, affordable housing quotas do not address the underlying root causes of the affordability problem, they provide only minuscule and random relief to what is a much larger community issue that requires a whole of community solution.</p> <p>HIA remains committed to finding workable, affordable housing solutions. Whilst the industry is often unfairly targeted, it must nonetheless be part of any overall affordable housing solution.</p>
Precinct	1 Bed Dwellings	3+ Bed Dwellings														
Montague	max 25%	min 25%														
Lorimer	max 25%	min 25%														
Sandridge	max 20%	min 40%														
Wirraway	max 15%	min 50%														



	<p>Other options that governments could pursue include:</p> <ul style="list-style-type: none"> • The creation of market opportunities through development incentives or bonuses, cooperative partnerships, • Seed funding initiatives, • Innovative planning mechanisms that encourage product diversity in a local context • Encouragement of greater institutional investment in affordable housing projects and • Innovative financing options eg shared equity <p>Social housing is the responsibility of government and should be adequately funded using general rates and revenue, not by placing the burden on new homeowners.</p> <p>HIA believes dwelling sizes should not be mandated, they should be left to the market.</p> <p>The development industry builds a product to regulation and to meet market demand, the housing product will not be built unless there is a market for it. For example, if the 3 plus bedroom dwelling type does not sell a developer will not build this into the development.</p> <p>As mentioned earlier, the market effectively determines the style of apartments so it is not helpful to increasing housing diversity to mandate a minimum apartment size. It could in fact have the opposite effect.</p>
<p>Community facilities such as schools, recreational facilities, child care and medical clinics can be provided on a commercial or partnership basis and will be expected in larger developments and especially in association with identified community clusters. Such facilities should have an independent entry and be clearly visible to facilitate community use.</p>	<p>This requires clarification. It is a 'Note' but it is unclear the requirement it is intending to impose.</p> <p>These broader community infrastructure items such as community facilities should be borne by the whole community and funded from general rate revenue and borrowings as appropriate. It should not be the responsibility of the private sector to provide needed community facilities. (refer to HIA's detailed comments under Direction 2 earlier in the submission).</p>
<p>Different precincts have different characters, as defined in the Draft Vision, and the local mix of uses should reflect and respond to this.</p>	<p>New developments should not be restricted by defined character. It is a new development area and therefore the character will emerge as development progresses.</p> <p>As Fisherman's Bend is a new development area, with an emerging character, building height limits should not restrict housing supply potential. The Guidelines should ensure that the required densities can be achieved to allow for households targets for inner Melbourne to be met.</p>
<p>2 Building design and height 2.2 Specific issues may limit building height in particular locations to maintain established amenity. To avoid undue dominance, overlooking and overshadowing, new developments should scale down close to interfaces with low rise residential areas, adjoining heritage buildings and existing or proposed public open spaces. The Draft Vision indicates proposed heights for each precinct.</p>	<p>As Fisherman's Bend is a new development area, with an emerging character, building height limits should not restrict housing supply potential. The Guidelines should ensure that the required densities can be achieved to allow for households targets for inner Melbourne to be met. Being an inner city CBD area, there are building opportunities that should not be missed.</p>



<p>4 Public spaces and landscaping</p> <p>4.1 A public open space contribution will be required. This will be set at 8% of site area, 8% of site value or a combination of both, as appropriate.</p>		<p>HIA does not support a public open space contribution greater than the 5% allowed under the <i>Subdivision Act 1988</i>.</p> <p>HIA considers that it would be fairer to negotiate rates on a case by case basis in accordable with existing relevant legislation. HIA does not support the proposed City of Melbourne amendment C209 to public open space contributions. This is following a Planning Panel of Victoria process which HIA is party to.</p>
<p>Parking and access</p> <p>5.3 Private car parking numbers should be limited, particularly within 400 metres of existing or proposed high-frequency public transport stops.</p>		
<p>Whilst the maximum residential parking ratio specified in the planning scheme is currently 1 space/ dwelling, the parking ratio should not exceed 0.5 space/ dwelling for two-bedroom dwellings and generally without parking for one-bedroom dwellings.</p>		<p>Car parking should be fit for intended occupants and follow state standard provisions as contained in Victorian Planning Provisions. There should be flexibility in this requirement, ensuring there is sufficient car parking for visitors and home occupants ensures Fisherman's Bend becomes an attractive place to live.</p>
<p>6 Sustainability and energy efficiency</p> <p>6.1 As a functioning employment area with many uses to remain into the future, it is important that new developments consider existing neighbours and mitigate any potential nuisance they may cause to new occupiers.</p>		
<p>New dwelling units must incorporate noise attenuation measures as appropriate, with an acoustics report to be provided if adjacent to known noises sources.</p>		<p>Clarification sought on what constitutes a known noise source.</p> <p>This provision whilst generally accepted for dwelling near significant noise sources, precedes the requirement to undertake the relevant noise studies as part of zoning and master planning. If this work is undertaken appropriate at the early stages of the development, then the requirement would more rightly state that measures as set out in the relevant studies must be incorporated into dwellings identified as affected by noise.</p>
<p>Early contracting of specialist studies and consultation with the Environmental Protection Authority is crucial.</p>		
<p>6.2 Flooding is or may become an issue in much of the precinct. Building design must protect key access and uses into the future.</p>		
<p>Melbourne Water and Council should be consulted early regarding all new developments, especially regarding recommended minimum ground floor levels, which may be as high as Australian Height Datum +3.0 metres.</p>		<p>If height limits are imposed they should be cognisant of the development potential loss due to flood area construction requirements.</p>
<p>Early consideration and careful design of access spaces and ramps may be necessary to simultaneously comply with flooding and disability access requirements.</p>		



<p>Creative responses will also be needed to accommodate raised ground floors which pose a threat to visual interaction with the street. For instance, an entry area at footpath level, with level changes sited internally.</p>	<p>HIA seeks clarification on what constitutes a creative response.</p>
<p>6.3 So as not to overload existing drainage, it is imperative that all stormwater is collected and stored on-site, for controlled release and preferably for re-use (as irrigation or toilet flushing).</p>	<p>The need to manage stormwater is recognised as an essential part of the redevelopment of this site. Preferably this management will be undertaken on the largest scale possible to minimise the need for individual dwellings in those precincts to have to install site specific retention tanks or similar.</p>
<p>Current infrastructure may not be able to cope with additional stormwater loads and Melbourne Water must be consulted early.</p>	
<p>6.5 Natural ventilation and daylighting of common areas and as many dwellings as possible is encouraged.</p>	<p>HIA requests clarification of the intention of this Guideline. These matters are generally covered by the Building Code of Australia.</p>
<p>Removal of hot air at night via openable windows or controlled extraction can be useful, particularly in offices.</p>	
<p>Borrowed light within dwellings is not acceptable, with all bedrooms required to have external windows.</p>	<p>This is a matter for regulation by the Building Code of Australia. There are existing intergovernmental agreements and State Government policy statements which respect the role of the BCA in regulating certain design and construction matters. Places Victoria should be cognisant of not overlapping other areas of regulation beyond planning.</p>
<p>6.6 Climate control of building facades should not be limited to energy efficient glazing, but should include external shading devices.</p>	<p>Climate control and building fabric matters are the responsibility of the Building Code of Australia as mentioned above. Energy efficient glazing is not within the realms of controls in the Victorian Planning System.</p>
<p>Considered orientation should maximise winter sun and minimise uncontrolled summer sun, with a preference to maximise northerly aspect.</p>	
<p>6.8 Energy recovery and storage is encouraged as is co-generation and centralised cooling, heating and power</p>	<p>Further clarification is required on this Guideline. Will energy recovery systems be mandatory or would this objective only apply where a system is nominated to be installed.</p>
<p>Energy systems are most efficient when shared between different uses and/or a group of buildings, so partnerships should be explored.</p>	<p>The requirement is a statement rather than a performance objective and inappropriate.</p>



6.9 It is expected that all proposals will match current best practice benchmarks in terms of sustainability and energy efficiency rating schemes.

Building Code of Australia standards are considered to represent a minimum measure and should be consistently surpassed.

All applications must be accompanied by an Environmentally Sustainable Design Statement which demonstrates how offices, retail, education and accommodation uses achieve benchmark sustainability outcomes. In general developments are expected to meet the sustainability requirements of Clause 22.19 of the Melbourne Planning Scheme.

HIA opposes planning requirements which overlap or exceed standards that are the responsibility of the Building Code of Australia.

Further Best Practice has no definition and it is not the role of these planning guidelines to require developments to exceed the BCA. Any change to the BCA is required to follow a rigorous cost benefit analysis, there are no apparent grounds for Places Victoria to exceed BCA standards or require the achievement of 'Best Practice'.

The Victorian Government has stated that planning does not have a role for such environmental development requirements. In its response to Victorian Competition and Efficiency Commission's (VCEC) Inquiry into Streamlining Local Government Regulation (August 2012) it stated (Rec 6.6):

While recognising that innovation can be valuable, the Government does not support councils imposing building environmental performance standards that impose greater costs on business over and above agreed national standards.

The Government recognises that in providing such clarity, regard must be given to the national context, including the Building Code of Australia which regulates building performance, as well as the national approach to the delineation of planning and building systems.

In this context, this recommendation will be implemented through:

- *actively pursuing a national approach to addressing the delineation of the roles and responsibilities of building and planning systems ;*
- *revising the state policy context to clearly articulate that building regulation, not the planning system, is the primary and most efficient means for addressing the environmental performance of buildings, including removing overlapping standards and processes; and*
- *clearly articulating the role of local government in addressing the environmental performance of buildings.*

It is not appropriate for the Guidelines to require developments to prepare ESD statements where no clear objective and benchmarks have been provided for applicants to respond to.