

# CHAPTER 04

## PRODUCTIVITY

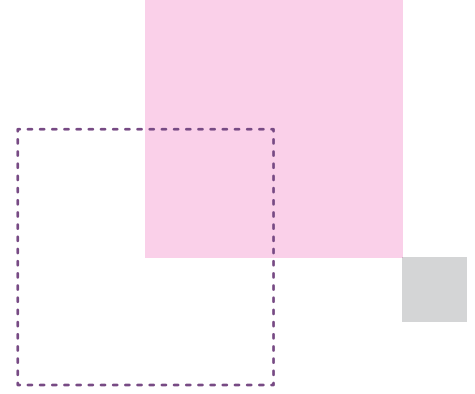


Plan Melbourne Outcome 1:  
Melbourne is a productive  
city that attracts investment,  
supports innovation and creates  
jobs

The Inner Metro Region will continue make a significant contribution to the state's economic output, particularly as the Victorian economy continues to transition to a more service and knowledge-based economy. This will be driven by the Central City, which is metropolitan Melbourne's principal centre for commerce, professional, business and financial services.



Photo credit: Department of Jobs Precincts and Regions / SDP Media



The region's economic locations, including its two NEICs, will underpin its resilience and adaptability as ongoing and inevitable change occurs, while providing the necessary ingredients for innovation.

The region has several important urban renewal precincts for Melbourne including Fishermans Bend, Arden, Macaulay and, over the longer term, Dynon and E-Gate. These precincts provide key opportunities for the region's economic future and will better connect the workforce in Melbourne's west. The Richmond to Docklands renewal precinct provides an opportunity to strengthen the region's entertainment and visitor offering.

The Inner Metro Region's 10 major activity centres provide local services for residents while also attracting visitors from across the state.

There is an emergence of new spaces for enterprise and innovation, facilitated by proximity to the CBD and the region's existing heritage character including Cremorne, Collingwood, South Melbourne and Arden. These areas provide affordable opportunities for start-ups and emerging enterprises.

The region also contains the Port of Melbourne and freight terminals at Dynon, which are logistics infrastructure assets of state and national significance.

## State of play

The following places contribute to the productivity of the Inner Metro Region:

- The Central City, which includes the CBD (Hoddle Grid, north to Grattan Street between Peel and Swanston streets) as well as Docklands, Southbank and St Kilda Road
- Parkville and Fishermans Bend NEICs
- Transport gateway at the Port of Melbourne
- Major urban renewal precincts at Docklands, Fishermans Bend (Lorimer), Fishermans Bend (Montague), Fishermans Bend (Sandridge), Fishermans Bend (Wirraway), Arden, Macaulay, E-Gate, and Dynon

- State-significant health and/or education precincts at Parkville Medical, Bioscience and Education Precinct, St Vincent's Hospital and Australian Catholic University Precinct (East Melbourne/Fitzroy), Epworth Hospital (Richmond), Alfred Medical Research and Education Precinct (Prahran)
- A network of 10 existing major activity centres that are generally strip-based centres
- Enterprise precincts at Cremorne, Collingwood (Gipps Street), South Melbourne and within the Arden major urban renewal precinct
- Premier tourism assets including the Sports Precinct and Arts Precinct and the Richmond to Dockland renewal precinct.

The Inner Metro Region contributes \$117 billion to metropolitan Melbourne's economy, which is about 35 per cent of the total Gross Regional Product (GRP). The business service sector is the largest contributor to the regional economy with a total value-added estimate at around \$72.8 billion. This is followed by the manufacturing and industrial sector, with a total value-added estimate at around \$14.9 billion. The region contains globally competitive industries, including biotechnology, healthcare, technology and education.

In 2016, the region supported approximately 682,800 jobs which accounted for around 30 per cent of all employment in metropolitan Melbourne. Employment growth is expected in the following industries: professional, scientific and technical services; healthcare and social assistance; financial and insurance services; public administration and safety; and education and training (Figure 6). A projected 280,000 additional jobs will be located across the Inner Metro Region by 2031, with approximately 70 per cent of new jobs in the region expected to be within the Melbourne LGA.

The region contains a total of 460 hectares of industrial zoned land, with only 28 hectares vacant. Over the period 2016 to 2031, manufacturing and industrial jobs will account for almost 4 per cent of all new jobs.

There is a total of 1158 hectares of land identified as being zoned for commercial purposes, with approximately 9 million square metres of floorspace used or available for commercial purposes on this land. By 2031, it is anticipated that an additional 4 million square metres of commercial floorspace will be required.

FIGURE 6. Projected employment growth for the Inner Metro Region 2016 to 2031



Source: Melbourne Industrial and Commercial Land Use Plan, DELWP, 2020

## Regional strengths

- The Central City is home to the largest concentration of jobs across metropolitan Melbourne with a focus on commerce, professional, business and financial services.
- The Inner Metro Region is the research and knowledge capital of Australia and provides a nucleus for university campuses that attract students, knowledge and talent.
- Parkville NEIC is a leading location for biomedical, education, research and technical industries, and Fishermans Bend NEIC will be a leading location for innovation in design, engineering and advanced manufacturing services.
- Leading or emerging enterprise precincts at Cremorne, Collingwood, Arden and South Melbourne present opportunities to deliver employment growth.
- The region’s major urban renewal precincts and established network of activity centres can generate employment growth and diversity.
- The region is internationally recognised as a tourism and major events destination with the sports, arts and entertainment precincts being safe, accessible and vibrant places.

## Regional challenges

- A large daily influx of visitors, who come into the region for work, professional services and recreation, must be accommodated.
- Planning for and providing infrastructure, services and a high-quality urban environment is required to sustain population growth in the region’s major urban renewal areas.
- Environmentally sustainable and adaptable design is needed in the public realm and in new development to maintain the region’s standing as global competitor.
- Sustainable transport connections between the region’s activity centres and employment precincts are needed to support growth in high value sectors and build a resilient and adaptable economy.
- Conversion of commercial land to residential in the Central City is resulting in a loss of productive floorspace.
- New enterprises, start-ups and creative industries require affordable workspaces.



## Directions and strategies

The directions identified to achieve the 2050 vision for the Inner Metro Region in terms of productivity and Outcome 1 of Plan Melbourne are:

<b>Direction 1</b>	Support the Central City to become the pre-eminent and largest commercial centre in Australia by 2050
<b>Direction 2</b>	Strengthen the Inner Metro Region as a local and international destination for sport, arts, culture and entertainment to attract investment and visitors
<b>Direction 3</b>	Facilitate the development of the Parkville and Fishermans Bend NEICs as major economic contributors for the regional and national economy supported by increased transport connectivity
<b>Direction 4</b>	Enhance the Inner Metro Region's vibrant and diverse activity centres and their contribution to the identity of the region
<b>Direction 5</b>	Retain existing and support emerging employment areas, including industrial and enterprise precincts, across the Inner Metro Region
<b>Direction 6</b>	Facilitate well-designed, high-amenity and quality medium- and higher-density environments in major urban renewal precincts to provide employment growth
<b>Direction 7</b>	The Port of Melbourne will continue to be a nationally-significant distribution and transport gateway

Each direction is implemented through regionally-specific strategies identified in this land use framework plan

Map 2 shows how productivity will be enhanced across the Inner Metro Region by 2050 as a result of these directions and strategies, together with Plan Melbourne and other strategies and initiatives as outlined in Appendix 01.



Photo credit: Tim Bell Studio










**MAP 2. Inner Metro Region productivity 2050**

**Precincts and Activity Centres**

-  National employment & innovation cluster (NEIC)^
-  Health & education precinct (state)
-  Health precinct (state)
-  Education precinct (regional)
-  State-significant commercial land\*
-  Regionally-significant commercial land\*
-  Regionally-significant industrial precinct - existing
-  Central Business District
-  Major urban renewal precinct - priority
-  Major urban renewal precinct - other
-  Enterprise precinct

**Transport**

-  Transport Gateway - Seaport
-  State-significant road corridor
-  Road network
-  Train station
-  Rail network
-  Strategic Cycling Corridor
-  Investigation area - light rail and heavy rail

**Principal Freight Network**

-  PFN road
-  PFN rail




**Transport projects - committed**

-  Rail improvements - Sunbury to Cranbourne
-  Melbourne Airport Rail
-  Metro Tunnel (Rail)
-  Metro Train Stations
-  West Gate Tunnel

**Environment**

-  Waterbody

**Land use/Administration**

-  Regional boundary
-  Urban area
-  Public and Commonwealth land



Refer to Western Metro Region Maps



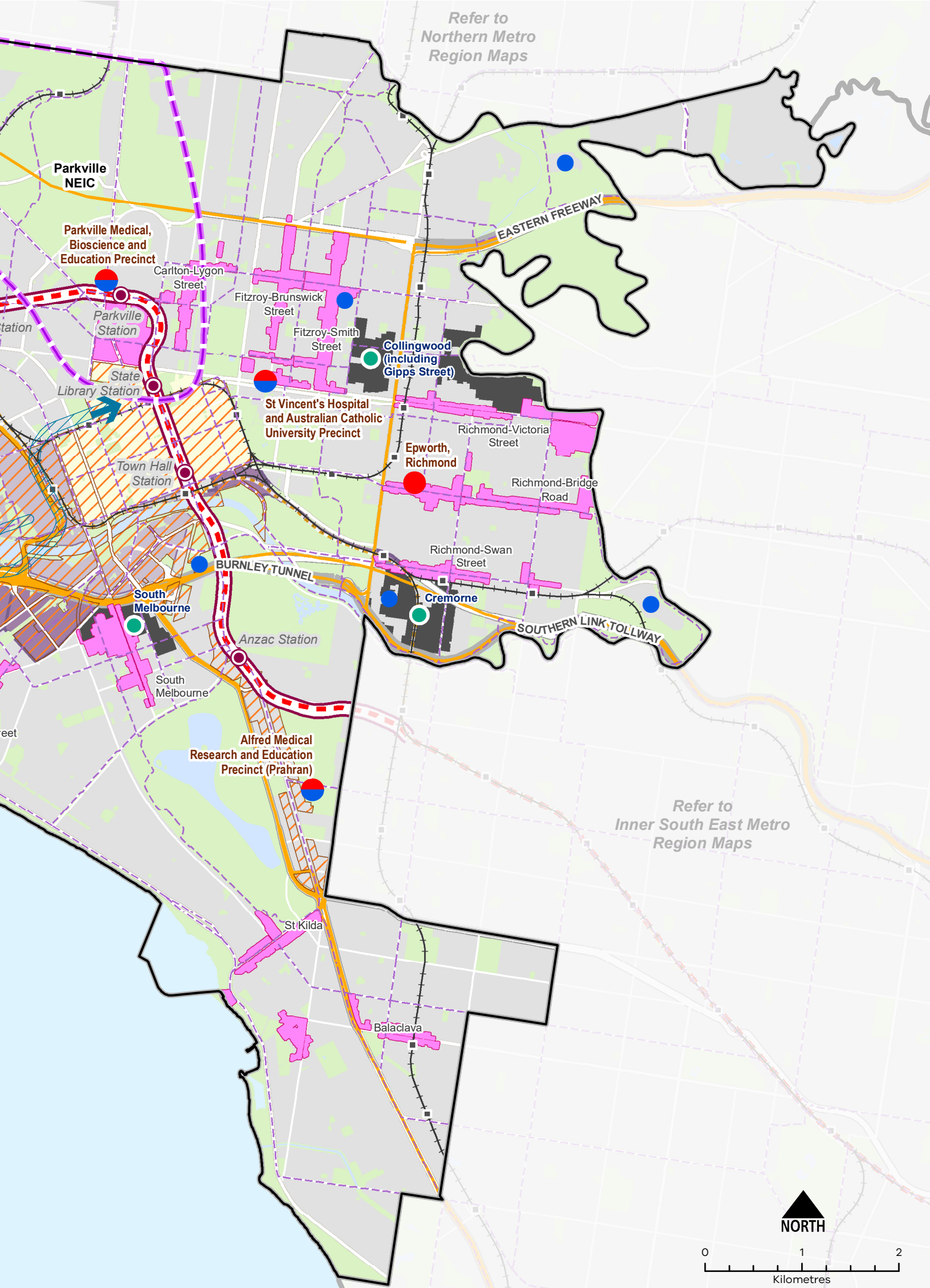
\*NEIC boundary is indicative only and subject to detailed planning.

\*These layers are based on the state- and regionally-significant commercial land identified in MICLUP, 2019. The activity centre boundaries identified in local council planning schemes may differ.

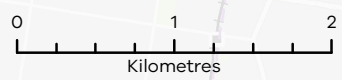
**Note:** The Principal Freight Network reflects the version published in 2013 (Victoria the Freight State - the Victorian Freight and Logistics Plan, August 2013) in addition to Mordialloc Highway and West Gate Tunnel. East West Link has been removed. The Department of Transport is currently undertaking a review of the Principal Freight Network.

A regional health precinct is also identified for the new Fishermans Bend Community Hospital, location yet to be determined.

Refer to  
Northern Metro  
Region Maps



Refer to  
Inner South East Metro  
Region Maps



## **DIRECTION 01.** **Support the Central City to become the pre-eminent and largest commercial centre in Australia by 2050**

The Central City has the largest concentration of jobs in metropolitan Melbourne and will continue to accommodate much of the region's new jobs, focused largely on knowledge-based industries. It is a location of state significance and a major focus for investment and growth. The Central City incorporates the CBD (Hoddle Grid, north to Grattan Street between Peel and Swanston streets) as well as Docklands, Southbank and St Kilda Road. It's strong and diverse offering of retail and tourism activities will also continue to drive job growth in the region.

The Central City is well placed to build on its many strengths including high-quality civic and cultural offers, a comparatively well-connected transport system and access to a broad and diverse labour market. Continued growth in the role of the Central City needs to be guided by both a recognition of its role as the focal point for innovation, business and tourism, as well as acknowledgement of the contribution made by surrounding destinations and activity centres to its overall success. Major urban renewal precincts in and around the Central City will deliver new neighbourhoods and a mix of uses that will feed into and strengthen the Central City.

The Central City's balance of community, culture and commerce will be achieved by:

- Enhancing the city's national and global standing
- Maintaining and enhancing liveability
- Facilitating employment and housing growth
- Improving sustainable transport networks
- Supporting environmental resilience and sustainability
- Providing certainty for public and private-sector investment decision-making.

There is a need to balance competition for land for commercial and residential purposes in the Central City. For example, the proposed ANZAC Station as part of the Metro Tunnel will further improve the accessibility and demand for land along St Kilda Road. Managing land and the allocation of land for employment purposes will be achieved by:

- Using appropriate planning controls to allow for the right mix of land uses in the right locations, while also helping to realise employment growth
- Protecting places of heritage and cultural significance to recognise their contribution to local character and identity, and their role in attracting workers and investment
- Maintaining attractive public areas including active open spaces and providing appropriate and accessible services and facilities to support the workforce.

Providing a diversity of employment spaces, including affordable spaces that can accommodate small to medium-sized businesses, will also be important to ensure an innovative and resilient Central City.

**STRATEGY 01.** Improve land use arrangements, amenities, public transport and sustainable transport connectivity in the Central City to support agglomeration and productivity benefits for the knowledge and services sectors.

**STRATEGY 02.** Strengthen connections to destinations around the Central City, including major activity centres, major urban renewal precincts and health and/or education precincts, to support the success of the Central City.

**STRATEGY 03.** Provide affordable and diverse workspaces to build an innovative and resilient Central City.

**STRATEGY 04.** Balance planning for industrial and commercial areas with pressure for ongoing residential development.



**DIRECTION 02.**

**Strengthen the Inner Metro Region as a local and international destination for sport, arts, culture and entertainment to attract investment and visitors**

The Inner Metro Region’s vibrant urban character includes heritage buildings and places, modern architecture, diverse open spaces, waterways and unique streetscapes and laneways. The region is also home to nationally-significant sport and art precincts and is renowned for its entertainment and retail offering. This mix of activities attracts visitors from across Melbourne, interstate and internationally. The tourism and visitor economy is also complemented by the retail and hospitality offerings of the region’s activity centres.

Existing tourism assets in the region should be protected and supplemented by other entertainment and creative uses. Entertainment and cultural events can be facilitated by protecting and providing affordable spaces and venues for cultural production and performance. Tourism development should also be encouraged to attract events and further develop the region as a competitive domestic and international tourist destination.

Public realm and transport infrastructure upgrades are needed to continue to drive improvements in the visitor experience across the region. Better public transport (both day and night), walking and cycling links between key visitor destinations are also needed to improve access by more people within and outside the region.

The Richmond to Docklands renewal precinct will be a world-class destination for sport, arts, culture and entertainment linked by the Yarra River and significant parklands. The precinct will:

- Strengthen the relationship between the city and the river by improving connections to and along the river
- Improve the quality and quantity of public open spaces along the corridor
- Improve the sense of arrival at major transport interchanges and pedestrian and cycle connections.

Major urban renewal precincts will provide opportunities to increase the diversity and offerings at tourism destinations. These precincts will need to be well supported by improved sustainable transport networks and high-quality public realm improvements to attract residents and visitors to these experiences.

**STRATEGY 05.** Grow the visitor economy, night-time economy, sport and entertainment uses, and uses in the creative sector that contribute to local and international tourism in the Inner Metro Region.

**STRATEGY 06.** Retain existing entertainment and cultural activity spaces in the region and encourage a diversity of complementary uses to ensure the provision of venues serve industry and community needs.

**STRATEGY 07.** Provide affordable spaces for cultural production and performance to support the local creative and cultural industry and to attract and host international touring creatives.

### **DIRECTION 03.**

## **Facilitate the development of the Parkville and Fishermans Bend NEICs as major economic contributors for the regional and national economy supported by increased transport connectivity**

The Parkville and Fishermans Bend NEICs are concentrations of business activity and employment at different stages of development, that will continue to grow as important contributors to the national economy. Both are designated as business precincts, with their strategic development being led by the Victorian Department of Jobs, Precincts and Regions.

### **Parkville NEIC**

Parkville NEIC (Figure 7) is an internationally-renowned research centre that contains a variety of sectors including biomedical, education, research, health, professional and technical industries. It is home to a range of institutions and significant parkland. The education sector is well represented within Parkville and is a key contributor to the Victorian economy. It is expected that over half of new residents in Victoria by 2031 will be attracted by a range of education and employment opportunities.

The spatial clustering of complementary industries (for example, innovation in health and medical research) provides for economies of scale, sharing of knowledge and technology, and access to a wider pool of skilled workers and clients. The Parkville NEIC is well placed to grow high value jobs in the medical technologies, pharmaceuticals and international education sectors. The NEIC will accommodate some housing, although it will be limited to designated locations to support the NEIC's primary economic and research focus.

Planning challenges that face the Parkville NEIC, include:

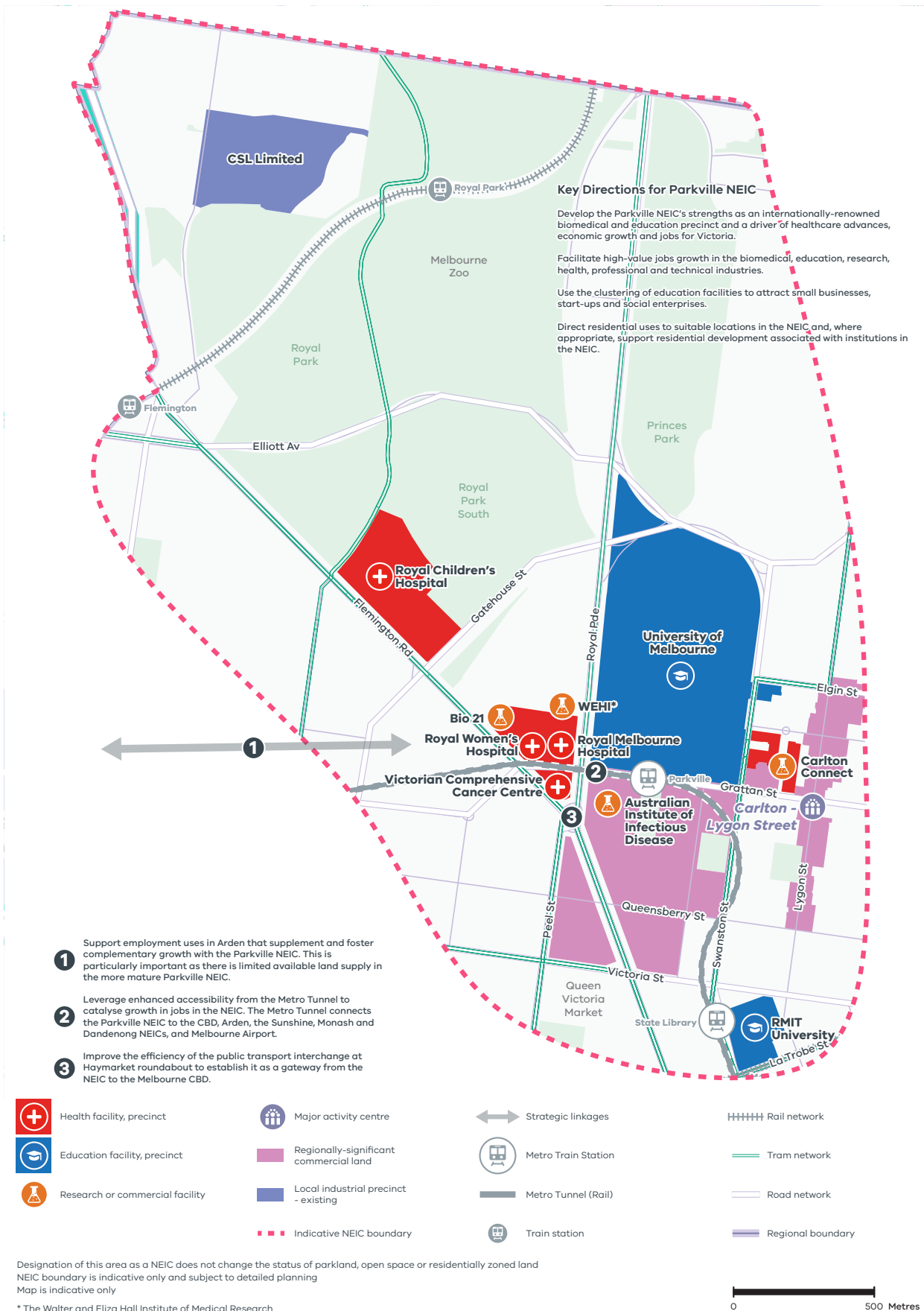
- Improving connectivity and addressing existing barriers to unlock opportunities associated with clustered industries. Currently there are barriers to connectivity such as the Haymarket roundabout
- Development limitations and limited land availability considering the mature nature of the Parkville NEIC.

Directing demand for residential uses to suitable locations and, where appropriate, supporting residential development that is associated with institutions in the NEIC.

Clustering will also focus on attracting small businesses, start-ups and social enterprises through a partnership between the City of Melbourne, the University of Melbourne and RMIT University. This will include initiatives that focus on the public realm including active open space, enterprise activation, digitally enabled technology and institutional design. Parkville NEIC will have an important relationship with the Arden urban renewal precinct supplementing its role and fostering complementary growth.

Parkville NEIC will have a high level of public transport access with tram routes via Swanston and Elizabeth streets and a new railway station at Parkville as part of the Metro Tunnel which will provide direct connections to Melbourne's north-west including Melbourne Airport and to the south-eastern suburbs. This will catalyse growth in jobs and education opportunities through improved access and movement to and from the NEIC as well as between the NEIC, Arden and Melbourne CBD.

FIGURE 7. Parkville National Employment and Innovation Cluster





## Fishermans Bend NEIC

Fishermans Bend NEIC (Figure 8) has a rich industrial history, supporting road infrastructure and is adjacent to the Port of Melbourne. It has large sites and under-utilised land, providing opportunities for intensification of employment and the attraction of new manufacturing businesses and corporate headquarters, focused on research and technology.

Planning for the Fishermans Bend NEIC will consolidate its strengths in aerospace, defence research, manufacturing and transport, and logistics industries, and establish it as the leading location for innovation in design, engineering and advanced manufacturing. There will be up to 40,000 jobs in this precinct by 2050. The development of the government-owned General Motors Holden (GMH) site will anchor the transition of the area over the next 30 years and support innovation and jobs growth centred around advanced manufacturing, engineering and design. Given the large amount of employment land available at the NEIC, a detailed precinct plan will need to address how it becomes an attractive, active place for work. There is a need to secure affordable workspaces for enterprise, start-ups and creative industries

Planning for potential light and heavy rail between Fishermans Bend and the CBD is needed to ensure future transport connections keep pace with long-term demand and support development.

To realise its potential as a globally recognised precinct and promote innovative design and manufacturing employment, Fishermans Bend NEIC will need to have higher levels of amenity than would ordinarily be associated with traditional industrial precincts. This includes high-quality buildings, public realm and streetscapes, provision of open space and design outcomes that respect the local heritage character. Some areas of the NEIC will require a finer grain urban form to respond to smaller-scale users, and the adaptive re-use of buildings should be encouraged to utilise spaces that are in transition and provide reference points to the area's history. There should be a sustainable approach in planning for, and responding to, flooding and urban heat risks.

**STRATEGY 08.** Strengthen Parkville NEIC as Melbourne's premier location for biomedical, education, health, research, professional and technical industries in the Inner Metro Region.

**STRATEGY 09.** Prioritise Parkville NEIC's main role for economic, education and research activities, and ensure residential uses do not compromise its primary function. Residential development should be associated with and benefit the institutions in the NEIC.

**STRATEGY 10.** Develop the Fishermans Bend NEIC as a leading location for innovation in design, engineering and advanced manufacturing.

**STRATEGY 11.** Protect land in the Fishermans Bend NEIC for advanced manufacturing and industrial uses.

**STRATEGY 12.** Provide public transport connections to Fishermans Bend NEIC (and major urban renewal precinct) to support investment and support future employment and population needs.

FIGURE 8. Fishermans Bend National Employment and Innovation Cluster

**Key Directions for Fishermans Bend NEIC**

Develop the Fishermans Bend NEIC as a leading location for innovation in design, engineering and advanced manufacturing by consolidating its strengths in aerospace, defence research, manufacturing and transport and logistics industries.

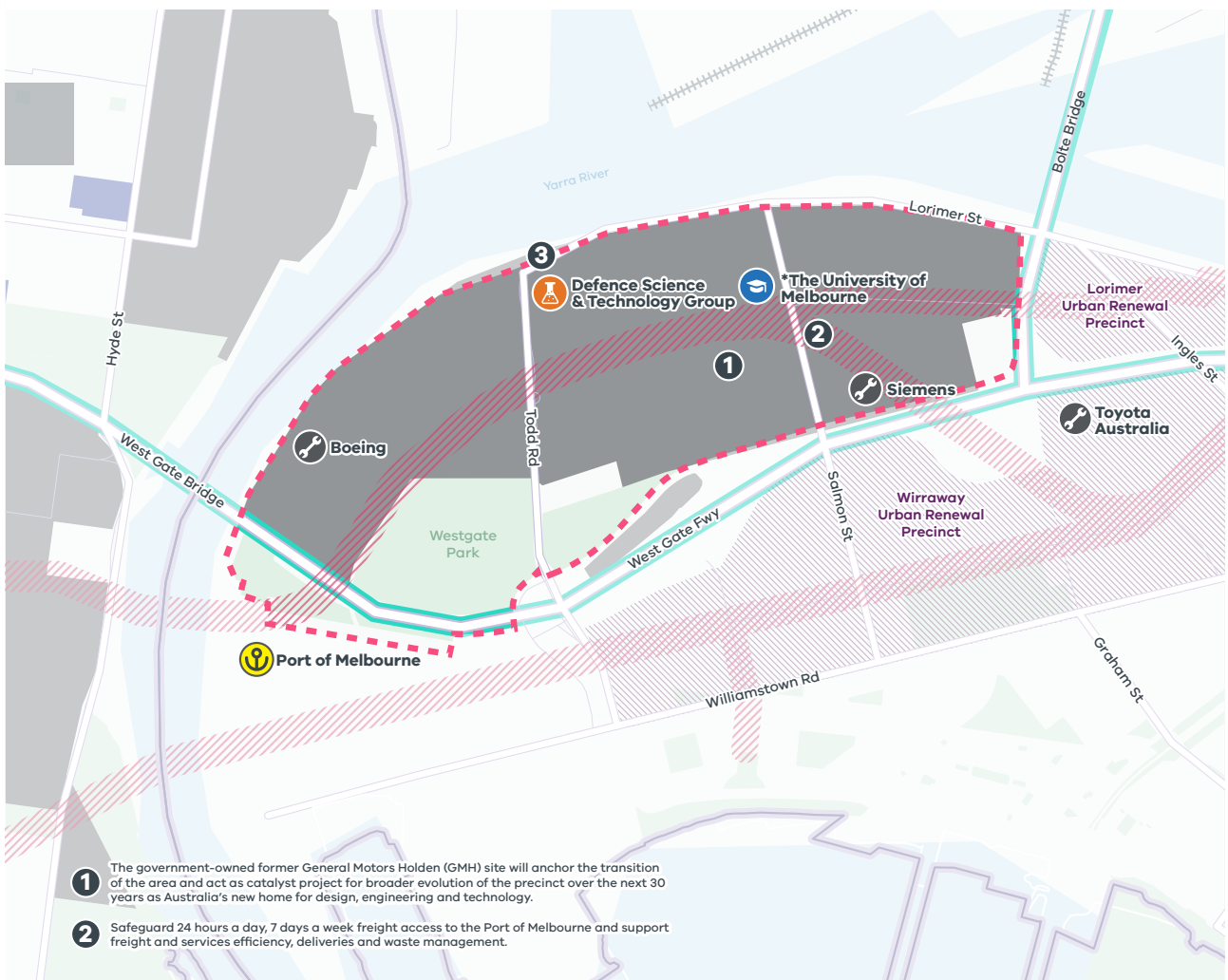
Promote innovation and employment growth by creating a finer grain, high-amenity urban environment and design outcomes that respect the local heritage character.

Leverage existing large sites and under-utilised land to provide intensification of employment uses.

Adaptively reuse large industrial buildings to accommodate a variety of uses, including small-scale manufacturing, start-ups and creative industries to complement and support larger tenants and research institutions in the NEIC.

Adopt a sustainable approach in planning for, and responding to, flooding and urban heat risks.

Provide public and active transport connections to Fishermans Bend NEIC to support investment and employment growth.



- Education facility, precinct
- Major urban renewal precinct
- Investigation area - light rail and heavy rail
- State-significant road corridor
- Research facility
- Regionally-significant industrial precinct - existing
- Train station
- Road network
- Industrial Node
- Indicative NEIC boundary
- Rail network
- Regional boundary
- Transport Gateway - Seaport

**Note:** Designation of this area as a NEIC does not change the status of parkland, open space or residentially zoned land  
**Note:** NEIC boundary is indicative only and subject to detailed planning  
**Note:** Map is indicative only  
 \*Future campus



## **DIRECTION 04. Enhance the Inner Metro Region's vibrant and diverse activity centres and their contribution to the identity of the region**

The region's major activity centres provide a diverse range of jobs, housing and services. They are generally strip-based centres with a distinctive cultural and retail offering that serve visitors and tourists as well as residents. Many of these centres have renowned entertainment, hospitality and live music venues. In these centres, quality of place will enable innovation and growth of the knowledge-based industries, which rely on agglomeration and interaction in dense urban places, allowing for the sharing of knowledge, skills and ideas.

The spatial arrangement and complexity of employment land in the Inner Metro Region is also quite distinct to the region, as it contains employment areas that capture a broad range of interwoven uses.

Currently the Inner Metro Region contains 37 per cent of all commercial floorspace in metropolitan Melbourne (**Figure 9**). Thirteen commercial areas have more than 100,000 square metres of floorspace, accounting for approximately 89 per cent of all commercial floorspace supply in the region. This includes parts of the Central City as well as activity centres within the region. It is anticipated an additional 4 million square metres of commercial floorspace will be required by 2031, representing a 44 per cent increase. This additional floorspace also serves a metropolitan role with a large number of workers travelling to the Inner Metro Region for work.

Additional areas within major activity centres, as well as other areas, will need to be identified to accommodate projected demand for commercial floorspace. Planning for activity centres will need to balance the need for commercial land with demand for housing and other uses, and may require a coordinated approach to understand land use requirements across the region holistically.

A changing retail sector and emerging retail vacancies in the region are key issues. Activity centres in the region will need to strengthen their role in servicing their local areas while also providing a variety of different employment uses. Maintaining strong local connections as well as providing a diversity of employment uses will help build the resilience of activity centres in the region. This is particularly pertinent for the Inner Metro Region as many activity centres have a strong, symbiotic relationship with key employment precincts in the region.

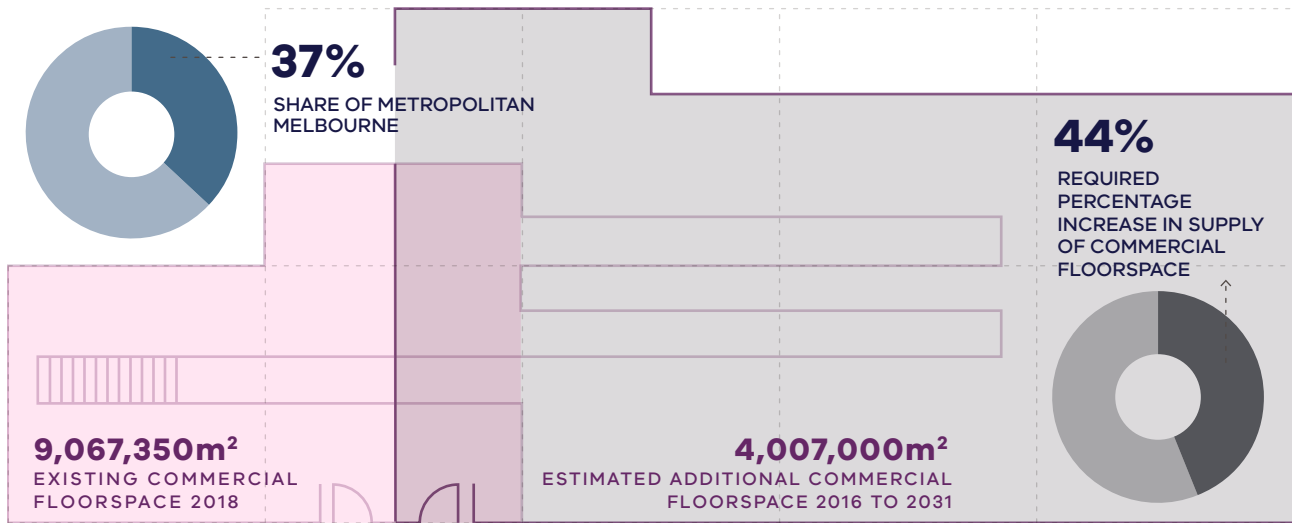
**STRATEGY 13.** Ensure the region's activity centres provide adequate jobs, services and opportunities for recreation and entertainment to service workers and visitors from across metropolitan Melbourne.

**STRATEGY 14.** Retain existing commercial zoned land and identify areas that can support future demand for commercial floorspace and new investment with a focus on major activity centres and major urban renewal areas.

**STRATEGY 15.** Encourage a diversity of employment uses in major activity centres and facilitate the provision of key services to complement other employment precincts within the Inner Metro Region.



FIGURE 9. Existing and future commercial floorspace requirements for the Inner Metro Region



Source: Department of Environment, Land, Water and Planning (2020) *Melbourne Industrial and Commercial Land Use Plan*, State of Victoria, Melbourne, Australia.



Photo credit: Tim Bell Studio

## DIRECTION 05. Retain existing and support emerging employment areas, including industrial and enterprise precincts, across the Inner Metro Region

Most of the industrial land in the Inner Metro Region is located in the Melbourne LGA, adjacent to the Port of Melbourne. Existing regionally-significant industrial land in the region is identified in **Table 3**.

Industrial land has been diminishing across the region for several years, being displaced by mixed-use or residential development (**Figure 10**). Despite limited and diminishing land for industrial purposes, growth in manufacturing and industrial jobs will account for almost 4 per cent of new jobs to 2031. Existing industrial land should be retained as it complements the evolving, flexible and diverse nature of employment and creative industries. Securing a range of diverse employment spaces at different price points across the region is an ongoing challenge and crucial for enabling an innovative, diverse economy. There needs to be improved monitoring and protection of remaining industrial and commercial land.

**TABLE 3. Regionally-significant industrial precincts in the Inner Metro Region**

REGIONALLY-SIGNIFICANT INDUSTRIAL AREAS
<ul style="list-style-type: none"> <li>• Fishermans Bend NEIC</li> <li>• West Melbourne and Dynon Road industrial area</li> <li>• Abbotsford industrial precincts</li> <li>• Cremorne precinct</li> <li>• Gipps Street precinct, Collingwood</li> <li>• South Melbourne Central Business Precinct</li> </ul>

**Source:** Melbourne Industrial and Commercial Land Use Plan, DELWP, 2020

Emerging enterprise precincts provide employment opportunities with affordable, flexible and quality floorspace for start-ups, and contribute to a more resilient regional economy, with a range of types and sizes of businesses. Enterprise precincts are designated concentrations of employment businesses and institutions. They combine an ecosystem of economic, physical and networking assets to foster innovation (Katz & Wagner, 2014). They allow for critical mass to be attained, reinforcing competitive advantage and brand, and promoting agglomeration benefits, knowledge sharing and services (DELWP, 2018b).

These precincts provide a unique offering to the traditional, larger floorplate and established business precincts. Enterprise precincts are critical in supporting the broader economic ecosystem and providing the space for business formation and idea development. The Inner Metro Region is well placed to foster successful enterprise precincts due to a wide range of services, amenities and cultural assets offered by the Central City that attract creative minds. Proximity to the Central City, amenity and built form character attracts businesses seeking space close to workers, customers, clients, supply chains and other firms.

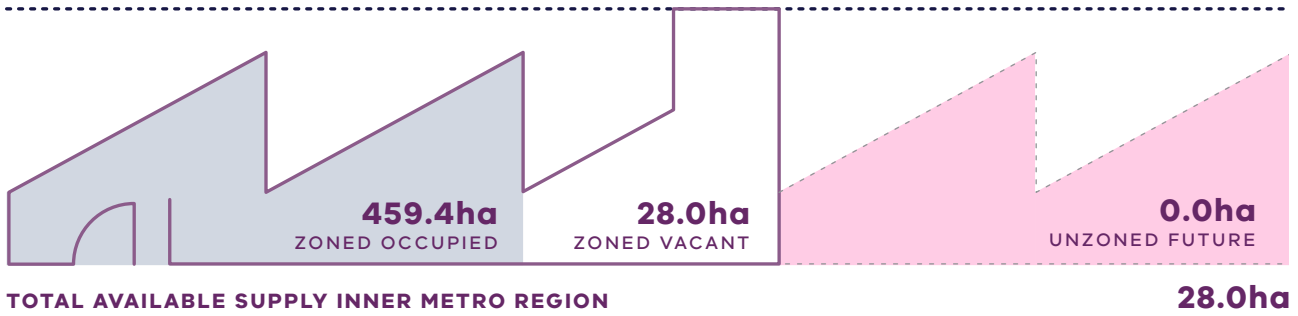
Emerging enterprise precincts in the Inner Metro Region include:

- Cremorne – start-ups, creative industries, tech and digital enterprises
- Gipps Street precinct, Collingwood – design services such as architecture, software and interactive design, and visual arts
- South Melbourne Central Business Precinct – design, music, film and television, photography, media and communications.

Arden major urban renewal precinct will be a mixed-use precinct with a diversity of floorspaces and types providing well-located, affordable employment floorspace suitable for IT start-ups, bespoke manufacturing and shared office spaces. It will also support the health and education research functions of Parkville NEIC. Health and education precincts are linked to creative industries, with many skills, trades and crafts taught in the region's tertiary institutions providing a skills base to support enterprise precincts and activity centres.



FIGURE 10. Existing and future industrial floorspace requirements for the Inner Metro Region



Source: Department of Environment, Land, Water and Planning (2020) *Melbourne Industrial and Commercial Land Use Plan*, State of Victoria, Melbourne, Australia.

**STRATEGY 16.** Support the development of enterprise precincts in Cremorne, South Melbourne, Arden and Collingwood and encourage their continued development as key locations for creative industry uses.

**STRATEGY 17.** Maintain a variety of uses and lot sizes in enterprise precincts to retain commercial affordability for start-ups and small businesses and ensure the agglomeration of complementary uses.

**STRATEGY 18.** Retain regionally-significant industrial land by managing encroachment by other uses that would cause fragmentation and may compromise the development and efficient operation of existing businesses.

**STRATEGY 19.** Identify and plan for areas that can support future demand for employment uses and new investment.



Photo credit: Department of Jobs, Precincts and Regions

## **DIRECTION 06.** **Facilitate well-designed, high-amenity and quality medium- and higher-density environments in major urban renewal precincts to provide employment growth**

The shift towards knowledge-based industries and jobs in the Inner Metro Region has seen former industrial land uses migrate towards middle and outer ring suburbs, freeing up land for urban redevelopment. The redevelopment opportunities in and around Melbourne's CBD have been identified as major urban renewal precincts. They will provide mixed-use development opportunities until 2056 and will contribute new employment and residential development and create new communities close to existing transport networks, social infrastructure and jobs in the Central City.

Many major urban renewal precincts are located adjacent to established neighbourhoods and will contribute to the evolving amenity and services in these mixed-use communities. Each precinct is at a different stage of development – maturing, renewing and future (Table 5). Each has an economic focus and will play an important role in the future economic prosperity of Victoria (Table 4 and Figure 11). 'Maturing' urban renewal precincts are well-established but will continue to evolve and change requiring monitoring and refinement of planning policy, and investments in the public realm and services. 'Renewing' precincts are currently in the planning process for renewal and growth, and 'future' precincts provide longer-term options that will need further planning investigation.

The Fishermans Bend Urban Renewal Area will also contain mixed-use precincts that will provide an additional 40,000 jobs. These precincts can also make an important contribution to employment by connecting with other activity centres and employment precincts across the region. There are substantial challenges that must be overcome if Fishermans Bend Urban Renewal Area is to successfully accommodate projected increases in population and fully realise its economic potential which includes:

- An upgraded public realm and street network
- High-quality transport connectivity
- Open space for future populations
- Drainage and flood mitigation solutions
- Mitigation of high urban heat.

The Metro Tunnel will be a transformative connection between the western suburbs around Footscray and the major urban renewal precincts of Arden and Macaulay. It will support economic growth for these major urban renewal precincts by connecting workers from the west of Melbourne to new employment opportunities.

Planning for future urban renewal precincts should consider:

- Integrated water management to reduce the impacts of flooding in affected areas
- Land decontamination
- High-quality public realm and recognition of cultural heritage and place
- The role of each precinct, any complementary uses between precincts and the staging of future development
- Transport infrastructure investment to interconnect these areas into a regional network of economic activity.

**STRATEGY 20.** Support employment uses in Arden that complement adjacent and nearby employment uses, including the Parkville NEIC.

**STRATEGY 21.** Encourage development that is consistent with the specialised employment role of Fishermans Bend Urban Renewal Area and Arden major urban renewal precinct.

**STRATEGY 22.** Maintain the current industrial roles of Dynon and E-Gate major urban renewal precincts while recognising their longer-term urban renewal opportunities.

**STRATEGY 23.** Ensure the mixed-use precincts within the Fishermans Bend Urban Renewal Area provide adequate land for employment purposes which complement or service the adjacent Fishermans Bend NEIC.

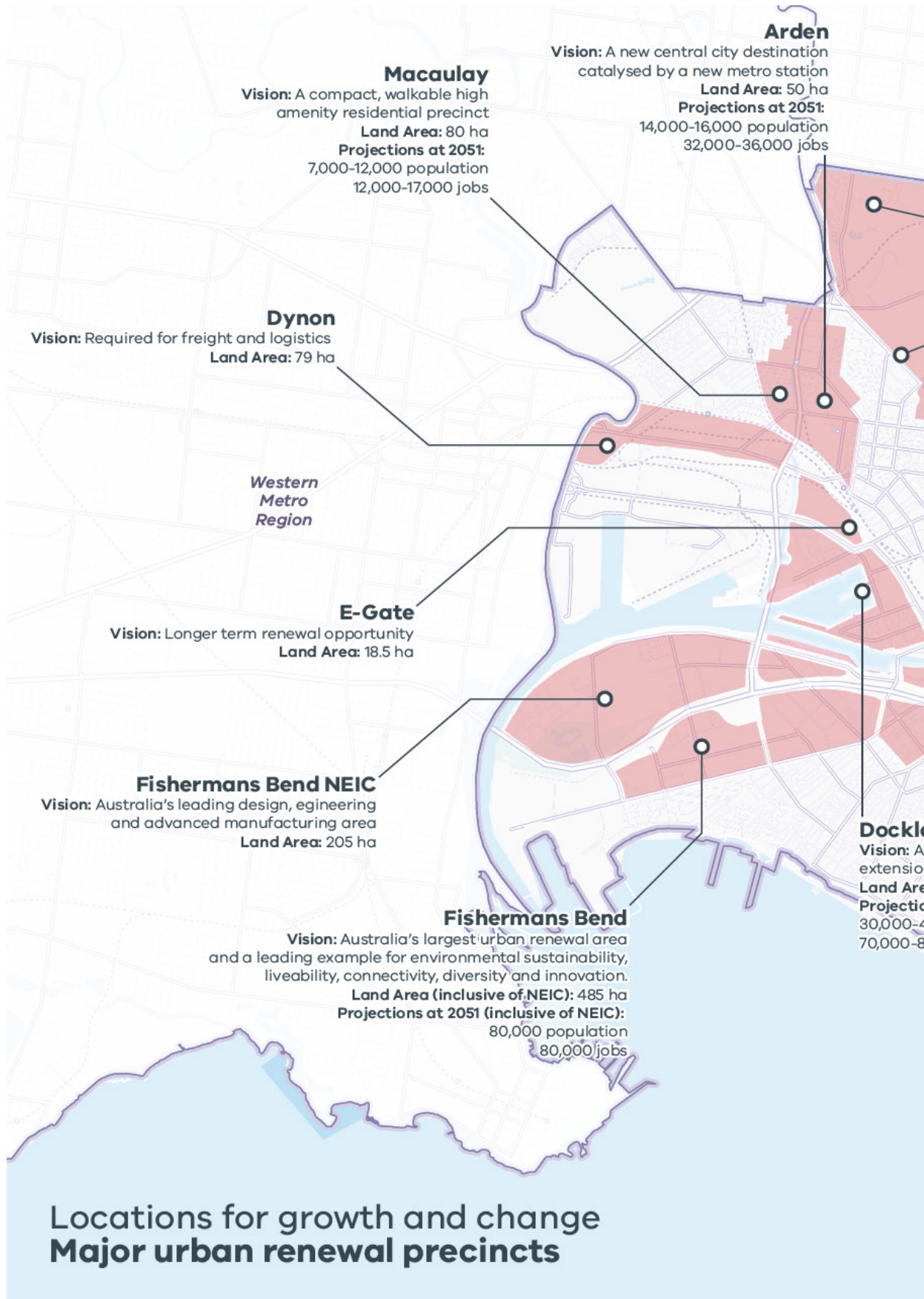
**STRATEGY 24.** Deliver a high-quality public realm and urban design in major urban renewal precincts, and through the region's employment precincts including activity centres and enterprise precincts.







FIGURE 11. Major urban renewal precincts in the Inner Metro Region



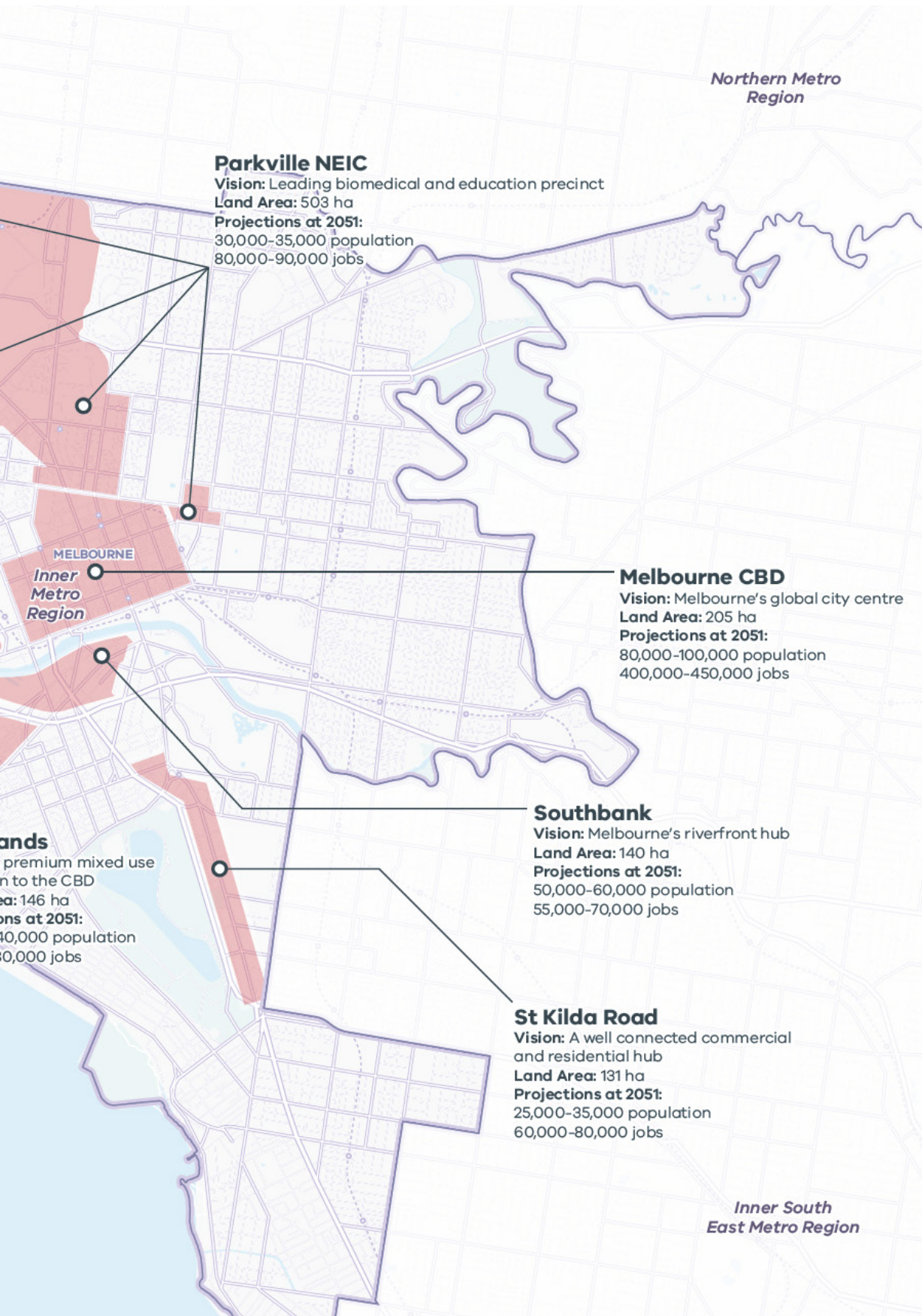


TABLE 4. Major urban renewal precincts in the Inner Metro Region

PRECINCT	DESIGNATION	STATUS	STRATEGIC DIRECTION
<b>The Central Business District</b>	Key Precinct (part of the Central City)	Maturing	The CBD will continue to be Melbourne's global city centre
<b>St Kilda Road</b>	Key Precinct (part of the Central City)	Maturing	State-significant commercial precinct and key transport corridor also containing high-density residential
<b>Southbank</b>	Major Urban Renewal Precinct (part of the Central City)	Maturing	Melbourne's riverfront arts, entertainment and tourist hub
<b>Docklands</b>	Major Urban Renewal Precinct (part of the Central City)	Maturing	Provides high-value financial and professional service jobs, high-density residential and a range of retail, sporting and entertainment uses
<b>Parkville NEIC</b>	National Employment and Innovation Cluster	Maturing	A leading biomedical and education precinct
<b>Fishermans Bend</b>	Major Urban Renewal Precinct (part of the Central City)	Renewing	Australia's largest urban renewal area and a leading example of environmental sustainability, liveability, connectivity, diversity and innovation supported by potential light rail and heavy rail transport connections
<b>Fishermans Bend NEIC</b>	National Employment and Innovation Cluster	Renewing	Australia's leading design, engineering and advanced manufacturing area supported by potential light rail and heavy rail transport connections
<b>Arden</b>	Major Urban Renewal Precinct	Renewing	A vibrant international innovation hub with a primary focus on technology, life sciences, health and education. It will also be supported by mixed-use and residential development and catalysed by a new metro rail station
<b>Macaulay</b>	Major Urban Renewal Precinct	Renewing	A compact, walkable, high amenity residential precinct supported by commercial infrastructure and commercial services
<b>E-Gate</b>	Major Urban Renewal Precinct	Future	In the medium term, E-Gate will continue to play an important transport, construction storage and maintenance role, while in the long term it could provide a link from Docklands to Arden and Macaulay in the north and Dynon and Footscray in the west
<b>Dynon</b>	Major Urban Renewal Precinct	Future	In the medium term Dynon will remain as an important hub for freight and logistics with long-term potential to accommodate other economic uses



**DIRECTION 07.****The Port of Melbourne will continue to be a nationally-significant distribution and transport gateway**

The Port of Melbourne is Australia's largest port, with container movement expected to grow in the coming decades. The Port links with the national road and rail network. Its central location makes it the preferred location for national distribution centres. Once completed in 2022, the West Gate Tunnel will provide an additional direct link to the Port from the West Gate Freeway.

Planning for the Port must balance the needs of a critical piece of economic infrastructure with community expectations for safety and amenity. A proactive approach should restrict incompatible urban development near the Port, while managing and safeguarding key freight transport connections to provide 24/7 access and minimise the impact on residential areas. There is a strategic need to support the ongoing operation and expansion of the Port while providing a safe, high amenity environment for a diversity of Central City activities in adjacent areas.

Planning for the Port should consider:

- Protection of key infrastructure from the encroachment of incompatible surrounding land uses with the provision of appropriate buffers
- Preservation of areas of sufficient industrial land close to the Port that have good road and rail access
- The type and amount of cargo that will move through the Port, and vessel profile (number, type, size)
- Road and rail connections to efficiently move goods to, from and within the Port
- The facilities, services and technology needed to make Port operations safe and efficient
- Urban encroachment issues from surrounding land uses.

**STRATEGY 25.** Protect the critical operations of the Port of Melbourne and freight movements from the encroachment of surrounding incompatible land uses.

**STRATEGY 26.** Balance freight movement with the need to protect the amenity of the Fishermans Bend Urban Renewal Area.

**STRATEGY 27.** Support increased freight movements on rail.

**ACTIONS – Productivity**

**ACTION 1.** Identify precincts and opportunities where new commercial land can be supplied which can help to accommodate future needs. This may include intensification of commercial uses within existing commercial zoned land, or the rezoning of existing land for commercial uses.

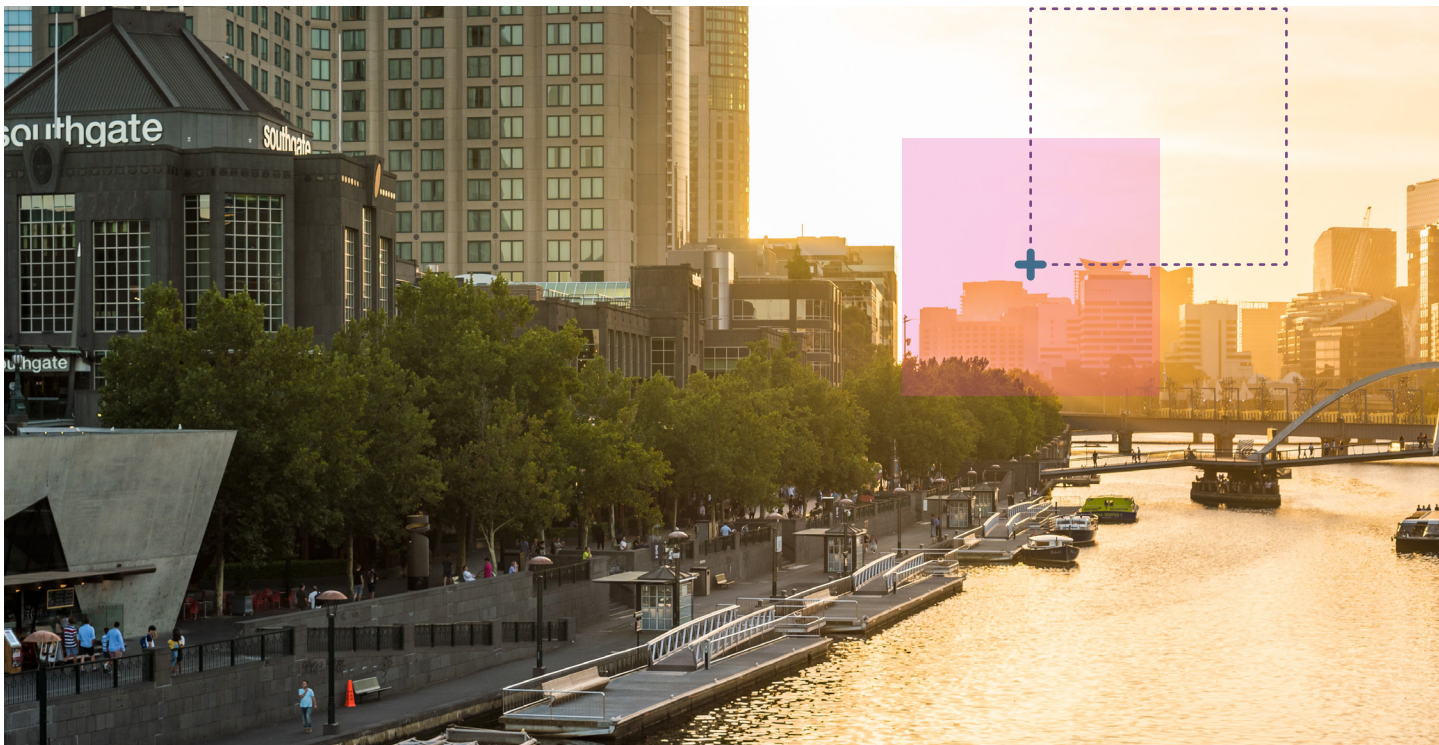
**ACTION 2.** Implement a program of State Government-led planning projects, in partnership with local government, to ensure metropolitan and major activity centres and urban renewal areas maximise their respective strategic opportunities and contribution within the network of activity centres. Priority will be given to those which deliver significant jobs and housing, leverage investment in state infrastructure, and play an important role in the growth corridor and/or region. State-led planning for these state- and regionally-significant places will contribute to creating liveable communities and achieving more dwellings and jobs in established areas, and identify implementation and coordination actions that support growth and economic investment.

TABLE 5. Major urban renewal precincts – future economic focus

MAJOR URBAN RENEWAL PRECINCT	STATUS	CULTURAL AND VISITOR	PROFESSIONAL SERVICES	FINANCIAL	RETAIL
St Kilda Road	Maturing	Y	Y	Y	
Southbank	Maturing	Y			Y
Docklands	Maturing	Y	Y	Y	Y
Parkville NEIC	Maturing	Y			
Fishermans Bend Urban Renewal Area	Renewing	Y	Y		Y
Fishermans Bend NEIC	Renewing				
Arden	Renewing		Y		
E-Gate	Future				
Dynon	Future				

Note: Macaulay is primarily a residential precinct. It will include supporting infrastructure and uses.

Note: St Kilda Road is designated as a Key precinct in Plan Melbourne and is included in this table to recognise its role in the region.





	EDUCATION	HEALTH AND RESEARCH	ENGINEERING, ADVANCED MANUFACTURING	TECHNOLOGY	FREIGHT AND LOGISTICS
	Y	Y		Y	
	Y		Y	Y	
	Y		Y	Y	
	Y	Y		Y	
					Y
					Y



TABLE 6. Major activity centres: existing attributes and strategic opportunities

EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>Major Activity Centres</b>		
<b>Balaclava (Port Phillip)</b>		
<ul style="list-style-type: none"> <li>Strip-based centre on Carlisle Street</li> <li>A focus on commercial uses, convenience and specialty retail shopping, and civic and community facilities and services</li> <li>Train (Balaclava Station) and tram services</li> </ul>	<ul style="list-style-type: none"> <li>Heritage significance</li> <li>Sections of the activity centre subject to inundation by overland flows from the urban drainage system</li> <li>Community housing around Balaclava Station</li> <li>Proximity to the St Kilda Major Activity Centre</li> </ul>	<ul style="list-style-type: none"> <li>Evolve as an increasingly mixed-use precinct, anchored by its traditional retail strip, and its function as a community services and public transport 'hub'</li> <li>Increase housing diversity, including affordable housing</li> <li>Support the renewal of Carlisle Street precinct</li> <li>Recognise Balaclava's unique and enduring history for Melbourne's Jewish community</li> </ul>
<b>Carlton – Lygon Street (Melbourne)</b>		
<ul style="list-style-type: none"> <li>Strip-based centre on Lygon Street</li> <li>Provides a broad mix of uses including entertainment, retail and hospitality</li> <li>Part of the Parkville NEIC and close to the University of Melbourne</li> <li>Close to notable community and/or tourism sites including the Melbourne Museum, Queen Victoria Market and the Melbourne Cemetery</li> <li>Tram services</li> </ul>	<ul style="list-style-type: none"> <li>Proximity to the future Parkville and CBD North train stations as part of the Metro Tunnel</li> <li>Proximity to state-significant health and education precinct: Parkville Medical, Bioscience and Education Precinct</li> <li>Proximity to the Central City and other activity centres at Brunswick and Fitzroy – Brunswick Street</li> <li>Heritage significance</li> </ul>	<ul style="list-style-type: none"> <li>Recognise Lygon Street's unique and enduring history for Melbourne's Italian community and its cosmopolitan role</li> <li>Provide entertainment and hospitality uses for local community and visitors</li> <li>Provide opportunities for residential development in keeping with the scale and character of the activity centre</li> <li>Provide convenience shopping to the local residential and working communities</li> </ul>
<b>Fitzroy – Brunswick Street (Yarra)</b>		
<ul style="list-style-type: none"> <li>Strip-based centre on Brunswick Street</li> <li>A focus on hospitality, entertainment, retail, art galleries and studios, and non-government community service uses</li> <li>Close to notable community tourism site the Melbourne Museum</li> <li>Tram services</li> </ul>	<ul style="list-style-type: none"> <li>Proximity to the Fitzroy North former Gasworks urban renewal area</li> <li>Proximity to state-significant health and education precinct: St Vincent's Hospital and Australian Catholic University Precinct</li> <li>Heritage significance</li> <li>Potential contamination issues on some sites</li> </ul>	<ul style="list-style-type: none"> <li>Provide a strong retail, hospitality and 24-hour entertainment focus while still serving local needs</li> <li>Recognise Brunswick Street's artistic and bohemian expression in the streetscape and mix of uses</li> </ul>



EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>Fitzroy – Smith Street (Yarra)</b>		
<ul style="list-style-type: none"> <li>• Strip-based centre on Smith Street</li> <li>• A focus on retail, entertainment, hospitality, convenience and commercial uses</li> <li>• Regionally-significant education precinct, Melbourne Polytechnic Collingwood</li> <li>• To the east of the activity centre is a major recreation facility at Victoria Park</li> <li>• Tram services</li> </ul>	<ul style="list-style-type: none"> <li>• Close to the Fitzroy North-former Gasworks urban renewal site</li> <li>• Proximity to state-significant health and education precinct: St Vincent’s Hospital and Australian Catholic University Precinct</li> <li>• Close to the Enterprise Precinct and regionally-significant industrial land at the Gipps Street Precinct, Collingwood</li> <li>• Heritage significance</li> <li>• Proximity to Brunswick, Smith, Street, Fitzroy, Gipps Street, Collingwood</li> <li>• Potential contamination issues on some sites</li> <li>• Proximity to the Central City and the Fitzroy – Brunswick Street Major Activity Centre</li> </ul>	<ul style="list-style-type: none"> <li>• Continue its strong retail, hospitality, office and entertainment focus and regional role while still serving local needs</li> <li>• Provide affordable housing and community services</li> </ul>
<b>Port Melbourne – Bay Street (Port Phillip)</b>		
<ul style="list-style-type: none"> <li>• Strip-based centre on Bay Street</li> <li>• A focus on retail, convenience shopping, civic and community uses</li> <li>• Close to the notable community and/or tourism sites at Station Pier and Albert Park Lake</li> <li>• Tram services</li> </ul>	<ul style="list-style-type: none"> <li>• Close to the Enterprise Precinct and regionally-significant industrial land at the South Melbourne Central Business Precinct</li> <li>• Proximity to the Fishermans Bend major urban renewal precinct and the Central City</li> <li>• Heritage significance</li> <li>• Sections subject to inundation by overland flows from the urban drainage system</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a vibrant multifunctional activity centre with convenient access to a wide range of goods and services</li> <li>• Diversify the activity and business mix along Bay Street</li> <li>• Accommodate residential growth that has a mix of densities</li> <li>• Retain the village feel of the precinct and the relationship with Port Melbourne heritage and foreshore area</li> </ul>

EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>Richmond – Bridge Road (Yarra)</b>		
<ul style="list-style-type: none"> <li>Strip-based centre on Bridge Road</li> <li>A focus on entertainment, hospitality and commercial with diverse mix of retail including large format/ homewares, boutiques and some outlet stores; also has an education, civic and health role</li> <li>Gleadell Street food market, community facilities</li> <li>State-significant health precinct at the Epworth Hospital</li> <li>Regionally-significant industrial land</li> <li>Train (West Richmond Station) and tram services</li> </ul>	<ul style="list-style-type: none"> <li>Heritage significance</li> <li>Potential contamination issues on some sites</li> <li>Proximity to Richmond – Victoria Street and Richmond – Swan Street activity centres</li> </ul>	<ul style="list-style-type: none"> <li>Continue its strong retail, hospitality and entertainment focus while still serving local needs</li> <li>Develop its education, civic and health role, leveraging the redevelopment of Epworth Hospital</li> <li>Ensure protection of heritage buildings and streetscapes</li> </ul>
<b>Richmond – Swan Street (Yarra)</b>		
<ul style="list-style-type: none"> <li>Strip-based centre on Swan Street</li> <li>A focus on commercial, entertainment, hospitality and light industrial uses</li> <li>Notable community and/or tourism sites, including major recreation facilities at AAMI Park, Melbourne Cricket Ground, and Melbourne and Olympic parks and regional facilities at Goschs Paddock and Burnley Golf Course</li> <li>Regionally-significant education precincts at Melbourne University Burnley and Kangan Batman Institute of TAFE</li> <li>Train (Richmond Station) and tram services</li> </ul>	<ul style="list-style-type: none"> <li>Close to the Enterprise Precinct and regionally-significant industrial land at Cremorne</li> <li>Proximity to Richmond – Victoria Street and Richmond – Bridge Road activity centres</li> <li>Proximity to the Richmond to Docklands renewal precinct</li> <li>Heritage significance</li> <li>Potential contamination issues on some sites</li> </ul>	<ul style="list-style-type: none"> <li>Provide mixed uses including strong retail, hospitality and entertainment</li> <li>Continue to attract tourists and destination shoppers</li> <li>Accommodate new housing and commercial growth, while protecting heritage fabric</li> </ul>

EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>Richmond – Victoria Street (Yarra)</b>		
<ul style="list-style-type: none"> <li>Hybrid centre on Victoria Street, including Victoria Gardens Shopping Centre</li> <li>A focus on retail, hospitality, entertainment, recreational uses, office, bulky goods and commercial uses</li> <li>Regionally-significant industrial land</li> <li>Train (North Richmond Station) and tram services, including Church Street tram connecting to Richmond – Bridge Road and Richmond – Swan Street</li> </ul>	<ul style="list-style-type: none"> <li>Proximity to Richmond – Swan Street and Richmond – Bridge Road major activity centres</li> <li>Borders the Yarra River corridor, a significant landscape feature</li> <li>Heritage significance</li> <li>Potential contamination issues on some sites</li> </ul>	<ul style="list-style-type: none"> <li>Recognise Victoria Street’s unique and enduring history for Melbourne’s Vietnamese community</li> <li>Promote opportunities for office-based businesses</li> <li>Increase retail, personal and business services, community facilities and recreation activities</li> <li>Increase residential development including medium- and high density</li> </ul>



Photo credit: Tim Bell Studio



EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>South Melbourne (Port Phillip)</b>		
<ul style="list-style-type: none"> <li>• Strip-based centre on Clarendon Street</li> <li>• A focus on commercial uses, industrial and bulky goods, and cultural, civic education and community uses; also an employment centre supporting a media and post-production cluster, growing creative industries sector including game development, and professional services such as marketing and sales</li> <li>• Notable community and/or tourism sites at the South Melbourne Market and adjacent to Albert Park Lake which has major recreation facilities at Albert Park: the Victorian State Sailing Centre, Lakeside Oval Stadium and Melbourne Sports and Aquatic Centre</li> <li>• Enterprise Precinct and regionally-significant industrial land at the South Melbourne Central Business Precinct</li> <li>• Tram services</li> </ul>	<ul style="list-style-type: none"> <li>• Proximity to future Metro Tunnel station at Domain</li> <li>• Proximity to the Fishermans Bend major urban renewal precinct and the Central City</li> <li>• Heritage significance</li> </ul>	<ul style="list-style-type: none"> <li>• Continue as a sustainable mixed-use precinct</li> <li>• Provide a unique urban village character and street life, while the number of residents, workers and visitors continue to grow</li> <li>• Support existing industry clusters and further develop profile as a location for employment and creative industries</li> <li>• Provide a variety of land uses to integrate social, cultural, economic and environmental outcomes</li> <li>• Provide a mix of housing types and affordability</li> <li>• Improve access and economic links between the creative clusters of South Melbourne and the Southbank Arts Precinct</li> </ul>





EXISTING ATTRIBUTES	WHAT NEEDS TO BE CONSIDERED	FUTURE ROLE/STRATEGIC OPPORTUNITIES
<b>St Kilda (Port Phillip)</b>		
<ul style="list-style-type: none"> <li>• Strip-based centre on Carlisle and Fitzroy streets</li> <li>• A focus on retail, convenience shopping, hospitality and entertainment uses</li> <li>• Link between St Kilda foreshore and pier, and character and function of the area</li> <li>• Close to the notable community and/or tourism sites at Albert Park Lake, Luna Park, Palais Theatre and the Port Phillip Bay foreshore</li> <li>• Close to major recreation facility at the Victorian Cricket and Community Centre (Junction Oval)</li> <li>• Regionally-significant commercial land along Fitzroy Street</li> <li>• Tram services</li> </ul>	<ul style="list-style-type: none"> <li>• Close to state-significant commercial land as part of the St Kilda Road (part of the Central City)</li> <li>• Proximity to Prahran/ South Yarra and Balaclava major activity centres</li> <li>• Heritage significance</li> <li>• Sections subject to inundation by overland flows from the urban drainage system</li> </ul>	<ul style="list-style-type: none"> <li>• Support retail, office and residential growth and continue to serve the local catchment with local services, and retail and convenience shopping</li> <li>• Provide regional-scale entertainment uses</li> <li>• Provide a mix of housing types and improve the provision of social and affordable housing</li> <li>• Continue to attract tourists by providing a mix of uses including hospitality and entertainment</li> </ul>

