



Department of Environment, Land, Water and Planning

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Ms Emma Appleton
Manager Urban Strategy
Melbourne City Council
GPO Box 1603
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Ref: PL/12/3179

Dear Ms Appleton

PROPOSED MELBOURNE PLANNING SCHEME AMENDMENT C309 – WEST MELBOURNE STRUCTURE PLAN

I refer to Melbourne City Council's request for authorisation to prepare Amendment C309 to the Melbourne Planning Scheme. The amendment proposes to implement the land use and built form objectives of the *West Melbourne Structure Plan 2018* by amending and introducing various provisions in the Melbourne Planning Scheme.

The Department of Environment, Land, Water and Planning (DELWP) acknowledges the complexity of the amendment and appreciates the council's assistance in providing briefings and additional supporting information. The structure plan seeks to create a new urban structure for West Melbourne which responds to the present and future opportunities and constraints for the area. The objectives of the amendment are supported, however, DELWP has concerns regarding the application, content and structure of the proposed controls.

Prior to making a decision on the authorisation request, DELWP recommends that consideration be given to the revising the amendment and the supporting documentation to address the following matters:

Feasibility

- The feasibility and built form testing undertaken for the amendment would benefit from assessing the likely outcomes of all the proposed requirements applying in combination.
- The sensitivity testing in the Stage 2 Report, based on 20 per cent lower land values and a 10 per cent increase in revenues, may be overly favourable. Other scenarios, such as an increase in land values, have not been tested. Further sensitivity testing would be useful.
- The mandatory minimum floor area requirements are very specific and may not be adaptable to respond to situations such as increased land values, or small lots. The minimum floor area requirements are proposed to be mandatory provisions. A planning permit will not be able to be granted for a proposal that does not meet the requirement, despite possibly meeting the objectives for planning in the area.

Retention and Creation of Non-Residential Land Uses

- The projected amount of non-employment floorspace to be generated has not been quantified. The minimum mandatory floor area requirements should be derived from the job and floor space demand projections and should be strategically justified.

Affordable Housing

- The need for affordable housing in West Melbourne should be determined through an estimate of housing need, and this evidence and information should be provided to DELWP.
- Under the legal framework in the *Planning and Environment Act 1987*, affordable housing is to be provided on a voluntary basis and there is no obligation created for an applicant to provide affordable housing, to demonstrate that it could be provided on feasibility grounds, or to gift housing stock. The amendment as currently drafted is contrary to these provisions.
- Consideration should be given to whether the six per cent affordable housing requirement is onerous for smaller developments. For instance, in a development of 10 townhouses, one dwelling would be required to be gifted to a housing provider.
- There are other models of affordable housing other than social housing. The requirement for social housing may unnecessarily limit the council's ability to take advantage of other opportunities to provide affordable housing.

Other Matters

- The Environmental Protection Agency should be consulted on the proposed application of the Environmental Audit Overlay (EAO). The application of the EAO to the entire structure plan area requires adequate evidence and justification in accordance with the relevant practice note.
- A Car Parking Plan (refer to Planning Practice Note 57) which provides the basis for the various elements of the proposed schedule has not been provided to justify the Parking Overlay.
- The strategic framework and statutory provisions within the Melbourne Planning Scheme should align. The Municipal Strategic Statement should define the economic role of West Melbourne as proposed by the amendment.
- The Special Use Zone refers to compliance with other provisions in the Melbourne Planning Scheme. Clause 22.26 will need to be amended if its operation is proposed to change (i.e. when it applies to a planning permit application, such as an application for the use of land).
- The council should advise of the need for any transitional provisions within the controls for amendments to existing planning approvals.

DELWP would welcome the council's response to these matters by 25 September 2018. DELWP officers are available to work with Melbourne City Council officers to provide further guidance and assistance should it be required.

If you have any further questions about this matter please call Steven Cox, Manager Planning Services, of State Planning Services, Department of Environment, Land, Water and Planning, on (03) 0438 782 950 or email steven.cox@delwp.vic.gov.au.

Yours sincerely



STUART MENZIES
Director State Planning Services

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