

**GOVERNMENT LAND STANDING ADVISORY COMMITTEE - TRANCHE 17
FORMER GASWORKS SITE 111 QUEENS PARADE & 433 SMITH STREET, FITZROY NORTH****SUBMISSIONS ON BEHALF OF THE CITY OF YARRA****INTRODUCTION**

1. These submissions are made on behalf of the City of Yarra (**Council**) in response to proposed planning scheme amendment C243 (**Amendment**) for land at 111–139 Queen Street and 433 Smith Street, Fitzroy North, known as the Former Gasworks site (**the Land**).
2. The Land is located within the City of Yarra and Council is the currently the responsible authority for the Land. Council also operates the Fitzroy Depot from the north-west corner of the Land.
3. Council's position on the Amendment may be summarised as follows:
 - 3.1. Council supports the proposed application of the Mixed Use Zone and Public Use Zone – Schedule 2 (Education) to the Land.
 - 3.2. Council supports the proposed application of the Environmental Audit Overlay to the Land.
 - 3.3. Council supports the application of the Development Plan Overlay – Schedule 16 (**DPO16**) to the Land subject to a number of amendments to the proposed schedule. Council officers have liaised with Development Victoria over proposed amendments to the schedule. A number of amendments have been agreed but there are still a number of outstanding matters. An amended version of the schedule, which highlights agreed and contested amendments to the exhibited schedule will be tabled with this submission and we will take the Advisory Committee through this document in detail in our submission.
 - 3.4. Council does not support the proposal to make the Minister for Planning the responsible authority for the Land in circumstances where it considers that:
 - a. the proposed DPO16 fails to provide sufficient certainty on the development outcome for the Land;
 - b. it is yet to receive confirmation on the delivery of the six-court indoor sports stadium proposed for the Land; and
 - c. it is yet to receive confirmation of funding for the relocation of the Fitzroy Depot.
4. These matters will be discussed in detail below.
5. Overall, Council submits that:
 - 5.1. The Land has long been earmarked for redevelopment and the development of the site for mixed-use finds support in both State and Local Planning Policy as well as the UDF.
 - 5.2. The Land presents an excellent site for urban renewal being a large underutilised site, in need of decontamination and in an ideal location with access to jobs, services and various modes of sustainable and active transport.
 - 5.3. The redevelopment opportunity presented by the Land ought not be squandered. A vision for the site needs to be clearly set out to guide the future development of the Land. A development plan overlay is an appropriate tool for doing so but it needs to

be drafted with this role in mind and having regard to the fact that the preparation of the development plan/s and development of the land is likely to be undertaken by multiple entities from the private sector and that it operates to eliminate the need for third party involvement, including, in this instance, the involvement of Council.

PROVIDING FOR MORE CERTAINTY IN THE DPO16

6. Council supports the application of a Development Plan Overlay to the Land but submits that the current drafting of the DPO16 creates an unreasonable level of uncertainty having regard to the role of the Development Plan.
7. *Planning Practice Note 23 (August 2015) – Applying the Incorporated Plan and Development Plan Overlay* relevantly provides (page 3):

Because the DPO has no public approval process for the plan, it should normally be applied to development proposals that are not likely to significantly affect third-party interests, self-contained sites where ownership is limited to one or two parties and sites that contain no existing residential population and do not adjoin established residential areas.
8. At page 6, in comparing the Incorporated Plan and Development Plan, the Practice Note provides:

It is possible to introduce either overlay into the planning scheme before the plan is in place. However, if the overlay is approved without a plan, it is essential that a strategic framework is in place to provide direction and certainty about the future form of development of the land.
9. Council submits that the exclusion of third parties (including Council) from involvement in the future approvals for the Land through the use of the DPO can only be justified where it can be demonstrated that the framework created under the DPO will ensure an appropriate planning outcome and the vision for the future redevelopment of the Land is certain.
10. Council accepts that at this stage of planning, there is a need to build in sufficient flexibility in the ultimate design of any future development of the Land but that does not negate the need to create certainty about the objectives for that development and the fundamental components that must be incorporated into any future design.
11. Council further submits that this is particularly important in the context of this DPO considering:
 - 11.1. a development plan has not already been prepared and exhibited along with the proposed DPO, as is sometimes the case; and
 - 11.2. DPO16 (as currently drafted) permits (with the support of Council) the development plan to be prepared in stages so that it is possible that various stages of development plans for potentially different parts of the Land will be prepared by multiple developers after the Land is rezoned and sold.
12. Council has identified several aspects of the current drafting of DPO16 that require further work to ensure the requisite level of certainty in the process. They are addressed in turn below.

The role of various documents informing the DPO16

13. Various strategic documents and plans have informed the DPO16 and are referenced in the overlay.
14. Clause 3.0 provides that a development plan must be prepared 'generally in accordance with' the Indicative Concept Plan (incorporated in the Schedule itself) and the *North Fitzroy Gasworks Precinct Urban Design Framework 2008*.

North Fitzroy Gasworks Precinct Urban Design Framework 2008.

15. Council adopted the *North Fitzroy Gasworks Precinct Urban Design Framework 2008 (the UDF)* in October 2008. It is not currently part of the Yarra Planning Scheme. The Amendment will reference the document in the DPO16. Council submits that this is appropriate given that the document has informed the DPO16.
16. The UDF anticipates the development of the Land as a single site and outlines a number of principles for the gasworks site and surrounding land, including:
 - 16.1. Improved permeability throughout the site;
 - 16.2. Preferred and maximum heights on all street frontages;
 - 16.3. Restrictions on internal building heights based on view planes from street level;
 - 16.4. Creating internal open space;
 - 16.5. Focus access and egress on Queens Parade;
 - 16.6. Accommodation of an indoor sports centre; and
 - 16.7. Creation of a six metre setback on George Street.
17. The UDF recommends that the Land should be rezoned to a Comprehensive Development Zone (**CDZ**), Priority Development Zone (**PDZ**) or MUZ or a combination of these zones.
18. Section 11 of UDF (General Built Form Principles) identifies preferred and maximum heights for street frontages, which are as follows:
 - 18.1. Smith Street – preferred max of 14 metres and absolute max of 17 metres;
 - 18.2. Queens Parade – preferred max of 17 metres and absolute max of 20 metres;
 - 18.3. Alexandra Parade – preferred max of 17 metres and absolute max of 30 metres; and
 - 18.4. George Street & Napier Street – preferred max of 17 metres and absolute max of 20 metres.
19. The UDF provides that decision guidelines should only allow for the absolute maximum height subject to design excellence.
20. The UDF does not suggest a maximum height for the site, other than the street wall. It provides:

Heights may increase away from street frontages using upper-level setbacks that are not visible from the adjoining street above parapets at the nominated maximum frontage heights.
21. In other words, the UDF uses a sight line from the opposite side of the street frontage to the height of the street wall on the site to establish maximum building heights. That is, buildings should not protrude above that line. In addition, the UDF states:

Maximum building heights must ensure:

 - *No overshadowing at mid-winter of the southern footpath of Alexandra parade.*
 - *Mid-winter solar access to southern edges of public open spaces 1 and 3.*

Indicative Concept Plan & Master Plan

22. The Indicative Concept Plan is derived from the *Fitzroy Gasworks Master Plan, Design Report, November 2017*, prepared by Development Victoria (**the Masterplan**). It proposes heights for the Land which differ from that found in the UDF and these heights are nominated within a table included in the Schedule. The areas of difference are as follows:
 - 22.1. Smith Street – Queens Pde to Council St – Streetwall of 20m rather than 17m;
 - 22.2. Smith Street – Council St to Alexandra Pde – Streetwall of 32m rather than 17m;
 - 22.3. Alexandra Parade – Streetwall of 32m rather than 30m; and
 - 22.4. George Street – Streetwall of 32m rather than 20 metres.
23. The table included in the Schedule is not expressed as something that a development plan must be 'generally in accordance with' but rather something that will inform design guidelines. However, the table gives meaning to the maximum heights and 'Upper Level Setbacks' depicted on the Indicative Concept Plan. Without the table, Council submits that the Indicative Concept Plan is difficult to interpret and may be incorrectly applied.
24. The Masterplan itself is not referenced in the DPO16. This is curious given the Masterplan was the basis for much of the public consultation and discussions with Council.
25. The Development Victoria Planning Report states that it has worked with '*leading architects to develop a concept master plan that would transform the site into a mixed use development...*' (page 11). It also notes that phase 2 of the consultation process included exhibition of the Master Plan (page 12).
26. Page 13 states that 'The Master Plan represents an indicative development outcome for the site. The Master Plan incorporates and responds to community and stakeholder feedback identified throughout the two-phase engagement process. Input throughout the Master Plan process was also sought from the Office of the Victorian Government Architect (**OVGA**) with presentations made in June and September 2017' (pg. 13).
27. The Masterplan has been informed by the UDF among other sources and in several respects extends and implements the objectives of the UDF. It contains detail that is absent from the Indicative Concept Plan and the current DPO16 and illustrates height in a different way to that proposed in the DPO16.

Proposed changes to references to documents

28. Mr Czarny has recommended changes to the DPO16 to:
 - 28.1. Update or enhance the Indicative Concept Plan as a more illustrative Concept Plan that articulates the urban design ambitions for the Land;
 - 28.2. Include the Masterplan as a Reference Document;
 - 28.3. Include design guidelines to entrench urban form, architectural and public domain attributes expressed in the Masterplan;
 - 28.4. Provide more detail on block-based typology and form;
 - 28.5. Include a clear plan-based depiction of heights with details of forms, street walls, setbacks and height; and
 - 28.6. Identify key decision-making tests for development applications which exceed designated heights.

29. Mr Czarny also expresses the view that further design refinement is warranted at key street and public space interfaces to ensure street wall heights are tempered to ensure a 'human scale', moderate views and address issues of enclosure and solar access.
30. Council supports the recommendations made by Mr Czarny.
31. In addition to the matters recommended by Mr Czarny, Council submits that, the heights depicted in the DPO16 should be consistent with the streetwall heights nominated in the UDF.
32. Council has been in consultation with Development Victoria in relation to the site since mid-2015. Council officers have consistently presented the view that the UDF must be the guiding framework for any development of the site. While these heights are not proposed to be mandatory, they set expectations on appropriate heights and Council submits that it is not appropriate to set those expectation above the nominated UDF heights.

Matters of detailed drafting

33. Council submits that the following matters of detailed drafting are also warranted to ensure certainty in the future planning for the site:
 - 33.1. Clause 3.0 of DPO16 identifies certain objectives, which the current drafting provides 'should be met'. Council submits that the DPO16 should provide that these objectives 'must be satisfied' as they establish the guiding vision for the redevelopment of the Land.
 - 33.2. Requirements relating to site plans should be reorganised and additional matters need to be included in the list of matters required to be provided as part of the site plans.
 - 33.3. Regardless of the heights ultimately recommended by the Advisory Committee, Council submits that the maximum height in metres must be satisfied. The exhibited version of the DPO16 provides the following note at the end of the Building Heights and Setbacks Table:

Note: Maximum heights in metres allow for avg. 3.2m floor to floor. Maximum storey height to be met regardless.

Council submits this requirement is ambiguous. While it is often convention to express height in the equivalent storeys as well as metres, the measure that should be met is the height in metres.
 - 33.4. Requirements for various reports/assessments form part of the development plan should be clarified.
 - 33.5. Council submits that the following additional objectives should be included in clause 3.0:

Address the heritage significance of the interface with Queens Parade;

Recognise the importance of Alexandra Parade to the image of the City and consider the design, height and visual bulk of the development in relation to surrounding land uses and developments.

Retain the visual prominence of at least the top third of the individually significant Shot Tower from primary views.

These objectives capture the objectives of other controls and policies that apply to the land including:

- DDO2 (Main Roads and Boulevards) that applies to the Alexandra Parade frontage;
- Clause 21.05-3 (Built Form Character) which has the objective of improving the built form character of transport corridors and includes strategies that seek to reinforce the scale and formality of the landscape along along boulevards and maintain the dominance of the avenue of trees over built form along boulevards.
- The UDF, which seeks to respond to Queens Parade and Alexandra Parade with a built form that contributes to their significance as formal boulevards, and land uses that suit the varied traffic and environmental conditions along them.
- Clause 22.03 (Landmarks and Tall Structures), which seeks to maintain the prominence of Yarra's valued landmarks and landmark signs. It is policy to protect views to the silhouette and profile of Yarra's valued landmarks to ensure they remain as the principal built form reference. Clause 22.03-4 provides that new buildings within the vicinity of the following landmarks should be designed to ensure the landmarks remain as the principal built reference (Shot tower, Alexandra Parade, Clifton Hill and Spire of St John's Church, Queens Parade, Clifton Hill).

Council submits that it is important that these key objectives inform the preparation of the Development Plan and as such they should be identified as objectives. Other policies and controls applicable to the Land will still be relevant but these identified objectives must be met.

LANDSCAPING

34. Council submits that the objectives for the development should include the following:

Provision of landscaping within and around the site to reduce the visual impact of development, improve liveability and mitigate impacts of the urban heat island effect.

35. This objective seeks to ensure that landscaping is considered as part of the planning for the site and not as an afterthought and is supported by various policies, including:
- 35.1. Direction 6.4 of Plan Melbourne 2017-2050 is to 'Make Melbourne cooler and greener'. This direction discusses the impact of the urban heat-island effect and the need to mitigate the impacts by greening urban areas.
 - 35.2. Clause 11.06-6 contains similar policy objectives and strategies.
 - 35.3. Clause 15.01-2 includes principles that provision that recognition should be given to the setting in which buildings are designed and the integrating role of landscaping architecture.
 - 35.4. Clause 21.05-2 also contains policies seek to create an inner city environment with landscaped beauty.
 - 35.5. Clause 22.17 also contains objectives concerning urban ecology.

AFFORDABLE HOUSING

36. DPO16 is proposed to include an objective for the Development Plan that supports a diversity of dwellings types 'to cater for a variety of housing needs' and includes affordable housing. Council submits that this is a vague objective that leaves a very significant issue to be determined at some future point. Council submits that the DPO16 should be clear in what it means by 'affordable housing' and definitive in the quantum that should be provided. The current drafting lends itself to an interpretation of 'affordable housing' as housing priced below the median price of housing in North Fitzroy.
37. Council submits that the objective should be drafted as follows:
- Provision of a minimum of 15% of dwellings as affordable housing for very low income and low income households as defined in the Planning and Building Legislation Amendment (Housing Affordability and Other Matters) Act 2017.*
38. Part 2, Division 1 of the *Planning and Building Legislation Amendment (Housing Affordability and Other Matters) Act 2017 (Housing Affordability Act)* proposes to make changes to the *Planning and Environment Act 1987 (Act)* by inserting new definitions concerning affordable housing and facilitating a framework of voluntary affordable housing agreements between local government and developers. It also inserts a new objective into the Act being:
- To facilitate the provision of affordable housing in Victoria.*
39. While other parts of the Housing Affordability Act have already commenced, this part will commence on a date to be proclaimed or 1 June 2018 at the latest.
40. The Housing Affordability Act defines 'affordable housing' as
- Housing, including social housing, that is appropriate for the housing needs of any of the following –*
- (a) *very low income households;*
- (b) *low income households;*
- (c) *moderate income households.*
41. It goes on to provide that for the purpose of determining what is appropriate for the housing needs of each of the households in (a), (b) and (c), regard must be had to the matters specified by the Minister by notice published in the Government Gazette and such matters can include price ranges or prices for the purchase or rent of housing.
42. The Housing Affordability Act also provides that the household income level for each of the households in (a), (b) and (c) will be specified by the Governor in Council, on the recommendation of the Minister, by Order published in the Government Gazette.
43. We understand that the various household income levels and matters appropriate for the needs of each of these households are yet to be specified but are likely to be released shortly.
44. The need for an increased provision of affordable housing is recognised throughout the Planning Scheme and is aimed at not only creating equitable housing opportunities but providing access to jobs and services and fostering diversity within communities. Relevant policies include:
- 44.1. Clause 11.06-2: Objective: *To provide housing choice close to jobs and services.* Strategies include:

Facilitate development that increases the supply of affordable and social housing in suburbs across Melbourne.

Facilitate the delivery of social housing by identifying surplus government land suitable for housing.

- 44.2. Clause 15.01: Objective: *To create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity.* Strategies include:

Ensure new development or redevelopment contributes to community and cultural life by improving safety, diversity and choice, the quality of living and working environments, accessibility and inclusiveness and environmental sustainability.

- 44.3. Clause 16 overarching objectives are that:

Planning should provide for housing diversity, and ensure the efficient provision of supporting infrastructure.

New housing should have access to services and be planned for long term sustainability, including walkability to activity centres, public transport, schools and open space.

Planning for housing should include providing land for affordable housing.

- 44.4. Clause 16.01-1: Objective: *To promote a housing market that meets community needs.* Strategies include ensuring that the planning system supports the appropriate quantity, quality and type of housing.

- 44.5. Clause 16.01-4: Objective: *To provide for a range of housing types to meet increasingly diverse needs.* Strategies include encouraging the development of well-designed medium-density housing which improves housing choice. Support opportunities for a wide range of income groups to choose housing in well-serviced locations.

- 44.6. Clause 16.01-5: Objective: *To deliver more affordable housing closer to jobs, transport and services.* Strategies include encouraging a significant proportion of new development to be affordable for households on low to moderate incomes. Increase the supply of well-located affordable housing by facilitating a mix of private, affordable and social housing in activity centres and urban renewal precincts.

- 44.7. Clause 21.04 includes objectives that seek to retain a diverse population and household structure. Strategy 2.1 seeks to support the provision of affordable housing for people of all abilities, particularly in larger residential development and on Strategic Redevelopment Sites (Clause 21.03 identifies the Land as such).

45. Direction 2.3 of *Plan Melbourne 2017-2050* is 'Increase the supply of social and affordable housing'. Of particular relevance is policy 2.3.1, which provides:

Utilise government land to deliver additional social housing

The Victorian Government holds valuable land assets that can contribute to the delivery of additional social and affordable housing.

The Victorian Government will increase the supply of social and affordable housing through identifying surplus government land suitable for housing. Sites identified as being surplus to government requirements need to be re-used in ways that deliver broad community benefits – such as boosting the supply and spread of social and affordable housing. Opportunities to increase overall supply through the regeneration of existing public housing also need to be identified.

The government is taking a strategic approach to accelerating the development of well-located surplus government land. A pilot program has been developed for a number of sites suitable for affordable housing. Other opportunities to leverage surplus government land to deliver social housing while maximising the opportunity to deliver planning uplift and certainty will be investigated, including local government land and surplus land held by other agencies.

46. The Victorian Government has committed to a number of social and affordable housing initiatives in its housing strategy *Homes for Victorians, Affordability, access and choice* (2017). In relation to affordable housing, it has established a framework for voluntary arrangements for affordable housing between developers and local government.
47. The strategy also discusses the inclusionary housing pilot program, where underutilised government land is identified for social housing projects.
48. However, the strategy does not appear to address opportunities for affordable (as opposed to social housing) on underutilised government sites.
49. Council adopted the *Policy Guidance Note: Affordable Housing Outcomes and Significant Redevelopments* on 21 November 2017. The policy is intended to set out Council's expectations relating to affordable housing outcomes at significant redevelopment sites but specifically excludes land owned by the Victorian Government. The policy defines significant redevelopment sites as follows (see section 5, page 2):

The policy will apply to sites to be rezoned which will yield a development of a sufficient size to create on-site provision of affordable housing. These are defined as sites likely to yield at or around 50 or more dwellings. This Policy Guidance Note does not apply to land owned by Victorian Government.

50. The policy seeks at least 5% affordable housing as part of rezonings of significant redevelopment sites. Proponents are expected to partner with Registered Housing Associations or Registered Housing Providers.
51. Affordable Housing is defined under the policy as:

Affordable Housing means rental housing that is appropriate for the needs of a range of low-to-moderate income households and priced so these households are able to meet their other essential basic living costs (broadly defined as 30 per cent income to housing costs).

...

52. Low to moderate income households is defined as:

Low-to-moderate income households are those within the bottom 40% of household income distribution in Australia. Household income distribution is derived from the most recent Census of Population and Housing undertaken by the Australian Bureau of Statistics.
53. Council is also part of the Inner Melbourne Action Plan (**IMAP**), a collaborative partnership between the Cities of Yarra, Melbourne, Port Phillip, Stonnington and Maribyrnong. The current IMAP 2016–2026 includes a goal of new affordable housing planning controls and targets, including 'opt-in' inclusionary zoning amendments to the VPPs to enable local government to amend planning schemes to establish mandatory inclusionary zoning.
54. It also supports affordable housing in Yarra by providing funding to support the community housing sector, including establishing the Yarra Affordable Housing Development Fund and accessing state and commonwealth affordable housing growth funds.
55. Council is developing the *Yarra Housing Strategy* to set out how it plans to manage housing growth across the municipality through land use planning and functions. The draft document is currently out for public consultation.

56. The document was informed by earlier community consultation through the Liveable Yarra project, which included a panel of residents. One of the 7 key issues identified by the panel was affordable housing.

57. Action 8 of the Liveable Yarra project (discussed on page 15) is 'Support provision of affordable housing including through co-housing and housing associations'. The following discussion is included under this action:

Melbourne's high population growth and booming economy have underpinned a strong housing market in recent years. Population forecasts and economic outlooks indicate this is expected to continue to support the Melbourne housing market in the medium term. Indicators reflect a cooling housing market but no downturn.

These trends have been reflected in Yarra with consistently strong demand to live in Yarra resulting in rapid house price growth and high land values in the past 5-10 years. The high purchase prices in Yarra (the median house price in 2016 was approximately \$1,200,000 with units at \$600,000) mean that any households are unable to purchase in Yarra, especially lower income households. While renting for many households is more viable than purchasing a home, the cost of renting in Yarra is still cost prohibitive for many households.

To maintain Yarra's social and economic diversity, there needs to be more affordable housing options suitable for very low, low and moderate income households. Research has shown that the poor relationship between housing and employment markets has an impact on local productivity.

Currently most of the Yarra's workers (86%) live outside the municipality. Key public sector workers, such as nurses, teachers, police officers, fire-fighters and ambulance officers often need to live close to their workplaces due to the nature of their work. Affordable housing enables low-to-medium workers, to live in areas that they may not otherwise be able to.

In Victoria, there is currently a focus on strengthening the role of planning in facilitating and delivering affordable housing. Emerging planning initiatives, outlined in Plan Melbourne 2017-2050, include introducing inclusionary housing requirements and utilising surplus government land to deliver additional affordable housing.

Within the current legislative framework, the role local governments can play in influencing affordable housing outcomes through the planning system is limited to securing a percentage of affordable housing through the rezoning process.

Current approaches to providing housing for very low, low and moderate income households in locations include:

- *Requiring section 173 Agreements under the Planning and Environment Act 1987 to secure at least 5% community housing units to be managed by accredited housing associations when strategic development sites are being rezoned to residential use;*
- *Supporting shared equity models of development;*
- *Advocacy of policy and legislative changes that enable councils to introduce inclusionary zoning, or an alternative mechanism to secure affordable housing on strategic redevelopment sites; and*
- *Facilitating partnerships between developers and affordable housing providers on strategic redevelopment sites.*

58. It goes on to reference the Policy Guidance Note on Affordable Housing in Significant Redevelopment in Yarra.

59. The draft *Yarra Housing Strategy* (at section 4 commencing on page 28) provides insight into the City of Yarra's community and housing profile, which includes:
- 59.1. Largest age group is 25 to 29 year olds with a median age of 33 year olds;
 - 59.2. The dominant house type is lone person households followed by couples without children (only 15% of households in Yarra are made of couples with children compared to 33% in Greater Melbourne);
 - 59.3. More than 46% of the population live in a flat or apartment;
 - 59.4. 50.3% of people in Yarra rented followed by people who had a mortgage;
 - 59.5. The median mortgage repayments and median rent per week was comparatively high for metropolitan Melbourne;
 - 59.6. In terms of social housing, the strategy provides (at page 35):
 - Yarra has a high proportion of social housing. In 2016, 9.5% of the City of Yarra's households were renting their dwelling from a government authority, compared to the IMAP average of 5.3%.*
 - While Yarra has a higher proportion of households who are renting from a government authority, this varied across the municipality. Proportions ranged from a low of 1.1% in Fairfield and Alphington, to a high of 19.3% in North Richmond.*
 - Lower income households are increasingly facing reduced housing choice due to limited social housing availability. There is simply not enough social housing to meet the current need, let alone the growing need related to estimated population increase. In September 2017, there were 1,113 applicants on the public housing waiting list who were seeking public housing in Yarra.*
60. The draft strategy identifies 4 strategic directions, being:
- 60.1. Strategic Direction 1: Actively Plan for Future Population Growth and Housing Needs
 - 60.2. Strategic Direction 2: Direct Housing Growth to Appropriate Locations
 - 60.3. Strategic Direction 3: To Plan for More Housing Choice to Support Yarra's Diverse Community
 - 60.4. Strategic Direction 4: Facilitate the Provision of More Affordable Rental Housing in Yarra
61. Strategic Direction 4 seeks to foster effective partnerships between community housing providers and the property development industry to deliver more affordable rental housing, introducing a requirement in the planning scheme for significant rezonings to provide a minimum 5% affordable housing, supporting shared equity models and advocating for policy and legislative changes for mechanisms to secure affordable housing on strategic redevelopment sites.
62. The above work illustrates that Council is pursuing various avenues to try to address the imbalance in the housing opportunities for parts of our community and respond to the policy objectives highlighted earlier. However, these actions rely largely on the will of others and can generally only offer modest and incremental contributions to housing affordability.
63. As part of this process, we are presented with a large site that is surplus to the Government's requirements and ideally located close to employment opportunities, services and a wealth of

sustainable and active transport infrastructure and opportunities. It would be difficult to argue that the site is not ideally suited to the provision of affordable housing.

64. The UDF recognised as much. An implementation action identified in the UDF is:

The Council and the State should negotiate and jointly determine allocations of space on the Gas & Fuel Site (1) for:

- *Affordable housing*

65. There has been a reluctance by past Advisory Committees to include requirements for affordable housing in the Planning Scheme (other than where there has not been contentious) on the basis that it was more appropriate for a 'state-wide' policy approach to implement such ambitions.

66. The Advisory Committee for Tranche 3 (510 Swan Street, Richmond) considered a request by Council to require a minimum of 5 per cent of total dwellings as affordable housing. DET opposed this request, submitting:

This has been a deliberate omission, on the basis of advice received from previous Advisory Committees in relation to 'draft policies' or requirements specific to one Council which have not been tested through a Panel process or consistently applied across the municipality.

...

We understand that the State Government is in the process of preparing a whole of government housing strategy, and a package of affordable housing measures. ...Once an affordable housing policy is formally introduced into the Planning Scheme this will be (the) appropriate mechanism to require the provision of affordable housing on the site.

67. The GLSAC referred to clause 16.01-5 and 21.04-1 as providing support for the provision of affordable housing, particularly in activity centres and strategic redevelopment sites that are close to jobs, transport and services. The GLSAC also noted the particular locational attributes of the site but ultimately agreed with the submissions of DET.

68. Where it has been implemented, it has been with the agreement of the parties.

69. The Panel appointed to consider Amendment C185 to the Yarra Planning Scheme and the related planning permit for land at 462-482 Swan Street, Richmond, supported the inclusion of a permit condition that required (Panel report dated 10 Jan 2017):

22. *Before the development occupied, the owner (or another person in anticipation of becoming the owner) must enter into an agreement with the responsible authority under section 173 of the Planning and Environment Act 1987 which requires that the owner must facilitate the provision of affordable housing by:*

- entering into an arrangement with a state government accredited housing association in respect of 5 percent of the total number of dwellings to be purchased or managed by that accredited housing association as affordable housing within the meaning of that affordable housing agency's remit to the satisfaction of the responsible authority;*
- Making other arrangements for the provision of affordable housing in respect of the same number of dwellings to the satisfaction of the responsible authority.*

23. *The owner, or other person in anticipation of becoming the owner, must meet all of the expenses of the preparation and registration of the agreement, including the reasonable costs borne by the Responsible Authority.*

70. Other examples include:
- 70.1. DPO5 (Channel Nine Site, Bendigo Street, East Richmond) makes provision of affordable housing representing 5% of the total number of apartment dwellings to be developed.
 - 70.2. DPO11 (Amcor Site, Heidelberg Rd, Alphington) requires a condition on a permit requiring a section 173 agreement that provided, among other matters, for the provision of *'5% of the total number of dwellings for the purpose of affordable housing developed in association with an accredited housing association'*.
 - 70.3. DPO15 (81–95 Burnley Street & 26–34 Doonside Street, Richmond)/(Harry the Hirer) requires a section 173 that provided for 10% to an accredited housing association.
71. Council submits that the State Government has taken important steps to implementing a voluntary framework for the provision of affordable housing by the private sector and for increases in social housing across certain government owned sites but there is a significant opportunity to deliver affordable housing on surplus government sites that is being overlooked.
72. It submits that a 15% contribution is a reasonable contribution in the context of the redevelopment proposal for the Land and considering it is surplus government land.

Traffic Management Plan

73. DPO16 requires a Traffic Management Plan to be prepared as part of the Development Plan. The Traffic Management Plan is to be prepared in consultation with Public Transport Victoria (now the Head, Transport for Victoria). Council submits that, as the relevant road authority for Smith Street, it should also be consulted in relation to this plan.
74. The Traffic Management Plan will be a critical component of the Development Plan. Council submits that the traffic impact assessment that has been prepared in support of the Amendment is high level and largely focuses on car parking. A more rigorous analysis is required as part of the Development Plan given the location of the site along key road and public transport routes and the expected additional movements generated by its redevelopment. Therefore, it is critical the DPO16 clearly sets out the further work that is required.
75. Council submits that the following additional issues need to be identified in the requirements for the Traffic Management Plan under the DPO16:
- 75.1. Restricting access to Smith Street to left turn in and left turn out only;
 - 75.2. Analysis of the infrastructure required to safely connect the users of the site to public transport and cycle routes, neighbouring residential areas and activity centres; and
 - 75.3. Adequate bicycle parking.
76. These issues will be addressed in further detail below.
77. There are also some detailed drafting changes to the requirements of the Traffic Management Plan that the Advisory Committee will be taken to.
78. In addition to this, Council submits that the Site plans required under the Development Plan need to include detail of:
- 78.1. Key access points, including indicative vehicle and pedestrian crossovers;
 - 78.2. Movement networks within the Development Plan area for vehicles, bicycles and pedestrians;

- 78.3. The indicative internal street network including the layout;
- 78.4. Indicative building entry and servicing points.

Smith Street Access

- 79. The indicative road layout shown in the Indicative Concept Plan currently proposed within DPO16 and the Master Plan, suggest two access points within Smith Street:
 - 79.1. A vehicle and pedestrian access opposite Council Street from an internal street; and
 - 79.2. A pedestrian and cycle access mid-block between Council Street and Alexandra Parade.
- 80. The GTA Transport Review, which is a peer review of a GHD report prepared on behalf of Places Victoria in November 2015, provides further detail on the proposed access. It outlines (at page 9) that following discussions with VicRoads, it had been decided that there would be restricted access to Alexandra Parade, Queens Parade and George Street and that VicRoads would prefer main all-movement access to be on Smith Street via a signalised intersection given it was the only local road fronting the site.
- 81. It acknowledges that the proposed signalisation of the site access on Smith Street would impact travel times but suggests (at page 12):

In order to mitigate against these travel time increases, additional width on Smith Street was suggested in order to provide a dedicated central tram reserve. This modification would include DDA compliant tram stops near the development, since the development would increase the local catchment.
- 82. However, later in the report it recommends a lower traffic generation rate for the development than that recommended by GHD based on a lower car parking provision. On that basis, it provides the following commentary on the recommendations by GHD for Smith Street (table 7.3 on page 22):

It is understood that the access point on Smith Street is proposed to be retained as an all-movements signalised access point as per that presented in the GHD report.

From an access strategy point of view this is an ideal approach. However, given the significant reduction in traffic volumes expected for the site as well as the provision of an internal link road, further detailed investigation could be undertaken to understand the requirements for the signalised access point on Smith Street.

The installation of a signalised intersection on Smith Street will still impact the operation of trams along this road. It is still recommended that Smith Street is widened in the area of the intersection to allow for a dedicated tram reserve.

The installation of the DDA compliant tram stop is considered even more relevant in this proposal given the higher reliance on public transport due to the reduced car parking provision.
- 83. Council does not support a signalised intersection at Smith Street and submits that access at Smith Street should be restricted to left in and left out.
- 84. Council's primary concern with the proposed access is that it will delay the Route 86 tram along Smith Street. Smith Street is the only street adjacent to the site that has tram services and, as identified in section 3 of the GTA Transport Review, Smith Street is identified as a tram priority route on the VicRoads SmartRoads Operating Plan.
- 85. Council supports the provision of a DDA compliant 'super stop' at Smith Street but submits that this should not be characterised as a mitigation measure to justify a signalised vehicle access

point in this location. The need for this infrastructure is a separate matter related to the increased demand for public transport generated by the proposed development of the Land and the objective of encouraging patronage and creating safe and attractive pedestrian environment.

86. An all movements intersection at Smith Street will delay tram services and create potential conflict between vehicle and pedestrian movements at what will be a key pedestrian connection to public transport, enhanced further by the 'super stop'. It will also be an access point to pedestrian routes to surrounding residential areas and activity centres.
87. These impacts are inconsistent with policies in both the SPPF (clauses 18 and 15.01-6) and LPPF (clauses 21.06 and 22.17), which seek to promote public transport usage, minimise car dependency and encourage safe and convenient environments for more sustainable modes of transport.
88. The UDF provides useful guidance in this regard, which does not appear to have informed the Master Plan or DPO16. A key objective of the UDF (section 5 on page 6) is:

Address Smith Street to strongly encourage the use of tram services in connection with development of the site, and to contribute to the streetscape character and vitality of the activity strip along the length of Smith Street.

89. Under the theme of Integration of local access (section 8 on page 9), the UDF provides:

Tram facilities in Smith Street should be improved in parallel with the precinct's development. The existing tram stops in Queens Parade near Smith Street are exposed and offer poor amenity for passengers. A new 'super stop' may be appropriate in Smith Street between Hodgkinson and Council Streets, as these streets provide attractive pedestrian routes to the east and corresponding new links can be made into and through the Gas & Fuel site.

90. The related guidelines include creating the super stop and extending local streets as pedestrian routes to improve access and integration of the site with surroundings.
91. Section 9 of the UDF addresses vehicular access. It highlights the opportunities and limitations for access along each of the roads surrounding the Land but ultimately recommends a full-movement intersection at Queens Parade/Jamieson St with restricted access elsewhere. In relation to Smith Street, it recommends:

Discourage any vehicular access to the Gas & Fuel site via Smith Street.

Develop a DDA-compliant tram 'super stop' at Council/Hodgkinson Street and associated pedestrian links into the Gas & Fuel site.

Maintain an uninterrupted footpath along Smith St and maximise on-street kerbside spaces for short stay parking etc. supporting commercial and retail uses in the vicinity.

92. One final issue Council has raised with the proposed signalised intersection at Smith Street is that it will also create a delay for vehicles travelling along Smith Street, which in turn is likely to increase the potential for rat-running on neighbouring residential streets, which is already an issue in the area.
93. Overall, it is clear that further analysis of the access arrangements is required for the Land. Council submits that while it is appropriate for this to take place as part of the Development Plan process, it is imperative that fundamental principles and objectives for such issues be established under the DPO16. In this regard, Council submits that public transport and active modes of transport need to be prioritised and accordingly Council's proposed modifications to the DPO16 should be made.
94. Council understands that Transport for Victoria have also suggested changes to the DPO16 to:

- 94.1. Add a further requirement for the Development Plan to 'Provide a new DDA compliant tram stop on Smith Street';
 - 94.2. The Traffic Management Plan should be prepared to the satisfaction of the Head, Transport for Victoria and VicRoads, and its scope should be extended to incorporate delivery of the DDA compliant tram stop and any mitigation works, at the full cost of the developer;
 - 94.3. Amend the legend on the Indicative Concept Plan to 'Potential opportunities for vehicle and pedestrian access'.
95. Council supports the inclusion of a more specific requirement for the provision of the DDA compliant tram stop in addition to the other changes requested by Council.

Car Parking and Bicycle Parking

96. At this stage of planning, car parking demand and provision is speculative. Nevertheless, the Master Plan anticipates:
- 96.1. 1,100 apartments (1 bed, 2 bed, 3 bed and duplex);
 - 96.2. 4,300 square metres of retail, shops and small business;
 - 96.3. Childcare;
 - 96.4. Sports Courts;
 - 96.5. Vertical secondary school; and
 - 96.6. 700 car spaces to be provided in basements.
97. The GTA Transport Review further provides that it is proposed to provide a total of 769 parking spaces (based on 1208 dwellings and other assumptions set out on page 15), including 649 spaces for residents, retail and childcare and 120 for the sports courts. Some at grade parking is also proposed to be provided for visitors and pick up and drop off.
98. It further provides that the statutory requirement for car parking would be 1,946 spaces, resulting in a shortfall of 1,177 spaces (60% reduction).
99. GTA suggest an empirical car parking demand should be adopted but acknowledges that parcels A and D will not meet likely peak car parking demand. It suggests that car parking for staff associated with retail and childcare be provided to meet demand but that a reduced residential rate of 0.55 spaces per dwelling be provided. This is justified on the basis of ABS data showing lower ownership rates in surrounding suburbs (for one and two bedroom apartments), the site's access to public transport and other active transport facilities and car share options.
100. Council supports the reduction in parking in principle. However, it submits that the approach warrants a response that considers the proposal's overall response to the provision infrastructure to facilitate and encourage the uptake of more sustainable transport options.
101. As outlined above, Council submits that the Traffic Management Plan (and Development Plan more generally) needs to address connections to the broader transport network and key active transport routes and any infrastructure upgrades required to ensure that pedestrian and cyclists can safely access the broader network.
102. Council also submits that this is an instance where a bicycle provision above the statutory requirement for the residential component of the development should be provided. The GTA Transport Review recommends that the statutory bicycle parking rates be provided 'as a

minimum' for all uses within the development (page 13). The GTA witness statement further suggests that ultimate provision of bicycle parking should be determined in the future having regard the ultimate development proposal (mix of dwelling sizes, etc).

103. Council submits that the Traffic Management Plan should include, as an objective, that 2 bicycle spaces per dwelling should be provided.
104. While the provision of 2 bicycle spaces per dwelling is not required under the planning scheme, Council submits that the inclusion of this objective will result in a good planning outcome that:
 - 104.1. anticipates what will likely be a significant dispensation in car parking on the Land;
 - 104.2. responds to the objectives of SPPF, LPPF and UDF that encourage active modes of transport;
 - 104.3. responds to the context of the Land, being in close proximity to many established cycle routes (as outlined in the GTA expert witness report); and
 - 104.4. responds to a higher rate of bicycle commuting in Yarra than the greater metropolitan average¹.
105. There is no legal impediment to this requirement being imposed through the DPO16 and there have been other instances where Advisory Committees have recommended the provision of bicycle parking above the statutory rate. Most recently, the Social Housing Renewal Standing Advisory Committee Common Issues Report No 1, 10 November 2017 supported 1 space per dwelling for each dwelling without a car space (see section 4.4).
106. As outlined in the GTA witness statement report, the Activity Centre Zone – Schedule 1 under the Moreland Planning Scheme also requires a provision of bicycle spaces above the statutory rate (1 space for 1 bedroom/studio dwellings and 2 spaces for 2+bedroom dwellings).

Community Infrastructure

107. The DPO16 requires a Community Needs Assessment to be prepared as part of the Development Plan. Council submits that the requirements of this assessment should be amended to incorporate the need to provide additional facilities not only on the site but also in the surrounding area, including an assessment of whether existing facilities need to be upgraded or extended as a result of the development of the Land. It also submits that the report should address the timing and provision of any required community facilities coordinated with the overall development of the site.
108. The Master Plan anticipates in the order of 1,100 new dwellings (mix of 1, 2, 3 bed and duplex) and 4,300m² of retail, shops and small business, childcare, sports courts, and secondary schools being introduced onto the Land. This is not an incremental infill development within an established area but a significant influx of people and this is a positive planning outcome, it will result in a significant additional demand on existing local services. It is appropriate and good planning for development to firstly assess this impact and secondly, contribute to the provision of additional services for which it generates a need.
109. Similar requirements have been imposed elsewhere. In particular, DPO11 in the Yarra Planning Scheme, which relates to the Amcor Site, similarly requires a community infrastructure report, which analysis the impact of the development on existing facilities and services and the need for additional facilities and services, including timing and provision of such facilities and services.

¹ The Draft Yarra Housing Strategy (Action 3) notes that more residents per capita ride bicycles to and from work than in any other metropolitan Melbourne area. In 2016, 8.6% of people in Yarra travelled to work on a bicycle, compared to the greater Melbourne average of 1.4%.

110. The issue was also recently considered by the Social Housing Renewal Standing Advisory Committee. Section 5.2 of the Common Issues Report No 1, 10 November 2017 noted the following:

The redevelopments will result in significant increases in the local population, and there is no doubt that this will create extra demand for community and related infrastructure and services. Community and related infrastructure in some areas reviewed is already at capacity, which is borne out by the ASR Research Social Infrastructure Assessment reports provided by DHHS for each site.

The Committee does not consider that providing on-site development infrastructure, such as open space and local roads, satisfies the private developer's obligation to contribute to shared community and related infrastructure. As Ms Jordan pointed out, providing this type of development infrastructure is a normal part of the development process, and is a cost that any developer would ordinarily expect to bear in a large development of this nature.

A developer would not, however, be expected to provide a percentage of the apartments being developed to the State as social housing. If those apartments are being provided to the State at no cost, then that represents a significant contribution.

DHHS's submissions were inconsistent in relation to whether the social housing apartments would be provided at no cost ...

The Committee is not persuaded that the provision of social housing, whether it is gifted or not to the State, should obviate the need for the private developer to contribute to shared infrastructure that will be used by residents of the private apartments. The fact is, the additional population will generate additional demand for community and related infrastructure and services, which will need to be provided by Councils. In the Committee's view, there should be a mechanism for funding the additional community and related infrastructure that will be required.

Moonee Valley Council pointed the Committee to the recommendations of the Flemington Road and Epsom Hill Advisory Committee regarding development contributions payable in respect of the Flemington Racecourse redevelopment. The committee recommended a development contribution of \$3,000 per dwelling, secured through a section 173 agreement [Footnote: This requirement is specified in clause 5.0 of Schedule 1 to the Comprehensive Development Zone in the Moonee Valley Planning Scheme].

The Committee is further aware that Amendment C88 to the Hobsons Bay Planning Scheme proposes a development contribution of almost \$12,000 per dwelling for its Precinct 15 development.

The difference between the social housing redevelopments, and the Flemington Racecourse redevelopment, is that the parties were agreed that a development contribution levy should be paid in respect of the Flemington Racecourse redevelopment. The Flemington Racecourse Advisory Committee also had the benefit of extensive evidence from independent experts regarding the need for and amount of the levy. The Committee is not in the same position.

Development contributions, whether they be in the form of a levy, or the provision of land or works, must meet the well-established principles of need, nexus, equity and accountability. The extent of future community facilities needed because of the increased population in each municipality is not yet known. In the absence of expert evidence supporting a development contribution levy, or providing the Committee with guidance as to the nature and cost of infrastructure likely to be required or the appropriate amount of a levy, the Committee does not consider it appropriate at this stage to recommend a levy be required. The Committee also considers that any specific section 173 agreement proposals, such as that put forward by Moonee Valley Council, are premature at this stage.

The Committee is not entirely comfortable with the position it finds itself in with regard to development contributions. The proposed redevelopment of the Estates will result in a

significant unplanned influx of population into many areas which are served by infrastructure that the Committee understands is already at capacity. This has the potential to result in outcomes that do not represent good and orderly planning.

The Committee urges DHHS and its ultimate procurement partners to work with the Councils to reach some form of agreement regarding development contribution to community and related infrastructure, based on a proper analysis of the current and projected population, the demand for community and related infrastructure likely to be generated by the redevelopments, and the need for the future Estate residents in each area...

111. Council is not calling for the imposition of a levy or section 173 agreement. It is simply asking for the Community Needs Assessment to incorporate an assessment of the impact that the development will have on community infrastructure, how such infrastructure should be planned and provided and that such provision be made as part of the development of the Land rather than passed on to Council and the existing community.
112. The Fitzroy Gasworks Community Needs Analysis prepared by ASR Research on behalf of Development Victoria, is a high level assessment of community needs and identifies the need for a new multipurpose community centre, sporting facilities (noting the proposed provision of the recreation facility on site), education facility (again noting the proposal to establish a secondary school on site) and potentially residential aged care (although this is expressed as a voluntary contribution). Council submits that this work highlights that the development of the Land will create a need for additional infrastructure albeit that further detailed analysis will be required as part of the preparation of the development plan.

Heritage & The Porter Shed

113. Part of the Land is covered by Heritage Overlay - HO468, which relates to the Porter prefabricated iron store located centrally along the northern frontage of the Land. This heritage place is located as an object on the Victorian Heritage Register under the *Heritage Act 1995*. Accordingly, a permit is not required to develop the heritage place and its future will be regulated by Heritage Victoria under the requirements of the *Heritage Act 2017*.
114. The Planning Report provides that the building is proposed to be removed from the site, restored and relocated elsewhere subject to ongoing discussions with and approval of Heritage Victoria.
115. Development Victoria has been liaising with Council officers on a possible site for its relocation in anticipation of making an application to Heritage Victoria for its relocation. Council officers have suggested Fairfield Park, where the iron store could be adapted and reused as a boat shed storage facility.
116. Council wishes to advocate for its retention on site and seeks the inclusion of the following statement as part of the requirements for a development plan under the proposed DPO schedule:

Retention of the restored Porter Iron Store on site, with repurposed use integrated into development of the site in line with heritage conservation, successful examples of such incorporation, and risks to the building with its relocation to public open space.
117. Council submits that the building should be incorporated into the future development of the Land. Council submits that its location within the proposed PUZ2 land and, more particularly, the proposed open space for the school site, readily lends itself to adaptive reuse.
118. Council also submits that:
 - 118.1. the Site Remediation Plan required as part of the Development Plan needs to address issues relevant to the retention of heritage assets on site; and
 - 118.2. the Heritage Assessment required as part of the Development Plan needs to address:

- a. how the site's heritage is interpreted in the future development of the site;
and
- b. provide guidance on the on-going maintenance and management of the heritage places to be retained.

PROPOSED RESPONSIBLE AUTHORITY

119. On 5 April 2017, the City of Yarra has resolved to, in principle, invite the Minister for Planning to be the responsible authority for the Land subject to:
 - 119.1. The development and approval of the business case by the Department of Treasury and Finance to fully fund both the relocation of the Fitzroy Depot and the construction of a six court indoor sports stadium;
 - 119.2. Council being satisfied with the intent of the draft masterplan as reflecting the key principles of the Council's adopted Urban Design Framework for the site and the adequacy of the heritage study and tree study.
120. On 20 March 2018, in its resolution that considered Amendment C243, Council confirmed that:

It had not yet received the business case for the construction of the six court indoor sports stadium, and at present, has some concerns with the proposed planning scheme provisions.
121. Despite ongoing dialogue with Development Victoria, this remains the case.
122. Council requires confirmation of the business case to ensure that it will not be financially disadvantaged by the proposal, particularly as the relocation of the Fitzroy Depot is likely to come at a significant cost.
123. The concerns the Council has with the proposed amendment have been outlined in this submission.
124. While there is still uncertainty in relation to these matters, it does not support the proposal to make the Minister for Planning the responsible authority for the Land at this point in time. It submits that Council should remain the responsible authority for the Land and be responsible for the approval of the development plan and permits under the DPO16 and the Yarra Planning Scheme.

OTHER MATTERS

125. Council also requests that the Advisory Committee consider:
 - 125.1. the need to remedy the absence of east-west public transport along Alexandra Parade;
 - 125.2. the need for an improved ratio of open space to density including appropriately located deep tree planting for canopy shade, accessible housing and how the proposal will be respectful of the surrounding heritage area.
126. Council submits that Development Victoria should be encouraged to liaise with the relevant authorities to explore opportunities to address these matters.

CONCLUSION

127. For the reasons set out above, we respectfully request that the Advisory Committee recommend that the amendment be adopted with the changes recommended by Council.

Date 24 April 2018

Kim Piskuric
HARWOOD ANDREWS
on behalf of the City of Yarra