

Address	Current Zone	Recommended Zone
① The block of land bound by York, Cecil, Market and Northumberland streets, South Melbourne	Part Commercial 1 Zone, part Commercial 2 Zone	Commercial 1 Zone
② 176-188 Bank Street, South Melbourne (former South Melbourne Butter Factory)	Neighbourhood Residential Zone – Schedule 2	Commercial 1 Zone
③ 383-385 Clarendon Street, South Melbourne	Part Commercial 1 Zone, part Neighbourhood Residential Zone Schedule 2	Commercial 1 Zone
④ 68-72 York Street, 191-199 Clarendon Street and 31 Ross Street, South Melbourne	Part Commercial 1 Zone, part Commercial 2 Zone	Commercial 1 Zone
⑤ 120-142 Clarendon Street, Southbank	Part Commercial 1 Zone, part Commercial 2 Zone	Commercial 1 Zone
⑥ 102-106 Park Street, South Melbourne	Part Mixed Use Zone, part Neighbourhood Residential Zone Schedule 1	Mixed Use Zone
⑦ 77 Park Street and 286-294 Kings Way, South Melbourne	General Residential Zone Schedule 1	Mixed Use Zone

Figure 11 - Sites identified as zoning anomalies and recommended new zone.



Figure 12 - Location of sites identified as zoning anomalies and recommended new zone.

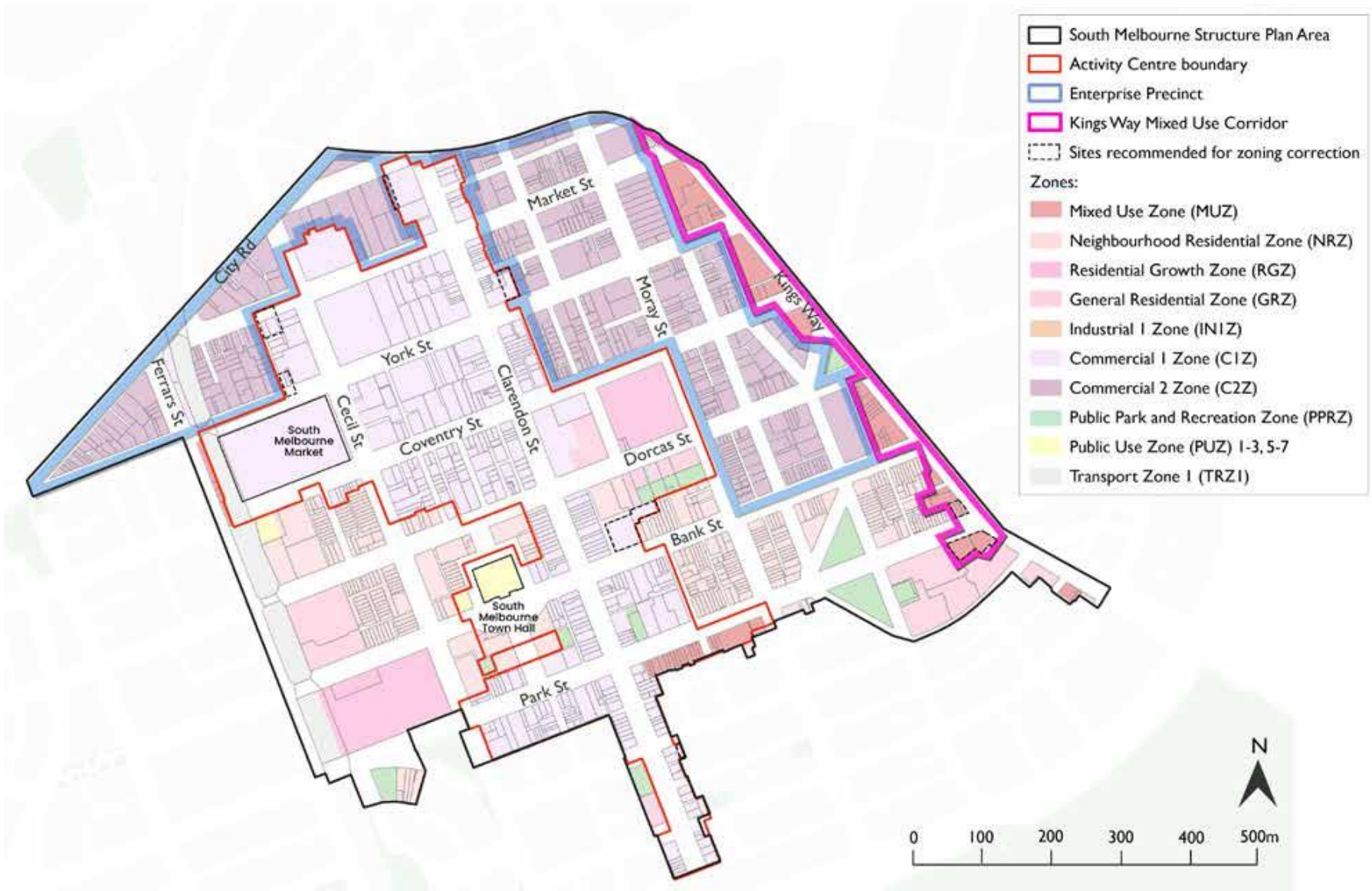

Figure 13 - Proposed zoning framework for South Melbourne.

Retaining the Commercial 2 Zone in South Melbourne's Enterprise Precinct

State planning policy directs that land within the South Melbourne Enterprise Precinct should be protected for such purposes via appropriate land use zoning.

The economic analysis that has informed this Structure Plan included an assessment of which land use zoning would best support the economic diversity and vitality of land uses within the Enterprise Precinct.

The assessment considered the advantages and disadvantages of a range of zones for the Enterprise Precinct (Commercial 2, Commercial 3, Industrial 1 and Mixed Use zones) and it concluded the following:

- The Commercial 2 Zone (C2Z) is an appropriate zone to support a wider range of 'enterprise' and amenity-related land uses within the precinct, and this zone should be retained over land within the Enterprise Precinct.
- The C2Z (combined with the precinct's adjacency to the core part of the South Melbourne MAC) provides sufficient capacity for an appropriate range of land uses to establish within and adjacent to the precinct to support its intended 'enterprise' function.
- The land currently in the Industrial 1 Zone (the 'City Road Industrial Triangle' bound by City Road, Ferrars Street and York Street) should be rezoned to C2Z[6].

South Melbourne's C2Z has supported South Melbourne's success as an Enterprise Precinct, anchored by its specialisations in creative industries and professionals services for many years now. Retaining the C2Z over land within this precinct will continue to protect the Enterprise Precinct's future employment growth. In turn, this will strengthen South Melbourne's specialisations, while also providing opportunities for new industries to establish in South Melbourne and contribute to its vitality.

Rezoning the 'City Road Industrial Triangle' to the C2Z will accurately reflect the land uses already established in this area (Figure 14). The nature of these land uses aligns with those within the broader Enterprise Precinct, and applying the C2Z to this area will provide greater certainty around the desired development outcomes for this area.

The C2Z would allow for various new sensitive uses to establish on this land, and it is therefore proposed to apply an Environmental Audit Overlay (EAO) to the land to ensure land is suitable for any future sensitive uses such as child care centres.

Applying the EAO to the entire area reflects the approach taken in the abutting Fishermans Bend, where the EAO has been applied to all precincts where residential development and other sensitive uses are envisaged. Studies undertaken to inform the Fishermans Bend Framework (Victorian Government, 2018) suggest that heavy metals and solvents may be widespread across Fishermans Bend and confirm issues with ground water contamination due to past land use activities. Further, a portion

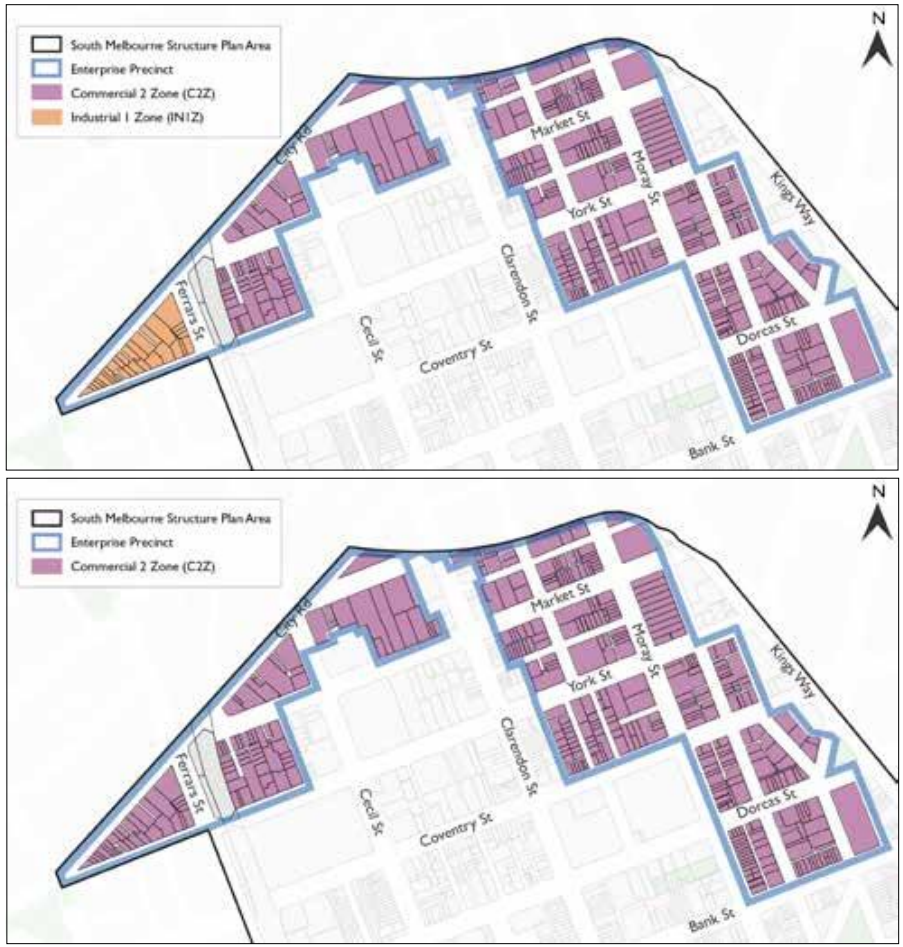

Figure 14 - South Melbourne's Enterprise Precinct with City Road triangle rezoned to Commercial 2 Zone.

6 SMEELUS, Chapter 8 (Urban Enterprise, 2023).

of Ferrars Street abutting the area is identified as a Groundwater Restricted Use.

Catering for forecast floorspace growth within South Melbourne

Planning Practice Note 58: Structure planning for activity centres (PPN58) notes that Structure Plans should demonstrate that an activity centre can accommodate projected future requirements for a wide range of uses such as housing, office, social and community infrastructure, business mix, retail, entertainment and employment uses.

PPN58 does not set any specific benchmark for the provision of housing in activity centres (other than stating that Structure Plans should provide for housing choice and diversity taking into account housing development data and housing capacity).

However, PPN58 states notes that the boundary for an activity centre should include sufficient land to provide for the commercial (retailing, office, fringe retailing and support activities such as entertainment) activities needed over a 15 to 20 year time frame and then *'into the 30-year horizon'.*

The Structure Plan has been informed by the supply and capacity assessment contained within the economic analysis that has informed this Structure Plan[7], together with the calculation of the total floorspace capacity within the proposed built form framework set out within the South Melbourne Built Form Review[8].

The economic analysis forecasts the following floorspace growth in South Melbourne over the period 2023-2040:

- Between 145,000 and 187,000 square metres of office space
- Between 16,000 square metres and 21,000 square metres of retail floorspace
- Up to 968 dwellings (equivalent to 96,800 square metres gross floorspace (@80sqm/apartment net).

The combined total floorspace (at the upper end of the forecast range) equates to approximately 304,000 square metres (net) over the period to 2040[9].

These projections need to be monitored and may vary over time. However, the have been used as a guide to assessing whether or not the land use and built form framework proposed for South Melbourne is likely to have sufficient capacity to cater for the above mentioned demand forecasts.

The economic analysis identified a potential development capacity under the existing planning framework of approximately 360,000 square metres (net)[10].

The built form review has identified that the total floorspace capacity associated with the proposed revised planning framework is approximately 525,000 square metres (net).

The combined total floorspace (at the upper end of the forecast range) of 304,000 square metres (net) would require approximately 57% of the development capacity available under the proposed revised built form framework to be realised over the period to 2040.

The economic analysis has also identified that:

- There will be strong competition between retail, commercial and residential uses within the MAC boundary (namely between land in the C1Z and MUZ) for development sites within these zones over the period to 2040.
- Land within the existing C2Z and IN1Z will play a critical role in catering for future commercial floorspace needs in South Melbourne over this time horizon.
- There is no need to rezone land within the C2Z or IN1Z to the C1Z in order to create a 'contingent' floorspace capacity for residential or retail uses within the study area over the forecast period, as there are other options available to achieve this which should be considered.

Implementing the outcomes of the built form review would substantially increase the floorspace capacity across South Melbourne, albeit that a substantial proportion of this increase would be available on land within the Enterprise Precinct rather than the MAC.

This overall increase in floorspace capacity will ensure that South Melbourne can accommodate forecast commercial floorspace demand over the period to 2040, even in the context of land fragmentation. While a substantial proportion of this growth is expected to occur within the Enterprise Precinct (C2Z), this is appropriate given its adjacency the South Melbourne MAC and the land use, economic and spatial synergies between each area.

In relation to retail uses, specific forms of complementary retail uses (for example, food and beverage) will be encouraged within the Enterprise Precinct (C2Z), and new policies will be introduced into the planning scheme to provide flexibility for certain types of 'core retail' (shop) uses in locations within the Enterprise Precinct that are adjacent to the MAC boundary.

In relation to residential uses, the Structure Plan provides for housing growth within the MAC boundary, and broader housing policies, as set out in the City of Port Phillip Housing Strategy (August 2024) and Port Phillip Planning Scheme, identify a number of other locations close to South Melbourne that have the potential to cater for significant housing growth. These areas have the potential to absorb any potential future unmet residential demand in the study area, should this need arise.

7 Urban Enterprise (2023).

8 Hodyl & Co (2024), pp.122-123.
9 Hodyl & Co (2024), pp.122-123.
10 Urban Enterprise (2023), page 90.