



Moreland
City Council

Amendment C190

Part A - Submission by the Planning Authority



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Introduction

1. This document forms the 'Part A' submission to the Panel of the Moreland City Council which is the Planning Authority for Amendment C190 to the Moreland Planning Scheme.
2. The Panel has directed Council to provide its 'Part A' submission by 4.00pm Monday, 19 October 2020 and to address a number of matters in its submissions as listed below:
 - a) background to the Amendment including chronology of events including an overview of the exhibition process and an explanation of any advice from DELWP on the VicSmart process
 - b) a summary of the conditions of authorisation, and how those conditions have been met including consideration of Planning Practice Notes 91 and 92 as relevant
 - c) strategic context and assessment including:
 - i. relevant planning policies and controls
 - ii. overview of key elements and findings of:
 - *A Home in Moreland* by .id consulting Aug 2018
 - *Supply of Housing in Moreland* by SGS, July 2019 including a response to the effectiveness and risk and limitations of improved efficiencies in development approval processes identified in the document
 - *Medium Density Housing Review* by MCC dated Oct 2018
 - *Better Outcomes for Two Dwellings on a lot* by MCC dated June 2019, including how the findings of this document informed the preparation of the Schedule to Clause 59.15
 - *Living Housing Design Guidelines*
 - *BESS Score Card*
 - iii. how the amendment responds to Chapter 5.3 'Using VicSmart' and particularly 5.3.2 'Creating a local VicSmart provision' in A Practitioner's Guide to the Victorian Planning Schemes
 - iv. other amendments that may be under preparation or recently approved that may impact on the Amendment including VC186 and C189more
 - d) a breakdown of the Neighbourhood Residential Zone and General Residential Zone as a proportion of municipality's residential zones
 - e) discussion on the role of the Application Compliance Assessment and whether it should be a Background document
 - f) issues identified in submissions
 - g) any suggested changes to the Amendment in response to submissions.

A response to each direction is provided in this submission.
3. In accordance with the Panels directions, Council's 'Part B' submission will be provided by 4pm on Monday, 26 October 2020 and will address the following matters set out in the Panels directions dated 30 September 2020. These are:
 - a) an overview of the proposed schedules (Council is to 'walk' the Panel through the schedule provisions at the Hearing)
 - b) response to Panel's Directions hearing questions of clarification relating to:
 - i. the need for references to Clause 59.15 and clause 59.16 in Clause 59.16 decision guidelines
 - ii. whether the 'Permit requirement provision' listed in proposed Schedule to 59.15 should be Clause 32.08-6, rather or as well as Clause 32.08-5 as exhibited
 - iii. which prescriptive requirements of Clause 52.06 and Clause 55 will no longer apply

- iv. which application requirements of Clause 55 will remain applicable and which will no longer apply
- v. which decision guidelines of Clause 55 will remain applicable and which will no longer apply
- c) a summary of the permit applications assessed as part of the Better Outcomes for Two Dwellings report including:
 - i. percentage of applications that were advertised
 - ii. percentage of those applications which received objections
 - iii. average number of objections received per application
 - iv. average number of days to assess applications
 - v. a review of VCAT cases for two dwelling developments in Moreland for which permits were refused on neighbourhood character grounds
- d) provide a percentage of dwellings assessed in the Medium Density Housing Review which would now be eligible for application under Clause 51.06
- e) an overview of the anticipated 10-day assessment process including:
 - i. time to undertake site inspection
 - ii. time to assess plans
 - iii. time to review the Compliance Assessment forms including how Council will manage partially or incorrectly completed Compliance Assessment forms
- f) its response to submissions and evidence
- g) its final position on the Amendment.

Overview of Amendment

4. The Amendment seeks to introduce an additional class of application into the VicSmart provisions to construct a dwelling if there is one dwelling existing on the lot or to construct two dwellings on a lot in the Moreland Planning Scheme.
5. The amendment as exhibited proposes to:
 - Amend the Schedule to Clause 59.15 Local VicSmart Applications
 - Amend the Schedule to Clause 59.16 Information Requirements and Decision Guidelines for Local VicSmart Applications.
6. The amendment would allow applications for the construction of a dwelling if there is one dwelling existing on the lot, or construction of two dwellings on a lot, to be processed through the VicSmart application process. This would allow for two-dwelling on a lot proposals to be subject to a 10-day permit process, to be exempt from notice and third party review, and the Chief Executive Officer would be the responsible authority for deciding the application.
7. The proposed provisions include requirements that the application must be compliant with Rescode numeric standards of the planning scheme and meet other specified criteria. Two dwelling on a lot proposals which do not meet all requirements would continue to be assessed through the standard planning permit process.
8. On 12 June 2019 Council resolved to request authorisation to prepare and exhibit the Amendment from the Minister for Planning and upon receipt of the Minister's authorisation, prepare and exhibit the amendment.
9. On 7 April 2020, the Department of Environment, Land, Water and Planning, under delegation from the Minister for Planning authorised Council as planning authority to prepare the amendment subject to conditions.
10. The Amendment was exhibited from 28 May 2020 to 17 July 2020 in accordance with Section 19 of the Planning and Environment Act 1987.
11. A total of 16 submissions have been received. Fourteen submissions were received during the exhibition period and two late submissions were received shortly after the closing date.

12. On 12 August 2020, Council resolved to request that the Minister for Planning appoint a Panel to consider all submissions.
13. All submissions have been referred to the Panel.
14. Moreland City Council wants to improve the quality of two dwelling on a lot developments and establish a more straight forward planning assessment process for proposals which deliver good quality outcomes.
15. It is proposed that in the Neighbourhood Residential Zone and General Residential Zone, planning scheme compliant, enhanced quality, two dwelling on a lot applications would be processed within the VicSmart application stream if specified requirements are met.
16. The Amendment seeks to incentivise better quality outcomes by:
 - Requiring full compliance with all numeric requirements of the zone, Clause 55 and Clause 52.06, rather than 'stretching the boundaries' including by varying standards related to amenity impacts, on-site amenity and site layout.
 - Providing certainty to applicants and neighbours (requirements are numeric and mandatory)
 - The attractiveness of the 10 day timeframe is used to introduce value adding requirements to lift the quality from 'acceptable' to 'better'.
17. Amendment C190 guarantees better outcomes, for both those who live in this housing, and the broader Moreland community, whilst at the same time making more effective use of everyone's resources.
18. The proposed streamlined process for fully compliant dual occupancy development has the potential to guarantee better quality outcomes, while freeing up resources to negotiate improved outcomes in more complex, more intensive, development proposals. It demonstrates strategic foresight and strongly aligns with state strategies, research and the advocacy position of peak bodies.
19. Council has undertaken extensive case study analysis of applications for two dwellings on a lot. Compliance with Rescode standards is very high and Rescode variations are typically genuinely very minor in nature. One in two, two dwelling on a lot applications in Moreland attracts objections, but only one in ten is changed as a result of giving notice. This is a very low return on the investment of time and energy put into objections by all parties.
20. For two dwelling on a lot applications in Moreland, the objector appeal rate is less than one percent. In case study analysis, in all instances where an objector appealed to VCAT against Council's support of a dual occupancy application, VCAT supported Council's decision and directed that a permit issue. VCAT is concluding that Council's assessment of two dwelling on a lot applications against the requirements of the planning scheme is robust and reasonable. Third party rights of review are adding to the time taken to obtain a decision but not altering the outcome in any meaningful way.
21. Council has undertaken extensive analysis of applications for two dwellings on a lot to ensure a VicSmart process would not result in any inappropriate loss of neighbour's input into planning permit decisions.
22. Amendment C190 reimagines the permit application process to improve the outcomes. At present the quality of applications received in Moreland is generally quite low. Significant Council staff and neighbour time and energy is expended negotiating applications into being 'acceptable'. This process frustrates applicants and leaves objectors dissatisfied.
23. The proposed provisions encourage upfront full compliance for a faster and more certain process; frontloads the process to empower applicants; improves the quality of applications at the outset; improves the accessibility and environmental performance of housing, makes more effective use of everyone's time and emotional energy and redirects resources to things that make a difference.
24. Lengthy application processes are adding to the cost of housing and these costs are passed on to purchasers and their tenants. Removing process steps which add no value has the potential to reduce the cost of housing or allow this budget to be spent on design features which improve

housing quality. This action secures better outcomes, for both those who live in this housing, and the broader Moreland community.

25. Amendment C190 proposes to amend the Moreland Planning Scheme so that planning scheme compliant, enhanced quality, two dwelling on a lot applications would be processed within the VicSmart stream. The key features of VicSmart include a 10-day permit process, applications are not advertised, and a delegate of the Chief Executive Officer decides the application.
26. Under the standard application process, it takes in the order of five months to get a decision on a planning permit application for two dwellings on a lot.

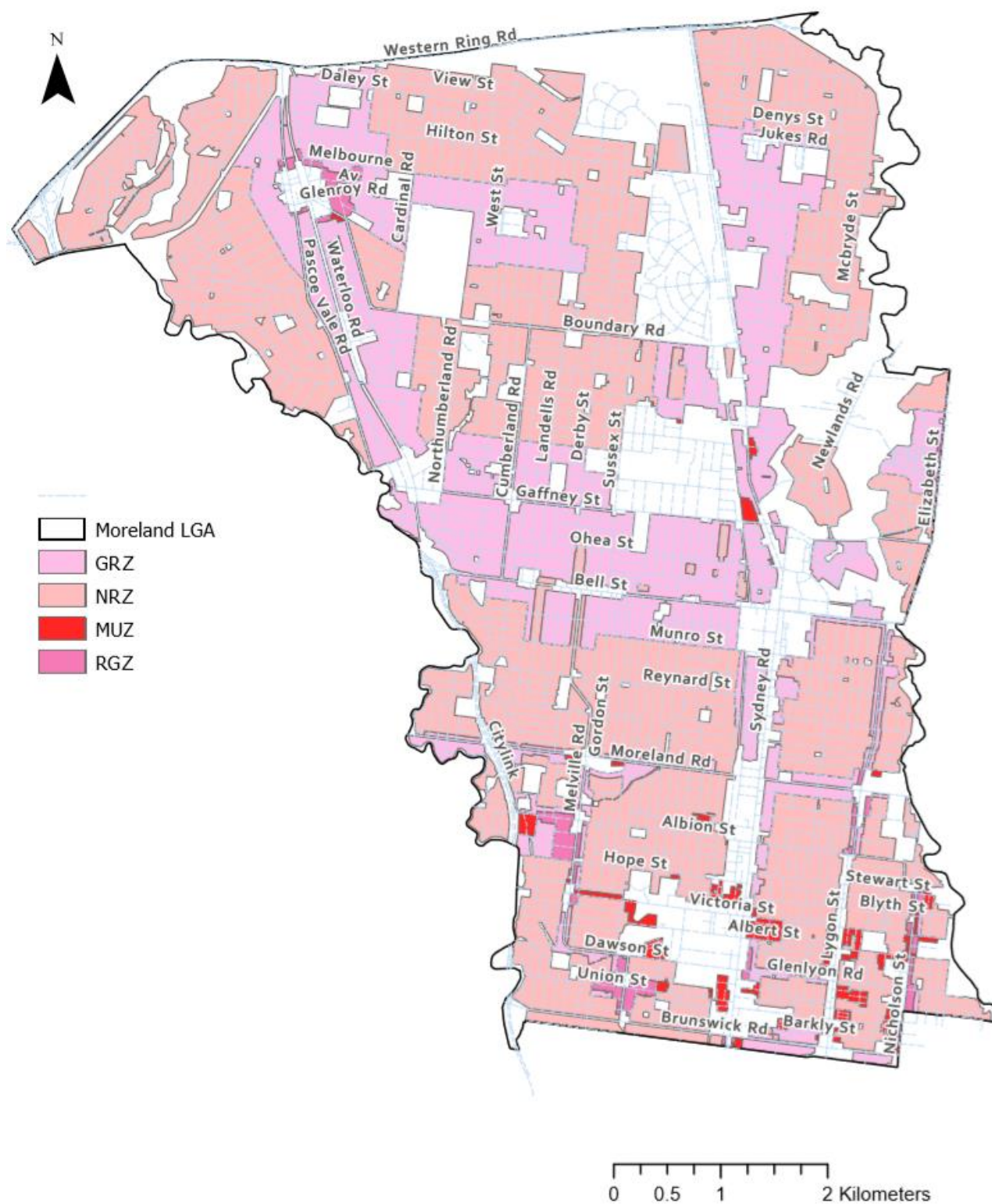
Background to the Amendment

27. Moreland is an established municipality located between 4 and 14 kilometres north of central Melbourne. Moreland includes the southern suburbs of Brunswick East, Brunswick, Brunswick West, and Pascoe Vale South; the central suburbs of Coburg, Coburg North and Pascoe Vale; and the northern suburbs of Fawkner, Hadfield, Glenroy, Oak Park and Gowanbrae.
28. Moreland contains three Activity Centres in Brunswick, Coburg and Glenroy and a network of 12 Neighbourhood Centres.

Part A Direction d) - a breakdown of the Neighbourhood Residential Zone and General Residential Zone as a proportion of municipality's residential zones

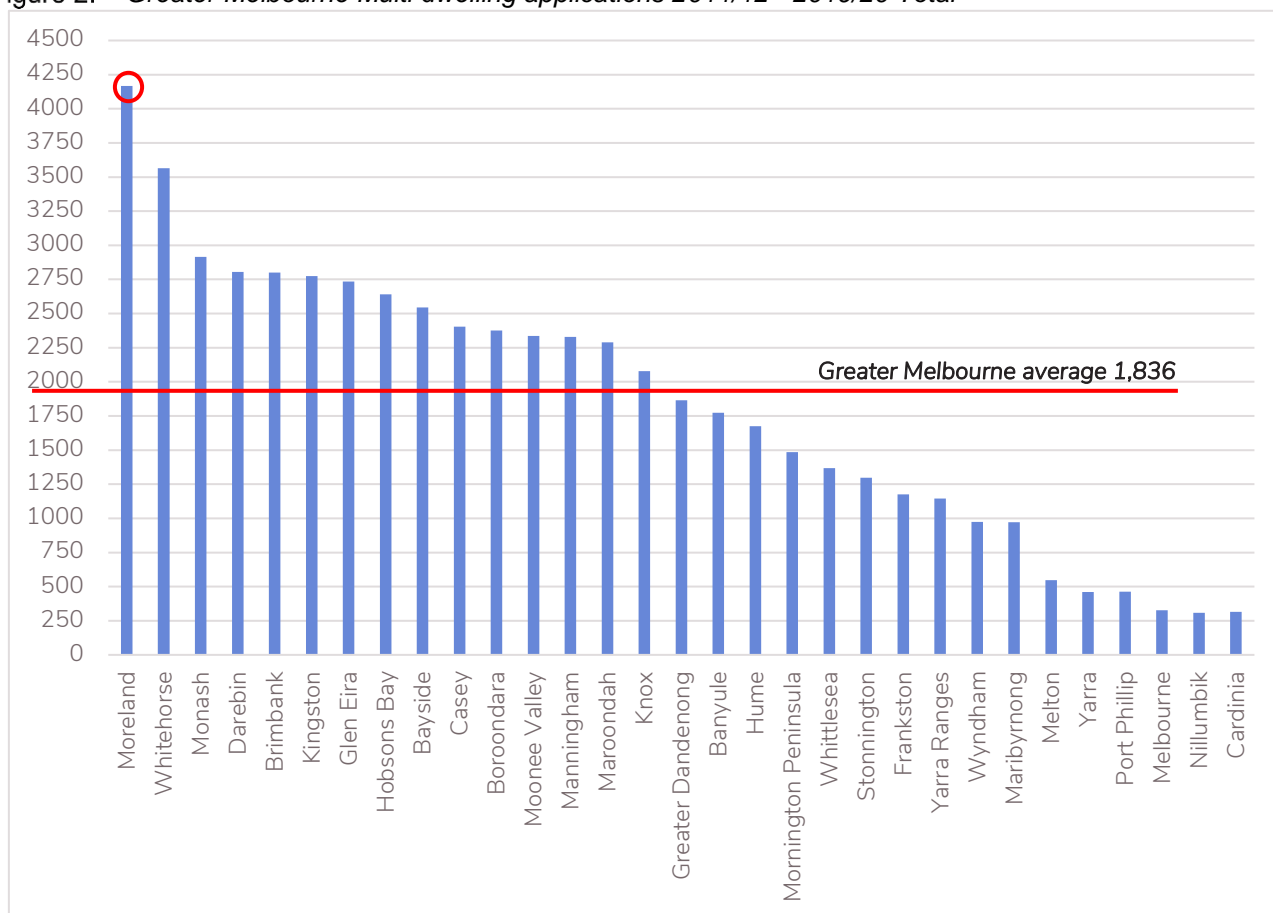
29. Moreland applied the new residential zones via Amendment C153 which was gazetted on 30 April 2015. 61.7% of residentially zoned land in Moreland is in the Neighbourhood Residential Zone and 29.6% is in the General Residential Zone. The remaining 8.7% is in the Residential Growth (2.7%) and Mixed Use Zones (6%).
30. The Managing Residential Development Advisory Committee, in its report from 2016 observed that while some municipalities may seem to have a disproportionate amount of land in the Neighbourhood Residential Zone, it has been applied in areas that typically have higher than average existing population densities and where growth is on the whole, expected to keep pace with other municipalities. Moreland was used as an example of this. *Managing Residential Development Advisory Committee Report* 14 July 2016 Page 21.
31. Figure 22 in the *Better Outcomes for Two Dwellings on a Lot* review report shows the building height of approved medium density development from July 2015-June 2017. It indicate that there is currently very limited market interest in developing three storey medium density housing in the General Residential Zone in Moreland. In the period of July 2015 to June 2017, 6% of medium density development in the General Residential Zone was 1 storey, 88% was 2 storeys and only 6% was 3 storeys. The three storey medium density development has tended to be along main roads and around railway stations.
32. As outlined on page 26 of *Supplying Homes in Moreland*, there is a significant buffer between medium density supply forecasts and capacity to accommodate medium density housing. Medium density development over the next 20 years will utilise only 39% of available capacity of unconstrained lots. As such there is no compelling reason to revisit the application of the General Residential versus Neighbourhood Residential Zone at present.

Figure 1. Moreland Planning Scheme Residential Zones Map



33. DELWP's Planning Permit Activity Reports indicate that Moreland receives more than twice the metropolitan average number of multi dwelling planning permit applications.

Figure 2. Greater Melbourne Multi dwelling applications 2011/12 - 2019/20 Total



Source DELWP Planning Permit Activity Reports

Figure 3. *Greater Melbourne Multi dwelling applications 2011/12 - 2019/20 yearly breakdown*

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	Total
Moreland	511	397	456	649	574	392	424	436	328	4167
Whitehorse	272	291	272	504	533	501	423	397	371	3564
Monash	319	243	316	363	376	460	354	264	220	2915
Darebin	354	280	309	374	382	292	290	265	259	2805
Brimbank	383	339	341	356	342	269	266	289	216	2801
Kingston	240	234	87	348	352	404	411	432	267	2775
Glen Eira	295	188	225	303	354	407	445	316	201	2734
Hobsons Bay	281	278	44	391	471	330	321	301	225	2642
Bayside	166	157	195	270	402	331	381	346	297	2545
Casey	277	266	187	277	299	291	307	271	229	2404
Boroondara	207	211	289	407	352	300	238	184	188	2376
Moonee Valley	310	236	273	254	371	281	270	196	144	2335
Manningham	195	161	175	220	263	323	394	331	268	2330
Maroondah	129	130	160	167	267	308	398	384	346	2289
Knox	164	133	153	189	313	307	297	304	218	2078
Greater Dandenong	254	142	152	178	235	237	247	227	192	1864
Banyule	185	220	216	285	263	206	173	122	103	1773
Hume	231	184	143	191	173	196	206	209	141	1674
Mornington Peninsula	240	156	103	136	197	181	242	228	1	1484
Whittlesea	238	152	155	131	136	142	135	148	130	1367
Stonnington	87	62	88	42	137	191	204	267	220	1298
Frankston	175	1	154	104	171	161	158	153	98	1175
Yarra Ranges	129	126	85	73	159	160	150	153	111	1146
Wyndham	95	155	219	178	90	77	80	37	44	975
Maribyrnong	146	130	96	83	111	100	122	125	58	971
Melton	108	68	56	57	64	53	58	56	27	547
Yarra	53	47	42	73	69	59	52	39	26	460
Port Phillip	22	34	27	47	58	58	77	65	75	463
Melbourne	25	20	20	34	72	52	74	17	14	328
Nillumbik	30	24	20	30	59	40	37	31	37	308
Cardinia	29	26	24	39	44	37	42	37	38	316
Metro total	6268	5225	5082	6753	7689	7146	7276	6630	5092	57161
Metro average	202	168	164	218	248	230	235	214	164	1836

Medium Density Housing Review 2018

Part A Direction c) ii strategic context and assessment - Medium Density Housing Review by MCC dated Oct 2018

34. The Council Plan 2017-2021 contains a key priority to enhance liveability, and sustainability by guiding growth, and excellence in urban design and development.
35. The Medium Density Housing Review (MDHR) investigated the quality of townhouse and unit development and identifies actions to improve it.
36. The MDHR delivered on Council Action Plan Items 29 P1i) Residential Zones and 35(P1o) Medium Density Housing Review. It was adopted by Council in October 2018.
37. The recommendations of the review were developed through thorough analysis of the evidence base including occupant surveys, interviews and permit case studies. The adopted actions were varied from human resources, to design guides, to changes to the planning scheme and education. The actions will positively influence the many factors that contribute to quality homes for Moreland's growing and changing population.

Inputs to the Medium Density Housing Review

38. The Medium Density Housing Review involved extensive and broad ranging inputs, that provided a detailed understanding of the quality of medium density housing. Inputs were undertaken in a collaborative way to include views of the Strategic Planning, Urban Design, Urban Planning, ESD, City Infrastructure and Open Space Design and Development departments. These inputs included:
 - Research to identify who lives in medium density housing and the role of this type of housing in meeting Moreland's housing needs (undertaken by .id Consulting);
 - A literature review of best practice medium density guidelines to examine what others are doing to improve the quality of medium density housing;
 - A survey of occupants of medium density housing, which attracted over 460 responses;
 - Extensive case study analysis of approved planning permits for medium density housing, including evaluation of more than 160 developments, involving more than 900 dwellings;
 - Interviews with Architects and building designers;
 - Council officer workshops and inspections of completed developments;
 - An audit of planning permit compliance for constructed medium density developments;
 - External workshops with the community, design professionals and academics;
 - A review of the quantum and scale of medium density housing planning permit applications considered by Council.
39. A key input into the MDHR was a robust case study analysis of medium density applications and permits to evaluate the quality of housing. The case study analysis included the evaluation of 76 planning permit applications (354 dwellings) approved in 2015 and all of which had been recently completed, and a second case study sample of 49 current planning permit applications from 2018 (162 dwellings). The 2018 sample was evaluated to allow a comparison of outcomes pre and post the introduction of a mandatory garden area requirement into the Residential Zones of the Moreland Planning Scheme.

Review findings and actions

40. The MDHR referenced research from *A Home in Moreland* which quantifies the significant growth in medium density housing in Moreland and established that medium density housing is a housing form of choice for many of Moreland's current and future residents. Providing medium density homes that are not only of quality appearance, but also offer a high standard of amenity to occupants, will ensure a quality, diverse housing stock, that meets the needs of Moreland's growing and changing diverse population.

41. A literature review assisted in understanding best practice in medium density development and demonstrated that Rescode is a best practice standard. Many of the specific requirements of Rescode deliver better outcomes than equivalent requirements in other codes within Australia and internationally.
42. Case study analysis demonstrated the positive impact of the garden area requirement on many aspects of medium density development, particularly the private open space provision and internal amenity and layout. These positive impacts will become apparent in the community as developments approved after 2017 are constructed.
43. The case studies showed that the garden area requirement has dramatically reduced reverse living developments, and that accessibility requirements within the MSS could be applied to the majority of applications without significant cost and design implications. Interviews with building designers revealed that other Councils are requiring a proportion of medium density housing to be accessible.
44. The dramatic reduction in reverse living developments has also resulted in almost all dwellings in the 2018 case studies having a ground level living room, kitchen and toilet and a significant proportion also having a bedroom and bathroom at ground floor level.
45. These dwellings however are not meeting the specific dimension requirements which would enable a person with altered mobility to access the dwellings. With wider doorways and marginally larger toilets and bathrooms, 88% of medium density dwellings could be visitable or livable for a person with mobility disability. By way of example, the review found that if toilet doors swung outwards or a sliding door was used, the doorway would need to be only 15cm wider and the cubicle 20cm longer and 30cm wider than a typical toilet cubicle for it to be accessible.
46. The review found that Moreland City Council receives approximately 400 applications for medium density development per year, representing almost a third of all planning applications. In 2017 65% of medium density applications were for two or three dwellings on a lot. The review examined the influence of the introduction of the garden area requirement. It found for 2018 the proportion of applications for two or three dwellings on a lot had increased to 70%. The proportion of two dwelling on a lot applications had increased from 33% in 2017 to 40% for 2018, indicating that the garden area may have resulted in a minor reduction in overall density.
47. It showed the significant amount of resources that are invested into assessment of dual occupancy applications by Moreland's Planning Department, and how the garden area requirement has resulted in a greater number of dual occupancy applications. It highlighted the opportunity to explore this trend further including how Council might incentivise better quality dual occupancy development that satisfies planning scheme policy and controls. It discussed exploring an easier process for those who choose to submit a fully compliant and improved quality dual occupancy permit application which would allow greater resources to be expended on more complex applications.
48. The MDHR identified actions to improve medium density development in Moreland including:
Increase tree canopy and improve landscaping outcomes;
Improve exterior appearance and internal amenity;
Work with designers to improve design outcomes;
Investigate ways to incentivise applicants to design fully compliant and improved quality lower density development;
Increase the compliance with planning permit requirements; and
Advocate to the State Government to raise the state requirements (Rescode Clause 55).
The findings of the MDHR and associated actions are summarised below. The recommendations utilise multiple mechanisms to improve outcomes, from advocacy, to planning scheme changes, to education.

Figure 4. MDHR actions

MDHR actions	Status
Action 1: Increase tree canopy and improve landscaping outcomes to improve the appearance of development, contribute to the urban forest and respond to urban heat island effect	
<p>Amend the Moreland Planning Scheme to increase tree canopy in the private realm (supported by Urban Forest Strategy and Urban Heat Island Action Plan)</p> <p>Create an online 'tree selection tool' to improve selection of appropriate trees for a space, and increase use of indigenous species</p>	<p>Amendment C189 has been adopted by Council and submitted to the Minister</p> <p>The tree selection tool is operational on Council's website to assist land owners and developers to find the right tree for the size and aspect of the space</p> <p>https://www.moreland.vic.gov.au/environment-bins/trees/tree-finder/</p>
Action 2: Improve exterior appearance and internal amenity of dwellings (including reduce use of screening devices), and improve the amenity of open space areas	
<p>Finalise the Exterior Appearance and Amenity Design Advice Sheets</p> <p>Note: Draft Design Advice Sheets have been prepared that illustrate how to improve external appearance, internal amenity and how to limit views into habitable room windows and private open space of existing dwellings</p>	<p>The Good design Advice Sheets for Clause 55 developments were workshopped and finalised with input from the design community</p> <p>The Good Design Advice Sheets are available on Council's website and are used by Council's Urban Planners and Urban Designers in their conversations with permit applicants</p> <p>https://www.moreland.vic.gov.au/planning-building/planning-permits/planning-process/submit-a-planning-permit-application/good-design-advice-for-planning/</p>
Action 3: Improve design outcomes for people with limited mobility	
<p>Finalise Design Advice Sheet</p> <p>Note: Draft Design Advice Sheet have been prepared that illustrate provision of accessible paths, minimum widths for doors and hallways at entry level and where practicable provision of bedroom, living area, kitchen, private open space, bathroom and toilet at entry level</p>	<p>The Internal Layout Design Advice Sheet includes guidance on designing for livability</p>
Action 4: Improve the amenity of private open space areas	
<p>Prepare site layout and amenity Design Advice Sheets</p> <p>Note: Draft Design Advice Sheet have been prepared that illustrate how open space can be designed to optimise its usability</p>	<p>As above</p>
Action 5: Work with permit applicants to improve design and increase urban design input into permit consideration	
<p>Work with applicants/designers to improve design outcomes</p> <p>Note: A series of Draft Design Sheets have been prepared to illustrate how particular objectives of the Moreland Planning Scheme can be applied to deliver better quality design for buildings; these Draft</p>	<p>Medium density referral Urban Design Officer commenced September 2018</p> <p>The officer is providing advice on an increased proportion of development applications to upskill developers and Council staff</p>

MDHR actions	Status
Design Advice Sheets will be used to illustrate what is preferred and expected. The involvement of a Council Urban Designer in negotiating better quality outcomes for medium density development will operate in conjunction with the Draft Design Advice Sheets.	
Action 6: Increase planning permit compliance	
Employ two new Proactive Planning Enforcement Officers Note: A proportion of the municipality's residential development will be the subject of proactive enforcement to contribute to better development outcomes by ensuring that commitments relating to ESD, accessibility and landscaping are delivered	Two additional Proactive Planning Enforcement Officers commenced June 2018
Action 7: Incentivise design excellence and create an easier process for high quality applications	
Develop a Design Excellence Scorecard Note: Council Report DED25/18 – Better Design and Development Outcomes -resolved to test feasibility and develop an appropriate way forward for a Design Excellence Scorecard. Council Officers are currently preparing a draft Scorecard, to be tested against live development applications.	A trial of the Scorecard process began in March 2019
Action 8: Incentivise applicants to design fully compliant and improved quality lower density development	
Undertake further work to investigate the potential to incentivise better quality 'two dwelling on a lot' permit applications through a more straight forward permit process Note: If low density applications were streamlined it could potentially incentivise dual occupancy development and free up resources to negotiate improved outcomes in more complex, more intensive, development proposals	Better Outcomes for Two Dwellings on a Lot review completed June 2019 to inform Amendment C190
Action 9: Advocate to raise the State standard requirements for Medium Density Housing	
Write to the Minister for Planning to advocate that Rescode be reviewed to ensure consistency between equivalent standards in Rescode and the Better Apartment Design Standards	Completed January 2019

49. Action 8 resulted in the preparation of Amendment C190, but many of the other actions are relevant in understanding the suite of actions Moreland City Council is taking to try to improve the quality of medium density housing in Moreland.
50. As can be seen from the scope of these actions, Council has not sought to amend the planning scheme as the sole, or even dominant action to improve the quality of medium density housing in Moreland. The planning scheme interventions are discrete and targeted and supported by advocacy, collaborative support for applicants in both written and human resources and enforcement to ensure development is delivered as intended.

51. DELWP commended Moreland City Council for this evidence based analysis of medium density housing which it says provides a valuable contribution to the planning industry's understanding of the effect of planning regulation on medium density housing. This advice is at **Attachment 3**.

Better Outcomes for Two Dwellings on a Lot review 2019

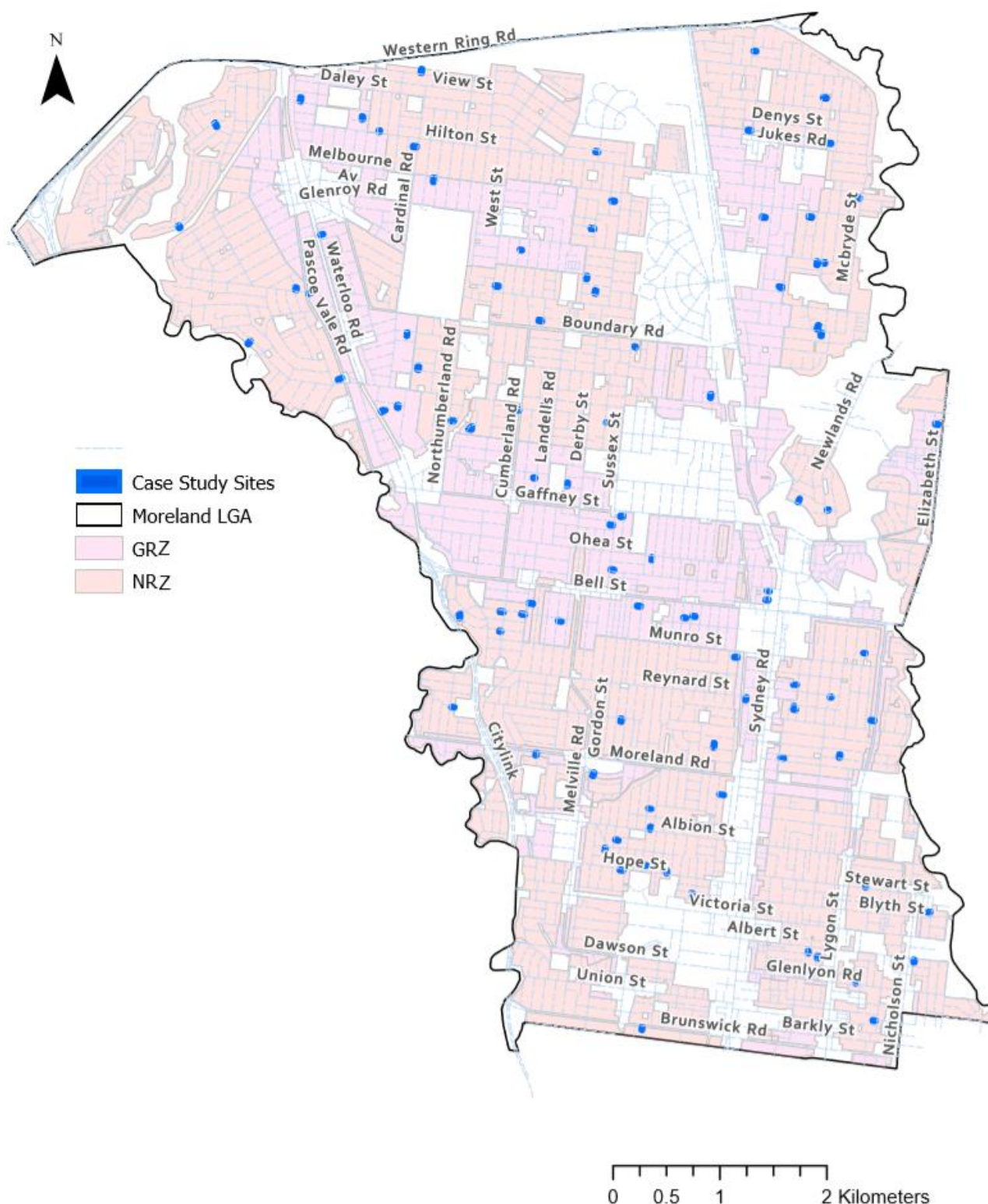
Part A Direction c) ii strategic context and assessment - Better Outcomes for Two Dwellings on a lot by MCC dated June 2019, including how the findings of this document informed the preparation of the Schedule to Clause 59.15

52. The Council Plan 2017-2021 contains a key priority to enhance liveability, and sustainability by guiding growth and excellence in urban design and development. Council Action Plan (CAP) Item 35 delivered the Medium Density Housing Review, adopted by Council in October 2018.
53. Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland) is a further outcome of CAP item 35 and implements the Medium Density Housing Review finding in relation to two dwelling on a lot applications.
54. Council resolved as part of the adoption of the Medium Density Housing Review to undertake further work to investigate ways to incentivise applicants to design fully compliant and improved quality lower density development. The Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland) responds to this resolution.
55. The key questions explored through the review were:
- What types of dual occupancy development occurs in Moreland?
 - What is the degree of compliance with planning scheme standards which have the potential to cause material detriment to neighbours?
 - What proportion of dual occupancy applications receive objections?
 - What influence are these objections having on decision-making?
 - Is the current process adding value to the outcome for the community?
 - What would the impact be of the proposed process change on the overall supply of housing?
 - Could the planning permit process be improved to maintain or improve the quality of the outcome, whilst achieving resource savings?

Inputs to the *Better Outcomes for Two Dwellings on a Lot* review of dual occupancy development in Moreland

56. A key input into the review was comprehensive, detailed case study analysis to evaluate compliance with the Moreland Planning Scheme, the concerns of surrounding residents and the influence of the current process on decision-making.
57. A case study sample of 100 sequential dual occupancy planning permit applications, involving 200 dwellings, approved in 2018, was analysed.
58. Case study applications are distributed across the geographic areas of Moreland and across the Neighbourhood Residential and General Residential Zones. 69% of the case study sites are in the Neighbourhood Residential Zone and 31% of the case study sites are in the General Residential Zone.
59. 100 sequential applications is a statistically valid sample size and the case studies are a true representative sample of two dwelling on a lot applications received by Moreland City Council.

Figure 5. *Better Outcomes for Two Dwellings on a Lot Case Study Sites*



60. Where an objector appealed against Moreland City Council's support of an application, the VCAT decisions were analysed.
61. A second input was an examination of all dual occupancy refusals from 2018 to examine the factors which can lead to the refusal of two dwelling on a lot applications and the VCAT decisions on these applications.
62. An evaluation was undertaken of the community perspective based on views expressed by the Community Reference Group involved in the preparation of the recently adopted Moreland

Community Engagement Policy, and in the Medium Density Housing Review, Moreland Excellence Scorecard and the Moreland Good Design Sessions.

Regard was had to the perspectives of the design community expressed in:

- Quality Development Roundtable (2017)
- Interviews with Architects and Designers for the Medium Density Housing Review (2017)
- Consultation on the development of the Scorecard including Council's Urban Environment Committee, Housing Advisory Committee, individual meetings with industry professionals such as Planners, Architects, Developers, Builders, Engineers, ESD consultants, Access consultants and academics as well as independent planning and economic analysis of the Scorecard (2017 and 2018)
- Workshopping the Good Design Advice Sheets at the Moreland Good Design Sessions attended by more than 50 people (2018).

63. Analysis was undertaken of the impact of the review recommendation on housing capacity, housing need and housing supply, noting that the introduction of the garden area requirement has increased the proportion of medium density development applications which are for two, rather than three dwellings on a lot.

Review findings and actions and how the findings informed the preparation of the Schedule to Clause 59.15

64. The review concluded that fully compliant, low intensity applications for two dwellings on a lot are achieving high quality outcomes.
65. The review found that facilitating low density urban infill assists in providing homes for Moreland's growing and changing population and adds to dwelling diversity. Lengthy application processes add to the cost of housing and these costs are passed on to purchasers and their tenants. Removing process steps which add no value has the potential to reduce the cost of housing or allow this budget to be spent on design features which improve housing quality.
66. Case study analysis found that one in two (54%) dual occupancy applications attracts objections, but only one in ten (9%) dual occupancy applications is changed as a result of giving notice. This is a very low return on the investment of time and emotional energy put into objections and VCAT appeals by neighbours.
67. Importantly the analysis demonstrated that all dual occupancy proposals are subject to the same rigorous assessment against the requirements of the Moreland Planning Scheme and the same minor variations are being supported or changes made by way of permit conditions, whether or not objections are received.
68. Giving notice to owners and occupiers of adjoining land, as required by Section 52 of the *Planning and Environment Act 1987*, is resulting in a change being made to the development in only a small proportion (11%) of dual occupancy proposals. This is despite Moreland City Council's Urban Planning Unit having an established practice of discussing objections with submitters during and post-public notification. For fully compliant, low intensity applications, objectors are having minimal influence under the existing process. Nearly two-thirds (71%) of applications for two dwelling on a lot proposals received no or one objection.
69. The overwhelming majority of objections relate to amenity impact on an immediately adjoining property; overlooking, overshadowing and the like.
70. Concerns are raised about car parking in one in ten (10%) applications.
71. Neighbourhood character, considered in the broadest possible terms including backyard-scape, is raised as a ground of objection in 20% of two dwelling on a lot applications. Only 2% of applications are changed as a result of a neighbourhood character objection.
72. Many objections raise issues which are not specific to the particular application or raise non-planning issues.

73. Objectors invest time and emotional energy which isn't adding value or having an influence for two dwelling on a lot development for those applications where the application is compliant with the numeric standards of Rescode.
74. An analysis of dual occupancy objector appeals for 2017 and 2018 was undertaken. Of the dual occupancy applications where objections were received, an objector appealed Moreland City Council's decision to VCAT in nine cases. VCAT agreed with Council's decision and directed that a planning permit issue in all cases. Put another way, objectors lost their appeal 100% of the time. A VCAT hearing is adding approximately seven months to the time frame to obtain a final decision.
75. The review found that the streamlining of fully compliant two dwelling on a lot proposals will not have any unreasonable impacts on housing supply or dwelling typology, to house Moreland's growing and changing population. Moreland's residential areas provide extensive infill housing opportunities. Moreland regularly receives one of, if not the highest numbers of planning permit applications for medium density dwelling development in Victoria. This proposal will not result in change to Moreland's ability to provide for medium density development to house future populations but will ensure this growth makes a positive contribution to the community.
76. The State Government's Housing Development Data 2005 – 2016 indicates that the Northern subregion saw an average annual increase in dwelling stock of 6,620 dwellings over a 10-year period and highlights that Moreland has seen the greatest amount of infill development during that period. Census data indicates that there was an increase of 7,278 medium density dwellings in Moreland between 2006 and 2016; this represents a 5.5% increase in terms of an overall stock percentage. This compares with a 3.3% increase in medium density housing for the Northern Region and a 1.4% increase in medium density housing for Greater Melbourne. Moreland also added 4,557 apartments over the same period; more than 11,000 additional dwellings in total. Moreland has provided substantial opportunity for infill housing when compared to other municipalities and will continue to do so.
77. The *Better Outcomes for Two Dwellings on a Lot* review recommends that the Moreland Planning Scheme be amended so that planning scheme compliant, enhanced quality, two dwelling on a lot applications be considered within a more straight forward assessment process. The proposed requirements are simple and clear and empower the applicant by front loading process to put project time frames within their control. Existing state planning standards deal with amenity impacts and car parking, which are the issues of most concern to objectors.
78. Importantly, Rescode standards also outline standards in relation to on-site amenity. The proposed requirements would add to these requirements to guarantee improved quality development.

How the findings of the *Better Outcomes for Two Dwellings on a Lot* review informed Amendment C190

79. The *Better Outcomes for Two Dwellings on a Lot* Review report is written for a Moreland resident audience. It represents only a small fraction of the detail and analysis undertaken to inform the provisions of the Amendment. Further detail of the analysis is provided throughout Council's Part A and B submissions and specifically in response to this Panel direction is outlined in the table below.

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
Schedule to Clause 59.16	
Information requirement A Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment	Both the Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot review involved workshops with Council officers from multi-disciplinary areas. Specific to this information requirement, six workshops with Management personnel (Group Manager, Unit Manager, Coordinators) from

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<p>the Urban Planning Unit, investigated if and how two dwelling on a lot applications could be processed within a 10 day timeframe.</p> <p>As discussed elsewhere, many two dwelling on a lot applications are of poor quality at lodgement and a significant proportion require further information (s54 PEA) and amendments (s50/57/A PEA).</p> <p>The Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment is a template information requirement which seeks to make it as easy as possible for permit applicants to understand exactly what the specific numeric requirements they need to meet are and to demonstrate compliance.</p> <p>Designing two dwelling on a lot and all medium density development involves consideration of:</p> <ul style="list-style-type: none"> • How it fits into the street and the area (neighbourhood character) • What it is like to live in • The impact on the amenity of adjoining properties. <p>The compliance assessment template brings all the 'design by numbers' aspects of what it is like to live in and minimise impact on neighbours together in one place.</p> <p>The operation of Rescode is discussed further in Council's Part B submission.</p> <p>As discussed elsewhere, Moreland City Council's Urban Planners currently spend an average of 100 gross days trying to extract a complete application and acceptable design from two dwelling on a lot permit applicants. This demonstrates that applicants need a template to guide and assist them in submitting an application of a quality which can be processed in 10 days.</p> <p>The ratepayers of Moreland are subsidising Council staff not just to assess planning permit applications against the requirements of the planning scheme, but to act as defacto planning consultants to applicants. This goes <u>well</u> beyond giving advice about what the planning scheme says, how Council exercises its discretion and undertakes the process.</p> <p>Both the Medium Density and Two Dwellings on a Lot reviews included investigation of 'who are our applicants?'. This analysis found that 72% of medium density applications in Moreland are submitted by designers and drafting companies. 15% are submitted by individual land owners but are designer/drafting company designed. Only 13% are submitted by Planning consultants or Architects, so submissions from Planning consultants in relation to Amendment C190 do not represent a typical or even common applicant.</p> <p>The compliance assessment template supports and empowers applicants in the culture change process to put end to end permit processing times in their hands. As discussed elsewhere it will be accompanied by broader culture change support for applicants, noting that 64% of Moreland's designers of medium</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	density development are regular applicants, with 40% of these applications coming from just 10 companies.
<p>Decision guidelines</p> <p>Any relevant neighbourhood character objective, policy or statement set out in this scheme</p> <p>The neighbourhood and site description</p> <p>The design response.</p>	<p>Unlike Rescode requirements regarding onsite amenity and amenity impacts, a neighbourhood character assessment (how a development fits into the street) is not a numeric assessment.</p> <p>These decision guidelines retain all neighbourhood character considerations, derived from a neighbourhood character and site description and design response, from the standard application process. This process is not proposed to change as a result of C190.</p>
<p>Information requirement</p> <p>A Sustainable Design Assessment (SDA) which has been certified by Moreland City Council that all new dwellings achieve a minimum BESS score of 50%, including achieving the mandatory minimum score paths for water, energy, storm water and IEQ</p>	<p>The six workshops with Management personnel (Group Manager, Unit Manager, Coordinators) from the Urban Planning Unit, within the Better Outcomes for Two Dwellings on a Lot review concluded that in order to process two dwelling on a lot applications within a 10 day process the need for internal referrals needs to be minimised. This is discussed in further detail elsewhere.</p> <p>Specific to this information requirement the review found that referrals to Council's Environmentally Sustainable Development and Capital Works Referrals Unit take an average of 40 days because there is frequently a mismatch between the BESS report and the development plans submitted by the applicant. The BESS report is prepared by one person and the development plans are prepared by another, and there is no correlation between them. Example Sustainable Design Assessment/BESS report and accompanying example plans to assist applicants in understanding the documentation required have been recently developed for permit applicants to address this.</p> <p>https://www.moreland.vic.gov.au/planning-building/environmentally-sustainable-design/sustainable-design-assessment-planning-process/</p> <p>This information requirement requires an applicant to get the Sustainable Design Assessment (BESS report) pre-certified so that the application can be processed within a 10 day timeframe. This is the same process that is already in place across Victoria for VicSmart applications under a Special Building Overlay, which requires an application to be accompanied by written advice from Melbourne Water, rather than a referral occurring after the application is lodged.</p>
<p>Information requirement</p> <p>A Livable Housing assessment which has been certified by a Livable Housing Australia Design Guideline Assessor, demonstrating that all new dwellings achieve Silver Level of performance under the LHA Livable Housing Design Guidelines</p>	<p>As above, this specific information requirement requires an applicant to get the Livable Housing assessment pre-certified so that the application can be processed within a 10 day timeframe. It takes the same approach as when Sustainability Victoria introduced the First Rate energy rating software.</p> <p>The Planner assessing the application is not undertaking the detailed assessment of compliance with all requirements. This is done by an accredited person and the Planner is simply checking the certificate to ensure that the relevant standard (Silver Level) has been met.</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
Schedule to Clause 59.15	
<p>Meets the maximum building height requirement of the zone</p> <p>Meets the minimum garden area requirement of the zone</p>	<p>These are mandatory requirements in the Neighbourhood and General Residential zones.</p> <p>Arguably they do not need to be repeated in the Schedule to Clause 59.15, but their inclusion flags all relevant considerations in one place to improve usability of the scheme for applicants and decision makers.</p>
<p>Meets the B13 Landscaping standard numerical requirements of the schedule to the zone</p>	<p>Rescode Standard B13 does not contain any numeric requirements.</p> <p>Within the Schedules to the Neighbourhood and General Residential zones in Moreland (and many other Councils) Rescode standard B13 is varied and numeric measures are included.</p> <p>Clause 71.06 outlines the operation of VicSmart applications and process. Moreland City Council's reading of Clause 71.06 is that in order for this existing requirement to apply to applications considered within the VicSmart stream it needs to be called up in the Schedule to Clause 59.15.</p> <p>The MDHR, along with the Urban Forest Strategy, Urban Heat Island Action Plan and Canopy Tree Planting in Residential Areas report all identify the need and opportunity for increased planting of canopy trees on both public and private land.</p> <p>As detailed elsewhere in this submission Amendment C189 increases and improves the canopy tree planning numeric requirements in the variation to Rescode standard B13 in the Schedules to the NRZ and GRZ without impacting on yield.</p> <p>Inclusion of this criteria in the Schedule to Clause 59.15 ensures that these requirements apply to all medium density development whether it is assessed within the standard or VicSmart stream and there is not a lesser quality outcome for VicSmart applications.</p> <p>Specific content relating to canopy tree planting and landscaping is on pages 23, 26 and 33 of the MDHR.</p>
<p>Meets the numerical requirements in the following standards of Clause 55</p> <ul style="list-style-type: none"> • B6 Street setback standard • B8 Site coverage standard • B9 Permeability standard • B14 Access standard • B17 Side and rear setbacks standard • B18 Walls on boundaries standard • B19 Daylight to existing windows standard 	<p>The Better Outcome for Two Dwellings on a Lot Review case study analysis specifically looked at every objection and every delegate report to understand the inputs of neighbours and how those inputs are translating in decision making.</p> <p>This analysis found that Moreland City Council is applying Clause 55 and that if a Rescode numeric standard is met it is deemed to meet the objective. The operation of Rescode is discussed further in Council's Part B submission.</p> <p>As such, for fully compliant applications, objectors are having no influence under the existing process. Existing state planning standards deal with amenity impacts, which are the issues of most concern to objectors.</p> <p>Applications must continue to meet the 'requirements of Clause 55', as this is a mandatory requirement in the zone. This means</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
<ul style="list-style-type: none"> • B20 North-facing windows standard • B21 Overshadowing open space standard • B22 Overlooking standard • B23 Internal views standard • B27 Daylight to new windows standard • B28 Private open space standard • B29 Solar access to open space standard • B30 Storage standard • B32 Front fences standard 	<p>that the application must meet all of the objectives and should meet all of the standards.</p> <p>All Rescode numeric standards are called up within the proposed Schedule to Clause 59.15 so that all matters which would be considered in the standard application stream would be considered in the VicSmart stream.</p> <p>The intention is for the outcome to be the same and a bit better, and not to reduce the quality of two dwelling on a lot developments.</p>
<p>Meets the number of car parking spaces required by Clause 52.06 Table 1</p>	<p>As described above, the case study analysis within the <i>Better Outcomes for Two Dwellings on a Lot</i> review found that where the number of car parking spaces required by Clause 52.06 is met, a car parking objection is not altering the outcome.</p> <p>This analysis further found that a car parking objection is not altering the outcome even when car parking space requirements are being reduced, but it was not considered reasonable to argue in favour of a process with third party exemptions where numeric requirements of the scheme could be varied.</p>
<p>Meets the following requirements for new crossovers and garages:</p> <p>No street trees are removed</p> <p>Minimum clearance of 3m must be provided between the trunk of any street tree and any part of a vehicle crossing, inclusive of the radial or splay</p> <p>Crossovers maximum 3 metres in width</p> <p>If more than one vehicle crossover is proposed, the crossovers must be a minimum of 8 metres apart, measured at the front boundary</p> <p>If both dwellings front the street, the garages must be a minimum of 8 metres apart</p> <p>Any garage which faces the street must be no more than 4.5 metres wide</p> <p>Any garage which faces the street must be setback from the street a minimum of 500mm more than the dwelling</p>	<p>The Moreland Planning Scheme contains a Car and Bike Parking and Vehicle Access policy at Clause 22.03. It says that it is policy to limit the number of vehicle crossings to one per site frontage, other than on corner lots.</p> <p>Historically Moreland City Council was refusing approximately 70% of side by side dual occupancies based on this one line policy statement and was having most of these decisions overturned at VCAT.</p> <p>VCAT commentary included the following:</p> <p>The inclusion of large private open spaces is a positive and contextual response.</p> <p>The siting of the two dwellings to the street fulfils the neighbourhood character objective in Clause 22.01-3 for active street frontages and will also provide opportunities for passive surveillance from the front of both dwellings.</p> <p>The provision of landscaping opportunities in the front setback will contribute to the desired "green, leafy" landscape character objective in Clause 22.01-2.</p> <p>The proposal will not result in any street tree removal.</p> <p>The proposal will not result in the loss on-street parking.</p> <p>The physical context is changing and is diverse enough to allow different types of medium density development.</p> <p>Side by side dwellings provide for larger secluded private open space at the rear, and reasonable landscaping to the front.</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<p>The two 3 metres wide crossovers, together with the associated 7.4 metres long and 3 metres wide driveways are not disrespectful of existing character. Tandem parking in driveways is not unusual.</p> <p>While a second crossover is proposed, the front setback allows for appropriate landscaping, and the retention of one on-street carparking space across the frontage.</p> <p>The benefits of the design are the achievement of large areas of private open space and reasonable amounts of landscaping in the frontage. This outweighs the detriment of providing two crossovers.</p> <p>The boundary to boundary design does not reduce the ability for landscaping to be introduced within the front setback of both dwellings.</p> <p>On-street parking is retained and there is sufficient area within the front setback allowing for landscaping which, as a result, does not lead to extensive areas of hard paving due to the provision of a second crossover.</p> <p>The benefits provided to this site outweighs in my view the policy consideration of the provision of only one vehicle crossover.</p> <p>As an overall proportion of the façade of each dwelling (including ground and first floor), the garage doors will be a minor component overall.</p> <p>When one appreciates the urban environment as a whole, crossovers and driveways form only a small component of the overall context. They are not a vertical element like a front façade or readily perceptible like landscaping, garage doors, building materials or colours or roof form.</p> <p>Given the consistent view of many divisions of the Tribunal regarding the second crossover policy of the Moreland Planning Scheme, a more balanced approach than that asserted by Council leads me to conclude it is acceptable in this context. I find the side-by-side layout, that includes two driveways and two crossovers in the frontage, is an acceptable response that will not dominate the streetscape.</p> <p>In 2017 Moreland City Council analysed all VCAT decisions for side by side dual occupancies. It was found that the benefits of a side by side layout are:</p> <ul style="list-style-type: none"> • Often result in better access to sunlight for SPOS and habitable room windows • Good landscaping to the front and rear • Often result in more generous SPOS areas • Overall, less paved surfaces • Easier to meet garden area requirement • Better internal layout/open spaces • Often, built form does not extend beyond the adjoining building lines

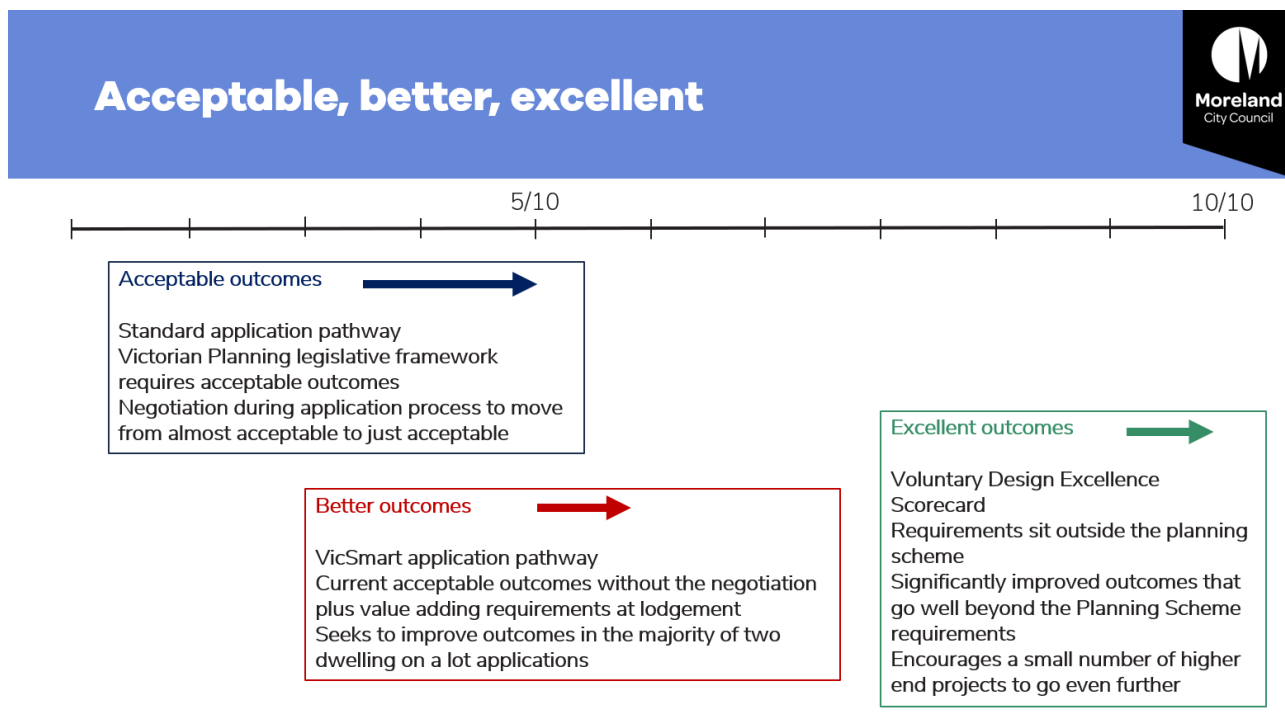
Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<ul style="list-style-type: none"> • No common property. <p>The attributes that were leading VCAT to support side by side development have been subsequently used to guide the exercise of discretion in relation to the vehicle crossings policy as follows:</p> <ul style="list-style-type: none"> • Doesn't result in the loss of a street tree or street public car space • Garages recessed at least half metre behind the main building line • Crossovers are spaced to allow canopy tree planting within the front setback which requires a lot width of at least 15 metres. <p>The <i>Better Outcomes for Two Dwellings on a Lot</i> review started out by analysing 25 sequential two dwelling on a lot decisions. It was found that approximately half of all approved dual occupancies were a side by side type. To ensure that this case study sample was representative, the case study sample size was increased to 50, then 75, then 100 sequential decisions and the proportion which were a side by side type remained constant.</p> <p>The <i>Better Outcomes for Two Dwellings on a Lot</i> review concluded that around half (48%) of two dwelling on a lot proposals are a side by side type.</p> <p>In drafting Amendment C190, a decision needed to be taken whether to exclude side by sides in accordance with the one line policy statement in the Car and Bike Parking and Vehicle Access policy at Clause 22.03 (a disabling approach) or whether to enable side by side typologies in accordance with VCAT and recent Moreland City Council decision making. The enabling approach was chosen.</p> <p>The side by side typologies were then further analysed to reduce the VCAT and Council decision making to numbers.</p> <p>This analysis found that only half of side by side dual occupancy development has two driveways. The other half has alternative configurations of access and parking including:</p> <ul style="list-style-type: none"> • Car parking to both dwellings from laneway • Car parking to one dwelling from laneway • Car parking to both dwellings at rear accessed from side street on corner lot • Two street frontages • Only one dwelling has car parking. <p>So, a quarter of two dwelling on a lot development in Moreland is a side by side type with two crossovers to the street frontage. The <i>Better Outcomes for Two Dwellings on a Lot</i> review examined the specific dimensions which enabled all objectives discussed above to be met.</p> <p>It is reiterated that this provision proposed by Amendment C190 is an <u>enabling</u> provision compared with the current restrictive policy statement.</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<p>By way of information, consistent with the analysis above, in the PPF Translation Amendment C200 refines the existing Car and Bike Parking and Vehicle Access policy at Clause 22.03 as follows:</p> <p>'Limit the number of vehicle crossings provided to dwellings.</p> <p>Support new vehicle crossovers where:</p> <ul style="list-style-type: none"> • The number of crossovers is minimised to support pedestrian safety and sight lines • Existing on street parking spaces and street trees are retained • Hard surfaces of accessways (including crossover) are minimised to provide opportunities for increased landscaping in front setbacks and streetscape planting.' <p>This content will sit in Clause 15.01 and the specific criteria proposed within the Schedule to Clause 59.15 will not be out of sync with policy.</p> <p>The criteria relating to 'no street tree being removed' is not specific to side by side/two crossover developments. As discussed above, within a 10 day process internal referrals have sought to be minimised.</p> <p>Unlike the VPP VicSmart class for removal of one tree on private land, which is a straight forward yes/no answer, removal of a street tree requires negotiation between Council's Arborists and the land owner as Council charges for the lost amenity value of the tree, the cost of removal and the cost of a replacement and watering while it establishes. As with relocation of lamp poles and other service infrastructure within the road reserve, many land owners choose to amend their design rather than remove a street tree once they appreciate the costs involved.</p> <p>In addition, in a climate emergency, backed by Council's Urban Forest Strategy and Urban Heat Island Effect Action Plan, Council is not seeking to expeditiously facilitate and enable removal of established canopy trees from public land.</p>
<p>Meets Silver Level of performance under the Livable Housing Australia, Livable Housing Design Guidelines</p>	<p>The Moreland Planning Scheme MSS strategy for Housing at Clause 21.03-3 states:</p> <p>'Objective 9 To increase the supply of housing that is visitable and adaptable to meet the needs of different sectors of the community.</p> <p>Strategy 9.1 Encourage all dwellings to be visitable by a person with limited mobility by providing:</p> <ul style="list-style-type: none"> • An accessible path from the street and car park areas to a level entry • Minimum width of 850mm for doors and 1000mm for hallways at entry level • A clear path of travel from the accessible entry to a living area and toilet suitable for people with limited mobility.

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<p>Strategy 9.2 Encourage the provision of liveable housing that can be lived in by people with limited mobility (or easily adapted to be lived in) by incorporating the following design features:</p> <ul style="list-style-type: none"> • An accessible path from the street and car park areas to a level entry • A bedroom, living area, kitchen, private open space, bathroom and toilet which can be efficiently adapted for people with limited mobility on entry level • Minimum width of 850mm for doors and 1000mm for hallways at entry level.' <p>There are currently no control mechanisms within the Moreland Planning Scheme to deliver this objective and strategies.</p> <p>The <i>Medium Density Housing Review</i> found (on pages 21 and 33) that the introduction of the garden area requirement has dramatically reduced reverse living developments, and that accessibility requirements within the MSS could be applied to the majority of applications without significant cost and design implications.</p> <p>Interviews with building designers within the MDHR revealed that other Councils are requiring a proportion of medium density housing to be accessible.</p> <p>The dramatic reduction in reverse living developments has also resulted in almost all dwellings having a ground level living room, kitchen and toilet and a significant proportion also having a bedroom and bathroom at ground floor level.</p> <p>The MDHR found however that these dwellings are not meeting the specific dimension requirements of the Municipal Strategic Statement Clause 21.03 Objective 9 to enable a person with altered mobility to access the dwellings. But with wider doorways and marginally larger toilets and bathrooms 88% of medium density dwellings could be visitable or livable for a person with mobility disability.</p> <p>The Accessible Housing: Estimated Cost Impact of Proposed Changes to National Construction Code at Attachment 2, found that the construction cost of inclusion of Silver Level LHA requirements in townhouse typologies is \$1,839 per dwelling. This is explained in more detail in Council's Part B submission.</p>
Meets a minimum BESS score of 50%, including achieving the mandatory minimum score paths for water, energy, storm water and IEQ	<p>The Environmentally Sustainable Development local policy in the Moreland Planning Scheme at Clause 22.08 requires that development should achieve <u>best practice</u> in environmentally sustainable development. The tool used to assess the extent to which a development meets the objectives and requirements of this policy is a Sustainable Design Assessment undertaken using the Built Environment Sustainability Scorecard (BESS) tool.</p> <p>Moreland's ESD policy at Clause 22.08-04 guides planning applicants to use Built Environment Sustainability Scorecard (BESS). BESS is listed as a reference document at Clause 22.08-6.</p>

Planning scheme provision	Medium Density Housing Review and Better Outcomes for Two Dwellings on a Lot Review analysis and finding
	<p>BESS is a points-based free online tool that provides an overall score for a project based on sustainability actions. BESS assesses projects against established benchmarks in nine environmental categories which align with the environmental objectives in the ESD local planning policy.</p> <p>To achieve <u>best practice</u> in environmentally sustainable development a project must achieve an <u>overall BESS score of 50% or higher</u>.</p> <p>The definition of best practice in BESS aligns with what is required to achieve best practice in the ESD local policy at Clause 22.08. The policy and the assessment tool were written by the same group of people and there is absolute synchronicity between the two.</p> <p>In addition to the overall score, four BESS categories (Water, Energy, Stormwater and Indoor Environmental Quality) have mandatory minimum scores. The remainder of the required points can be made up from any category. These mandatory minimum score path categories are retained within the provisions proposed by Amendment C190.</p> <p>The provisions proposed by Amendment C190 codifies the existing planning scheme ESD requirement.</p>

Where is this initiative pitched?



81. Amendment C190 seeks to improve the acceptability of the built form outcome of typical two dwelling on a lot applications at the outset and lock in improvements in the landscaping, accessibility and environmental performance of housing. The Amendment C190 provisions have

been drafted to incentivise as many applications as possible to choose this optional application pathway. This will be discussed further in Council's Part B submission.

82. Within the current process a significant amount of time is lost at the beginning of the process seeking all information required to assess the application and have the applicant properly respond to any variations in Rescode standards and the character of the neighbourhood.
83. Moreland City Council requests further information for 94% of two dwelling on a lot applications. 37% of two dwelling on a lot applications where further information is requested, request an extension of time to the standard 60 days period to submit the further information.
84. From the DELWP Planning Permit Activity Annual Report 2017-18 for all application types, Moreland City Council requests further information for 56% of applications compared to the metropolitan average of 54%, indicating that RFI is no more prevalent in Moreland than elsewhere but that two dwelling on a lot applications are significantly less likely to be complete at lodgement.
85. 45% of applications are amended under s50 of the *Planning and Environment Act 1987* and altered prior to notice being given. Applicants obligations to their client has a bigger influence on how they design a proposal than planning scheme requirements. Council's Planners are then used as the 'bad cop' to get an application to an acceptable standard. This is illustrated diagrammatically above as a process of negotiation to get an application from a 3.5/10 to an 'acceptable' 5/10.
86. From the *Better Outcomes for Two Dwelling on a Lot* review, the average number of days to assess two dwelling on a lot applications is 206 gross days (148 business days) and 61 statutory days. The difference is 142 gross days (87 business days) on average to design an acceptable proposal within the application process.
87. From DELWP's *Planning Permit Activity in Victoria 2017/18* report, the average gross permit processing time for all planning permit applications processed by Moreland City Council is 136 days, compared with a metropolitan average of 129 days.
88. This reveals that Moreland City Council's processing times are on par with other Councils but the gross days for what ought to be a simple two dwelling on a lot application is taking 66% longer than the average application due to this 'design within the application process' by permit applicants.
89. Another way of scrutinising the 'design within the application process' phenomena is to look at the number of gross days between lodgement and giving notice. Moreland City Council commences the advertising task as soon as all further information received. It takes an average of 0.76 days to give notice once all further information is received, so no time is lost in Moreland City Council giving notice once the application is complete.
90. The case study analysis undertaken within the *Better Outcomes for Two Dwellings on a Lot* review also indicates an average of 100 gross days (78 business days) elapse between lodgement and giving notice; again, illustrating the time lost in receiving a complete application.
91. The 'design within the application process' is taking on average, three quarters of a year from lodgement to decision and it is being heavily subsidised by all Moreland ratepayers. The standard permit application process set up by the *Planning and Environment Act* enables and facilitates this.
92. To highlight an extreme example, one application in the case study analysis was formally amended by the applicant three times prior to notice being given.
93. This effort results in development that is highly compliant by the time notice is given, which is reflected in the significant proportion of applications that receive no or only one objection.
94. The process set up by Amendment C190 requires the applicant to help themselves and where they require guidance, to avail themselves to Council's free pre-application service which will be further explained in Council's Part B submission. It is hoped that over time this may also improve the quality of medium density development at lodgement more broadly.
95. Extensive case study analysis concluded that 70% of approved two dwelling on a lot developments in Moreland could readily meet all requirements proposed by Amendment C190.

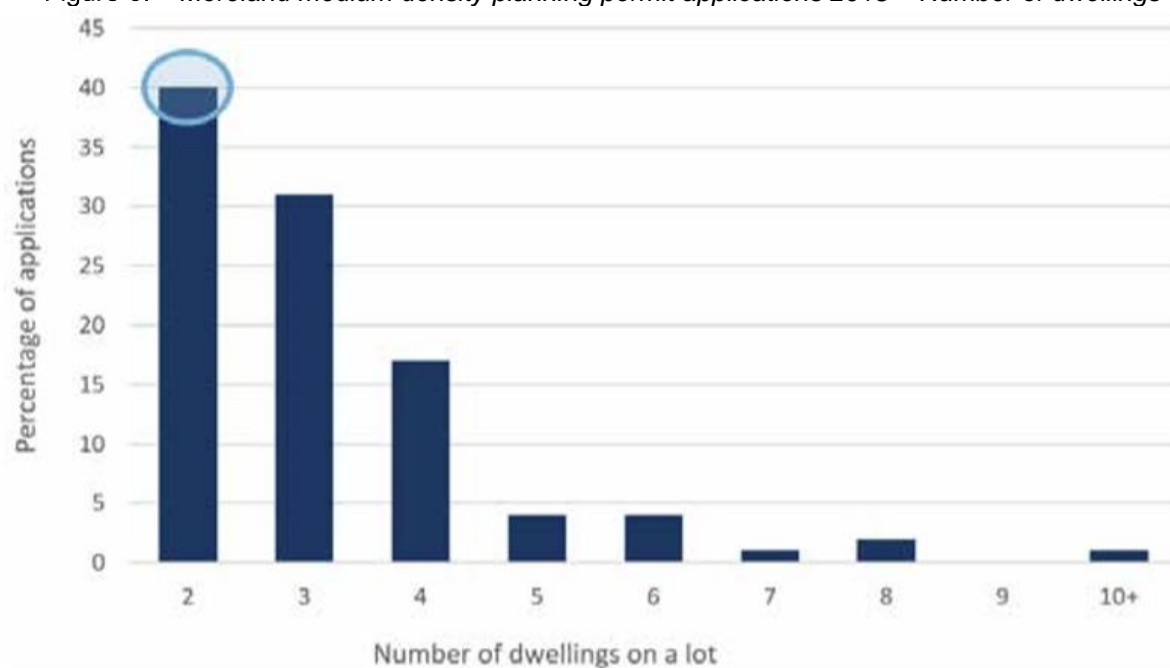
The requirements have been carefully calibrated to optimise the number of lots that will be able to benefit, whilst improving the quality of two dwelling on a lot developments for the Moreland community.

96. Moreland City Council has a separate voluntary 'design excellence' initiative called the Design Excellence Scorecard. In the first 18 months of the scorecard trial period only one medium density planning permit application has sought to meet the Design Excellence requirements. Further information about this separate initiative is available on the Moreland City Council website. <https://www.moreland.vic.gov.au/planning-building/design-excellence-scorecard/>

Rationale for focusing on two on a lot developments

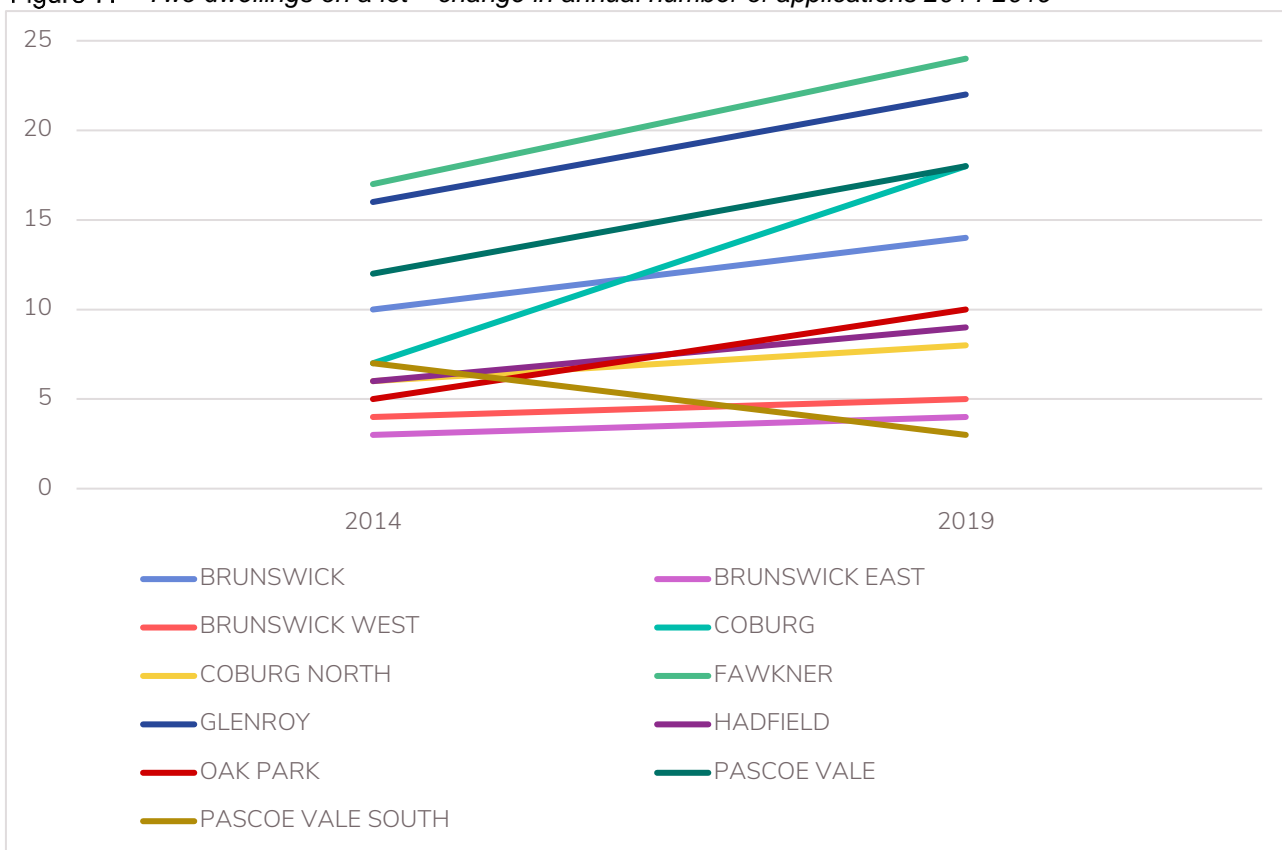
97. Two dwelling on a lot applications are the highest proportion of applications received by Moreland. 40% of medium density applications are for two dwellings on a lot. Case studies indicate Rescode standard compliance is high. It is a suitable development type to test this streamlined process.

Figure 6. *Moreland medium density planning permit applications 2018 – Number of dwellings on a lot*



98. The review has also sought to understand change in application numbers over time. Trends are consistent in all suburbs apart from Pascoe Vale South which has more significant coverage of the Heritage Overlay than other areas and a strong market interest in substantial renovation of period homes.
99. Constant with the population and housing growth forecasts in *A Home in Moreland* and *Supplying Homes in Moreland*, application numbers will continue to increase year on year.

Figure 7. Two dwellings on a lot – change in annual number of applications 2014-2019



Part A Direction a) background to the Amendment including chronology of events including an overview of the exhibition process and an explanation of any advice from DELWP on the VicSmart process

Chronology of Events

Year	Date	Event
2019	12 June	<p>Council at its Ordinary Council Meeting resolved:</p> <ol style="list-style-type: none"> Adopts the Review Report Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland), at Attachment 1 to this report. Requests authorisation from the Minister for Planning in accordance with section 8A of the Planning and Environment Act 1987 to prepare and exhibit an amendment to the Moreland Planning Scheme to implement the findings of the Better outcomes for two dwellings on a lot (a review of dual occupancy development in Moreland) as set out in Appendix 1 - Draft Planning Scheme Provisions in the review report at Attachment 1. Upon receipt of the Minister's authorisation: <ol style="list-style-type: none"> Council is provided with a briefing that details any conditions of the Ministers authorisation. Subject to Council's satisfaction with any conditions included in the Ministers authorisation, prepares and exhibits the amendment to the Moreland Planning Scheme, to implement Better outcomes for two dwellings on a lot (a review of dual occupancy development in Moreland) recommendations. Delegates to the Director City Futures authority to make changes to the Better outcomes for two dwellings on a lot (a review of dual occupancy development in Moreland) Planning Scheme Amendment based on: <ol style="list-style-type: none"> Council's resolution for this report. Any conditions imposed in any authorisation granted by the Minister for Planning, subject to point 3 of this recommendation. Any changes to the relevant documents to correct errors and grammatical changes. Receives a further report when the exhibition period closes, to consider any submissions received.
	17 June	Council sought authorisation from the Minister for Planning to prepare and exhibit Amendment C190
	11 October	Council Executive/Management officers met with DELWP Executive/Management officers
	15 October and 22 October	Information provided to DELWP to respond to matters raised in the meeting This information has been provided to the Panel
2020	7 April	Authorisation received from DELWP
	28 May	Public exhibition of Amendment C190 commenced
	17 July	Public exhibition period finished

Year	Date	Event
	12 August	<p>Council at its Ordinary Council Meeting resolved:</p> <ol style="list-style-type: none"> 1. Using its powers as a Planning Authority under section 23 of the Planning and Environment 1987, requests that the Minister for Planning appoints an independent Panel to consider all submissions to Moreland Planning Scheme Amendment C190. 2. Endorses the response to submissions as set out in Attachment 1 to this report, to form the basis of Council's submission to an independent Planning Panel. 3. Notes that the recommended form of the Amendment C190 documents to be presented to the independent Panel remain unchanged as set out in Attachment 2 to this report. 4. Refers any late submissions to the independent Panel as appointed by the Minister for Planning. 5. Authorises the Director City Futures to make minor changes to Moreland Planning Scheme Amendment C190 and to give direction on issues which arise in the course of the independent Panel hearing in response to expert evidence and submissions if required, so long as any further changes are generally in accordance with previously endorsed Council positions and the intent of Amendment C190.
	13 August	Council formally requested a Panel be appointed
	19 August	Panel appointed
	29 September	Directions hearing held

Consultation and Amendment Exhibition Process

100. Extensive consultation was undertaken as part of the Medium Density Housing Review which informed the Better Outcomes for Two Dwellings on a Lot: Amendment C190, including:
 - Quality Development Roundtable of academics and design professionals;
 - Two Quality Urban Development Community Workshops, one in the south of the municipality and one in the north, with surveys completed by workshop participants – significant community feedback about desire to improve the quality of medium density infill;
 - Interviews with Architects and Designers who are regular medium density permit applicants;
 - Medium Density Housing Occupant Survey;
 - Moreland Good Design Sessions;
 - Individual meetings with industry professionals such as Planners, Architects, Developers, Builders, Engineers, ESD consultants, Access consultants and academics;
 - Consultation with Council's Environment and Housing community advisory committees.
101. Amendment C190 was publicly exhibited in a manner which went beyond statutory requirements.
102. The Amendment was publicly exhibited from 28 May 2020 to 17 July 2020.
103. Exhibition included direct notification to:
 - Prescribed Ministers and referral authorities

- Resident groups
 - Regular medium density planning permit applicants
 - Planning consultants, local architects and drafting companies
 - Social housing agencies
 - Real estate agents
 - ESD consultants
 - Victorian accessible housing consultants.
104. Notice was placed in a Saturday edition of The Age and Herald Sun. Saturday editions are the most widely purchased. Local papers are no longer published in print and have not been published at all during the pandemic.
105. Notice was placed in the Government Gazette.
106. The Amendment was publicised in the Moreland City Council Community Update, a hard copy publication distributed to every property. This included the offer to post hard copy documents to people who do not have internet access or any other party.
107. Modifications to respond to the COVID-19 closure of Council's customer service centres and libraries included:
- Amendment exhibited for seven weeks, rather than one month
 - In addition to sending notice by mail, where email addresses were publicly available, notice was also sent by email in case post was not being collected from business addresses during work from home office closures
 - More information was posted with the direct notice by mail than would normally be included, including the Amendment documentation being sent out with notice
 - Council's Strategic Planners were available by phone and email and offered to meet on request
 - Meetings were held via teleconference.
108. A total of 16 submissions have been received. Fourteen submissions were received during the exhibition period and two late submissions were received.
109. All submitters are able to be heard at a Panel hearing.

Advice from DELWP on the VicSmart process

110. *Planning and Environment Act 1987 - s 8A* sets out the authorisation process for planning scheme amendments with a conditional timeframe of 10 business days for authorisation. Moreland City Council's experience is that amendments take an average of 10 weeks for the Minister or Minister's delegate to make this decision.
111. Moreland Amendment C190 took 42 weeks for the Minister to authorise. Our understanding is that during this period of almost 10 months that DELWP gave robust consideration to streamlining two dwelling on a lot applications in Moreland in the VicSmart process in the context of the broader state reform agenda.
112. Plan Melbourne Direction 2.1 Manage the supply of new housing in the right locations to meet population growth and create a sustainable city, states:
 'The social, economic and environmental benefits of creating a more compact, sustainable city are profound.'
 'Strategies need to be put in place that articulate clear goals and objectives for housing and:
 outline the needs of different household types
 provide a greater understanding of the range of housing needed
 provide a stronger understanding of opportunities and constraints
 identify preferred housing outcomes

help clarify and communicate housing required across metropolitan Melbourne and its metropolitan regions

address housing diversity, design, quality and energy efficiency

seek to locate at least 65 per cent of new housing in established areas of Melbourne and no more than 35 per cent in growth areas in line with current levels of development and Victoria in Future projections.'

113. Plan Melbourne Direction 2.4 seeks to facilitate decision-making processes for housing in the right locations. It states:

'Many sites identified for future housing face lengthy decision-making processes. This can make it time consuming to develop new housing, driving up housing costs... Developments allowing more than a single dwelling can also be subject to lengthy assessment processes and appeals even if they are in areas where change is envisaged. Contested applications generally arise where performance-based requirements exist instead of clearer, more prescriptive requirements. The uncertainty in the system needs to be reduced, particularly for development in areas defined for change and housing growth.'

114. Plan Melbourne Policy 2.4.1 supports streamlined approval processes in defined locations. It states:

'Attracting population and housing growth to the most suitable, well serviced areas will be assisted by providing clear approval processes for preferred areas and quality housing developments that appeal to a range of households on different incomes. A streamlined, codified approval process will be developed and implemented for defined change areas. Under this process, proposals could be required to achieve a set of premium development standards related to dwelling design, open space and residential amenity and demonstrate delivery of good urban design outcomes for the locality. A codified approval process will speed up decision making in defined locations and provide local governments, the community and the housing sector with greater certainty. If a proposal does not meet the set standards for codified approval, then a normal approval process would apply.'

115. Plan Melbourne 5-year Implementation Plan Action 28 commits to reviewing residential development provisions. It states:

'Review the residential development provisions in the Victoria Planning Provisions to ... streamline the planning approvals process for developments in locations identified for housing change. This will include:

reviewing the VicSmart provisions

establishing measures to develop a codified process for the approval of medium-density housing in identified locations.'

116. Homes for Victorians contains an objective to streamline planning approvals to reduce costs and uncertainty for developers. It states:

'Planning uncertainty, as well as the time and costs of obtaining planning approval, limit the supply of available new homes and, in doing so, drive up prices. Unnecessarily slow approvals by councils and utilities delay developers and also drive up costs.

Smarter planning and faster approval is a win-win for developers and home buyers alike and ensures more competitive pressure on prices.'

117. In 2019 the Treasurer and Minister for Planning asked the Red Tape Commissioner to undertake a review of State and local government processes surrounding building and planning approvals ... to identify opportunities to streamline processes and reduce delays.

118. On 24 October 2019 Better Regulation Victoria released a Planning and Building Approvals Process Review Discussion Paper. This Discussion Paper states:

'DELWP is currently consulting with stakeholders about possible options for further reforms as part of Smart Planning, including:

Options to develop 'a code' that facilitates secondary dwellings on the same lot as an existing dwelling in a residential zone; and

Introducing a new assessment pathway – the proposed VicSmart Plus – with a 30-day turnaround and targeted notification.'

119. The Discussion Paper also says:
- 'DELWP is currently consulting on the possibility of introducing a new assessment pathway – VicSmart Plus – which would feature a 30-day turnaround with targeted notice provisions. DELWP is consulting on whether this pathway would be suited to approvals for secondary dwellings, extensions of home businesses, extensions to dwellings, and the construction of a dwelling on lots smaller than 500 square metres.' (our emphasis)
120. There is no public information which indicates that DELWP is considering a streamlined process for any medium density development, despite the Plan Melbourne target in Direction 2.1 which seeks to locate at least 65 per cent of new housing in established areas of Melbourne and extensive support in Plan Melbourne, Plan Melbourne Implementation Plan and Homes for Victorians to streamline planning approvals to reduce housing costs and uncertainty. There is a significant mismatch between aspiration and action.
121. The Explanatory Report for Amendment VC186 states that DELWP's deliberation of these matters is being informed by a Smart Planning Advisory Group and Smart Planning Technical Reference Groups. Moreland City Council is not a member of these groups and has been advised by DELWP that members are **bound by confidentiality agreements**. It is understood that three of the submitters to Amendment C190 are on these advisory or technical reference groups.
122. Amendment VC186 was gazetted on 27 August 2020. The Amendment introduces changes to the Victoria Planning Provisions (VPP) arising from the Victorian Government's Smart Planning program. The program aims to simplify and modernise Victoria's planning policy and rules to make planning more efficient, accessible and transparent.
123. The amendment introduces a Particular Provision and definition for Secondary Dwellings to facilitate the development of one additional small dwelling on the same lot as an existing dwelling in appropriate residential zones.
124. The code has been introduced through the Secondary Dwellings Pilot Program involving the City of Greater Bendigo, City of Kingston, City of Moreland and Shire of Murrindindi. The program is trialling the code through the VicSmart assessment pathway. i.e. not a possible new VicSmart Plus assessment pathway as stated in Better Regulation Victoria's Planning and Building Approvals Process Review Discussion Paper.
125. To assist the Panel advice was sought from DELWP as follows:
- What is the status of Plan Melbourne 5-year Implementation Plan Action 28, the types of medium density housing being considered, which locations have been identified and what smarter, faster approval process will be used?
 - What is VicSmart Plus and how will it work? How would notice be given and what would the extent of notice be? Would this pathway include third party rights of review?
 - What application classes would be put into this stream? Are any other application types being proposed beyond those identified in the Better Regulation Victoria Discussion Paper?
 - What is the timeframe for amending the *Planning and Environment Act* and the Victoria Planning Provisions to apply this new assessment pathway?
 - Will the Victoria Planning Provisions include an ability for a planning authority to introduce local VicSmart Plus classes?
 - The DELWP website states that the Smart Planning program is funded until June 2021. Will Plan Melbourne 5-year Implementation Plan Action 28 and the VicSmart Plus assessment pathway be completed within this timeframe?

126. DELWP's advice is:

'On 7 April 2020 the Minister for Planning authorised Amendment C190 more to the Moreland Planning Scheme. The amendment proposes to introduce an additional class of application into the local VicSmart provisions to streamline the construction of a dwelling if there is one dwelling existing on the lot, or to construct two new dwellings on a lot. I also note the Minister for Planning selected Moreland City Council to participate in the Secondary Dwellings Pilot facilitated by Amendment VC186.'

127. The advice sought and DELWP's response is at **Attachment 3**.

Part A Direction b) a summary of the conditions of authorisation, and how those conditions have been met including consideration of Planning Practice Notes 91 and 92 as relevant

128. The Amendment was authorised on 7 April 2020 subject to the following conditions:

'Prior to your council submitting the amendment for exhibition:

- the proposed amendment must be authored in the Amendment Tracking System, and*
- the explanatory report must be amended to clarify the operation of the proposed amendment.*

Note: Planning practice notes 90 and 91 have been released subsequent to the request for authorisation being lodged. Prior to exhibition, please review the amendment to ensure it is consistent with the advice in these practice notes.'

129. The Amendment Tracking System is DELWP's planning scheme amendment workflow and authoring software which was introduced between requesting authorisation of Amendment C190 and the amendment being authorised.

130. On 30 April 2020 advice was sought from DELWP as follows:

'In the authorisation letter we've been asked to amend the explanatory report to clarify the operation of the proposed amendment. Do you mind clarifying which part of the Explanatory report needs to be amended and what was envisaged?

As a note the letter also asks that prior to exhibition, the amendment be reviewed to ensure it is consistent with the advice in Planning practice notes 90 and 91. Could you point me to which things in the amendment DELWP considered were inconsistent with the practice notes and how you were envisaging the amendment needed to be altered?'

131. On 4 May 2020 DELWP responded as follows:

'The condition refers to describing the precise changes the amendment makes to the Moreland Planning Scheme. E.G "amends the Schedule to Clause 59.16" etc. This would normally be described in the "what the amendment does?" section of an explanatory report.

The note refers to the recently released practice notes Planning for Housing and Using the Residential Zones. We don't consider that the letter of authorisation implies there is any inconsistency. The note is intended to flag that your council should review the amendment in light of the new practice notes, given that it was lodged for authorisation prior to the release of the practice notes and affects residentially zoned land.'

132. To summarise, addressing Planning Practice Notes 91 and 92 was not a condition of authorisation and DELWP has advised that the note in the authorisation letter did not imply that the amendment was inconsistent with these Practice Notes.

133. On 14 May 2020 the amendment was submitted to DELWP via the Amendment Tracking System in accordance with the condition of authorisation, with the Explanatory Report revised to respond to the condition of authorisation and DELWP's note regarding PPN 91 and 92.

134. In respect to the condition of authorisation to amend the Explanatory Report to clarify the operation of the proposed amendment, as advised by DELWP these changes were made to the 'What the amendment does?' section of the Explanatory Report. The changes were drafted with input from DELWP.
135. Relevant content from the 'What the amendment does' section of the Explanatory Report which accompanied the Authorisation request was as follows:
- 'As recommended in Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland) the amendment proposes that planning scheme compliant, enhanced quality, two dwelling on a lot applications be processed within the VicSmart stream.
- The key features of the VicSmart stream include a 10-day permit process, the application is exempt from notice and third party review of Council's decision at the Victorian Civil and Administrative Tribunal (VCAT), and a delegate of the Chief Executive Officer decides the application.
- Extensive case study analysis in the Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland) indicates that dual occupancy development in Moreland which complies with all numerical standards of the planning scheme achieves high quality outcomes for both those who live in this housing, and the broader Moreland community.
- There is a resource benefit through the reduced need to negotiate proposals into planning scheme compliance. This is in respect to community consultation and VCAT hearings, as applications would be required to meet and improve upon the planning scheme requirements at lodgement. This would enable resources to be redirected towards improved quality planning outcomes for the Moreland community on more complex planning proposals.
- This amendment does not relate to all medium density applications, or even all applications for two dwellings on a lot. It relates only those two dwelling on a lot proposals that are fully compliant with Rescode numerical standards of the planning scheme and which meet specified criteria.
- To qualify to be processed within the streamlined process, applications must comply with all specified requirements. If any of the requirements are sought to be varied, the application will be processed within the standard planning application process with public notice and VCAT review rights applicable.'
136. At DELWP's request this content was moved to the 'Why is the Amendment Required' section of the Explanatory Report.
137. Relevant content from the 'What the amendment does' section of the Explanatory Report as Exhibited is as follows:
- 'Specifically, the amendment makes the following changes to the Moreland Planning Scheme:
- Amends the Schedule to Clause 59.15 Local VicSmart Applications*
- Amends the Schedule to Clause 59.16 Information Requirements and Decision Guidelines for Local VicSmart Applications.*
- The amendment will allow applications for the construction of a dwelling if there is one dwelling existing on the lot, or construction of two dwellings on a lot, to be processed via the VicSmart stream. This will allow for two-dwelling on a lot proposals to be subject to a 10-day permit process, to be exempt from notice and third party review, and the Chief Executive Officer is the responsible authority for deciding the application.*
- The provision includes requirements that the application must be compliant with Rescode standards of the planning scheme and meet other specified criteria. Two dwelling on a lot proposals which do not meet the provision's requirements will not be eligible for the VicSmart process.'*

138. The specific changes to the Explanatory Report to address PPN 91 and 92 is as follows:

'Moreland City Council has undertaken extensive evidence-based research to understand housing demand and supply. A Home in Moreland provides research about housing need and housing affordability in Moreland. Supplying Homes in Moreland provides research about past and future supply of housing in Moreland to ensure housing supply, including affordable housing supply, is able to meet forecast demand.

Victoria in Future 2019, forecasts an increase of 30,144 households in Moreland over the 20 year period between 2016 and 2036, which is a 43% increase in the number of households. Moreland's independent research forecasts an increase of 35,234 households, requiring 38,387 dwellings over the same period, which is a similar quantum of change to Victoria in Future 2019. Further analysis by Moreland forecasts a supply of 38,056 dwellings over this period, of which 18,767 will be medium density and 19,289 will be high density.

This Amendment has considered planning for this forecast housing growth by providing opportunities for increased medium density housing development by cutting red tape while incentivising improved quality outcomes through establishing a straight forward assessment process for fully compliant, enhanced quality two dwelling on a lot developments. It responds to Plan Melbourne Direction 2.4 (Facilitate Housing Developments in the Right Locations) and Plan Melbourne Implementation Plan Action 28 (Develop a codified process for medium density approvals).

The Moreland Municipal Strategic Statement (MSS) Vision includes creation of sustainable neighbourhoods. Council's vision for sustainable neighbourhoods underpins the way that Council plans for and manages population growth and associated development into the future.

The MSS Strategic Direction 3: Housing includes:

'Council will facilitate housing development to meet the needs of the growing and diverse population, with a focus on:

Providing a range of housing sizes and types to accommodate a diversity of household sizes

Housing affordability

Housing designed to be visitable by people with limited mobility, and adaptable for residents with specific accessibility requirements.'

Moreland's housing growth hierarchy is set out in the LPPF. This housing growth hierarchy encourages a significant increase in housing in the Coburg, Brunswick and Glenroy Activity Centres, within Neighbourhood Centres and on former industrial sites.

In incremental Change Areas (General Residential Zone) the LPPF objective is to support incremental housing growth to accommodate a mix of single dwellings and infill multi dwelling developments. In minimal Change Areas (Neighbourhood Residential Zone) the LPPF objective is to support minimal housing growth with a mix of single dwellings and lower density multi dwelling developments.

Planning Practice Notes 90 and 91 provide guidance about how to plan for housing growth and protect neighbourhood character to ensure a balanced approach to managing residential development in planning schemes. Planning Practice Notes 91 identifies that all residential zones support and allow increased housing, unless special neighbourhood character, heritage, environmental or landscape attributes, or other constraints and hazards exist.

This amendment does not propose to alter the Planning Policy Framework or housing change areas within the residential development framework in the LPPF. The amendment does not alter the zoning of any land or any provision within any Schedule to any residential zone, including zone objectives.

The amendment does not alter strategic directions for neighbourhood character or neighbourhood character objectives. The criteria proposed for a faster, simpler and more consistent processing of two dwelling on a lot applications does not alter the requirements set out in existing zones and Clause 55.02 for the consideration of neighbourhood character. The proposed provisions include decision guidelines to consider any relevant neighbourhood character objective, policy or statement set out in the Moreland Planning Scheme, as well as the neighbourhood and site description and the design response.

Amendment C190 will support and enable increased medium density housing in the General Residential Zone and the Neighbourhood Residential Zone that complies with the specified criteria. The Amendment does not restrict applications for three dwellings on a lot under existing planning scheme provisions.

The proposed streamlining of fully compliant two dwelling on a lot medium density housing development will not have any unreasonable impacts on housing supply or dwelling typology. Moreland's residential areas provide extensive infill housing opportunities. Year on year Moreland regularly receives the highest number of planning permit applications for medium density dwelling development in Victoria. This proposal will not impact Moreland's ability to provide for medium density development to house future populations but will ensure this growth makes a positive contribution for both those who live in this housing and the broader Moreland community.'

139. On 21 May 2020 DELWP reviewed the changes to the Explanatory Report prior to exhibition.
140. All correspondence between Moreland City Council and DELWP in this regard has been provided to the Panel.

Part A Direction c) iii how the amendment responds to Chapter 5.3 'Using VicSmart' and particularly 5.3.2 'Creating a local VicSmart provision' in A Practitioner's Guide to the Victorian Planning Schemes

141. The Practitioner's Guide to Victorian Planning Schemes (the 'Practitioner's Guide') sets out that any provision of a planning scheme can specify classes of application that can be assessed through the VicSmart process. A planning authority can include local VicSmart classes in a planning scheme in addition to the state VicSmart classes that apply to all planning schemes across Victoria.
142. There is acknowledgement within the Practitioner's Guide and the Victoria Planning Provisions (VPPs) themselves, that there are circumstances where two dwellings on a lot could be considered under the VicSmart assessment pathway.
143. The Practitioner's Guide also sets out a range of criteria that planning authorities are encouraged to consider in deciding whether to create a local VicSmart class which are discussed as follows:

That a change of use application is generally not suitable for the VicSmart process.

144. The amendment does not seek to make a change of use application eligible for VicSmart. The proposed class should be capable of being received, reviewed and determined in 10 business days in almost all cases.
145. This is discussed in detail in Council's Part B submission
The proposed class should only require a small number of discrete issues, with little to no policy balancing to be considered.
146. The amendment proposes that only neighbourhood character policy and Clause 55 matters form a relevant consideration in making a decision on the application.
147. In this regard, there is little 'balancing' of policy that is required and only a limited assessment of whether the proposal would be satisfactory from a character perspective. This is similar to the way in which current VicSmart applications for single dwellings on a lot, where an application must be assessed against the objectives, standards and decision guidelines of Clause 54.02-1.

This exercise requires a consideration of an existing or preferred character, which should be informed by relevant character policy or statements set out in the planning scheme.

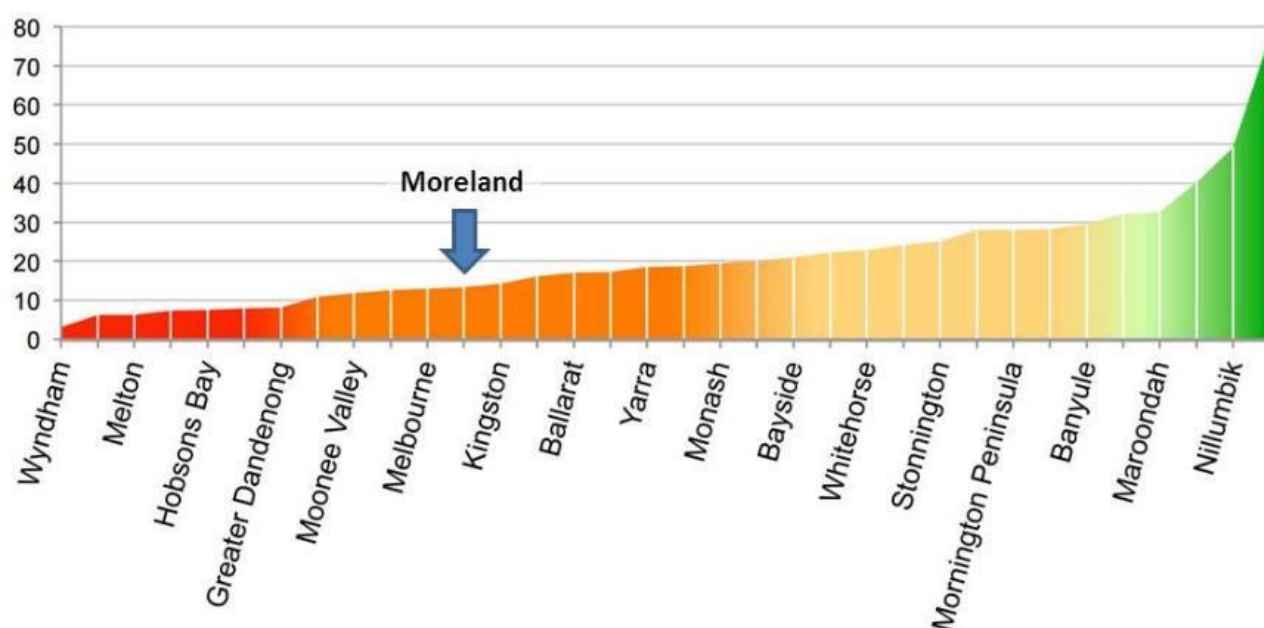
Where an external referral authority is required to give comment under Clause 66, this should be able to be obtained before lodgement without the assistance of the responsible authority.

148. There are no external referral authorities specified for applications for two dwellings on a lot under the General Residential and Neighbourhood Residential zones.
149. Some land within these zones is affected by the Special Building Overlay, which requires referral to Melbourne Water. There is already a VicSmart stream for all buildings and works applications under the Special Building Overlay and the existing referral prior to application mechanisms under this overlay are well established.

Where internal comment is required, it should involve no more than one or two basic matters.

150. Referral to internal Council work areas for two dwelling on a lot applications may include the following:
 - Heritage advisor
 - Environmental Sustainable Development Referrals and Capital Works
 - Arborist.
151. In respect to heritage advice, within the Heritage Overlay a planning permit is required to construct a dwelling if there is one dwelling existing on the lot or construct two dwellings on a lot. Such an application is not exempt from third party notice and review. An application for two dwellings on a lot in a Heritage Overlay cannot be processed within the VicSmart stream.
152. In respect to ESD referrals, as described above the proposed Schedule to Clause 59.16 includes an information requirement which requires an applicant to get the Sustainable Design Assessment (BESS report) pre-certified so that the application can be processed within a 10 day timeframe. This is the same process that is already in place across Victoria for VicSmart applications under a Special Building Overlay, which requires an application to be accompanied by written advice from Melbourne Water, rather than a referral occurring after the application is lodged.
153. In respect to Arborist referrals, the proposed Schedule to Clause 59.15 includes a requirement that no street trees are removed. Where a significant tree is proposed to be removed on the development site Arborist referrals can be turned around within a 10 day process as is already the case with applications under Clause 59.06. It is highlighted that significant trees in Moreland are far less prevalent than in many parts of metropolitan Melbourne as demonstrated in the Amendment C189 background report and Urban Forest Strategy.

Figure 8. Canopy cover (%) for selected Victorian Local Government Areas



154. Internal referrals for other application types, but very uncommon in two dwelling on a lot applications include:
 - Urban Design
 - Development Engineer.
155. In respect to Urban Design referrals, Moreland is one of only a very small number of Councils which has an in house Urban Design Unit. The following matters are referred to Urban Design:
 - Developments of four storeys or more
 - Developments within Neighbourhood Centres
 - Developments proposing a park or public space to be transferred to Council
 - Developments abutting a public park, plaza or similar public open space
 - Any other development proposal whereby its interface with the public realm would significantly benefit from Urban Design input
 - Where specific guidance on multi dwelling developments would add value. This may relate to the potential streetscape impacts i.e. roof forms, window proportions, materials, crossovers and garages etc are out of sync with the streetscape.
156. In addition to written referrals to Urban Design, Moreland City Council has established Urban Design drop in sessions twice per week. The enables Urban Planners to discuss things like two dwelling on a lot applications with an Urban Designer without the need for a written referral. The Urban Designer follows up the discussion with a short email which includes a dot point list of the design advice given.
157. In respect to Development Engineer referrals, residential development up to three units where the following criteria are met is not referred to the Development Engineer.
 - Standards B14 (Access), B15 (Parking location) and B16 (Parking provision) have been satisfied.
 - There is no construction over an easement.
 - No street trees are threatened. The normal separation of a crossover from a street tree should be 3m.
 - No crossover is within 1m of a power pole north or stay cable.
 - 1m separation is maintained from service authority pits.

158. Urban Planners at Moreland like most councils use Objective Trapeze software. It is software purpose-built for planners and building surveyors and contains tools needed to assess, review and approve development applications. It includes purpose-built tools to accurately measure, calculate, compare, mark-up digital plans. Trapeze includes electronic turning circle templates, so Clause 52.6 numeric requirements are checked by Urban Planners.
159. Like the Urban Design drop in procedure, the Development Engineer is available to discuss residential development up to three units with Urban Planners without the need for a written referral.
160. The electronic workflow for assessing Clause 55 applications pre-populates many standard conditions, including civil engineering conditions. These conditions may be edited as required. By way of example, a standard condition requiring storm water to be connected to a legal point of discharge self populates on all Clause 55 permits without the need for a referral to the Development Engineer.

The information requirements for the proposed class should be simple to prepare.

161. To qualify for the VicSmart assessment stream, an applicant is required to prepare:
- *Plans drawn to scale and dimensioned, which show matters outlined in Clause 55.01-1 and the zone, typical of requirements for two dwellings on a lot;*
 - *A Sustainable Design Assessment, showing that all new dwellings achieve a minimum BESS score of 50%, including achieving the mandatory minimum score paths for water, energy, storm water and IEQ;*
 - *A Livable Housing assessment, which has been certified by a Livable Housing Australia Design Guideline Assessor, demonstrating that all new dwellings achieve Silver Level of performance under the LHA Livable Housing Design Guidelines; and*
 - *A Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment.*
162. The degree of complexity for the application requirements is relative to the type of application requirements that might ordinarily be expected for an application of the same degree of complexity (two dwellings on a lot).
163. The application requirements under Clause 59.14 for VicSmart applications to extend a single dwelling on a lot include the same plan requirements as the first dot point above. A further written statement, plan or diagram is required to demonstrate how objectives and requirements of Clause 54 and the garden area requirement in the zone are met. This written statement is comparable to the Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment requirement.
164. All two dwelling applications are required by Clause 55.01-1 to submit plans that meet certain requirements.
165. Clause 22.08 requires a Sustainable Design Assessment to be submitted for any application for 2-9 dwellings on a lot.
166. In the context of an application for two dwellings on a lot, these application requirements are:
- *Relatively simple to prepare.*
 - *Comparable to the level of complexity expected for comparable VicSmart applications (such as the extension of a single dwelling on a lot and secondary dwellings).*
167. While the LHA Guidelines are not currently required for other planning permit applications in Moreland, these are not onerous or difficult to comply with.
168. The information requirements proposed by Amendment C190 are reasonable and easily understood.

The proposed class should not involve matters that would typically require third party notice.

169. Section 52(4) of the *Planning and Environment Act*, allows for a planning scheme to exempt any class or classes of applications from all or any of the requirements relating to notice of an application, unless a restrictive covenant applies.

170. When it comes to third party notice of residential development there are already circumstances where third party notice and review is required and other circumstances where it is not. There is no 'typical' situation.
171. Single dwellings on lots over 300sqm are exempt from requiring a planning permit and there is no third party notice and review and no consideration of neighbourhood character.
172. There are already circumstances where applications are exempt from notice and review rights in the General Residential and Neighbourhood Residential zones in Moreland. namely:
- To extend a dwelling on a lot, where the garden area requirement is met, the height does not exceed 5 metres and certain amenity standards of Clause 54 are met
 - To construct a secondary dwelling on the lot, pursuant to Clause 51.06, where certain requirements are met.

Figure 9. *Application pathways to facilitate two dwelling on a lot infill in established areas*



173. Direction 2.4 of Plan Melbourne seeks to facilitate decision-making processes for housing in the right locations. Plan Melbourne 2017-2050, p. 57.
174. Plan Melbourne Policy 2.4.1 seeks to:
Support streamlined approval processes in defined locations.
175. This policy is accompanied by the following description:
'A streamlined, codified approval process will be developed and implemented for defined change areas. Under this process, proposals could be required to achieve a set of premium development standards related to dwelling design, open space and residential amenity and demonstrate delivery of good urban design outcomes for the locality.'

A codified approval process will seed up decision-making in defined locations and provide local governments, the community and the housing sector with greater certainty. If a proposal does not meet the set standards for codified approval, then a normal approval process would apply.'

Within the Plan Melbourne Implementation Plan, Action 28 proposes to review the residential development provisions to 'streamline the planning approvals process for developments in locations identified for housing change'.

176. This Plan Melbourne direction is silent about the involvement of third parties in any streamlined assessment process, but clearly further changes to 'typical' third party notice and review requirements are envisaged.
177. While these policy directions in Plan Melbourne seek for a statewide outcome in the development of this streamlined, codified assessment process, it nevertheless highlights that there are opportunities to streamline assessment pathways at a local level.
178. The Red Tape Commissioner's Planning and Building Approvals Process Review – Discussion Paper identified that there is a strong case for more risk-based streamlining of applications by providing alternative pathways for the assessment of permit applications.
179. The discussion paper identified that a new, VicSmart Plus pathway could apply for secondary dwellings on existing lots. Notably, the provisions introduced under the pilot program allow for these applications to be assessed under the VicSmart pathway, with no notice.
180. The Discussion Paper highlights the opportunity for DELWP and other stakeholders to consider opportunities to streamline applications, according to risk. Amendment C190 seeks to consider this opportunity at a local level.
181. The Better Outcomes for Two Dwellings report, identifies that:
40% of Moreland's planning applications are for two dwellings on a lot;
71% of these applications receive no objections or one objection (46% receive no objections);
Only 11% of objections are resulting in a change being made to the development; and
In a 12 month there were only 9 instances where objectors appealed a Council Notice of Decision to Grant a Permit for two dwellings and the Tribunal issued a permit in all circumstances.
182. The Better Outcomes for Two Dwellings on a Lot review concluded that there is little to no benefit gained from third party notice in these applications, which are compliant with planning scheme numeric requirements.

Whether the proposed class would be more suitable for a permit exemption, where possible.

183. The planning authority is unable to exempt out applications for two dwellings on a lot under the General Residential or Neighbourhood Residential zone provisions.
184. The class of application must be clearly drafted so a user can easily determine if an application is subject to the VicSmart process.
185. The proposed Schedule to Clause 59.15 relies on a list of conditions to determine if the application is eligible for the VicSmart assessment pathway.
186. Many of these conditions are similar to those which must be met for pre-qualification to the VicSmart assessment stream for secondary dwellings and/or extensions to single dwellings.
187. The additional requirements beyond meeting Rescode standards, the minimum garden area and height requirements in the zone are:
Meeting the number of car parking spaces required under Clause 52.06 Table 1;
Meeting certain requirements for new crossovers
Meeting Silver Level of performance under the Livable Housing Australia, Livable Housing Design Guidelines; and
Meeting a minimum BESS score of 50%.
188. While the list may seem extensive, it is noteworthy that the garden area and building height requirements are already required to be met.
189. The remaining requirements can be considered relatively simply as part of any design process.

Is it appropriate to exempt these applications from third party notice and review rights?

190. The Practitioner's Guide discourages the use of the VicSmart assessment pathway for matters which would 'typically require third party notice'.

191. As demonstrated in Figure 7, there are many 'typical' application pathways for low risk residential development, some of which require third party notice and others which do not.

Part A Direction e) discussion on the role of the Application Compliance Assessment and whether it should be a Background document.

192. In the Directions Hearing Moreland City Council understood the Panel to describe the Application Compliance Assessment as 'an under the counter policy'.
193. A persistent issue at Moreland, as at all councils, is that Rescode reports submitted with medium density applications are commonly very broad-brush and they make a lot of sweeping statements about compliance, where the plans actually do not demonstrate that. In addition, further information is sought under PEA s54 in the majority of medium density planning permit applications as the plans do not show all information required for a decision maker to determine whether an application meets the mandatory building height and garden area requirements of the zone or have certainty about key Rescode amenity impact standards.
194. DELWP's *Planning Permit Activity in Victoria 2017/18* annual report indicates that Moreland City Council requests further information for 56% of applications. Moreland has no greater or lesser issue than any other Council, with the metropolitan average being 54%.
195. Of all applications it is Clause 55 medium density applications which are most commonly incomplete and the marginally higher RFI rate in Moreland is reflective of the greater than average proportion of applications which are for Clause 55 matters.
196. Amendment C190 includes an application requirement for a 'Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment'. This is a table template which requires a permit applicant to demonstrate that an application meets all requirements which would enable an application to be able to be considered within the VicSmart Application stream.
197. Planning Practice Note 13 provides guidance on Incorporated and Background Documents in planning schemes. It states:
198. 'Background documents provide information to assist in understanding the context within which a particular policy or provision has been framed. They are not listed in Clause 72.04 or its schedule. Different types of document may perform this role. They may be wide-ranging in their content and contain information not directly relevant to specific decisions under the planning scheme.'
199. As with incorporated documents, background documents can be mentioned in the planning scheme in a state standard provision or be introduced through a local provision. Examples of background documents at the state level include the State Environment Protection Policy (Waters of Victoria).
200. Background documents can be used in a number of ways. They can be used as a basis for preparing the Municipal Planning Strategy (MPS), local planning policies or requirements in the planning scheme, or can be mentioned in the planning scheme as a source of useful background information to a policy or control.
201. Background documents have only a limited role in decision making as they are not part of the planning scheme. They do not have the status of incorporated documents or carry the same weight.'
202. 'Incorporated documents are essential to the proper functioning of the planning scheme and decision making. Examples of documents incorporated into all planning schemes in the Table to Clause 72.04 include the Apiary Code of Practice, 2011 and A Code of Practice for Telecommunications Facilities in Victoria, 2004. These incorporated documents must be considered by responsible authorities in decision making and can only be amended by the Minister.'
203. At the local level, planning authorities may wish to incorporate their own documents. Development guidelines, incorporated plans or restructure plans are common types of local incorporated documents.

204. One of the benefits of incorporating documents into the planning scheme is that the document carries the same weight as other parts of the scheme. Being part of the planning scheme, the planning authority can only change an incorporated document by a planning scheme amendment.' (our emphasis)
205. The VicSmart Dual Occupancy Zone and Rescode Compliance Assessment is not a decision making document. It is an application requirement.
206. Residential Zone header provisions include application requirements as follows:
'Plans drawn to scale and dimensioned which show:
Site shape, size, dimensions and orientation.
The siting and use of existing and proposed buildings.
Adjacent buildings and uses.
The building form and scale.
Setbacks to property boundaries.'
207. Clause 55.01-1 includes application requirements as follows:
'Neighbourhood and site description and design response which may use a site plan, photographs or other techniques and must accurately describe:
In relation to the neighbourhood:
The pattern of development of the neighbourhood.
The built form, scale and character of surrounding development including front fencing.
Architectural and roof styles.
Any other notable features or characteristics of the neighbourhood.
In relation to the site:
Site shape, size, orientation and easements.
Levels of the site and the difference in levels between the site and surrounding properties.
The location of existing buildings on the site and on surrounding properties, including the location and height of walls built to the boundary of the site.
–The use of surrounding buildings.
The location of secluded private open space and habitable room windows of surrounding properties which have an outlook to the site within 9 metres.
Solar access to the site and to surrounding properties.
Location of significant trees existing on the site and any significant trees removed from the site 12 months prior to the application being made, where known.
Any contaminated soils and filled areas, where known.
Views to and from the site.
Street frontage features such as poles, street trees and kerb crossovers.
The location of local shops, public transport services and public open spaces within walking distance.
Any other notable features or characteristics of the site.'

208. Beyond application requirements set out in the planning scheme, Moreland City Council, like all councils, has a suit of 'Planning Checklists' on our website which detail the information which should accompany applications of different types.
209. The Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment is simply another application requirement which provides a decision maker with the information required to make an assessment of an application against the requirements of the planning scheme. In this case its purpose is to expedite Council's consideration of whether an application meets all of the requirements which would enable an application to be able to be considered within the VicSmart Application stream and minimise the likelihood of a PEA s54 request for further information.
210. The approach Moreland City Council is taking in Amendment C190 requires a culture change, where applicants work in partnership with Council to give the Council all the information, we need in the most usable format to enable Council to determine an application in a 10 day timeframe.
211. It empowers applicants to demonstrate upfront full compliance and improve the quality of applications at the outset. It puts project time frames within the applicant's control adds certainty and reduces decision making timeframes.
212. Listing the Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment as an application requirement and providing a template makes Council's expectations transparent. Whether or not it is listed as an application requirement, requiring the applicant to clearly demonstrate that all mandatory requirements are met would be requested as further information under PEA s54. Providing a template reduces this outcome.
213. If the Panel is of a view that The Moreland VicSmart Dual Occupancy Zone and Rescode Compliance Assessment template ought to be a Background Document Moreland City Council has no objection to this as long as the way the document is referenced allows it to be updated without a planning scheme amendment, but it is not considered necessary.

Strategic context

Part A Direction c) i strategic context and assessment - relevant planning policies and controls

Research evidence for streamlining medium density infill development

214. In Housing affordability: re-imagining the Australian dream - Grattan Institute 2018 (emphasis added)

'Planning regulations are limiting medium density development supply and raising prices. Planning restrictions significantly increase delays or uncertainty in development, either precluding it altogether, or increasing its costs.

And a growing international literature consistently highlights how land use planning rules – including zoning, other land use regulations, and lengthy development approval processes – have reduced the ability of many housing markets to respond to growing demand, pushing up house prices in a number of countries.

Planning systems play an important role in managing the growth of cities. Land use planning rules set out how competing land uses should be managed to coordinate the provision of infrastructure and to minimise the externality costs produced by some land users – such as pollution, noise, congestion or poorly planned or poor quality development – on others.

One prominent Australian study by Ong et al. (2017) examines variations in the number and types of planning controls used by local councils and find they have little effect on housing supply. This may be because their planning controls do not reflect variations in zoning or density measures. Instead, their measure places substantial weight on the number of controls used,

including a variety of controls that we would not expect to have a material effect on supply or prices – for example, relating to caravan parks, native vegetation and so on.

Other Australian studies, such as Gurran and Bramley (2017) and Gurran and Phibbs (2016) argue that state government reforms, particularly in NSW, have made planning systems more responsive to changes in demand and are therefore not a major contributor to house price increases in recent years.

But several other Australian government, academic and private sector studies have pointed to restrictive zoning as being an important factor in Australia's high and rising housing prices.

Most of those papers that make policy recommendations call for increases in land supply and changes to zoning rules to allow for greater housing density. And a growing international literature consistently highlights how land use planning rules – including zoning, other land use regulations, **and lengthy development approval processes – have reduced the ability of many housing markets to respond to growing demand**, pushing up house prices in a number of countries.

Of course land use planning rules benefit other land users by preserving the views of existing residents or preventing increased congestion. But studies assessing the **local costs and benefits of restricting building generally conclude that the negative externalities are not nearly large enough to justify the costs of regulation.**

In a review of the literature, Gyourko and Molloy (2015) conclude that while the benefits of land use planning rules are difficult to quantify, **'recent studies suggest that the overall efficiency losses from binding constraints on residential development could be quite large'.**

215. In Delivering diverse and affordable housing on infill development sites, Australian Housing and Urban Research Institute August 2012 (emphasis added)

'Both the public and private sectors represented on the panels in both cities wanted a more efficient approvals process; efficiency in both strategic planning and the development approval (DA) stage. The longer the DA process is, the greater the uncertainty and potential for increased costs. **A more efficient development process would reduce development risk and increase the number of infill projects considered feasible.**

Planning documents such as the R-Codes and multi-unit development codes in Perth and State Environmental Planning Policy (SEPP) documents in Sydney are designed with the intention of increasing efficiency by providing guidance on what developers can and cannot do. However, there is a broader debate about just how the DA system should work.

The planning system can either be a rules-based system that says they are the rules and there is no variation or discretion and if you want a five-day turn around then use that. On the other hand, there is maximum flexibility; here is the general set of principles and then there is discretion around that if the developer can prove the merits of a scheme. The real dilemma is where to build the system as when we go down the rules-based path the development industry say they want flexibility and the moment we offer flexibility they want more certainty. R-Codes say here are the limits and you know if you do that people will go right up to the limits. With flexibility, comes uncertainty and delay and then you add community consultation. We could make a completely rules based system and you are either in and out and we can streamline it.

There was some debate among the developers about just what they wanted from the planning system. The outcome was somewhere between a rules based system and a merit-based approach; flexible certainty. **If developers want to build a standard scheme consistent with local planning documents they should be able to opt for a rules-based approach; a tick box exercise with a quick decision.**

For more innovative development there could be a merit-based approach which rewards quality design and housing diversity.

If you come with a good design solution you can get rewarded, there needs to be that flexibility. Move planning away from a prescribed model. Whether you can have cluster housing, dual occupancy, etc. - they are all just houses. If dwellings are permissible they are permissible and then you stay within a height plane e.g. four storey area, two-storey area and then the market delivers the appropriate house type.

I would like to see levelling of the playing field between individual houses and other types of small development. **If building a house on a single lot you can bypass the planning system and go straight to building approval. You are deemed to comply. I don't see a huge problem extending that to group and multiple housing on a relatively modest scale...**

Developers should be able to opt for a rules based decision if their development is fully compliant with local planning documents. This should result in a quick decision. Developers should also be able to opt for a merit based approach where required, particularly where the development is perhaps innovative or seeks variation from the planning policy documents. Recognising standard apartment types and treating such apartments in the same way as project homes could increase the supply of delivery of medium-density units.'

The NSW Government has reformed its planning system over the past decade. It expanded its fast-track development process (known as 'complying development certificates' or CDCs). Under the CDC process, if an application meets specific criteria in the code, it can be fast-tracked and a decision made by a council or accredited certifier without the need for a full development application. By 2015-16 these changes resulted in CDCs accounting for 43 per cent of residential development applications in Sydney, up from 3 per cent in 2007-08. The NSW Government is working on expanding CDCs to include medium-density developments up to three storeys.'

State policy - Plan Melbourne

216. In well serviced established areas Plan Melbourne Outcome 2: Melbourne provides housing choice in locations close to jobs and services, states:

'Optimising choices and affordability for all Melburnians is key to Plan Melbourne.

People need to be able to live closer to jobs, public transport and services. This will encourage more people to walk or cycle, reduce travel times and our greenhouse gas emissions, delivering a more sustainable outcome for the city.

Demographic changes will also mean there'll be a need for more diverse housing for different household types and lifestyles.

It's also important to define areas where housing growth will occur. These areas will experience significant, but planned housing and population change compared to other parts of Melbourne and regional Victoria and will require new or enhanced services and infrastructure.

Increasing the supply of social and affordable housing is also vital—so that no one is left behind. The greater the diversity of Melbourne's housing, the greater diversity of its people.'

217. Relevant key issues within Plan Melbourne include, housing affordability, the types of housing available to cater for different household needs and lifestyles, and the provision of medium and higher-density housing close to jobs and services.

218. Plan Melbourne states:

'Melbourne provides housing choice in locations close to jobs and services

Melbourne has no time to waste. We need to plan and invest wisely to: cater to the needs of a more diverse and ageing population; break the link between congestion and growth; address housing affordability; mitigate and adapt to climate change; and ensure social and economic opportunities are accessible to all.'

219. Plan Melbourne Direction 2.1 Manage the supply of new housing in the right locations to meet population growth and create a sustainable city, states:
'The social, economic and environmental benefits of creating a more compact, sustainable city are profound.'
'Strategies need to be put in place that articulate clear goals and objectives for housing and:

outline the needs of different household types
provide a greater understanding of the range of housing needed
provide a stronger understanding of opportunities and constraints
identify preferred housing outcomes
help clarify and communicate housing required across metropolitan Melbourne and its metropolitan regions
address housing diversity, design, quality and energy efficiency
seek to locate at least 65 per cent of new housing in established areas of Melbourne and no more than 35 per cent in growth areas in line with current levels of development and Victoria in Future projections.'
Plan Melbourne Direction 2.4 seeks to facilitate decision-making processes for housing in the right locations. It states:
'Many sites identified for future housing face lengthy decision-making processes. This can make it time consuming to develop new housing, driving up housing costs... Developments allowing more than a single dwelling can also be subject to lengthy assessment processes and appeals even if they are in areas where change is envisaged. Contested applications generally arise where performance-based requirements exist instead of clearer, more prescriptive requirements. The uncertainty in the system needs to be reduced, particularly for development in areas defined for change and housing growth.'
220. Plan Melbourne Policy 2.4.1 supports streamlined approval processes in defined locations. It states:
'Attracting population and housing growth to the most suitable, well serviced areas will be assisted by providing clear approval processes for preferred areas and quality housing developments that appeal to a range of households on different incomes. A streamlined, codified approval process will be developed and implemented for defined change areas. Under this process, proposals could be required to achieve a set of premium development standards related to dwelling design, open space and residential amenity and demonstrate delivery of good urban design outcomes for the locality. A codified approval process will speed up decision making in defined locations and provide local governments, the community and the housing sector with greater certainty. If a proposal does not meet the set standards for codified approval, then a normal approval process would apply.'
221. Plan Melbourne 5-year Implementation Plan Action 28 commits to reviewing residential development provisions. It states:
'Review the residential development provisions in the Victoria Planning Provisions to ... streamline the planning approvals process for developments in locations identified for housing change. This will include:

reviewing the VicSmart provisions
establishing measures to develop a codified process for the approval of medium-density housing in identified locations.'

Homes for Victorians contains an objective to streamline planning approvals to reduce costs and uncertainty for developers. It states:

'Planning uncertainty, as well as the time and costs of obtaining planning approval, limit the supply of available new homes and, in doing so, drive up prices. Unnecessarily slow approvals by councils and utilities delay developers and also drive up costs.

Smarter planning and faster approval is a win-win for developers and home buyers alike and ensures more competitive pressure on prices.'

222. In discussing proportionality in assessing simple applications the DELWP Smart Planning Reforming the Victoria Planning Provisions A discussion paper October 2017 states:

'One of the new principles for a modernised VPP is the need for proportionality in decision making. To achieve this a more streamlined assessment pathway is needed which is better aligned to the real assessment issues of a simple planning proposal.

The VPP currently applies a merit assessment pathway to all proposals that need a planning permit. While this pathway is appropriate for applications that raise strategic policy issues and require a balancing of competing policy objectives, it can be unnecessarily complex for simple applications. This lack of flexibility imposes a disproportionate regulatory burden on compliant proposals and diverts resources from processing those matters where wider discretion is appropriate.'

223. It observes 'while VicSmart enables councils to prescribe local VicSmart applications, few councils have done so.'

224. State planning policy in relation to 20-minute neighbourhoods says a 20-minute neighbourhood is about giving people the ability to meet most of their daily needs within a 20-minute walk from home. The measure of a 20-minute neighbourhood is an 800 metre walkable catchment.

<https://www.planning.vic.gov.au/policy-and-strategy/planning-for-melbourne/plan-melbourne/20-minute-neighbourhoods>

Moreland Council Plan 2017-21

225. The Moreland Council Plan states:

'Moreland's most pressing challenges [include] a shift to more people living in higher-density urban environments and the need to plan for ... the changes associated with an increase in population and development... are key parts of Council's role.

Growth can present opportunities as well as challenges. Denser cities ... provide the highest access to facilities and services for everyone, making them more affordable cities within which to live. We must embrace the renewal that development brings ... for current and future generations.'

Local policy – MSS and local planning policies

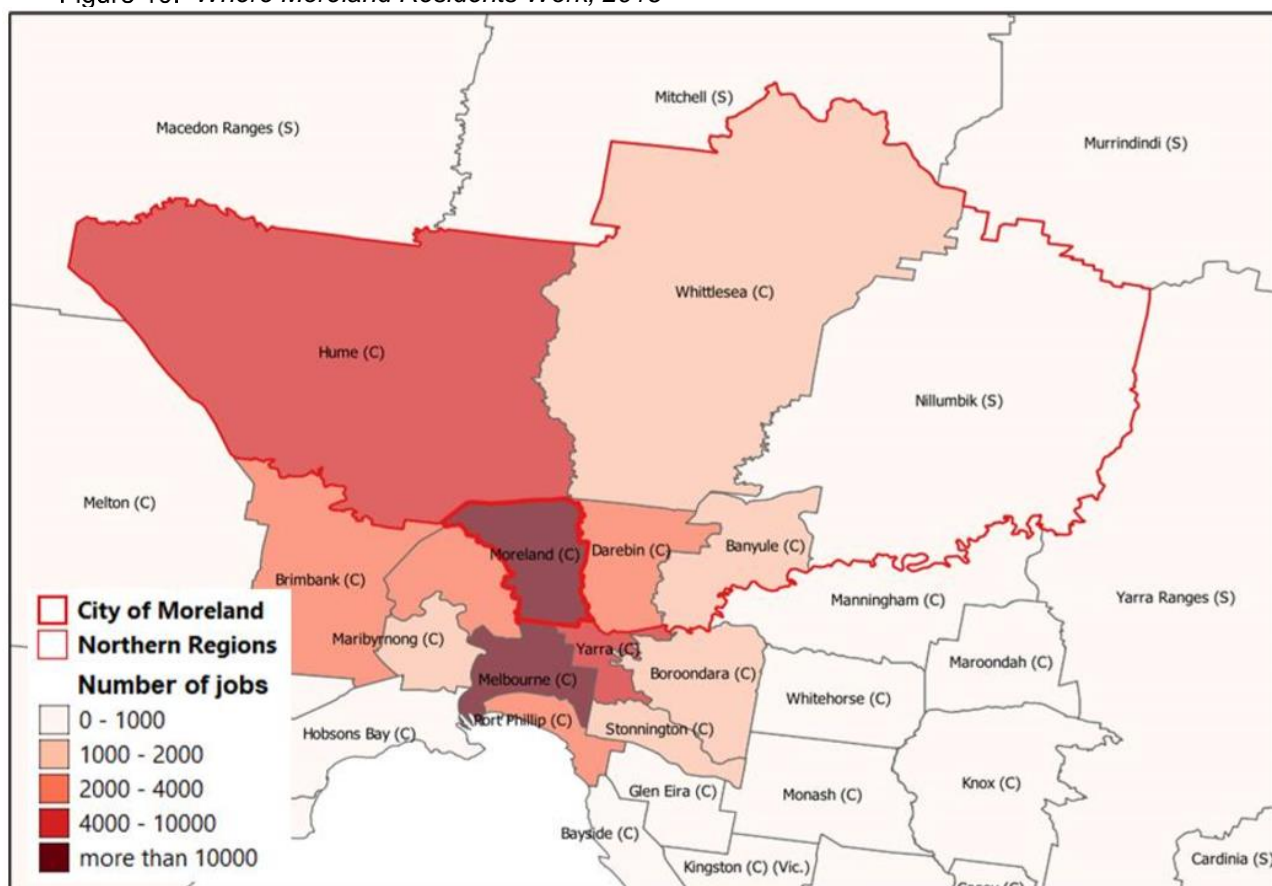
226. The Moreland Municipal Strategic Statement (MSS) Vision includes creation of sustainable neighbourhoods. Council's vision for sustainable neighbourhoods underpins the way that Council plans for and manages population growth and associated development into the future.
227. The MSS Strategic Direction 3: Housing includes:
228. Council will facilitate housing development to meet the needs of the growing and diverse population, with a focus on:
- Providing a range of housing sizes and types to accommodate a diversity of household sizes
 - Housing affordability
 - Housing designed to be visitable by people with limited mobility, and adaptable for residents with specific accessibility requirements.

229. Moreland's housing growth hierarchy is set out in the LPPF. This housing growth hierarchy encourages a significant increase in housing in the Coburg, Brunswick and Glenroy Activity Centres, within Neighbourhood Centres and on former industrial sites.
230. In incremental Change Areas (General Residential Zone) the LPPF objective is to support incremental housing growth to accommodate a mix of single dwellings and infill multi dwelling developments.
231. In minimal Change Areas (Neighbourhood Residential Zone) the LPPF objective is to support minimal housing growth with a mix of single dwellings and lower density multi dwelling developments.
232. The Neighbourhood Character policy at Clause 22.01 contains guidance on neighbourhood character in residential areas.
233. The Car and Bike Parking and Vehicle Access policy at Clause 22.03 contains guidance on the construction of vehicle crossings.
234. The Environmentally Sustainable Development policy at Clause 22.08 contains guidance on best practice environmentally sustainable development.

Are Moreland's residential zones suitable, well serviced areas, close to jobs and services and the right locations for streamlined approval processes for medium density housing as supported by Plan Melbourne?

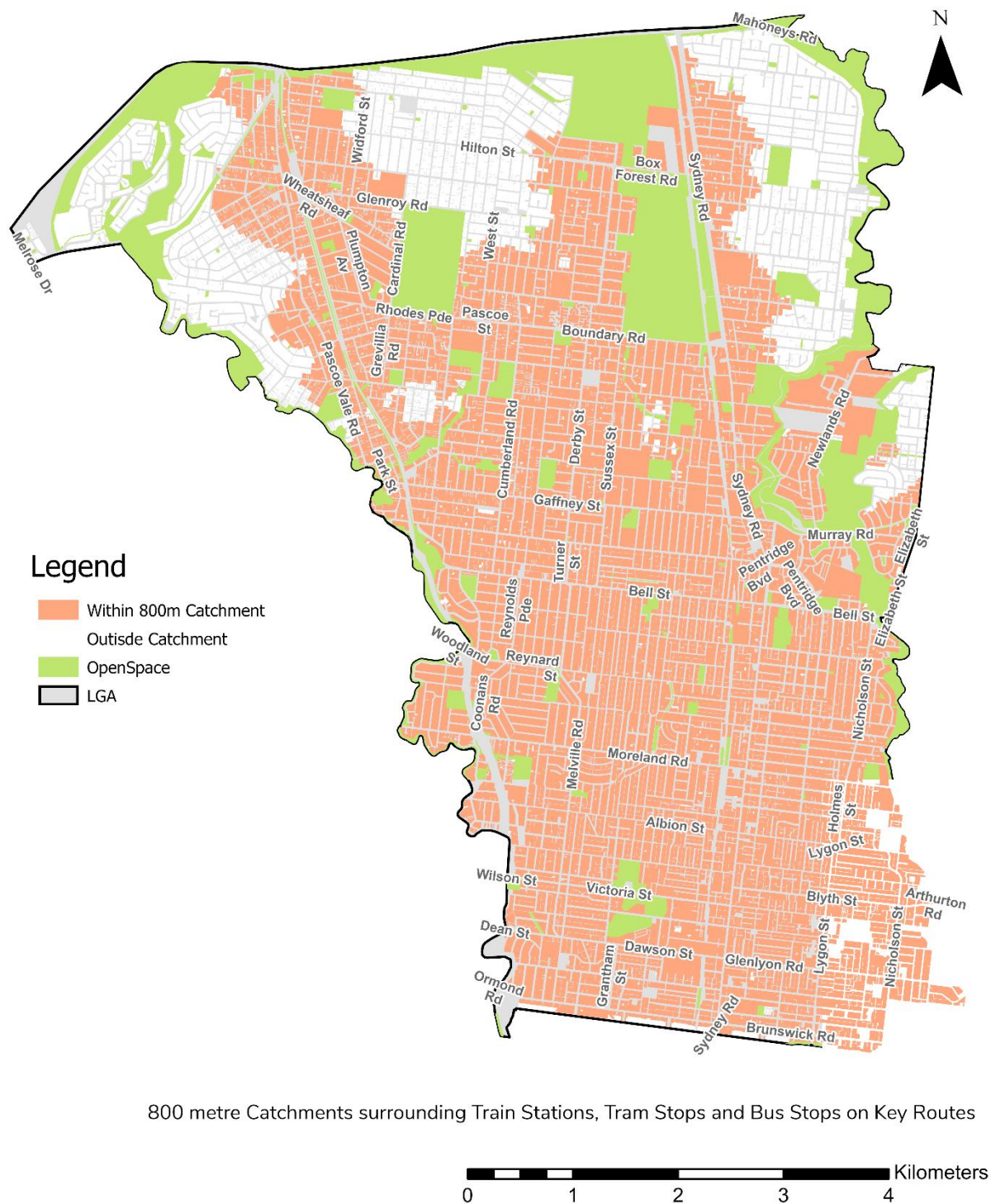
235. The housing vision within the Moreland Municipal Strategic Statement is that Council will facilitate housing development to meet the needs of the growing and diverse population, with a focus on:
- Providing a range of housing sizes and types to accommodate a diversity of household sizes
 - Housing affordability
 - Housing designed to be visitable by people with limited mobility, and adaptable for residents with specific accessibility requirements.
236. Moreland City Council's Economic Development Strategy 2016-21 identifies that Moreland is well-integrated into the regional economy with good access to jobs.
237. While some Moreland residents work locally, many Moreland resident workers travel to jobs in the inner city and the major industrial precincts to the north and west.
238. Moreland has very strong connections to the Parkville National Employment and Innovation Cluster, the Central Business District and office and retail agglomerations within the City of Yarra. Moreland is very well serviced in relative terms by fixed rail and high frequency busses routes to these locations.
239. The Tullamarine Freeway and Western Ring Road provide access to regional employment clusters in and around Melbourne and Essendon Airports and industrial employment clusters within the City of Hume.

Figure 10. *Where Moreland Residents Work, 2016*



Source: ABS Census 2016

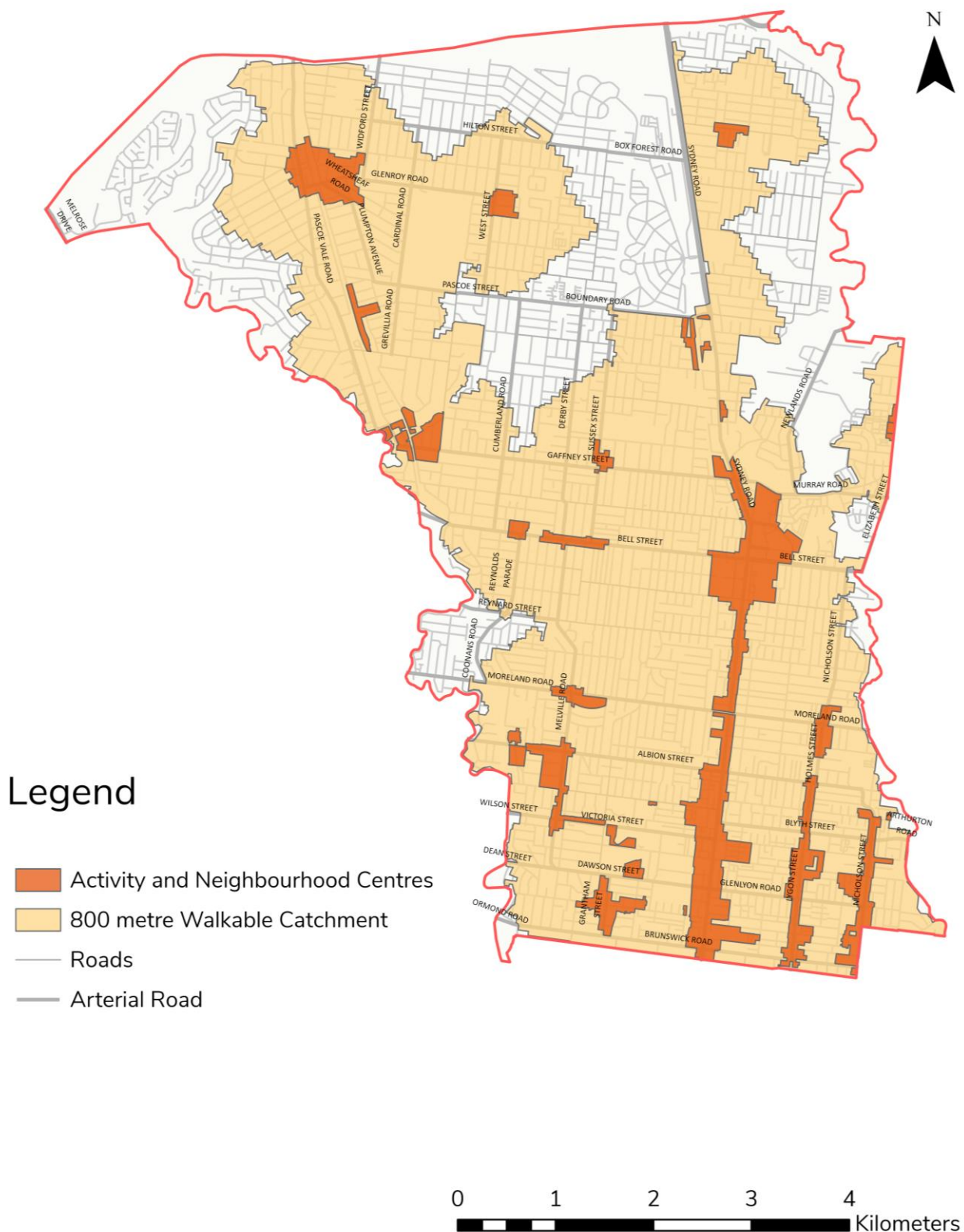
Figure 11. Public Transport Accessibility – 800 metre catchments around train stations, trams stops and bus stops on key routes



* Key bus routes are bus routes with a frequency less than or equal to 20 minutes

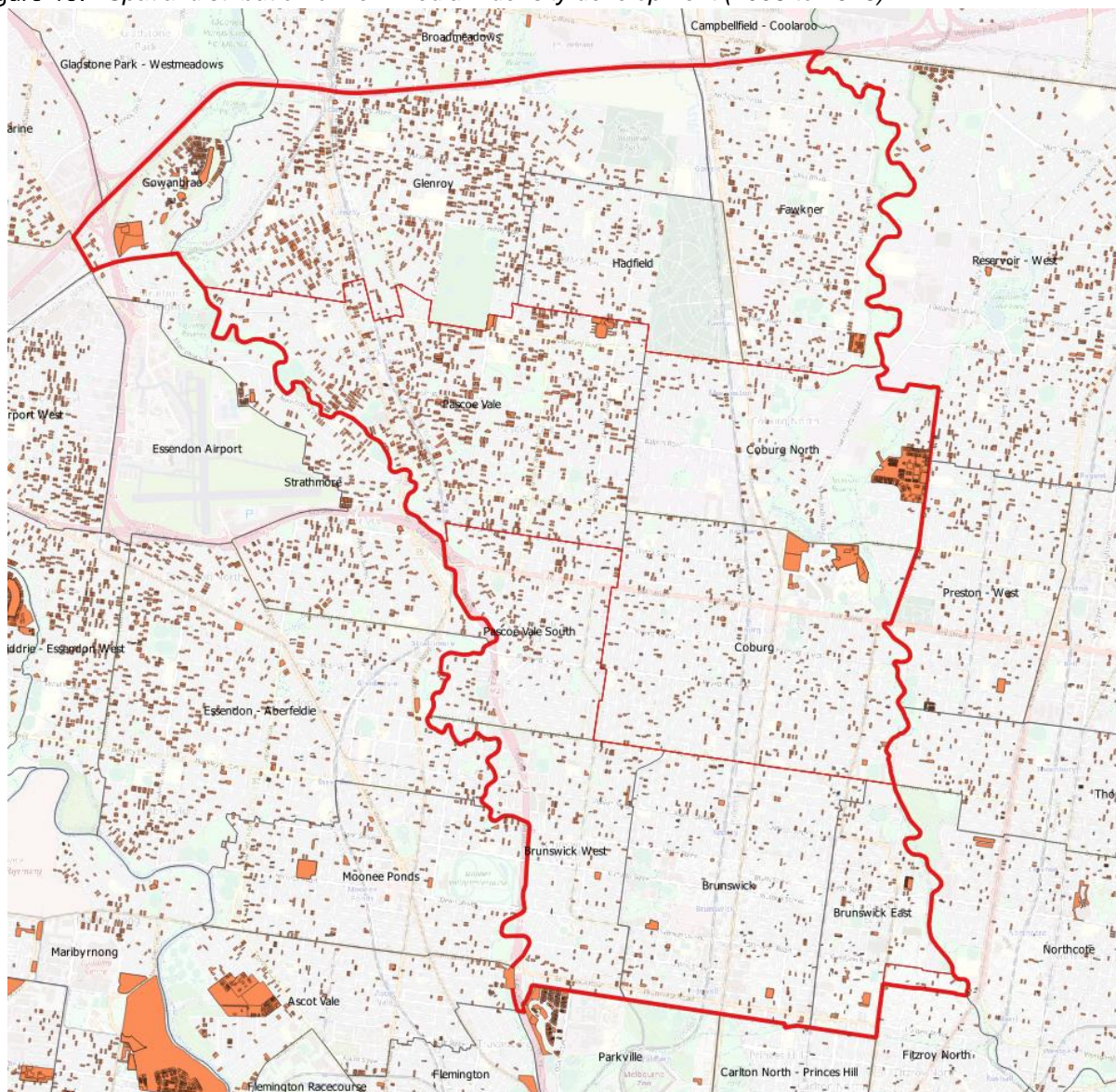
240. Many Moreland residents have the ability to meet most of their daily needs within a 20-minute walk from home with walkable access to Activity Centres and Neighbourhood Centres.

Figure 12. 20 minute neighbourhoods



241. DELWP's Housing Development Data demonstrates that medium density development occurs in all suburbs of Moreland and is significantly more prevalent in the central and northern suburbs where lot sizes are generally larger, there are more unconstrained lots and land is comparatively more affordable.

Figure 13. *Spatial distribution of new medium density development (2005 to 2016)*



Source DELWP HDD, 2016

242. Moreland is a municipality where very strong medium and high density infill housing growth is occurring to meet the strong demand for these housing typologies in this well serviced location close to jobs and services.
243. Moreland's residential zones are the right locations for streamlined approval processes for medium density housing as supported by Plan Melbourne, as evidenced by the Minister for Planning's authorisation of Amendment C190.

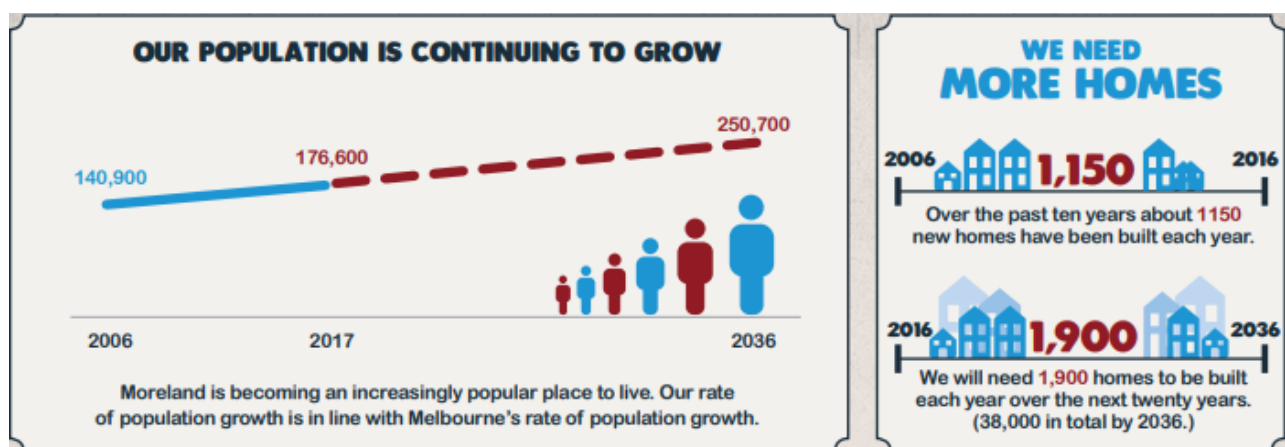
Who are we planning for and what are their housing needs?

Part A Direction c) ii strategic context and assessment - overview of key elements and findings of:

- **A Home in Moreland by .id consulting Aug 2018**

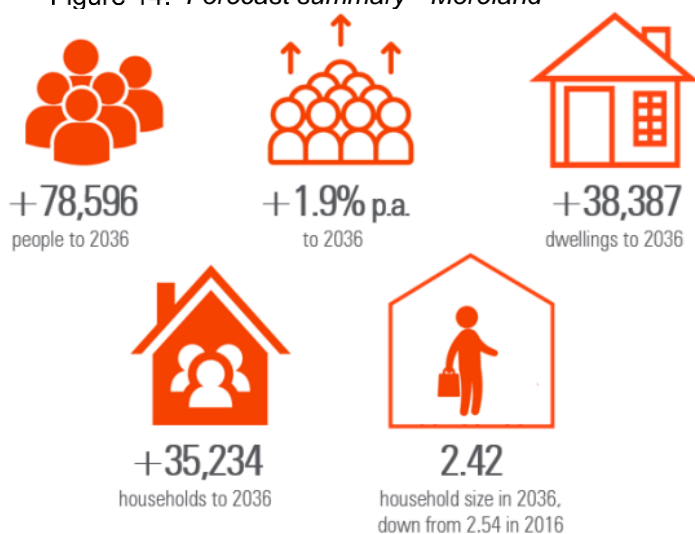
- **Supply of Housing in Moreland by SGS, July 2019 including a response to the effectiveness and risk and limitations of improved efficiencies in development approval processes identified in the document**

244. Moreland City Council has undertaken significant evidence based work to understand current and future housing need and housing supply in A Home in Moreland and Supplying Homes in Moreland.
245. Submission 16 contends that Moreland is attracting developers and is a developer target as an outcome of the Moreland Planning Scheme. Development is market and demand led and this section of the submission gives an overview of the dynamics of housing demand and housing supply and further detail is contained in A Home in Moreland and Supplying Homes in Moreland which are public documents on Council's website. Figures 2 and 3 demonstrate that adjoining municipalities with more permissive residential zones and less restrictive policy guidance receive less multi-unit applications.
246. The population of Moreland is forecast to grow by 78,600 people over the next two decades, which represents an annual increase of 1.9 percent. It is estimated that the number of new households which need to be accommodated in Moreland over the next 20 years is 35,200 households.



247. This means that around 38,400 additional dwellings are required (occupied and unoccupied), which is around 1,920 per year. This represents in the order of a 50% growth in population and households over a 20 year period.

Figure 14. *Forecast summary - Moreland*



Source: .id SAFi 2018

248. Victoria in Future 2019 (VIF2019) forecasts envisage an additional 59,820 residents will form part of the City of Moreland's population by 2036 which represents an annual increase of 1.6 percent.
249. In respect to the differences in population forecasts between Victoria in Future and .id SAFI forecasts, it is very normal for different forecasts to use different methodologies and assumptions and to conclude that a certain population size will be reached by an earlier or later date. Both forecasts indicate significant ongoing population growth in Moreland.
250. The Melbourne Industrial and Commercial Land Use Plan and the Moreland Industrial Land Strategy identifies core industrial land and highlights industrial land which could transition to other employment uses. There is almost no industrial land within Moreland strategically identified for residential rezoning to accommodate housing growth which has not already been rezoned.
251. Because there are no greenfield and limited brownfields areas, new housing will occur through urban consolidation in the form of apartments, townhouses and units.
252. Many people when they think of housing growth in Moreland may think of the apartment development occurring in Brunswick East and Brunswick. Whilst 45% of housing growth between 2006 and 2016 was an apartment typology, occurring predominantly in these southern suburbs, 65% of new housing in this period was medium density, predominantly (70%) in the form of two or three dwellings on a lot. Eighty percent of medium density housing development in Moreland occurs in the northern and to a lesser extent, central suburbs.
253. In some parts of Moreland there are already as many medium density homes as single dwellings, and this will increasingly be the case into the future. This image of an area of Glenroy to the west of the Glenroy Activity Centre, highlights the significant quantum of medium density development in both the Neighbourhood Residential Zone and General Residential Zone.

Figure 15. Part of Glenroy - zoning map and 2019 areal image

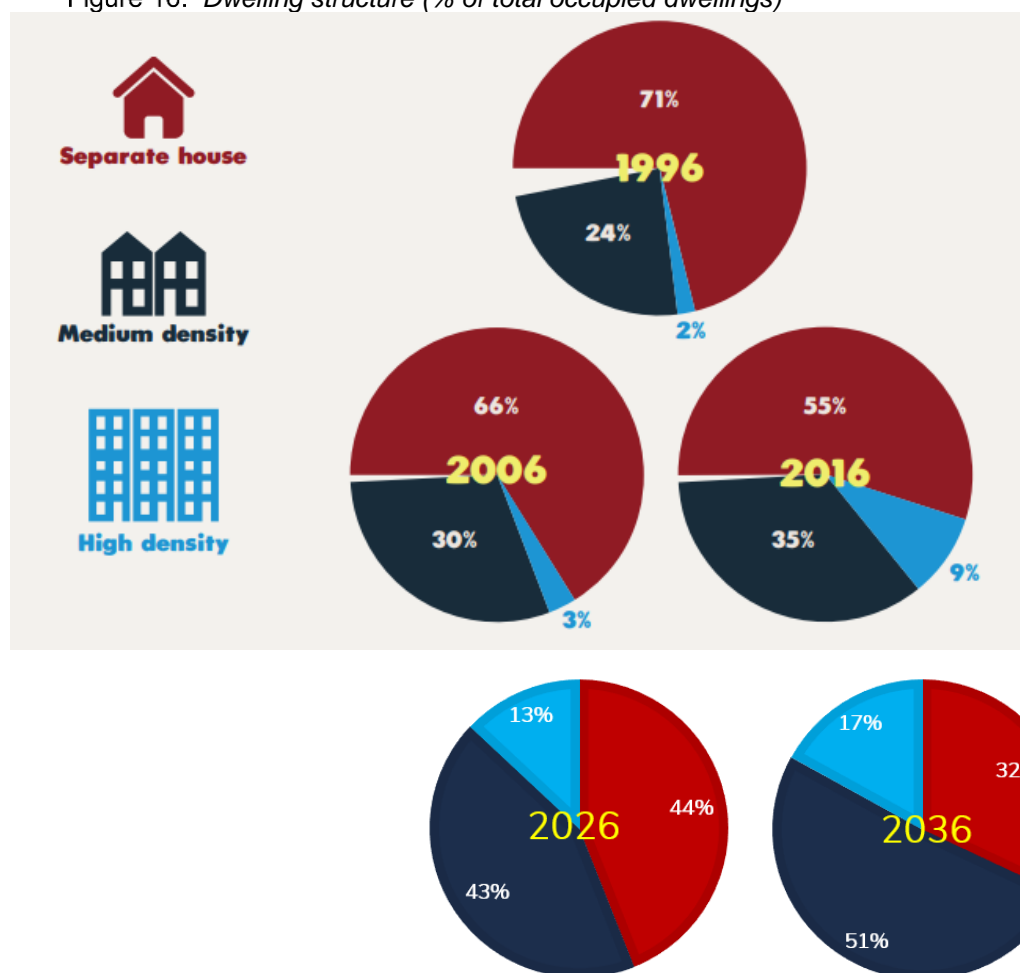


254. Modelling undertaken by SGS Economics and Planning (p44 Supplying Homes in Moreland) indicates that of the forecast demand for 38,000 net additional dwellings by 2036, approximately 25,891 dwellings (or 68%) will be a demand for medium density dwellings.
255. By 2036 it is forecast that more than half of Moreland households will live in medium density housing.
256. Over the next 20 years the ratio between separate houses and medium density dwellings is forecast to switch and there will be significantly more medium density than separate dwellings. Whereas in 2016 separate dwellings are the dominant housing type, by 2036 medium density

units and townhouses will be the dominant form of housing in Moreland, which of itself will result in a change in the character of Moreland's neighbourhoods.

257. The application pathway and specific requirements for two dwellings on a lot proposed by Amendment C190 needs to be appreciated in this context.

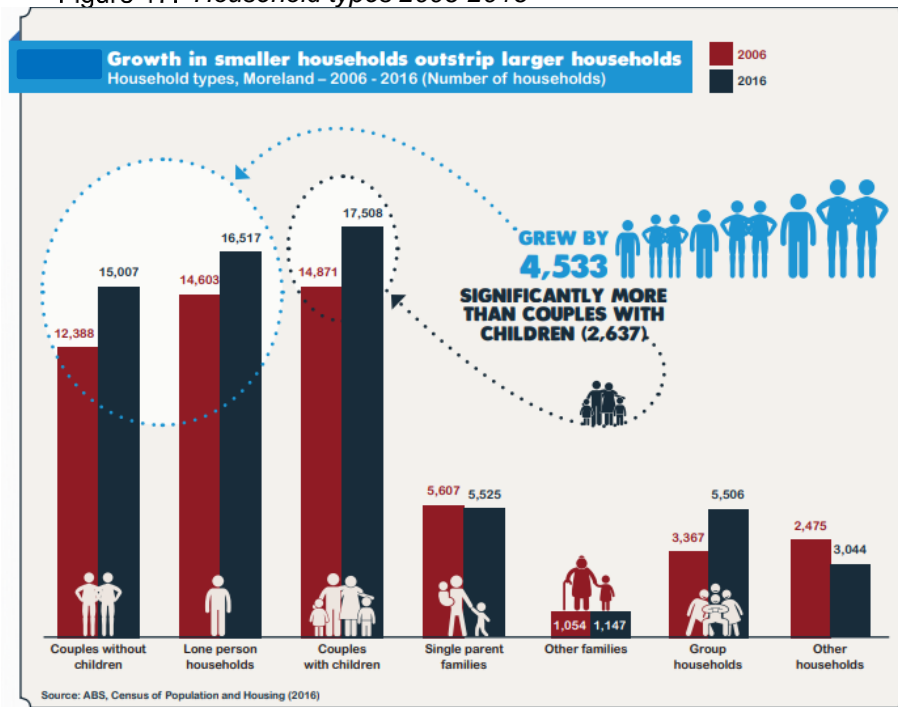
Figure 16. *Dwelling structure (% of total occupied dwellings)*



Source: ABS, Census of Population and Housing 1991 to 2016 and Supplying Homes in Moreland

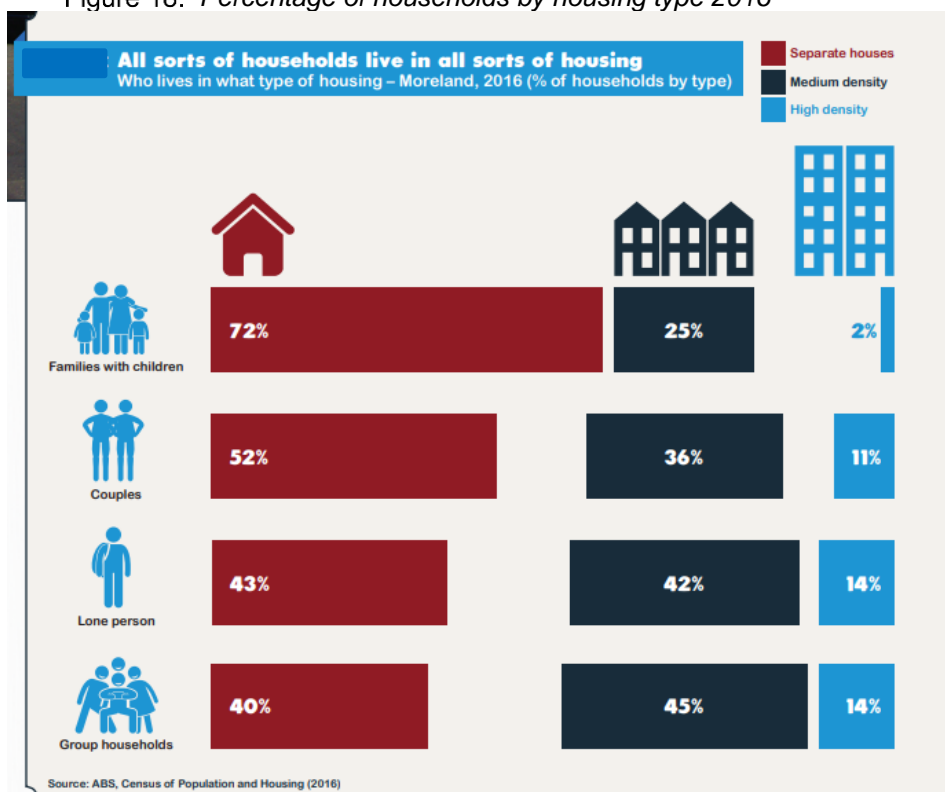
258. In the recent past there has been a clear shift towards smaller households in Moreland, driven primarily by young couples without children. The number of people living alone has also grown. Between 2006 and 2016 couple and lone person households grew by 4,533 households, while couple with children households grew by 2,637.

Figure 17. *Household types 2006-2016*



259. One might think that families with children would primarily live in larger separate houses, while singles and couples would opt for smaller units and apartments. One might anticipate too, that people would choose to downsize to smaller housing as they age, and as children leave home. But the number of people in a household, and the age profile of its members, does not match neatly onto the type of housing they live in, or the number of bedrooms in their home. In Moreland, all sorts of households live in all sorts of housing.
260. When faced with real world trade-offs between housing type and size, price and location, a significant number of Moreland households are choosing medium density housing.

Figure 18. *Percentage of households by housing type 2016*



261. In 2006, around one in four couples without children lived in medium and high density dwellings. Now it is closer to one in two. The share of people living alone in medium density housing is also significant and growing. Medium density living is also the norm for an increasing number of families. About a quarter of Moreland families with children live in medium density housing. This is unlikely to be a temporary situation as families with young children save up to buy or rent a bigger place, since around one in five persons aged 10 to 19 are living in medium density housing.

Figure 19. *Percentage of people renting by age as a percentage of the total population*

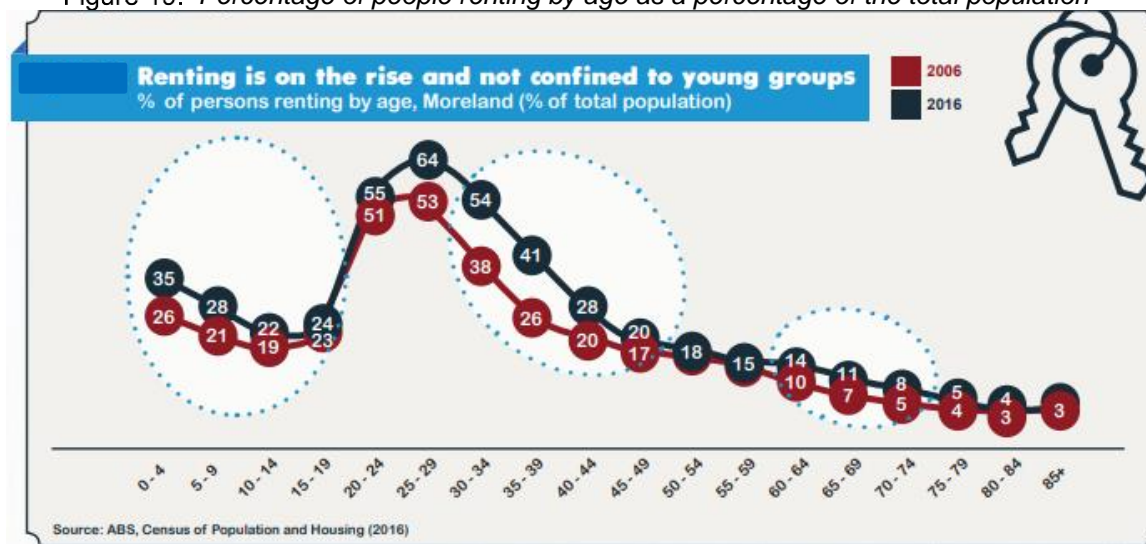
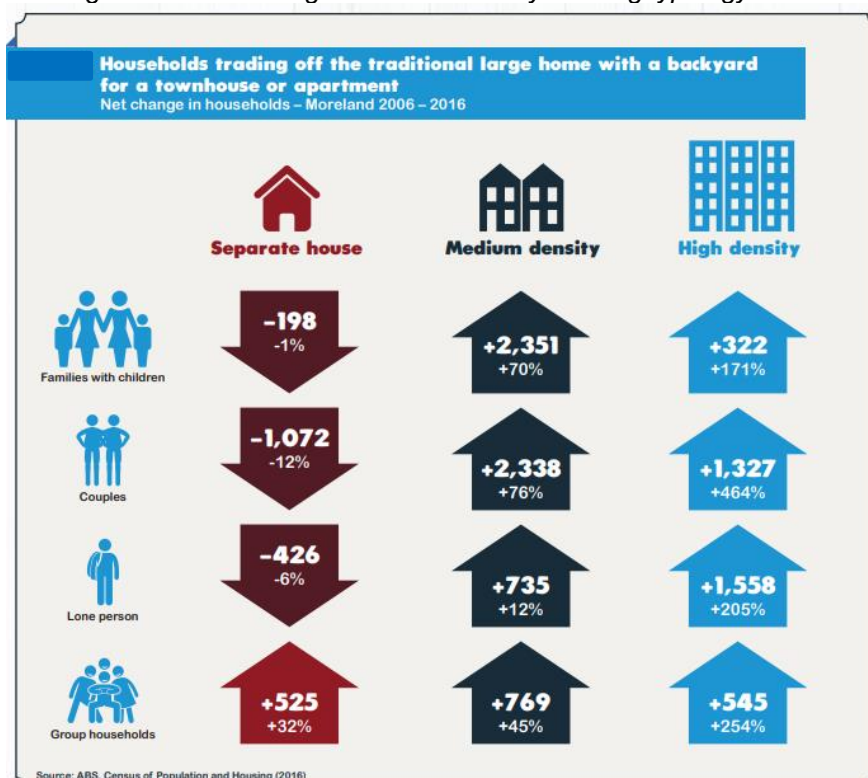


Figure 20. *Net change in households by housing typology 2006-2016*














262. The shifting pattern of residential development from detached houses to townhouses, units and apartments means today's Moreland offers residents a greater diversity of dwelling types than in

the past. This diversity can help households to stay living in Moreland as their circumstances and needs change and for Moreland to maintain its proud diversity.

263. Moreland's diversity is often discussed in terms of language and culture however this valued diversity is evident across a range of demographic and housing indicators.

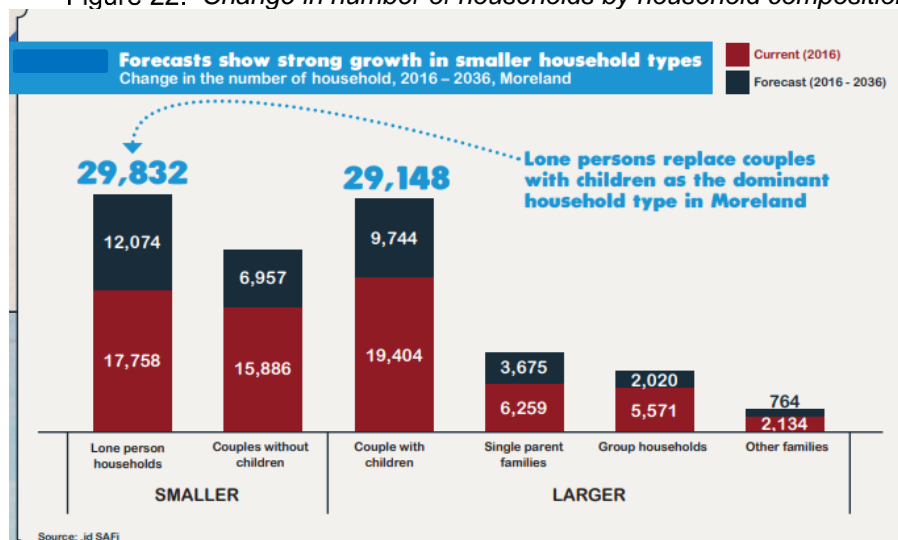
Figure 21. *Moreland population diversity indicators*

Figure 2.1: Moreland population diversity indicators

Moreland's population is diverse Selected indicators for selected suburbs, 2016						
		Brunswick East	Coburg	Pascoe Vale South	Fawkner	Glenroy
Population diversity						
Population aged 65+		10%	13%	14%	17%	16%
Households renting		51%	33%	20%	27%	34%
Families with children		24%	41%	51%	50%	43%
University attendance		12%	9%	6%	5%	6%
University qualification		49%	36%	30%	20%	22%
Median household income		\$1,747	\$1,605	\$1,859	\$1,080	\$1,258
Born overseas		30%	30%	20%	46%	42%
Socio-Economic indexes for areas (SEIFA)		1066	1024	1057	916	949
Location diversity						
Medium density (2016)		40%	29%	16%	15%	37%
High density (2016)		31%	7%	0%	0%	1%
Median house price (2017)		\$1,187,500	\$812,000	\$853,000	\$633,000	\$612,000
Source: ABS Census of Population and Housing (2016), Valuer-General Victoria 2016						

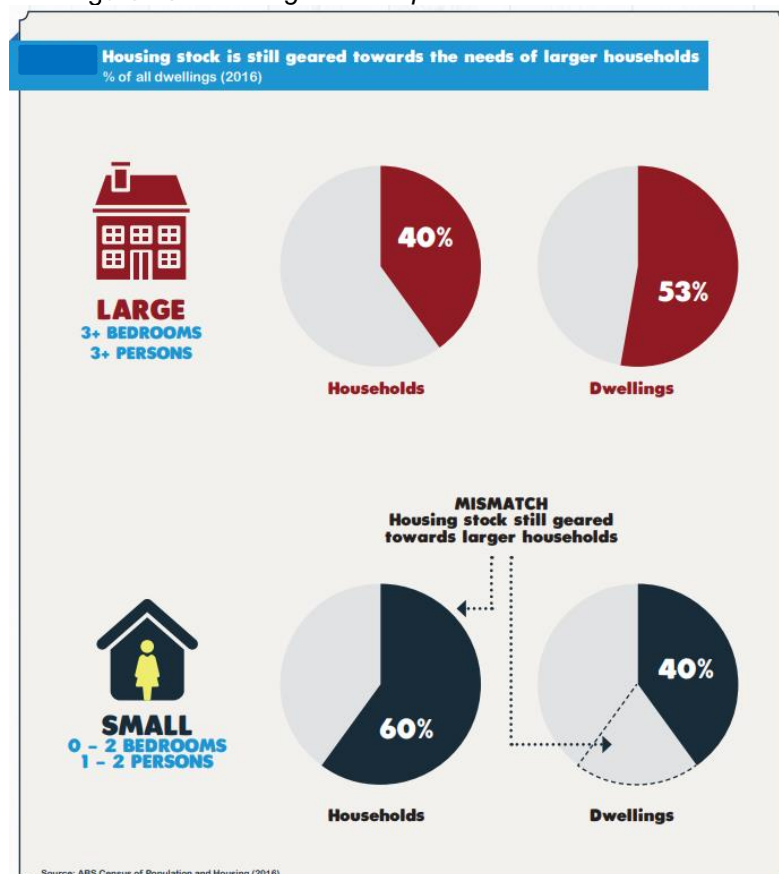
264. The growth in smaller households is forecast to continue. By 2036 lone person households may replace couples with children as the dominant household type.

Figure 22. *Change in number of households by household composition 2016-2036*



265. Even though the average size of households in Moreland is declining, with more people living alone and in couples, much of the housing stock in Moreland is still geared towards the needs of larger family households. Maintaining and expanding the diversity of housing types into the future will respond to the trend for people to live in smaller households.

Figure 23. *Housing size compared with household size 2016*



266. Twenty five percent of Moreland's population is aged over 55. The vision in Council's *Living and Ageing Well in Moreland Framework* includes current and future housing needs of older people are considered. This includes encouraging the design of dwellings to meet the needs of people

with limited mobility and increase the supply of housing that is visitable and adaptable to meet the needs of different sectors of the community.

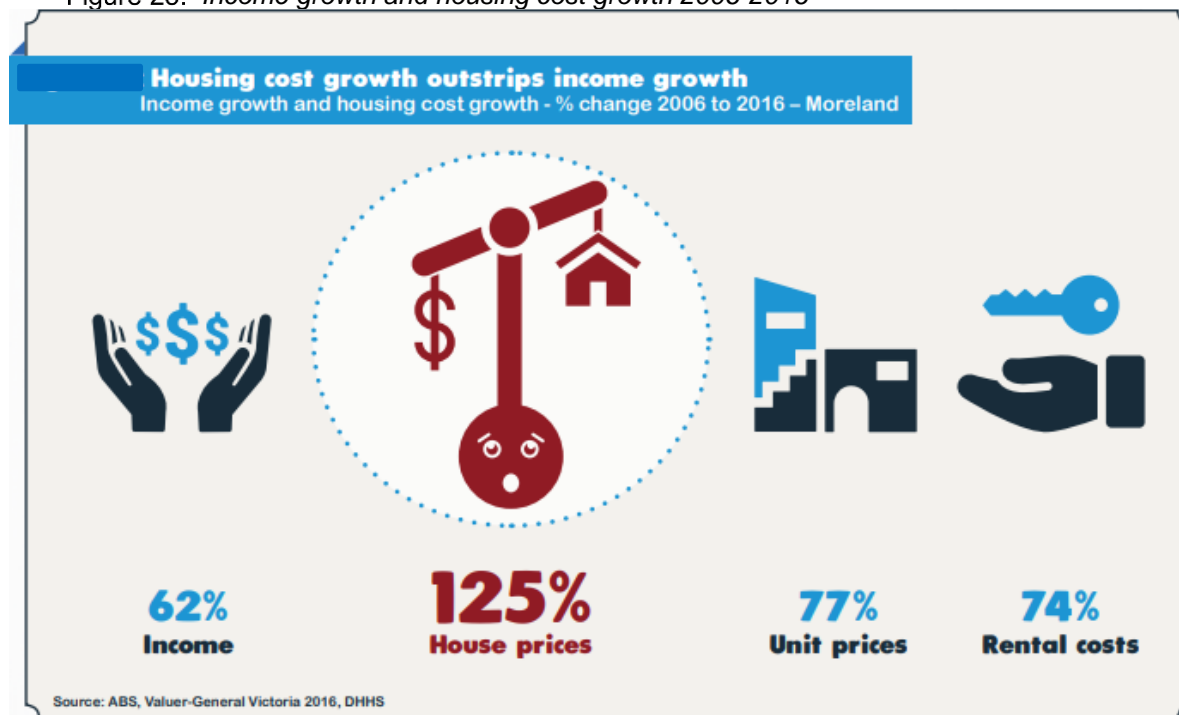
- 267. Moreland City Council's Disability Access and Inclusion Plan identifies that almost a quarter of Moreland residents identify as having disability. Six per cent require daily help with core tasks and one person in ten provides unpaid care to an older person or someone with disability. The Plan states that every day people with a disability and their families and carers face significant barriers, including barriers to housing.
- 268. Moreland residents with disability are at risk of experiencing housing stress and homelessness. Elderly renters are also extremely vulnerable to housing stress. The number of people in both of these categories is likely to increase significantly over the next two decades.

Figure 24. *Change in number of people requiring assistance 2016-2036*



- 269. Housing affordability is a significant issue in Moreland. Steeply rising house prices puts home ownership beyond the reach of most very low and low income households. Even families on moderate incomes now face challenges buying a separate house, with prices considerably higher than their budget can stretch to. Although increases in the price of units, townhouses and apartments have also outstripped the growth in household incomes, the difference has not been so stark. This means that for a family on a moderate income, medium density dwellings become an affordable alternative to separate houses.

Figure 25. *Income growth and housing cost growth 2006-2016*



270. Council's Affordable Housing Action Plan identifies that the lack of supply of affordable housing is continuing to negatively impact Moreland's diverse community. It notes a need for at least 7,000 new affordable homes by 2036.
271. There is a housing cost differential between Moreland's housing sub-markets.
272. There are generally three roles performed by different parts in Moreland, with many areas playing multiple roles:
- Young adults and tertiary students (e.g. the Brunswicks).
 - Established and mature families and older households (e.g. many northern suburbs such as Gowanbrae, Fawkner, Pascoe Vale South and Hadfield).
 - Young to mature adults and families in conjunction with young adults (e.g. Coburg, Pascoe Vale, Glenroy, Oak Park and Coburg North).
273. This location diversity is important as it means suburbs can perform different roles and functions, allowing individuals and households to move locally as their housing needs change.
274. Another noticeable shift in housing in Moreland over the past decade is the increase in renting. In 2016 36% of Moreland households lived in rental accommodation, which is a significant increase from 29% in 2006. This trend is relevant to all age groups but is particularly noticeable amongst young adults and people approaching retirement age. Ten years ago, young adults living in Moreland were just as likely to be paying off a mortgage as paying rent; these days there is a much greater chance that they'll be tenants than homeowners. There was also a large increase in the number of school-aged children living in rental accommodation over this ten year period, which indicates that fewer families own their own homes in Moreland than in the past.
275. In 2006, 38.4% of 30-34 year olds were renting and 39.3% had a mortgage. But by 2016 over half were renting, and just 30% had a mortgage. The shift to renting is not confined only to lower income households. In 2006, around 21% of high income households were renting. By 2016, this proportion rose to 29%. The increase in households renting appears to be driven by declining affordability, but also other factors such as lifestyle and locational advantages such as changing preferences and access to employment and public transport that make trading off home ownership for renting more attractive.

House prices, not just preferences, are a leading cause of falling home ownership rates and the rise of renting. The housing affordability analysis in A Home in Moreland concludes that demand for rentals in Moreland will continue to grow with higher cost locations and higher amenity locations under the most pressure for rental properties.

276. It is important to understand that a significant proportion of the two dwelling on a lot development in Moreland, particularly in the central and northern suburbs, is built to the investor rental market. It is built to an affordable price point needs to meet the needs of a diversity of households over time.
277. Analysis of recent medium and high density residential developments in Moreland provides further insight into the trends about who is living in what types of housing. While couples without children and lone person households are the dominant occupants, making up 33% and 39% of all dwellings respectively, new developments are also catering to families (11% of all dwellings). The income profile of households living in recent medium and high density developments is much higher than the Moreland average with almost 60% of households with a moderate or high income compared to 52% across Moreland. The higher share of working age groups with higher qualifications underpins this higher income. Their higher incomes also make it possible to afford the higher rents in many of these locations. Together with increased demand to live in these locations, this has the potential to squeeze many lower income households out of the most affordable housing available in Moreland, due to these households having the ability to pay for higher costs in these locations.
278. In recent medium density developments, around 34% of dwellings are occupied by people living alone, with a further 30% occupied by couple households.

Figure 26. Who is living in recent developments?
 % of total households by dwelling type



Based on recent developments between 2011 and 2016 using .id's Universal Development Layer

Source: ABS Census of Population and Housing (2016)

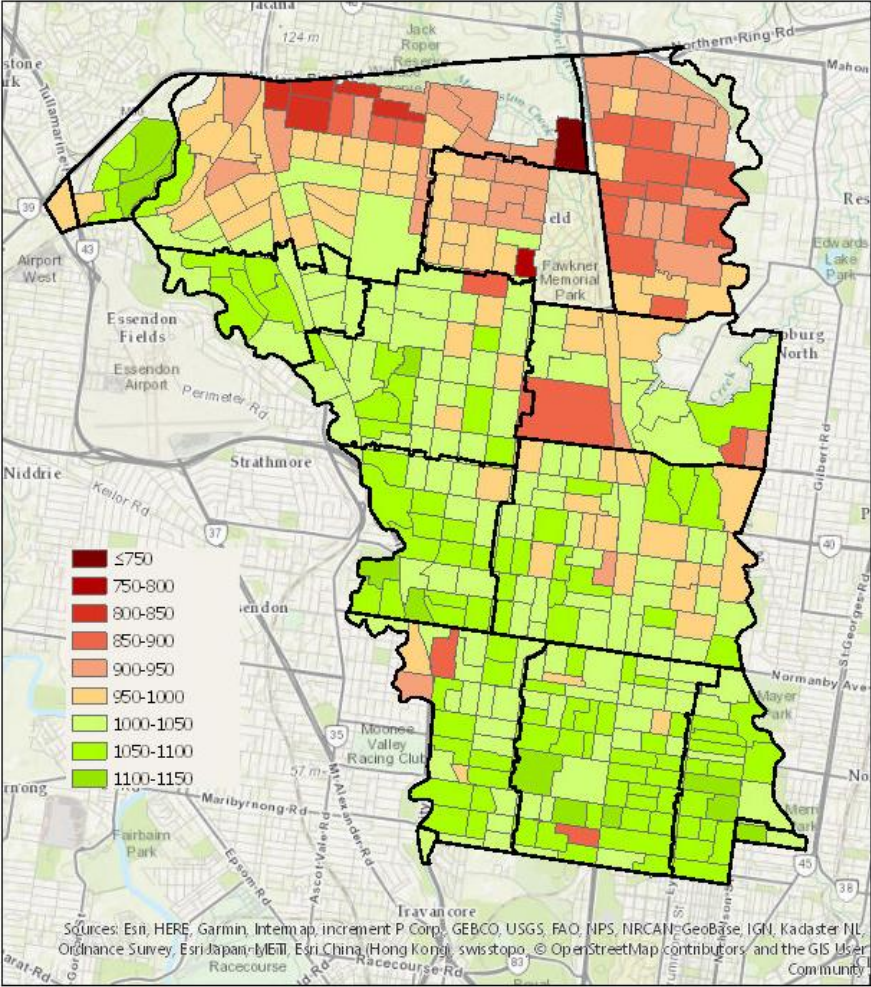
Effectiveness and risk and limitations of improved efficiencies in development approval processes

279. *Supplying Homes in Moreland* includes a Toolkit of Options to ensure the housing market is operating efficiently. In Chapter 7.2 starting on page 38 this analysis suggests efficient and predictable development approvals processes provide certainty to landowner and developers, reducing risk and reduce holding costs. It identifies that fast-tracking particular development types will reduce risk and costs; although this is likely to result in higher land values and developer profits rather than lower dwelling prices. However, it identifies a risk that fast-tracking low-impact development could result in more lower density infill development at the expense of higher density developments and perhaps developments with smaller dwellings.

280. It has already been discussed that the Medium Density Housing Review found that the introduction of the Garden Area Requirement appears have increased the number of two rather than three dwelling on a lot development in Moreland, so lowering density is not of itself a reason not to pursue efficiencies in development approvals processes or seek improved outcomes.
281. Census data indicates that there was an increase of 7,278 medium density dwellings in Moreland between 2006 and 2016; this represents a 5.5% increase in terms of an overall stock percentage. This compares with a 3.3% increase in medium density housing for the Northern Region and a 1.4% increase in medium density housing for Greater Melbourne. Moreland also added 4,557 apartments over the same period; more than 11,000 additional dwellings in total.
282. Moreland receives more than twice the metropolitan average number of multi dwelling planning applications.
283. Moreland's contribution to housing Melbourne's growing population is not expected to drop. Regardless, if there was a slight decrease in the overall number of medium density dwellings approved, there will not be an appreciable change to the very significant contribution Moreland will continue to make to housing future populations.
284. On average Moreland receives 135 applications per year for three dwellings on a lot, netting 270 dwellings. If half these three dwelling on a lot applications were for two dwellings on a lot due to the attractiveness of the faster process, there would be a net decrease of 70 dwellings per year. To put 70 dwellings per year in context, over the past 10 years 11,000 dwellings have been built in Moreland.
285. As outlined on page 26 of *Supplying Homes in Moreland*, there is a significant buffer between medium density supply forecasts and capacity to accommodate medium density housing. Medium density development over the next 20 years will utilise only 39% of available capacity of unconstrained lots.
286. It is considered likely that developing dual occupancies in Moreland may stimulate economic activity, speeding up the delivery of more housing and delivering more medium density dwellings rather than less. Anodically it is understood that this was a consideration in the authorisation of Amendment C190.
287. Moreland is already seeing second-generation medium density infill, where the front dwelling in 15-20 year old developments is being demolished and replaced with two dwellings fronting the street; realising three dwellings in total on the original lot. This is particularly the case where the original development retained an existing dwelling. One in three dual occupancy applications in Moreland retains the existing dwelling.
288. The housing market in Moreland is very strong, with a 5.5% increase in medium density housing stock between 2006 and 2016. This compares with a 3.3% increase for the Northern Region and a 1.4% increase for Greater Melbourne. Moreland also added a very significant number of apartments over the same period.
289. Plan Melbourne seeks to manage the supply of new housing in 'the right locations' to meet population growth and create a sustainable city by facilitating an increased percentage of new housing in established areas to create a city of 20-minute neighbourhoods close to existing services, jobs and public transport.
290. In Moreland two dwelling on a lot development does not equate to two large family homes on a site, each containing four or more bedrooms, three or more bathrooms and at least two living areas. This form of medium density is very prevalent through Melbourne's middle east and sand belt municipalities, in highly sought-after locations, with high socio-economic status communities and where land prices are comparatively high.
291. In Moreland's northern suburbs (i.e. those suburbs north of Bell Street), where 74% of medium density development occurs the footprint and three dimensional volume of two dwelling on a lot development is comparatively modest. These suburbs have relatively high levels of socio-economic disadvantage and comparatively low land prices. Medium density housing in these areas, whether two or three dwellings on a lot, primarily contains one, two or three bedrooms and one living area. It is housing built to the first home buyer and rental investor markets. In the suburbs of Moreland where most medium density development occurs, housing consumers;

whether they be buyers or renters; are ill able to afford a modest two or three bedroom dwelling. They are simply not in the 'McMansion' market. Large two dwelling on a lot typologies are also not a form of housing seen in Moreland's southern suburbs, as the lots are too small.

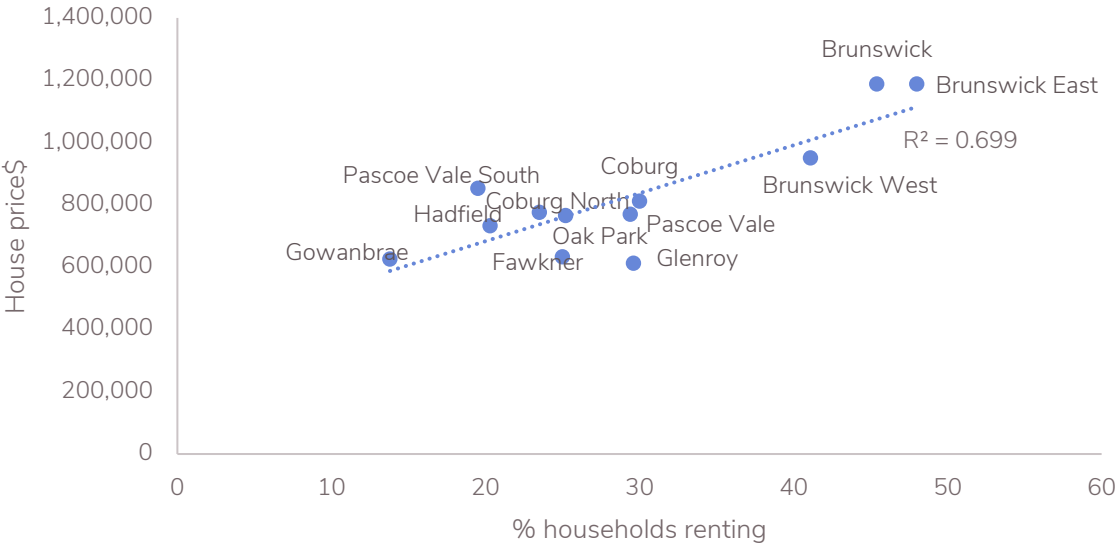
Figure 27. Moreland Socio-Economic Indexes for Areas



SEIFA 2016

* A SEIFA index of 1000 is considered an 'average' ranking in Australia. Therefore <1000 is considered relative socio-economic disadvantage.

Figure 28. Link between house prices and % households renting, 2016; an indication of rental investor markets.



292. From Moreland's Medium Density Housing Review:

- In two dwelling on a lot applications, 70% of approved medium density dwellings have three or less bedrooms
- In three dwelling on a lot applications, 90% of approved medium density dwellings have three or less bedrooms
- Both two and three dwelling on a lot applications are delivering a diversity of dwelling sizes
- In both two and three dwelling on a lot applications half the dwellings (56%) have three or four bedrooms, indicating that number of bedrooms isn't being influenced by the number of dwellings on the lot
- Dwelling size is meeting market price point demand.

Figure 29. *Medium Density Housing Review – bedroom numbers two dwelling on a lot applications*

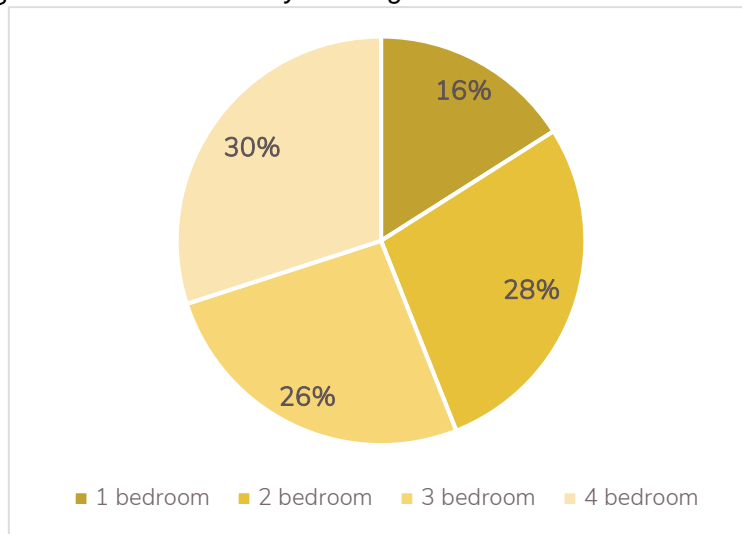
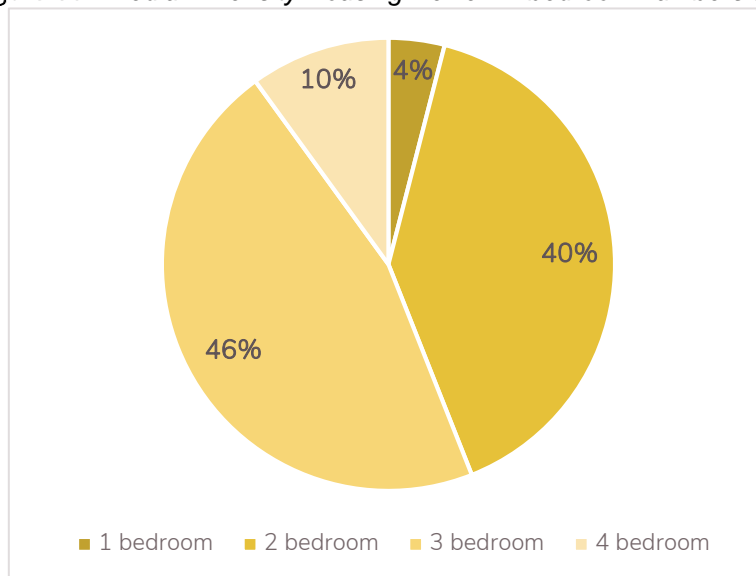
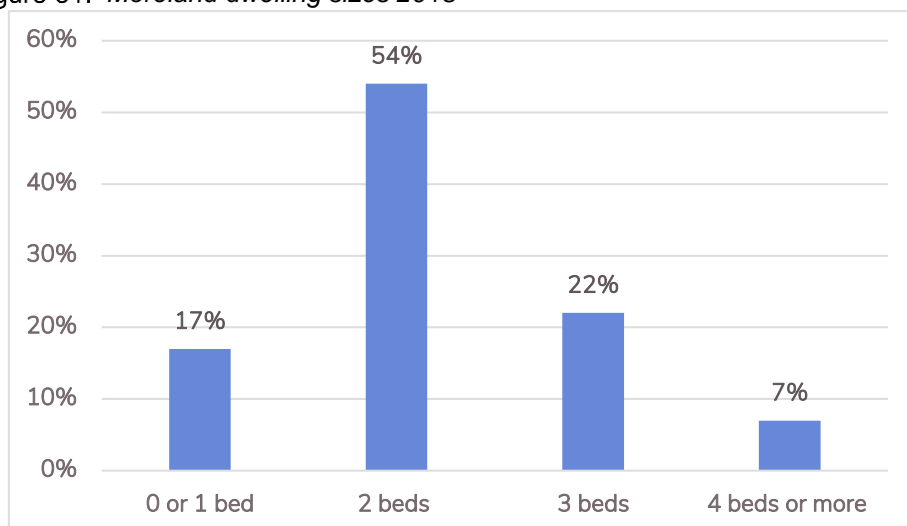


Figure 30. *Medium Density Housing Review – bedroom numbers three dwelling on a lot applications*



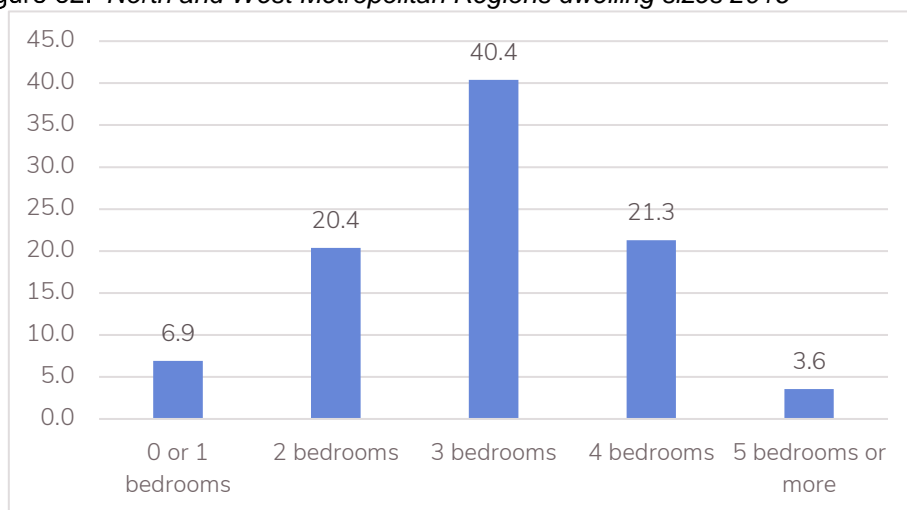
293. This variety is adding to Moreland's current diverse dwelling sizes.

Figure 31. *Moreland dwelling sizes 2018*



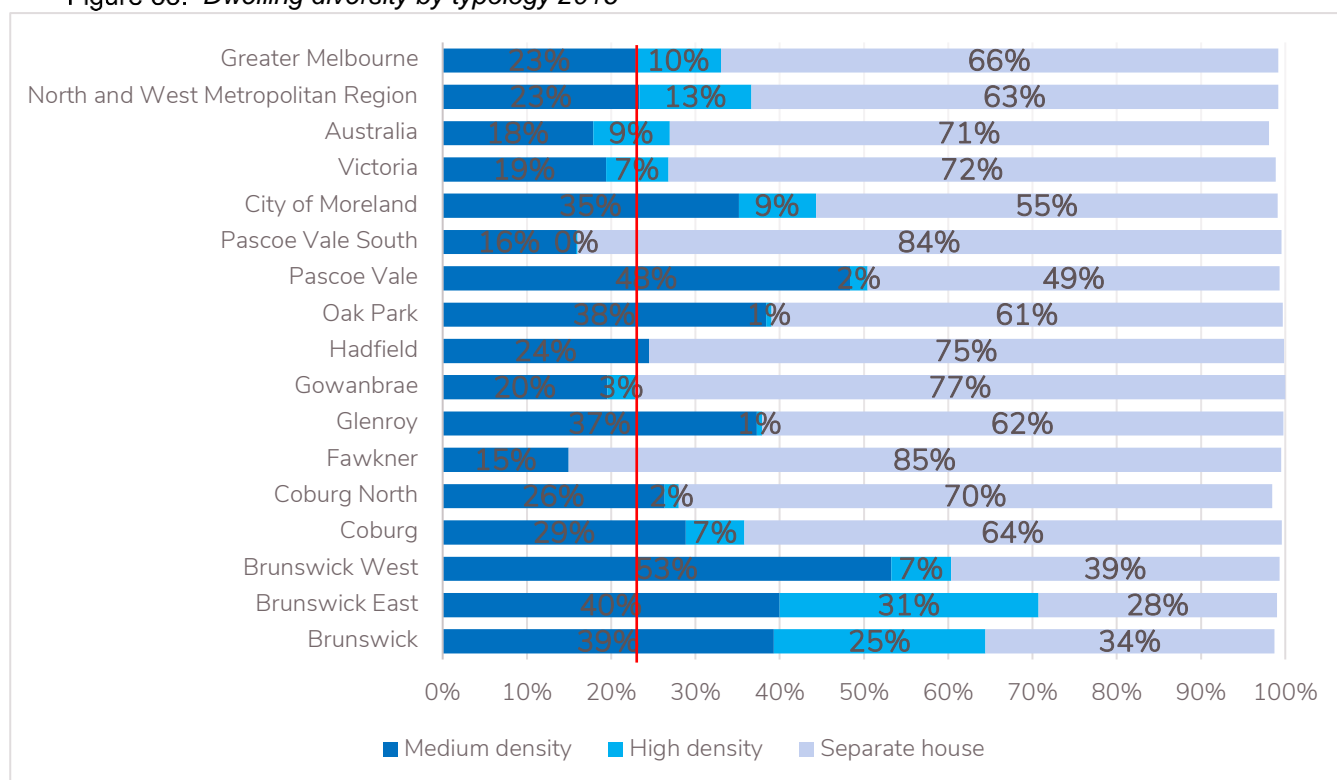
Source Moreland rates data

Figure 32. *North and West Metropolitan Regions dwelling sizes 2016*



294. Moreland has a much higher proportion of small dwellings than elsewhere. In Moreland 71% of dwellings contain 0-2 bedrooms. This compares with 27% of dwellings containing 0-2 bedrooms, in the north and west regions of Melbourne. Conversely, only 7% of dwellings in Moreland contain 4 or more bedrooms, contrasted with 25% in the north and west regions.
295. Whilst concern about a lack of diversity in dwelling size and a trend towards larger dwellings in municipalities which contain primarily large dwellings is understandable, it is in no way a reasonable concern in relation to Moreland.
296. Moreland also contains some of the highest proportions of medium and high-density dwellings in Melbourne and in *A Home in Moreland* and *Supplying Homes in Moreland*, this is forecast to increase exponentially.

Figure 33. *Dwelling diversity by typology 2016*



Source 2016 Census

*The red line indicates medium density dwelling diversity in Greater Melbourne, showing that Moreland as a whole, and many suburbs within Moreland are significantly more diverse than Melbourne and the region.

297. Moreland's housing is more diverse on just about any possible measure than any benchmark area. Chapter 4 of *A Home in Moreland* discusses housing diversity and the different roles and functions performed by different suburbs in significant depth. This diversity is well captured on 14 page [A Home in Moreland eBook](#). At 2016 35% of Moreland's households live in medium density housing. *Supplying Homes in Moreland* forecasts that by 2036, medium density housing will be home to 51% of Moreland households.
298. Both evidence-based housing research pieces identify that the greatest threat to Moreland's housing diversity is the very significant unmet need for affordable housing, including social housing, and not any superficial consideration of whether there are two or three dwellings on a lot.

Housing Supply

299. *Supplying Homes in Moreland* analyses housing demand and supply to 2036 and analyses the proportion of capacity that would be consumed within current planning controls.

Figure 34. *Moreland supply forecast and capacity*

Housing submarket	Supply forecast to 2036		Housing capacity		Capacity required to accommodate supply	
	Medium density	High density	Medium density	High density	Medium density	High density
North	6,683	0	19,256	1,875	35%	0%
Central	8,588	1,196	19,247	6,493	45%	18%
South	3,496	18,093	10,032	11,276	35%	160%

Total by type	18,767	19,289	48,535	19,644	39%	98%
Grand total	38,056		68,179		56%	

Source: SGS Economics and Planning, 2019; Moreland City Council (2016) Capacity Analysis of Moreland's Activity and Neighbourhood Centres; Moreland City Council (2017) Moreland Residential Zone Analysis Case Studies.

300. Medium density development in Moreland over the next 20 years will utilise only 39% of available capacity. The potential for a proportion of medium density applications being two, rather than three on a lot is not a threat in real terms to Moreland's ability to house its growing and changing population. There is a very significant buffer between medium density supply forecasts and capacity to accommodate medium density housing.
301. Moreland has begun to see the first signs of second generation medium density infill where retained front dwellings in 15-20 year old dual occupancy developments are being demolished and replaced with two dwellings fronting the street, realising three dwellings in total on the original lot.

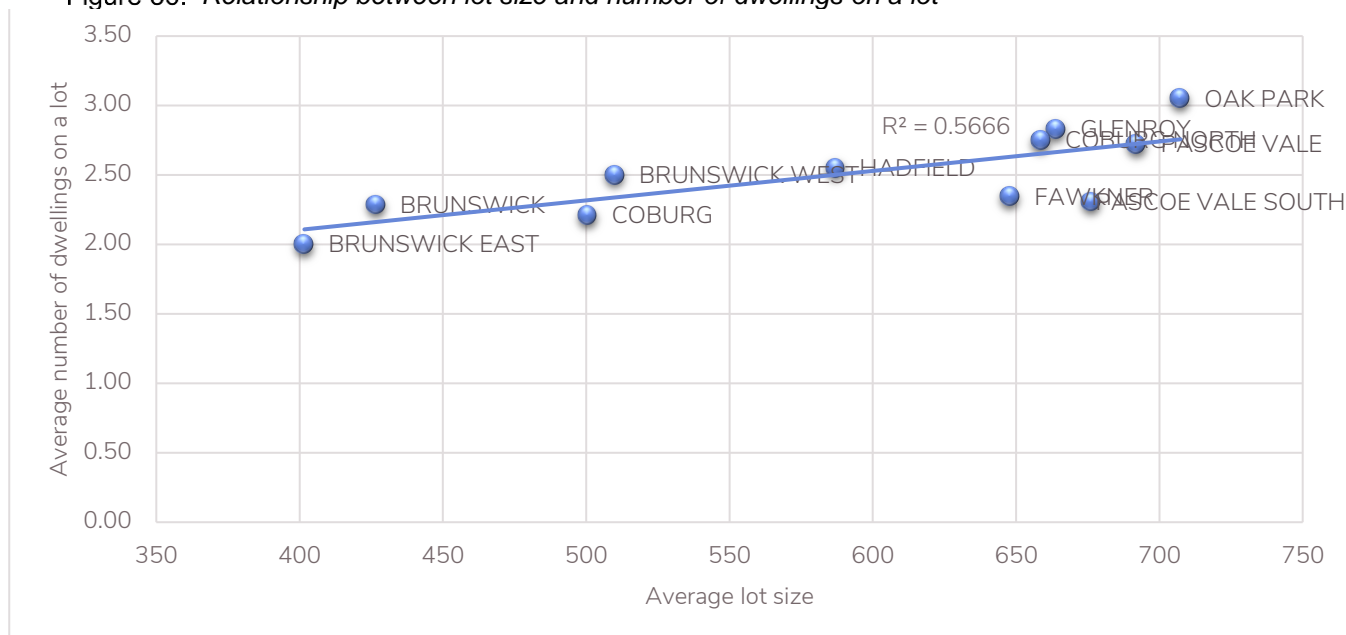
Analysis of all medium density applications 1 July 2018 – 31 July 2019 that occurred on one lot (209 applications in total)

Figure 35. *Where does medium density development occur? 2018/19*

	Number of applications	% of applications	Number of dwellings	% of dwellings
Glenroy	59	28	167	31
Fawkner	29	14	68	12
Pascoe Vale	25	12	68	12
Hadfield	20	10	51	9
Oak Park	20	10	61	11
Coburg	19	9	42	8
Pascoe Vale South	13	6	30	6
Brunswick West	10	5	25	5
Brunswick	7	3	16	3
Coburg North	4	2	11	2
Brunswick East	3	1	6	1
Total	209	100	545	100

302. Almost a third (28%) of medium density applications, and a third of approved medium density dwellings (31%) were in Glenroy, so Glenroy is important, but it is only one of eleven suburbs where medium density development occurs. Two thirds of medium density applications and approved medium density dwellings were not in Glenroy.
303. Almost three quarters (74%) of medium density applications and three quarters of approved medium density dwellings (77%) were in the northern suburbs of Pascoe Vale, Oak Park, Coburg North, Fawkner, Hadfield and Glenroy; north of Gaffney Street.

Figure 36. *Relationship between lot size and number of dwellings on a lot*



304. At first glance, in Moreland, in overall terms, there does appear at least some correlation between average lot size and average number of dwellings on a lot – this correlation is stronger in some suburbs than others.
305. As lot sizes are generally larger in the northern suburbs of Moreland than they are in the south, the actual lot sizes of approved medium density development have been analysed separating north from south.
306. In the northern suburbs, on lots between 550sqm and 700sqm, both two and three dwelling on a lot developments are common. In the northern suburbs 62% of medium density applications for two, three and four dwellings were on lots between 550 and 700sqm. In the northern suburbs 30% of medium density applications were on lots over 700sqm. In the 550 and 700sqm band width something other than lot size is influencing the number of dwellings in the development.
307. In the southern suburbs, lot sizes are generally smaller, and a far greater proportion of medium density development is for two dwellings on a lot. In the southern suburbs 25% of medium density applications for two, three and four dwellings were on lots between 550 and 700sqm. In the southern suburbs 12% of medium density applications were on lots over 700sqm. Medium density housing markets are far more complex than the initial picture of averages.

Figure 37. Northern suburbs relationship between lot size and number of dwellings on a lot

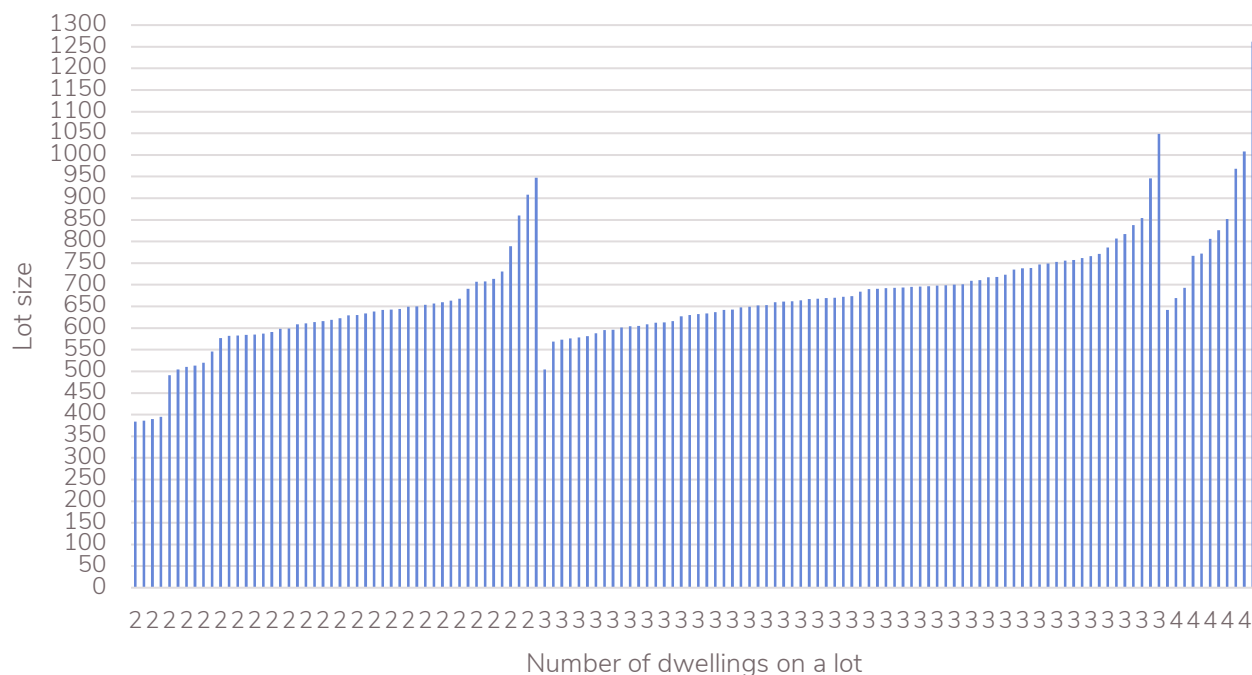
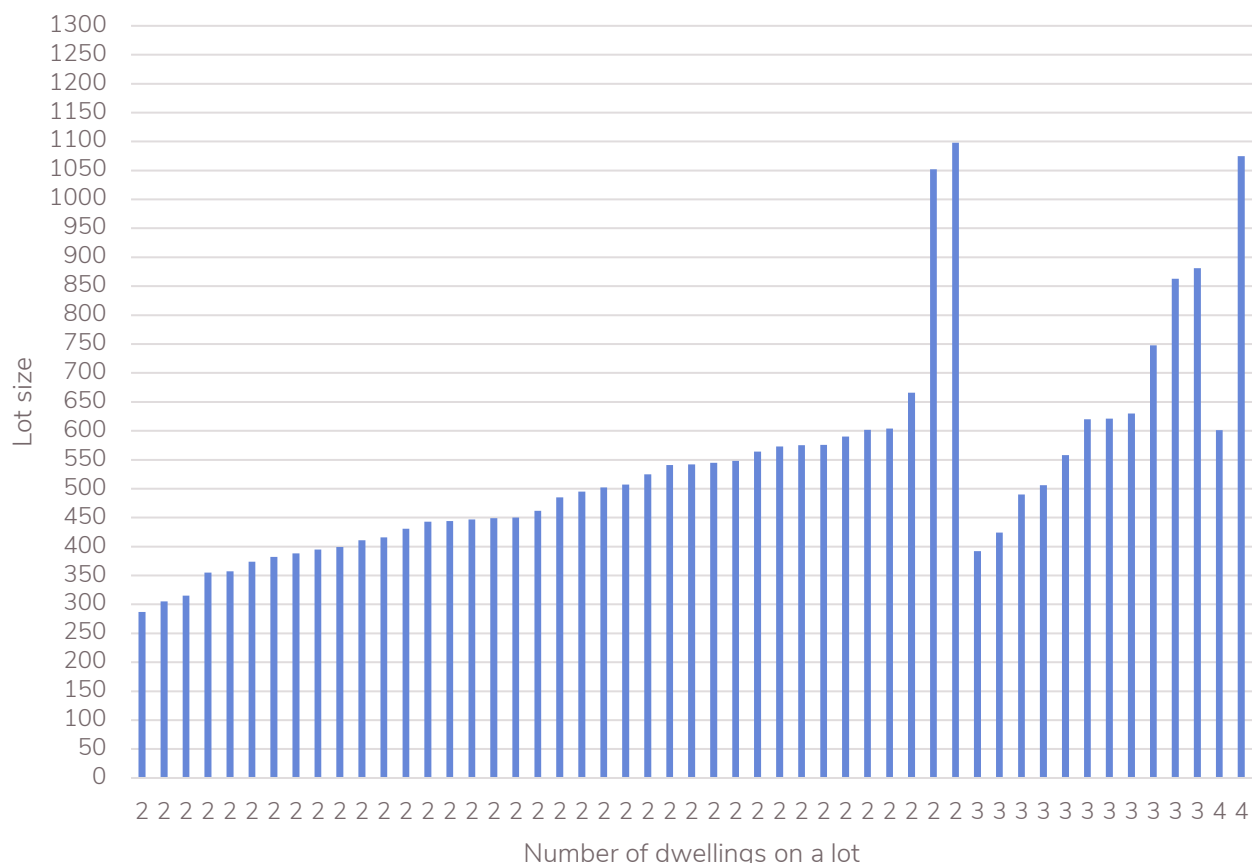


Figure 38. Southern suburbs relationship between lot size and number of dwellings on a lot



Is there are relationship between number of dwellings on a lot and land value?

308. A Home in Moreland contains average Hometrack property prices by suburb. It separates 'Houses' from 'Units'. Houses is separate houses. Put another way a 'House' is a medium density development site. 'Units' includes both medium and high density. Because of the strong presence of apartments in Brunswick and Brunswick East and to a lesser extent, Coburg; this dataset does not compare like-for-like between the suburbs, but if Brunswick and Brunswick East are excluded it shows comparative information of the average cost of a medium density dwelling in different suburbs.

Figure 39. Average house price by suburb, 2017

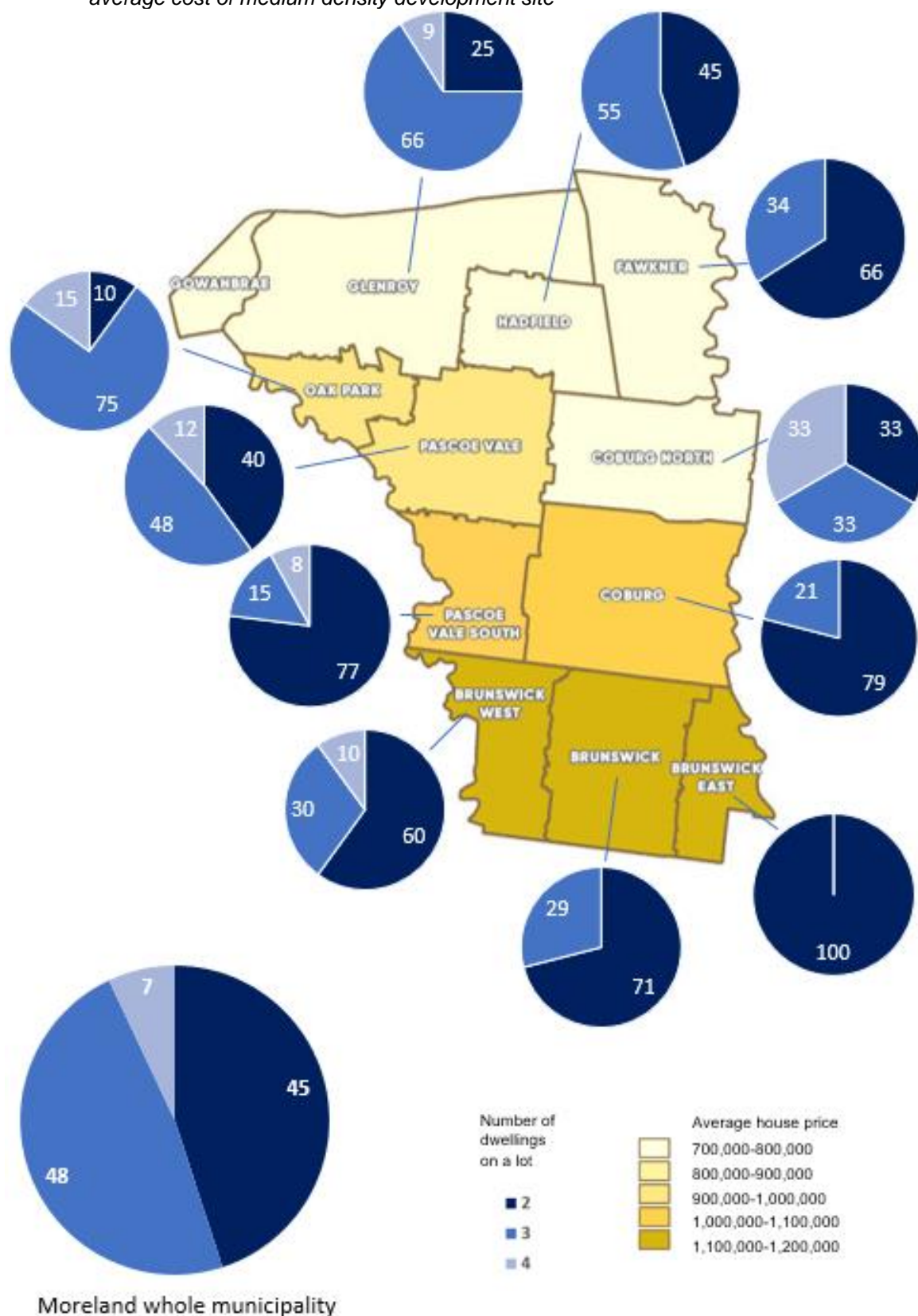
	Houses	Units	Difference
Brunswick West	\$1,151,791	\$483,226	\$668,565
Brunswick	\$1,196,436	\$537,013	\$659,423
Brunswick East	\$1,180,654	\$548,859	\$631,795
Coburg	\$1,006,089	\$542,444	\$463,645
Pascoe Vale South	\$1,050,408	\$617,053	\$433,355
Pascoe Vale	\$944,043	\$562,107	\$381,935
Oak Park	\$932,907	\$592,304	\$340,603
Coburg North	\$792,519	\$504,832	\$287,687
Hadfield	\$753,158	\$498,890	\$254,268
Glenroy	\$730,666	\$515,221	\$215,445
Fawkner	\$704,925	\$505,468	\$199,457
Gowanbrae	\$744,603	\$603,750	\$140,853

309. There is a strong north south divide in housing prices. South of Gaffney Street the average price of a house is in excess of \$1,000,000. North of Gaffney Street the average price of a house is in under of \$1,000,000, and for much of the northern suburbs; well below \$1,000,000.
310. So is there any relationship between the cost of a medium density development site and the variety in number of dwellings on a lot? In Moreland there does appear to be some correlation. Clearly it is not the only factor, but it is one driver of the typology of medium density development.

Do the proportions of 2 dwellings on a lot vs 3 or 4 dwellings on a lot vary across the municipality?

311. There is a north south divide at the \$1 million average house price line. South of the \$1 million line there is a very strong dominance of two dwelling on a lot applications. North of the line the number of dwellings on a lot is more varied. Land value appears to be one of the factors in medium density development number of dwellings on a lot.

Figure 40. Medium density development - Relationship between number of dwellings on a lot and average cost of medium density development site



How does this vary in different suburbs?

312. There is a very strong differentiation in the number of dwellings on a lot across different parts of the municipality, and this is not driven by lot size alone. It is a combination of lot size, land value, site attributes and the buyer market it is built to.

Figure 41. Average lot size – 2 dwellings on a lot

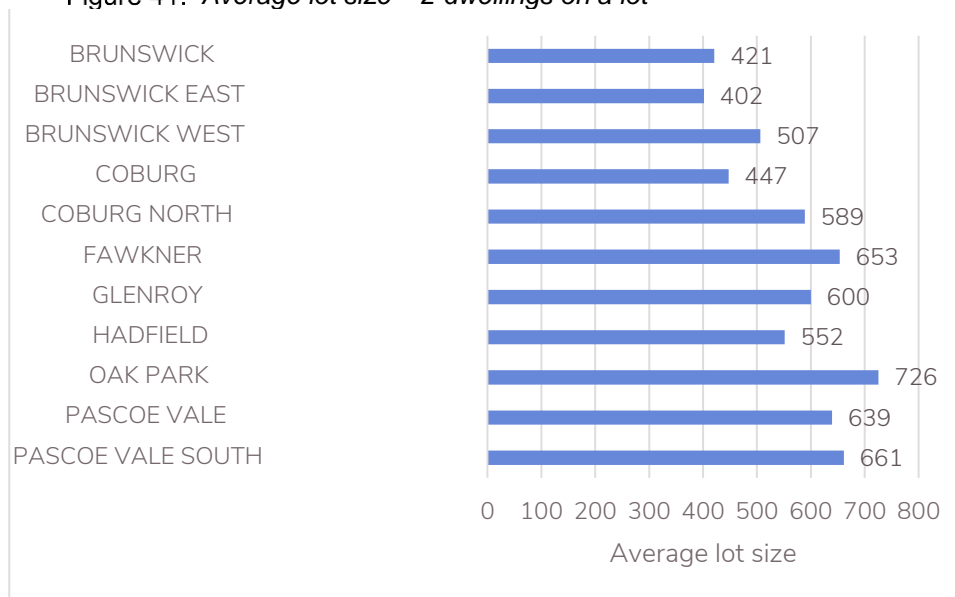
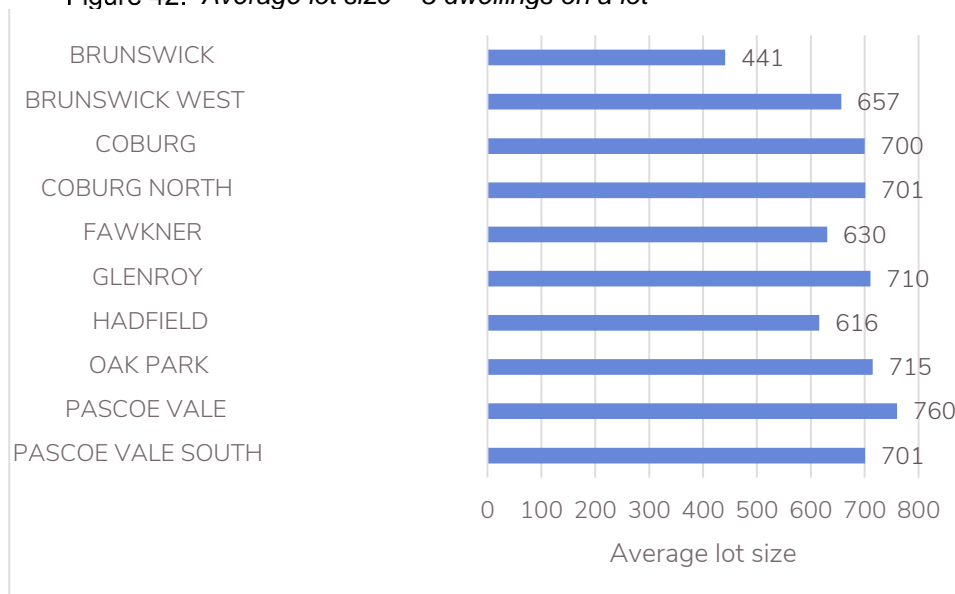


Figure 42. Average lot size – 3 dwellings on a lot



Will all three dwelling on a lot applications become two dwelling on a lot applications, impacting on housing supply?

313. In 2018 there were 135 applications in Moreland for three dwellings on a lot, netting 270 dwellings; noting the need to demolish an existing single dwelling to build three units/townhouses on a lot.
314. Even if half of these three dwelling on a lot applications were instead applications for two dwellings on a lot, due to the attractiveness of the faster process, there would be a net decrease of 70 dwellings per year.
315. It is acknowledged over a 20 year period this is a potential decrease of 1,400 dwellings however it is possible the opposite might happen and developing dual occupancies in Moreland may become a more attractive proposition speeding up the delivery of more housing.
316. In other words, Moreland may actually end up delivering more medium density dwellings rather than less.

317. Medium density development in Moreland over the next 20 years will utilise only 39% of available capacity. The potential for a proportion of medium density applications becoming two, rather than three on a lot is not a threat in real terms to Moreland's ability to house its growing and changing population as there is a significant buffer between supply forecasts and capacity to accommodate medium density housing. As indicated by this analysis, the number of dwellings on a lot is an outcome of lot attributes, land economics and socio economics of the community.
318. The proposed streamlining of fully compliant two dwelling on a lot proposals will not have any unreasonable impacts on housing supply or dwelling typology. Moreland's residential areas provide extensive infill housing opportunities. Year on year Moreland regularly receives the highest number of planning permit applications for medium density dwelling development in Victoria. This proposal will not impact Moreland's ability to provide for medium density development to house future populations but will ensure this growth makes a positive contribution for both those who live in this housing and the broader Moreland community.

Is there a 'tipping point' lot size at which medium density infill becomes three, rather than two dwellings on a lot?

319. There is a very strong differentiation in the number of dwellings on a lot across different parts of the municipality, and this is not driven by lot size alone. It is a combination of lot size, land value, site attributes and the buyer market it is built to.
320. There is not a tipping point lot size at which medium density infill is three, rather than two dwellings on a lot. In the south of the municipality, the number of medium density applications is low, lot sizes are small and medium density development is primarily two dwellings on a lot.
321. In the north of the municipality, the number of dwellings on a lot is being driven by price point, site attributes and the buyer market; not by lot size. The property market for medium density housing in Moreland is far more nuanced than any blunt assumptions about lot sizes.
322. Much is made of Moreland's high percentage of residential areas in the NRZ. More sophisticated scrutiny demonstrates that whilst a significant proportion of residentially zoned land in the south of the municipality is in the NRZ, this has very little impact on housing supply. In the northern suburbs of Moreland, where three quarters of medium density development occurs and there is a greater availability of medium sized developable sites, there is a much greater degree of integrity with the principles and criteria contained within the 2013 Practice Note PPN78: Applying the Residential Zones.

Will the whole of Moreland end up being either very large two dwelling on a lot developments or apartments, with nothing in between, impacting on housing diversity?

323. Both two and three dwelling on a lot applications are delivering a diversity of dwelling sizes. In both two and three dwelling on a lot applications half the dwellings (56%) have three or four bedrooms, indicating that number of bedrooms isn't being influenced by the number of dwellings on the lot. Dwelling size is meeting market price point demand.
324. Housing diversity and the property market for medium density housing in Moreland is far more nuanced than any blunt assumptions about dwelling sizes. Whether measured by low, medium or high density; numbers of bedrooms; tenure; or cost, Moreland's housing stock is amongst the most diverse in Melbourne. Moreland City Council has undertaken significant housing research to understand the housing demand and supply implications of demographic growth and change. A *Home in Moreland* and *Housing Supply in Moreland* have been supplied to DELWP to support the understanding of Moreland's current and future housing story. It is reiterated that Councillors have not yet been briefed on Supplying Homes in Moreland and as such this report is not yet public.
325. Credible housing research in Australia widely suggests that the planning system inhibits medium density infill development. Streamlining two dwelling on a lot applications enables Moreland City

Council to free up resources to improve planning permit processing times and the quality of outcomes for all medium density applications in Moreland.

326. The NSW Government has reformed its planning system over the past decade. It expanded its fast-track complying development process. If an application meets specific criteria in the code, it can be fast-tracked and a decision made without the need for a full development application. By 2015-16 these changes resulted in complying development applications accounting for 43 per cent of residential development applications in Sydney. The Low Rise Medium Density Housing Code forms part of the NSW Government's ongoing commitment to facilitate faster housing approvals and deliver a diverse range of housing options to support NSW's changing demographics and will allow one and two storey dual occupancies, manor houses and terraces to be carried out under a fast-track complying development approval.
327. Plan Melbourne Direction 2.4 acknowledges the role decision making processes play in facilitating housing in 'the right locations'. It states '*Developments allowing more than a single dwelling can also be subject to lengthy assessment processes and appeals even if they are in areas where change is envisaged. Contested applications generally arise where performance-based requirements exist instead of clearer, more prescriptive requirements. The uncertainty in the system needs to be reduced, particularly for development in areas defined for change and housing growth.*'
328. Plan Melbourne Implementation Plan Action 28 includes reviewing residential development provisions in the Victoria Planning Provisions to increase the supply of housing in established areas and streamlining the planning approvals process for developments in locations identified for housing change. This will include reviewing the VicSmart provisions and establishing measures to develop a codified process for the approval of medium-density housing in identified locations. This is a medium term action with indicative completion by the end of 2021.
329. Moreland City Council has undertaken significant, very high-quality housing research and strategic housing work over the past three years. This includes:
- A Home in Moreland - demographic and housing demand analysis
 - Supplying Homes in Moreland - housing demand and housing supply analysis
 - Medium Density Housing Review
 - Better Outcomes for Two Dwellings on a Lot Review
 - Planning Scheme Review Report 2018
 - Quality of Medium Density Development Initiatives Report
 - Affordable Housing Advisory Service Pilot Program Evaluation Report.

Summary of issues

Part A Direction f) issues identified in submissions

330. The themes which emerge across submissions include:
- Workflow process
 - Streamlining medium density housing
 - VicSmart
 - Operation of Rescode
 - Process change
 - Neighbourhood character
 - Crossovers and garages
 - Liveable housing
 - ESD
 - Housing affordability
 - Infrastructure
 - Legislative requirements and human rights
 - Consultation and notice of the amendment

- Monitoring.

Workflow process

331. Two submissions discuss how the workflow proposed by Amendment C190 may work.

Streamlining medium density housing

332. One submission discusses the state context for streamlining of medium density housing.

VicSmart

333. Two submissions discuss the history of VicSmart and whether it is an appropriate tool to streamline approval processes for two dwelling on a lot development.

Operation of Rescode

334. Two submissions discuss the operation of Rescode.

Process change

335. Thirteen submissions discuss the proposed process change. Seven submissions support the proposed process change. Six submissions do not support the exemption from notice and objector appeals within the VicSmart process.

Neighbourhood character

336. Four submissions raise queries about how the Amendment will alter consideration of neighbourhood character.

Crossovers and garages

337. Five submissions discuss the proposed requirements for new crossovers and garages. Two submissions are supportive and Three do not support the proposed requirements.

Livable housing

Part A Direction c) ii strategic context and assessment - Living Housing Design Guidelines

338. Three submissions discuss the inclusion of a requirement within the amendment for housing which meets the Liveable Housing Australia Design Guidelines. One submission is supportive and two do not support the proposed requirement.

339. The Vision within the Moreland MSS at Clause 21.02-3 in relation to Liveable Housing is:
'Housing needs for individuals and families can change due to a range of factors, including age, temporary or permanent injury or impairment, and disability. To address these issues, Council requires all new dwellings in Moreland to be designed so they can be visited by people whose mobility is constrained. Council also seeks to increase the housing stock in the municipality that is designed to be accessible (i.e. is suitable to be lived in by people whose mobility is impaired) or can be easily adapted to provide accessibility features.'

340. The MSS housing guidance at Clause 21.03-3 Objective 9 is:
'To increase the supply of housing that is visitable and adaptable to meet the needs of different sectors of the community'

341. Strategy 9.2 is:
'Encourage the provision of liveable housing that can be lived in by people with limited mobility (or easily adapted to be lived in) by incorporating the following design features:

- An accessible path from the street and car park areas to a level entry
- A bedroom, living area, kitchen, private open space, bathroom and toilet which can be efficiently adapted for people with limited mobility on entry level
- Minimum width of 850mm for doors and 1000mm for hallways at entry level.'

342. These requirements align with Silver Level in the LHA Liveable Housing Australia Design Guidelines.
343. There are currently no control mechanisms within the Moreland Planning Scheme to deliver this objective and strategies.
344. The Amendment seeks to use the appeal of the streamlined assessment process to incentivise delivery of livable housing.
345. The Medium Density Housing Review found (on pages 21 and 33) that the introduction of the garden area requirement has dramatically reduced reverse living, and that accessibility requirements within the MSS could be applied to majority of applications without significant cost and design implications.
346. Interviews with building designers within the Medium Density Housing Review revealed that other Councils are requiring a proportion of medium density housing to be accessible.
347. The dramatic reduction in reverse living has also resulted in almost all dwellings having a ground level living room, kitchen and toilet and a significant proportion also having a bedroom and bathroom at ground floor level.
348. The Medium Density Housing Review found however that these dwellings however are not meeting the specific dimension requirements of the Municipal Strategic Statement Clause 21.03 Objective 9 to enable a person with altered mobility to access the dwellings. But with wider doorways and marginally larger toilets and bathrooms 88% of medium density dwellings could be visitable or livable for a person with mobility disability.
349. The Accessible Housing: Estimated Cost Impact of Proposed Changes to National Construction Code at **Attachment 2**, found that the construction cost of inclusion of Silver Level LHA requirements in townhouse typologies is \$1,839 per dwelling.
350. In this example, retrofitting an existing dwelling to a sub-optimal level which did not meet the internal door dimension requirements to LHA Silver Level cost \$130,000. The example also highlights the difficulty people requiring accessible housing have with finding rental housing which meets their needs. In 2016 36% of Moreland's households lived in rental housing and by the next Census it is estimated that this will increase to around 50%.
<http://www.abc.net.au/news/2018-09-12/accessible-housing-push-in-townsville-for-inclusive-living/10209796>
351. Meeting the Silver Level LHA guidelines remains voluntary. The Amendment does not propose to alter any requirement in the Moreland Planning Scheme in the existing standard application pathway. It only becomes a requirement in relation to those applications where the applicant chooses to opt into the optional VicSmart application stream.

ESD

Part A Direction c) ii strategic context and assessment - BESS Score Card

352. Three submissions do not support the ESD requirement within the amendment or raise queries about how the amendment will alter the process for consideration of ESD.
353. The policy context for ESD requirements in planning scheme is outlined in this report.
<https://www.moreland.vic.gov.au/globalassets/areas/amendments/amendmentslib-7208/c71/amendment-c71--environmentally-efficient-design--built-environment--sustainability-cord--sustainability-assessment-investigation-report-hansen-sbe-final-march-08.pdf>
354. The objectives of planning in Victoria, as set out in s4 of the *Planning and Environment Act* include:

'to provide for the ... sustainable ... development of land

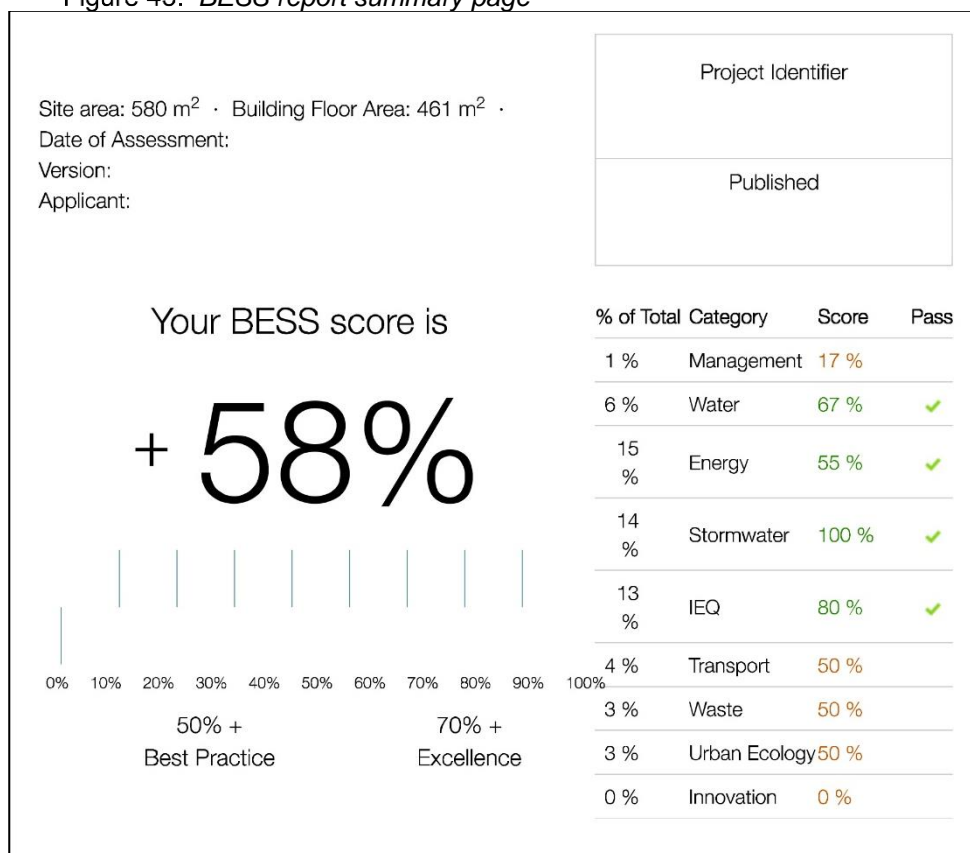
to enable ... development planning ... to be easily integrated with environmental ... policies at State, regional and municipal level

to facilitate development which achieves ... planning objectives set up in planning schemes.'

355. State Planning Policy at Clause 13.01-1S relates to natural hazards and climate change. The objective is to ... *adapt to the impacts of climate change through risk-based planning*. The first strategy is to consider the risks associated with climate change in planning ... decision making processes.
356. State Planning Policy at Clause 15.02-1S relates to energy and resource efficiency. The objective is to *encourage land use and development that is energy and resource efficient, supports a cooler environment and minimises greenhouse gas emissions*. The first strategy is to improve the energy, water and waste performance of buildings ... through environmentally sustainable development.
357. Moreland City Council's vision contained at Clause 21.02-3 of the MSS includes Strategic Direction 5: Environmentally Sustainable Development
'Council is committed to best practice environmentally sustainable development (ESD). Development should integrate the principles of sustainable design early in the design process, at the planning stage, for the following benefits: Easier and cheaper compliance with building requirements through passive design Reduced living costs associated with housing, such as energy costs Improved amenity and liveability Reduced greenhouse gas emissions Greater resilience to the impacts of climate change (such as heat waves). The ESD Local Planning Policy (22.08) includes objectives and application requirements to facilitate environmentally sustainable buildings.'
358. There is an Environmentally Sustainable Development local policy in the Moreland Planning Scheme at Clause 22.08. The overarching objective of this policy is that *development should achieve best practice in environmentally sustainable development from the design stage through to construction and operation*.
359. The policy basis states that if environmentally sustainable design is not considered at the time of planning approval, the ability to achieve environmentally sustainable development may be compromised by the time these matters are considered as part of a building approval. In addition, there may be difficulties or extra costs associated with retro-fitting the development to implement environmentally sustainable design principles.
360. Moreland's local ESD policy at Clause 22.08-04 guides planning applicants to use Built Environment Sustainability Scorecard (BESS), to demonstrate how a proposed development addresses the objectives of the policy. BESS is also listed as a reference document at Clause 22.08-6.
361. BESS was specifically developed to be used at the planning stage to assist designers in achieving compliance with the local ESD policy. BESS is dynamic with the questions asked and the information to be provided tailored to the size and type of the development. This means that the experience using BESS is different if a user is assessing a two dwelling development compared with a large mixed-use development such as an apartment complex with retail and office space.
362. BESS assesses projects against established benchmarks in nine environmental categories, which are consistent with the environmental objectives in the Local ESD Planning Policy:
363. BESS is a points-based tool that provides an overall score for a project based on the number of sustainability 'actions' that have been achieved. To achieve a 'best practice' level of ESD, a project must achieve an overall score of 50% or higher. To achieve a 'excellence' level of ESD, a project must achieve an overall score of 70% or higher.
364. Applicants have a large degree of flexibility in how they demonstrate best practice. Of the nine categories, four of these include a minimum 'category pass' score. The remainder of the required points can be made up from any category.

365. Once the information has been added to each category, a report can be generated that contains a complete set of all data, as well as a summary page of the scoring as a total and for each category.

Figure 43. *BESS report summary page*



366. Amendment C190 requires exactly the same ESD outcomes for two dwelling on a lot applications in the VicSmart stream as applications assessed in the standard planning permit assessment stream.
367. The expression of the requirement within the planning scheme is strengthened and in order to qualify to get in the VicSmart door the mandatory requirement sits within a control rather than a policy.
368. The ESD provision proposed by Amendment C190 reflects the environmental performance of two dwelling on a lot development which is being delivered by existing best practice requirements contained within Clause 22.08 of the Moreland Planning Scheme.
369. Case study analysis undertaken within the *Better Outcomes for Two Dwellings on a Lot* review found that all two dwelling on a lot applications are currently achieving the minimum best practice BESS score of 50%. For two dwelling on a lot applications BESS scores range between 50% and 76%. Fifty five percent of two dwelling on a lot applications achieve a BESS Score of 55% or less.
370. Within the BESS tool to achieve an 'excellence' level of ESD, a project must achieve an overall score of 70% or higher. Within the *Better Outcomes for Two Dwellings on a Lot* case study analysis ESD excellence was achieved in only 4% of two dwelling on a lot applications.

Housing affordability

371. One submission considers that the amendment will assist with a cheaper, affordable and efficient housing for older residents.

Infrastructure

372. One submission raises issues regarding the capacity of infrastructure, services and transport systems.

Legislative requirements and human rights

373. One submission raises matters regarding various legislative requirements.

Consultation and notice of the amendment

374. Two submissions discuss notice of the Amendment.

Monitoring

375. One submission discusses monitoring of the amendment for two years after it being approved.
376. Detailed responses to all submissions will be provided in Council's Part B submission to the Panel.

Part A Direction g) any suggested changes to the Amendment in response to submissions.

377. In accordance with the Council report and resolution of 12 August 2020 Amendment C190 has been referred to Panel for consideration as exhibited. No changes to the amendment in response to submissions are proposed.
378. It is understood from preliminary advice from Glossop Town Planning that John Glossop may suggest changes to improve the clarity and operation of the proposed provisions for the Panel's consideration. Any changes suggested in this expert evidence will be clearly marked up as recommended changes to the Schedules to Clauses 59.15 and 59.16 so that the Panel and submitters are clear about what is being suggested.
379. Panel Part B Direction f) includes Council's response to evidence and Council will respond to any changes to the Amendment advanced in expert evidence in accordance with this direction.

Amendments which may impact on Amendment C190

Part A Direction c) iv other amendments that may be under preparation or recently approved that may impact on the Amendment including VC186 and C189more

Canopy Tree Planning in Residential Areas (Amendment C189)

380. Moreland Planning Scheme Amendment C189 seeks to direct specific canopy tree planting outcomes for medium density housing throughout Moreland's residential zones by amending the landscaping requirements within the schedules to the residential zones. It is proposed by this means to further vary the usual B13 standard of Clause 55.03-8.
381. In Amendment C189 Moreland City Council demonstrated that the development opportunities with the proposed tree canopy requirements will facilitate development opportunities at the same yield currently achievable on residentially zoned land.
382. The Canopy Trees in Residential Areas background report which informed Amendment C189 includes analysis of opportunities for planting in Neighbourhood Residential and General Residential Zone areas. Analysis of medium density development indicated the significant opportunity to provide additional planting. Spatial analysis of the private open spaces in medium density development was conducted to determine the largest size tree that can be accommodated in the existing private open spaces to maximise the long-term shading benefits whilst not impacting on dwelling yield.

383. As required by the Ministerial Direction on the Form and Content of Planning Schemes, Amendment C189 proposes to insert a neighbourhood character objective into the schedules of the Neighbourhood Residential Zone and General Residential Zone. This objective is:
To promote a preferred neighbourhood character where the design and siting of new dwellings integrates generous landscaping through the retention of existing canopy trees (where practical) and the planting of new canopy trees and vegetation.
384. The Amendment C189 Panel recommended that the amendment be adopted as exhibited subject to very minor editorial changes. The amendment was adopted by Council in the form recommended by Panel on 10 June 2020. It was submitted to the Minister for Planning on 25 June 2020. Moreland City Council is advised that the amendment is likely to be gazetted within the next month.
385. The Schedule to Clause 59.15 proposed by Amendment C190 includes the decision guideline:
386. In assessing an application the responsible authority must consider as appropriate:
- Any relevant neighbourhood character objective, policy or statement set out in this scheme.
387. Amongst other things this decision guideline will require a decision maker to turn their mind to the neighbourhood character objective proposed by Amendment C189 if the amendment is approved.
388. Amendment C190 includes a requirement that to meet the mandatory local VicSmart application class requirements an application must meet the B13 Landscaping standard numerical requirements of the schedule to the zone.
389. The Schedules to Moreland's Neighbourhood Residential Zone and General Residential Zone already contain B13 Landscaping standard numerical requirements so this requirement in Amendment C190 is relevant whether or not Amendment C189 is approved.
390. As Amendment C190 does not propose to make any changes to the Neighbourhood Residential Zone and General Residential Zone Schedules Amendment C189 does not have any direct impact Amendment C190.
391. Beyond matters related to neighbourhood character, in drafting the proposed requirements proposed by Amendment C190, regard was had to the percentage of two dwelling on a lot applications which would be eligible for application under Clause 51.06, inclusive of the canopy tree planning requirements proposed by Amendment C189.

Moreland Planning Policy Framework Translation (Amendment C200)

392. In 2018, the State Government introduced a new Planning Policy Framework (PPF) into all Victorian Planning Schemes as part of the Smart Planning reform program through Amendment VC148. The State Government's introduction of the PPF is said to improve the operation of planning policy in planning schemes by containing state, regional and local policies in the one place, enabling a policy framework that is stronger, better aligned, consistent and easier to navigate.
393. Amendment VC148 (VC148) is part of the State Government's Smart Planning program to modernise Victoria's planning policy and rules. It was gazetted on 31 July 2018 and applies to all planning schemes. VC148 implemented the first stage of the PPF by replacing the State Planning Policy Framework (SPPF) with the PPF structure. The State Government advises that it has introduced the PPF to improve the operation of planning policy in planning schemes by containing state, regional and local policies in the one place, enabling a policy framework that is stronger, better aligned, consistent and easier to navigate. It encompasses Clauses 11 – 19 of planning schemes. This structure is standard across all Victorian Planning Schemes. The PPF also provides a standardised format for all policies. Each policy now includes 'objectives' and 'strategies' and where necessary, 'policy guidelines'. It removes 'application requirements' and 'decision guidelines'. The State Government advises that the new PPF structure is aimed at significantly reducing repetition in the planning scheme and using language that is more easily understood.

394. All Councils are required to translate their Local Planning Policy Frameworks to the new PPF structure by June 2021. The translation process has included a review of all parts of the existing framework to ensure that critical local content is retained. Content that is not consistent with the Planning Scheme rules established by the Department of Environment, Land, Water and Planning such as: duplication, material found in other legislation, matters that planning cannot address or are outdated, are required to be excluded.
395. Content has been translated from existing policies within the LPPF, with changes made where required to align with the DELWP planning scheme rules. Council officers have worked closely with DELWP to ensure that the policies have met the prescribed requirements and accord with the PPF format.
396. Amendment C200 to the Moreland Planning Scheme proposes to replace the existing Local Planning Policy Framework with a redrafted policy neutral Planning Policy Framework and to reframe this in the form of a Municipal Planning Strategy.
397. On 12 August 2020 Council resolved to request the Minister for Planning prepare, adopt and approve Amendment C200 pursuant to section 20(4) of the Planning and Environment Act 1987.
398. The Moreland Planning Scheme contains a Neighbourhood Character local policy at Clause 22.01. This policy is being translated consistent with DELWP's translation rules. When C200 is gazetted local neighbourhood character policy guidance will sit within the following clauses:

Figure 44. Table 1: Draft Municipal Planning Strategy and planning policies and strategic sources

Clause	Clause name	Commentary
15.01-2L	Building Design in Moreland	This policy focuses on achieving building design outcomes that contribute positively to the local context and enhances the public realm. It consolidates several strategies from existing content regarding building design into one place. Key policy sources: <ul style="list-style-type: none"> • Clause 21.03-4 Urban Design, Built Form and Landscape Design. • Clause 22.01 Neighbourhood Character. • Clause 22.03 Car and Bike Parking and Vehicle Access.
15.01-2L	Building Design in Neighbourhood and Local Centres	This policy sets out building design requirements for neighbourhood and local activity centres. It contains content from existing policy. Key policy sources: <ul style="list-style-type: none"> • Clause 22.01 Neighbourhood Character.
15.01-5L	Neighbourhood Character	This policy applies to minimal and incremental housing change areas and seeks to ensure new housing development is designed to respect the character and context of surrounding development. Key policy sources: <ul style="list-style-type: none"> • Clause 22.01 Neighbourhood Character.
16.01-2L	Homes in Moreland	This policy sets out the preferred locations for housing growth and change within the municipality. Key policy sources: <ul style="list-style-type: none"> • Clause 21.02-3 Strategic Direction 3: Housing. • Clause 21.03-2 Land for Industry and Economic Regeneration. • Clause 21.03-3 Housing. • Clause 22.01 Neighbourhood Character.

399. The Schedule to Clause 59.15 proposed by Amendment C190 includes the decision guideline:
In assessing an application the responsible authority must consider as appropriate:
- Any relevant neighbourhood character objective, policy or statement set out in this scheme.
400. This decision guideline has been drafted to not refer to Clause 22.01 by clause number to take account of the PPF translation which is expected to be gazetted by June 2021.
401. As identified above, Amendment C200 also refines the existing Car and Bike Parking and Vehicle Access policy at Clause 22.03.
402. As Amendment C190 does not propose to make any changes to the Planning Policy Framework, Amendment C200 does not have any direct impact on Amendment C190.

Secondary Dwellings (Amendment VC186)

403. Amendment VC186 amends the Victoria Planning Provisions by introducing a definition for a secondary dwelling and Secondary dwelling requirements at Clause 51.06.
404. A secondary dwelling is a small-scale garden studio style dwelling, similar to a dependent person's unit. Unlike a dependent person's unit, it may be permanent, and the occupant does not need to be dependent on a resident of the existing dwelling. A planning permit is required a secondary dwelling.
405. Plan Melbourne 2017-2050, identifies the need to facilitate housing choice and meet changing household needs. Alternative forms of housing such as secondary dwellings offer:
- diverse and affordable housing options
 - providing opportunities for extended families to live together
 - couples to downsize
 - extra rental options for the community.
406. Plan Melbourne Policy 2.5.1 identifies that Melbourne needs a greater mix of housing. Alternate forms of housing, such as secondary dwellings, are thought to offer the opportunity for small-scale development in established areas, creating opportunities for extended families to live together, or older couples to downsize.
407. Secondary dwellings provide housing options to assist Victorians. People in different life stages have different housing needs. For individuals seeking smaller footprint housing, there are a number of barriers to entry including a lack of existing suitable supply and planning barriers which limit the construction of new housing supply.
408. Secondary dwellings are currently subject to the same controls as multi-unit which creates significant costs and more importantly uncertainty. These barriers result in a situation where 'it's all too hard' or, at the other extreme, maximisation of development envelopes and yields in response to controls intended for more intense development. The outcome is a lack of affordable smaller homes, making it more difficult for Victorians to age in place, dwell temporarily while transitioning to a different life stage, or live near and care for the ones they love.
409. Amendment VC186 was gazetted on 27 August 2020. It is an amendment introduced by the Minister for Planning following consultation with technical reference groups. It introduced planning scheme provisions for Secondary Dwellings into the planning schemes of four pilot councils being are Greater Bendigo, Murrindindi, Kingston and Moreland.
410. These Councils were selected because they:
- represent a mix of metropolitan and regional councils
 - use a majority of the residential zones where the code applies
 - have a large number of suitably sized residential lots.
411. The pilot program will run from August 2020 and conclude in March 2021.

412. The purpose of the pilot program is to trial the secondary dwelling provisions to inform minor refinements and adjustments by the state government. Data will be collected for the first seven months of implementation.
413. Data will be collected by the pilot councils during the pilot program. Data from the first seven months of implementation will be analysed by the Department of Environment, Land, Water and Planning and any refinements and adjustments made to inform the Minister for Planning's consideration of introducing the code into all Victorian planning schemes.
414. A secondary dwelling must:
- Be located on the same lot as an existing dwelling and cannot be subdivided
 - Not exceed a gross floor area of 60 square metres
 - Not exceed a building height of 5 metres or one storey
 - Meet any garden area requirement in the zone.
415. Applications for secondary dwellings will be able to be considered under VicSmart, if they meet a number of criteria, including compliance with all Clause 55 amenity standards. This would mean that these applications are exempt from public notice and would be determined within 10 business days.
416. The provisions of Clause 52.06 (car parking) do not apply to secondary dwellings and these dwellings can be constructed without car parking. However, any car parking associated with the existing dwelling will not be able to be reduced.
417. Within the secondary dwelling provisions there is no consideration of neighbourhood character, no consideration of requirements in zone schedules and only some Clause 55 requirements apply.
418. A secondary dwelling is a fundamentally different housing product to a medium density unit or town house, which is why specific VPP provisions have been introduced. None of the applications for two dwellings on a lot currently being received in Moreland meet the secondary dwelling requirements by virtue of their size am
- The experience in other Australian jurisdictions including New South Wales, Queensland, Western Australia, Tasmania and South Australia, is that secondary dwellings are generally prefabricated semi-permanent structures, which is why the VPP applies the secondary dwelling requirements to all residential zones, including the Residential Growth and Mixed Use Zones.
419. The secondary dwelling requirements apply in the following zones:
- Township Zone;
 - Mixed Use Zone;
 - Residential Growth Zone;
 - General Residential Zone and
 - Neighbourhood Residential Zone.
420. The proposed secondary dwelling requirements are not as far reaching as what Moreland City Council is proposing in Amendment C190. The C190 provisions related to fully subdividable townhouses, where two dwelling on a lot development is required to meet all neighbourhood character, zone, Rescode numeric and car parking requirements, as well as standards for accessibility and ESD.
421. To date Moreland City Council has received one secondary dwelling application. Across the four pilot Councils there has been two secondary dwelling VicSmart applications approved. One was a change of use from a Dependant Persons Unit and the other was a new build.

Conclusion

422. Council has undertaken a thorough process to undertake the *Better Outcomes for Two Dwellings on a Lot* review of dual occupancy development in Moreland and Amendment C190 to the Moreland Planning Scheme.

- 423. Council's position to the Panel will rely on expert evidence provided by Glossop Town Planning, as well as Council Officer responses to submissions.
- 424. Council's 'Part B' submission will be presented at the Panel Hearing on 26 October 2020.
- 425. This completes the Part A submission for Council.

List of Attachments

1	DELWP letter regarding Medium Density Housing Review	D19/54838
2	Accessible Housing: Estimated Cost Impact of Proposed Changes to National Construction Code	D20/325386
3	DELWP advice regarding VicSmart process	D20/357950 D20/373261