

MINISTERIAL ADVISORY COMMITTEE

# Fishermans Bend Advisory Committee – Report to the Minister for Planning on Draft Fishermans Bend Framework

The next chapter in Melbourne's growth story

October 2017



# CONTENTS

<b>1. Executive Summary</b>	<b>1</b>		
<b>2. Introduction</b>	<b>4</b>		
<b>3. Background</b>	<b>6</b>		
<b>4. Community and Expert Input to Planning to date</b>	<b>7</b>		
<b>5. Rationale and Vision for Fishermans Bend urban renewal</b>	<b>8</b>		
<b>6. Finance and Governance</b>	<b>10</b>		
6.1 Financial Plan	10		
6.2 Governance	12		
<b>7. Strategic and Statutory Planning</b>	<b>15</b>		
7.1 Proposed Planning Arrangements	15		
7.2 Density – protecting the Area from overdevelopment and underdevelopment	16		
7.3 Commercial uses – safeguarding Melbourne’s capacity for future office and commercial development	17		
7.4 Setbacks	20		
7.5 Delivering genuine mixed use across all of the five precincts	20		
7.6 Flexibility in the delivery of affordable housing	23		
7.7 Flexibility in the delivery of diverse housing	24		
7.8 Flexibility in the delivery of affordable business rentals	24		
7.9 Delivering public open space and reserving land for future requirements	24		
7.10 Managing parking and car use to enhance liveability and to ensure that substantial mode shift is realised	25		
7.11 Climate change mitigation and adaption and sustainability outcomes	26		
7.12 Ensuring that design excellence is achieved	27		
7.13 Protecting heritage assets and ‘the feel’ of the Area	28		
7.14 Establishing planning mechanisms to require super-lot or ‘street block by street block’ planning	29		
7.15 Public Realm Plans	29		
7.16 Ensuring that the planning arrangements properly consider development viability issues	29		
7.17 Providing incentives for development to proceed and to deliver public benefits	30		
7.18 Support for quality outcomes from existing planning approvals and current permit applications	31		
<b>8. Transport (including walking and cycling)</b>	<b>32</b>		
8.1 Key decisions on public transport	32		
8.2 Walking and cycling	33		
8.3 Implications of port and freight traffic	34		
8.4 Phasing of transport infrastructure	34		
8.5 Precinct Parking Plans	34		
8.6 Water transport	35		
<b>9. Sustainability, Contamination and Environmental Issues</b>	<b>35</b>		
<b>10. Community Infrastructure</b>	<b>36</b>		
<b>11. Public Open Space and the Public Realm</b>	<b>37</b>		
<b>12. Place Activation</b>	<b>39</b>		
<b>13. Utilities</b>	<b>40</b>		
<b>14. Affordable and Diverse Housing</b>	<b>41</b>		
<b>15. Fishermans Bend Employment Precinct (West of Lorimer, north of Westgate Freeway)</b>	<b>43</b>		
<b>16. Communications and Engagement</b>	<b>45</b>		
<b>17. Branding, Communications and Promotion</b>	<b>45</b>		
<b>18. Planning for Transition</b>	<b>46</b>		
<b>19. Summary of Recommendations</b>	<b>47</b>		

## 1. Executive Summary

Fishermans Bend is an area of unique potential and unique challenges. There are few cities of Melbourne's size and level of development that have over 480 ha of developable land on the doorstep of the Central Business District. The area is more than twice the size of the Hoddle Grid and its renewal is nationally significant. At the same time, given that the area is largely privately owned by 320 different owners and that four of the five precincts have been rezoned as Capital City Zone, its development cannot be planned and managed like other urban renewal areas. The realisation of the area's latent potential for job growth and sustainable living requires a unique approach.

The purpose of this Report is to provide informed comment on the draft **Fishermans Bend Framework - The next chapter in Melbourne's growth story** and to make recommendations about the draft Framework for consideration by the Minister for Planning. The Report has been prepared by the Fishermans Bend Ministerial Advisory Committee (MAC) following the MAC's

review of the extensive work undertaken by the Fishermans Bend Taskforce during 2016 and 2017 and its deep involvement in community and stakeholder engagement around planning for the Fishermans Bend Urban Renewal Area.

Overall, the MAC supports the approach taken in the draft Framework and is confident that it provides a sound way forward for Fishermans Bend.

In particular, the MAC endorses the approach to land use planning which addresses widespread concern about density by linking population and employment targets with built form controls while at the same time encouraging commercial development.

The MAC also supports the focus on jobs, innovation and the knowledge economy and welcomes the Victorian Government's bold action in purchasing the 38 ha Holden site in the newly designated Fishermans Bend National Employment and Innovation Cluster (Employment Precinct).



This precinct was included in the Urban Renewal Area well after the other four precincts, and the decision to defer detailed planning for the Employment Precinct until later in the year when due diligence work is finalised and specific consultation is undertaken is also supported.

The commitment to develop the Area as Australia's largest Green Star Community is an important development which reflects earlier recommendations by the MAC. The structuring of the draft Framework document around sustainability goals is a strong statement which provides a clear indication of intent and allows for ongoing measurement of progress in the creation of a socially, economically and environmentally sustainable community.

In relation to transport, the draft Framework's emphasis on connections is strongly supported. Early delivery of active transport links, tram service enhancements, new tram connections and provisions to discourage car use will be essential to delivering the ambitious target that only 20% of all trips in the Area will be by car. And this target is essential to ensure the liveability of Fishermans Bend and to avoid unacceptable congestion in and around the Area.

The MAC is acutely aware that given the high cost of land in the Area and the relatively small amounts of existing publicly owned land, it is challenging to achieve adequate green open space for a high density, mixed use community. The MAC is pleased with the commitment to deliver an additional 35.08 hectares of public open space as outlined in the draft Framework. The approach of setting targets and adopting a wide range of strategies to achieve usable green space is also supported. The early purchase and development of the Ferrars Street park by the Victorian Government and the City of Port Phillip is very encouraging, as is the proposal to develop linear parks by reallocating road space.

As with transport and open space, the early delivery of community facilities is also critical for the liveability of the Area, for attracting residents and businesses and for underpinning the confidence of the development industry. The principles of colocation of community facilities and of partnerships for the delivery of these facilities as outlined in the draft Framework are supported by the MAC, as is the welcome progress on schools.

As is clear from this Summary, the MAC is generally satisfied with the progress made in the planning for Fishermans Bend. As both the draft Framework



and this Report make clear, however, there are a number of important issues which are still to be resolved and a great deal more work needs to be done in getting from plans to outcomes over the long term.

The MAC is particularly keen to ensure that development viability is considered in all planning for the Area and that sound planning and processes provide the incentive to invest and build.

The Report includes 76 recommendations. It should be seen as a checklist of issues needing early and/or ongoing attention.

**The issues include:**

- the need for an integrated approach to driving the urban, social and economic innovation essential to achieving the Vision for Fishermans Bend
- the finalisation and implementation of the funding and financing plan including engagement with the Commonwealth Government in relation to a potential City Deal to support for the National Employment and Innovation Cluster (Employment Precinct) and in relation to affordable housing initiatives

- governance arrangements which integrate ongoing land use planning with industry 'curation' and provide strong leadership for the development of the Area
  - further development and fine tuning of the planning controls
  - understanding the planning implications of the developing Internet of Things and issues of interoperability and data management
- detailed precinct planning for the Capital City zoned precincts
- detailed planning for the Employment Precinct as a mixed use precinct
- commitment to give priority to a Metro station in the Employment Precinct to support job growth and to connect the people of the West to those jobs, not Wirraway which is principally a residential area
- further work on the action necessary to mitigate the impact of freight from Webb Dock on amenity
- early implementation of the tram route between the CBD and Lorimer and the Employment Precinct as an extension of Collins Street, and active transport routes in and around the Area including the Bay Street to City bike connection
- early implementation of the Turner St Boulevard providing a green spine for the Employment Precinct supported by the new tram line and a safe walking and cycling route through the area
- early implementation of the Normanby Road Boulevard in conjunction with the proposed Development Plan Overlay developed with Normanby Road owners
- development of a branding, communications and promotion strategy for the Area
- implementation of an early place activation strategy
- commitment to ongoing work with the surrounding community and stakeholders on the planning, transition and implementation issues in Fishermans Bend's urban renewal.

The Victorian Government has indicated its willingness to take bold action to ensure the success of Fishermans Bend. This Report provides input into the next stage of realising the Vision.



## 2. Introduction

In April 2015 the Minister for Planning announced a review and recast of planning for Fishermans Bend Urban Renewal Area. The scope of this recast included:

- expanding the Urban Renewal Area to include the 'Employment Precinct' (now the Fishermans Bend National Employment and Innovation Cluster) south of the Yarra River and north of the Westgate Freeway
- adopting a 'neighbourhood precinct' approach to planning for development
- introducing mandatory interim height controls
- establishing the Fishermans Bend Ministerial Advisory Committee to provide advice, and
- strong commitment to the involvement of Councils, stakeholders and the community.

The Ministerial Advisory Council (MAC) was originally appointed in July 2015 and included three community representatives, the Mayors of both local government authorities and six experts, including the Chair. A nominee of the Property Council was included in April 2016. The Lord Mayor of Melbourne delegated his role to the Chair of the Council's Planning Committee until November 2016 and then to the Deputy Lord Mayor.

The Committee is established pursuant to Section 151 of the Planning and Environment Act 1987. It comprises twelve (12) members including:

- Meredith Sussex AM, Chairperson, expert in public administration and city planning
- Lord Mayor Robert Doyle, Elected Representative City of Melbourne (represented by Cr Ken Ong until November 2016 and then by Cr Arron Wood as delegates)
- Mayor Bernadene Voss, Elected Representative City of Port Phillip (replaced Cr Amanda Stevens in November 2015)
- Lucinda Hartley – urban renewal, design and community engagement expert
- Michelle Howard – social infrastructure, community engagement expert
- Eric Keys – integrated transport planning expert
- Rob McGauran – architecture, urban design and housing expert



- Mark Woodland (from February 2017) – statutory and strategic planning, land development industry expert (replaced Tania Quick – resigned October 2016)
- Christian Grahame – private sector property development expertise (from April 2016)
- Janet Bolitho – community representative and former Mayor, City of Port Phillip
- Helen Halliday – community representative, former councillor and Fishermans Bend Network member
- Phil Spender – community representative and local businessman.

In October 2015, the MAC produced its first Report – a review of planning for Fishermans Bend to that time. This Report included 40 recommendations to guide future planning. In its response to the MAC Report in January 2016, the Government fully endorsed 34 recommendations and partially



supported the other six.

Very significant progress has been made on the planning for Fishermans Bend during 2016 and 2017.

The Fishermans Bend Taskforce was established in February 2016, led by a highly capable executive with strong development experience and supported by a skilled team drawn from the key organisations involved in the future of Fishermans Bend – including both Councils.

Since the establishment of the Taskforce, detailed due diligence and planning work has proceeded in close collaboration with the MAC. The Taskforce has also led an effective community and stakeholder engagement program which has provided invaluable input to the planning process.

In September 2016, a new Vision for Fishermans Bend was endorsed and released and was met with general approval. Also in September, the

MAC released its second Report – a summary of a Forum on ‘Innovation Evidence and Outcomes’ attended by over 60 experts from all the fields relevant to planning for Fishermans Bend – including local community experts.

As a clear demonstration of Victorian Government and local Government commitment to Fishermans Bend, a new school and community facilities are under construction in Montague, due to open for the 2018 school year. In parallel, land has been purchased for a new park in the same area, funded by the State Government and the City of Port Phillip with additional funding allocated for the development of this park.

In addition, in October 2016 the Victorian Government announced the purchase of the 38 hectare former Holden site in the heart of the Fishermans Bend Employment Precinct. This will provide an anchor to assist the development of Design, Engineering and Advanced Manufacturing industries in the precinct, building on the strengths of the existing industries in the area.

Then in November, stronger interim planning guidelines were put in place to guide the assessment of development applications during the planning phase. At the same time as releasing these guidelines, the Minister announced that a new Strategic Framework Plan and new statutory planning arrangements will be in place before the end of 2018.

#### **MAC Revised Terms of Reference**

Revised terms of reference issued to the MAC in May 2016 reinforced the role of the MAC in providing independent advice to the Minister regarding the planning stage of the Fishermans Bend project defined as ‘the development and delivery of final draft plans and a draft amendment to the relevant Planning Schemes’. The scope of the MAC’s role is thus defined very broadly.

The terms of reference specify that the MAC must provide advice about a Strategic Framework Plan, four neighbourhood precinct plans, an employment precinct plan, a community engagement plan and a funding plan.

This Report broadly uses the structure developed in the first MAC Report (October 2015) to comment on the draft **Fishermans Bend Framework – The next chapter in Melbourne’s growth story.**

## 3. Background

Fishermans Bend comprises 480 hectares of flat, underutilised land adjacent to the CBD of Melbourne. Its renewal is a unique opportunity for Victoria and Australia.

The redevelopment of Fishermans Bend provides the opportunity to develop a thriving new workplace location for the high end service industries which have been driving Melbourne's growth, and to grow the significant creative industries presence already clustered in the Area.

It provides the opportunity to develop another area of highly desirable inner city residential living, near infrastructure, new jobs and services, and to pursue new approaches to affordable housing.

It provides the opportunity to showcase best practice in the development of high and medium rise, high density, liveable communities.

And it provides the opportunity to develop a hub for 21<sup>st</sup> century knowledge and innovation economy jobs.

At the same time, the challenge to realise the ambition of an attractive mixed use area with 80,000 residents and 80,000 jobs within 30 years is also unique.

Fishermans Bend is largely privately owned by 320 different owners. This is unlike almost all broad-acre urban renewal areas around the world which have mostly been on publicly owned land (Docklands, Barangaroo, Canary Wharf, Boston Waterfront, New York Naval Yards, Malmo etc)

On publicly owned land, Government owners have control over master planning, land release, the use of the land(employment/residential), contamination remediation, utility construction, order of development, public realm and even building design and standards. All of these issues require a completely different approach in an urban renewal area which is privately owned with multiple owners.

Government owners can and do surrender value created through the development process in order to achieve wider objectives seen as essential by the community, like sustainability and affordable housing. While these and other objectives can be met by regulation on privately owned land, the underlying question of development economics and consequent development viability is



fundamental in the renewal of privately owned land like Fishermans Bend.

There are few national or international precedents for the Fishermans Bend ambition, and none where half of the area has been rezoned permissively as is the case with four of the five precincts in Fishermans Bend.

All of these challenges were canvassed in the MAC's first Report in October 2015. Nearly two years of intensive work by the Fishermans Bend Taskforce in collaboration with the MAC and extensive community and stakeholder consultation has produced an integrated package of plans and measures which address the range of issues in relation to these challenges.

This package of plans and measures is contained or foreshadowed in the draft **Fishermans Bend Framework – The next chapter in Melbourne's growth story.**





The MAC supports the approach outlined in the draft Framework that recognises that Fishermans Bend’s unique potential and unique challenges require a unique response to its urban renewal. The proposed response as outlined in the draft Framework provides a concentrated focus on sustainability, early investment in infrastructure, much more directive land use planning controls, an actively interventionist role in industry assistance and ongoing community and stakeholder engagement.

Building on the decisions which have already been taken by the Victorian Government in Fishermans Bend, the draft Framework provides the basis for future success.

We look forward to the finalisation of the draft Framework and to further work with the local community, business and developers to develop the precinct plans.

## 4. Community and Expert Input to Planning to date

A strength of the process in refreshing the Vision for Fishermans Bend and testing the key elements of the draft Framework has been targeted community and stakeholder engagement, alongside broader opportunities for community input. The values and directions established in the Vision informed the planning process to create a strong mandate for the draft Framework.

Key messages from this engagement process include:

- high priority placed on early delivery of public transport services
- high pedestrian and cycling amenity
- managing traffic and the amenity impacts of growth
- certainty in relation to accessible and functional open space
- certainty of planning of additional community infrastructure to avoid additional impost on existing infrastructure
- provision of community infrastructure to meet the needs of all life stages
- activation of the ‘employment precinct’ beyond working hours
- mixed use environments to encourage active streets and safe environments
- certainty of planning controls and requirements for developers
- support for social interaction and opportunities to ‘build connection and community’
- on-going support for local businesses and employment
- supporting transitions in business and employment
- housing to meet a range of household needs including affordable key worker housing
- protection of built heritage
- acknowledgement of ‘living history’
- recognition and respect for local character in precinct planning, and
- a strong interest in on-going active involvement in the planning process beyond feedback on plans and ideas.

The draft Fishermans Bend Framework seeks to address these important issues and aspirations as does this Report.

## 5. Rationale and Vision for Fishermans Bend urban renewal

In its first Report, the MAC recommended the refreshing of the Vision for the Area using the 2013 Draft Vision for Fishermans Bend as a baseline.

The MAC was involved in the community consultation on the recasting of the Vision in the first half of 2016 and strongly supported the revised Vision released by the Government in July 2016.

Since that time, the ambition for the renewal of the Area has been reinforced by the release of Plan Melbourne which locates the Fishermans Bend Area within the overall planning for Melbourne, positions it as a high priority urban renewal area and nominates the 'Employment Precinct' as a National Employment and Innovation Cluster with a focus on design, engineering and advanced manufacturing and associated education and research facilities. The emphasis on innovation anticipates the development of hubs for rapid prototyping, collaboration and testing of products and ideas.

The Vision for Fishermans Bend has also been reinforced by the commitment to develop the Area as Australia's largest Green Star community – a community which is socially, economically and environmentally sustainable.

This commitment has been given effect by eight sustainability goals which underpin the draft Framework Plan. These goals and their associated objectives, strategies and targets will allow ongoing focus on outcomes and measurable indicators of progress towards those outcomes. The MAC strongly supports this approach.

As a general point, the MAC is concerned that the targets be clearly measurable and suggests, where relevant, that the targets be aligned with the those already being measured at a population level through Community Indicators Victoria and others.

At the same time, the MAC has a number of suggestions to improve and strengthen the targets, objectives and strategies supporting the Goals.

In relation to **Goal 1 – a Connected and Liveable Community**, the MAC recommends that the commentary be strengthened to reflect the critical importance of the 80:20 mode share split in



enhancing liveability and in mitigating increasing congestion while at the same time reflecting the short and long term difficulty in achieving acceptance of restrictions on car use in the Area.

In relation to freight, the MAC acknowledges the draft Framework's attention to the potential for conflict between dense residential development in Lorimer (projected 6000 dwellings) and the freight task from Webb Dock and recommends inclusion of a specific provision for the ongoing monitoring of this issue.

On the issue of the Metro 2 rail line, the MAC firmly recommends that the second station in Fishermans Bend should be in the Employment Precinct NOT Wirraway. While it is acknowledged that the detailed planning for this train line has not been done, the MAC's view is that just as Metro 1 supports the Parkville biomedical National Employment and Innovation Cluster, Metro 2 must support the Fishermans Bend design, engineering and advanced manufacturing National Employment and Innovation Cluster.

In relation to **Goal 2 – A Prosperous Community**, the MAC supports the increase in the 2050 job target in the area from 40,000 to 80,000 as outlined in the draft Framework.

As the planning for the Employment Precinct develops, the new job target should be given substance by the inclusion of objectives and targets related to:

- the attraction and retention of talented and skilled people - a key objective for innovation success
- the need to link knowledge, education, jobs and places to provide the connected ecosystem required for 21<sup>st</sup> Century jobs
- the start-up economy as an enabler of change and disruption - the keys to driving economic growth in the design and manufacturing sectors
- the attraction and retention of creative industry enterprises and workshop space, and
- the role of universities and knowledge institutions in delivering the economic vision.

Targets which could be considered include:

- percentage of workers in Fishermans Bend who also live in the Area
- global businesses which anchor in Fishermans

Bend to access the talent pool

- affordable housing for early career researchers and workers in start ups
- affordable business rentals for creatives and start ups

In addition, the MAC recommends that the draft Framework give more emphasis to enabling the rapid development of smart city technologies. Over time, smart technologies will support every aspect of urban life and it is critical that the draft Framework reflects the planning implications of the developing Internet of Things and issues of interoperability and data management.

In relation to **Goal 3 – An Inclusive and Healthy Community**, the MAC proposes a bolder target for affordable housing as a fundamental underpinning of the Area and its Vision.

On open space, the MAC supports the commitment to develop an additional 35.08 hectares of public open space in the Area and to target additional open space as a public benefit to be provided in the context of Floor Area Uplift. The MAC further endorses the target that all residents should have access to public open space within 200 metres of their home and a play space within 400 metres.

The MAC notes that the Victorian Government and the City of Port Phillip have demonstrated their commitment to open space in the area through the purchase of the Ferrars Street park.

In addition, the MAC recommends giving priority to the development of the proposed Turner Street Boulevard in order to showcase the open space, active transport and biodiversity vision for Fishermans Bend. Priority should also be given to the Normanby Road Boulevard in conjunction with the proposed Development Plan Overlay developed with Normanby Road owners.

On **Goals 4-8** relating to environmental sustainability, the MAC is supportive of the commentary, targets, objectives and strategies as outlined. In particular, the MAC supports the strong emphasis on water as a defining theme of these plans. In **Goal 5, A Water Sensitive Community**, consideration should be given to the inclusion of a target and strategy relating to soil permeability in both the public and private realm to support other storm water measures and enhance the greening of the Area. Grassing of the tram tracks

is a strategy adopted in many international jurisdictions which should be implemented in Fishermans Bend.

Finally, the MAC notes that a Fishermans Bend Sustainability Plan is in development. In this context, it is worth considering the alignment of the targets with the UN Sustainable Development Goals (Cities) in order add weight to the targets and to emphasise the status of Fishermans Bend as an internationally significant urban renewal and innovation precinct.

## Recommendations

- Revise of the targets, objectives and strategies as follows:
  - align the targets with existing data collected at a population level
  - strengthen the commentary on the critical importance of the 80:20 mode share split
  - provide for the ongoing monitoring of freight relating to Webb Dock
  - establish the preference for a heavy rail station in the Employment Precinct in the planning for Metro 2 in order to support job growth in the precinct and to provide access to those jobs from the Western suburbs
  - foreshadow the inclusion of job related objectives and targets in the context of planning for the Employment Precinct
  - give emphasis to the role of smart cities technologies
  - give priority to the development of the proposed Turner Street Boulevard in order to showcase the open space, active transport and biodiversity vision for Fishermans Bend.
  - give priority to the Normanby Road Boulevard in conjunction with the Development Plan Overlay to be developed with Normanby Road owners
  - include a target and strategy relating to soil permeability in both the private and public realm (specifically including the grassing of the tram tracks) to support other storm water measures and enhance the greening of the Area.

## 6. Finance and Governance

### 6.1 Financial Plan

The MAC's first Report identified the need for a short, medium and long term financial plan for the development of Fishermans Bend which considers all potential sources of funding including open space contributions, development contributions, special rates/levies, local and State government revenue, debt financing and possible Commonwealth Government funding.

This plan is one of the most important signals to the investment market that the Government is serious about the Vision and ambition for the Area. It is noted that the Taskforce, in consultation with central government agencies and local government is well advanced in developing the funding plan.

Fishermans Bend presents a unique opportunity to embrace 'value capture mechanisms' - often talked about but seldom done. Fishermans Bend's combination of scale, defined boundaries and investment requirements creates a unique opportunity for new and innovative approaches to funding the Area's redevelopment. Some of these opportunities have already been missed as a result of the earlier value uplift from the rezoning to Capital City Zone. Uplift is still occurring, however, and value capture across the Area is still important. In addition, any future rezoning of any part of the Fishermans Bend Employment Precinct should be linked to introduction of a comprehensive value capture scheme.

Furthermore, the implementation of major infrastructure works like the new tram /bike/ pedestrian link as an extension of Collins Street provides an opportunity to showcase Victoria's newly announced Value Creation and Capture Framework released by the Premier in March this year.

At the same time, it is important to acknowledge that the Commonwealth and State Governments have already benefited financially from Fishermans Bend through company tax, GST, land tax and stamp duty receipts and this will continue to grow as the Area develops.

The Fishermans Bend Taskforce is currently preparing a funding scheme that has four key value capture elements:

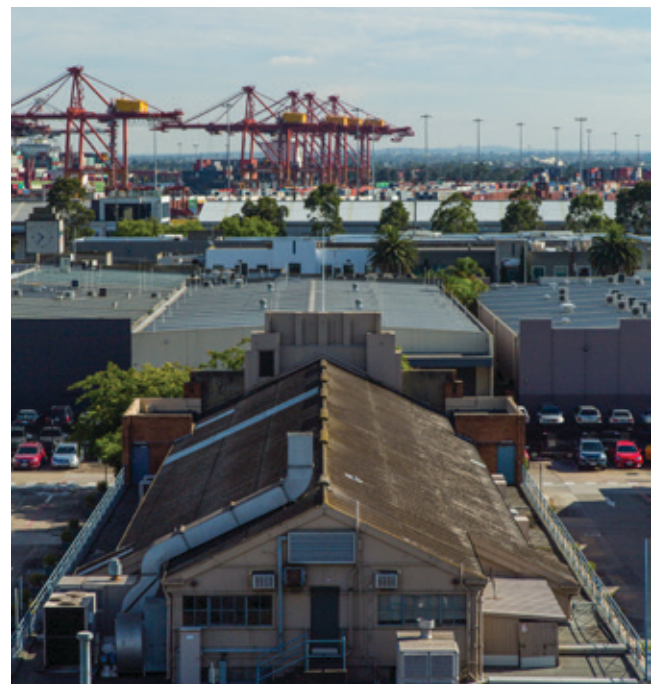


- Developer/Infrastructure Contribution Plan
- Open Space Contributions
- Community Infrastructure Levy
- Council rates (including special charges) from the renewal area

It is reasonable to expect that these four sources will fund the required open space and local community infrastructure and provide the land needed for education, transport and other State services. Additional mechanisms and/or Budget commitments will be needed to provide early funds for items such as key transport and education facilities.

In relation to open space, it is noted that the level of new open space provided for in the draft Framework is based on the assumption that the Open Space Contribution in Fishermans Bend will be 10%. Given the clear need for significant additional open space in the Area, the benefit of that open space to developers and the value uplift which has occurred in the Area and will continue over time, this level of contribution is supported by the MAC.

As an aside, the MAC notes that the value capture opportunity that naturally occurs by allowing rate revenue to increase as a result of rising property values has been compromised as an unintended consequence of "Fair Go Rates System". Under this rate capping scheme, Melbourne City Council and Port Phillip City Council rate payers outside the Fishermans Bend development area enjoy rate relief as a result of the value uplift of properties in



Fishermans Bend while the State accumulates the liabilities for the needed facilities such as transport and education and local government accumulates the potential liability for open space and community infrastructure. This matter warrants further attention.

The engagement of the Commonwealth Government (through the City Deals policy and recently announced affordable housing programs) and the private sector are also critical to delivery of the Vision. The Fishermans Bend funding scheme must be clear and transparent, known up front and

able to be factored into investment decisions of all involved parties.

Over time, Fishermans Bend will compete for private sector investment with other local urban renewal precincts such as Arden/ Macaulay and more generally with other infill locations. The level of value capture in the Area will affect the relative development viability of Fishermans Bend and this must be a consideration in planning for the Area. The funding arrangements should not unduly burden developers over other beneficiaries nor discourage Fishermans Bend development in favour of other locations. Opportunities for partnerships between private sector and government should be encouraged particularly where this will facilitate the early and cost effective delivery of infrastructure.

Decisions are needed now as significant property value uplift has already occurred and will continue as infrastructure is rolled out. The MAC supports the principle of an equitable and efficient funding scheme with contributions from users, beneficiaries and general revenue. To maintain planning certainty and investment confidence, action is required to establish a funding scheme that is clear and transparent and known in advance of further land purchase or development.

## 6.2 Governance

Governance was identified as a major issue in the first report of the MAC and the establishment of the Taskforce was an important interim step in addressing this matter. Over the last 18 months, it has become clear that the unique circumstances in the urban renewal of Fishermans Bend require the next step in the development of governance arrangements.

The normal process for urban development on privately owned land in Victoria is for strategic and statutory land use planning to be finalised and then for the market to deliver the outcome consistent with those plans in conjunction with State/local government. As outlined in the background work to the draft Framework by SGS Economics and Planning, this 'business as usual' approach in Fishermans Bend will not deliver the Vision for the Area, will be costlier for State and local government and will have sub optimal economic, environmental and social outcomes. In particular, SGS (2016) estimates that strong integrated governance will

### Recommendations

- Establish a comprehensive value capture scheme to support the funding of public infrastructure.
- In consultation with the local government authorities, establish a properly constituted Developer and/or Infrastructure Contribution Plan that provides for works in kind as well as cash contributions and rewards early provision of social infrastructure.
- Provide for a 10% open space contribution to allow the delivery of the proposed new open space in Fishermans Bend.
- Establish a mechanism to ensure that rates in Fishermans Bend can be used as a method of value capture within the Area to address the unintended consequences arising from rapidly escalating property values failing to lift rate revenue as expected and consider specifically excluding it from the 'Fair Go Rates System' on the basis of its unique and State significant urban renewal status.
- Establish administrative procedures across relevant State and local government agencies to ensure that a proportion of the value created by public investment in Fishermans Bend is retained and used to meet the needs of the Fishermans Bend redevelopment.
- Engage the Commonwealth Government under the City Deals program to support the Fishermans Bend redevelopment by contributing to early initiatives, particularly the tram and active transport links and affordable housing.

deliver 18,000 more jobs and \$2.3 billion more economic activity in Fishermans Bend than a standard market led approach supported by business as usual governance.

Currently, critical responsibilities for the delivery of Fishermans Bend are located in a number of different organisations with no one organisation accountable for its ultimate success.

In order to deliver the Vision, Fishermans Bend needs governance arrangements which provide for:



- the bringing together of ongoing responsibility for land use planning and industry ‘curation’ (but not final approvals)
- strong leadership with a concentrated focus on Fishermans Bend and a mandate to drive development and promote Fishermans Bend as an internationally significant location which attracts and nurtures talented people who will live, work, play and learn in the Area
- master planning for the Area
- a change management process which combines economic and community development, place activation, brokerage of partnerships, community capacity building and support of a culture of transition
- the provision of integrated and timely advice to the Minister for Planning and the City of Melbourne and the City of Port Phillip respectively on existing and future land use planning applications in the Area, including the negotiation of S 173 agreements and site by site works in kind by the private sector
- support and assistance to industry and business to locate and invest in the Area and to universities and research institutions (including international universities) to partner with and cluster with new knowledge based businesses in the Area
- support and assistance to existing businesses which wish to continue operation in the Area
- a single point of contact for developers and landholders to facilitate delivery of community benefits and publicly accessible assets
- the coordination of the efforts of government agencies to plan the infrastructure and service requirements of the Area, taking account of development economics and likely budget capacity and priorities
- the cost effective and timely delivery of decontamination strategies and the roll out of utilities, roads and lanes, public realm and open space in conjunction with other agencies
- the development and implementation of strategies which deliver affordable and diverse housing spread across the Area;
- the development and implementation of strategies to support new community infrastructure delivery models, including

- integrated delivery within private development;
- the development and implementation of mechanisms which will encourage philanthropic support for cultural institutions to locate and operate in the Area
- transparent processes to ensure probity and
- strong stakeholder and community engagement.

Effective governance arrangements for Fishermans Bend would need to have, or have access to, all the powers necessary to carry out its role, including the power to acquire land, close roads, collect and spend funds from development contributions, public open space contributions and other value capture mechanisms agreed by government, the power to borrow against future revenue streams and other necessary powers. In addition, effective governance arrangements would need to have the authority to engage with the Commonwealth Government and other prospective development partners as agreed by government.

One option, which is supported by many industry and community groups and the MAC, is to establish a new governance arrangement to provide strong leadership for the Area and for the delivery of the Vision. The MAC proposes that this option be developed in careful consultation with the City of Melbourne and the City of Port Phillip in order to learn from the experience in the development of Docklands.

Reflecting the collaborative approach which has led to the draft Framework under current consideration, the MAC further proposes a new governance arrangement should be required to consult in accordance with an agreed plan with the City of Melbourne and the City of Port Phillip, the local community and local businesses affected by its decisions, and with the wider Melbourne community.

In addition, the MAC proposes that the governance arrangement have a finite life, subject to review within 10 years.





## Recommendations

- Establish governance arrangements for Fishermans Bend which bring together ongoing responsibility for land use planning and industry 'curation' reflecting the unique circumstances and ambitions for the Area and providing for strong leadership with a concentrated focus and a mandate to drive development, a hands on integrated approach to problem solving and the powers and authority to act.
- Define the mandate, powers, approach, membership and lifespan of the governance arrangements as outlined in section 6.2 of this Report.



## 7. Strategic and Statutory Planning

Given that most of the Fishermans Bend Urban Renewal Area is privately owned, land use planning regulation is one of the main available mechanisms to drive development outcomes.

The planning arrangements introduced in 2014 precipitated a series of development applications which, if all of them were approved and developed, would not have delivered the outcomes sought by either the original Vision for the Area or the recast 2016 Vision. Taken together, these applications provided for very high residential densities in some areas and underdevelopment in others, insufficient employment uses or future adaptability, an emphasis on yield over amenity and inadequate attention to the public realm.

The MAC's first Report recommended the introduction of additional interim controls including plot ratio controls and additional interim podium height and setback controls to supplement or replace the interim height controls introduced by the Minister for Planning in April 2015 (Amendment GC29).

Interim controls which included all of these characteristics and some other provisions were introduced by the Minister for Planning in November 2016 (Amendment GC50). These interim controls will ensure that some of the most inappropriate development applications will not proceed and that other proposals are likely to be remodelled to produce better outcomes.

At the same time, it is notable that even the 2014 controls and the permits approved under those controls have led to little actual development in the Area.

The critical issue now both for delivering the Vision and for developer confidence is the scope and nature of the final planning controls.

### 7.1 Proposed Planning Arrangements

The policy intent of the statutory planning arrangements is outlined in the draft Framework and the Taskforce is currently finalising draft permanent planning controls for the four Capital City zoned precincts. This Report therefore does not comment on the detail of the controls.

The following issues are critical in developing planning controls for Fishermans Bend.

- Density – protecting the Area from overdevelopment and avoiding underdevelopment
- Commercial and office use- protecting the short and long term value of the Area as an extension of the CBD and Docklands
- Setbacks
- Delivering genuine mixed use across all of the five precincts (including the Employment Precinct)
- Flexibility in the delivery of affordable housing that enables significant affordable housing supply to be delivered.
- Flexibility in the delivery of diverse housing
- Flexibility in the delivery of affordable business rentals
- Delivery of Public Open Space protected from overshadowing and reserving land for future requirements
- Managing parking and car use to ensure that substantial mode shift is realised
- Climate change mitigation and adaption and sustainability outcomes
- Protecting the heritage and 'feel' of the Area
- Planning mechanisms to allow super-lot and/or street block by street block planning
- Public Realm Plans
- Contribution to the enhancement of key active transport corridors and public open space
- Rigorous attention to development viability in all planning controls and development assessment
- Incentives for development given the need to impose stricter planning controls in Fishermans Bend than in other parts of Melbourne given the unique circumstances and planning history of the Area
- Support for quality outcomes from existing planning approvals and current permit applications.

The MAC is satisfied that these issues have been addressed by the approach to planning outlined in the draft Framework and supports that approach subject to the issues in this section being addressed, and to the implementation of

governance arrangements which allow for nimble response to the development environment and the integration of land use planning with industry curation as described in the governance section of this Report. The MAC will be providing detailed advice on the translation of the draft Framework into the controls when the draft controls are settled.

### Recommendation

- Support the proposed combination of planning provisions subject to the issues outlined in section 7 being addressed, subject to a full review of the translation of the draft Framework into the controls when the draft controls are settled and subject to the implementation of governance arrangements which allow for nimble response to the development environment and the integration of land use planning with industry curation as described in section 6.2 of this Report.

## 7.2 Density – protecting the Area from overdevelopment and underdevelopment

Since 2012, all of the planning for the four precincts zoned Capital City has been predicated on a 'carrying capacity' for the Area of 80,000 residents and 40,000 jobs. These targets have been confirmed by extensive research and consultation. It is recognised however, that these residential densities are relatively high even by international standards and very careful attention to ongoing planning, and the implementation of those plans, is essential for the Area to be liveable for residents and attractive for businesses and workers. An essential underpinning of this planning is the introduction of density controls.

At the same time, there is a danger that low density development put in place now could undermine the potential of the Area to deliver homes and jobs for Melbournians and underuse the infrastructure investment planned for the Area, particularly the very expensive transport infrastructure.

The MAC supports the view that areas around transport infrastructure should be identified as locations for the greatest employment and residential densities and that maximum plot ratios should be applied across the Area, according to development outcomes sought.

The draft Framework proposes the use of floor area ratios (FAR), floor area uplift (FAU) and building heights to ensure that the desired vision for each Capital City zoned precinct within the wider Urban Renewal Area can be realised. (Note that no change to the planning controls within the Fishermans Bend Employment Precinct are proposed at this point in time).

The draft Framework sets maximum Floor Area Ratios and a combination of mandatory and preferred height limits for each precinct. The particular Floor Area Ratios, Floor Area Uplift and building heights have been nominated across precincts based on their capacity to contribute to the overall mixed use vision for the wider precinct, as well as to reflect the desired vision for each specific neighbourhood set out in the Fishermans Bend Vision document (September 2016), and to deal with issues like overshadowing.

The highest densities are proposed along the nominated new tram routes and around the planned Sandridge Metro station and densities diminish further away from these transport nodes. For example, the Floor Area Ratio and building heights nominated for the 'non-core' parts of the Wirraway precinct (ie not adjacent to the tram route) are 2.1:1 and 6 storeys whereas in the 'core' parts of the Sandridge precinct (adjacent to the tram route and proposed metro station), the proposed Floor Area Ratio is 8.1:1 and permitted building heights are unlimited except where constrained by overshadowing.

The Plan proposes that the maximum residential Floor Area Ratios can only be exceeded if specific limited and important public benefits relating to affordable housing and additional public open space are provided. In addition, more modest uplift benefits are proposed to incentivise the early delivery of nominated community infrastructure. The public benefits attracting residential uplift and therefore increased population are deliberately tightly limited given the imperative to limit development to the numbers planned for. The MAC strongly supports this approach.

In summary, the MAC supports the proposed combination of Floor Area Ratios and mandatory and preferred height limits for each precinct.



#### Recommendation

- Endorse the proposed combination of Floor Area Ratios and mandatory and preferred height limits for each Capital City zoned precinct and the operation of Floor Area Uplift in those precincts.

### 7.3 Commercial uses - safeguarding Melbourne's capacity for future office and commercial development.

In relation to permitted floor areas for commercial development, the MAC supports the view that there is a material risk that the Fishermans Bend employment targets are low, given the proximity to the CBD, the impending demand for CBD type office accommodation and the planned transport and amenity improvements in the Area. The



MAC therefore supports the proposal in the draft Framework to allow unlimited commercial floor areas within the height and overshadowing controls in order to accommodate additional commercial development and job creation.

The draft Framework also proposes that minimum commercial Floor Area Ratios be delivered in the core areas of all Capital City zoned precincts. The proposed commercial Floor Area Ratios in core areas vary from 3.7:1 in the Sandridge core precinct to 1.7:1 in Lorimer.

Minimum commercial Floor Area Ratios are not proposed in the non-core areas although it is the MAC's view that provisions should be included to support conversion of ground floor space in non-core areas to commercial use at a later date.

The MAC generally accepts the advice 'that the proposed minimum commercial Floor Area Ratios may be difficult for some developments to achieve, however without a minimum Floor Area Ratio requirement it is likely that current development trends will continue and the opportunity to create a truly mixed used extension of the capital city centre (as intended by the capital city zoning) that will support the economic growth of Melbourne

will be lost. This is particularly critical in Sandridge where the highest number of jobs and the creation of a significant commercial centre located on a new metro station are sought. There is significant development potential in the noncore areas to support a pipeline of development projects for Fishermans Bend if this mechanism has the impact of slowing development activity in core areas. Increasing residential population generally around these proposed activity core areas can help to create a critical mass of local residents to support new businesses within these centres. While not possible within current legislation, it would be more pragmatic for this minimum Floor Area Ratio requirement to be transferred between sites' (Hodyl 2017).

The MAC recommends consideration be given to changing existing legislation to allow the transfer of development rights in defined circumstances.

While noting the view that employment generating community facilities and accommodation should count as commercial for Floor Area Ratio purposes, the MAC remains concerned that the commercial/non-residential Floor Area Ratio requirements in core areas as set out in the draft Framework may

## Recommendations

- Support the proposal in the draft Framework to allow unlimited employment/commercial floor areas within the height and overshadowing controls in order to accommodate additional commercial development and job creation.
- Support the requirement for a minimum employment/commercial percentage of gross floor area in the core areas of Montague, Lorimer, Sandridge and Wirraway.
- Consider legislating to allow the transfer of development rights in defined circumstances.
- In order to encourage development, implement a transitional arrangement which allows the minimum requirement for the employment/commercial Floor Area Ratio in core areas to be reduced under certain circumstances for a period of 5 years on the condition that
  - the proposed development can demonstrate that mode share targets can be met for users of the development, and
  - the developer can demonstrate that reasonable endeavours have been made to meet the commercial Floor Area Ratio requirement, and
  - the developer agrees to an open book examination of the financial arrangements for the development by an Independent Development Viability Review Panel and that Panel agrees that the delivery of the requirement for a minimum commercial area affects the financial viability of the development, and
- the ground floor of the development is a commercial use, and
- adaptable floor plates and ceiling heights are provided to accommodate the proposed minimum requirement for employment uses and
- the potential for future commercial use is maintained by the retention of the space in one ownership and
- the entire development is consistent with the minimum Floor Area Ratio which would have applied if the commercial minimums were not reduced (in order to avoid underdevelopment in core areas).
- Where commercial uses are not proposed outside core areas, in addition to requiring floor plates and ceiling heights at ground level to be designed to support their adaptive reuse for commercial purposes at a later date, consider requiring that that ground floor space be retained in one ownership rather than sold on strata title.

be too much of an impediment to development in the short term, or could lead to empty commercial space in the Area which is a further impediment to development.

This tension between the long term needs of Melbourne and the shorter term plans of property owners and developers is one of the consequences of the early rezoning of such a large area of strategically located land and the subsequent land speculation which has occurred in Fishermans Bend.

As a compromise, and with some reluctance, the MAC proposes a solution which has been used in the US and the UK to balance regulatory requirements and development viability.

The proposal involves a transitional arrangement which allows the requirement for minimum employment/commercial Floor Area Ratio in core

areas to be reduced under certain circumstances for applications submitted within a set period – say 5 years. These conditions would include:

- the proposed development can demonstrate that mode share targets can be met for users of the development, and
- the developer can demonstrate that reasonable endeavours have been made to meet the commercial Floor Area Ratio requirement, and
- the developer agrees to an open book examination of the financial arrangements for the development by an Independent Development Viability Review Panel and that Panel agrees that the delivery of the requirement for a minimum commercial area affects the financial viability of the development, and

- the ground floor of the development is a commercial use, and
- adaptable floor plates and ceiling heights are provided to accommodate the proposed minimum requirement for employment uses and
- the potential for future commercial use is maintained by the retention of the space in one ownership and
- the entire development is consistent with the minimum Floor Area Ratio which would have applied if the commercial minimums were not reduced (in order to avoid underdevelopment in core areas).

The implementation of the Development Viability Assessment approach has been criticised as being too developer friendly. Following discussion with urban renewal practitioners in jurisdictions where it has been implemented, however, it is the MAC's view that the approach will deliver more public benefit in Fishermans Bend at this time than a rigid enforcement of a mandate in relation to minimum commercial floor space.

Where commercial uses are not proposed outside core areas, the MAC supports the proposal that the floor plates and ceiling heights at ground level on such sites should be required to be designed to support their adaptive reuse for commercial purposes at a later date. Consideration should also be given to requiring that this space be retained in one ownership rather than sold on strata title.

## 7.4 Setbacks

The draft Framework contains a series of strategies which are intended to protect internal amenity and deliver a high quality public domain.

It proposes that the street wall of buildings typically be a maximum of 4 or 6 storey (depending on the street width) and it allows for the street wall of buildings to be 8 storeys high on wider streets (at least 20 metres wide) but only in instances where the building does not exceed 10 storeys in overall height. The MAC supports these design strategies.

The draft Framework further proposes strategies containing variable separation distances between buildings, depending on the overall height of the building and the relationship between habitable and non-habitable rooms across site boundaries.

The proposed setback strategies are intended to provide for a greater diversity of building types than the existing setback provisions contained within the Planning Scheme which are predicated on the 'podium and tower' building type. As well as a greater diversity of design, the proposed strategies will facilitate the mix of residential and employment/commercial uses. The MAC notes that while the Area is zoned Capital City, it has always been intended that the Area will develop its own character, different from the CBD Capital City area. In principle therefore, the MAC supports inclusion of a more nuanced suite of design strategies in relation to building setbacks from front, side and rear boundaries on the basis that it will facilitate greater diversity of building types.

The proposed setback strategies set out in the draft Framework are more complex than the existing provisions, and the particular combinations of separation distances proposed in the draft Framework require further testing in order to ensure that acceptable internal amenity and public realm outcomes will be achieved. This can be considered in the context of the final planning controls.

### Recommendations

- Support the proposal that the street wall of buildings typically be a maximum of 4 or 6 storeys (depending on the street width) while allowing for the street wall of buildings to be 8 storeys high on wider streets (at least 20 m wide) but only in instances where the building does not exceed 10 storeys in overall height.
- Support in principle the inclusion in the planning controls measures which provide for variable separation distances between buildings depending on the overall height of the building and the relationship between habitable and non-habitable rooms across site boundaries on the basis that it will facilitate greater diversity of building types.

## 7.5 Delivering genuine mixed use across all of the five precincts

Mixed use development provides for a balance of residential, retail, office, business and community and cultural uses to be co-mingled in one location.



The principle is that people should be able to live, work, shop, play and learn in the same area, should they wish to do so. The advantage for residents is that they avoid long commutes and can move around by walking or cycling or by public transport. The advantage for businesses is that they generally have a stronger local market, and a location where talented workers want to work. The advantage for the economy is that international experience indicates that mixed use development seems to promote and attract 21<sup>st</sup> century jobs based on innovation.

Mixed use development is often contrasted with 20<sup>th</sup> century suburban residential zones and business only zones which prohibit housing and are empty at night.

There is clearly a role in both approaches in planning for Melbourne at 8 million people.

The ambition for the Capital City zoned precincts of Fishermans Bend is that they will be an exemplary showcase for high and medium density mixed use development. The draft Framework provides for controls and incentives which will provide for this development in Montague, Lorimer, Sandridge and Wirraway.

The area between the Westgate Freeway and the Yarra River, now nominated as the Fishermans Bend National Employment and Innovation

Cluster (design, engineering and advanced manufacturing), was added to the Fishermans Bend Urban Renewal Area three years later than the other precincts and was not rezoned in 2012. Due diligence and planning work for this precinct are still being finalised and because the land is zoned industrial, there is significantly less development pressure than in the other precincts. Further, the decision by the Victorian Government to purchase 38 ha of the 203 ha precinct provides a unique opportunity to shape the future of the precinct. These factors allow more time and scope for detailed planning for the precinct and the MAC supports the decision outlined in the draft Framework to allow this time.

At the same time, the MAC notes that the current plans are that the Employment Precinct will retain its industrial zoning. This broad acre zoning is a legacy of 20<sup>th</sup> century manufacturing in this area. While the MAC acknowledges the need to retain important manufacturing industries in this precinct and to protect certain types of industry from encroachment by sensitive uses, retaining this area in a traditional industrial zone is not consistent with the desire to attract knowledge based design, engineering and advanced manufacturing industries which tend to thrive in the vibrant, mixed use neighbourhoods where talented people want to live, work, learn and play.

The primary purpose of the Fishermans Bend National Employment and Innovation Cluster is and should continue to be the promotion of employment and innovation, with a particular focus on design, engineering and advanced manufacturing. The introduction of other uses into the precinct should be about supporting the primacy these activities. Large scale residential uses will not be appropriate.

At the same time, it is the MAC's view that once a new design, land use and infrastructure plan is established for the Employment Precinct, that parts of the precinct could be rezoned to allow new forms of industry and employment related activity within a higher amenity setting than is currently the case. The Holden Site presents an opportunity for the State Government to showcase how this can be achieved. Flexibility should exist for other land holdings to propose land rezoning where it will support the growth of jobs and investment in industries relating to design, engineering and advanced manufacturing.

The new design, land use and infrastructure plan for the Employment Precinct should establish a clear basis for ensuring value capture as land is

rezoned. The rezoning and development of this land should not only be about delivering on the desired employment and economic outcomes, but it should directly contribute towards the creation of a new amenity within which 21<sup>st</sup> century businesses can thrive.

It is important that the approach to the future orderly planning of this precinct minimises land speculation, as well as retaining appropriate land use buffers for important existing and future uses (including the Port). A staged approach to rezoning land in this area will also be an important means of securing affordable business rentals for new and emerging businesses over the medium and even long term.

The next phase of planning the Employment Precinct during this year should focus on resolving these issues and clearly there should be no consideration of any rezoning in the area prior to the finalisation of these plans. As discussed elsewhere in this Report, early delivery of public and active transport is critical for this precinct.

A new design, land use and infrastructure plan should be completed for the Employment Precinct as a high priority. Once this plan is





in place, consideration should be given to the staged rezoning of parts of the precinct to allow new forms of industry and employment related activity. Any such rezoning must ensure that it can deliver knowledge based design, engineering and advanced manufacturing industries, and that other land uses permitted by such rezoning be supportive of this goal. Such rezoning should facilitate the creation of a higher urban amenity setting than is currently the case. It must ensure that future development contributes towards the creation of essential infrastructure and amenity within the area and that development does not result in the establishment of sensitive uses which could adversely impact on nearby existing or prospective industrial uses (including the Port). They must also ensure that affordable rentals for startup companies and creative industries are retained and/or created for the long term.

Flexibility should exist for land owners to 'opt in' to rezoning land, but any such proposals should facilitate a 'street block by street block' approach to renewal as opposed to a site by site approach.

The redevelopment of the Holden Site is a high priority in this precinct as it presents an

opportunity for the State government to showcase how realising the Government's vision for the Employment Precinct.

#### Recommendation

- A new design, land use and infrastructure plan should be completed for the Employment Precinct as a high priority.

### 7.6 Flexibility in the delivery of affordable housing

The MAC supports a strong focus on the delivery of affordable rental housing for key workers within Fishermans Bend given the significance of the precinct in Melbourne's economic future and the existing chronic shortage of affordable housing in the job rich inner urban areas of the city. The Vision for the Area combining less car-dependency and higher intensity job creation makes it an ideal location for more affordable living futures for lower income households.

It is important that any planning scheme mechanisms sets an affordable housing threshold at a level that will result in the delivery of a meaningful quantum of affordable housing over time, and that **incentivises** land owners and developers to deliver affordable housing stock. The MAC notes that the draft Framework sets an overall target of 6% of housing to be affordable using a variety of strategies.

The MAC supports the proposal to allow floor area uplift and further supports a voluntary provision via 173 agreements to allow the affordable housing to be delivered off site but within the same precinct as the uplift is provided in a location with the same walkability index.

It remains to be seen whether the combination of statutory planning and other mechanisms to deliver affordable housing will result in the achievement of the wider affordable housing goals for the precinct. The MAC recommends that this be subject to review within 5 years, and if at that time the delivery of affordable housing stock within the precinct is not meeting the expectations set out in the draft Framework, then the government consider mandating the provision of affordable housing via planning scheme controls.

Recommendations on affordable housing are included in section 14 of this Report.



## 7.7 Flexibility in the delivery of diverse housing

The draft Framework Plan encourages the delivery of dwelling diversity across the precinct. It is intended that the following dwelling diversity outcomes be encouraged:

- Wirraway: 30% three bedroom dwellings
- Sandridge/Lorimer: 20% three bedroom dwellings
- Montague: 25% three bedroom dwellings.

The MAC supports the inclusion of provisions which encourage the delivery of dwelling diversity. The diversity aspirations set out above are generally supported. However, the MAC does not consider that specific dwelling diversity targets should be mandated in the planning scheme, as the issue of dwelling diversity is much more complex than simply how many bedrooms are contained within a dwelling. On the other hand, the MAC does support a mandatory requirement that residential development must demonstrate potential for floor plate layout to combine and adapt one and two bedroom dwellings into three or more bedroom dwellings on request.

The MAC also supports the draft Framework's proposals to encourage the provision of aged care and retirement living in the Area.

Recommendations on the delivery of diverse housing are included in section 14 of this Report.

## 7.8 Flexibility in the delivery of affordable business rentals

This issue is complicated in the Capital City Zone because of the increase in land values and consequent increase in land tax and rates.

One approach could be to develop mechanisms to enable the provision of commercial floor space that is perpetually 'affordable' via a covenant or ownership by a not for profit organisation in exchange for residential uplift.

Further consideration of transitional issues affecting existing businesses in the Area is addressed elsewhere in this Report.

In addition, given that the Fishermans Bend Employment Precinct has not been rezoned, planning for the retention of affordable business rentals must form part of the planning for that precinct.



### Recommendation

- In the Capital City Zones, consider the development of mechanisms to enable the provision of commercial floor space that is perpetually 'affordable' via a covenant or ownership by a not for profit organisation in exchange for residential uplift.

## 7.9 Delivering public open space and reserving land for future requirements

The draft Framework identifies the size and location of a number of infrastructure facilities within Fishermans Bend (such as open space, new road links and widenings, pedestrian and cycle links), as well as indicative and/or general locations for other types of infrastructure (such as schools, health and arts/cultural hubs).

The MAC understands that the new open space identified in the draft Framework can be delivered via the operation of the open space contribution requirements. However, it is not clear how land for other forms of community or transport infrastructure is to be reserved and ultimately acquired for its intended public purposes.

Certain types of local infrastructure will be needed to support the orderly development of individual sites (for example the creation of local internal road networks to support development access on larger sites). This type of infrastructure can be simply treated as 'developer works' and does not need to



form part of a wider development contributions or land acquisition strategy.

Land for various other types of local infrastructure is required to support the wider functioning, amenity and place making of a precinct. This includes new road links, road widenings, local parks and community facilities. For this type of infrastructure there are beneficiaries beyond a single land owner whose land the proposed infrastructure might happen to be on.

The MAC supports the view that infrastructure such as this that serves a wider benefit be considered for inclusion in a Development Contributions Plan. Such plans provide a sound mechanism for the orderly funding and delivery of local infrastructure, where it can either be delivered by state or local government agencies undertaking works from available DCP funds, or where landowners transfer land or undertake works as an 'in kind' offset to the site DCP obligations.

The MAC recommends that where specific land areas are required for a public purpose but it is not intended to be funded via a development contributions plan, then a Public Acquisitions Overlay be applied to the land. This might apply to regional scale infrastructure such as train stations, transport corridors, regional health or education facilities

A different approach may also be needed to deal with instances where there is an *identified need* for

some quantum of land to be set aside for future public infrastructure but the *exact location and/or nature* of the infrastructure is yet to be determined and/or there is a need/desire to be flexible with the delivery of such infrastructure.

For example, it might be clear that land or buildings will be needed for a community or recreation hub, but the preferred site might not yet be identified. In this scenario, it will be necessary for a judgement to be made about the general nature, size and cost of the relevant infrastructure item so that it can be included within the DCP or relevant infrastructure plan. Funds for the land and/or project can be collected via the DCP (or in the case of open space, the open space contributions arrangements under clause 52.01 of the planning scheme) and the further scoping and delivery of the relevant item can be resolved at a later time.

The preparation of more detailed plans for each of the precincts within Fishermans Bend provides the opportunity for specific infrastructure priorities to be more clearly defined. The preparation of development plans for larger strategic sites or street blocks as outlined in 7.14 below also provides similar opportunities.

#### Recommendation

- Apply a Public Acquisitions Overlay to land which is required for a public purpose but it is not intended to be funded via a Development Contributions Plan or open space provision.

### 7.10 Managing parking and car use to enhance liveability and ensure that substantial mode shift is realised.

Maximum parking allowances for Fishermans Bend were introduced at the time of the rezoning to Capital City Zone in 2012, in recognition that early controls were essential signal the need for significant mode shift as the Area develops. Without that shift, the Area and its surrounds would be unacceptably congested- affecting surrounding local residents and businesses, the CBD and the Port of Melbourne.

It is essential that any reduction of on site and on street parking with the wider Fishermans Bend be supported by the early delivery of alternative transport infrastructure and services. The

Fishermans Bend is currently not readily accessible by active transport options, and so limiting the amount of private and public car parking infrastructure in the Area will mean that investment in alternative transport options is critical.

The MAC recognises that not everyone will choose to live in an area where walking and cycling and public transport are the normal way to get around, but that in a city of 8 million, there will be many more than 80,000 people who will want to choose this option.

The draft Framework proposes stringent maximum parking rates. The MAC supports the proposal.

In order to enhance the liveability of the Area and as a further discouragement to ongoing car dependency, the draft Framework proposes to design street networks to minimise conflict between modes of transport. The draft Framework also identifies a series of streets where no crossovers are to be permitted. These include core activity areas, dedicated public transport routes and strategic cycling corridors (refer figure 8 and Strategy 1.4.4).

The MAC supports this concept, although there is a need to carefully review which streets this requirement will apply to so as to ensure that the right balance is struck between encouraging active transport and still enabling reasonable access to private properties from public roads. The MAC suggests that this requirement be established

## Recommendations

- Support the stringent maximum parking rates as proposed in the draft Framework subject to early investment in public transport, and other initiatives to limit reliance on private on-site car parking (such as precinct parking).
- Support the commitment to design street networks to minimise conflict between modes of transport as proposed in the draft Framework and the proposal to designate a series of streets where no crossovers are to be permitted while recognising the need to ensure the right balance between encouraging active transport and still enabling reasonable access to private properties from public roads.

(where possible) along the 'main streets' in activity centres, existing/proposed tram routes, nodes for the proposed metro stations, strategic cycling corridors and existing/proposed off road cycling paths. It will be necessary to confirm in the more detailed precinct planning process that land in these locations will have appropriate alternative road access options.

Limiting the delivery of private parking on a building by building basis will also require the early implementation of a comprehensive precinct parking plan which is discussed elsewhere in this Report.

## 7.11 Climate change mitigation and adaption and sustainability outcomes

The Fishermans Bend 2014 planning controls provided for strict conditions in relation to water cycle management and these controls have been carried forward in the draft Framework.

More recently, the Government has announced that Fishermans Bend will be Australia's largest Green Star community.

As an extension of those commitments, the MAC is pleased that the draft Framework contains targets, objectives and strategies relating to the following environmental themes:

- a climate adept community
- a water sensitive community
- a biodiverse community
- a low carbon community
- a low waste community

In particular, the MAC supports the inclusion of 4-star Green Star mandatory design standards within the permanent planning controls acknowledging that if included, this would be the first time that this mandate has been required rather than encouraged.

It is expected that this standard will increase over time and that development within Fishermans Bend will be supported to achieve industry best practice as it evolves.

The MAC further proposes that provision be made for fast tracked approvals for buildings which meet the 5-star Green Star building standards.



### Recommendations

- Support the inclusion of 4-star Green Star mandatory design standards within the permanent planning controls.
- Provide for fast tracked approvals for buildings which meet the 5-star or higher Green Star building standards.

### 7.12 Ensuring that design excellence is achieved

The MAC has previously proposed that a design excellence policy be established to inform the assessment of all future development applications within Fishermans Bend, and that a design review process forms an integral part of such a policy.

The draft Framework is an important tool within a design excellence policy for the Fishermans Bend.

The MAC supports the establishment of a Design Review Panel to assist land owners and developers to prepare their development proposals during the pre-application phase. This service could be an extension of the existing service provided by the Office of the Victorian Government Architect and the role in revised development proposals should be extended to include providing advice to the Responsible Authority in the permit

assessment process. It is critical that this role be streamlined to assist applicants with clear rules and straightforward processes.

The MAC recommends that all proposals 30 storeys and over, all proposed Development Plan Overlays and all proposals in nominated key sites **must** be referred to a Design Review Panel and that these proposals must be publicly available to interested parties online with 3D modelling (although those parties should have no rights of intervention in the planning process).

In addition, establishing a requirement that all larger scale developments must be designed and supervised by a qualified architect has proved very effective in Sydney and is supported.

### Recommendations

- Establish a standing multidisciplinary Design Review Panel to provide timely and well targeted assistance to land owners and developers as they shape their development proposals during the pre-application phase and extend this role to include providing advice in the permit assessment process with a view to improving design outcomes and streamlining processes.
- All proposals 30 storeys and over, all proposed Development Plan Overlays and all proposals

in nominated key sites **must** be referred to a Design Review Panel and that these proposals must be publicly available to interested parties online with 3D modelling (although those parties should have no rights of intervention in the planning process).

- Support a requirement that all larger scale developments must be designed and supervised by a qualified architect.

### 7.13 Protecting heritage assets and ‘the feel’ of the Area

The MAC has previously recommended that the protection of heritage within Fishermans Bend be included as a clear objective for the future planning and development of the precinct. The MAC is pleased that the draft Framework contains a series of Objectives and Strategies relating to the identification, protection and celebration of both Aboriginal and post-contact heritage values within the Area.

In relation to ‘the feel’ of the Area, this intangible is highly valued by many involved in the community and stakeholder engagement. It is more than heritage buildings and productive reuse – it relates to authentic public realm, both physical and ephemeral interpretation of the stories of the Area and respectful place making. The draft Framework

gives encouragement to all those concerned about this issue by providing the historical and social context of the Area. It will need ongoing attention.

#### Recommendation

- Protect specific heritage places within the Fishermans Bend, via the finalisation of Amendment C117 to the Port Phillip Planning Scheme (as amended) and the completion of a similar review of heritage values and protection of significant sites within the Lorimer and Employment Precinct precincts within the City of Melbourne’s municipal boundaries.
- Build on the documented social history to support place making which reflects that history.

### 7.14 Establishing planning mechanisms to require super-lot or ‘street block by street block’ planning

In its first Report, the MAC proposed that planning mechanisms be introduced to enable super-lot or street block by street block planning to occur. This proposal has been consistently supported in stakeholder and community consultation undertaken by the MAC.



The MAC has proposed that a Development Plan be prepared for certain nominated sites (or groups of sites). These sites are generally located within the 'core areas' of each precinct or are sites that are of sufficient scale to warrant a more 'master-planned' approach to delivering infrastructure and development. These may also be sites that are located along principal active transport corridors where the identity and quality of place-making and successful stitching of developments will be crucial.

There should also be provision for developer led opt in Development Plan Overlays.

The MAC supports this approach in order to allow for the broader outcomes set out in the draft Framework to be delivered in a more co-ordinated manner and to allow for land use planning and industry curation to be integrated.

The proposal provides for flexibility in addressing difficult geotechnical or contamination issues within a superlot and scope for innovative design solutions to be developed at this scale. These solutions might relate to transport infrastructure, environmental infrastructure, open space, affordable housing and other such matters.

The proposal for developer led opt in Development Plan Overlays provides flexibility and certainty to both developers and the public. It is critical for landowners whose sites may be too small or the wrong shape to allow viable development under the new controls, and provides certainty about the ultimate outcome in adjacent developments which may occur over many years. For the public, an opt in Development Plan Overlay potentially allows for coordinated planning of the public realm, better location of public space and better management of contamination across adjacent contaminated sites.

#### **Recommendation**

- Support the proposal for mandated superlot planning formalised by a Development Plan Overlay to occur on nominated sites in the core areas of each precinct and on sites that are of sufficient scale to warrant a more 'master-planned' approach to delivering infrastructure and development.
- Support a proposal to allow for developer led super lot or street block by street block planning to be formalised by opt in Development Plan Overlays.

### **7.15 Public Realm Plans**

The MAC's first Report outlined concerns about the implementation of consistent standards for the public realm. There is a need for a unified public realm vision for the Area across both Councils and further work is required to achieve this as a matter of priority.

#### **Recommendation**

- Give priority to the finalisation consistent standards for the public realm across the municipal boundaries in the Area.

### **7.16 Ensuring that the planning arrangements properly consider development viability issues.**

The MAC has previously noted that rigorous attention needs to be paid to development viability in all planning controls and development assessment within Fishermans Bend. Whilst it is important that the overall Vision is achieved, this will only happen if the statutory planning arrangements are set at a level that can be delivered via the property development process.

The MAC acknowledges that the overall package of proposed planning arrangements is ambitious in their reach, but this is necessary for the overall Fishermans Bend Vision to be realised.

Notwithstanding, the wider community's interests are not served if the planning controls are so rigid or challenging that they do not enable developers to deliver development outcomes.

The draft Framework has been subject to preliminary viability testing which has led to some modifications. Further viability testing of the proposed arrangements will need to be undertaken prior to the finalisation of the planning controls.

#### **Recommendations**

- Confirm the principle of development viability as a key underpinning of the draft Framework and ongoing implementation of plans for the Area
- Undertake further viability testing of the proposed arrangements prior to the finalisation of the planning controls.



**7.17 Providing incentives for development to proceed and to deliver public benefits.**

The MAC has previously noted that incentives for development need to be put in place to help offset the fact that, given the planning history of the Area, the planning regime in Fishermans Bend must be more directive and more complex than in other locations across Melbourne. The MAC makes the following suggestions in relation to development incentives.

First, ensuring that the planning rules are clear and certain is an important pre-condition for developers to re-engage with the urban renewal process in Fishermans Bend. The recent planning history of Fishermans Bend has meant that the planning rules for the Area have been evolving. It is important that the current review results in a suite of planning controls that can stand the test of time and be relied upon by landowners, investors and developers while at the same time allowing adaption where necessary. The MAC’s view is that planning controls should be reviewed in 10 years.

Second, it is critical that the floor area uplift

concept delivers genuine up-side for developers and the wider community. If the density bonus rules do not incentivise developers, then the community benefits associated with the bonus arrangements will also not be realised. The density bonus controls need to be structured so that they provide clear ‘win-win’ outcomes. The potential for off site delivery of public benefits is a critical element of this for the development sector.

Third, it is also important that landowners, investors and developers have certainty in relation to the delivery of infrastructure and place making within the precinct. Plans need to deal with how and when public infrastructure will be delivered and provide a clear process by which landowners can deal with government to facilitate delivery of public and private investment in infrastructure and place making strategies. Having clear rules for how development contributions will work, how works in kind arrangements can be struck, and when specific infrastructure items will be delivered by State and/or local government are all important issues to resolve. The MAC recommends that the Government put in place an infrastructure delivery



strategy and governance arrangements at the same time as introducing new planning controls for the Area.

Fourth, landowners, investors and developers all need greater certainty over approvals timeframes. The government should establish benchmark timeframes for Fishermans Bend development approvals supported by an application facilitation service within the proposed new governance arrangements for development proponents in the Area.

Fifth, some sites will need special treatment because of development viability issues. A 'Development Viability Assessment Panel' should be established to give third party validation to proposals for flexible interpretation of provisions which allow for flexibility.

Sixth, consideration should be given to allowing greater planning flexibility for specified catalyst projects of major significance to the realisation of the Vision while still ensuring good urban design outcomes and providing for transparency in decision making in relation to these projects.

#### **Recommendation**

- Support the provision of incentives for development to proceed and to deliver public benefits including
  - maximising certainty of planning outcomes
  - structuring density bonus rules to provide clear 'win-win' outcomes
  - the early delivery of essential infrastructure
  - maximising certainty of the timeframes for development approvals
  - providing for flexible interpretation of some controls on the basis of development viability subject to validation by a Development Viability Assessment Panel, and
  - allowing greater planning flexibility for specified catalyst projects of major significance to the realisation of the Vision while still ensuring good urban design outcomes and providing for transparency in decision making in relation to these projects.

#### **7.18 Support for quality outcomes from existing planning approvals and current permit applications**

In its first Report, the MAC expressed concern that some of the permits already issued are not in alignment with the Vision for the Area. The MAC, of course, recognised that these permits are legally binding but proposed that time extensions to already approved permits be limited to those where construction has commenced, where the immediate viability of the development can be demonstrated by anchor tenants or evidence of active development, where the development demonstrates exemplary planning outcomes or where a permit would be likely to be issued for a similar development if a fresh application were made. This remains the view of the MAC in relation to existing permits.

In relation to current permit applications (i.e. applications that have been lodged but are yet to be determined) the MAC suggests that the incoming permanent planning controls be applied judiciously. These 'live' permit applications were lodged under a former regulatory regime. Whilst the subsequent interim planning controls (introduced in November 2016) did not contain transitional provisions, the MAC recommends that some flexibility be applied to the assessment of these 'live' permits against any future permanent planning controls.

The MAC suggests that the existing 'live' permit applications be assessed against those permanent planning controls that relate to how the development impacts the site itself and its immediate physical surrounds, but that other new controls that relate other broader planning aspirations (such as environmental sustainability and commercial floor space) not be mandated in the assessment of these applications.

The following controls should apply:	The following controls should be encouraged but not mandated:
<ul style="list-style-type: none"> <li>Residential Floor Area Ratio</li> <li>Public Benefits Floor Area Uplift</li> <li>Height requirements</li> <li>Built form requirements</li> <li>Wind effects on public places</li> <li>Overshadowing of public open spaces</li> <li>Environmental Audit/Sea level rise floor area</li> <li>Water Recycling &amp; rainwater harvesting</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Employment/ Commercial Floor Area Ratios</li> <li>Bicycle parking</li> <li>Environmental accreditation rating</li> <li>Urban heat Island</li> <li>Energy Consumption</li> </ul>

**Recommendation**

- Allow time extensions on existing permits in the Capital City Zones only under the limited but reasonable conditions outlined in section 7.18 of this Report
- In introducing the planning arrangements included in the draft Framework, implement transitional provisions for existing applications received before the release of the draft Framework to allow flexibility in relation to new conditions relating to broader planning aspirations beyond the site and its immediate physical surrounds as outlined in section 7.18 of this Report.

## 8. Transport (including walking and cycling)

Provision of new transport infrastructure and services is critical to the successful realisation of the Fishermans Bend Vision. To this end the Taskforce has engaged with the Department of Economic Development, Jobs, Transport and Resources to prepare a comprehensive transport plan for the Area. This plan is separate from but integral to the draft Framework.

The MAC’s first Report made six recommendations concerning the transport needs of the Area. Since then, the MAC has continued to engage with the Taskforce and DEDJR and can report the draft Framework and Transport Plan has made substantial progress against the recommendations. At the same time, it is recognised that further work is needed to ensure the realisation of the travel mode shift essential to the Area.

The Fishermans Bend Vision calls for transformational change in travel behaviour with car use being significantly reduced compared with any other inner city precinct. This Vision requires a bold policy response in the early provision of new public transport services and the provision of walking and cycling facilities of a different type and scale to that normally delivered in Australia.

If the transformational change in travel behaviour is achieved, Fishermans Bend will be an area that offers people the opportunity to live in a community committed to sustainable living and will be a model for future inner urban development. If not, the Area and its surrounds, including the Port, could be marred by unacceptable congestion.

The highlights of the progress made together with recommendations to strengthen the plan and align it with the Fishermans Bend Vision are summarised below.

### 8.1 Key decisions on public transport

The proposed new tram corridors serving both the Employment Precinct and Sandridge/Wirraway corridor are essential to realise the Fishermans Bend Vision. The MAC has noted the exhaustive work undertaken by the Taskforce to identify a location for a new Yarra crossing that avoids impacting Point Park – a park which provides important open space for the residents of Yarra’s



Edge. The MAC strongly supports the Hartley Street tram alignment as shown in the draft Framework. Whether the bridge allows for passage of yachts or requires relocation of some of the existing vessels from Yarra Edge marina is matter requiring further investigation.

The draft Framework also proposes protecting an alignment for a future Metro. However, the preferred alignment has not been resolved resulting in development ambiguity rather than certainty. The MAC's strong view is that the Metro alignment must support the Employment Precinct in order to maximise the capacity of Fishermans Bend to support job growth and to provide access to those jobs from the Western suburbs.

#### Recommendations

- Support the Hartley Street tram alignment as shown in the draft Framework
- Agree that planning for the future Metro alignment will be through the Employment Precinct not Wirraway in order to maximise the capacity of Fishermans Bend to support job growth and to provide access to those jobs from the Western suburbs.

## 8.2 Walking and cycling

The draft Framework recognises the importance of walking and cycling and provides an effective response to this issue. The MAC notes that walking and cycling outcomes depend on successful implementation at the local level and therefore this is a matter to be more fully developed in the precinct plans currently being prepared. The establishment of trunk cycling corridors between the CBD and Fishermans Bend via Montague St is a modest investment that demonstrates the Government's commitment to the transformational approach needed to deliver the 80:20 mode share target. This link is needed now to addresses an obvious gap in the existing cycling network and to encourage greater take up of cycling in the Port Melbourne and South Melbourne areas. This issue is addressed further in the comments on phasing below.

#### Recommendation

- Support the early establishment of key trunk cycling corridors between the CBD and Fishermans Bend via Montague St in order to demonstrate the transformational approach needed to deliver the 80:20 mode share target.

### 8.3 Implications of port and freight traffic

The MAC is aware of the potential tension between the operation of Webb Dock and the development vision of Fishermans Bend. Both can and must co-exist but it is important to understand the challenges of supporting the freight industry while maintaining a high quality urban amenity within Fishermans Bend. The MAC supports the view outlined in the draft Framework that Fishermans Bend amenity is best managed by maintaining a policy that promotes the Westgate and Bolte Bridges as the preferred freight routes for general freight and reserving the Lorimer St route for vehicles that cannot use the Westgate or the Bolte. In this context, the draft Framework proposes that the upgrade of the West Gate and Bolte Bridges to accommodate larger freight vehicles should be explored. In the meantime, Lorimer and other streets are expected to have modest volumes of freight vehicles and we note that draft Framework proposes specific design requirements to minimise the impact on amenity. Provision has also been made for a dedicated port access corridor through the precinct. The MAC’s view is that Lorimer St should cease to be a freight route once alternatives are in place. The Government should expect that future expansion of Webb Dock without improved provision for freight will not be supported by Fishermans Bend residents and therefore ongoing monitoring and further work will be required to manage this challenge.

The MAC also notes Infrastructure Victoria’s work which identified a potential threat to the operation of Webb Dock from increased Fishermans Bend traffic on Todd Road – an observation which reinforces the importance of discouraging car use in Fishermans Bend.

Recommendations in relation to freight and amenity are included in section 5 of this report

### 8.4 Phasing of transport infrastructure

The MAC supports the proposal in the draft Framework to increase capacity and access on Route 96 and 109 to support the development currently underway in Montague in addition to more general patronage growth on these routes. Ongoing investment will be needed to support higher services levels consistent with the expected population growth.

The draft Framework commits to the finalisation of



the planning and design of the new tram corridors during 2018 and to the implementation of the northern tram corridor from the Collins Street in the CBD along Turner Street in the Employment Precinct and the tram, cycling and walking bridge over the Freeway into Sandridge in the period 2020 - 2025.

The MAC strongly supports these commitments and recommends that the delivery of the northern tram and Sandridge connection be in the early part of the specified time in order to shape development outcomes.

Key bicycle routes should also be completed early in the specified period (2020-2025).

#### Recommendations

- The construction of the first stage of new tram routes and key bicycle routes be completed within 5 years of the plan’s adoption.

### 8.5 Precinct Parking Plans

The MAC supports the car parking provisions outlined in Objective 1.6 of the draft Framework. In implementing these proposals, a business case should be prepared for demonstration precinct parking houses to be constructed in Lorimer and Montague (each to provide parking for approximately 300 cars) and that planning



approvals for car parking be strictly limited to the preferred 0.5 car spaces per dwelling pending the evaluation of these demonstration projects.

#### Recommendations

- Prepare a business case for demonstration precinct parking stations to be constructed in Lorimer and Montague each to provide parking for about 300 cars.
- Strictly limit planning approvals for car parking to 0.5 car spaces per dwelling pending evaluation of these demonstration projects.

### 8.6 Water transport

The MAC notes that water transport has been incorporated into the current draft Framework. Critical to the realisation of this aspect of the Framework is access to the river through the Port of Melbourne land. The MAC understands the importance of maintaining an efficient and effective port and therefore supports an approach where by access is gained over time and in such a way as to not compromise the port's operations.

#### Recommendation

- Plan for the early provision of public wharves on the Yarra to support the delivery of ferry and water taxi services.

## 9 Sustainability, Contamination and Environmental Issues

Environmental sustainability has been a strong focus for the renewal of Fishermans Bend since planning for the Area commenced in 2011.

Public and stakeholder consultation has consistently reinforced the priority of measures to ensure environmental sustainability in the precinct and the opportunity to demonstrate best practice and innovation.

The MAC is delighted that this emphasis has been directly reflected in the nomination of Fishermans Bend as a Green Star Community and in five of the goals of the draft Framework

- a climate adept community
- a water sensitive community
- a biodiverse community
- a low carbon community
- a low waste community

The targets, objectives and strategies associated with these goals provide a comprehensive approach to achieving the commitment to environmental sustainability in Fishermans Bend.

Clearly, achieving that commitment will depend on effective implementation including detailed precinct master planning, directive planning controls, timely funding arrangements and strong governance. These issues are addressed elsewhere in this Report.

Contamination is an issue of significant community interest and requires both an effective response and open communication. The MAC is confident that Victoria's regulatory arrangements for dealing with contamination are effective, but can be costly and do not always facilitate best practice treatment of contamination.

The MAC strongly supports the strategies in relation to contaminated land as outlined in the draft Framework.

There are three issues where the MAC recommends a strengthening of the draft Framework in relation to environmental sustainability.

The first issue relates to precinct wide initiatives and street block by street block or super-lot



planning to achieve environment outcomes. While there is some acknowledgement in the draft Framework of the need to provide for solutions to contamination which do not necessarily relate to a specific building and the potential for onsite treatment, this approach should be specifically encouraged where it will be more cost effective for developers and/or will result in a better outcome for the public realm.

The second issue relates to the need to actively support the use of innovative materials and building techniques to meet environmental challenges in the Area. Victoria's construction industry has a history of innovation, but widespread adoption of cost and environmentally effective innovations has sometimes been slow. Active consideration needs to be given to de-risking innovative construction approaches and in supporting supply chain capacity.

Finally, the urgency of urban sustainability challenges is driving rapid innovation in the field. Fishermans Bend provides the opportunity to lead and trial a range of sustainability initiatives in collaboration with national and international research institutions. In addition, benchmarking

and peer review specifically on environmental sustainability will generate ongoing benefits.

## Recommendations

- Support the strategies in relation to contaminated land as outlined in the draft Framework.
- Develop mechanisms to specifically encourage precinct wide initiatives and street block by street block or super-lot planning to achieve environmental outcomes where it will be more cost effective for developers and/or will result in a better outcome for the public realm.
- Develop a strategy to de-risk innovative construction approaches and support supply chain capacity for cost and environmentally effective innovations.
- Pursue innovation in urban sustainability initiatives in collaboration with national and international research institutions including undertaking international benchmarking and peer review specifically on environmental sustainability.

## 10. Community Infrastructure

The Victorian Government and the City of Port Phillip have been proactive in ensuring the early delivery of school and community facilities in the precinct. This is a reassuring message for investors and the surrounding community that Government recognises the importance of community infrastructure in urban renewal and is serious about delivering on the Vision for Fishermans Bend.

The MAC supports the well-researched and proactive approach to the planning for integrated community infrastructure as outlined in the draft Framework. Flexibility of infrastructure to meet changing need over time is a positive approach to responding to existing community requirements with an eye to changing needs and service delivery models.

The MAC also supports the proposal to allow Floor Area Uplift to incentivise the early delivery of community infrastructure by the private sector.

The identified opportunity to enhance the capacity and flexibility of existing infrastructure is a critical



strategy in the transition process. This approach acknowledges that the needs of surrounding residents and workers and the future needs of residents and workers in Fishermans Bend have much in common and the upgrading of existing community infrastructure will provide benefits for both.

The MAC is concerned to ensure that the models and rationale for different community hubs as outlined in the draft Framework are understood and the locational recommendations for community infrastructure are clear and transparent. Additional detailed information is required to support informed community and stakeholder discussion of the draft Framework.

#### **Recommendation**

- Provide additional detailed information about the rationale for the type and location of the proposed community hubs to support informed community and stakeholder discussion of the draft Framework.

## **11. Public Open Space and the Public Realm**

The MAC is acutely aware that given the high cost of land in Fishermans Bend and the relatively small amounts of existing publicly owned land, it is challenging to achieve adequate green open space for a high density, mixed use community. The MAC is pleased with the commitment to deliver an additional 35.08 hectares of public open space as outlined in the draft Framework and the proposal to target extra open space as a public benefit to be provided in the context of Floor Area Uplift. The approach of setting targets and adopting a wide range of strategies to achieve usable green space is also supported.

The early purchase and development of the Ferrars Street park by the Victorian Government and the City of Port Phillip is very encouraging, as is the proposal to develop linear parks by reallocating road space and the commitment to consider bridging public assets such as roads and the Freeway to create more open space.



The MAC supports the critical elements of the draft Framework's approach to open space and makes a number of recommendations about specific aspects.

In relation to the provision of additional open space in exchange for Floor Area Uplift, the MAC supports a voluntary provision via 173 agreements to allow the open space to be delivered off site but within the same precinct as the uplift is provided in a location with the same walkability index.

On planning and design, the MAC is conscious that master planning for open space and public realm is not a one off activity as it can be in greenfields or urban renewal areas where there are one or two public or private owners. Master planning in Fishermans Bend will require ongoing negotiation with private owners on a site by site and street block by street block master planned basis to achieve the preferred outcomes over the years of development.

Furthermore, the ownership by the Government of key sites on the Yarra River adjacent to Lorimer (Development Victoria) and the Westgate Park interface with the Area are essential elements

of how the Government can both 'join up' the city and how Victorians will experience these neighbourhoods. They provide unique opportunities for all Victorians to have enhanced access to these special locations and must be considered as an integral element of the place making and connectivity of these places if they are to deliver an optimal outcome.

On the southern side of the Area, Fishermans Bend has obvious physical connections with the bayside foreshore as a recreational zone for the new community of the Area. While the draft Framework notes the importance of these connections, they are not sufficiently integrated into planning thinking. Currently, the existing 109 light rail connects the Sandridge and Montague neighbourhoods to the foreshore at the southeast end and Todd Road provides a connection to the western end to the Sandridge Beach and Lookout Park. Intermediate streets and foreshore park network provide connecting walks of as little as 450m to the foreshore reserve and less in some instances to interconnecting parks. Existing foreshore facilities are typically scaled for a small local community and in many instances are at a



point where they could benefit from reinvestment to improve the quality of facilities and place making. This should be part of the planning and funding arrangements for Fishermans Bend.

### Recommendations

- Establish a voluntary provision via 173 agreements to allow the open space agreed as part of Floor Area Uplift to be delivered off site but within the same precinct as the Uplift is provided and in a location with the same walkability index.
- As part of the precinct planning process, develop master plans to support the coherent design and planning for the Area and to define the location, scale and typology of the structuring elements of place such as community facilities and open space. Establish a flexible ongoing master planning process to shape development over time.
- Demonstrate early commitment to realising the open space and biodiversity vision for Fishermans Bend by giving priority to the development of the proposed Turner Street and Normanby Road Boulevards. This will involve the development of high quality pedestrian, public transport and cycling environments and attention to overshadowing and wind effects in land use planning, limiting vehicle access and elimination of crossovers among other things. Comprehensive master planning of abutting sites is essential to achieving this.
- Identify ways in which people can be connected to the river water west of the Bolte Bridge in the short term that does not conflict with the active port, such as fenced walk/bike paths and managed access provisions.
- Plan for the connection of Fishermans Bend to the Bay and plan for the upgrade of connections and infrastructure as part of the planning and funding arrangements for Fishermans Bend.
- Optimise the synergy between the draft Framework's integrated water cycle management strategy and its open space approach.

## 12. Place Activation

The Vision for Fishermans Bend cannot be achieved through physical planning alone. Diverse and resilient neighbourhoods result when local communities, businesses and stakeholders are able to shape the development of their neighbourhood. This can occur through collaborative place making, which includes locally led initiatives/activities that accelerate the vision through community and business building.

The success of the Vision will be defined by its ability to attract and retain talented people in a globally competitive environment. This will be determined by the extent to which new residents, businesses and stakeholders judge the precinct to be liveable, vibrant and connected.

### A place activation approach is needed to

- elevate the importance and awareness of Fishermans Bend in the mindset of Melburnians as a desirable place to live and work
- leverage the creative capacity of young (and other) entrepreneurs to shape local change – bringing new innovation, business concepts and residents to Fishermans Bend, and
- build activity and momentum which assists land owners and developers, improving the desirability of the Area and establishing a reputation that spreads by word of mouth.

The transition to vibrant, active neighbourhoods is a process as well as an outcome. Place making should not be (as it often is) left as afterthought, used 'activate' places once they are built. It should happen from the outset. It can begin before plans are finalised, contribute to planning and design, and then continue throughout delivery and implementation.

Place making enables flexibility and experimentation to be built into the planning to deliver the vision. This is particularly important given that we know that the future will not be like the present. The current processes of zoning and precinct planning need supplementation to allow for the level of experimentation and flexibility that is required to build effective local leadership and adapt to change over time.

The transition to the Vision between now and 2050 begins today. Traditional approaches to long-term planning can overlook this long transitional period.

Provision needs to be made for transitional spaces and interim services to meet the needs of the growing residential and business community. Some of these projects can be temporary, transitional and low-cost place making initiatives.

Community building is as critical to Fishermans Bend as infrastructure planning.

## Recommendations

- Include place activation as part of the implementation planning, including immediate and long term opportunities for collaborative development.
- In the context of new governance arrangements, establish a transitional planning strategy to attract industry and talent to the Area and to facilitate community building drawing on the respective roles of the different levels of government, non-for-profit and private sector agencies. This strategy should plan for the curation and delivery of interim activities, low-cost and short term service provision and place making.
- Consider enabling transitional use of the former Holden Site – inviting temporary business or events in these spaces while longer-term planning is being undertaken, to build momentum for the change that is coming. This would require ensuring that effective permitting and management procedures can be adopted.
- Consider experimental projects to model new transport behaviours and to test the effectiveness and uptake of the Vision – such as temporary bike lanes, or road narrowing on excess road space, greening of key streets to establish new patterns of use aligned with the future Vision.
- Establish a small innovation fund and invite innovative proposals from residents and businesses, and support these proposals for local activities, events, business uses through a small grants scheme.
- Work in partnership with local government through the community development and arts teams to establish proposals and activities which work towards community strengthening, alongside physical planning.

## 13. Utilities

The MAC strongly supports the well-researched and innovative approach to utility provision as outlined in the draft Framework.

Fishermans Bend provides the opportunity to pioneer new ways of sustainable, cost effective utilities infrastructure renewal in a privately owned area with multiple owners. This is important not just for large brownfields development areas, but also for the vast areas of Melbourne which will require infrastructure renewal over the next 50 years.

Infrastructure development and renewal is currently planned service by service and generally supports 19<sup>th</sup> and 20<sup>th</sup> century models of centralized utility management. Innovative utility operations look to distributed systems in the first instance, supported by smart grid management. Distributed systems can be more cost effective over time, more sustainable and more resilient.

These new models require examination of common trenching and the associated financing and liability issues, as well as land for precinct wide initiatives.

The draft Framework's commitment to very fast broadband fibre and wireless networks across Fishermans Bend is welcome given the importance of this utility to the attraction and nurturing of talent and the development of knowledge based jobs.

Timely decisions about infrastructure delivery are critical for development certainty. Ensuring streamlined processes and rapid decision making should be a key responsibility of the proposed new governance arrangements for Fishermans Bend.

## Recommendations

- Support the approach to utilities development as outlined in the draft Framework.
- Establish the principle of considering distributed systems and precinct wide solutions first in utilities planning for Fishermans Bend, while at the same time ensuring streamlined processes and rapid decision making about utility delivery.

## 14. Affordable and Diverse Housing

The MAC strongly supports the proposal to incentivise the provision of affordable housing in Fishermans Bend by offering Floor Area Uplift for residential purposes in exchange for the provision of affordable housing. The MAC further supports the proposal that this housing must be transferred in perpetuity to a community housing provider. Both of these provisions are included in the draft Framework.

In addition, the MAC supports a voluntary provision via 173 agreements to allow the affordable housing to be delivered off site but within the same precinct as the uplift is provided in a location with the same walkability index.

The MAC's first Report observed that a fundamental principle of 21st century urban renewal is that housing diversity is essential to creating vibrant communities and that housing diversity will not be developed without intervention. This intervention can take the form of mandates

(as in inclusionary zoning), incentives for affordable housing (as for example, in density bonuses) direct subsidy (as in purchase of housing stock or the subsidy of aged care) or 'nudging' (through the advance provision of social infrastructure). Since the publication of that Report, there has been considerable additional research, commentary and public policy development on the importance of intervention to achieve affordable and diverse housing. In particular, the MAC notes and supports the Victorian Government's suite of initiatives as outlined in the recently released 'Homes for Victorians' and the commitment by the Commonwealth Government in the 2017 Budget to support partnership investment in the supply of affordable rental housing.

Melbourne is facing unprecedented challenges in locating housing near opportunity. At Fishermans Bend, where 80% of all transport movements need to be non-car based, proximity of housing to jobs is critical - hence a high jobs-to-households benchmark has been established. Alignment of this housing supply with the housing needs of key workers in this and the broader inner city economy





will be important to the City's success. Fishermans Bend accounts for nearly 75% of the urban renewal supply established for inner Melbourne land supply of 600 hectares to 2050.

Given that Arden will not to be developed until post 2026, Fishermans Bend provides an outstanding opportunity for partnership investment with State and Local Governments, not for profit housing providers, institutions and private developers to address this pressing need and diversify the nature of inner city housing and maintain Melbourne's competitiveness.

Infrastructure Victoria has identified affordable housing as a key focus for State infrastructure benefit. Fishermans Bend is a logical location for a strategy to unlock this opportunity. New partnerships, incentivising planning strategies and government and private funding will be necessary to deliver well-targeted housing affordable solutions for both key-worker affordable housing and diversified community profiles to meet the needs of a growing city.

In these circumstances, it is the MAC's view that the target in the draft Framework of 6% of all housing to be affordable to low-moderate income earners

is too low. The MAC supports a target of 10%, to be delivered using the full range of strategies outlined in the draft Framework including government action and industry partnerships. It is the MAC's view that this issue should be reviewed within 5 years, and that if progress towards the target of 10% is not being made, then mandatory inclusionary zoning at that level should be enacted.

On the issue of diverse housing, the MAC does not support the mandating of a set percentage of 3 bedroom apartments and prefers the requirement that applicants must submit 'alternative' floorplates which demonstrates how 1 and 2 Bedroom apartments can be combined to achieve 3BR apartment at a purchaser's request.

## Recommendations

- Establish a voluntary provision via 173 agreements to allow the affordable housing agreed as part of Floor Area Uplift to be delivered off site but within the same precinct as the Uplift is provided and in a location with the same walkability index.
- Establish a target of 10% of all housing to be affordable to low-moderate income earners to be delivered using the range of strategies outlined in the draft Framework.
- Review achievement of the 10% target within 5 years and if progress towards the target is not being made, then mandatory inclusionary zoning at that level should be enacted with the potential for exemptions based on development viability.
- Include a provision encouraging the delivery of dwelling diversity as suggested in the draft Framework in a local policy but do not mandate it in planning controls.
- Require applicants for residential developments over 12 storeys to submit 'alternative' floorplates which demonstrates how 1 and 2 Bedroom apartments can be combined to achieve a 3 or more bedroom apartment at a purchaser's request.

## 15. Fishermans Bend 'Employment Precinct' (West of Lorimer, north of Westgate Freeway)

The 21<sup>st</sup> Century innovation economy is based on the transformation of knowledge into products, processes, and services which fuels economic growth, creates employment, and generates significant improvements in the standard of living.

Between 2006 and 2011 start-ups added 1.44 million jobs to the Australian economy (Department of Industry, Innovation and Science, Australian Innovation System Report 2015).

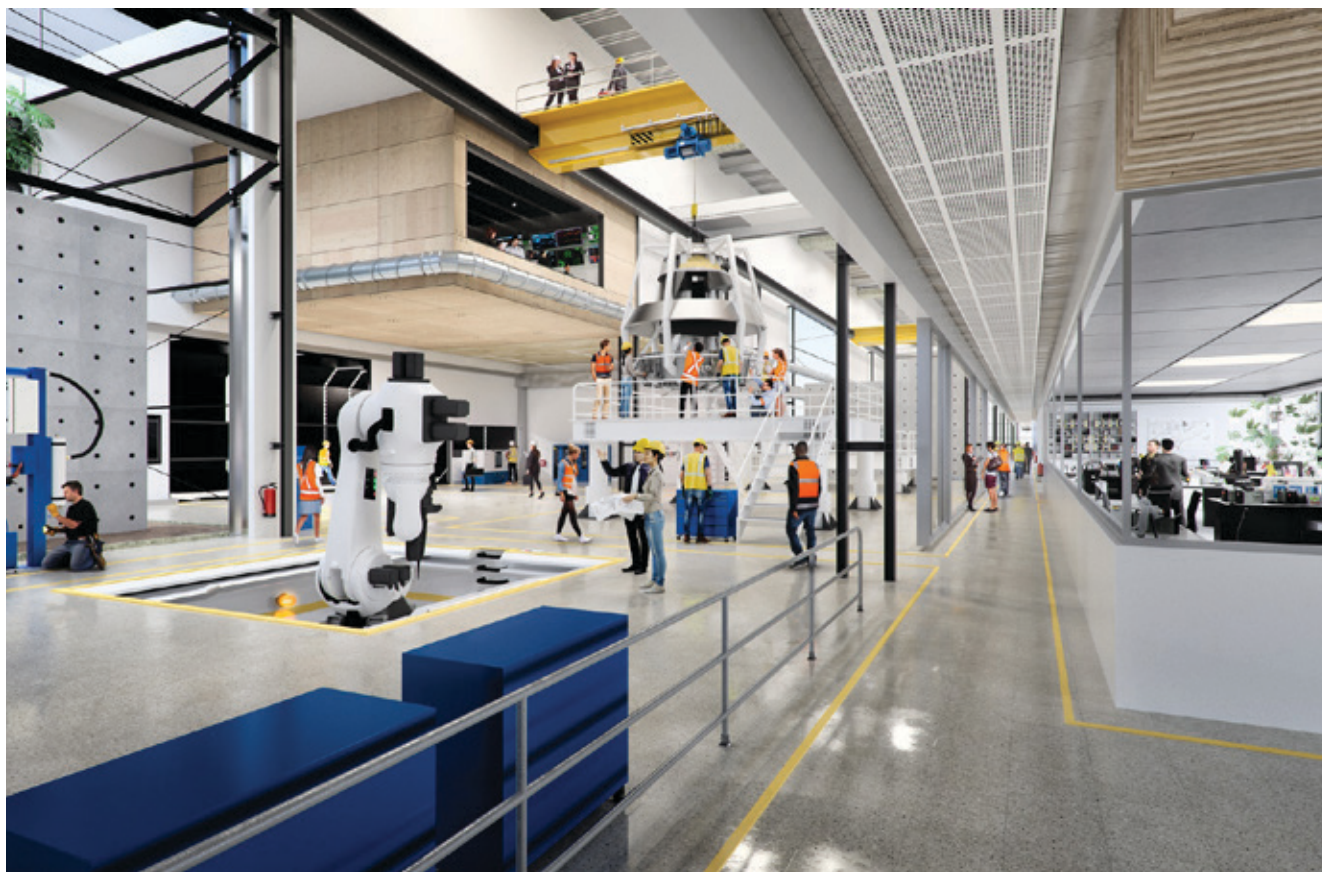
Building and sustaining an innovative economy which fosters knowledge based jobs, supported by a thriving start-up scene, is critical to achieving the Fishermans Bend Vision.

Precincts and districts catering for innovation are being created around the world. Research from these emerging precincts from Brookings

Institution demonstrates that there is a set of key geographies, characteristics, governance measures and levers that, if in place, will improve the chance of the precinct's success.

The Government's purchase of the 38 ha Holden site in the Employment Precinct to support Design, Engineering and Advanced Manufacturing is clearly an important initiative. Notably, the site is double the size of Canary Wharf, Barangaroo and Arden. Planning for this site, however, is just one part of the planning for the 205-hectare Employment Precinct and planning for that precinct is only a part of the planning for employment growth in the entire 480 ha Area.

With the right governance and planning, the potential is for the entire Area to be an attractor of knowledge and innovation economy jobs as well as providing a thriving new workplace location for high end service industries which have driven Melbourne's recent employment growth in the CBD and Docklands and enabling the growth of the significant creative industries presence already clustered around Fishermans Bend.



Insights for Fishermans Bend Include:

Building and sustaining this economy requires a holistic approach to building an **innovation ecosystem** including excellent amenity, great access to transport, affordable housing, retail and civic facilities integrated with industry, to attract and retain the best talent.

**World class research organisations** and universities play a role in anchoring innovation ecosystems, providing incubator and start-up labs, and assisting in the commercialisation process.

Innovation requires the provision of 'networking' infrastructure – places that facilitate collisions between people and ideas. This can be achieved through **active industry 'curation'** – providing catalyst components including co-working spaces, incubators, accelerators, maker spaces, parks, multi-modal transport, cafes and high speed broadband. Such 'curation' usually requires facilitation by a Government agency to attract and retain emerging entrepreneurs and the resources they need.

**Mixed Use Density and Diversity** is essential. Start-up incubators and accelerators need access to organisations and universities that provide a hub for research and commercialisation; start-ups are also more successful when near each other.

Sustainable innovation is not only about attracting the best and brightest minds. According to the Brookings Institution, 50 per cent of advanced industry jobs require less than a bachelor's degree. **Inclusivity and affordability** is paramount. Equally important is building the education pipeline through K-12 schooling, to ensure the next generation of workers are equipped to participate in the innovation economy.

Successful international examples of innovation districts such as Boston, San Francisco and Barcelona are led by dedicated **governance** to drive industry 'curation' and link it with active land flexible land use planning.

In a crowded global space, Fishermans Bend must offer a unique point of difference to attract 21<sup>st</sup> Century jobs. Defence related design, research, engineering and advanced manufacturing (DREAM industries) are a key existing anchor as are creative industries.



Planning needs to consider the integrated requirements of the innovation ecosystem – particularly the need for 'networking' infrastructure or catalyst projects likely to stimulate the innovation economy such as fine-grained co-working spaces, maker-labs, cafes, affordable housing and high quality public realm.

Innovation requires active curation – facilitating the provision of anchor research institutions and incentives that support the needs of entrepreneurs.

Innovation requires catalyst projects and temporary measures that invite both successful transition and reimagination of the precinct and facilitate progressive stitching of the precinct into adjoining places and economies. In some cases, these catalyst projects require early and significant investment. In others upgrading of capacity of facilities in adjoining neighbourhoods will deliver immediate value and enhanced community integration.

## Recommendations

Support the decision to proceed with the detailed planning in the draft Framework for the four precincts originally included in the Fishermans Bend Urban Renewal Area in advance of the planning for the Fishermans Bend Employment Precinct in order to give certainty to developers in the Capital City zoned precincts while allowing more time for the planning of the Employment Precinct.



## 16. Communications and Engagement

Community and stakeholder engagement processes in relation to Fishermans Bend have demonstrated the sustained interest in the planning for the Area of local residents and businesses, the development sector, planning and city experts and opinion influencers.

More engagement is planned over the next twelve months.

The MAC notes and endorses the commitment in the draft Framework to work with the community throughout the project. This will require a continuation of an open and respectful approach to future planning and to difficult short term issues. The discussion about the draft Framework will be important because it represents the outcome of balancing the views heard in the engagement process to date, together with the extensive research and expert input into the planning.

A critical part of that discussion will be 3D modelling to allow community members and stakeholders to visualize what is planned – to see that the plans for the Area can deliver great outcomes.

As the draft Framework is being finalised, the next stage of engagement will be around the Precinct Plans. This smaller scale, neighbourhood planning

will provide an opportunity for an integrated approach to working with different interests and perspectives together to develop common ground and share ownership. The MAC strongly supports this approach. The Framework consultation process should clearly outline the proposed scope for the development of precinct plans to support the ability of stakeholders to influence outcomes.

At the same time, planning for the Employment Precinct provides an opportunity to reimagine the future of work and the environment needed to accelerate the growth of 21<sup>st</sup> century jobs. This is a national conversation which should involve individuals, businesses and universities from across Melbourne and beyond. The MAC looks forward to being involved in this process.

### Recommendations

- Reiterate the commitment to work with the surrounding community and stakeholders on the development of precinct plans for each of the five precincts, on transition issues and on the longer term implementation of plans for Fishermans Bend.

## 17. Branding, Communications and Promotion

Given the scale and scope of urban renewal in Fishermans Bend, its contentious recent history and the importance of investor confidence in achieving the Vision for the Area, early attention to branding and communications is essential.

There is significant local, national and international interest in Fishermans Bend and that interest needs to be supported by consistent messaging about the Victorian Government's intentions and long term commitment to the Area. This is particularly so given the unique challenges outlined in the draft Framework and this Report.

The Vision for Fishermans Bend could be better understood within the community, and within the investment industry. The necessary changes to planning controls over the last two years, with further changes in prospect have inevitably created uncertainty.

The Government's strategy to develop a National Employment and Innovation Cluster in Fishermans Bend and its purchase of the 38 ha Holden site within the precinct send a strong message which needs to be enhanced by strong branding and communications.

The attraction and nurturing of talent is a key objective underpinning the planning for the Area. This objective requires a 21<sup>st</sup> century approach to branding and communications involving high levels of social media sophistication.

There is a need to distinguish Fishermans Bend from other urban development areas in Melbourne within the context of the Victorian Government's investment attraction policies.

## Recommendation

- In the context of new governance arrangements, develop and implement a local, national and international branding, communications and promotion strategy and program to drive the Vision, attract investment in commercial, retail, cultural and residential development and support the development of innovation and Design, Research, Engineering and Advanced Manufacturing Industries - DREAM industries.

## 18. Planning for Transition

The underpinning of the draft Framework and of this Report is the unique opportunities and the unique challenges presented by the development of Fishermans Bend.

As indicated in this Report, the MAC is strongly supportive of the draft Framework and the planning work undertaken to date and believes that together with strong governance, ongoing community and stakeholder engagement and effective implementation, the basis has been laid for the realisation of the Vision for the Area.

At the same time, it is important not to underestimate the transitional issues involved in transforming an industrial area into a high density mixed use inner urban community. These issues, including traffic, parking, construction management and conflicts between current and

future uses are already evident, will multiply over time and will need careful management.

All of our discussions with the development community have highlighted the need for certainty in planning for the future development of the Area. The surrounding community is also looking for certainty about many of the outcomes. At the same time, this Report highlights a number of areas where flexibility is required to address the circumstances intrinsic to the Area. The exercise of flexibility raises trust and probity issues which also need careful management.

This is made even more challenging because the long time frame for the project will mean that it will be implemented over many commercial and political cycles. It will be difficult to achieve steadfast adherence to the long term Vision even though that Vision has widespread support.

One specific and difficult transitional issue which is not addressed in the draft Framework is the impact of the rezoning to Capital City Zone on existing businesses, many of which are significant employers. For some businesses whose preference is to continue to operate in Fishermans Bend in the medium term, the financial impact of the increase in land tax and rates as a result of the very rapid increase in land values is prohibitive. The MAC proposes that consideration be given to some land tax and rate relief in areas of Sandridge and Wirraway where early development is unlikely because of lack of transport infrastructure and where existing businesses are struggling to meet increased costs

The draft Framework proposes that the arrangements for Fishermans Bend be reviewed to allow for change over time. The MAC supports this proposal and suggests that the implementation of the draft Framework overall be carefully monitored through a transparent Dashboard approach and that a full review of planning controls take place every 10 years.



### Recommendations

- Give high priority to planning for the management of the transitional issues involved in transforming an industrial area into a high density mixed use inner urban community. These issues, including traffic, parking, construction management and conflicts between current and future uses are already evident and will multiply over time.
- Consider some limited land tax and rate relief to businesses in Sandridge and Wirraway where early development is unlikely because of lack of transport infrastructure and where existing businesses are facing significantly increased costs because of the rezoning of the land.
- Carefully monitor the implementation of the draft Framework overall through a transparent public dashboard approach and make necessary adjustments on an ongoing basis.
- Undertake a full review of planning controls every 10 years.

- give emphasis to the role of smart cities technologies
- give priority to the development of the proposed Turner Street Boulevard in order to showcase the open space, active transport and biodiversity vision for Fishermans Bend
- give priority to the Normanby Road Boulevard in conjunction with the Development Plan Overlay to be developed with Normanby Road owners
- include a target and strategy relating to soil permeability in both the private and public realm (specifically including the grassing of the tram tracks) to support other storm water measures and enhance the greening of the Area.

## 19. Summary of Recommendations

### Rationale and Vision for Fishermans Bend urban renewal

1. Revise of the targets, objectives and strategies as follows:
  - align the targets with existing data collected at a population level
  - strengthen the commentary on the critical importance of the 80:20 mode share split
  - provide for the ongoing monitoring of freight relating to Webb Dock
  - establish the preference for a heavy rail station in the Employment Precinct in the planning for Metro 2 in order to support job growth in the precinct and to provide access to those jobs from the Western suburbs
  - foreshadow the inclusion of job related objectives and targets in the context of planning for the Employment Precinct
2. Establish comprehensive value capture scheme to support the funding of public infrastructure.
3. In consultation with the local government authorities, establish a properly constituted Developer and/or Infrastructure Contribution Plan that provides for works in kind as well as cash contributions and rewards early provision of social infrastructure
4. Provide for a 10% open space contribution to allow the delivery of the proposed new open space in Fishermans Bend.
5. Establish a mechanism to ensure that rates in Fishermans Bend can be used as a method of value capture within the Area to address the unintended consequences arising from rapidly escalating property values failing to lift rate revenue as expected and consider specifically excluding it from the 'Fair Go Rates System' on the basis of its unique and State significant urban renewal status.
6. Establish administrative procedures across relevant State and local government agencies to ensure that a proportion of the value created by public investment in Fishermans Bend is retained and used to meet the needs of the Fishermans Bend redevelopment.
7. Engage the Commonwealth Government under the City Deals program to support

## Finance and Governance

### Financial Plan

the Fishermans Bend redevelopment by contributing to early initiatives, particularly the tram and active transport links and affordable housing.

## Governance

8. Establish governance arrangements for Fishermans Bend which bring together ongoing responsibility for land use planning and industry 'curation' reflecting the unique circumstances and ambitions for the Area and providing for strong leadership with a concentrated focus and a mandate to drive development, a hands on integrated approach to problem solving and the powers and authority to act.
9. Define the mandate, powers, approach, membership and lifespan of the governance arrangements as outlined in section 6.2 of this Report.

## Strategic and Statutory Planning

### Proposed Planning Arrangements

10. Support the proposed combination of planning provisions subject to the issues outlined in section 7 being addressed, subject to a full review of the translation of the draft Framework into the controls when the draft controls are settled and subject to the implementation of governance arrangements which allow for nimble response to the development environment and the integration of land use planning with industry curation as described in section 6.2 of this Report.

### Density – protecting the Area from overdevelopment and underdevelopment

11. Endorse the proposed combination of Floor Area Ratios and mandatory and preferred height limits for each Capital City zoned precinct and the operation of Floor Area Uplift in those precincts.

### Commercial uses - safeguarding Melbourne's capacity for future office and commercial development

12. Support the proposal in the draft Framework to allow unlimited employment/commercial floor areas within the height and overshadowing

controls in order to accommodate additional commercial development and job creation.

13. Support the requirement for a minimum employment/commercial percentage of gross floor area in the core areas of Montague, Lorimer, Sandridge and Wirraway.
14. Consider legislating to allow the transfer of development rights in defined circumstances
15. In order to encourage development, implement a transitional arrangement which allows the minimum requirement for the employment/commercial Floor Area Ratio in core areas to be reduced under certain circumstances for a period of 5 years on the condition that
  - the proposed development can demonstrate that mode share targets can be met for users of the development, and
  - the developer can demonstrate that reasonable endeavours have been made to meet the commercial Floor Area Ratio requirement, and
  - the developer agrees to an open book examination of the financial arrangements for the development by an Independent Development Viability Review Panel and that Panel agrees that the delivery of the requirement for a minimum commercial area affects the financial viability of the development, and
  - the ground floor of the development is a commercial use, and
  - adaptable floor plates and ceiling heights are provided to accommodate the proposed minimum requirement for employment uses and
  - the potential for future commercial use is maintained by the retention of the space in one ownership and
  - the entire development is consistent with the minimum Floor Area Ratio which would have applied if the commercial minimums were not reduced (in order to avoid underdevelopment in core areas).
16. Where commercial uses are not proposed outside core areas, in addition to requiring floor plates and ceiling heights at ground level to be designed to support their adaptive reuse for commercial purposes at a later date, consider requiring that that ground floor space be

retained in one ownership rather than sold on strata title.

### **Setbacks**

17. Support the proposal that the street wall of buildings typically be a maximum of 4 or 6 storeys (depending on the street width) while allowing for the street wall of buildings to be 8 storeys high on wider streets (at least 20 m wide) but only in instances where the building does not exceed 10 storeys in overall height.
18. Support in principle the inclusion in the planning controls measures which provide for variable separation distances between buildings depending on the overall height of the building and the relationship between habitable and non-habitable rooms across site boundaries on the basis that it will facilitate greater diversity of building types.

### **Delivering genuine mixed use across all of the five precincts**

19. A new design, land use and infrastructure plan should be completed for the Employment Precinct as a high priority.

### **Flexibility in the delivery of affordable housing (see recommendations 65-67)**

### **Flexibility in the delivery of diverse housing (see recommendations 68-69)**

### **Flexibility in the delivery of affordable business rentals**

20. In the Capital City Zones, consider the development of mechanisms to enable the provision of commercial floor space that is perpetually 'affordable' via a covenant or ownership by a not for profit organisation in exchange for residential uplift.

### **Delivering public open space and reserving land for future requirements**

21. Apply a Public Acquisitions Overlay to land which is required for a public purpose but is not intended to be funded via a Development Contributions Plan or open space provision.

### **Managing parking and car use to ensure that substantial mode shift is realised**

22. Support the stringent maximum parking rates

as proposed in the draft Framework subject to early investment in public transport, and other initiatives to limit reliance on private on-site car parking (such as precinct parking).

23. Support the commitment to design street networks to minimise conflict between modes of transport as proposed in the draft Framework and the proposal to designate a series of streets where no crossovers are to be permitted while recognising the need to ensure the right balance between encouraging active transport and still enabling reasonable access to private properties from public roads.

### **Climate change mitigation and adaption and sustainability outcomes**

24. Support the inclusion of 4-star Green Star mandatory design standards within the permanent planning controls.
25. Provide for fast tracked approvals for buildings which meet the 5-star or higher Green Star building standards.

### **Ensuring that design excellence is achieved**

26. Establish a standing multidisciplinary Design Review Panel to provide timely and well targeted assistance to land owners and developers as they shape their development proposals during the pre-application phase and extend this role to include providing advice in the permit assessment process with a view to improving design outcomes and streamlining processes.
27. All proposals 30 storeys and over, all proposed Development Plan Overlays and all proposals in nominated key sites **must** be referred to a Design Review Panel and that these proposals must be publicly available to interested parties online with 3D modelling (although those parties should have no rights of intervention in the planning process).
28. Support a requirement that all larger scale developments must be designed and supervised by a qualified architect.

### **Protecting heritage assets and 'the feel' of the Area**

29. Protect specific heritage places within the Fishermans Bend, via the finalisation of Amendment C117 to the Port Phillip Planning Scheme (as amended) and the completion of a

similar review of heritage values and protection of significant sites within the Lorimer and Employment Precinct precincts within the City of Melbourne's municipal boundaries.

30. Build on the documented social history to support place making which reflects that history.

### **Establishing planning mechanisms to require super-lot or 'street block by street block' planning**

31. Support the proposal for mandated super-lot planning formalised by a Development Plan Overlay to occur on nominated sites in the core areas of each precinct and on sites that are of sufficient scale to warrant a more 'master-planned' approach to delivering infrastructure and development.
32. Support a proposal to allow for developer led super lot or street block by street block planning to be formalised by opt in Development Plan Overlays.

### **Public Realm Plans**

33. Give priority to the finalisation consistent standards for the public realm across the municipal boundaries in the area.

### **Ensuring that the planning arrangements properly consider development viability issues**

34. Confirm the principle of development viability as a key underpinning of the draft Framework and ongoing implementation of plans for the Area.
35. Undertake further viability testing of the proposed arrangements prior to the finalisation of the planning controls.

### **Providing incentives for development to proceed and to deliver public benefits**

36. Support the provision of incentives for development to proceed and to deliver public benefits including
  - maximising certainty of planning outcomes;
  - structuring density bonus rules to provide clear 'win-win' outcomes;
  - the early delivery of essential infrastructure;
  - maximising certainty of the timeframes for development approvals;
  - providing for flexible interpretation of some controls on the basis of development

viability subject to validation by a Development Viability Assessment Panel; and

- allowing greater planning flexibility for specified catalyst projects of major significance to the realisation of the Vision while still ensuring good urban design outcomes and providing for transparency in decision making in relation to these projects.

### **Support for quality outcomes from existing planning approvals and current permit applications**

37. Allow time extensions on existing permits in the Capital City Zones only under the limited but reasonable conditions outlined in section 7.18 of this Report.
38. In introducing the planning arrangements included in the draft Framework, implement transitional provisions for existing applications received before the release of the draft Framework to allow flexibility in relation to new conditions relating to broader planning aspirations beyond the site and its immediate physical surrounds as outlined in section 7.18 of this Report.

## **Transport (including walking and cycling)**

39. Support the Hartley Street tram alignment as shown in the draft Framework.
40. Agree that planning for the future Metro alignment will be through the Employment Precinct not Wirraway in order to maximise the capacity of Fishermans Bend to support job growth and to provide access to those jobs from the Western suburbs.
41. Support the early establishment of key trunk cycling corridors between the CBD and Fishermans Bend via Montague St in order to demonstrate the transformational approach needed to deliver the 80:20 mode share target.
42. The construction of the first stage of new tram routes and key bicycle routes be completed within 5 years of the plan's adoption.
43. Prepare a business case for demonstration precinct parking stations to be constructed in Lorimer and Montague each to provide parking for about 300 cars.

44. Strictly limit planning approvals for car parking to 0.5 car spaces per dwelling pending evaluation of these demonstration projects.
45. Plan for the early provision of public wharves on the Yarra to support the delivery of ferry and water taxi services.

## Sustainability, Contamination and Environmental Issues

46. Support the strategies in relation to contaminated land as outlined in the draft Framework
47. Develop mechanisms to specifically encourage precinct wide initiatives and street block by street block or super-lot planning to achieve environmental outcomes where it will be more cost effective for developers and/or will result in a better outcome for the public realm.
48. Develop a strategy to de-risk innovative construction approaches and support supply chain capacity for cost and environmentally effective innovations.
49. Pursue innovation in urban sustainability initiatives in collaboration with national and international research institutions including undertaking international benchmarking and peer review specifically on environmental sustainability.

## Community Infrastructure

50. Provide additional detailed information about the rationale for the type and location of the proposed community hubs to support informed community and stakeholder discussion of the draft Framework.

## Public Open Space and the Public Realm

51. Establish a voluntary provision via 173 agreements to allow the open space agreed as part of Floor Area Uplift to be delivered off site but within the same precinct as the Uplift is provided and in a location with the same walkability index.
52. As part of the precinct planning process, develop master plans to support the coherent design and planning for the Area and to define the location, scale and typology of

the structuring elements of place such as community facilities and open space. Establish a flexible ongoing master planning process to shape development over time.

53. Demonstrate early commitment to realising the open space and biodiversity vision for Fishermans Bend by giving priority to the development of the proposed Turner Street and Normanby Road Boulevards. This will involve the development of high quality pedestrian, public transport and cycling environments and attention to overshadowing and wind effects in land use planning, limiting vehicle access and elimination of crossovers among other things. Comprehensive master planning of abutting sites is essential to achieving this.
54. Identify ways in which people can be connected to the river water west of the Bolte Bridge in the short term that does not conflict with the active port, such as fenced walk/bike paths and managed access provisions.
55. Plan for the connection of Fishermans Bend to the Bay and plan for the upgrade of connections and infrastructure as part of the planning and funding arrangements for Fishermans Bend.
56. Optimise the synergy between the draft Framework's integrated water cycle management strategy and its open space approach.

## Place Activation

57. Include place activation as part of the implementation planning, including immediate and long term opportunities for collaborative development.
58. In the context of new governance arrangements, establish a transitional planning strategy to attract industry and talent to the Area and to facilitate community building drawing on the respective roles of the different levels of government, non-for-profit and private sector agencies. This strategy should plan for the curation and delivery of interim activities, low-cost and short term service provision and place making.
59. Consider enabling transitional use of the former Holden Site – inviting temporary business or events in these spaces while longer-

term planning is being undertaken, to build momentum for the change that is coming. This would require ensuring that effective permitting and management procedures can be adopted.

- 60. Consider experimental projects to model new transport behaviours and to test the effectiveness and uptake of the Vision – such as temporary bike lanes, or road narrowing on excess road space, greening of key streets to establish new patterns of use aligned with the future Vision.
- 61. Establish a small innovation fund and invite innovative proposals from residents and businesses, and support these proposals for local activities, events, business uses through a small grants scheme.
- 62. Work in partnership with local government through the community development and arts teams to establish proposals and activities which work towards community strengthening, alongside physical planning.

## Utilities

- 63. Support the approach to utilities development as outlined in the draft Framework.
- 64. Establish the principle of considering distributed systems and precinct wide solutions first in utilities planning for Fishermans Bend, while at the same time ensuring streamlined processes and rapid decision making about utility delivery.

## Affordable and Diverse Housing

- 65. Establish a voluntary provision via 173 agreements to allow the affordable housing agreed as part of Floor Area Uplift to be delivered off site but within the same precinct as the Uplift is provided and in a location with the same walkability index.
- 66. Establish a target of 10% of all housing to be affordable to low-moderate income earners to be delivered using the range of strategies outlined in the draft Framework.
- 67. Review achievement of the 10% target within 5 years and if progress towards the target is not being made, then mandatory inclusionary zoning at that level should be enacted with the

potential for exemptions based on development viability.

- 68. Include a provision encouraging the delivery of dwelling diversity as suggested in the draft Framework in a local policy but do not mandate it in planning controls.
- 69. Require applicants for residential developments over 12 storeys to submit 'alternative' floorplates which demonstrates how 1 and 2 Bedroom apartments can be combined to achieve a 3 or more bedroom apartment at a purchaser's request.

## Fishermans Bend Employment Precinct (West of Lorimer, north of Westgate Freeway)

- 70. Support the decision to proceed with the detailed planning in the draft Framework for the four precincts originally included in the Fishermans Bend Urban Renewal Area in advance of the planning for the Fishermans Bend Employment Precinct in order to give certainty to developers in the Capital City zoned precincts while allowing more time for the planning of the Employment Precinct.

## Communications and Engagement

- 71. Reiterate the commitment to work with the surrounding community and stakeholders on the development of precinct plans for each of the five precincts, on transition issues and on the longer term implementation of plans for Fishermans Bend.

## Branding, Communications and Promotion

- 72. In the context of new governance arrangements, develop and implement a local, national and international branding, communications and promotion strategy and program to drive the Vision, attract investment in commercial, retail, cultural and residential development and support the development of innovation and Design, Research, Engineering and Advanced Manufacturing Industries - DREAM industries.

## Planning for Transition

73. Give high priority to planning for the management of the transitional issues involved in transforming an industrial area into a high density mixed use inner urban community. These issues, including traffic, parking, construction management and conflicts between current and future uses are already evident and will multiply over time.
74. Consider some limited land tax and rate relief to businesses in Sandridge and Wirraway where early development is unlikely because of lack of transport infrastructure and where existing businesses are facing significantly increased costs because of the rezoning of the land.
75. Carefully monitor the implementation of the draft Framework overall through a transparent public dashboard approach and make necessary adjustments on an ongoing basis.
76. Undertake a full review of planning controls every 10 years.

