

Improving recognition of 'enterprise precincts' in local planning policy

The South Melbourne Structure Plan provides opportunities to better recognise South Melbourne's Enterprise Precinct in local policy. State policy at Clause 17.01 Employment (Clause 17.01-2S Innovation and research) includes a strategy to support the development of enterprise precincts to create opportunities for innovation and the knowledge economy. Additionally, State policy at Clause 17.01-R (Diversified economy – Metropolitan Melbourne – Inner Metro Region) contains a strategy to retain and encourage the development of areas in and around Collingwood, Cremorne and South Melbourne for creative industries.

Enterprise precincts are recognised in the *Melbourne Industrial and Commercial Land Use Plan* (Victorian Government, 2020) and *Unlocking Enterprise in a Changing Economy* (Victorian Government, 2018). They play a critical role in Victoria by providing land for businesses to establish and for the development of ideas that drive innovation across industries. Their ongoing success requires state and regional planning policy support and strategic direction.

Similarly, both the *South Melbourne Employment, Economic and Land Use Study* (Urban Enterprise, November 2023) and *Port Phillip Spatial Employment and Economic Framework* recognise the contribution of South Melbourne's Enterprise Precinct to the City's and broader metropolitan economy. Recognising this important function in

local policy and will ensure that South Melbourne's Enterprise Precinct can drive innovation and provide varied employment opportunities for many years to come.

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

South Melbourne's Commercial 2 Zone (C2Z) has supported South Melbourne's success as an Enterprise Precinct, anchored by its specialisations in creative industries and professionals services. Retaining the C2Z will protect the enterprise precinct's future employment growth, as recommended by the South Melbourne Employment, Economic and Land Use Study. 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' bound by City Road, Ferrars Street and York Street from the Industrial 1 Zone (INIZ) to the C2Z will accurately reflect the land uses taking place in this area (Figure 11). The nature of these land uses aligns with those within the broader Enterprise Precinct, providing greater certainty around development outcomes for this area.

In recognition of this area's current industrial zoning it is also recommended to apply an Environmental Audit Overlay (EAO) to ensure land is suitable for sensitive uses such as child care centres.

Applying the EAO to the entire area effects the approach taken in the abutting



Figure 11 – South Melbourne's Enterprise Precinct with City Road triangle rezoned to Commercial 2 Zone.

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

Defining the spatial extent of the South Melbourne Major Activity Centre

Activity centres are a focus for housing, commercial, retailing, community, employment, transport, leisure, open space, entertainment and other services and are places where people shop, work, meet, relax and live.

State planning policy directs the further expansion of these services into activity centres, and recognises that activity centres are ideally placed to provide for growth in household numbers. As such, activity centres will be a major focus for change in metropolitan Melbourne.

Plan Melbourne 2017-2050: Metropolitan Planning Strategy identifies South Melbourne as a Major Activity Centre. The Victorian Government defines Major Activity Centres as places that provide a suburban focal point for services, employment, housing, public transport and social interaction.

The *South Melbourne Activity Centre Boundary Report* (November 2023) recommends some additions to the South Melbourne Major Activity Centre, illustrated in Figure 12. These recommended additions accord with the criteria outlined in *Planning Practice Note 58: Structure planning for activity centres* (Victorian Government, 2018). The additions also align with the 20-minute neighbourhood concept, as defined in Plan Melbourne. In doing so, the planning framework applying to South Melbourne will accurately reflect the land uses that support its function as a Major Activity Centre.

Residential precincts

South Melbourne comprises two residential areas east and west of Clarendon Street comprising low rise houses often interspersed by mid-rise apartment and townhouse developments. Most of these areas are in the Heritage Overlay. These residential areas are mostly in the Neighbourhood Residential Zone, which has a height limit of 9 metres or two storeys, however some sites are in the General Residential Zone, which has a height limit of 11 metres or three storeys. Park Towers is in the Residential Growth Zone.

Detailed planning and building requirements for these areas are already in the Port Phillip Planning Scheme. Including these areas in the Structure Plan area seeks to protect their established streetscape character, an attribute highly valued by the community. Importantly, the South Melbourne

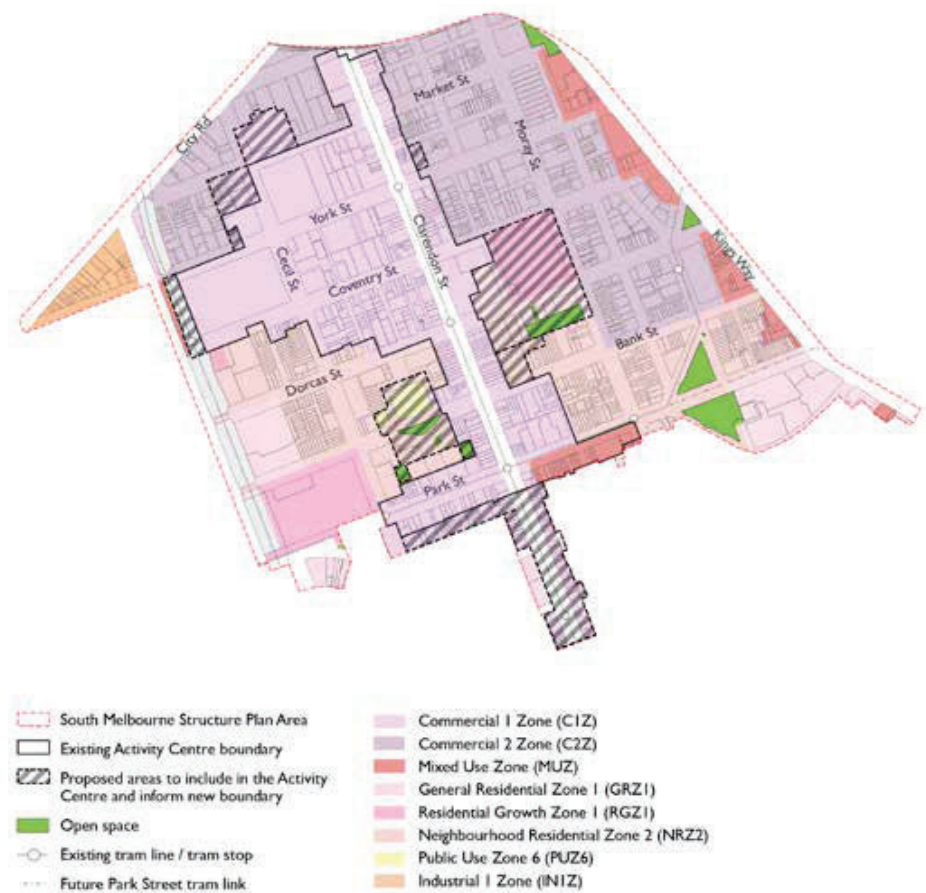


Figure 12 - Proposed South Melbourne Activity Centre Boundary

Structure Plan to ensure that the fine grain character and heritage values of the residential areas are respected by building scale and design in larger adjoining commercial development.

Fixing zoning anomalies

There are three identified zoning anomalies in South Melbourne, where two zones apply to a single site. These are listed in Figure 13 and location shown in Figure 14. Correcting these anomalies so one zone applies will facilitate clear direction on future use and development, along with better supporting the role of South Melbourne’s activity centre. Further

justification about each rezoning is in *South Melbourne Structure Plan: Zoning Anomalies Report* (City of Port Phillip, November 2023). Other than the proposed rezonings, the application of existing zones will be retained to ensure that both South Melbourne’s Activity Centre and Enterprise Precinct can thrive, along with providing meaningful employment opportunities that contribute to South Melbourne’s economic specialisations and competitive advantage. The proposed zoning framework for South Melbourne is shown in Figure 15.

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

Figure 13 – Sites identified as zoning anomalies and proposed new zone



Figure 14 – Location of sites identified as zoning anomalies and proposed new zone



Figure 15 – Proposed zoning framework for South Melbourne.