

## **MELBOURNE PLANNING SCHEME**

### **AMENDMENT C370**

#### **EXPLANATORY REPORT**

##### **Who is the planning authority?**

This amendment has been prepared by the Minister for Planning who is the planning authority for the amendment.

The Amendment has been made at the request of VicTrack.

##### **Land affected by the Amendment**

The Amendment applies to land that is located at 295-357 Wellington Parade South, Melbourne. It is formally identified on title as Lot 1, Volume 2788 Folio 466.

The land is a railway lot owned by VicTrack that extends between Flinders Street and the west side Punt Road at Richmond Station.

The site borders the Melbourne Central Business District (CBD) to the north (Flinders Street) and the Batman Avenue CityLink extension on the western boundary. The southern boundary of the site backs onto 12 sets of railway tracks which lead into Flinders Street station which is approximately 500 metres to the south west of the site. To the east of the site is mixed use commercial and residential buildings and Wellington Gardens. Vehicular entry to the site exists to the north and north east.

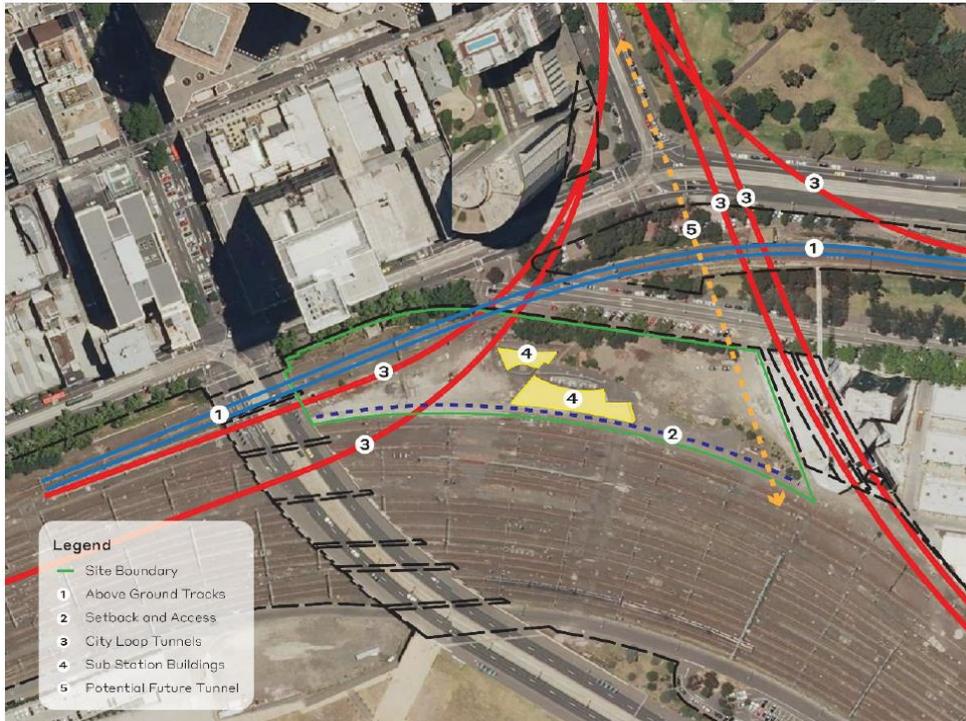
The land is zoned Public Use Zone 4 – Transport (PUZ4) and is covered by the Parking Overlay (PO12) and partially covered by the CityLink Project Overlay (CLPO).

The amendment is proposed to include only a portion of the railway lot, located directly south of Wellington Parade South and Flinders Street, extending from the eastern edge of Batman Avenue/CityLink to just beyond the eastern alignment of Spring Street.

The land proposed to be the subject of the amendment is identified by the green site boundary line shown in Figure 1 below. The site is approximately 1.36 hectares in size with a total boundary perimeter length of approximately 825 metres.

The amendment is submitted as a combined planning permit application for a two lot subdivision and a planning scheme amendment under section 96A of the Act.

A copy of the draft plan of subdivision PS835657M has been submitted.



**Figure 1**

**What the amendment does**

The amendment is to be submitted in the form of a combined planning scheme amendment and an application for a planning permit for a two lot subdivision under Section 96A of the *Planning and Environment Act 1987*.

The Amendment applies to the land:

- the Capital City Zone Schedule 1 (Outside the Retail Core)
- the Design and Development Overlay Schedule 10 (DDO10)
- the Environmental Audit Overlay (EAO)

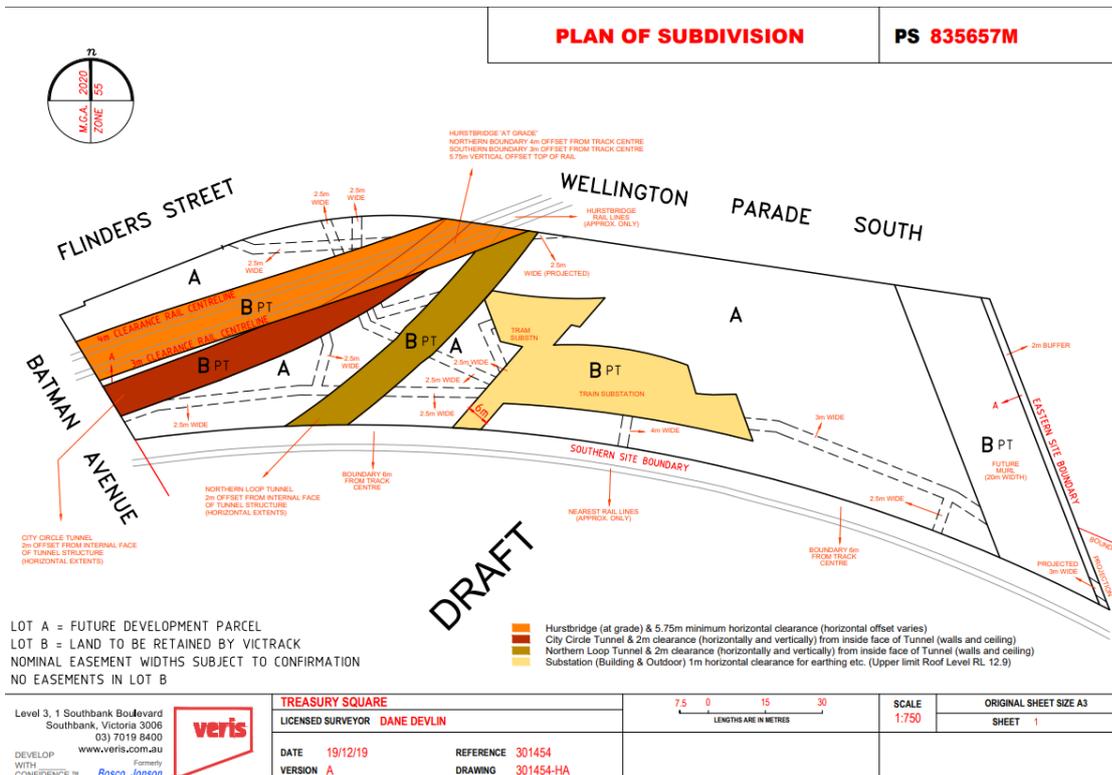
The Parking Overlay Schedule 12 (PO12) already covers the site and is not proposed to be altered.

The CityLink Project Overlay partially covers the western edge of the site and is also not proposed to be altered.

The Schedule to Clause 66.04 (Referral of Permit Applications under Local Provisions) is proposed to be amended to insert a requirement for planning applications triggered under Clause 3.0 of Schedule 1 to Clause 37.04 on the Treasury Square site to be referred to VicTrack and the Department of Transport as determining referral authorities. This is to ensure that the current and future transport interests are protected in relation to the future development of the site.

The application for the two lot subdivision proposes to subdivide the future development site from the larger railway lot (Lot A) and create a separate lot (Lot B with multiple parts) for the major transport infrastructure comprising the tram substation, the train substation, the Hurstbridge lines, the City Circle Tunnel and the future Northern Loop Tunnel as detailed in Figure 2.

A copy of the draft plan of subdivision PS835657M supports the subdivision application. The subdivision applies to the same land that is subject to the amendment as identified by the green boundary line identified on Figure 1.



**Figure 2**

The draft plan of subdivision PS835657M, draft subdivision permit and an accompanying subdivision report is supports the subdivision application.

### Strategic assessment of the Amendment

#### Why is the Amendment required?

The land, inclusive of the airspace of the site, has been declared as surplus to transport requirements by the Department of Transport. In accordance with the government policy, government land must be rezoned to reflect its highest and best use before it is sold. Rezoning is therefore required to ensure appropriate planning scheme controls are applied to land.

It is proposed to apply the same planning scheme controls that apply to the adjacent Central Business District, to the site, which is the Capital City Zone Schedule 1 and the Design and Development Overlay Schedule 10 (DDO10). Given the historical railway use and in accordance with environmental policy, the Environmental Audit Overlay (EAO) is also proposed to be applied to the land.

The CityLink Project Overlay and the Parking Overlay Schedule 12 already apply to the land and are proposed to be retained unchanged.

The Capital City Zone is considered the most appropriate zone for the land due to the site's strategic location adjacent the Hoddle grid.

A subdivision is also proposed as part of the combined amendment and planning permit process under Section 96A of the *Planning and Environment Act 1987* to ensure that the lot can be separated from the larger railway lot that extends to Richmond Station. The subdivision is also required to separate the important major transport infrastructure on the site into a lot (with multiple parts) that will be retained in ownership by VicTrack.

The amendment will ensure future development is subject to a referral to VicTrack and the Department of Transport to protect major transport infrastructure.

The Spring Street South site is predominantly vacant except for two transport substations at ground level. Ground level is approximately 6 metres below Flinders Street. The difference in levels between the rail track level and Flinders Street means that a deck can be constructed over the site and the

transport substations, to facilitate development above, with a street frontage to Flinders Street and Wellington Parade South. This allows creation of a new CBD development site.

It is government policy to only retain State ownership of land where it is financially beneficial to the State when compared to the alternative investment of State funds.

In accordance with the Victorian Government Landholding Policy and Guidelines, the alternative investment of funds from the sale of the air rights of this site is considered to be beneficial as it can be invested in the major transport infrastructure pipeline which is underway in Victoria.

The amendment is supported by a Planning Report prepared by Urbis Consultants which identifies the key characteristics and issues of the surrounding urban context and demonstrates that the amendment will provide significant net community benefit and enhance the capital city status of central Melbourne.

The subdivision is supported by a draft plan of subdivision and a report by Veris Licensed Surveyors. It is also supported by an Infrastructure Servicing Report prepared by SMEC Consultants which demonstrates that Lot A can be adequately connected to services.

### **How does the Amendment implement the objectives of planning in Victoria?**

The amendment implements the objectives set out in section 4 of the *Planning and Environment Act 1987*. It supports the objectives to:

- provide for the fair, orderly, economic and sustainable use, and development of land by rezoning the land to an appropriate zone consistent with the location and adjacent land.
- secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria by making a high amenity parcel of land available for use and development.
- balance the present and future interests of all Victorians by facilitating the renewal of surplus government land.

### **How does the Amendment address any environmental, social and economic effects?**

#### Environmental effects

The potential environmental effects of the land will be addressed and managed by the application of the Environmental Audit Overlay (EAO).

#### Economic effects

The rezoning of the land offers a unique opportunity to convert an unattractive and underutilized parcel of land to a major new development site in Melbourne CBD that is uniquely located adjacent the CBD, Flinders Street Station, the Sports and Entertainment Precinct, the Botanic Gardens, the MCG and Melbourne Park.

By application of the proposed suite of planning controls, the site will be able to be used and developed for a wide range of uses as supported by the Capital City Zone and will respond to significant demand for floor space in the Melbourne CBD.

Given the size of the site, the future development of the land will have a significant positive economic effect in terms of supporting construction and ongoing job creation.

#### Social effects

The provision of a new major site for use and development via the amendment will generate social benefits through employment and enhanced streetscape activation of a currently vacant, unattractive site.

The site's rezoning and future development will create positive social and economic impacts by enhancing Melbourne's capital city status and its reputation as a global city.

The amendment will also ensure existing transport infrastructure on the site is protected.

### **Does the Amendment address relevant bushfire risk?**

The area is not in a Bushfire Prone Area and given the characteristics of the site, the amendment is unlikely to result in any increase to the risk to life, property, community infrastructure and the natural environment from bushfire.

### **Does the Amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The amendment:

#### Ministerial Direction on the form and content of Planning Schemes

The amendment complies with the Ministerial Direction on the form and content of Planning Schemes.

#### Ministerial Direction No.1 Potentially Contaminated Land

The potential environmental effects of the land will be addressed and managed by the application of the Environmental Audit Overlay.

#### Ministerial Direction No.9 Metropolitan Planning Strategy

The amendment has been prepared with regard to Ministerial Direction No.9 – Metropolitan Strategy and is consistent with Plan Melbourne, by providing a major site to support the Central City to become Australia's largest commercial and residential centre by 2050 and supporting major transport gateways as important locations for employment and economic activity.

#### Ministerial Direction No.19 and information requirement for amendments that may result in impacts on the environment, amenity and human health.

Environmental site investigations have been undertaken by VicTrack and the views of the Environment Protection Authority (EPA) have been obtained. The amendment complies with the advice of the EPA in applying the EAO.

### **How does the Amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The amendment is consistent with, and gives effect to, the Planning Policy Framework, in particular:

#### **Clause 11 Settlement**

- Ensure that office based employment, community facilities and services are concentrated in central locations.
- Focus investment and growth in places of state significance, including Metropolitan Melbourne Central City and Transport Gateways (Cl.11.01-1R)
- Ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses and consider opportunities for the consolidation, redevelopment and intensification of existing urban areas (Cl.11.02-1S).
- Encourage the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres that are highly accessible to the community (Cl.11.03-1S).

The amendment, through application of the CCZ1 will implement these policies by providing additional capacity for a wide range of uses to be consolidated in central Melbourne.

### **13.04-1S Contaminated and potentially contaminated land**

- An Environmental Audit Overlay is proposed to be applied to the land to manage the remediation of the site and implement this policy.

### **Clause 15 Built Environment and Heritage**

- Planning should ensure all land use and development appropriately responds to its surrounding landscape and character, valued built form and cultural context.
- Planning should protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value.
- Planning must support the establishment and maintenance of communities by delivering functional, accessible, safe and diverse physical and social environments, through the appropriate location of use and development and through high quality buildings and urban design.
- Planning should promote excellence in the built environment and create places that: are enjoyable, engaging and comfortable to be in, accommodate people of all abilities, ages and cultures, contribute positively to local character and sense of place, reflect the particular characteristics and cultural identity of the community and enhance the function, amenity and safety of the public realm.

The application of the CCZ1 and DDO10 will provide an appropriate planning framework to guide the future development on the site and ensure outcomes in accordance with Clause 15.

### **Clause 17 Economic development**

- Support the Central City to become Australia's largest commercial and residential centre by 2050, by planning for office, retail, residential, education, health, entertainment and cultural activity spaces (Cl.17.01-1R).
- Encourage development that meets the community's needs for retail, entertainment, office and other commercial services (Cl.17.02-1S).

The amendment, through creation a new Melbourne CBD site, supports implementation of this policy by providing additional capacity for a range of uses in central Melbourne.

### **Clause 18.01-2S Transport System**

- Reserve land for strategic transport infrastructure.
- Require transport system management plans for key transport corridors and for major investment proposals.
- Plan or regulate new uses or development of land near an existing or proposed transport route to avoid detriment to and where possible enhance, the service, safety and amenity desirable for that transport route in the short and long terms.
- Facilitate infrastructure that connects and improves train services between key regional cities and townships and Melbourne.

The combined amendment and subdivision implements State transport policy by ensuring that important major infrastructure located on the site is retained and protected and kept in ownership by VicTrack. It will also ensure that VicTrack and the Department of Transport is a determining referral authority in relation to future development impacts on transport land and infrastructure.

### **How does the Amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

Clause 21.02 Municipal Profile identifies the City of Melbourne as the heart of Victoria, being a global city that represents a key hub in Australia's eastern seaboard economic region and contributes significantly to Victoria's prosperity. The Municipal Strategic Statement forecasts growth in residential population, economic growth and emphasises the importance of transport as a key indicator of

liveability and prosperity, with a shift projected away from motorised transport towards public transport, and pedestrian and bicycle activity.

The amendment directly responds to the Local Planning Policy Framework and the Municipal Strategic Statement by facilitating a major development site that will support the consolidation of major uses and economic activity in central Melbourne where it is well serviced by existing infrastructure and transport, enhancing Melbourne's status as a global city.

### **Clause 21.03 Vision**

The vision is articulated in six high level goals for Melbourne to be a city for people, a creative city, and a prosperous city, a city of knowledge, an eco-city and a connected city.

By rezoning transport land to the Capital City Zone Schedule 1 (CCZ1) with appropriate overlays including the Design and Development Overlay Schedule 10 (DDO10), the amendment supports the local planning objectives, in the following ways:

Settlement – accommodating future growth over the next 20-30 years by increasing the footprint of the Capital City Zone in an appropriate location earmarked for urban renewal.

Environment and Landscape Values – by the applying the CCZ1, the DDO10 and the EAO an appropriate planning framework will be provided that will ensure any environmental or ecological impacts of the future use and development of the land will be addressed.

Built Environment and Heritage – by applying the CCZ1 and the DDO10, an appropriate planning framework will be provided that will protect and enhance the existing built form character and heritage of Melbourne and ensure any overshadowing of future development is controlled in a manner consistent with existing planning scheme requirements.

Economic Development – the City of Melbourne makes an important contribution to the economic prosperity of the state through provision of its local, corporate and global businesses, its strong retail, and major cultural, sporting and tourism industry. By contributing a new major development site to the CBD, the amendment will advance the objective of a "Prosperous City" included in the Vision.

Transport – A priority for the City is maximising the use of sustainable modes of transport, in particular public transport, and supporting improved cycling and walking connections. Through the site's close access to major train stations and multiple modes of transport and the retention, the amendment will advance the goal of supporting sustainable transport use.

The retention of the Parking Overlay Schedule 12 will ensure any future provision of parking on the site for residential development will be limited in accordance with Clause 45.09 Parking Overlay, encouraging alternative modes of transport.

### **Clause 21.04 Settlement**

Urban growth and development must be targeted in specific areas of the city and the MSS identifies five different types of areas. Of relevance to the amendment is "Potential Urban Growth Areas" category. The policy in the MSS focuses on promoting areas of growth and protecting areas of stability. The subject site is located at the periphery of the Jolimont Rail Corridor Potential Growth Area described as:

*The Jolimont rail corridor runs through the middle of the Sports and Entertainment precinct. The Federation Square development was the first step in the urban renewal of this corridor. As inner and central city locations have become more highly valued, development over transport corridors will become increasingly attractive not only for the development space they can yield but also for the opportunity to connect adjacent parts of the city that have been separated.*

The amendment therefore implements this policy by providing for growth in an appropriate location, over the rail corridor.

### **Clause 21.06 Built Environment and Heritage**

Cl. 21.06-1 Urban Design seeks to ensure the height and scale of development is appropriate to the built form character of the area whilst also promoting high quality public realm outcomes with active frontages that contribute to the vitality of the city.

The application of the CCZ1 and the DDO10 will support implementation of this policy which will, in addition to other relevant policy, ensure that any future development is of an appropriate height, scale and design and will include active frontages.

### **Clause 21.08 Economic Development**

Clause 21.08 identifies retail and business as being key economic drivers for Melbourne's Capital City function, with the Central City identified as the prime location for commerce in metropolitan Melbourne.

Through the specific locational features of the site and the application of the CCZ1, the amendment will provide a site that could accommodate major commercial uses which will support Melbourne's Capital City function.

### **Clause 21.15 Potential Urban Renewal Areas**

Clause 21.15-3 refers to the Sports and Entertainment Area (identified on the northern periphery of the map at Figure 15) as an area which could incorporate urban renewal of the Jolimont Railway Corridor.

The amendment implements this policy by providing for urban renewal on a currently vacant and unattractive site.

## **Local Policies**

### **Clause 22.01 Urban Design within the Capital City Zone**

This clause seeks to maintain a high level of design quality, amenity and contribution to the public realm.

Key objectives include:

- To ensure that development responds to the underlying framework and fundamental characteristics of the Capital City Zone while establishing its own identity.
- To enhance the physical quality and character of Melbourne's streets, lanes and Capital City Zone form through sensitive and innovative design.
- To retain views into and out of the Hoddle Grid and Southbank and vistas to important civic or historic landmarks.
- To ensure that the design of public spaces, buildings and circulation spaces meets high quality design standards.
- To ensure developments contribute to a high quality public realm and to passive surveillance of the public domain.
- To improve the experience of the city for pedestrians by providing a human scale to the street wall, weather protection, sunlight access, summer shadow, comfortable wind conditions, active
- To address the cumulative impact of the scale, setbacks and height of developments where multiple towers provide the precinct built form context for individual proposals.
- To provide adequate separation between towers to achieve sunlight access to streets, avoid a canyon effect, and provide the opportunity for a high level of internal amenity for occupants of adjacent towers.
- To maintain identified special character areas where a lower scale of development is appropriate in response to identified attributes.
- To encourage the early consideration and integration of public art work into building design to enhance the arts and cultural character of the city.

This policy provides a comprehensive framework for that will form the basis of assessment for any future development on the site. The application of the CCZ1 will ensure that any future development on the site will need to respond to and implement this policy.

## **Clause 22.02 Sunlight to Public Spaces**

Policy objectives two and three are particularly pertinent to this proposal, as follows:

- To ensure new buildings and works allow good sunlight access to public spaces.
- To ensure that overshadowing from new buildings or works does not result in significant loss of sunlight and diminish the enjoyment of public spaces for pedestrians.

This policy identifies Birrarung Marr as a key public space that is to be protected from overshadowing, in that development should not cast additional shadow across the space during dates and times stipulated by the Planning Scheme.

DDO10 supplements this policy, stipulating that between additional shadowing must not occur between hours of 11:00am – 2:00pm on dates between 22 April – 22 September, unless it can be determined that the overshadowing will not unreasonably prejudice the amenity of the space.

The application of the CCZ1 and DDO10 in the amendment will ensure the objectives of this policy is implemented and public spaces around the site will be protected from overshadowing.

### **Does the Amendment make proper use of the Victoria Planning Provisions?**

The amendment makes proper use of the Victoria Planning Provisions by applying existing statutory provisions including the Capital City Zone (CCZ1) and the Design and Development Overlay Schedule 10 (DDO10).

### **How does the Amendment address the views of any relevant agency?**

Metro Trains Melbourne (MTM) and the Department of Transport were consulted in the preparation of the amendment. As a result of consultation with these agencies, the major transport infrastructure on the site is proposed to be subdivided into a separate lot (with multiple parts) which will be retained in ownership by VicTrack to protect current and future transport interests and requirements.

MTM have advised that the existing train substation on the site has been recently upgraded and accordingly no major works are required for the foreseeable future. MTM have also been consulted in relation to potential future relocation of the train substation (if that was desired as part of a future development proposal) and an alternative location within the site could be accommodated. However, no relocation of the substations is to facilitate decking over the substations and development above.

City West Water has been consulted in relation to servicing and future development of the site would require an agreements to be entered into with City West Water to extend services into the site. City West Water has also been consulted on the potential realignment of the sewer line running through the north of the site (including the pump station which is located approximately central to the Flinders Street frontage). They have no objection to its potential relocation of the pump station as part of future development.

APA Group is responsible for gas supply to the area and no direct connection currently exists. SMEC consultants have prepared an Infrastructure Servicing Report which has concluded that gas could be readily supplied to the site. This report supports the subdivision application.

CitiPower is the responsible authority for the provision of electricity to service the proposed development. There are a number of substations located both within the site and nearby which could be utilised to supply electricity to the site.

A number of telecommunications providers offer supply around the subject site and accordingly supply can be provided to the site.

The Infrastructure Servicing Report provides a full overview of servicing and agency requirements and supports the subdivision.

### **Does the Amendment address relevant requirements of the Transport Integration Act 2010?**

The amendment supports the objectives the Transport Integration Act 2010 (TIA) in the following ways:

- Supporting economic prosperity by facilitating investment in Victoria
- Encouraging the effective integration of transport and land use and facilitating access to social and economic opportunities.

#### **Resource and administrative costs**

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

By creating a referral requirement to VicTrack and the Department of Transport for applications for buildings and works, the amendment will have a minor impact on administrative costs by generating new referrals. However, given this relates to a single site and the purpose of the referral is to protect important major transport infrastructure, this additional resourcing cost is considered reasonable and appropriate.

#### **Where you may inspect this Amendment**

The Amendment can also be inspected free of charge at the Department of Environment, Land, Water and Planning website at [www.delwp.vic.gov.au/public-inspection](http://www.delwp.vic.gov.au/public-inspection).