

Submission by Port People Inc.

Draft Vision for Fisherman's Bend Urban Renewal Area (22 November 2013)

Recast Vision (26 June 2016)

Port People Incorporated (PPI) is a not-for-profit community-based voluntary association of Port Melbourne residents formed to promote community values in the Garden City and Beacon Cove area. PPI also advocates on behalf of residents regarding wider issues likely to affect livability in Port Melbourne.

PPI welcomes the opportunity to make comment on the Victorian Government's Draft Vision and Interim design Guidelines for the new extended capital city zone to be known as the Fisherman's Bend Urban Renewal Area (FBURA). PPI is proud of Melbourne's continuing place among the world's great cities, and our members are staunch supporters of the local culture, traditions and community spirit that permeate Garden City, Beacon Cove and the wider Port Melbourne area.

PPI makes this submission in the interests of enhancing Melbourne's position as an internationally renowned city and preserving the features PPI believes are intrinsic to Port Melbourne and contribute to Melbourne's reputation. As part of that objective, our submission attempts to reconcile the Vision with the broader *Planning Melbourne Strategy*, the recently released Victorian Freight Plan, and the planned expansion of Webb Dock.

This submission attempts to add value by discussing the issues PPI believes must be resolved for FBURA to move from a draft vision to a reality which helps preserve both Melbourne's position as the world's most liveable city and the excellent amenity characterising Port Melbourne and its surrounds.

Overview

Turning the Vision into reality requires housing for 80,000 people plus office and retail space for 40,000 workers. The FBURA has 248 hectares, or 2.48 square kilometres, available for the project. Within that area will be a mix of high-rise towers, warehouse living and townhouses as well as existing and new businesses.

The FBURA is intended to be served by 24 hour public transport, an extensive network of walking and cycling paths, schools, child care and other community facilities, parks and shopping precincts. The result is expected to be an accessible, vibrant, distinctive and family-friendly place to live, work learn and play.

Funding for the area is envisaged to come from a combination of Government spending and private investment via established business models including developer contributions, taxes, levies and rates.

PPI applauds the aspirations of the Vision including the acknowledgement of the main challenges¹ associated with establishing the necessary infrastructure and service facilities in a timely fashion that attracts investors, new business and residents. Many of these challenges, while not insurmountable, are made more difficult by the location of this first and largest urban renewal project on what is essentially an isthmus bounded on three sides by the Yarra and Hobson's Bay.

¹ Places Victoria, *Fishermans Bend Urban Renewal Area: Draft Vision*, p. 19, September 2013

PPI believes there are also a number of other challenges that can work against the achievement of the Vision, unless addressed in a thoughtful, honest and outcome-oriented way. Chief amongst these are ensuring:

- key sites are acquired and reserved for necessary infrastructure such as schools, parkland and transport corridors before they are sold to developers;
- planning application decisions made in advance of the implementation of the final planning controls are consistent with the draft vision;
- existing communities and businesses are not detrimentally affected as the project progresses (the transition phase);
- the existing culture of the Port Melbourne communities is prioritised over any cultural differences stemming from the increased population density of the project; and
- governance arrangements for the project are capable of providing certainty to investors, existing communities, affected businesses and individuals who may make financial commitments on the basis of the Vision.

Lastly PPI strongly suggests that any background reports informing the development of the draft vision be made available to the public. This can only assist the consultation process and the prospect that all stakeholders will ‘buy in’ to the project. Similarly, any further reports likely to affect the detail of the Vision should also be made available as and when they are tabled.

PPI also suggests that further iterations of the Vision be written in plain English, rather than the somewhat inventive and ultimately meaningless language of the *10 Strategic Directions*².

The remainder of this submission expands on the points made above and responds to the questions in the Draft Vision.

Location

PPI acknowledges that the decision to locate Victoria’s first major urban renewal project has already been made, and that the project is unlikely to be re-located to another better serviced, more accessible area. We do not know what factors were considered in choosing the proposed area, although the Draft Vision mentions the desirability of building along the Yarra, linking the City to the Bay and making better use of under-utilised industrial land.³

PPI notes that of the four precincts envisaged, Lorimer is the only one that actually builds along the Yarra.

The notion of linking the City to the Bay seems odd since there are very good transport links from the CBD through Port Melbourne and most other bayside suburbs to Port Phillip Bay. PPI assumes that the Vision really means extending the CBD closer to the Bay, but fails to see why this may be beneficial.

The question of the degree to which the existing properties utilise the available land is no simple matter. There seems to be an assumption that the present light industrial use represents poor economic value in comparison with future residential and commercial use. For this to be a safe assumption, there would need to be an assessment of the comparative nett value that the current businesses bring to the local, Victorian and Australian economies, the value that the proposed

² Places Victoria, *Fishermans Bend Urban Renewal Area: Draft Vision*, pp. 21-27, September 2013

³ Places Victoria, *Fishermans Bend Urban Renewal Area: Draft Vision*, Foreword and Chapter3, September 2013

residential and commercial business is likely to bring, and the negative impact of the transition from one to the other.

PPI notes that many of the 18,000 workers currently employed in the renewal area are part of the car, freight and shipping industries. The car industry has been – and is being – heavily subsidised because of its importance to the economy⁴; the freight and logistics sector is widely recognised as the lifeblood of Australia’s trade accounting for \$23 billion per year⁵; and the Port of Melbourne is subject to an expansion worth \$1.6 billion in investments and a total value of over \$6 billion⁶. The area also hosts a number of new technology, media and visual arts businesses. These businesses provide a mix of demographics adding to the diversity and to the wealth of community interaction, which is valued by the existing local community. The Vision does not appear to take such factors into account.

One thing that is certain is that the proposed FBURA is confined to the north by the M1 Freeway and the Yarra, to the west by the Yarra and to the south by Hobsons Bay, effectively placing the development on an isthmus. This means that there is a limited number of ways of gaining access to the area. To increase access to cater for an additional 83,000 residents and 42,000 workers will be considerably more expensive than if the area was served by an existing 360 degree network of roads and public transport, as is the case with other proposed urban renewal areas to the west, north and east of the CBD.

Secondly, the FBURA is a natural floodplain that has filtered much of the early pollution from further up the Yarra. The ground conditions of silt, a shallow watertable and contaminated earth from various local industries combine to pose a particular engineering challenge to project managers and builders that would not be present in other parts of inner Melbourne. Experience with the Arts Centre and Hamer Hall shows that building in and on these ground conditions can result in significant changes to the level of the surrounding land to the point where existing foundations, walls and pavement can crack or even separate.

Moreover, we are concerned that construction may release contamination into the watertable, with devastating consequences for gardens and parkland irrigated from this source; and for established trees whose root systems have reached the watertable.

Should developers neglect to take appropriate precautions against these consequences of poor engineering and/or building techniques, the project may well find itself mired in litigation and compensation claims by developers, affected property owners and service providers. PPI believes that all tenders and contracts for site preparation and building works should specifically address these issues before, during and after construction.

Site Acquisition

PPI is convinced of the importance of having land set aside for public transport corridors, public open space, schools, child care facilities, hospitals and other community facilities *before* planning approvals for residential and commercial building projects are granted. This has a number of benefits, chief amongst which is certainty.

⁴ ABC News, <http://www.abc.net.au/news/2013-11-04/car-industry-subsidies-worthwhile-study-concludes/5066938> viewed 6 November 2013

⁵ Urbanalyst, *Victorian Planning Minister Approves New Port Zone*, 18 November 2013

⁶ Port of Melbourne Corporation, *Planning Approval for Port Capacity Project*, 22 February 2013

Without certainty that these necessary pieces of infrastructure are allowed for and planned, developers and prospective buyers will not be able to form a true picture of the worth of the area. If developers are not certain the necessary infrastructure will be put in place, they will be more likely to target customers who are less likely to be concerned at the absence of this infrastructure. It is already widely recognised that Melbourne's existing infrastructure is insufficient for its existing population, and this can only worsen if the implementation of the Vision does not involve sufficient funding for this purpose.

For developers to be sure of a return, they have increasingly relied on selling properties off the plan. Many of the buyers are investors who intend to rent out properties on either a short or long term basis, and/or use them to reduce their taxation and stamp duty liabilities. Many corporate customers also buy off the plan for 'fly-in fly-out' employees, which also provides them with tax benefits⁷. These are unlikely to be the kind of buyers who care about their contribution to the life of the community.

Unless the appropriate incentives are provided to the market, PPI is concerned that FBURA will have a preponderance of lower quality one and two person residences instead of the breadth of age groups and life stages envisaged. If this happens, we are likely to see a repeat of the less successful features of the Southbank and Docklands developments which have resulted in poor occupancy rates, high turnover of commercial properties and deserted public space. Without the necessary infrastructure, PPI fear the FBURA will become a ghetto; but with it the area has a much greater prospect of delivering the benefits the Government hopes for in its Vision.

Interim Planning Decisions

Similarly, PPI is concerned that the planning applications currently before the Minister for Planning should not be approved without the applicants specifying how their proposals will contribute to the realisation of the Vision. As part of that process, PPI believes the responsible authority must be satisfied that the proposed developments do not place a disproportionate load on proposed infrastructure to the detriment of later developments, particularly in the Sandridge and Wirraway precincts.

With that in mind, PPI broadly supports, but has some reservations about the *Interim Fishermans Bend Design Guidelines* dated September 2013 (the Interim Guidelines). The main reservation concerns height limits, both in terms of proposed podium and overall tower heights. Proposed regulations concerning overshadowing are specifically confined to Port Melbourne and are based on shadowing at the equinox. PPI believes that the Vision – and therefore the Interim Guidelines – should be aimed at protecting all low-rise residential areas and public open space all year round. We therefore suggest that the Interim Guidelines and all subsequent planning controls should specify that new buildings must not overshadow any low-rise residential properties or public parkland between 11:00am and 2:00pm on June 21 (the winter solstice).

Secondly, the amount of public open space required from developers at 8% of site area is considered too small, even though this is in addition to dedicated pedestrian links. PPI understands there are over 30 applications currently before the Minister, most of which are over 20 storeys. If one assumes that a 20 storey tower houses 135 people⁸ and sits on 6,000 square metres, then there is 480 square metres of developer open space or 3.5 square metres per person for outdoor recreation. This is obviously the

⁷ See <http://www.findlaw.com.au/articles/420/off-the-plan-property-purchase---things-to-consider.aspx> viewed 19 November 2013

⁸ Modelled on Eureka Tower, which has 556 apartments in 91 storeys on a site area of 4,350 square metres.

best case scenario, but still won't allow for anything more than passive recreation. This is explored in greater detail in the section on preserving cultural amenity.

The Interim Guidelines address sustainability in some detail, but fail to mention more recent advances in thinking such as passive drying areas, green roofs and walls, etc. PPI would prefer the guidelines encourage best practice, cutting edge design principles, which should also extend to architecture and built form.

PPI is generally supportive of proposals to limit the impact of cars on traffic and space available for parking. However, there is still likely to be a significant number of cars associated with the number of people expected to buy in the area. The Vision and the Interim Guidelines aim to limit the number of car parks to 0.5 per two bedroom dwelling, and PPI understands that this is the preferred average across the FBURA⁹. This still means that an additional 20,000 cars will require parking.

PPI also understands there will be no underground parking allowed in the area. As a necessary consequence of this requirement, a significant amount of building space will need to be devoted to parking. PPI is concerned that this will increase the height of towers to the detriment of the Vision. PPI would rather see the proposed population limited than taller buildings to cater for vehicles.

Transitional Arrangements

Given the limited amount of space in the proposed construction area, there is likely to be disruption to movement in and out of Port Melbourne, to nearby residents and to businesses operating in and around the FBURA. The Vision does not address how to ameliorate or minimise adverse effects from constant development occurring over a period of 30 or more years.

PPI believes this is likely to be a major deterrent to families and businesses moving into the area, and not just to those already here. If the Government wishes to maximise economic value from the renewal, it will need to find ways of convincing the existing local community and businesses to remain while the project is completed. If construction is too disruptive, there may be an exodus from the area, resulting in a flooded local property market, which must drive down prices. In this circumstance, there will be very little return to investors and developers, and very little prospect of the Vision ever being realised.

Preservation of Existing Cultural Amenity

PPI considers that a key component of Australian culture is enjoyment of the outdoors. A large part of Melbourne's liveability is its climate, its parks and its love of sport. Port Melbourne has an especially rich sporting history and tradition. The Port Melbourne Cricket Ground, more commonly known as North Port Oval was granted in perpetuity to the people of Port Melbourne by the colonial government in 1876, and has been home to the Port Melbourne Cricket and Football Clubs ever since.

Murphy's Reserve has been home to the Port Melbourne Baseball Club since the 1930s, the Port Melbourne Soccer Club, the Port Colts Cricket and Football Clubs, all for many decades, and has been used by a large number of other clubs and associations on a permanent, semi-permanent or casual basis.

⁹ Department of Transport, Planning and Local Infrastructure, *Interim Fishermans Bend Design Guidelines*, September 2013, p17

The area is currently going through a demographic change with large numbers of growing families living in the area. This is placing a substantial strain on the available open space for organised sport and passive recreation.

PPI is very concerned that an influx of 83,000 additional residents without the addition of significant amounts of open space will mean that many people will be unable to enjoy the amenity and benefit of organised sport simply because there is insufficient space to play. The effect on health and well-being in the new and existing communities could well be catastrophic.

PPI believes that in cases where amenity is at risk from development, amenity must take priority every time.

Governance Arrangements

The FBURA is not expected to be completed before 2060, so it is important for there to be consistency of decision-making over 50 years if the Vision is to be realised. Without consistency, investors and buyers will not have the certainty they require to make it worth their while to be involved. Similarly, the local community will not have confidence that the Vision can deliver benefits that they can share in. Without that confidence, the Government risks creating a divide between the established community, the project developers and the new community.

PPI considers that there are three components to providing the necessary certainty:

- through the planning controls,
- through the decision making process and
- through an enforcement/compliance regime.

The planning controls must be sufficiently robust and forward-looking to withstand changing economic, environmental and political conditions, and everyone must have confidence that they will not be subject to future change without reference back to an agreed Vision.

Interpretation of the planning controls also needs to be consistent over the life of the project. PPI believes there needs to be a statutory planning authority independent of Government that makes decisions on individual applications with a high degree of objectivity. Those decisions should be with the sole aim of achieving the agreed Vision. Under such a structure, no single individual would have an ultimate authority to rule or overrule on individual decisions of the planning authority.

There needs to be a mechanism for checking compliance of the final product with the original planning decision. PPI believes the planning authority should also have this role. Consistent with Common Law, there would also need to be a review process for aggrieved parties. PPI believes this could be satisfied under existing appeal mechanisms to VCAT and/or the Supreme Court of Victoria.

PPI believes the Government should seriously consider creating an Act of Parliament to give effect to the governance arrangements applicable to the FBURA.

Summary

PPI understands and accepts the need for the FBURA and welcomes the potential opportunities it offers. Our membership is receptive to any changes that enhance the liveability of Port Melbourne. The Vision offers the prospect of such a change.

However, there is already a substantial lack of infrastructure supporting the existing population of the area. The nearest hospital is overcrowded, there are insufficient places in the nearby schools and childcare facilities for local children, and the available aged care facilities are in need of substantial refurbishment and expansion – if not replacement.

If the Government does not address these issues either separately or as part of the Vision, the addition of a further 83,000 residents and 42,000 workers into a very small area will surely break the system and result in slum conditions or worse. To that end, PPI strongly believes the FBURA should be scaled back to meet the capabilities of the available infrastructure, and staged to grow only at the rate that infrastructure is built to support the proposed population.