



NATIONAL TRUST



**MELBOURNE PLANNING SCHEME AMENDMENT C270  
CENTRAL CITY BUILT FORM REVIEW  
30 MAY 2016**

**SUBMISSION FROM NATIONAL TRUST OF AUSTRALIA (VICTORIA)  
AND MELBOURNE HERITAGE ACTION**

Introduction

The National Trust of Australia (Victoria) and Melbourne Heritage Action welcomes this review and amendment.

Development in the central city in the last 10 years has been unprecedented, with dozens of large towers under construction and dozens more in the pipeline. Built form controls in the city have failed to keep up with community expectations with regard to built form, amenity and density, effects on existing city character, and the majority of developments have taken place without any notion of 'giving back' to the city and its inhabitants.

We are therefore very pleased to see such this amendment propose firm built form controls, particularly the plan to further recognise, strengthen and even extend the protection of 'special character areas', which notably are all areas with high concentration of historic buildings. The proposed extension of the 40m core height control to the west side of Elizabeth Street is especially welcomed, and this submission will suggest extending it further.

We are also interested in pursuing the idea of an extra heritage-based 'public benefit' to be added to the list of benefits that could be funded from the proposed 'Floor Area Uplift' regime. This could most easily take the form of monies paid into the existing Melbourne Heritage Restoration Fund, with a focus on works to places in need within the CBD that have no other access to funding. Given the scale of this reform, and the numerous places that could benefit, the results could be a great improvement to the appearance of the CBD.

## Heritage Funding and Floor Area Uplift

Public benefits that can be included in return for a Floor Area Uplift only includes four types of places/ spaces, and they must all be provided within the development. We submit that heritage restoration funding should also be included as a Public Benefit, and that the funding need not be spent on the subject site.

### **Heritage places within a development site**

The restoration of a heritage place within a site, and its retention in a meaningful form, should be a given for any project within the central city.

However, there may be however some cases where the restoration required for such a building is an unusually high cost, or the extent of retention to a meaningful extent impacts significantly on returns, such that the development is not viable without some kind of concession. In this case, a Floor Area Uplift might result in restoration or retention that might not otherwise occur, and would be a demonstrable Public Benefit. As with other public benefits proposed as part of this Amendment, this could be easily measured in monetary terms.

### **Heritage places outside a development site**

We submit that the provision of the calculated 10% of the Floor Area Uplift as a dollar amount going towards the restoration of other heritage buildings within the CBD would have great benefits to the city. There is a serious lack of funding within Victoria available for heritage restoration, and with so many large-scale heritage listed buildings in the CBD, both public and privately held, the needs are great.

The vast majority of heritage listed properties in the CBD are those included on the heritage overlay implemented by the City of Melbourne. These places enjoy less access to public funding support than places included on the state heritage register administered by Heritage Victoria. However, many owners in the City of Melbourne are likely to undertake conservation works to their heritage properties without external funding support due to the requirements of the heritage overlay, and the corporate benefits that preserving and restoring a heritage place can add to the value of a business.

Funding set aside for heritage in the City of Melbourne could be spent on funding larger projects which have a higher profile and visibility in the public domain. The community, business and economic benefit of funding a precinct brings:

- The opportunity to make a larger economic and community impact than individual projects scattered around the municipality;
- A greater level of public exposure for the benefits of expert heritage restoration; and,
- Encouragement for additional investment in the commercial area and the subsequent regeneration of that area.

A program that focuses on heritage shopfront improvements could be developed. For example, the Corangamite Shire Retail Area Façade Improvement Program is part of Council's plan to assist businesses from throughout the Shire to improvements the appearance of their facades. The

program provides a grant from Council on a \$1:1 basis up to \$3,000 for businesses to complete improvements to the building façade. All businesses located in the commercial area of a town within the Corangamite Shire that have street frontage will be eligible to be part of this program. Whilst not specifically targeting heritage properties, a suitable scheme could be developed. In the past, the City of Melbourne had a verandah reconstruction program. Recently the Shire of Mt Alexander has produced guidelines for heritage shopfront restorations. The initiative aims to improve restoration and design outcomes in central Castlemaine by providing traders and owners with advice, architectural drawings and historic photos of their shop fronts.

Looking further back, in the 1980s, an earlier version of floor area uplift in return for heritage restoration funding was used a few times, bankrolling the first major restorations of the Athenaeum Theatre and the Princess Theatre in decades, allowing them to continue operating.

In NSW, there is currently a Heritage Floor Space Scheme in the City of Sydney (Sydney Local Environmental Plan 2012 clauses 6.10 and 6.11). According to the City of Sydney website<sup>1</sup>:

*The heritage floor space (HFS) scheme provides an incentive for the conservation and ongoing maintenance of heritage items in central Sydney by allowing owners of heritage buildings to sell unused development potential from their site, known as heritage floor space. When a heritage item owner completes conservation works they may be awarded HFS by the City of Sydney. The awarded HFS can then be sold to a site that requires it as part of an approved development application. The money raised offsets the cost of conserving the heritage item.*

...

*Selling or transferring HFS is a private transaction between the owner and the prospective buyer – the City acts as the scheme administrator. The cost of legal agreements, transactions and other documentation associated with the award and allocation, or change of HFS ownership is met by the owner and prospective buyer. The Sydney Development Control Plan 2012 (section 5.1.9) details how HFS is awarded and allocated.*

The *City of Perth City Planning Scheme No.2* has a similar control to that of City of Sydney for transfer of plot ratios (clause 34), but it also incorporates heritage as one of the public benefits eligible for consideration for awarding bonus plot ratio to developments (clause 28).

The City of Perth *Scheme* provisions are underpinned by planning policies, Policy 4.5.1 Bonus Plot Ratio<sup>2</sup> and Policy 4.5.2 Transfer Plot Ratio<sup>3</sup>, which detail the principles and requirements of the programs. The Bonus Plot Ratio performance requirements include that:

- *The development must ensure the retention of as much as possible of the significant cultural heritage fabric of the place. The retention of only a heritage place's façade will not be supported.*
- *The heritage place must be retained in an appropriate setting that highlights and facilitates the appreciation of the place. New buildings, landscaping and urban design treatments should be sensitively introduced to respect the place, having particular regard to the scale and massing of the new buildings.*

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<sup>1</sup> <http://www.cityofsydney.nsw.gov.au/development/application-guide/heritage-conservation/heritage-floor-space-scheme>

<sup>2</sup> [http://www.perth.wa.gov.au/static\\_files/cityplanningscheme2/policies/4.5.1%20Bonus%20Plot%20Ratio.pdf](http://www.perth.wa.gov.au/static_files/cityplanningscheme2/policies/4.5.1%20Bonus%20Plot%20Ratio.pdf)

<sup>3</sup> [http://www.perth.wa.gov.au/static\\_files/cityplanningscheme2/policies/4.5.2%20Transfer%20Plot%20Ratio.pdf](http://www.perth.wa.gov.au/static_files/cityplanningscheme2/policies/4.5.2%20Transfer%20Plot%20Ratio.pdf)

- *Where the original use of the place is of cultural significance ideally this use should be retained. If this is not the case or if this is not feasible, the use of the place for a purpose which enables a level of public access is encouraged. Any new use should involve minimal change to the significant fabric of the place.*

It is crucially important to ensure that any future requirements for Melbourne deliver over and above the existing policy objectives for the re-development of a heritage place.

Still, these types of provisions (both transfer plot ratio and bonus plot ratio schemes) could potentially benefit some buildings within the CBD run by not-for-profit or less commercial enterprises, such as Ross House or Donkey Wheel House, where the current owners cannot afford the sometimes extensive repairs and restoration required. Even the income from the successful small businesses occupying the Manchester Unity Building is insufficient to fund the multi-million dollar restoration required.

If heritage funding was able to become one of the Public Benefits, the monies could go directly towards an identified building in need or, more practicably, into the existing Melbourne Heritage Restoration Fund (MHRF). A subsection of this fund could direct monies into the CBD and Southbank, and especially towards high profile buildings in desperate need. The Fund already has criteria in place to ensure the projects are worthy and high profile.

If the eventual funding stream was large enough, once the high priority places had been dealt with, whole sections of the CBD could be transformed. For instance, programs could be devised by the MHRF to see all heritage buildings in Swanston Street or Bourke Hill refreshed, repainted and restored, creating an even higher-quality built environment that all Melburnians could enjoy.

We submit that this review should not miss the opportunity to include heritage as one of the public benefits derived from these new controls.

If there is any statutory impediment to a public benefit being provided as a monetary contribution towards a Heritage Restoration Fund, or to a heritage place outside the subject site, we submit that that a Panel could recommend such an impediment be removed.

## Special Character Areas and Height Limits

The review of the Special Character Areas (ie. those with height limits) is particularly commended, as the overwhelming majority of these within the Hoddle Grid are also Heritage Precincts. The height limits were first established in the 1980s as mandatory controls, with many changed to discretionary in 1999. In recent years we have seen more and more discretion taken, resulting in more exceptions permitted; this indicates a fundamental flaw with the changes. The re-introduction of mandatory controls last year was welcomed by the National Trust and MHA, and we strongly agree that these should be maintained in the final controls.

We are also very pleased to see the proposed extension of the 40m core control to the east side of Elizabeth Street, to align with the CCZ2 boundaries. The strip along the west side of Elizabeth Street has a large number of fine-grained heritage buildings, and should rightly be seen as an extension of the mostly historic built form of the existing retail core on the other side of the street. This area, indeed extending as far as Queen Street in some parts, was proposed have a 40m control in the

2011 City of Melbourne Built Form Review, which sadly lapsed without going to Amendment. Fortunately, area proposed to be included in DDO2 has not yet been further interrupted by the loss of heritage buildings or large developments, and at this time still retains the values which make it worthy of inclusion in the Special Character Area (see Figure 4, Hodyl+Co April 2016, p.17)..

We note that other 'fine-grained' areas have been identified in the CBD in the supporting documentation (Urban Design Analysis Special Character Areas report for DELWP, Hodyl+Co April 2016), but are disappointed they have not been recommended for controls as part of this Amendment. Given the pace and scale of new high-rise development in the city, any delay in recognising these precincts as Special Character Areas may well mean that they could be irretrievably altered to the point whereby they are no longer worthy of Special Character Area protection.

We are particularly concerned with the small gap that would exist, were this Amendment adopted, between the rear of the premises on the western side of Elizabeth Street, and the existing Special Character Areas between Hardware Lane and Guildford Lane (see Figure 3, Hodyl+Co April 2016, p.15).

While the City of Melbourne has moved to commission a heritage gap study of this area, that process will take at least 12 months, and the possible introduction of height controls would be longer still, leaving the area vulnerable for some time. Bridging this small gap between the existing height limit areas would have been ideal; this area is just as valuable to the CBD as Bourke Hill and Chinatown, but some over-scaled development could be proposed at any time.

Figure 3 from Urban Design Analysis Special Character Areas report for DELWP by Hodyl+Co (dated April 2016), p.15.

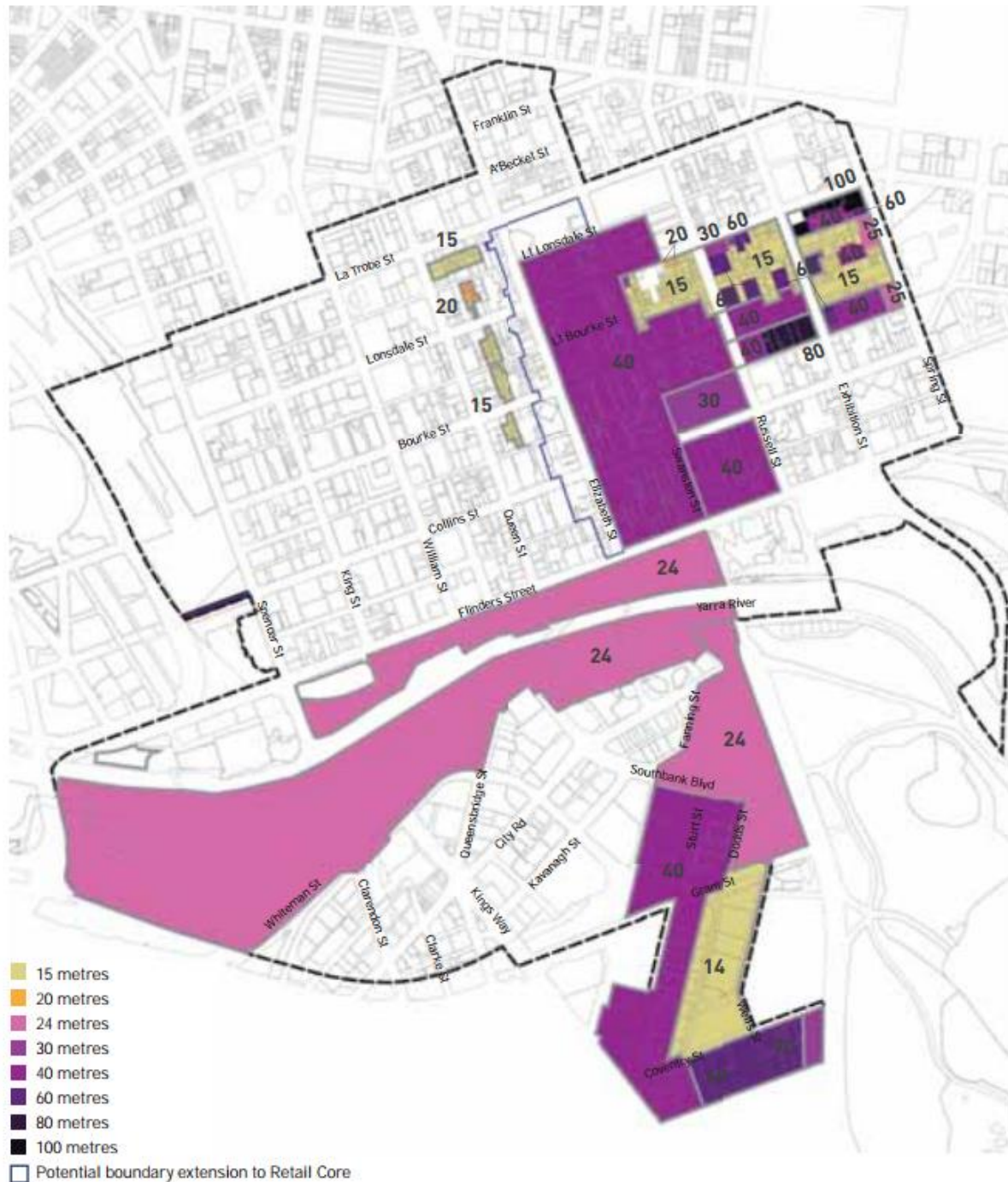


Figure 3: Extent of Design Development Overlays within the Special Character Area and associated height controls (which have not been reviewed through the CCBFR).



Figure 4 from Urban Design Analysis Special Character Areas report for DELWP by Hodyl+Co (dated April 2016), p.17

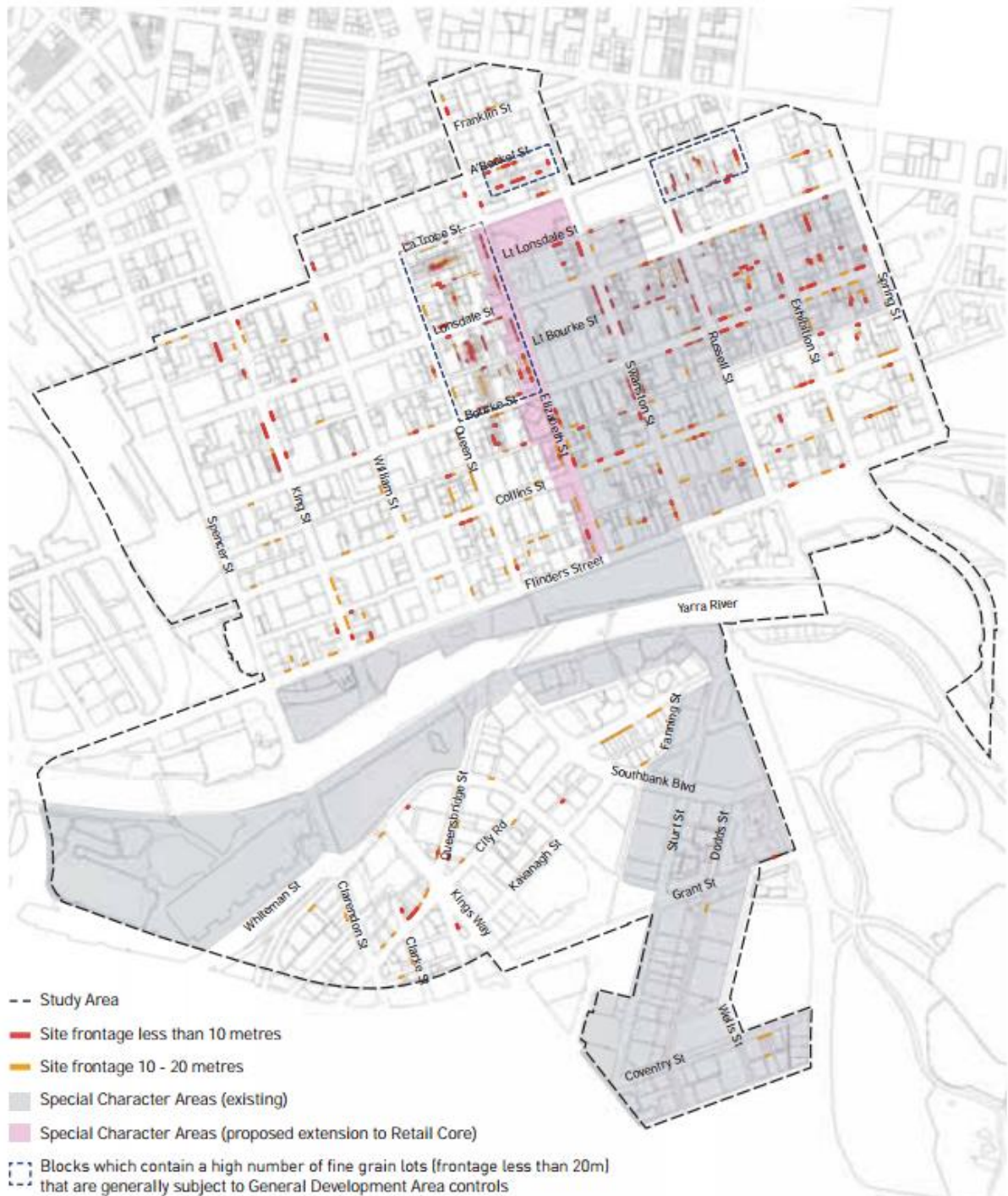


Figure 4: Fine grain subdivision pattern - sites within the Study Area that have street frontages less than 20 metres wide

There is one other ‘fine grained’ area not mentioned in the Amendment documentation that should also be included in this Amendment. There has been a small area on Lonsdale Street that has been lacking any height control at all since they were first introduced in 1982, despite being surrounded by controls on all sides.

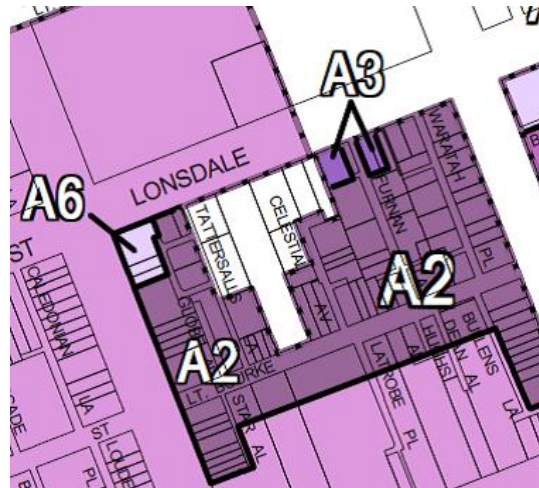


Figure 1. Gap in existing height controls on Lonsdale and Little Bourke Streets.

Part of this gap is occupied by an at grade car-park, but other parts are occupied by low scale fine grained buildings, including a Victorian building, a 1925 building, and Melbourne’s oldest intact multi-storey carpark (1955), and should logically be covered by a low height limit like that of the fine grain development around it on Swanston Street and Lonsdale Street. Height limits also already apply further along Lonsdale Street to the east, and we submit it would be reasonable to resolve this gap given its location in the heart of Chinatown.

The National Trust and Melbourne Heritage Action appreciate the opportunity to provide comment on this review of built form controls in the central city. Should you have any queries regarding this submission, please contact [conservation@nattrust.com.au](mailto:conservation@nattrust.com.au) or 9656 9802.