

## **MORELAND PLANNING SCHEME**

### **AMENDMENT C190**

#### **EXPLANATORY REPORT**

##### **Who is the planning authority?**

This amendment has been prepared by Moreland City Council.

Moreland City Council is the planning authority for this amendment.

##### **Land affected by the Amendment**

The amendment applies to land in the General Residential and Neighbourhood Residential Zones.

##### **What the amendment does**

The amendment introduces 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.

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.

The specified criteria are:

##### Maximum building height

The standard maximum building height requirements of the zone must be met. Within the Neighbourhood Residential Zone, the building height must not exceed 9 metres; and must contain no more than 2 storeys at any point. Within the General Residential Zone, the building height must not exceed 11 metres; and must contain no more than 3 storeys at any point.

##### Minimum garden area

The standard mandatory minimum garden area requirement of the zone must be met.

##### Landscaping

The landscaping requirements within the Neighbourhood and General Residential Zones must be met. These requirements relate to canopy tree planting.

##### Site layout and building massing

All numerical standards relating to street setback, site coverage, permeability and width of accessways and car spaces must be met. These requirements ensure that development respects character of the neighbourhood and makes efficient use of the site.

##### Amenity impacts

All numerical standards relating to side and rear setbacks, walls on boundaries, daylight to existing windows, solar access to existing north-facing habitable room windows, overshadowing of open space

and overlooking must be met. These requirements ensure that the impacts of development on adjoining land owners are not unreasonable.

#### On-site amenity and facilities

All numerical standards relating to internal views, daylight to new windows, private open space, solar access to open space, storage and front fences must be met. These requirements ensure that high quality living environments are created for those who will live in the dwellings.

#### Car parking

Numerical standards relating to the number of car parking spaces must be met. In addition, requirements have been included to reduce the dominance of crossovers and car parking from the street. These requirements are consistent with Council's case study analysis and relevant VCAT decisions and are particularly applicable to side by side dual occupancies. These requirements ensure the retention of street trees, adequate space for front garden landscaping and retention of on street car parking spaces.

#### Livable (accessible) housing

All new dwellings must achieve Silver Level of performance under the Livable Housing Australia, Livable Housing Design Guidelines. This requirement is consistent with objectives to increase the supply of housing that is visitable and adaptable to sectors of the community with altered mobility. The specification of Silver standard performance gives greater clarity of accessibility requirements to deliver outcomes that improve upon those currently being delivered by the planning scheme provisions.

#### Environmental sustainability

All new dwellings must achieve a minimum Built Environment Sustainability Scorecard (BESS) score of 50%, including achieving the mandatory minimum score paths for water, energy, storm water and indoor environmental quality. This requirement will ensure that the outcomes will be of high quality and that the requirements of the Environmentally Sustainable Development local policy will be met in every application.

### **Why is the Amendment required?**

The Moreland *Medium Density Housing Review* (October 2018) made nine recommendations about how to improve the quality of medium density housing in Moreland. One of the recommendations was to investigate the potential to incentivise better quality two dwelling on a lot development through a more straight forward planning permit process. Moreland's *Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland)* has found that a more straight forward process for fully compliant, enhanced quality dual occupancy development that is healthier and more liveable, could incentivise improved quality outcomes for the Moreland community and for future residents of Moreland.

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.

Amendment C190 is required to implement an extension to the VicSmart permit process by transferring particular classes of application from the standard permit process to the VicSmart process.

The anticipated benefits of progressing a streamlined permit process for eligible two dwelling on a lot planning permit applications are that:

- Fully compliant, good quality two dwelling developments are received 'up front' with no negotiation required over discretionary elements.

- Guaranteed best practice ESD outcomes due to the inclusion of ESD as a requirement in criteria (not a discretionary policy).
- Guaranteed better housing accessibility due to a new requirement for certification from Living Housing Australia accredited assessors.
- ResCode criteria become mandatory rather than discretionary for those that choose this application stream.
- Compliance with the planning scheme will be incentivised, reducing tendency for applications to push the boundaries due to the time, cost and uncertainty associated with seeking planning approval.
- Improved customer service and certainty for landowners, developers and the community will be provided.
- There is a reduction in the time, cost and resource burden on the community and Council associated with objections, negotiating improved outcomes and VCAT reviews.

To ensure that introducing the VicSmart 10-day process (which does not allow for advertising of permit applications to adjoining neighbours) would not result in an inappropriate loss of third party input into planning permit decisions, an extensive analysis of objections to dual occupancy development was undertaken. This analysis is outlined in detail in *Better Outcomes for Two Dwellings on a Lot (a review of dual occupancy development in Moreland)*.

The analysis demonstrates that all dual occupancy proposals are subject to the same rigorous assessment against the requirements of the Moreland Planning Scheme. The same minor variations are able to be justified through planning assessments, or changes made by way of permit conditions, whether or not objections are received.

The analysis reveals that objectors appeal dual occupancy decisions in only a very small number of instances. In all cases VCAT is concluding that Council's assessment of dual occupancy applications against the requirements of the planning scheme is robust and reasonable. In these cases, third party rights of review are adding to the time taken to obtain a decision but not altering the outcome in any meaningful way.

By requiring full compliance with requirements upon qualification for this new application stream, Council can ensure these outcomes for the community without the time, expense and community angst associated with seeking improved compliance via objections to Council or expensive VCAT reviews when proposals don't meet these standards.

### **How does the Amendment implement the objectives of planning in Victoria?**

The Amendment implements the objectives in section 4 of the Planning and Environment Act 1987 (the Act). In particular, it supports the objectives to:

- provide for the fair, orderly, economic and sustainable use, and development of land; and
- facilitate development which achieves the objectives of planning in Victoria.

### **How does the Amendment address any environmental, social and economic effects?**

Moreland City Council determines an average of 400 medium density planning permit applications each year. A very large proportion (40%) of medium density applications are for two dwellings on a lot (also known as dual occupancies). This highlights the opportunity to incentivise improved quality dual occupancy development that exceeds planning scheme requirements for a significant number of dwellings.

The faster, simpler and more consistent processing of these applications will have economic benefits through the reduction of regulatory and administrative burden for both applicants and Council.

The amendment does not increase the number of permit requirements or remove any existing planning permit requirements but provides for a faster decision timeframe for eligible applications.

Assessment of a VicSmart application will continue to be based on the merits of the application with reference to specific decision guidelines that are tailored to the scale and nature of the application and its impact. This ensures that any relevant environmental, social and economic factors continue to be taken into account. It is expected that the decision outcome of VicSmart applications would be the

same if they were assessed under the existing system albeit prepared, lodged and processed more quickly.

The amendment will therefore have positive economic benefits from the reduced regulatory and administrative burden.

### **Does the Amendment address relevant bushfire risk?**

The land is not subject to bushfire risk or a Bushfire Management Overlay, and the amendment is unlikely to result in any significant increase to the risk to life, property, community, infrastructure or the natural environment from bushfire.

### **Does the Amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The Amendment complies with all Ministerial Directions issued under section 12 of the Act. The amendment complies with the following Ministerial Directions:

- **Ministerial Direction – The Form and Content of Planning Schemes pursuant to Section 7(5) of The Act:**

The Amendment complies with the Ministerial Direction on the Form and Content of Planning Schemes issued under section 7(5) of the Act.

- **Ministerial Direction No. 11 – Strategic Assessment of Amendments:**

The amendment considers the recommendations of the comprehensive *Medium Density Housing Review* and *Better outcomes for two dwellings on a lot (a review of dual occupancy development in Moreland)*. A Strategic assessment of the proposed amendment has been undertaken in accordance with this Ministerial Direction in this explanatory report.

- **Ministerial Direction No. 9 - Metropolitan Planning Strategy:**

The amendment is in line with relevant strategies within the Metropolitan Planning Strategy.

Outcome 2 of Plan Melbourne 2017-2050 is that *'Melbourne provides housing choice in locations close to jobs and services. Issues that need to be addressed 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'*.

Direction 2.1 seeks to *'manage the supply of new housing in the right locations to meet population growth and create a sustainable city.'*

Policy 2.1.2 of the strategy is to *'Facilitate 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.'*

Policy 2.1.4 is to *'Provide certainty about the scale of growth in the suburbs.'* The strategy identifies *'There is a need to provide greater certainty and facilitate long-term growth and housing choice in the right locations.'* and that *'Local government and the community also need confidence that the built form objectives they sign up to will be adhered to.'*

Direction 2.4 is to:

*'Facilitate decision-making processes for housing in the right locations. 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.'*

Policy 2.4.1 is to:

*'Support streamlined approval processes in defined locations.'*

*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.'*

The Plan Melbourne Implementation Plan Action 28 is to:

*'Review residential development provisions in the Victoria Planning Provisions to increase the supply of housing in established areas and 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.'*

The Plan Melbourne Implementation Plan identifies Action 28 as a medium term action to be completed by the end of 2021.

- Ministerial Direction No. 19 – Preparation and content of Amendments that may significantly impact the Environment, Amenity and Human Health:**

This direction requires planning authorities to seek the views of the Environment Protection Authority (EPA) in the preparation of planning scheme that could result in use or development of land that may result in significant impacts on the environment, amenity and human health due to pollution and waste. The outcomes from the proposed Amendment will not have any significant impact on the environment, amenity and human health.

### **How does the Amendment support or implement the Planning Policy Framework and any adopted State policy?**

The amendment expands the existing VicSmart assessment process, which exempts the consideration of the State Planning Policy Framework unless specified in the applicable decision guidelines. Assessment of a VicSmart application continues to be based on the merits of the application with reference to the decision guidelines that are specifically tailored to the scale and nature of the applications and its impact.

The amendment will not change the significant contribution Moreland has made and will continue to make to housing future populations. The proposed streamlining of fully compliant two dwelling on a lot proposals will not have any unreasonable impacts on housing supply or dwelling typology. This is discussed in detail within *Better outcomes for two dwellings on a lot (a review of dual occupancy development in Moreland)*.

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.

When faced with real world trade-offs between housing type and size, price and location, a significant number of Moreland households are choosing units and townhouses. Population forecasting for Moreland shows that in 20 years' time, there will be more Moreland households living alone than as families with children. This supports an increase in the demand for smaller dwellings such as medium density housing.

Medium density units and townhouses are home to 35% of Moreland's population. Medium density housing provides an alternative to separate dwellings and contributes to the range of housing options to suit different budgets and lifestyle needs.

It is appropriate to commence this approach to incentivising quality with a focus on dual occupancy applications, given:

- Dual occupancy applications are the highest proportion of applications received by Moreland.
- It is a development type where compliance with criteria will be most likely to be achieved, as case studies indicate Rescode standard compliance is generally high.
- It is a suitable development type to test this streamlined process and gauge industry support. Dual occupancy development has and will continue to provide housing to a significant and increasing proportion of Moreland's growing number of households.

### **How does the Amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

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.

#### **How does the amendment support or implement the Municipal Planning Strategy?**

This strategic consideration does not apply as the Moreland Planning Scheme does not yet have a Municipal Planning Strategy at Clause 02.

#### **Does the Amendment make proper use of the Victoria Planning Provisions?**

The amendment introduces an additional class of development into the existing VicSmart provisions in the Moreland Planning Scheme to expand on the existing VicSmart permit assessment process for straightforward applications.

The Victoria Planning Provisions provide for local VicSmart application classes.

#### **How does the Amendment address the views of any relevant agency?**

The views of the relevant agencies will be sought during the exhibition of the amendment. The Amendment is not expected to have to have an impact on any relevant authority. The Amendment does not revise any existing referral provisions.

#### **Does the Amendment address relevant requirements of the Transport Integration Act 2010?**

The Amendment will not have a significant impact on the transport system and does not trigger any requirements of the *Transport Integration Act 2010*.

#### **Resource and administrative costs**

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

There is a resource benefit through the reduced need to negotiate proposals into planning scheme compliance which comply with these provisions. This is particularly 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.

Extending the VicSmart provisions will reduce the regulatory and administrative burden on Moreland City Council by streamlining the permit assessment processes and providing certainty about the information required and decision-making.

The level of assessment will be proportional to the nature of the proposal and provide for a 10 business day assessment process potentially for up to 40% of medium density planning permit applications per annum in Moreland.

Extending VicSmart includes an administrative response by Moreland City Council in relation to changing business practices which will lead to a more efficient use of Council resources.

### **Where you may inspect this Amendment**

The Amendment can be inspected free of charge at the Moreland City Council website at [moreland.vic.gov.au/amendment-c190](http://moreland.vic.gov.au/amendment-c190) and the Department of Environment, Land, Water and Planning website at [www.planning.vic.gov.au/public-inspection](http://www.planning.vic.gov.au/public-inspection).

### **Submissions**

Any person who may be affected by the amendment may make a submission to the planning authority. Submissions about the amendment must be received by Friday 17 July 2020. A submission must or be sent to:

Amendment C190  
Strategic Planning Unit  
Moreland City Council  
Locked Bag 10  
MORELAND VIC 3058

Or to the [strategicplanning@moreland.vic.gov.au](mailto:strategicplanning@moreland.vic.gov.au) email address.

### **Panel hearing dates**

In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

- directions hearing: Week of 28 September
- panel hearing: Week of 26 October 2020