Conner & Associates estimate that in 1980 they accounted for 21 percent of city retail turnover, with a further 9 percent coming from workers located nearby. This suggests that increased activity in the central business district will lead to more opportunities for people to start business ventures that offer services to shoppers, the workforce and to other businesses.

A new zone is applied to the retail core of Central Melbourne to encourage continuation of the retailing function of Central Melbourne. The objectives for this zone also seek to encourage further establishment of speciality shops, urban design improvements and better use of buildings. However, retailing development in Central Melbourne will not be limited to the retail core area and retailing will be encouraged to complement activities in other areas.

Uses such as furniture warehouses, appliance sales and carpet sales require large display areas; the preferred location is within Central Melbourne or district centres and this is provided for in Amendment 150.

7.3.1 Major Shopping Complexes

The definition of a 'Major Shopping Complex' is a shopping development having a gross leasable floor area of 4 000 square metres or more. The Board will be the decision-making authority for approval of major shopping developments.

As a first preference, all major shopping complex developments will be required to be located in Central Melbourne or in a district centre.

Developers wishing to locate major shopping complexes elsewhere will have to show why they cannot or should not be in Central Melbourne or a district centre. The next most favoured location will be either within or near other commercial centres well served by public transport.

7.4 Offices

To help achieve the activity centre strategic objectives, a hierarchy of centres for office activities is proposed, along with new definitions for office developments. These steps are intended to encourage new office developments to locate in Central Melbourne or a district centre, and to keep major office development within Board control.

The proposed hierarchy is: 1. Central Melbourne. 2. District centres. 3. Other commercial and community centres. 4. Industrial zones. This hierarchy is consistent with the proposed activity centre strategic objectives.

7.4.1 Major Office Development

'Office Category V' is defined as an office development having a gross floor area exceeding 4 000 square metres. These developments are encouraged in Central Melbourne particularly in the central business district and in district centres, but not elsewhere. Such major offices are permitted within relevant zones in the central business district but require Board approval in the remainder of Central Melbourne or in district centres.
7.4.2 Other Offices

Office developments having a floor area of between 2,500 and 4,000 square metres (Office Category 2) will also be encouraged within Central Melbourne and in district centres and will not require Board approval.

Office developments having a floor area of between 1,000 and 2,500 square metres (Office Category 3) may be considered by council’s in all other commercial zones except the Local Business Zones, where such development is prohibited.

Office development having a floor area of up to 1,000 square metres (Office Category 4) will be permitted in all commercial zones. Office development should preferably locate in those centres with good public transport links.

Office development in industrial zones will be limited to those directly associated with industrial operations or those which provide services to industries in the zone.

7.4.3 Central Melbourne

Most new developments that come under the definition of Office Category 1 should favour location in Central Melbourne.

Although some office functions, such as insurance companies, have followed their customers into the suburbs, the head offices of major financial enterprises, large corporations and many government departments should stay within Central Melbourne.

Over the last 20 years occupied office space in the central business district has more than doubled and is now about 2,500,000 square metres. Central Melbourne has the major concentration of white collar employment. In recent years the central business district has accounted for some 60 percent of office buildings approved for the Melbourne Statistical Division.

Between the census years 1971 and 1976, the number of white collar jobs in the City of Melbourne local government area grew from 151,000 to 160,000. Because of faster growth in the established and outer suburbs, however, its share of white collar jobs in the Melbourne metropolitan area fell from 30.5 percent to 28.6 percent.

Central Melbourne’s percentage share of jobs in the metropolitan area is not likely to increase but development will be encouraged so as to increase the absolute number of jobs.

To encourage office development in Central Melbourne, new zones are introduced in the central business district and along part of St Kilda Road.

A new zone in the central business district provides for the continued development of major offices in Central Melbourne. The objectives particularly seek to encourage office development close to ‘loop’ stations, urban design improvements, better use of existing buildings and combined office and residential development in areas close to parks, Victoria Market, educational and hospital facilities.

In St Kilda Road, the new zone recognises the proximity of this area to parkland and seeks to encourage office development and high density housing to take advantage of and enhance this setting.