

Planning Panels Victoria

Suburban Rail Loop East Precincts Standing Advisory
Committee

Volume 3: General Issues

Advisory Committee Report

Planning and Environment Act 1987

20 February 2026

Planning Panels Victoria acknowledges the Wurundjeri Woi Wurrung People as the traditional custodians of the land on which our office is located. We pay our respects to their Elders past and present.

Planning and Environment Act 1987

Advisory Committee Report

Suburban Rail Loop East Precincts Standing Advisory Committee

Volume 3: General Issues

20 February 2026

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Overview

Key information about this Volume	
Report	Volume 3: General Issues
Date	20 February 2026
Precincts	All
Draft Amendments	All
Municipalities	All
Referred Matters	General Issues Referred Matters Common Issues Referred Matter relating to the Parking Precinct Plans
Committee members	General Issues Hearing Sarah Carlisle (Chair), Gabby McMillan (Deputy Chair), Sarah Raso, Tim Hellsten, John Roney, Annabel Paul, Peter Elliott, Peter Edwards
Supported by	Georgia Brodrick and Sarah Vojinovic
Directions Hearing	22 July 2025 at Stamford Hotel, Melbourne and online
Main Hearing	27 August to 19 September at Stamford Hotel, Melbourne and online
Parties	See Appendix J in Volume 1 Summary and Approach Report
Site inspections	Not required
Citation	Suburban Rail Loop East Precincts Volume 3 [2026] PPV

1 Introduction

1.1 Overview

This report is one of nine volumes that have been prepared by the Committee which has been appointed to give advice in accordance with its Terms of Reference dated 1 July 2025. This volume responds to the General Issues Referred Matters.

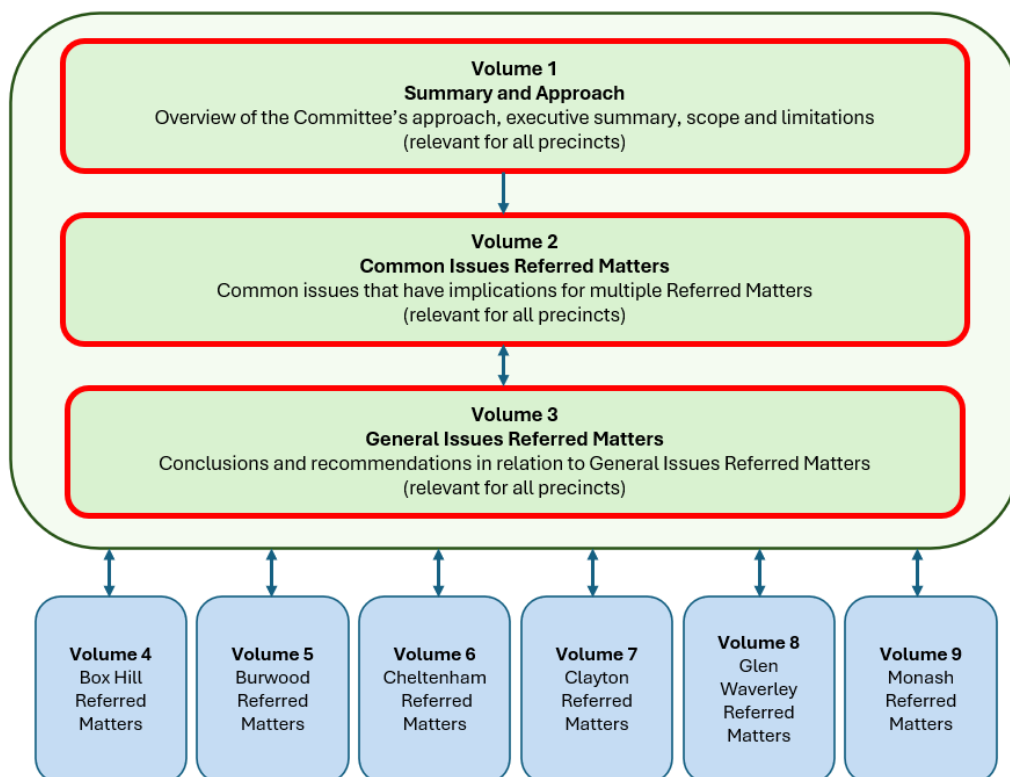
As noted in the Summary and Approach Report (Volume 1), the findings and recommendations on Common Issues Referred Matters and General Issues Referred Matters (Volumes 2 and 3) have informed the assessments of precinct specific matters and have generally been adopted by the Precinct Committees. Any exceptions are explained in the precinct reports (Volumes 4 to 9).

1.2 Expert evidence

Expert evidence in relation to the General Issues Referred Matters is listed in the Common Issues Report (Volume 2 Chapter 1.2).

1.3 Reading this report

This General Issues Report (Volume 3) should be read in conjunction with all the other volumes of the Committee's report, particularly the Summary and Approach Report (Volume 1) and the Common Issues Report (Volume 2).



2 Summary

The Committee’s key findings, conclusions and recommendations in relation to the General Issues Referred Matters are summarised in Table 1, with supporting analysis in the issue specific chapters that follow.

The Committee’s analysis, findings and recommendations of the General Issues Referred Matters is based on:

- Day 3 version of the draft Amendments.
- Day 2 (or ‘post Day 2’) versions of the draft structure plans and draft implementation plans.

Table 1 Key conclusions and recommendations - General Issues and related common issues

Contaminated land	
Referred Matter	Whether the approach to the application of the Environmental Audit Overlay (EAO) to potentially contaminated land is appropriate.
Findings	<p>The Proponent must complete a PRSA for all potentially contaminated land identified in the Contamination Technical Report before the draft Amendments are implemented. The outcomes of the PRSA should inform whether the spatial application of the EAO needs to be reconsidered (specifically, whether it should be applied to additional sites). In addition, the PRZ and BFO schedules should be amended to include a decision guideline relating to contamination.</p> <p>Audit conditions on specific sites should not be translated into the draft Amendments.</p> <p>Databases such as Victoria Unearthed should be updated to reflect the Contamination Technical Report to increase transparency about identified potentially contaminated land.</p>
Conclusion	Based on the above findings, the Committee concludes the approach to applying the EAO to potentially contaminated land is not appropriate.
Recommendations	<p>Further work</p> <ol style="list-style-type: none"> 1. GI R01: Before the draft Amendments are implemented, complete a Preliminary Risk Screening Assessment for potentially contaminated sites identified in the report titled <i>SRL East Draft Structure Plan Land Contamination Technical Report (AJM, February 2025)</i>.

Draft Amendments

2. **GI R02: Amend the draft Amendments to reflect the outcomes of the Preliminary Risk Screening Assessment (Recommendation GI R01) by:**
 - a) **adjusting the spatial application of the Environmental Audit Overlay to apply to additional sites that are identified in the further assessment as being potentially contaminated**
 - b) **alternatively, applying other appropriate measures to manage the contamination risk on the relevant sites.**
3. **GI R03: Amend the Precinct Zone and Built Form Overlay schedules to include a decision guideline relating to contamination to the effect of:**

Any significant effects the environment, including the contamination of land, may have on the use or development.

Diversity and mix of housing types

Referred Matter

Whether the draft Structure Plans and draft Planning Scheme Amendments facilitate the delivery of diverse housing types.

Findings

The draft Amendments go some way to facilitating the delivery of diverse housing types, but they need to do more. The new local policies should include precinct-wide targets for dwelling size mix. The PRZ schedules should include an application requirement for a Housing Diversity Report for residential development over a certain size. As part of the five-yearly review discussed in the Common Issues report (Volume 2 Chapter 3.3), the Proponent should monitor progress toward the targets and review and adjust them if required.

Conclusion

Based on the above findings, the Committee concludes that without dwelling size targets, the draft structure plans and draft Amendments will not adequately facilitate the delivery of diverse housing types.

Recommendations

Further work

4. **GI R04: Before the draft Amendments are approved, undertake further work to:**
 - a) **develop precinct-wide targets for an appropriate mix of dwelling sizes in each structure plan area.**

The targets should be:

 - **tailored to each precinct**

- **designed to ensure residential development supports the vision, objectives and preferred demographics for the precinct**
- b) determine the threshold (for example, based on the size of the proposed development) for when a Housing Diversity Report is required.**

Draft Amendments

- 5. GI R05: Amend the local policies to include the precinct-wide targets developed under Recommendation GI R04.**
- 6. GI R06: Amend the Precinct Zone schedules to include an application requirement for a Housing Diversity Report for residential development over a specified size (determined under Recommendation GI R04(b)) that enables decision makers to assess how the proposed development contributes to the targets.**

Floor space capacity

Referred Matter

Whether the floor space capacity which would be facilitated by the draft Structure Plans and built form controls as discussed in the Land Use Scenario and Capacity Assessment is appropriate, taking account of the projected population and employment growth.

Findings

The built form controls provide floor capacity is well in excess of the population and employment projections for the timeframe of the draft structure plans (2041).

Conclusion

Based on the above findings, the Committee concludes the floor space capacity which would be facilitated by the draft structure plans and built form controls as discussed in the Land Use Scenario and Capacity Assessment is more than sufficient to accommodate the projected population and employment growth.

Recommendations

Not applicable

Social and affordable housing

Referred Matter

Whether the draft Structure Plans and draft Planning Scheme Amendments facilitate the delivery of social and affordable housing

Findings

Increasing capacity:

Increasing housing capacity in the precincts will not make a significant contribution to facilitating the delivery of social and affordable housing because:

- increased capacity will not, of itself, translate into increased supply

- even if there was increased supply, there is insufficient evidence to demonstrate that this will put downward pressure on house prices to result in a meaningful supply of affordable housing

The new local policies:

The new local policies are unlikely to be particularly effective in facilitating the delivery of affordable housing, either in themselves or in combination with the VPBUF. Other tools are needed.

Targets and mandatory contributions:

Social and affordable housing targets should be developed for each Structure Plan Area and embedded in the PRZ schedules, including for the SDAs and the non-core areas.

The targets should be informed by the Housing Needs Assessments and any existing policy relating to affordable housing in the relevant Planning Schemes.

The targets for the SDAs should be higher than for elsewhere in the precincts.

The targets should be supported by an application requirement and (if required) a decision guideline in the PRZ schedules requiring the responsible authority to consider how the application responds to the target.

Cash-in-lieu contributions:

Cash contributions should be able to be made instead of providing affordable housing contributions as stock, particularly where contributions will be in the form of social housing.

The Proponent should investigate ways of overcoming any legal impediments to cash contributions, including amendments to the PRZ parent clause if required.

The Voluntary Public Benefit Uplift Framework:

There is no evidence that:

- the Voluntary Public Benefit Uplift Framework provides the right settings to incentivise developers to provide social and affordable housing
- housing delivered at a 30 per cent market discount is likely to be at a price point that meets the definition of affordable housing in the PE Act, or is likely to be affordable to community housing providers (especially given high outgoings that are likely to apply).

The Voluntary Public Benefit Uplift Framework does not apply in locations that are attractive to community housing providers (lower density areas with lower land values).

As discussed in the Common Issues report (Volume 1 Chapter 4), unless competing forms of eligible public benefit are removed from the Voluntary Public Benefit Uplift Framework (VPBUF), the VPBUF is highly unlikely to deliver affordable housing.

Conclusion

Based on the above findings (and the findings in the Common Issues report in relation to the Voluntary Public Benefit Uplift Framework), the Committee concludes the draft Amendments will not do enough to facilitate the delivery of social and affordable housing.

Recommendations

Further work

- 7. GI R07: Before the draft Amendments are approved, undertake further work to:**
 - a) develop social and affordable housing targets for each structure plan area, informed by the Housing Needs Assessments, existing policy and tailored to the needs of the location**
 - b) determine the threshold (for example, based on the size of the proposed development) for when an Affordable Housing Report is required.**
- 8. GI R08: As part of the further work relating to the Voluntary Public Benefit Uplift Framework Further (Recommendation CI R01 in Volume 2), consider extending the spatial application of the Framework to Residential Neighbourhoods.**

Draft Amendments

- 9. GI R09: Amend all local area policies (Clause 11.03-XL-01) as follows:**
 - a) Amend the first affordable housing strategy to read:**

Encourage the provision of well designed affordable housing in suitable locations throughout the precinct to contribute toward meeting the affordable housing targets specified in the Precinct Zone schedules.
- 10. GI R10: Amend all Precinct Zone schedules to:**
 - a) include the affordable housing targets developed under Recommendation GI R07 in the social and affordable housing use and development objective**
 - b) include a new application requirement for an Affordable Housing Report that:**
 - enables decision makers to assess how the proposed development contributes to the target**
 - applies to development over the threshold determined under Recommendation GI R07**
 - specifies what form the affordable housing contribution will take (cash or in kind), and how in kind contributions will be delivered and secured.**

11. GI R11: If required, amend the Precinct Zone parent clause (Clause 37.10) to remove any legal impediment to affordable housing contributions being made as a cash-in-lieu contribution to the equivalent value of an in-kind contribution.

Sustainability

Referred Matter

Whether the approach adopted in the draft Structure Plans and the draft Planning Scheme Amendments is suitable to:

- Achieve the draft Structure Plan's sustainability objectives
- Support sustainable building design in new development

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Integrated water management

Findings

A greater commitment is required in relation to sustainability, given the stated vision of the precincts and the recent introduction of Ministerial Direction 22 (Climate Change Considerations).

The sustainability objectives in the Climate Response Plans have not all been faithfully translated into the draft structure plans or the draft Amendments.

The draft Amendments are unlikely to give practical effect to key sustainability measures, such as sustainable building design, urban greening and waste management.

The further work recommended by the Committee in relation to pedestrian links (Chapter 9.9), waste management (Chapter 9.10) and tree canopy cover and urban greening (Chapter 9.11) will contribute to ensuring the sustainability objectives in the structure plans and Climate Response Plans are met. However more needs to be done, including:

- The Sustainability Management Plan and Waste Management Plan requirements in the draft Amendments need to be strengthened, and the controls need to be drafted consistently across precincts.
- A more proactive approach is needed to deliver local renewable energy facilities.

Specific net zero targets already exist in State policy and do not need to be repeated in the PRZ schedules.

Conclusion

Based on the above findings, the Committee concludes the approach adopted in the draft structure plans and the draft Amendments is not suitable to:

- achieve the draft sustainability objectives in the structure plans
- support sustainable building design in new development.

Recommendations

Draft Amendments

12. GI R12: Amend all Precinct Zone schedules to:

- a) ensure consistent sustainability requirements apply across all precincts
- b) amend the Sustainability Management Plan requirements at Clause 9.0 to remove the Built Environment Sustainability Scorecard (BESS) as a primary sustainability assessment tool by deleting the second dot point (which references BESS) under 'Sustainability Management Plan'
- c) include a Waste Management Plan requirement at Clause 9.0 to address the following matters:
 - avoid waste by designing out materials, using fewer materials or more durable materials that require less maintenance, and can be reused or recycled in the future
 - adopt reused, low carbon or recycled materials in design where possible
 - design for future waste streams by allowing appropriate sizing and space
 - manage all waste at the source (such as through on-site organic waste management, or off-site recycling facilities).

Further work

- 13. GI R13: Undertake further work to implement solutions to increase climate resilience and reduce greenhouse gas emissions, for example developing clear plans for local renewable energy generation, storage and use in the precincts. Amend the implementation plans accordingly.**

Transport – Mode shift

Referred Matter

Whether the draft Structure Plans, and associated draft Implementation Plans and draft Planning Scheme Amendments facilitate a suitable and achievable mode shift, including having regard to the proposed population density increases and projected demand for on-street and public parking

Findings

Mode shift:

Setting specific mode shift targets is appropriate. The targets should be reflected in the Planning schemes. Early delivery of active transport infrastructure is essential to allow active travel behaviour to become established. Reprioritisation of active transport projects in the draft implementation plans may be required. This should be considered as part of the review of the implementation plans recommended in the Common Issues report (Recommendation CI R19).

As part of that review, Objective 18 in the draft implementation plans should be amended to include a monitoring and review program to measure the uptake of sustainable transport mode shift against the targets).

Public and active transport infrastructure:

In terms of road cross sections:

- The local road network appears capable of accommodating at least some of the public and active transport features of the proposed street typologies, in particular Green Streets, although it may be difficult to also accommodate the urban greening elements of Green Streets including canopy trees.
- The draft structure plans provide sufficient information to guide the desired outcomes for each street typology, including active and public transport improvements.
- Given the street network in the precincts is already established, the street masterplan phase is the appropriate time to resolve and balance the competing demands of environmental and transport needs placed on each street.

In terms of bicycle parking rates, the amended visitor and shopper bicycle parking rates reflected in the Day 3 documents are appropriate.

In terms of bus infrastructure, the early delivery of bus transport and infrastructure improvements is desirable to encourage mode shift. However many of the precincts are already particularly well served by well-established bus networks. It is preferable to direct resources to enhancing the active transport (pedestrian and cycling) network.

Car parking:

The proposed Parking Overlay schedules are satisfactory, but must be reviewed within 5 years (as part of a broader monitoring and review strategy in relation to mode shift), to ensure the rates are appropriately calibrated to encourage a shift towards more sustainable transport modes.

On street car parking management:

On-street and public parking will be able to be effectively managed in the future.

Transport modelling:

The traffic modelling to date is generally satisfactory to enable broad conclusions to be drawn in relation to what road network upgrades may be required in the future, at least in and around the station locations. Additional modelling should occur in the future on a site by site basis as part of permit applications as the precincts develop. The draft implementation plans should be updated to include a requirement for further network traffic modelling.

Conclusion

Based on the above findings, the Committee concludes the draft structure plans, draft implementation plans and draft Amendments will facilitate mode shift, but it is not possible to say whether the mode shift is 'suitable and achievable'. To ensure mode shift is achieved:

- the draft Amendments need to include the travel mode shift targets for each precinct
- the draft implementation plans need to include a comprehensive monitoring and review strategy to ascertain if the targets are being reached and sustainable transport mode shift is being realised.

Recommendations

Draft Amendments

- 14. GI R14: Amend the new local policies for the structure plan areas to include the active travel mode shift targets (specified in the Transport Technical Reports) for each precinct.**

Draft implementation plans

- 15. GI R15: Amend the draft implementation plans as follows:**
 - a) amend Objective 18 to reference a monitoring and review program to measure the uptake of sustainable transport mode shift against the targets**
 - b) include details of the monitoring and review program that requires (among other things):**
 - **a review of the car parking rates in the Parking Overlay schedules to ensure that they are set at the appropriate rate to suppress demand for private vehicles**
 - **a review at least every 5 years.**

Voluntary Public Benefit Uplift Framework – Uplift calculation

Refer to the Common Issues report (Volume 2 Chapter 4).

Draft Amendments – Drafting of schedules – master plans

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The identification of sites for which master plans need to be prepared
- The preparation and approval of master plans

Findings

The general approach of using bespoke PRZ schedules to identify sites which require master plans is appropriate. However the basis on which some Strategic Sites were selected to be master planned, and not others, is unclear. The draft structure plans should be updated to explain this more clearly.

In relation to the master plan provisions, the:

- provisions in relation to the content of master plans are generally appropriate
- process for preparing and approving master plans and the level of community input is unclear.

Conclusion Based on the above findings, the Committee concludes:

- It is appropriate to use bespoke PRZ schedules to identify sites for which master plans are required.
- The provisions in the PRZ schedules relating to the preparation and approval of master plans are not appropriate, and need to be updated to provide greater clarity.

Recommendations

Draft structure plans

- 16. GI R16: Update the draft structure plans to explain the basis for selecting which Strategic Sites require master planning.**

Draft Amendments

- 17. GI R17: Update the Precinct Zone schedules for the master planned sites to more clearly outline the process for preparing and approving of master plans, including:**
- a) who is responsible for preparing master plans (particularly for master plans covering multiple sites in different ownership)**
 - b) who is required to be consulted in the preparation of the master plan**
 - c) specifying that master plans must be approved by the responsible authority.**

Draft Amendments – Drafting of schedules – deemed to comply provisions

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The deemed to comply provisions in the BFOs
-

Findings

There is insufficient testing to demonstrate that compliance with the deemed to comply standards will lead to acceptable outcomes in the majority of cases.

Standards BF04, BF06 and BF10 should not be deemed to comply, as these standards have more potential to impact on amenity of surrounding residential uses and deliver unacceptable outcomes.

Conclusion

Based on the above findings, the Committee concludes the deemed to comply provisions in the BFO schedules are not appropriate.

Recommendations

Further work

- 18. GI R18: Before the draft Amendments are approved, undertake further testing of deemed to comply standards across a wider range of sites with varied interfaces to test whether the standards would lead to acceptable outcomes in the majority of cases.**

Draft Amendments

- 19. GI R19: Amend the Built Form Overlay schedules to remove the deemed to comply status of standards BF04, BF06, BF10 and BF12 (unless the testing referred to in Recommendation GI R18 demonstrates acceptable outcomes in the majority of cases).**

Draft Amendments – Drafting of schedules – strategic sites

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The specific objectives, and any built form outcomes to be achieved, for strategic sites

Findings

It is unclear:

- how Strategic Sites were identified
- what the difference is between Strategic Sites, master planned sites and major strategic land uses
- what expectations and outcomes are anticipated for Strategic Sites
- how the built form controls and floor area ratios for Strategic Sites facilitate their role (as described in the local policies) in delivering substantial redevelopment and intensification as well as public benefits.

The draft structure plans and local policies should be reviewed and updated to separately identify Strategic Sites, master planned sites and major strategic land uses, and to explain their different roles and functions.

The built form controls for Strategic Sites (including preferred maximum building heights and FARs, if they are to be retained) need to be reviewed to ensure they are being afforded the capacity to do what is sought by the local policies.

As part of the further work recommended in relation to VPBUF, consideration should be given to expanding the spatial application of the VPBUF to all Strategic Sites, given their role (as described in the local policies) in delivering public benefit.

Conclusion

Based on the above findings, the Committee concludes the PRZ and BFO schedules are not appropriate to achieve the specific objectives, and built form outcomes for Strategic Sites (which are unclear).

Recommendations

Further work

20. **GI R20: Before the draft Amendments are approved, update the draft structure plans to:**
 - a) **differentiate and clearly define the roles of Strategic Sites, master planned sites and major strategic land uses (as those terms are used in this report)**
 - b) **clearly explain the basis for selecting:**
 - **Strategic Sites**
 - **master planned sites.**
21. **GI R21: Before the draft Amendments are approved, review the built form controls for Strategic Sites to ensure they:**
 - a) **reflect the role of Strategic Sites as described in the revised structure plans (Recommendation GI R20)**
 - b) **are being afforded the capacity to meet the policy objectives outlined for Strategic Sites in the new local policies.**
22. **GI R22: As part of the further work relating to the Voluntary Public Benefit Uplift Framework (Recommendation CI R01 in Volume 2):**
 - a) **review the floor area ratios for Strategic Sites to ensure they:**
 - **reflect the role of Strategic Sites as described in the revised structure plans (Recommendation GI R20)**
 - **are being afforded the capacity to meet the policy objectives outlined for Strategic Sites in the new local policies**
 - b) **consider extending the spatial application of the Framework to all Strategic Sites.**

Draft Amendments

23. **GI R23: Before the draft Amendments are approved:**
 - a) **review the new local policies and make any adjustments required to reflect the outcomes of Recommendations GI R20, GI R21 and GI R22**
 - b) **amend the Precinct Zone and Built Form Overlay schedules that apply to Strategic Sites to include an additional decision guideline for permit applications for Strategic Sites:**

Consider the suitability of Strategic Sites to accommodate substantial redevelopment and intensification, including making significant contributions to the delivery of social and affordable housing.

Draft Amendments – Drafting of schedules – privacy

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Achieving a reasonable level of privacy

Findings

Generally it is appropriate to manage privacy using setbacks, however the Committee is not satisfied that the deemed to comply setbacks will appropriately manage privacy in sensitive residential areas in the majority of cases.

The schedules for Residential Neighbourhoods and areas with a residential interface (within or outside the structure plan areas) should be amended to:

- include a standard or measurable guidance that is demonstrated (through further architectural testing) to achieve an appropriate level of privacy protection in the majority of cases
- remove the deemed to comply status of the setback standards if no properly tested standard or measurable guidance is included.

Conclusion

Based on the above findings, the Committee concludes the PRZ and/or BFO schedules go some way toward protecting privacy but need to be strengthened and refined to ensure a reasonable level of privacy is achieved.

Recommendations

Draft Amendments

24. GI R24: Amend the Precinct Zone and/or Built Form Overlay schedules applying to Residential Neighbourhoods and areas that have an interface to residential areas within or outside the structure plan area boundaries to:

- a) include a standard or measurable guidance that is demonstrated (through further architectural testing) to achieve an appropriate level of privacy protection in the majority of cases**
- b) add the following decision guideline:**

Whether the proposal will result in acceptable visual bulk, overshadowing or overlooking outcomes having regard to the relevant provisions of Clause 54, Clause 55 or Clause 57.

25. GI R25: If a standard or measurable guidance is not included as recommended in Recommendation GI R24(a), delete the deemed to comply status of setback standards in the relevant schedules.

Draft Amendments – Drafting of schedules – overshadowing of private open space

Referred Matter	Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters: <ul style="list-style-type: none">- Managing the impacts of overshadowing on private open spaces
Findings	In Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods: <ul style="list-style-type: none">- specific standards should apply in relation to overshadowing to private open spaces, or- a decision guideline should be included requiring consideration of overshadowing of neighbouring residential properties having regard to the objectives, standards and decision guidelines of Clauses 54, 55 and 57.
Conclusion	Based on the above findings, the Committee concludes the BFO schedules do not appropriately manage overshadowing to private open spaces.
Recommendations	Draft Amendments 26. GI R26: Amend the Built Form Overlay schedules that apply to Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods to: <ul style="list-style-type: none">a) provide measurable (quantitative) guidance or technical requirements or standards relating to the protection of private open space from overshadowing, orb) include a decision guideline requiring consideration of the objectives, standards and decision guidelines of Clause 54, Clause 55 and Clause 57.

Draft Amendments – Drafting of schedules – overshadowing of public realm

Referred Matter	Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters: <ul style="list-style-type: none">- Managing the impacts of overshadowing on the public realm, including public open spaces
Findings	Solar access to parks and other key open spaces is very important, particularly in context of higher density living. The approach in allowing the building envelope to determine allowable shadow rather than a street wall is unlikely to achieve the required objectives and bakes in an assumption that maximum building heights have been tested to ensure an acceptable level of shadow, which has not been demonstrated. The draft Amendments do not reflect the standards in the Urban Design Reports or contemporary overshadowing controls that are increasingly recognising the importance of winter based solar controls for open space in higher density areas.

Overshadowing controls that provide for a percentage of a park or street to be protected from shadowing are not appropriate.

The lack of protection to future public open spaces is a key inadequacy that is likely to result in unacceptable outcomes.

The overshadowing controls should be based on the general principles outlined by the Committee in Recommendation GI R27, noting that some variation may be appropriate where indicated in the precinct reports.

Conclusion

Based on the above findings, the Committee concludes the BFO schedules are not appropriate to manage the impacts of overshadowing on the public realm, including public open spaces

Recommendations

Draft Amendments

27. GI R27: Amend the Precinct Zone and Built Form Overlay schedules to:

a) include a development objective directed at ensuring good levels of solar access to public open spaces, public realm and footpaths of key pedestrian streets

b) update Table 1 in Standard BF04 in accordance with the following general principles (unless specified otherwise for a particular site in a precinct report):

- the street wall should form the basis for 'allowable shadow' rather than the building envelope, except in lower scale areas where there is no street wall
- the shadow controls to parks should:
 - be based on the winter solstice (21 June) except where the site-specific context justifies a different approach
 - provide for a minimum of 3 consecutive hours of sunlight access between 10am and 3pm
 - be mandatory rather than discretionary
- the shadow controls to key streets should provide protection to the southern footpath (of east-west streets) or the east and/or west footpath (of north-south streets) between 11am and 2pm at the equinox.

Draft Amendments – Drafting of schedules – high quality design

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Supporting high-quality design outcomes

Findings

The BFO schedules generally support high quality design outcomes, but they should be amended to:

- require design excellence only on Strategic Sites, master planned sites and for applications that exceed maximum building height or setback standards by 20 per cent or more
- require high quality design across the remainder of the precincts
- define the criteria to assess design excellence and high quality design
- clarify the independent design review panel process.

Conclusion

Based on the above findings, the Committee concludes the PRZ and BFO schedules need to be amended to better support high quality design outcomes.

Recommendations**Draft Amendments****28. GI R28: Amend the Precinct Zone and Built Form Overlay schedules to:**

- a) provide greater clarity on what is meant by 'design excellence' and 'high quality design', and how they differ
 - b) clarify that design excellence and high quality design encompass function, appearance, environmental performance, contribution to the public realm and innovation
 - c) replace references to 'design excellence' in the development objectives with 'high quality design'
 - d) replace references to 'design excellence' in the application requirements with 'design quality'
 - e) refine the 'design excellence' decision guideline to:
 - seek 'design excellence' (the highest standards of design) on Strategic Sites, master planned sites and applications that exceed maximum building height or minimum setbacks by more than 20 per cent
 - otherwise seek 'high quality design'
 - f) provide greater clarity in relation to the independent design review panel process, including:
 - the required qualifications of the design review panel
 - the process for engagement and payment for design reviews
 - consideration of the outcomes of design reviews
 - g) make the development objective relating to high quality design in the Whitehorse Built Form Overlay Schedule 5 (Box Hill Central Core) a standalone objective, consistent with the other Central Core and Central Flank schedules.
-

Draft Amendments – Drafting of schedules – offsite amenity impacts

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Managing the potential for offsite amenity impacts including with respect to potential dust, odour, noise and vibration impacts arising from existing uses

Findings

Amenity impacts can be acceptably managed with minor adjustments to applicable PRZ schedules:

- The provisions relating to Amenity Impact Plans (which should be renamed Air Quality Plans) need minor refinements, and EPA should be consulted on Air Quality Plans.
- Any PRZ schedule that requires an Acoustic Report (for example the Monash PRZ3) should give the Council discretion to waive the requirement for minor works.
- An additional decision guideline is needed in all PRZ schedules to manage reverse amenity considerations where there is encroachment of sensitive uses into established industrial or employment areas.

Conclusion

Based on the above findings, the Committee concludes the PRZ schedules are generally appropriate to manage the potential for off-site amenity impacts including with respect to potential dust, odour, noise and vibration impacts arising from existing uses, subject to minor adjustments.

Recommendations

Draft Amendments

29. GI R29: Amend the Precinct Zone schedules containing an application requirement for an Amenity Impact Plan to:

- a) rename the Amenity Impact Plan 'Air Quality Plan' to reflect that it is an assessment of the impacts of dust**
- b) include a requirement that the Air Quality Plan demonstrates that the site is suitable for the proposed use (before considering design responses)**
- c) require consideration of EPA Publications 1949 and 1943**
- d) require consultation with Environment Protection Authority Victoria in the preparation of an Air Quality Plan.**

30. GI R30: Amend any Precinct Zone schedules that require an Acoustic Report to give the responsible authority discretion to waive the requirement for an Acoustic Report for minor buildings and works.

31. GI R31: Amend all Precinct Zone schedules to insert a decision guideline to require the consideration of whether building siting, design and layout of a proposed use or development appropriately minimises and mitigates potential off-site amenity impacts from existing uses.

Draft Amendments – Drafting of schedules – pedestrian connections and links

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The identification of pedestrian connections and links

Findings

Identification of pedestrian connections:

The identification and labelling of pedestrian connections in the structure plans and BFO schedules is complex and confusing.

There is no clear line of sight between the pedestrian corridors and links in the structure plans and the designation of Specific and Indicative pedestrian connections in the BFO schedules, which makes the intent and priority of these connections difficult to understand.

The representation of pedestrian connections as wiggly lines in the BFO schedules creates confusion and uncertainty about the location of the proposed links. All pedestrian connections should be shown as straight lines.

Implementation and delivery:

The Committee supports:

- the application of the PAO for 'Critical Key Links' in the Clayton and Monash Precincts
- the requirements to provide identified pedestrian links in the PRZ schedules for master planned sites.

There are significant risks in assuming that all other pedestrian connections identified in the structure plans or BFO schedules can be achieved as proposed.

The VPBUF is not an appropriate delivery mechanism for pedestrian links.

Way forward:

Further work is required to ensure the appropriate delivery of the proposed pedestrian connections to ensure the precinct visions and objectives in the structure plans are realised.

The further work should:

- establish a clear hierarchy of pedestrian links using consistent terminology and graphic depiction

- determine critical and preferred alignments for the pedestrian links with a view to connecting key destinations such as the SRL stations, key employment and visitor locations and existing and future open space and community facilities
- identify appropriate delivery mechanisms for critical links (for example through the application of a PAO)
- identify incentives that could help to facilitate the delivery of non-critical but desirable connections (as an alternative to the VPBUF)
- ensure the delivery mechanisms are based on principles of fairness, equity and certainty.

Links that are not necessary and are unlikely to be delivered due to practical complexities should be deleted.

That said, the implications of the removal of any pedestrian connections needs to be carefully considered having regard to the impact on accessibility to public open space and the ability to achieve a mode shift towards active transport. This should form part of the further work.

Conclusion

Based on the above findings, the Committee concludes that the identification of pedestrian connections and links in the PRZ and BFO schedules is not appropriate.

Recommendations

Further work

- 32. GI R32: Before the draft Amendments are approved, undertake further work to review all pedestrian connections in the draft structure plans, Precinct Zone schedules and Built Form Overlay schedules to:**
 - a) establish a clear hierarchy of pedestrian links using consistent terminology and graphic depiction**
 - b) determine critical and preferred alignments for the pedestrian links with a view to connecting key destinations such as the Suburban Rail Loop stations, key employment and visitor locations and existing and future open space and community facilities**
 - c) identify appropriate delivery mechanisms for critical links (for example through the application of a Public Acquisition Overlay)**
 - d) identify incentives that could help to facilitate the delivery of non-critical but desirable connections (as an alternative to the Voluntary Public Benefit Uplift Framework)**
 - e) ensure the delivery mechanisms are based on principles of fairness, equity and certainty**
 - f) delete links that are not necessary and are unlikely to be delivered due to practical complexities, but before deleting any link consider:**
 - the impact on accessibility to public open space and community facilities
 - the ability to achieve a mode shift towards active transport
 - g) apply any specific recommendations in the precinct reports.**

Draft structure plans

33. **GI R33: Amend the pedestrian connections shown on the draft structure plans to:**
- a) **reflect the outcome of the further work in Recommendation GI R32**
 - b) **ensure that pedestrian connections have a clear, consistent hierarchy and priority.**

Draft Amendments

34. **GI R34: Amend the pedestrian connections shown on the maps in the Built form Overlay schedules to:**
- a) **reflect the revised draft structure plans amended in accordance with Recommendation GI R33**
 - b) **show pedestrian connections as direct routes (with straight lines).**

Draft Amendments – Drafting of schedules – waste management

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Waste management

Findings

The Committee has already concluded that the Waste Management Plan requirement in the Sustainability Management Plans needs to be bolstered to achieve sustainability objectives (see Recommendation GI R12). The only other key issue in relation to waste management was the appropriate threshold for providing a (separate) Waste Management Plan. This should remain as proposed (developments greater than 5,000 square metres gross floor area). Waste considerations for smaller developments will be captured through the Sustainability Management Plan.

Conclusion

Based on the findings in Chapter 7, the Committee concludes the PRZ and BFO schedules do not appropriately manage waste.

Recommendations

The Committee's Recommendation GI R12 addresses the Committee's concerns in relation to the Referred Matter relating to waste management.

Draft Amendments – Drafting of schedules – integrated water management

Refer to the sustainability chapter in this report (Chapter 7).

Draft Amendments – Drafting of schedules – tree canopy cover

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

-
- Measures to support tree canopy cover

Findings

The measures in the schedules to support tree canopy cover need to be strengthened.

The new local policies need to include a 30 per cent tree canopy target to support the measures in the schedules.

The BFO schedules need to be amended to include:

- an objective to retain and protect existing mature canopy trees
- tree canopy coverage requirements of:
 - 35 per cent of the total site area for Residential Neighbourhoods
 - 20 per cent of the total site area for Key Movement Corridors and Urban Neighbourhoods
 - 7 per cent of the total site area for Employment Neighbourhoods
- a requirement for Type C trees where deep soil exceeds 201 square metres, and additional canopy trees for larger sites

Finally, the Standard BF12 requirements should remain as discretionary requirements, but they should not be deemed to comply

Conclusion

Based on the above findings, the Committee concludes the measures to support tree canopy cover are not appropriate.

Recommendations

Draft Amendments

- 35. GI R35: Amend the new local policies to include a 30 per cent tree canopy target within the precincts.**
- 36. GI R36: Amend the Built Form Overlay schedules as follows:**
 - a) include an objective in all schedules to retain and protect existing mature canopy trees**
 - b) amend the BF12 (Landscaping and fencing) standards to require tree canopy coverage of:**
 - 35 per cent of the total site area for Residential Neighbourhoods
 - 20 per cent of the total site area for Key Movement Corridors and Urban Neighbourhoods
 - 7 per cent of the total site area for Employment Neighbourhoods
 - c) include tree type requirements that match or exceed those in Clauses 55 and 58, including requirements for large trees (Type C trees with a height of 12 metres at maturity) on:**
 - large sites (over 1,000 square metres)
 - sites where deep soil requirements exceed 200 square metres
 - d) remove the deemed to comply status of Standard BF12.**

Draft Amendments – Drafting of schedules – third party review rights

Referred Matter

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Third party review rights

Findings

Exemptions from third party review rights in the schedules are appropriate, but notice is warranted and should be provided when:

- a proposal seeks to vary the built form requirements (height and setbacks) by more than 20 per cent
- applications for a new (section 2) use
- third party notice and review rights apply under an existing control (for example under a Heritage Overlay).

Conclusion

Based on the above findings, the Committee concludes that third party notice and review provisions are not appropriate.

Recommendations

Draft Amendments

- 37. GI R37: Amend the Precinct Zone schedules to require notice of applications:**
 - a) that seek to apply for a new section 2 use**
 - b) where third party notice and review rights apply under an existing control (for example under a Heritage Overlay).**
- 38. GI R38: Amend the Built Form Overlay schedules to require notice of applications that seek to vary the height and setback requirements by more than 20 per cent.**

3 Contaminated land

3.1 Summary

The approach to the application of the EAO to potentially contaminated land is not appropriate. Further work is required. A PRSA should be completed for the 1,208 additional sites identified as potentially contaminated land in the Contamination Technical Report, to inform whether a broader application of the EAO, or other measures, are necessary to meet relevant State policy and the vision for the precincts.

3.2 Referred Matter

The Referred Matter is:

Whether the approach to the application of the Environmental Audit Overlay (EAO) to potentially contaminated land is appropriate.

3.3 Key issues

The key issues are whether:

- the proposed limited application of the EAO is appropriate
- other planning scheme provisions should be used to identify potentially contaminated land and/or environmental audit conditions.

3.4 Background

(i) Planning framework for contaminated land

The planning system, including MD1, MD19 and PPN30 establish a precautionary approach to the assessment of contamination risk.

Planning Practice Note 30

PPN30 explains how planning authorities should identify and assess contaminated land, and how this informs appropriate controls in an amendment. PPN30 uses a three-step process:

- Step 1 - Is the land potentially contaminated?
- Step 2 - What assessment is required?
- Step 3 - Is the land suitable, or can it be made suitable for the proposed use?

Ministerial Direction 1

Under MD1, where a planning scheme amendment allows potentially contaminated land to be used as public open space or for a sensitive use, the planning authority must satisfy itself that the environmental conditions of that site are suitable. A planning authority can satisfy itself that land is suitable by ensuring that a PRSA or statement of environmental audit has been completed. If these assessments have not been done, the planning authority can apply the EAO or use an *"other appropriate measure"*. In short, the application of the EAO or 'other measure' is the fall-back position if other investigations cannot be undertaken.

(ii) Draft structure plans

The draft structure plans make general reference to potentially contaminated land and include the following strategy:

Manage the risk of potentially contaminated land through an appropriate environmental assessment process where appropriate.

(iii) Draft implementation plans

The exhibited draft implementation plans do not reference potentially contaminated land.

(iv) Draft Amendments

The draft Amendments proposes to apply the EAO to 157 of the 1,051 sites identified as potentially contaminated in the Contamination Technical Report.

(v) Contaminated Land Report

A desktop assessment of potentially contaminated land was completed for all land within the structure plan areas, identifying over 1,000 known or potentially contaminated sites.

Sensitive land use change areas were then identified within the structure plan areas. These are areas that are currently zoned such that sensitive uses¹ are prohibited, and are:

- proposed to be rezoned to allow a sensitive use (with or without a permit)
- not currently subject to an EAO.

Next, potentially contaminated land within the sensitive land use change areas were categorised according to risk. The categories were:

- regulated contaminated land
- medium potential for contamination
- high potential for contamination.

Section 5 of the Contaminated Land Report states that the sites identified in Appendices B – G of that report *"will require a PRSA at a minimum to confirm the presence or absence of contamination"*.

The Contaminated Land Report did not make any recommendations in relation to the application of the EAO. The Proponent made the decision about where to apply the EAO.

(vi) Technical Note TN-G05

TN-G05 states:

Submissions which involve the application of an EAO generally or specifically to the submitter's land should be addressed by suitably experienced planners familiar with the planning tools available to Planning Authorities or SRLA specifically.

¹ Sensitive uses include residential use, childcare centre, kindergarten, pre-school centre, primary school, children's playground or secondary school.

3.5 Evidence and submissions

Environment Protection Authority

EPA acknowledged that where the EAO was applied, this made good use of the VPP tools. However, it submitted that this approach left 1,051 potentially contaminated sites without additional planning controls. EPA submitted:

While existing zoning may already permit some sensitive uses, the Amendments will facilitate a significant intensification and expansion of these uses. This shift increases the scale and likelihood of exposure to potential contamination, both by enabling a greater number of sensitive uses and by altering the ways in which use and development may intersect with contaminated land.

EPA submitted that:

- the data about potentially contaminated land from the Contaminated Land Report should be embedded in the planning schemes, such as through a background document or incorporated document
- specific provisions were required to ensure recommendations within the existing environmental audit statements for the Highett Gasworks site are implemented.

Councils and University Group

The Councils and University Group submitted it is essential for the EAO to be applied to all potentially contaminated land where the applied zoning would allow a sensitive use on that land. It submitted:

- it is not clear whether the desktop assessment in the Contaminated Land Report is adequate to identify all relevant potentially contaminated land where the proposed zoning would allow a sensitive use
- it is the Proponent's role as a planning authority to properly carry out that assessment at the appropriate point in time (which is now).

The Councils and University Group submitted that in the absence of a specific EAO, Councils would not have a sufficient basis to refuse a permit application or impose conditions linked with contamination risk. It referred to recent decisions of VCAT in relation to environmental hazards to make good this proposition.²

The Councils and University Group recommended the following:

- investigate and confirm all known potentially contaminated sites have been appropriately identified in each precinct
- apply an EAO to all potentially contaminated land (not just sites where a sensitive use will be allowed for the first time)
- ensure no land is transferred for public open space that is, or is potentially, contaminated unless it has been remediated or an agreement is reached with the relevant Council regarding the remediation of the land
- include a decision guideline in the schedules to the PRZ and the BFO so as to trigger an assessment of contamination, to cover the risk that sites which should have an EAO have been missed.

² Kiyagan v Baw Baw SC [2025] VCAT 206 12 March 2025 (as to flooding) and also see Audrey Cleeve v Yarra City Council [2025] VCAT 434 (from [318] onwards as to contamination)

Other submitters

Concerns regarding the application of the EAO were raised during the precinct hearings.

At the Cheltenham Hearing, Pennydale Residents Action Group submitted that there is known contamination at the Sir William Fry Reserve in Highett (near the station) and the Gas and Fuel site. The Pennydale Group noted that even with a desktop assessment, potential contamination has been identified at more than 100 additional sites in sensitive land use change areas in the Cheltenham Structure Plan Area. It submitted there are still many unknowns, and EPA and the Proponent should put measures in place to protect the health and wellbeing of residents and visitors.

Submitters raised further concerns, including shortcomings in the methodology in the Contaminated Land Report, such as that the mapping of potentially contaminated land excluded areas with known contamination (for example Sir William Fry Reserve) and former factories (for example Laminex factory and Lucas factory).

At the Box Hill Hearing, Phileo Australia Pty Ltd opposed the suggestion from the EPA that environmental audit conditions should also be given effect through the PRZ schedule. It submitted that these provisions were unnecessary given there was an EAO on its land already.

Proponent

Relying on the evidence of Mr Crowder, the Proponent submitted the EAO had been applied in a manner consistent with MD1 and PPN30.

In responding to EPA's submission, Mr Crowder stated it is not necessary to:

- identify all potentially contaminated land in the planning controls
- reflect specific conditions in an existing environmental audit statement for Highett Gasworks site in the Cheltenham PRZ4.

In response to questions from the Committee Mr Crowder accepted that:

- the EAO can create greater transparency about the risk of contamination in planning documents
- contamination is an important input when consider the location of future public open space and that any contamination should be remediated before land is used for public open space.

3.6 Discussion

(i) Application of the Environmental Audit Overlay

The Proponent has taken the approach of applying the EAO to land identified in the Contaminated Land Report as potentially contaminated only where the draft Amendments allow a sensitive use for the first time. This leaves 1,051 sites identified in the Contamination Technical Report as being potentially contaminated land without any form of planning response.

Applying the EAO to all sites identified in the Contamination Technical Report as potentially contaminated would not be a proportionate response. However more needs to be done than simply applying the EAO to sites which the Amendments allow to be used

for a sensitive use for the first time. Indeed, the Contamination Technical Report recommended that, at a minimum, a PRSA should be completed to confirm the presence or absence of contamination on the identified sites. This has not been done.

The Proponent's narrow reading of MD1 is not consistent with the broader direction in State planning policy at Clause 13.04-1S and PPN30. The draft Amendments:

- enable significantly higher density of sensitive uses on land identified as potentially contaminated
- create circumstances where potentially contaminated land is not currently used for a sensitive use but is encouraged to be in the future (for example, land in the open space investigation areas).

Clause 13.04-1S of the planning scheme, MD1, MD19 and PPN30 establish a precautionary approach to managing potentially contaminated land. This framework requires a proper assessment of contamination risks, appropriate planning responses and a response to any technical advice from the EPA. Allowing transformational change, with significantly increased population density and expanded areas of public open space, on at least 1,051 sites known to be potentially contaminated with no planning response is neither precautionary nor appropriate.

The Proponent must complete a PRSA for all potentially contaminated land in the precincts, as recommended by the Contamination Technical Report. The outcomes of this assessment should be used to inform whether the EAO or other appropriate measures needs to be applied to additional sites.

(ii) Other measures

The Committee does not agree with EPA's recommendation to include data about potentially contaminated land as a background document or incorporated document in the planning schemes. PPN30 sets out the preferred process and framework for capturing information about potentially contaminated land in the planning system. It confirms the EAO is the most appropriate tool to identify and manage potentially contaminated land.

As a matter of principle, the conditions in an existing Statement of Environmental Audit should not be duplicated in the planning schemes. An audit is an ongoing process and could be revised from time to time. Further, it is governed by the EPA and does not need to be reflected in the planning controls.

There is no explicit requirement in the schedules to consider contamination, which will make it difficult for the responsible authority to identify potentially contaminated land, or to refuse an application on the basis of contamination or impose conditions related to contamination. To address this, the Committee supports the recommendation of the Councils and University Group to include a decision guideline relating to contamination the PRZ and BFO schedules.

The Committee supports more general datasets outside the planning schemes (such as Victoria Unearthed) being updated to reflect the information about potentially contaminated land identified in the Contaminated Land Report or the PRSA. However, it

makes no formal recommendations in this regard, as this is beyond the scope of the Committee's remit.

3.7 Findings and conclusions

The Committee finds:

- The Proponent must complete a PRSA for all potentially contaminated land identified in the Contamination Technical Report.
- The outcomes of the PRSA should inform whether the spatial application of the EAO needs to be reconsidered (specifically, whether it should be applied to additional sites).
- The PRZ and BFO schedules should include a decision guideline relating to contamination.
- Audit conditions on specific sites should not be translated into the draft Amendments.
- Databases such as Victoria Unearthed should be updated to reflect the Contamination Technical Report to increase transparency about identified potentially contaminated land.

Based on the above findings, the Committee concludes:

- The approach to applying the EAO to potentially contaminated land is not appropriate.

3.8 Recommendations

The Committee recommends:

Further work

1. **GI R01: Before the draft Amendments are implemented, complete a Preliminary Risk Screening Assessment for potentially contaminated sites identified in the report titled *SRL East Draft Structure Plan Land Contamination Technical Report* (AJM, February 2025).**

Draft Amendments

2. **GI R02: Amend the draft Amendments to reflect the outcomes of the Preliminary Risk Screening Assessment (Recommendation GI R01) by:**
 - a) **adjusting the spatial application of the Environmental Audit Overlay to apply to additional sites that are identified in the further assessment as being potentially contaminated**
 - b) **alternatively, applying other appropriate measures to manage the contamination risk on the relevant sites.**
3. **GI R03: Amend the Precinct Zone and Built Form Overlay schedules to include a decision guideline relating to contamination, such as:**

Any significant effects the environment, including the contamination of land, may have on the use or development.

4 Diversity and mix of housing types

4.1 Summary

The draft structure plans will not adequately facilitate the delivery of diverse housing types. The local policies for the precincts should include precinct-wide targets for dwelling size mix. The PRZ schedules should include an application requirement for a Housing Diversity Report for residential development over a certain size.

4.2 Referred Matter

The Referred Matter is:

Whether the draft Structure Plans and draft Planning Scheme Amendments facilitate the delivery of diverse housing types.

4.3 Key issue

The key issue is whether the draft Amendments will deliver housing suitable for larger households including families with children.

4.4 Background

(i) Draft structure plans

While the visions vary between precincts in terms of housing mix and diversity, a common theme among all structure plans is for diverse housing that offers lifestyle choice and opportunities to age in place.

Objective 3 in each draft structure plan is:

Encourage a range of housing sizes and tenures to meet the needs of future households.

The objective is supported by strategies which (with some variation between precincts) generally seek to:

- facilitate delivery of a variety of dwelling sizes and types that provide housing choice for a range of households
- encourage the development of inclusive, well-designed and accessible housing to meet the needs of all people
- encourage the delivery of residential aged care and independent living options and other housing for specialist needs such as key worker and student housing
- support new and emerging housing models, including built-to-rent, co-living and other innovative responses that can help to foster a diverse housing market.

The action supporting objective 3 is:

Amend the planning scheme to encourage a diversity of housing types and sizes to be delivered across the Structure Plan Area.

(ii) Draft Amendments

Policy

The new local policies for each structure plan area in Clause 11.03-6L:

- encourage high housing growth around the stations and along key corridors, with medium housing growth on residential land elsewhere in the precincts
- include housing strategies to:
 - prioritise the delivery of a variety of dwelling sizes and types to provide housing choice for a range of households
 - support the delivery of new and emerging housing models to foster a diverse housing market
- include built environment strategies to:
 - encourage low to mid-rise apartment buildings in a landscaped setting to promote housing diversity in medium housing built form scale areas
 - encourage the consideration of Aboriginal cultural needs in the design of social and affordable housing.

Built Form Overlay

The BFO schedules do not contain any targets or requirements in relation to housing diversity. However:

- the purposes of the BFO parent clause include encouraging a diversity of housing types and affordable housing
- the schedules encourage built form outcomes tailored to the role and function of the different neighbourhoods, with the highest scale of built form in central core areas, scaling down to lower built form in the residential neighbourhoods.

Precinct Zone

The PRZ schedules do not contain any targets or requirements in relation to housing diversity. However most structure plan area schedules include:

- creating housing supply and diversity in the description of the role of the precinct (in Clause 1.0)
- a use and development objective to increase the diversity of housing types within the structure plan areas, including the provision of affordable housing (in Clause 2.0).

Some PRZ schedules for master planned sites include a similar use and development objective, along with an application requirement for an Urban Context and Design Response Report that shows (among other things) a range of housing types.

Housing Needs Assessments

Each draft structure plan was informed by a Housing Needs Assessment that (among other things):

- described the existing demographics of residents and the state of the housing market in the structure plan area and surrounding area
- assessed the future housing requirements of the projected population, including number of dwellings, type (low, medium and high density) and size

- tested whether historical growth and the current pipeline indicated the market is responding to needs
- evaluated whether the diversity of housing implied by the future dwelling mix will be delivered by the market.

The Housing Needs Assessments concluded:

- there is a need for a significant increase in the delivery of 3 plus bedroom high density dwellings (apartments) in most precincts (the size of the increase varied between precincts)
- measures to encourage larger apartments could be considered, however based on case studies in other urban growth areas around train stations they may not be needed, as markets can (and have) responded without intervention
- the consequences of not delivering larger apartments are not significant to meeting population growth, but could influence the demographic of the population supported in the structure plan area.

The Housing Needs Assessments also considered the need for social and affordable housing, key worker housing, student accommodation, aged care and retirement living and other specialist needs.

The Housing Needs Assessments included a series of recommendations for housing size and density, housing diversity and housing locations. They all included a recommendation to the effect of encouraging a diversity of typologies, including larger (family sized) apartments and affordable options.

4.5 Evidence and submissions

The Proponent submitted the starting point in assessing this Referred Matter should be to recognise that the transformative change facilitated by the draft Amendments "*will necessarily facilitate the provision of a diverse range of housing type*", as the built form controls will facilitate a variety of building typologies and housing types to complement and materially broaden the more conventional housing stock already established in these suburbs.

The Councils and University Group noted that the analysis contained in the Housing Needs Assessments predicts strong demand for larger housing types in order to accommodate families with children, citing the following extract:

An increase from the currently low level of three or more-bedroom high density dwellings, although not critical to achieving population growth, is needed to accommodate a broader range of groups. It is therefore important that the Structure Plan promote a broader range of apartment types, especially emphasising the construction of larger apartments (living space and bedroom numbers) to accommodate projected population growth across a range of demographic cohorts...

Over time, it is expected the housing market will respond to this diverse demand as observed in the case study precincts in Sydney identified in this report. Nonetheless, incentives could be considered.

The Councils and University Group submitted the draft Amendments do not provide sufficient guidance to ensure appropriate housing diversity outcomes, particularly dwellings suitable for families. Relying on the evidence of Mr Barnes, it submitted the draft Amendments need to be strengthened with:

- requirements for housing mix and diversity in PRZ and BFO schedules
- minimum tailored targets in the PRZ schedules for an appropriate proportion of 1, 2 and 3 plus bedroom dwellings, including apartments with layouts that are suitable for families with children
- an application requirement in the PRZ schedules for a Housing Diversity Report that explains how the proposal addresses housing diversity policy and requirements.

The Councils and University Group submitted there would be no detriment in including more directive statements in planning policy in relation to housing diversity:

If the market would deliver apartments with three or more bedrooms anyway, then direction in that regard in planning policy is not problematic. If the market would not deliver those larger apartments in the absence of policy direction, that is a critical reason to include such policy direction, in order to encourage the market to actually deliver diversity.

On the other hand, the risk of not including more directive statements is that the draft Amendments will not deliver the housing types and sizes required to support a broad demographic:

In particular, developers are likely to deliver standard smaller one and two bedroom apartments. This would skew the population demographic in a particular direction, to the exclusion of families with children. That outcome would be contrary to the Structure Plan objectives.

Views differed among the experts as to whether more direct interventions would be required through the draft Amendments to ensure larger apartments are delivered in appropriate quantities.

Mr Crowder considered the treatment of housing diversity in the draft structure plans and draft Amendments was 'comprehensive' and contained "*sufficient direction... to provide for an appropriate mix of housing forms*", through the measures summarised in Chapter 4, combined with existing State and regional policy and Clause 58 requirements that encourage diverse housing that offers choice and meets changing household needs.

Mr Barnes considered the draft Amendments need to do more to expressly encourage the intended shift towards apartment living, with reference to dwelling types as well as built form. He considered the proposed policies and PRZ and BFO schedules do not give sufficient weight to housing diversity and are unlikely to ensure delivery of the housing diversity objectives in a "*tangible and measurable way*". He considered some form of target, measurable objective, or guideline is needed. This could be:

- a PRZ or BFO requirement which specifically nominates minimum targets for proportions of 1, 2 and 3 bedroom dwellings (or additional policy in Clause 11.03-6L-01 to this effect as a less preferred alternative)
- requirements to design for a broad range of family types and compositions
- an application requirement for a Housing Diversity Report.

Mr Quick acknowledged that in the context of the Melbourne housing market, it would be a significant shift for families to choose three bedroom apartments over more conventional housing stock. However, he considered the draft Amendments would be effective in guiding the market to provide appropriately diverse housing, including for larger households. He considered the draft structure plans and draft Amendments could

include specific references to types of housing (such as key worker housing and student accommodation) in the relevant precincts.

Mr McNeill considered it may prove challenging to attract families to three bedroom apartments at the volumes estimated in the Housing Needs Assessments.

Both Mr Quick and Mr McNeill were cautious about the introduction of specific targets or prescriptive requirements for a mix of dwelling sizes in the planning controls. They considered that in the absence of sufficient market demand for larger apartments, 'forcing' their delivery through prescriptive planning controls could stifle the delivery of housing, as developers will be unwilling to deliver stock that may not sell. Mr Quick did not consider targets or requirements were needed, whereas Mr McNeill considered a "*gentle nudge*" or encouragement may be appropriate.

The Proponent did not support targets or requirements in the draft Amendments relating to housing diversity, stating:

Tellingly, the evidence of both Mr Quick and Mr McNeill counts against any such approach. Importantly, both experts agreed that:

- a. the draft Structure Plans and draft Amendment promote housing mix and diversity; and
- b. it is unnecessary to be prescriptive in applying mandates in relation to housing mix and diversity, and that the market will appropriately respond to the needs and demands of current and future residents.

The Proponent submitted the inclusion of targets has the potential to distort the operation of the market and impose artificial and unwarranted constraints on development in the precincts. Not all sites have the same capacity to respond to targets. Furthermore, the requirement for a Housing Diversity Report that identifies how a particular proposal responds to a given target:

... imposes unnecessary and undue expense on the private sector, and would require that individual land-owners attempt to respond to broader market and economic trends that affect land that is not under their control.

Relying on Mr Quick's evidence, the Proponent submitted that while a greater proportion of larger apartments will need to be delivered to cater for the anticipated demand, in volume terms the extent of growth in larger apartments is "*relatively modest*".

4.6 Discussion

The draft structure plans will do little to facilitate the delivery of diverse housing types. While they played a role in informing the housing diversity provisions in the draft Amendments, they will not, of themselves, facilitate housing diversity. As background documents, they have no statutory weight and a limited role in guiding decision making. Nothing in the schedules 'calls up' the draft structure plans to guide assessment or decision making in relation to housing diversity.

The draft Amendments facilitate a mix of medium and high density residential development. The Committee accepts this will facilitate housing diversity, as most of the precincts (with the exception of Box Hill) are currently dominated by more conventional forms of housing.

However, the draft structure plans aim for more than simply adding apartments and townhouses to the current mix of more conventional residential stock. They aim for a

range of housing sizes (and tenures) to meet the needs of a particular demographic that includes families and larger households.

The Committee acknowledges the evidence of Mr Quick and Mr McNeill that the market is *capable* of responding to the demand for larger apartments. However, the market will likely only deliver if there is demand. On the evidence before it, the Committee doubts there is (or will be) sufficient demand for larger apartments in the structure plan areas within the draft structure plan planning horizon (to 2041).

This presents a conundrum. Is it best to wait, and see whether demand develops and the market responds? Or is it preferable to take a more proactive and interventionist approach, and include targets and requirements to deliver larger apartments for which there may, at least in the short to medium term, be limited market demand?

SGS Economics and Planning did peer reviews of the Housing Needs Assessments.³ The peer reviews emphasised the need to incentivise the market to deliver larger dwellings. They acknowledged that in most precincts there is a significant increase in household size for each dwelling type over the planning horizon, which in some cases is *"beyond typical trend"* and would need *"to be strongly supported through a range of pro-active policy initiatives in the Structure Plans and draft Amendments"*.⁴

While the Committee acknowledges the draft Amendments go some way to encouraging the delivery of diverse housing, the Committee agrees with Mr Barnes that they don't go far enough. There is a significant risk that larger apartments won't be delivered in the short to medium term. While this may not impact the projected population growth in the structure plan areas, it has potential to skew the demographic of the future population away from families and larger households. As the Councils and University Group pointed out, this would be contrary to the structure plan objectives.

Mindful of the concerns expressed by Mr Quick and Mr McNeill, the Committee does not support prescriptive targets or requirements for a certain mix of dwelling sizes in the PRZ and BFO schedules. If the schedules 'force' the delivery of larger apartments that the market is not yet ready to accept, there is a real risk that housing developments may not be put forward at all – at least until the market matures and developers can be confident of selling the larger apartments.

Instead, the guidance about housing diversity in the structure plan area local policies should be strengthened by adding quantitative measurable targets for dwelling size mix. The targets should be supported by an application requirement in the PRZ schedules that proposed residential developments over a certain size provide a Housing Diversity Report that enables the decision maker to assess how the proposed development will contribute to the targets.

The SGS peer reviews referred to the need to 'incentivise' the delivery of larger apartments. Targets and application requirements are not an incentive. However, they are, in the Committee's view, the most appropriate planning mechanism to both encourage and measure the delivery of housing diversity in the precincts.

³ The peer reviews are appended to the Assessments.

⁴ This text is taken from the SGS peer review for Cheltenham – refer to pdf page 149 in the Cheltenham Housing Needs Assessment.

The targets should apply across each structure plan area, rather than to each development. Precinct-wide targets are a better benchmark against which to measure whether the vision and objectives in the structure plan area are being achieved. Further, the sizes and types of residential development that will be delivered across the structure plan areas will vary widely, depending on the neighbourhood, the lot size and the state of the market. A mix of dwelling sizes will not be appropriate for all development proposals. Further, some sites (particular smaller sites) will not have the capacity to deliver a mix of dwelling sizes.

The application requirement for a Housing Diversity Report should only apply to residential development over a certain size. Preparing a Housing Diversity Report that responds to precinct-wide targets could potentially be complex. If the requirement is applied across the board, it may act as a disincentive for smaller scale developments which have an important role to play in delivering diverse housing choices across the precincts.

The Committee is not in a position to specify the metrics of the targets. These will vary between precincts. The targets should be developed by the Proponent using the information in the Housing Needs Assessments. Other inputs (such as any housing diversity policy directions in the planning schemes) may also be required.

Consistent with the Committee's findings in Volume 2 Chapter 8, the Proponent should monitor progress toward the targets. The targets should be reviewed and adjusted as necessary to ensure the vision and objectives of the draft structure plans are being achieved, and residential development in the precinct is supporting the desired demographic for the precinct. The review should also consider whether the targets are having any unintended consequences, such as stifling development.

4.7 Findings and conclusions

The Committee finds:

- The draft Amendments go some way to facilitating the delivery of diverse housing types, but they need to do more.
- The new local policies should include precinct-wide targets for dwelling size mix.
- The PRZ schedules should include an application requirement for a Housing Diversity Report for residential development over a certain size.
- As part of the five-yearly review discussed in the Common Issues report (Volume 2 Chapter 3.3), the Proponent should monitor progress toward the targets and review and adjust them if required.

Based on the above findings, the Committee concludes:

- Without dwelling size targets, the draft structure plans and draft Amendments will not adequately facilitate the delivery of diverse housing types.

4.8 Recommendations

The Committee recommends:

Further work

4. **GI R04: Before the draft Amendments are approved, undertake further work to:**
 - a) **develop precinct-wide targets for an appropriate mix of dwelling sizes in each structure plan area. The targets should be:**
 - **tailored to each precinct**
 - **designed to ensure residential development supports the vision, objectives and preferred demographics for the precinct**
 - b) **determine the threshold (for example, based on the size of the proposed development) for when a Housing Diversity Report is required.**

Draft Amendments

5. **GI R05: Amend the local policies to include the precinct-wide targets developed under Recommendation GI R04.**
6. **GI R06: Amend the Precinct Zone schedules to include an application requirement for a Housing Diversity Report for residential development over a specified size (determined under Recommendation GI R04(b)) that enables decision makers to assess how the proposed development contributes to the targets.**

5 Floor space capacity

5.1 Summary

The built form controls provide floor capacity well in excess of the population and employment projections to 2041. The floor space capacity is more than sufficient to accommodate the projected population and employment growth, and provides flexibility to refine and alter the built form controls to meet the vision for the precincts.

5.2 Referred Matter

The Referred Matter is:

Whether the floor space capacity which would be facilitated by the draft Structure Plans and built form controls as discussed in the Land Use Scenario and Capacity Assessment is appropriate, taking account of the projected population and employment growth.

5.3 Key issue

The key issue is whether the built form controls provide sufficient floorspace to accommodate the projected population, or whether they provide excessive capacity.

5.4 Background

(i) Population and employment projections

While the visions vary between precincts in terms of future housing and economic roles, a common theme across the draft structure plans is for a substantial increase in housing and employment opportunities to 2041 and beyond.

Each draft structure plan includes forecasts for residents, dwellings and employment from 2021 to 2041. These forecasts are taken directly from the *SRL Business and Investment Case 2021*. The forecasts for population and employment are shown in the table below.

The Committee's Terms of Reference state that matters documented in the Structure Planning Guidelines are out of scope. This includes the timeframe for the draft structure plans as well as the population and employment projections.⁵

⁵ Also referred to 'population and employment objectives' at clause 10 of the Terms of Reference.

Figure 1 Population and employment projections

Structure Plan Area	2021		2041	
	Population	Employment	Population	Employment
Cheltenham	9,400	10,600	20,800	22,600
Clayton	14,200	12,700	26,900	29,600
Monash	10,000	20,900	17,900	50,000
Glen Waverley	7,100	7,800	11,700	13,800
Burwood	5,300	9,000	11,100	16,900
Box Hill	13,300	18,500	29,100	38,700

Source: AJM Joint Venture, Land Use Scenario and Capacity Assessment, 2025

(ii) Draft structure plans

There are several objectives in the draft structure plans to facilitate this growth. Objective 2 in each draft structure plan (with the exception of Monash) is to *‘Facilitate the growth of high-quality housing’*. In the Monash draft Structure Plan, objective 2 is tailored to reflect the vision and nature of this specialised precinct: *‘Deliver more housing to support job growth’*.

These objectives are supported by strategies which (with some variation between precincts) generally seek to:

- distribute housing growth across the structure plan area by encouraging:
 - significant housing growth in areas with the best access to transport, services and amenities
 - high housing growth along key movement corridors
 - medium housing growth in established residential areas
- discourage the underdevelopment of lots, ensuring that opportunities for new homes are maximised
- encourage the redevelopment and intensification of strategic sites.

There are several employment objectives, found in section 5.4 (‘Boosting the Economy’) of the draft structure plans, to facilitate economic and employment growth. As each precinct has different economic institutions and has evolved in different ways the objectives and strategies vary significantly from precinct to precinct. Generally, the strategies seek to build upon and extend the existing local economy as well as encouraging, in some locations, new opportunities such as repurposing industrial areas.

(iii) Land Use Scenario and Capacity Assessment

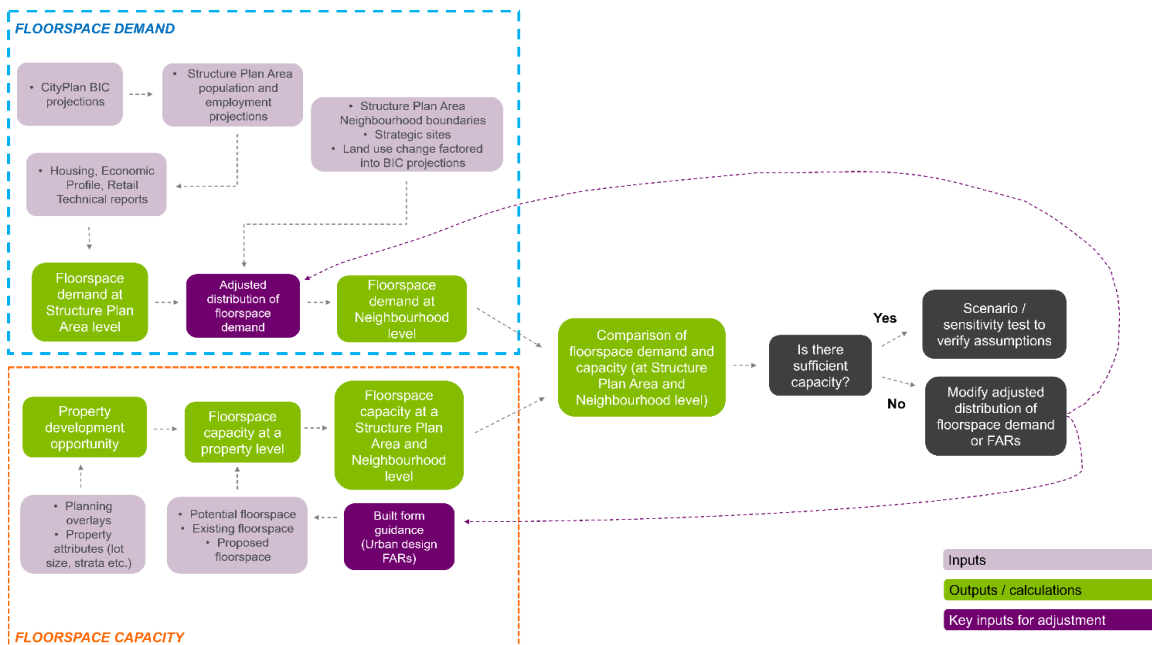
The LUSCA links the population and employment projections to floorspace. The methodology *“tests the capacity of the SRL East SPAs to accommodate projected population and employment growth”*.

The LUSCA used the final proposed built form outcomes and FARs presented in the UDRs as the theoretical capacity for the structure plan areas. The FARs in the LUSCA, like the UDRs, cover the entire extent of the structure plan areas. These FARs should not be

confused with the FARs used for the VPBUF which only apply to some areas of the precincts.

The LUSCA is a supply and demand model. Demand was derived from the estimated floor space required to satisfy the population and employment projections from the SRL Business and Investment Case. The demand figures in this model remained constant while the supply of floor area and/or the distribution of demand was varied (see Figure 2). The model was used iteratively where the FARs were varied and then tested to identify the appropriate level of floor space capacity.

Figure 2 Overview of capacity assessment process



Source: LUSCA, Figure 2.1, page 32.

The supply side of the model is built from individual lots. Each land parcel is given a development opportunity rating based on property characteristics (such as lot area) and constraints (such as a heritage overlay).

The LUSCA applied a capacity buffer to ensure there is land available beyond 2041. A threshold of 65 per cent by 2041 of calculated capacity across the structure plan areas was identified as the point where further investigation of capacity should occur. The capacity threshold recognised that not all sites would be developed to their full potential.

In terms of results, all precincts were found to have more than sufficient floorspace to accommodate the population and employment projections. Floor area capacity varied between precincts with Box Hill being closest to the 65 per cent investigation threshold.

The LUSCA was peer reviewed by SGS. The review found that *"the LUSCA approach, findings and recommendations are an appropriate evidence base to inform the six SRL Structure Plans and draft PSA"*.

5.5 Evidence and submissions

The Proponent submitted that using the LUSCA modelling to check the proposed built form controls can accommodate the required capacity was appropriate.

The Proponent relied on the evidence of Mr Quick that there are benefits in having a substantial buffer between anticipated demand to 2041 and theoretical capacity. Mr Quick said:

The opportunity for growth has been created to ensure flexibility in achieving growth outcomes, to make the areas economically attractive to encourage development and regeneration, and to deliver diversity and choice to the community.

The Proponent also relied on Mr Crowder's view from a planning perspective of excess floor space. Mr Crowder said:

...any oversupply is unlikely to be problematic given desirability of providing urban consolidation and greater choice in commercial and community that will be derived from matters such as community choice and convenience, commercial competition, and other flow-on economic and employment benefits.

Mr Quick included a revised set of capacities as part of his economic evidence for the Proponent. The revision took account of adjustments to the FARs and built form controls since the original LUSCA had been completed. These adjustments led to changes to the capacity in the precincts with decreases in capacity for Burwood (-0.2 per cent), Cheltenham (-7.2 per cent) and Glen Waverley (-8.1 per cent). There was some dispute between the experts around the significance of these declines on floor space capacity.

Mr Quick and Mr McNeill agreed:

- the need to build on significant transport infrastructure investment with significantly denser built forms
- the LUSCA method and assumptions used to calculate the theoretical capacity.

The Councils and University Group did not take issue with the general approach to assessing floor space capacity in the LUSCA and acknowledged that the buffer between capacity and demand will enable development after 2041 (which is appropriate).

The Councils and University Group submitted the excess capacity enables a degree of flexibility to adjust the built form controls to protect or minimise impacts on the public realm, such as overshadowing public open space.

Both Mr Quick and Mr McNeill agreed there were no economic arguments to reduce the FARs and reduce the theoretical capacity in the structure plan areas. Under cross-examination, Mr Quick agreed changes to FARs could be made for non-economic reasons such as urban design or amenity on a case-by-case basis.

5.6 Discussion

Development of these precincts will continue beyond the 2041 horizon of the draft structure plans. It is therefore important that the draft Amendments allow some excess capacity to allow the precincts to continue to develop beyond 2041. The identification of excess capacity enables future Victorians to continue to develop land uses and make best use of the State's very significant investment in transport infrastructure.

The Committee's view is having excess supply supports the planned development through to 2041 as well as development beyond this planning horizon. Excess capacity enables developers to choose from a range of sites that could accommodate their development. The converse would have developers choosing from a limited number of

sites that may not be feasible to develop due to location, lot size and the potential for landowners to demand higher prices for the limited number of opportunities.

That said, the size of the buffer is significant. This means that there is plenty of scope to adjust the built form controls where there is planning reasons to do so. For example, if there is a particular amenity consideration that warrants a reduction in the preferred maximum building height, there is plenty of capacity to enable this change without compromising overall floor space capacity within the precincts.

5.7 Findings and conclusions

The Committee finds:

- The built form controls provide floor capacity is well in excess of the population and employment projections for the timeframe of the draft structure plans (2041).
- The floor space capacity which would be facilitated by the draft structure plans and built form controls as discussed in the LUSCA is appropriate.

Based on the above findings, the Committee concludes:

- The floor space capacity which would be facilitated by the draft structure plans and built form controls as discussed in the LUSCA is more than sufficient to accommodate the projected population and employment growth.

6 Social and affordable housing

6.1 Summary

The draft Amendments provide a very significant opportunity to meaningfully address the critical shortage of social and affordable housing in the relevant municipalities, and for the State to provide leadership in demonstrating how affordable housing can (and should) be provided in urban renewal areas identified for transformational change.

In the Committee's view, the draft Amendments do not take up this opportunity. The draft structure plans and draft Amendments (including the VPBUF) will do little to facilitate the delivery of social and affordable housing. This shortcoming will have significant consequences for the delivery of the vision for the precincts.

6.2 Referred Matter

The Referred Matter is:

Whether the draft Structure Plans and draft Planning Scheme Amendments facilitate the delivery of social and affordable housing.

In addressing the Referred Matter the Committee has:

- assumed 'social and affordable housing' means affordable housing as defined in the PE Act, including social housing
- considered the extent to which the draft structure plans and draft Amendments are likely to deliver affordable housing in sufficient quantities to meet the needs identified in the Housing Needs Assessments.

There is overlap between this Referred Matter and the Referred Matters relating to the Uplift Scheme (Volume 2, Chapter 4).

6.3 Key issues

The key issues are whether:

- increasing housing capacity will facilitate affordable housing
- the new local policies will facilitate affordable housing
- targets or mandatory contributions should apply
- cash-in-lieu contributions should apply
- the VPBUF will facilitate affordable housing.

6.4 Background

(i) Draft structure plans

The visions identify the need to provide social and/or affordable housing in the precincts, tailored to the need and context of each precinct. Most refer to the need for a variety of housing options to cater to different household types, including social and affordable housing. Some refer to specific housing types, such as student accommodation and key worker housing.

Objective 4 in each draft structure plan is *'Increase the supply of social and affordable housing'*.

The objective is supported by strategies which (with some variation between precincts) generally seek to:

- encourage the provision of affordable housing on strategic sites and areas identified for significant and high housing growth
- ensure that affordable housing is constructed to the same standard as market housing within the same development
- encourage the provision of social and affordable housing on government-owned land.

The draft structure plans reference the need to encourage and secure affordable housing contributions as part of private development.

(ii) Draft Amendments

Policy

The new local policies include the following affordable housing strategies:

- encourage the provision of well-designed affordable housing
- incentivise the provision of affordable housing on strategic sites, areas identified for significant and high preferred built form scale and areas prioritised for commercial office/health uses.

The policies include guidelines that require the decision maker to consider the following, where affordable housing is to be provided:

- whether affordable housing:
 - provides a mix of one, two and three bedrooms that reflects the overall dwelling composition of the building
 - is externally indistinguishable from other dwellings
- the delivery and ongoing management of the affordable housing, or the transfer of the affordable housing to a registered housing agency or provider
- any other model that provides for affordable housing, subject to the approval of the Responsible Authority.

Precinct Zone

The use and development objectives at Clause 2.0 of most PRZ schedules include:

To increase the diversity of housing types throughout the Structure Plan Area, including the provision of affordable housing.

This objective wasn't in the exhibited PRZ schedules for the SDAs, but was added in the Day 3 documents.

The provision of affordable housing is incentivised through the VPBUF. Affordable housing is Category 2 of the eligible public benefits. Affordable housing must be provided as housing stock – there is no discretion for the responsibility to accept cash-in-lieu or monetary contributions for affordable housing.

There are no specific decision guidelines regarding affordable housing in the PRZ schedules.

(iii) Housing Needs Assessments

The Housing Needs Assessments highlight the anticipated demand for social and affordable housing in each structure plan area. The proportion of households anticipated to be eligible for social and affordable housing by 2041 ranges from 9 per cent of the total projected dwelling demand (in Cheltenham) to 20 per cent (in Monash).

The Housing Needs Assessments recognise the demand for social and affordable housing will need to be met by various levels of government, as well as contributions from the private sector. The Assessments identify the opportunity for provision of social and affordable housing on State owned land (particularly surplus land), and recommend exploring mechanisms to secure social and affordable housing provision within private housing developments.

The Housing Needs Assessments state:

Mechanisms to secure social and affordable housing provision within private housing developments should be explored. Intervention of some form is expected to be required to achieve growth in affordable housing provision. The market is unlikely to address the need. This will need to be done in such a way as to not undermine the viability of residential development in the area, as the delivery of more housing stock is also critical in addressing the housing crisis and affordability concerns.

6.5 Increasing capacity

(i) Evidence and submissions

The Proponent submitted one of the ways in which the draft Amendments facilitate the delivery of affordable housing is through substantially increasing opportunities to provide additional housing in the structure plan areas. It submitted increasing capacity should increase supply, which should put downward pressure on house prices.

Mr Crowder generally supported this proposition. He considered the significant increase in housing quantity and diversity facilitated by the draft Amendments is of itself likely to make a significant contribution to affordable housing.

The Councils and University Group responded that the creation of housing capacity through the new planning controls should not be confused with housing supply. Supply is determined by the market, and it is not correct to assert that an increase in housing capacity in the precincts will result in delivery of the volume of housing required to reduce house prices to a point that makes the housing suitable for people or households on very low, low or moderate incomes.

CHIA submitted that the draft Amendments increase capacity primarily for high density apartments, which are not attractive to registered housing providers. Apartments in modern high rise developments are generally:

- expensive, priced at a point that makes them unaffordable for community housing organisations to purchase (even with discounts)
- have high outgoings and running costs that make them unaffordable or unattractive to community housing organisations
- are harder to manage.

CHIA explained that community housing organisations generally prefer purpose-built community housing in stand-alone low rise developments in lower density areas, where land values are lower and they are not committed to expensive outgoings.

(ii) Discussion

Housing supply and the cost of housing is dependent on a complex set of interrelated factors, including land costs, construction costs, market demand for the types of housing that are proposed to be delivered in the structure plan areas, and the feasibility of developing that housing.

Mr Mackintosh, Mr Quick and Mr McNeill all recognised that there are significant challenges in delivering apartments in Melbourne at an affordable price. Mr Mackintosh's evidence was that in current market settings, development of larger apartment buildings is often unfeasible, for two key reasons:

- high construction costs
- insufficient demand for apartments from investors or home owners (which is partly driven by unfavourable tax settings including for foreign investors).

These issues, particularly the demand side issue, make it difficult for developers to raise the finance required to build apartment developments.

Therefore, simply increasing housing capacity in the structure plan areas does not necessarily mean that:

- additional housing will be supplied
- the additional supply (if it happens) will put sufficient downward pressure on house prices in the structure plan areas to deliver housing:
 - at a price point that meets the definition of affordable housing in the PE Act
 - in sufficient quantities required to meet the needs identified in the Housing Needs Assessments.

Further, as CHIA pointed out, the increased capacity is primarily for high density apartments in the core areas of the structure plan areas, which are not suitable for social housing managed by community housing providers for the reasons explained by CHIA.

(iii) Findings

The Committee finds:

- Increasing housing capacity in the precincts will not make a significant contribution to facilitating the delivery of social and affordable housing because:
 - increased capacity will not, of itself, translate into increased supply
 - even if there was increased supply, there is insufficient evidence to demonstrate that this will put downward pressure on house prices to result in a meaningful supply of affordable housing

6.6 The new local policies

(i) Evidence and submissions

The Proponent submitted the new local policies are an appropriate mechanism, in combination with the VPBUF, to encourage and incentivise the provision of affordable housing in the precincts.

Mr Crowder supported the approach of incentivising delivery of affordable housing on strategic sites through the new local policies, in conjunction with the operation of the VPBUF in areas where it applies. He considered this would effectively facilitate the delivery of affordable housing, although he could not say how much affordable housing was likely to be provided.

Under cross examination Mr Crowder accepted that there should be an affordable housing objective in the PRZ schedules for the SDAs, and that those areas would be "*prime candidates*" and a desirable location for affordable housing. An objective was included in the Day 3 versions.

(ii) Discussion

The Committee does not consider the new local policies are likely to be effective in facilitating the delivery of affordable housing, either in themselves or in combination with the VPBUF.

Policy alone has not been demonstrated to be a particularly effective planning tool in facilitating the delivery of affordable housing. Planning schemes across Victoria (including those affected by the draft Amendments) already have existing policy strongly encouraging the provision of affordable housing. Despite strong policy support (including in the planning objective set out in section 4(fa) of the PE Act), the supply of affordable housing remains desperately short across the State, including in the municipalities in which the precincts are located.

Similar policies in place in other urban development areas (such as Fishermans Bend) have not been particularly effective in securing meaningful amounts of affordable housing, notwithstanding that some of those policies are stronger than those proposed for the structure plan areas. For example, the policy in Fishermans Bend is backed by a 6 per cent affordable housing target – no targets are proposed for the structure plan areas. Even with a 6 per cent target (and an uplift scheme), affordable housing has only been delivered in Fishermans Bend at a rate of 3 per cent.⁶

(iii) Findings

The Committee finds:

- The new local policies are unlikely to be particularly effective in facilitating the delivery of affordable housing, either in themselves or in combination with the VPBUF. Other tools are needed.

⁶ VPBUF Technical Report at page 51

6.7 Targets and mandatory contributions

(i) Evidence and submissions

Proponent

The Proponent did not support mandatory requirements or targets for affordable housing for either private or public land. It submitted that there was no evidentiary basis for mandatory requirements or targets, and they are untested. It submitted mandatory affordable housing requirements are not supported by State policy.

Consistent with the Housing Needs Assessments, Mr Quick considered that some form of intervention is likely to be required to achieve the growth in the delivery of affordable housing required to meet the identified needs. While he considered the local policies in combination with the VPBUF would be sufficient, under cross examination he conceded that another way to achieve the affordable housing outcomes envisaged for the precincts would be to include:

- a mandatory 10 per cent contribution in the SDAs
- a target of 6 per cent elsewhere in the structure plan areas.

Mr Quick was not supportive of mandatory affordable housing contributions and was cautious about targets. If developers were not able to factor in the cost of mandatory contributions by reducing what they pay for the land, they would seek to pass the cost on to purchasers of the dwellings, pushing prices up. He thought the cost of mandatory contributions could negatively impact development feasibility in an already challenging market. He also noted that in the absence of state-wide contribution requirements, a mandatory contribution in the structure plan areas would place them at a disadvantage compared to other urban renewal areas without mandatory contributions.

Councils and University Group

The Councils and University Group submitted targets should be applied, as well as mandatory contributions. It submitted mandatory requirements would simply be factored into developer decisions about what to pay for land. While this may reduce the amount of the windfall available to landowners in the precincts, they would still be ahead.

The Councils and University Group submitted that at the very least, mandatory targets should apply to the SDAs which need to do some *"heavy lifting"* in relation to affordable housing. It noted these areas are largely or wholly owned by the Proponent and are identified for the most significant change. It submitted that *"with all of the land value upside that will come along with the change"*, the Proponent should be committing to *at least* a 10 per cent affordable housing contribution in these areas:

The [Proponent] can guarantee the delivery of affordable housing on very significant land holdings in all six precincts. Those areas are all owned by the [Proponent], which can voluntarily accept that obligation on its land – avoiding any legal difficulties with mandating affordable housing provision. That would be a very strong message to all landowners that the State is putting its money where its mouth is.

The Councils and University Group submitted the:

- local policies should include:
 - a 6 per cent affordable housing target across the six precincts

- a 10 per cent affordable housing target on strategic sites including the SDAs
- a requirement for affordable housing (where provided) to be secured by a section 173 agreement
- PRZ schedules for the Central Core areas and the SDAs should include an objective to indicate the high potential for affordable housing
- PRZ schedules for the SDAs should mandate a minimum 10 per cent affordable housing provision within each of the SDAs.

The Councils and University Group and CHIA also raised a concern that the draft Amendments may reduce the number of permit applications electing to take up the Clause 53.23 pathway (which can be accessed if a 10 per cent affordable housing contribution is proposed). As the Councils and University Group stated:

The effect of this is likely to (perversely) suppress the delivery of affordable housing through Clause 53.23. That is because, if the VPBUF allows uplift in exchange for the delivery of other more desirable types of public benefit from the developers' perspective, and also avoids third party notice and appeal, then that would seem to be an obvious pathway to choose, instead of Clause 53.23.

Mr Barnes' evidence was that it was insufficient for the draft Amendments to simply address affordable housing in the local policies and through the VPBUF, as this does not give affordable housing sufficient weight. He considered it should be addressed by:

- preferably, including a target and requirement in PRZ and BFO schedules, with a delivery mechanism, to create the greatest "*statutory weight*"
- alternatively, including a target in the local policies for each precinct
- including an objective in the PRZ schedules for the SDAs supporting affordable housing (which was included in the Day 3 versions)
- including a requirement in the PRZ schedules for the SDAs to provide at least 10 per cent affordable housing.

Mr Barnes considered any target or benchmark set by the draft Amendments should '*go substantially beyond*' the 10 per cent contribution required to access the Clause 53.23 pathway. He also recommended consideration be given to including a requirement that applies more widely than just in substantial change areas, and which is not tied to uplift.

Community Housing Industry Association

CHIA submitted that as essential social infrastructure, social housing should be delivered through a mandatory development contribution, similar to open space contribution requirements. It submitted:

A mandatory requirement would provide clarity to developers and certainty to the community about the affordable housing to be delivered, and is preferable to either voluntary contributions or incentives schemes such as the VPBUF.

It submitted that contributions should require discounted sale or gifting of homes to a registered community housing provider or Homes Victoria where:

- 10 per cent of all dwellings are sold at a 30 per cent discount to the market value, or 3 per cent of all dwellings are gifted, or
- an alternate percentage of dwellings or discount rates equivalent in value to 3 per cent of all dwellings, or
- a cash contribution equal to 3 per cent of the market value of the completed development to the Social Housing Growth Fund.

(ii) Discussion

Given the substantial need for affordable housing identified in the Housing Needs Assessments, the significance of the transformational change and intensification of development in the precincts, and the large areas of government owned land in the precincts, the draft Amendments should be doing far more to facilitate the delivery of social and affordable housing.

The Committee agrees with submitters that the draft Amendments might limit the uptake of Clause 53.23 in the precincts, further reinforcing the need for the Amendments to do more to facilitate affordable housing.

The local policies (discussed in Chapter 6.6) and the VPBUF (discussed in Chapter 6.9) are not enough. Measurable targets are required to set expectations around the delivery of affordable housing.

Experience shows that targets in local policies are unlikely to be sufficient. Targets in the PRZ schedules would have more weight.

The SDAs are clearly suitable locations and obvious candidates for affordable housing. In cross examination Mr Mackintosh and Mr Quick both conceded that:

- it is appropriate for state-owned land to deliver both social and affordable housing
- government owned land is not affected by the same development feasibility constraints as privately owned land.

Targets should be applied to the SDAs, in addition to the objective included in the Day 3 PRZ schedules. As discussed in Chapter 6.5, the lower rise residential neighbourhoods may be more suitable locations for housing that is intended to be transferred to or managed by community housing operators. The draft Amendments should therefore include suitable targets for the non-core areas as well. The targets should be specifically tailored to the location, and included in the social and affordable housing objective in the PRZ schedules.

It is not for the Committee to nominate what the targets should be – that is for the Proponent. That said, the targets should be:

- informed by the Housing Needs Assessments
- informed by existing policy relating to affordable housing in the relevant planning schemes
- higher in the SDAs than for elsewhere in the precincts, to reflect:
 - the state government's leadership role in facilitating the provision of social and affordable housing
 - the fact that the SDAs are where the greatest uplift in development capacity will occur (which will presumably be reflected in the greatest uplift in land values)
 - the fact that the same feasibility constraints that apply to the redevelopment of private land do not apply to government owned land.

The targets should be supported by an application requirement and/or decision guideline in the schedules requiring the responsible authority to consider how the

application responds to the target. Accordingly, the PRZ schedules should include an application requirement for an Affordable Housing Report that:

- demonstrates how the application is consistent with the objectives (including the target) of the PRZ schedule
- sets out the form of any affordable housing contribution to be provided and how will be delivered and secured.

This could be combined with the Housing Diversity Report recommended in Chapter 4. The Proponent should consider whether the application requirement should only apply to development over a certain size (as is recommended for the Housing Diversity Report).

The decision guidelines of the PRZ parent clause require consideration of how the application responds to the use and development objectives specified in a schedule. Accordingly, if the targets are included in the objective as recommended by the Committee, an additional decision guideline will not be needed. If, however, the targets are included in local policy rather than the PRZ schedules, the schedules should include a decision guideline requiring consideration of how the application contributes to meeting the target.

While the Committee agrees that mandatory contributions would be the most effective way to ensure affordable housing is delivered as part of development, current legislation supports voluntary (not mandatory) contributions. The Committee understands amendments may be proposed to the PE Act to facilitate mandatory affordable housing contributions (which is one of the many reforms affecting the draft Amendments discussed in the Summary and Approach report (Volume 1 Chapter 6). If mandatory contributions become possible under law, they should be applied in the precincts.

Some changes are needed to the first affordable housing strategy in the local area policies to reflect the Committee's recommendation to include targets in the PRZ schedules. These are self-explanatory and do not require any discussion.

(iii) Findings

The Committee finds:

- Social and affordable housing targets should be developed for each structure plan area and embedded in the PRZ schedules, including for the SDAs and the non-core areas.
- The targets should be informed by the Housing Needs Assessments and any existing policy relating to affordable housing in the relevant planning schemes.
- The targets for the SDAs should be higher than for elsewhere in the precincts.
- The targets should be supported by an application requirement and (if required) a decision guideline in the PRZ schedules requiring the responsible authority to consider how the application responds to the target.

6.8 Cash-in-lieu contributions

(i) Evidence and submissions

Several submitters said that affordable housing contributions should be able to be made as cash contributions to the value of the physical affordable housing stock that would

otherwise be required to be delivered. All relevant experts supported cash contributions, provided any contribution is invested into affordable housing provision in the precinct from which the contribution is made. The Councils and University Group supported this approach.

In oral submissions, CHIA explained that cash contributions to a central government administered fund are often preferable to in kind contributions from developers, particularly contributions such as one or two isolated apartments in a larger complex. Cash contributions provide flexibility for the community housing sector to purchase land and build their own social housing or community housing developments that are fit for purpose and in the right location. CHIA pointed to the success of the Clause 53.23 assessment pathway in contributing meaningful funding to the Social Housing Growth Fund.

Mr Quick recommended allowing cash contributions equivalent to the cost of providing dwellings instead of having to provide stock. He outlined the practical difficulties community housing organisations face managing built contributions, including difficulties managing spatially scattered assets as well as the other difficulties already discussed in Chapter 6.5 (high purchase and operational costs). He considered cash contributions enable community housing organisations to pool their resources and develop purpose built facilities that meet the needs for affordable housing in the area.

The Proponent did not adopt Mr Quick's recommendation. It submitted that while it does not have an in-principle objection to cash contributions, it raises "*two clear difficulties*":

- a legal question as to whether the PRZ head clause allows cash-in-lieu contributions for affordable housing
- legal and administrative questions as to whether it is possible to ensure the contribution would be allocated within the precinct.

(ii) Discussion

Cash-in-lieu contributions will be the best way in which the draft Amendments can facilitate the delivery of affordable housing. Any cash-in-lieu contribution must be to the equivalent value of an in-kind contribution.

There was widespread support for cash contributions. They clearly offer significant benefits in terms of flexibility and appear to be preferred by both the community housing sector and the development sector. They avoid the problems outlined by CHIA (and various experts) associated with the delivery of one or two isolated apartments in developments that are not purpose built for social housing.

However, there are certain challenges that need to be worked through if cash contributions are to be accepted.

First, there are the legal questions raised by the Proponent. These are not for the Committee to resolve, however to the extent that changes are needed to the PRZ to facilitate cash contributions, the Committee recommends these be made.⁷

⁷ Advisory Committees are not subject to the restriction in the PE Act that prevents panels from recommending changes to state standard provisions in the planning schemes.

Another key challenge arises if the contributions are required to be spent in the precinct from which they are collected. There are practical issues around requiring a collecting agency to quarantine funds received to ensure they are spent within the precinct.

The Committee sees some merit in requiring the contributions to be spent in the same geographic area from which they are collected, as the contributions will be based on targets that reflect the need in that area. That said, the Clause 53.23 model (under which cash contributions are generally paid into the Social Housing Growth Fund) still provides meaningful contributions towards the State's social housing needs, allowing the funds to be spent in the parts of the State where the need is greatest.

(iii) Findings

The Committee finds:

- Cash contributions should be able to be made instead of providing affordable housing contributions as stock, particularly where contributions will be in the form of social housing.
- The Proponent should investigate ways of overcoming any legal impediments to cash contributions, including amendments to the PRZ parent clause if required.

6.9 Voluntary Public Benefit Uplift Scheme

(i) Evidence and submissions

Proponent

The Proponent submitted the settings of the VPBUF have been formulated to "*materially incentivise*" the delivery of affordable housing, and that the VPBUF:

- applies to a "*very significant*" land area
- has been formulated so that affordable housing is an eligible public benefit within the vast majority of that area
- creates "*clear incentives*" and "*very considerable opportunities*" for the private sector to unlock additional development potential through the provision of affordable housing.

Mr Crowder considered the VPBUF would provide a more formal and structured approach to the provision of affordable housing in the FAR areas (compared to the encouragement for the provision of affordable housing in the local policies). He indicated he was not qualified to:

- make an assessment of the size of affordable housing that might be delivered through the VPBUF
- comment on whether the settings of the VPBUF were appropriate to incentivise delivery of affordable housing or uptake of the VPBUF more broadly.

Mr Mackintosh advised that delivery of affordable housing would entitle developers to what the Proponent described as a 'material' FAU. For example, Mr Mackintosh's calculations (based on the schemes in the Hayball architectural testing) showed that for:

- 5-35 Kingsway, Glen Waverley, the provision of 679 square metres of affordable housing would result in 6,632 square metres of uplift

- 24-26 Royalty Avenue, Highett the provision of 55 square metres of affordable housing would result in 627 square metres of uplift.

Like Mr Quick, Mr Mackintosh considered the VPBUF should be flexible and recalibrated if it is under-utilised, or if other types of public benefit are being provided at the expense of affordable housing.

Community Housing Industry Association

Several submitters, including CHIA and Councils, expressed concern that the VPBUF does not guarantee the delivery of meaningful amounts of affordable housing (particularly social housing), given:

- its voluntary nature
- it only applies to FAR areas (which don't include the Residential Neighbourhoods)
- affordable housing is only one category of eligible public benefit, and other categories are likely to be more attractive to developers.

CHIA submitted the uplift framework for the Central City (which has been in place for nearly 10 years) has not delivered a single affordable housing unit, because developers choose alternative public benefits which add more value to the development. CHIA recommended that if the VPBUF is retained, it should be redesigned to:

- remove the other competing categories of public benefit
- model contributions on the requirements under Clause 53.23 (including cash contributions).

In response, the Proponent disputed the proposition that the Central City uplift framework provides any indication of what the VPBUF might (or might not) deliver in terms of affordable housing in the precincts, because:

- the context and settings of the Central City uplift framework are very different
- particular factors have counted against the greater uptake of that mechanism in the Central City, including the FARs in the Central City, which are set much higher than in the precincts.

Councils and University Group

Mr Mackintosh's evidence did not address whether delivery of affordable housing would impact development feasibility (whether or not it was delivered in exchange for uplift under the VPBUF). The Councils and University Group considered this to be a significant shortcoming in the Proponent's case.

Under cross-examination, Mr Mackintosh gave evidence that:

- the delivery of affordable housing is very challenging in a high density environment, where land values are higher and contemporary expectations for high-rise apartment buildings include expensive common services and facilities that drive up fees and outgoings for residents
- without the right incentive, developers would not likely deliver affordable housing under the VPBUF, particularly in the areas where it is most needed (in the core areas).

The Proponent responded that feasibility testing *"is both unnecessary and "irrelevant"* for the purposes of addressing the Referred Matter relating to affordable housing:

Importantly, as Mr Mackintosh explained [in cross examination], the feasibility of delivering housing of this type as part of a development project, is itself influenced by a range of complex factors (that are, in turn, variable and dynamic). Demonstrating feasibility for a given site (or sites) at a given point in time would demonstrate little in the context of a statutory mechanism that is designed to operate over an extended period of time and in variable market conditions.

(ii) Discussion

The role of uplift in development feasibility

The draft structure plans and draft Amendments are predicated on the basis that the private sector will make a significant contribution to the provision of much needed affordable housing in the precincts, incentivised by the VPBUF. This will only happen if development (particularly apartments) is feasible.

The evidence of Mr Quick, Mr McNeill and Mr Mackintosh demonstrated that the feasibility of apartment developments (particularly high-rise apartments) in the current market is challenging. If feasibility is challenging without an affordable housing component, adding an affordable housing contribution is likely to make feasibility even more challenging.

Mr Mackintosh's calculations demonstrate that the provision of affordable housing under the VPBUF will result in potentially significant amounts of uplift, depending on the setting. The calculations for 5-35 Kingsway, Glen Waverley indicate a substantial uplift could be available (in the order of 10 times the amount of affordable housing floorspace delivered). The calculations for 24-26 Royalty Avenue, Highett are less instructive, as a provision of 55 square metres of affordable housing seems unrealistic (it would not be sufficient for a single dwelling).

While useful, Mr Mackintosh's calculations do not provide any insight into whether (and to what extent) the uplift would contribute to making development with an affordable housing component feasible, or whether the Uplift Scheme would likely incentivise the provision of affordable housing. They were also based on a very limited number of examples.

It may appear obvious that uplift would ease feasibility challenges (compared to a scenario with no uplift). However, development feasibility is a complex question and depends on many factors. It cannot be simply assumed that uplift in the order of the amounts demonstrated by Mr Mackintosh's calculations will make development with an affordable housing component feasible.

Whether the 30 per cent discount is sufficient

The VPBUF requires affordable housing to be provided at a 30 per cent discount to market, transferred to or managed by a registered housing provider (or any other model approved by the responsible authority). Given the evidence before the Committee about the purchase costs of high rise apartment developments (even with discounts) and the high outgoings, the Committee has significant doubts that housing delivered under the

VPBUF will be at a price point that meets the definition of affordable housing under the PE Act, or that housing providers will be able to afford. Higher discounts on market value may be required, further impacting development feasibility and making it even more unlikely that developers would opt to deliver affordable housing as their preferred category of public benefit.

Whether the Uplift Scheme will deliver affordable housing in the right locations

The VPBUF does not apply to Residential Neighbourhoods and some Employment Neighbourhoods, so it will not facilitate the delivery of any affordable housing in those areas. Instead, it applies in areas designated for higher density development, where the feasibility of apartment developments is challenging and the housing typology is not well suited to registered housing providers.

Other concerns

Apart from the above concerns, the Committee does not think the VPBUF can deliver a significant quantity of affordable housing given the problems with the design of the VPBUF discussed in the Common Issues Report (Volume 2, Chapter 4).

Particularly relevant in the context of affordable housing is the fact that there has been no demonstration of whether (or how) the settings of the VPBUF incentivise developers to deliver affordable housing in preference to other more attractive forms of eligible public benefit. Hence the Committee's Recommendation CI R03(b) to remove Category 1 (Public realm improvements) and Category 3 (Strategic land uses) benefits from the VPBUF.

(iii) Findings

The Committee finds:

- There is no evidence that:
 - the VPBUF provides the right settings to incentivise developers to provide social and affordable housing
 - housing delivered at a 30 per cent market discount is likely to be at a price point that:
 - meets the definition of affordable housing in the PE Act
 - is likely to be affordable to community housing providers (especially given high outgoings that are likely to apply).
- The VPBUF does not apply in locations that are attractive to community housing providers (lower density areas with lower land values).
- As discussed in the Common Issues report (Volume 2 Chapter 4), unless competing forms of eligible public benefit are removed from the VPBUF, the VPBUF is highly unlikely to deliver affordable housing.

6.10 Conclusions and recommendations

Based on the findings in this Chapter (and in Volume 2 Chapter 4), the Committee concludes:

- The draft Amendments (including the VPBUF) will not do enough to facilitate the delivery of social and affordable housing.

Further work

7. **GI R07: Before the draft Amendments are approved, undertake further work to:**
 - a) **develop social and affordable housing targets for each structure plan area, informed by the Housing Needs Assessments, existing policy and tailored to the needs of the location**
 - b) **determine the threshold (for example, based on the size of the proposed development) for when an Affordable Housing Report is required.**
8. **GI R08: As part of the further work relating to the Voluntary Public Benefit Uplift Framework Further (Recommendation CI R01), consider extending the spatial application of the Framework to Residential Neighbourhoods.**

Draft Amendments

9. **GI R09: Amend all local area policies (Clause 11.03-XL-01) as follows:**
 - a) **Amend the first affordable housing strategy to read:**

Encourage the provision of well designed affordable housing in suitable locations throughout the precinct to contribute toward meeting the affordable housing targets specified in the Precinct Zone schedules.
10. **GI R10: Amend all Precinct Zone schedules to:**
 - a) **include the affordable housing targets developed under Recommendation GI R07 in the social and affordable housing use and development objective**
 - b) **include a new application requirement for an Affordable Housing Report that:**
 - **enables decision makers to assess how the proposed development contributes to the target**
 - **applies to development over the threshold determined under Recommendation GI R07**
 - **specifies what form the affordable housing contribution will take (cash or in kind), and how in kind contributions will be delivered and secured.**
11. **GI R11: If required, amend the Precinct Zone parent clause (Clause 37.10) to remove any legal impediment to affordable housing contributions being made as a cash-in-lieu contribution to the equivalent value of an in-kind contribution.**

7 Sustainability

7.1 Summary

The approach adopted in the draft structure plans and draft Amendments will not achieve the sustainability objectives and vision for the precincts. More ambition is required in relation to sustainability, given the stated vision of the precincts and the recent introduction of MD22. The SMP, Waste Management Plan, Integrated Water Management and urban greening requirements in the draft Amendments need to be strengthened, and the controls need to be drafted consistently across precincts.

7.2 Referred Matters

The Referred Matters are:

Whether the approach adopted in the draft Structure Plans and the draft Planning Scheme Amendments is suitable to:

- Achieve the draft Structure Plan's sustainability objectives
- Support sustainable building design in new development

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Integrated water management.

The Referred Matter relating to integrated water management is dealt with in this chapter rather than Chapter 9, because the integrated water management requirements are a component of the SMPs.

There is overlap between these Referred Matters and the Referred Matters relating to:

- transport mode shift (Chapter 8.5)
- overshadowing (Chapters 9.5 and 9.6)
- waste management (Chapter 9.10)
- tree canopy cover (Chapter 9.11).

7.3 Key issues

The key issues are whether:

- the draft Amendment meets the requirements of the new MD22
- the sustainability rating tools are appropriate
- the urban greening and tree canopy requirements are appropriate
- the SPM requirements are appropriate and set at the right threshold
- the integrated water management requirements are appropriate
- local renewable energy generation and waste management requirements are appropriate
- net zero targets for new development should be applied.

7.4 Background

(i) Draft structure plans

One of the main strategic priorities for the precincts is to create sustainable communities, with 'empowering sustainability' a common theme across the draft structure plans.

Objectives 20 to 24 in each draft structure plan relate to sustainability with related actions including to:

- support the accelerated transition to net zero by 2045 with sustainable building design
- promote and support solutions to increase energy resilience and reduce emission through local renewable electricity generation, storage and use
- reduce waste and encourage use of recycled and sustainable resources
- facilitate a cool, green, biodiverse environment
- embed Integrated Water Management in the structure plan area.

Some of the related actions to support the objectives include:

- Develop partnerships to explore renewable energy generation at an appropriate scale for local needs.
- Amend the planning scheme to encourage the integration of greening and cooling initiatives in new development to help minimise the urban heat island effect and promote a biodiverse, natural environment.
- Prepare a circular economy plan for the Structure Plan Area that promotes circular economy principles and identifies projects that can be seeded within the area.
- Amend the planning scheme to require the submission of a waste management plan as part of any permit application for development greater than 5,000 m² GFA.
- Partner with key stakeholders to deliver targeted investment in circular economy opportunities

The objectives are supported by strategies which vary between precincts. They are quite detailed and not all summarised here, but they include:

- applying the 5 Star Green Star Buildings rating (or equivalent independent standard) to new buildings with greater than 5,000 square metres GFA
- minimising urban heat island effects by incorporating space for tree canopy cover and green infrastructure into new developments and public areas, including Green Streets.

Green Streets are a key initiative to drive sustainable outcomes in the precincts. The draft structure plans describe Green Streets as:

A broad classification for a collective network of local streets that should be prioritised for ongoing enhancement ... and/or their ability to deliver environmental outcomes, such as increased canopy cover and water sensitive urban design initiatives.

(ii) Climate Response Plans

The Climate Response Plans were prepared for each precinct as part of the background work that informed the draft structure plans. The plans identified sustainability focus areas for the precincts, which generally align with the draft structure plan objectives.

For each focus area, the Climate Response Plans then assessed the likely sustainability outcomes under three scenarios:

- current state – current policy and planning controls
- future business as usual state – the precinct is delivered (generating increased population density) with current policy and planning controls continuing
- future accelerated state - the precinct is delivered with updated policy and planning controls relating to sustainability.

The Climate Response Plans include some analysis of current sustainability guidance, including the NCC, BESS, and Green Star Buildings. The Plans note that:

- the NCC can deliver outcomes related to reducing greenhouse gas emissions, efficient energy use and encouraging the use of on-site renewable energy
- BESS is not recommended as it allow trade-offs and does not adequately address the focus areas, allowing a lower benchmark for sustainability
- Green Star Buildings strongly supports a broader range of sustainability outcomes that go beyond standard practice, and more closely align with the outcomes targeted in the Climate Response Plans.

(iii) Draft implementation plans

The implementation plans repeat the actions identified in the draft structure plans and assign timing, an implementation pathway, lead responsibility and partners to each action. The actions relating to the draft Amendments are noted as short term with the Proponent as the lead. Other actions are generally medium to long term with either the Proponent, Melbourne Water or DEECA as the lead, often as partners with councils and key stakeholders (for example Monash Health).

(iv) Draft Amendments

Precinct Zone schedules

The schedules include the following objective at Clause 2.0:

To promote sustainable development that achieves best practice sustainable design, contributes positively to sustainable transport patterns and increased green cover and tree canopy coverage to reduce urban heat.

There is an application requirement to provide a SMP and decision guidelines that include:

- the proposed sustainability rating of the building
- whether sustainable water, waste and energy management is proposed.
- the extent to which the proposed landscape and design response contributes to a greener environment and reduces urban heat effects.

There is also a mandatory permit condition for a 5 Star Green Star rating for buildings over 5,000 square metres GFA.

Built Form Overlay schedules

The BFO schedules include:

- an objective calling for environmental sustainability

- an application requirement to explain how the application demonstrates sustainability
- a decision guideline which states:
The extent to which the landscape and design response contributes to a biodiverse, greener environment and reduces urban heat

Most BFO schedules include a requirement for an Urban Greening Plan.

(v) Ministerial Direction 22

MD22 was introduced during the hearing process. The Proponent indicated that it intended to rely on the Climate Response Plans as the basis for meeting MD22.

MD22 identifies what a planning authority must have regard to when preparing an amendment which allows intensification of urban land or a new use or development which may be exposed to a natural hazard that could arise from climate change. This includes requirements to:

- to minimise greenhouse gas emissions, including to plan for an urban structure and layout that facilitates:
 - access to public transport
 - active transport, including pedestrian links and bicycle networks
 - solar orientation
- zero emission transport and precinct-scale planning or renewable energy infrastructure.
- increase resilience to climate change risks, including to consider and respond to the impacts of climate change.

7.5 Evidence and submissions

General

The Proponent submitted that the approach in the draft structure plans and draft Amendments achieves the draft structure plan's sustainability objectives to build climate resilience and to meet Victoria's net zero targets. It submitted the draft structure plans appropriately address climate risks (primarily identified as urban heat island effect and flooding), and that the assessment of climate change hazards should be undertaken during the permit application process.

Mr Crowder was satisfied that the requirement for a SMP with mandatory conditions will *"ensure that Green Star outcomes will be achieved through the permit approval process"*. The Proponent submitted the PRZ schedules should be amended to allow the use of an equivalent accreditation to BESS.

The Councils and University Group submitted that it is critical for ESD outcomes to be embedded in the planning controls, noting the increased importance following the release of MD22. It observed that the State's legislated net zero emissions target will not be achieved without a significant change in approach.

The Councils and University Group submitted that notwithstanding the mandatory requirement for a 5 Star Green Star rating for buildings over 5,000 square metres GFA, the approach in the draft Amendments could dilute sustainability outcomes. It

recommended consistent sustainability objectives across all draft structure plans, noting unexplained differences, including:

- variations in net zero objectives between precincts
- the application of decarbonisation and sustainable design principles to new health and medical precincts in Clayton, but not in Box Hill which also includes a health precinct.

Mr Barnes considered the draft Amendments generally reflect the sustainability objectives in the draft structure plans, but questioned whether they go far enough given the precinct's city shaping, transformational role. He cited Amendment C376melb as best practice, noting its inclusion of standards for waste and resource recovery, urban ecology, urban heat island mitigation and Integrated Water Management, beyond State policy.

The CASBE submitted the draft Amendments build on Councils' existing approach to ESD, which are currently implemented through local ESD policies and tools such as BESS. CASBE supported the use of Climate Response Plans to inform the draft structure plans, noting the new requirement in the PE Act to address climate considerations for planning scheme amendments. CASBE also submitted that car parking objectives and application requirements could be strengthened through the inclusion of zero emissions objectives, behaviour change measures and adaptable infrastructure, such as EV charging.

Climate change and Ministerial Direction 22

TN-G14 included the Proponent's response to the requirements in MD22. The Proponent submitted the draft Amendments meet the requirements to minimise greenhouse gas emissions through:

- pedestrian links and public realm improvements facilitated by the VPBUF which will support an active transport network
- built form guidelines for setbacks, maximum building height and massing that seek to reduce overshadowing and manage solar access to the public realm
- the Green Star certification process which will ensure provision of electric vehicle infrastructure
- identification of renewable energy generation opportunities in the Climate Response Plans, with partnerships to support renewable energy included in the draft implementation plans.

The Councils and University Group submitted that MD22 elevates the importance of addressing climate change through planning controls, and that the draft Amendments do not go far enough. It submitted that more stringent controls are needed for Integrated Water Management, green cover and tree canopy, including the protection of existing canopy. Further, the draft Amendments do not strike an appropriate balance between increased built form and managing flooding risk and urban heat island effects.

Sustainable building design and sustainability rating tools

CASBE supported the use of Green Star and BESS as sustainability assessment mechanisms for buildings, but noted these tools have limitations. Some of the criteria are not mandatory and there are many pathways to achieve a 5 star or excellent rating.

CASBE recommended additional controls in the PRZ schedules to cover off on the non-mandatory aspects in BESS or Green Star, such as:

- the option to use a third party sustainability assessment tool instead of BESS or Green Star
- a clear requirement to meet or exceed greenhouse gas emissions criteria in BESS by 20 per cent
- more specific requirements in the Waste Management Plan.

In response, the Day 3 documents include the option of using a third party sustainability assessment tool and specify that the greenhouse gas emissions criteria in BESS must be exceeded by 20 per cent.

Urban greening and tree canopy cover requirements

The Councils and University Group submitted tree canopy cover is an integrated and meaningful part of the suburbs that plays a vital role they play in an effective climate change response. The Councils have tree canopy targets embedded in their respective planning scheme policies, which strongly support the aspiration to achieve 30 per cent tree canopy cover across their municipalities. The Councils and University Group highlighted the importance that existing, mature tree canopy provides in terms of amenity, biodiversity, and climate change mitigation outcomes.

CASBE questioned the likelihood that the aspiration for 30 per cent tree canopy would be met. It noted this would be difficult given the narrow side and rear setbacks, potential for overshadowing of the public realm, ineffective deep soil zones and competition between trees and underground services in road reserves. It recommended more specific requirements, such as the use of a 'Green Factor' tool, an approach adopted by Melbourne City Council in Amendment C376melb.

The Day 3 documents require an Urban Greening Plan, but only in the SDAs. CASBE recommended that the Urban Greening Plan should be applied across all parts of the precincts.

Evidence and submissions on tree canopy are summarised in more detail in Chapter 9.11.

Sustainable Management Plan requirements

The Councils and University Group submitted the threshold for a SMP (proposed to be for new development of more than 5,000 square metres of GFA) should be consistent with existing ESD policies at Clause 15.01-2L of the Whitehorse, Monash and Bayside Planning Schemes which include requirements for:

- a SMP for development of 10 or more dwellings, and buildings or extensions of more than 1000 square metres of GFA
- a Sustainable Design Assessment for development of two (Bayside) or three (Whitehorse and Monash) to nine dwellings, and buildings or extensions of between 100 square metres (Bayside) or 500 square metres (Whitehorse and Monash), up to 1000 square metres.

The Councils and University Group submitted that the threshold proposed in the PRZ schedules for requiring a SMP (10 dwellings or 2500 square metres) sets up inconsistencies between the controls and the local policies.

The Day 3 documents adjusted the threshold for a SMP, which is now proposed to be required for 10 or more dwellings or development with a GFA of more than 1,000 square metres. The Day 3 documents also require developments of more than 5,000 square metres GFA to achieve an 'excellent' rating under BESS or 5 Star Green Star Buildings rating.

The Councils and University Group recommended implementing the recommendations in the Climate Response Plans for developments smaller than 5,000 square metres, including:

- a requirement for an Urban Greening Compliance Report demonstrating 30 per cent canopy cover, 50 per cent garden bed coverage, nature positive outcomes and setbacks to allow canopy tree planting and green walls and roofs
- a requirement for the SMP to respond to specified urban heat island criteria
- expanding the scope of the Waste Management Plan to include construction and demolition waste and 'hard to manage' waste during the operation.

Integrated Water Management

CASBE recommended the SMP be expanded to include Integrated Water Management, consistent with recent reforms to the stormwater requirements in Clause 55 and Clause 58. It submitted:

... a common result of densification is a reduction in site permeability. For a single site the impact of this may not be significant, however the aggregate effect has serious consequences for stormwater quality and quantity – and associated risks including to local waterways and ecosystems as well as flooding risk

Kingston Council also submitted that Integrated Water Management and on-site stormwater detention should be a requirement in the SMP, including limits on post-development stormwater discharge and maintenance to manage flooding risks.

The Day 3 documents require Integrated Water Management initiatives to be addressed as part of the SMP.

Local renewable energy generation and waste management

The Committee did not receive many submissions relating to renewable energy generation and waste management. Councils and CASBE submitted that more needs to be done, and the Waste Management Plan requirement should be expanded to require an explanation of how developments:

- avoid waste, by designing out materials, using fewer materials or more durable materials that require less maintenance, and can be reused or recycled in the future
- adopt reused, low carbon or recycled materials in design where possible
- design for future waste streams by allowing appropriate sizing and space for waste collection
- manage waste (such as through on-site organic waste management, or off-site recycling facilities).

Net zero targets for new development

The Councils and University Group sought the inclusion of specific wording in the draft Amendments in relation to net zero strategies and targets. The Proponent did not consider this necessary as the Climate Response Plans and draft structure plans already embody this requirement. The Proponent also noted that Clause 15 in all planning schemes specifies that planning should facilitate development that supports the transition to net zero greenhouse gas emissions. Its Day 3 documents do not include net zero targets.

7.6 Discussion

General

Sustainability is a strong theme running through the draft structure plans. One of the three strategic priorities for all precincts is to create sustainable communities.

The emphasis on sustainability has been elevated by recent reforms to the PE Act and the release of MD22. Given the strategic importance of the precincts and the need to establish a framework for transformational change over the next 15 years, the Committee considers sustainability to be a critical aspect of the precinct planning.

The proposed controls do not offer much more than what most councils already require through ESD policies. The Committee agrees with Mr Barnes that more ambition is required given the scale and timelines for development. The draft structure plan objectives and draft Amendments should more closely align with the Climate Response Plans if the vision for highly sustainable precincts is to be realised. Further, the draft Amendments need to be adaptable to changes in expectations (for example building code reforms and climate risk considerations).

The Committee agrees with the Councils and University Group that there should be greater consistency between precincts. Sustainability is an issue for all precincts and the objectives should be consistent and equivalent.

Climate change and Ministerial Direction 22

The draft Amendments are unlikely to meet all aspects of MD22. The emissions and climate measures in the Climate Response Plan have not been carried through into the draft Amendments. For example, the draft Amendments:

- do not adequately address mechanisms to deliver pedestrian links (and associated modal shift) as discussed in Chapter 9.9
- do not adequately address urban greening as discussed in (Chapter 9.11)
- do not address opportunities for local renewable energy production at all.

More stringent controls are needed to meet MD22. These are discussed in more detail in the relevant chapters.

Sustainable building design and sustainability rating tools

The draft Amendments adopt a standard approach to sustainable building design. The PRZ includes a requirement for a SMP that requires buildings (with a GFA greater than

5,000 square metres) that perform according to third party accreditation systems (for example BESS or Green Star).

The Climate Response Plans note the limitation of the BESS accreditation system and recommend the use of Green Star. CASBE also acknowledged the limitation of BESS given it allows trade-offs to occur which could have implications for net zero objectives.

BESS is a fairly standard approach and is likely to result in 'business as usual' in terms of building design. A more ambitious benchmark is required. Green Star should be used as the primary assessment tool, unless the responsible authority agrees to use an alternative accreditation option (this could include BESS in appropriate circumstances). This will allow for a more adaptable response as knowledge and technology evolves over time. The reference to BESS as the primary assessment option should be deleted from the PRZ schedules.

Urban greening and tree canopy cover requirements

Urban greening is a key element in both the sustainability and liveability vision of the precincts. The Committee addresses this issue in detail in Chapter 9.11 in the context of tree canopy cover and has concluded that the draft Amendments need to be updated to ensure the 30 per cent tree canopy cover target is operationalised through the controls. These recommendations must be adopted if the draft structure plan objective to facilitate a cool green, biodiverse environment is to be achieved.

Sustainable management plan requirements

The Committee agrees that the threshold for a SMP should be consistent with existing ESD policies in the planning schemes. It is not appropriate for city shaping amendments that facilitate transformative change over a long planning horizon to include sustainability requirements that are less stringent than those already in place.

Most of the Councils already have local policy at Clause 15.01-2L that triggers the need for a Sustainable Design Assessment for smaller scale developments, such as developments with a floor area of less than 5,000 square metres (including an assessment using BESS, STORM or other methods). It is considered this approach is acceptable for smaller scale development.

Integrated Water Management

The draft structure plans have a specific objective to embed Integrated Water Management into new development. The Proponent has accepted that Integrated Water Management needs to be embedded in the SMP requirements, and this is reflected in the Day 3 documents.

Integrated Water Management will need to be embedded in both private development and the public realm. SMPs will address Integrated Water Management requirements for private development, but not the public realm. The Committee has recommended in Chapter 8 that cross sections for streets needs to be developed as part of a future street master planning exercise. The Committee accepts that current engineering standards already account for Integrated Water Management in the public realm.

Local renewable energy generation and waste management

The Committee did not receive many submissions regarding renewable energy generation and waste management. These are important objectives and will need to be achieved if the sustainability visions for the precincts are to be realised. The Committee addresses these two objectives below.

It is unclear how local renewable energy generation and storage will be planned. The implementation plans indicate that the Proponent appears to be placing reliance on partnerships rather than taking the lead in specifying requirements. For example, in the Clayton precinct the Proponent relies on an action (with DEECA nominated as the lead) in the draft implementation plan:

Develop partnerships to explore renewable energy generation at an appropriate scale for local needs.

This approach is not appropriate. These sorts of initiatives need to be embedded in the structure plans from the outset, especially if land needs to be designated for local renewable energy facilities.

The draft structure plans include an objective to reduce waste and encourage use of recycled and sustainable resources, which the Committee supports. However, the approach to waste management in the draft Amendments is fairly standard. The Committee agrees with Councils and CASBE that more needs to be done.

The Waste Management Plan requirement should be expanded in all precincts to require an explanation of how developments:

- avoid waste, by designing out materials, using fewer materials or more durable materials that require less maintenance, and can be reused or recycled in the future
- adopt reused, low carbon or recycled materials in design where possible
- design for future waste streams by allowing appropriate sizing and space for waste collection
- manage waste (such as through on-site organic waste management, or off-site recycling facilities).

Net zero targets for new development

Clause 15 in all planning schemes specifies that planning should facilitate development that supports the transition to net zero greenhouse gas emissions. The Committee does not think it is necessary to repeat this in the controls.

7.7 Findings and conclusions

The Committee finds:

- A greater commitment is required in relation to sustainability, given the stated vision of the precincts and the recent introduction of Ministerial Direction 22.
- The sustainability objectives in the Climate Response Plans have not all been faithfully translated into the draft structure plans or the draft Amendments.
- The draft Amendments are unlikely to give practical effect to key sustainability measures, such as sustainable building design, urban greening and waste management.

- The further work recommended by the Committee in relation to pedestrian links (Chapter 9.9), waste management (Chapter 9.10) and tree canopy cover and urban greening (Chapter 9.11) will contribute to ensuring the sustainability objectives in the structure plans and Climate Response Plans are met.
- However, needs to be done to achieve the visions for the precincts:
 - the SMP and Waste Management Plan in the draft Amendments need to be strengthened
 - a more proactive approach is needed to deliver local renewable energy facilities.
- Specific net zero targets already exist in State policy and do not need to be repeated in the PRZ schedules.

Based on the above findings, the Committee concludes:

- The approach adopted in the draft structure plans and the draft Amendments is not suitable to:
 - achieve the draft sustainability objectives in the structure plans
 - support sustainable building design in new development.

7.8 Recommendations

The Committee recommends:

Draft Amendments

12. GI R12: Amend all Precinct Zone schedules to:

- a) ensure consistent sustainability requirements apply across all precincts**
- b) amend the Sustainability Management Plan requirements at Clause 9.0 to remove the Built Environment Sustainability Scorecard (BESS) as a primary sustainability assessment tool by deleting the second dot point (which references BESS) under 'Sustainability Management Plan'**
- c) include a Waste Management Plan requirement at Clause 9.0 to address the following matters:**
 - **avoid waste by designing out materials, using fewer materials or more durable materials that require less maintenance, and can be reused or recycled in the future**
 - **adopt reused, low carbon or recycled materials in design where possible**
 - **design for future waste streams by allowing appropriate sizing and space**
 - **manage all waste at the source (such as through on-site organic waste management, or off-site recycling facilities).**

Further work

- 13. GI R13: Undertake further work to implement solutions to increase climate resilience and reduce greenhouse gas emissions, for example developing clear plans for local renewable energy generation, storage and use in the precincts. Amend the implementation plans accordingly.**

8 Transport – Mode shift

8.1 Summary

The draft structure plans, draft implementation plans and draft Amendments will facilitate a mode shift, but the Committee is not able to reach a finding on whether the mode shift is suitable and achievable. Targets should be included in the new structure plan area local policies to ensure mode shift can be tracked and understood. The car parking rates in the draft Parking Plans are generally appropriate at this stage, although the rates will need to be reviewed within 5 years to ensure the rates sufficiently suppress private vehicle use and encourage mode shift.

8.2 Referred Matters

The General Issues Referred Matter is:

Whether the draft Structure Plans, and associated draft Implementation Plans and draft Planning Scheme Amendments facilitate a suitable and achievable mode shift, including having regard to the proposed population density increases and projected demand for on-street and public parking

A Common Issues Referred Matter that is relevant to mode shift is:

Whether the car parking rates as set out in the Precinct Parking Plan for [the precinct] are appropriate, including to encourage a shift towards more sustainable transport modes.

There is overlap between these Referred Matters and the Referred Matters relating to:

- Sustainability (Chapter 7)
- Pedestrian connections and links (Chapter 9.9).

8.3 Key issues

The key issues are whether the:

- mode shift aspirations are appropriate and whether they should be supported by numeric targets
- proposed public and active transport infrastructure is appropriate and sufficient to support the mode shift
- proposed car parking rates are appropriate
- transport modelling undertaken to date is sufficient to inform the draft structure plans.

While the transport modelling is not directly related to Referred Matters, the Committee received extensive submissions on it from both the Proponent and other parties at the General Issues Hearing and has therefore addressed it in Chapter 8.8.

8.4 Background

The transport ambition for all precincts is to manage the impacts of the growing number of trips on the transport network through more people choosing to walk, cycle and catch public transport.

The Transport Technical Reports (discussed below) set specific numeric targets for sustainable transport mode share for each precinct by 2041. The targets have not been translated into the draft structure plans or draft Amendments.

(i) Draft structure plans

The draft structure plan maps include a:

- network of strategic and local transport corridors which provide for a variety of transport modes including walking, cycling, traffic and public transport
- complementary street types including indicative cross sections.

One of the key features of the road network that seeks to encourage mode shift are Green Streets, which are the predominant road typology in the precincts. Green Streets are proposed for upgraded pedestrian and cycling connectivity, improved access to important local destinations and enhanced canopy planting.

Other key road and street network objectives include:

- creating integrated public transport networks
- creating legible and safe active transport networks
- minimising private vehicle and freight on local streets, particularly away from priority walking and cycling routes.

(ii) Draft implementation plans

The draft implementation plans nominate several active transport initiatives and precinct upgrades to support mode shift. Key objectives and actions include:

- create a network of streets that are vibrant, inviting and support growth
 - prepare and implement streetscape master plans for each street type as required (short term)
 - deliver streetscape upgrades (medium to long term)
- create an integrated public transport network connecting the new SRL East stations with key destinations (medium to long term)
- encourage a shift towards more sustainable transport modes (short term).

(iii) Draft Amendments

The local policies include the following sustainable transport objective:

To establish an integrated public transport network connecting the SRL station[s] with key destinations enabling a shift towards more sustainable transport modes.

Key measures in the draft Amendments include:

- introducing Parking Overlay schedules to support a shift to sustainable transport, prioritising walking, cycling and public transport
- increased bicycle parking rates
- a requirement in the PRZ schedules to prepare a Green Travel Plan for specified developments.

(iv) Transport Technical Reports

The Transport Technical Reports identify the overarching transport ambition for each precinct to managing the growing number of trips through more people choosing to

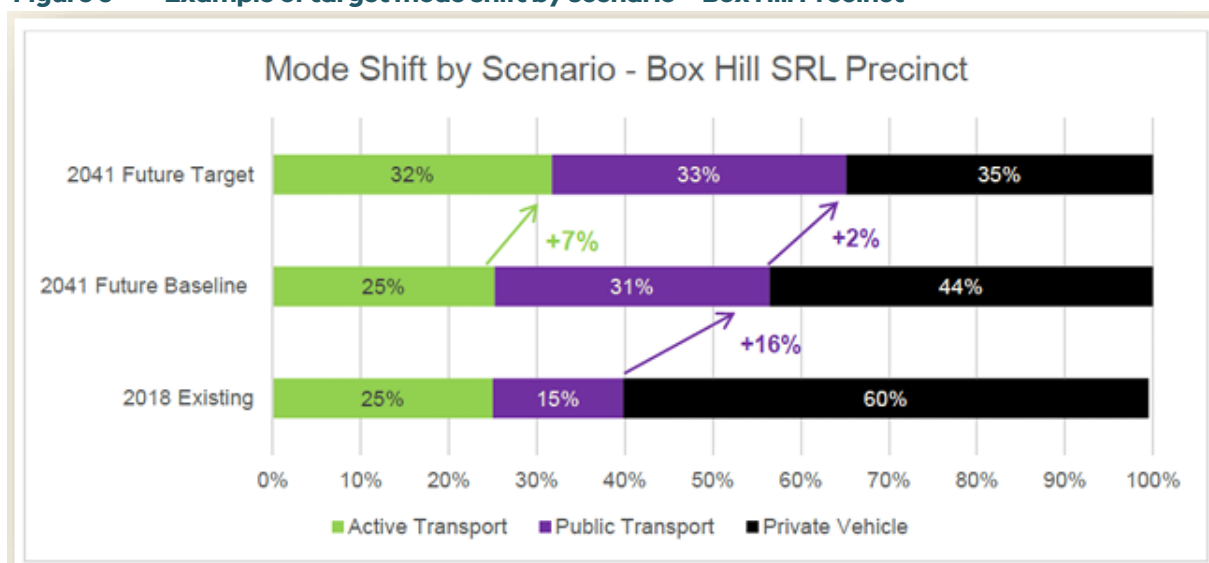
walk, cycle and catch public transport. The reports set out recommendations to inform the development of each precinct and explore:

- future transport demands including trip generation, distribution and target mode share
- infrastructure improvements focusing on optimising sustainable transport on strategic and local corridors
- non-infrastructure improvements focusing on policy, strategies and guidelines (including general car parking management and the Parking Overlay schedules).

In relation to mode share, and more general transport modelling, the Transport Technical Reports considered three scenarios:

- 2018 Existing Scenario
- 2041 Future Baseline Scenario (based on the EES Project Case, inclusive of development uplift in each precinct and the SRL East Rail project being operational)
- 2041 Future Target Scenario (target mode shares of an additional 9 to 10 per cent sustainable transport mode uptake across the precincts (see example in Figure 3).

Figure 3 Example of target mode shift by scenario – Box Hill Precinct



Source: Doc GI 90 Tim De Young PowerPoint summary slide 7

The Transport Technical Reports identify that setting a mode share target is useful as it:

- communicates the future vision for the way people will travel, including the expected level of change compared to the Baseline Scenario
- informs the transport recommendations to achieve this level of change
- can be measured and monitored through existing processes, such as ABS census
- suggests how well the transport system meets community travel needs.

(v) Amendment VC277 – Changes to statewide car parking rates

Amendment VC277 was gazetted on 18 December 2025, and:

- updates Clause 18.02-3S (Public transport) and Clause 18.02-4S (Roads) to insert Car Parking Requirement maps which identify the Public Transport Accessibility Level (PTAL) rating of different areas
- amends the statewide car parking rates in Clause 52.06 so that they are calibrated depending on the PTAL rating.

The PTAL maps divide all land into one of four categories. Category 4 land has the highest public transport access and often only maximum car parking rates, while lower access areas (Categories 1-2) generally have minimum car parking rates.

Other changes introduced by VC277 were the unit of rate for housing (no longer per bedroom but per dwelling) and the proposal for an annual review of PTAL maps to enable recalibration of car parking rates as public transport improves.

8.5 Mode shift

(i) Evidence and submissions

The Councils and University Group submitted the Proponent had failed to adequately identify and commit to active transport mode shift targets and measures required to meet those targets, other than 'superficial' initiatives to facilitate active transport in key streets. It submitted that in the absence of targets, it is impossible to determine if the draft Amendments will facilitate appropriate and achievable mode shift.

The Councils and University Group was sceptical about whether a suitable and achievable mode shift will be realised, submitting substantial changes and further work will be required to achieve this outcome. It submitted that mode shift requires behavioural change – moving people out of cars and into walking and cycling. To encourage behavioural change, active transport networks need to be expanded and improved while discouraging car use with Parking Overlay schedules that suppress parking rates below existing car parking demand.

The Councils and University Group submitted that line marking on existing road pavements (such as sharrows) would be insufficient to encourage mode shift. Instead, dedicated bike lanes need to be provided.

The Proponent responded that the mode share outcomes sought by the draft structure plans and draft Amendments are intentionally ambitious. It submitted facilitating mode shift is a positive initiative, but it is another matter to place numeric targets and obligations on private or public developments. It submitted:

- there are many elements of the draft structure plans and Amendments which facilitate mode shift, including place making, increased density, walkable catchments, providing employment and services and facilities near residential areas, parking and bicycle provision, public transport and road network enhancements
- introducing a separate requirement or target into the statutory framework is not appropriate or necessary.

The transport experts generally agreed that:

- the SRL East transport infrastructure (by itself) is expected to result in material shift towards sustainable transport modes (principally public transport)
- completion of projects and actions identified in the draft Amendments and draft implementation plans would facilitate a material mode shift
- it was not possible to determine the size of mode shift as this depends on various factors including the:
 - extent and nature of development
 - extent to which projects and actions are completed
 - extent to which these changes alter an individual's behaviour and mode choice.

The experts agreed that to 'come close' to achieving the full extent of the 2041 target mode shift target would require land use intensification and diversity, as well as the delivery of transport related projects and actions identified in the draft implementation plans. They considered ongoing monitoring and review of draft implementation plans' transport projects and actions would be necessary.

Ms Marshall and Mr De Young broadly assessed whether the mode shift targets are achievable. They considered:

- the proposed mode shift targets were appropriate
- the precise mode shares that can be expected in 2041 depend on numerous factors, including the delivery of key active transport infrastructure in and around the structure plan areas
- actual mode shift is likely to fall somewhere in between the 2041 Future Baseline Scenario (just the SRL East Rail project delivered) and the 2041 Future Target Scenario (with additional active transport projects delivered)
- a formal process to monitor and review will be important in achieving the desired mode shift.

Mr Walsh and Mr Gnanakone gave evidence that 2041 target mode shares are highly unlikely to be achievable. Achieving the targets is heavily dependent on shifting short trips away from private vehicles and towards public and active transport. Their view was that there was no supporting analysis or modelling to justify the increase in sustainable mode share beyond the 2041 baseline figures.

Mr Gnanakone stressed, supported by Mr Walsh, that it was important for active transport projects to be delivered early if mode shift is to be achieved – delivering projects later, after residents' and workers' travel choice behaviours are set, makes it more difficult to achieve mode shift.

Kingston Council reiterated Mr Gnanakone's evidence that measures proposed to achieve mode shift are likely to fail as the active transport infrastructure which underpins it will be delivered too late to effectively change travel behaviours. Kingston Council recommended the draft implementation plans be amended to make it clear that active transport infrastructure needs to be planned and progressively delivered from the outset to support mode shift. It submitted:

- specific mode shift targets should be included in the planning schemes
- the Proponent would need to provide adequate support to Councils to enable the development and implementation of relevant actions and projects

- the introduction of the Parking Overlay schedules should be deferred until adequate infrastructure to achieve mode shift is properly planned for and/or in place.

(ii) Discussion

While all parties supported encouraging and increasing active transport mode share, there was disagreement as to whether it should be an aspirational figure or an actual target specified in the planning schemes.

The most impactful influence on mode shift will be the new train stations, and the increased density of residents and working population close to the stations (the 2041 Future Baseline Scenario). Additional mode shift over the baseline will only be facilitated if the proposed upgrades to public and active transport infrastructure and services (improved bus services, pedestrian and cycling facilities) identified in the draft structure plans are implemented. The majority of these works will occur in the public realm.

It is not possible to predict the precise mode share outcome in 2041 or beyond, for the reasons outlined by the experts. However, the Committee considers targets should be included in the planning schemes to provide certainty and measurable outcomes in line with the Transport Technical Report. Without specific targets, and monitoring mode shift against those targets, it is not possible to determine whether the draft structure plan objectives are being achieved. Further, the Committee has concerns that there could be significant capital expenditure for the extensive network of pedestrian and cycling infrastructure with no measure of how successful it is in achieving mode shift.

As Mr Gnanakone noted, the timely implementation of mode shift initiatives is crucial to allow for active travel behaviours to become established early in the development cycle in the precincts. For example, providing pedestrian links and Green Streets are seen as key drivers for mode shift, but it is unclear that these assets will be delivered in a timely manner due to property ownership issues, and practicality and feasibility of delivery (infrastructure delivery is discussed further in Volume 3). This is another reason for mode share targets to be formalised in the planning schemes, to provide a further incentive to monitor and ensure these works are capturing and delivering the desired active transport outcomes.

If mode shift languishes, which can only be ascertained through future monitoring and surveys, then further work should be investigated including bringing forward active transport projects and greater suppression of private vehicle use through the Parking Overlay schedules.

Mode shift targets in the planning schemes will ensure active transport initiatives continue to remain at the forefront of delivering and maintaining focus on the key sustainable transport outcomes sought by the visions. Further, there is broad state level policy support for increasing active transport mode share, most notably Victoria's Climate Change Strategy 2026-30 which sets a specific target of 25 per cent of trips to be made by active transport.

(iii) Findings

The Committee finds:

- Setting specific mode shift targets is appropriate. The targets should be reflected in the planning schemes.
- Early delivery of active transport infrastructure is essential to allow active travel behaviour to become established. Reprioritisation of active transport projects in the draft implementation plans may be required. This should be considered as part of the review of the implementation plans recommended in the Common Issues report (Recommendation CI R19).
- As part of that review, objective 18 in the draft implementation plans should be amended to include a monitoring and review program to measure the uptake of sustainable transport mode shift against the targets.

8.6 Public and active transport infrastructure

Key issues include whether the:

- road cross sections can accommodate the proposed active transport infrastructure required to encourage mode shift
- bicycle parking rates are appropriate to encourage mode shift
- bus infrastructure should be delivered early to encourage mode shift.

8.6.1 Road cross sections

(i) Evidence and submissions

The Councils and University Group submitted that active transport infrastructure cannot be achieved within the road cross sections shown in the draft structure plans, and as a result the mode shift aspirations set out in the draft structure plans will not be achieved. It was particularly concerned that the Green Street cross section would not accommodate all the infrastructure intended.

The Councils and University Group considered this would likely result in active transport networks (bike paths) being provided by way of line marking (sharrows) on existing pavements, rather than dedicated bike lanes, which would not encourage mode shift. It provided details of a recent review of Whitehorse's 'Easy Ride Route' program that identified that the use of sharrows and signage made little difference to the number of cycling trips, and was not sufficient to generate behavioural change and mode shift.

In addition to the behavioural change issue, the Councils and University Group submitted that sharrow line marking does not provide a safe environment compared to dedicated bike paths or shared paths. It submitted:

- speed mitigation and traffic calming would likely be required on Green Streets, particularly where there was insufficient room for dedicated active transport paths and line marking will be relied on
- the draft structure plans should refer to 'traffic calming' rather than 'speed mitigation' to provide more flexibility in relation to the measures that can be incorporated to achieve a safe environment for cyclists and pedestrians.

Kingston Council had similar concerns, and submitted the proposed strategic bicycle links (predominately shared paths and or dedicated bicycle lanes) may not be feasible due to the inability to fit the required infrastructure into each street.

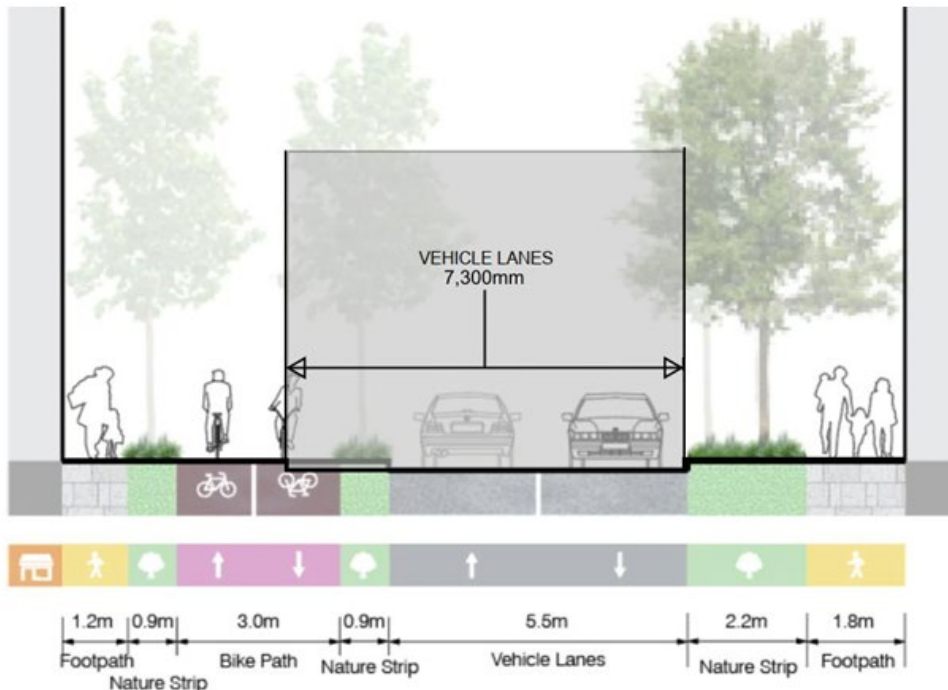
The Proponent emphasised that the road cross sections in the draft structure plans were not dimensioned and were only indicative.

Mr Walsh considered additional work is required to test the feasibility of the strategic walking and cycling corridors, and suggested the Proponent provide additional guidance for these road/active transport projects including a 'tool kit' of potential outcomes.

Ms Marshall agreed, noting the intent of the upgrades to Green Streets is undefined, although the draft structure plans do discuss outcomes and she did not believe the final details need to be determined now. Mr De Young also considered that while this work will need to be resolved, it can be done in the future as part of the draft structure plan and draft implementation plan requirements.

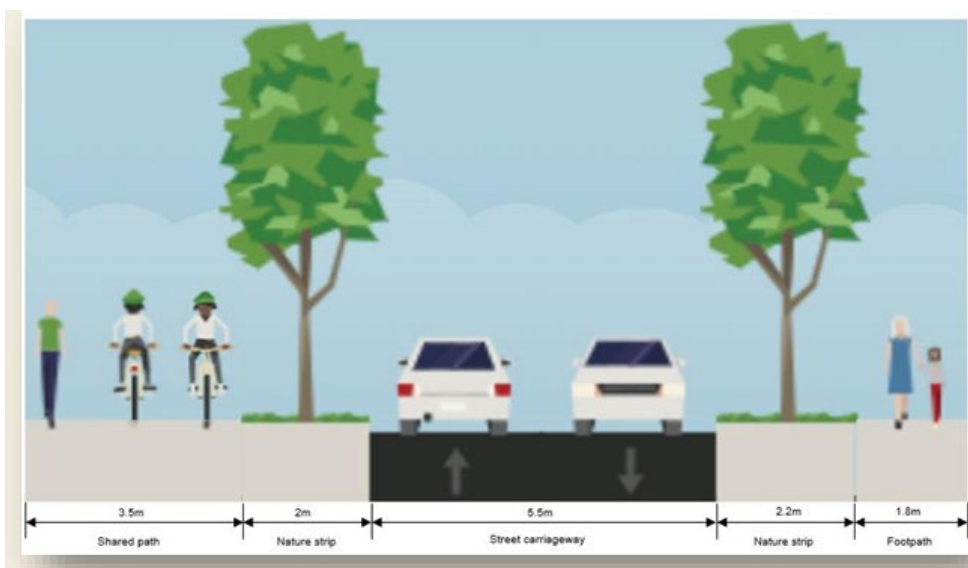
Mr Sheppard provided additional road cross section drawings, generally consistent with local road reservations within the precincts. Mr Walsh and Mr DeYoung separately presented preliminary concept plans for a strategic bicycle corridor (using Mr Sheppard's material) to demonstrate that an off-road bicycle and/or shared path could be provided within a 15.5-metre road reservation. These are reproduced in Figure 4 and Figure 5. They advised that both plans leave one side of the road unchanged with construction works focused on the other side of the road. While this minimises construction cost and time, they both acknowledged that extensive construction works would be required to accommodate the separate shared path.

Figure 4 Preliminary concept plan - strategic cycling corridor (Mr Walsh)



Source: GWY 32. Mr Walsh evidence para 75.

Figure 5 Preliminary concept plan - strategic cycling corridor (Mr DeYoung)



Source: GWY 021. Mr De Young evidence para 152.

Mr Walsh advised that for streets with a typical (15.5 metres wide) road reserve, the existing roadway pavement would have to be narrowed by around 1.8 metres (along one side only) to accommodate the bike path and nature strip. He considered the narrower road pavement could only accommodate lower traffic flow. He also considered there may not be sufficient space in the nature strip for canopy tree planting.

The experts supported using sharrow line marking and signage for cyclists on the local network but Mr Walsh did not believe it would have marked impact on achieving mode shift. The experts supported speed mitigation measures on these roads potentially utilising traffic calming works and/or lower speed limits.

Ms Marshall and Mr DeYoung recommended that the street typologies terminology in the draft structure plans and draft implementation plans be modified to align with the Movement and Place in Victoria Guidelines. The Proponent was generally comfortable with this approach and proposed to remove the 'connector' street from the 'Avenue' descriptor. Other experts did not express firm views on this issue.

(ii) Discussion

There was significant debate around whether delivery of the infrastructure within the road cross sections, in particular Green Streets, is feasible.

The road networks in each precinct are largely established, with many roads requiring upgrades to accommodate what is envisaged for Green Streets – wider footpaths, shared paths or dedicated bicycle paths and canopy trees. A great deal is being asked of those local streets - they are proposed to deliver a raft of transport and environmental outcomes.

The Committee considers the draft structure plans provide appropriate guidance on outcomes expected for Green Streets. Providing a 'tool kit' as suggested by Mr Walsh is unlikely to deliver any meaningful insights over and above what has already been identified in the draft structure plans.

The preliminary concept design work undertaken by Mr De Young and Mr Walsh demonstrates to the Committee that the strategic and local cycling corridors could probably be delivered within most existing road reservations. However:

- the narrower road pavement will reduce the capacity of the roads to accommodate traffic flow
- Mr Walsh's and Mr De Young's concept designs would require significant construction works, which will involve substantial costs, placing a significant burden on the councils as the delivery agencies (particularly given no funding mechanism has yet been identified)
- the construction works will cause significant disruption to the road network
- the Committee shares Mr Walsh's doubts about whether there will be sufficient space for canopy tree planting – a key objective for Green Streets.

The draft structure plans and draft implementation plans provide for the preparation and implementation of streetscape master plans for each street type. This is a short-term action proposed to be led by the councils and DTP Transport in partnership with the Proponent. The master planning process would aim to resolve the detail design issues, but the fact remains that it may not be possible to accommodate all of the features of Green Streets within existing road reserves.

On balance, it is appropriate for the detailed design work for road cross sections to be done after the draft Amendments are approved. This is not like a greenfield situation, where the opportunity exists to set aside road reserves wide enough to fit all of the intended infrastructure. Rather, the road upgrades will need to be designed according to the constraints of the existing road network.

Some compromises may have to be made either in relation to separate shared paths or canopy trees, which may impact the visions. The extent of this compromise cannot be known until the detailed design work is undertaken.

In relation to sharrow line marking and providing a safer environment for cyclists, the Committee agrees with the suggestion of the Councils and University Group to replace 'speed mitigation' with 'traffic calming'. This provides greater flexibility and will ultimately be resolved during detail design.

In relation to street typology terminology, the Committee is comfortable that the existing documentation provides sufficient guidance as to what is sought from each street type. Amending the draft structure plans and draft implementation plans to align with the Movement and Place in Victoria Guidelines is not considered essential.

(iii) Findings

The Committee finds:

- The local road network appears capable of accommodating at least some of the public and active transport features of the proposed street typologies, in particular Green Streets, although it may be difficult to also accommodate the urban greening elements of Green Streets including canopy trees.
- The draft structure plans provide sufficient information to guide the desired outcomes for each street typology, including active and public transport improvements.

- Given the street network in the precincts is already established, the street masterplan phase is the appropriate time to resolve and balance the competing demands of environmental and transport needs placed on each street.

8.6.2 Bicycle parking

(i) Evidence and submissions

The experts were generally in agreement regarding the proposed bicycle parking rates except for some minor amendments.

Ms Marshall and Mr De Young gave evidence that:

- there was a lack of empirical evidence to support the significant increase in visitor and shopper bicycle parking demand
- shoppers' bicycle parking does not need to be secure.

They recommended reducing the visitor bicycle rate in the PRZ schedules as shown in Table 2. Mr Walsh supported these changes.

Mr Gnanakone considered the bicycle rates should remain unchanged, noting:

- the rates are consistent with the Sustainable Design Assessment in the Planning Process Framework (which is separate to the planning schemes)
- reducing the rates would be counterproductive to the draft structure plan objectives
- the discretionary nature of these rates would allow for the rates to be reduced if it was appropriate.

He also noted there would be efficiency in combining visitor bicycle parking across developments which could be resolved during the detailed design phase.

The experts' suggested changes are shown in Table 2.

Table 2 Marshall and De Young recommended changes to bicycle parking rates

Use	Employee/resident	Visitor/shopper/student
Dwelling	1 bicycle space to each one and two bedroom dwelling 2 bicycle spaces to each three or more bedroom dwelling	0.25 0.1 visitor bicycle spaces per dwelling
Retail premises (excluding shop)	1 employee bicycle space to each 300 square metre of leasable floor area	0.6-1 secure visitor bicycle space to each 100 500 square metre of leasable floor areas if the leasable floor area exceeds 500 square metre

Source: PRZ – Bicycle parking requirements with Committee annotations

The Proponent supported Ms Marshall and Mr De Young's suggestion to reduce visitor bicycle parking rates in the short term, noting that these rates can be reviewed in the future as part of the monitor and review process set out in the draft implementation plans. Notwithstanding aspirations to support active travel, it is undesirable to encumber the public realm or private developments unnecessarily with an oversupply of visitor bicycle parking spaces. The reduced rates were included in the Day 3 documents.

The Councils and University Group also supported the reduced bicycle parking rates.

Kingston Council did not support the changes. Consistent with Mr Gnanakone's evidence, it submitted that any reduction in bicycle parking could be considered on a case-by-case basis but the emphasis should remain on achieving mode shift, which would be supported by higher bicycle parking provision.

The Day 3 documents reflect the bicycle parking recommended by Marshall and Mr De Young.

(ii) Discussion

The Committee supports the majority position that reducing the visitor and shopper bicycle parking rates is appropriate. The Committee appreciates Mr Gnanakone and Kingston Council's position but there is little empirical evidence to support this level of bicycle parking.

The Committee is cognisant that the oversupply of bicycle spaces, particularly in the public realm, is not efficient or cost effective. As the Proponent noted, these rates can be reviewed in future to increase bicycle parking supply as part of the monitoring and review process.

While not explored in the hearings, the Committee agrees that shopper bicycle parking spaces do not need to be secure, as is common practice in and around the majority of these precincts already (such as Glen Waverley and Box Hill where bicycle rails are located in the public realm). The rates in the Day 3 documents are appropriate.

(iii) Findings

The Committee finds:

- The amended visitor and shopper bicycle parking rates suggested by Ms Marshall and Mr De Young and reflected in the Day 3 documents are appropriate.

8.6.3 Bus infrastructure

The 'Better Connections and Streets' section in the draft structure plans highlights:

Better bus connections and easier and faster transfers between bus and train services.

The draft structure plans present a range of options including:

- establishing a network of strategic and local bus corridor routes
- way finding improvements
- bus priority works
- bus interchange upgrades.

(i) Evidence and submissions

All experts were supportive of proposed improvements to public transport in the vicinity of the SRL stations.

Ms Marshall and Mr De Young noted that the draft structure plans and draft implementation plans identified a range of projects to enhance public transport buses, prioritising bus movements along strategic bus corridors.

Mr Gnanakone noted that the timing for most bus improvement works was medium to long term and potentially would occur well after the SRL East stations are operational. He said that ideally DTP Transport should deliver bus network improvements early to allow for an earlier mode shift to be realised.

(ii) Discussion

The Committee agrees with Mr Gnanakone that the early delivery of bus transport and infrastructure improvements is desirable to encourage mode shift, however it notes that many of the precincts are already particularly well served by well-established bus networks. Potentially limited resources may be better served enhancing the pedestrian and cycling networks in the first instance.

(iii) Findings

The Committee finds:

- The early delivery of bus transport and infrastructure improvements is desirable to encourage mode shift, however it notes that many of the precincts are already particularly well served by well-established bus networks
- It is preferable to direct resources to enhancing the active transport (pedestrian and cycling) network.

8.7 Car Parking

8.7.1 Off-street parking requirements

(i) Evidence and submissions

Kingston Council recommended the implementation of the Parking Overlay schedules be deferred. It submitted that reduced parking, in isolation, will not materially change car parking demand before the SRL stations becoming operational, particularly in the absence of the proposed suite of public and active transport improvements. Further, the draft Amendments do not contain a statutory review mechanism and the draft implementation plans do not specify funding to deliver the precinct wide review of on-street parking management that will be necessary in the short term to deliver early mode shift. Kingston Council agreed that if retained, the Parking Overlay schedules should be reviewed at least every five years by the Proponent in consultation with the councils.

The Councils and University Group did not fundamentally object to the Parking Overlay schedules, acknowledging they are a useful and essential element in achieving mode shift. However it considered there is lack of understanding about how (and how much) mode shift will occur.

The experts agreed that:

- car park management (including the amount supplied) in the precincts is an important factor in influencing mode shift towards sustainable options
- the use of Parking Overlay schedules with discretionary controls is appropriate, in particular:
 - adopting two separate areas with differing rates is appropriate

- Area A utilising maximum parking rates
- Area B utilising a mixture of minimum, maximum and minimum-maximum parking rates
- Parking Overlay schedules can be implemented immediately
- Parking Overlay schedules should be reviewed at least every five years
- parking rates could potentially be reduced in the future
- it will be important for on-street car parking to be managed in parallel with the introduction of the Parking Overlay schedules.

Ms Marshall and Mr De Young proposed some minor wording changes to enhance clarity of the application requirements which was supported by the other experts and the Proponent. These were included in the Day 3 documents.

Mr Gnanakone identified that managing car parking supply in new developments is a key mechanism to facilitate mode shift but the proposed rates would not encourage mode shift. He was concerned that a 'business as usual' approach to car parking provision (in other words, providing car parking to match empirical parking demand) is unlikely to shift travel behaviours, and that reduced car parking rates should be implemented ahead of the delivery of the stations to help shape future mode choice.

The Committee queried why the proposed parking rates were essentially matching parking supply to parking demand, and as such, would appear to contribute little to mode shift (as opposed to Fishermans Bend and Arden where significant car parking suppression is proposed). Mr De Young explained:

- he anticipated that the proposed car parking rates would reduce in the future when the SRL East Rail project was operational
- from his experience, developments generally provide less car parking than the maximum rates proposed in the Parking Overlay schedules (which he considered low in any event)
- Fishermans Bend and Arden are inner city environments with different characteristics compared with the middle/outer ring suburbs where the precincts are located. The rates for Fishermans Bend were driven by road network capacity issues which are less prevalent in the SRL precincts.

In response to the car parking reforms introduced by Amendment VC277 (discussed in Volume 1 Chapter 6.3), the Proponent advised that no changes to the Parking Overlay would be required, noting that:

- while the parking rates in the draft Amendments are different to those introduced by VC277, the objectives are similar (in other words, housing affordability and the environmental benefits of supporting and encouraging sustainable transport)
- the Parking Overlay schedules were developed based on precinct-specific assessments and were subject to peer review and critique and found to be satisfactory
- the five yearly review proposed for the Parking Overlay schedules remains appropriate.

The Proponent undertook a comparison of the Parking Overlay schedules against VC277 car parking rates and found that the Parking Overlay rates were generally:

- lower for residential uses
- higher for non-residential uses.

In a letter dated 19 January 2026, Whitehorse submitted the new VC277 rates (which are calibrated to PTAL ratings) should be used instead of the Parking Overlay schedules proposed in the draft Amendment:

....it is appropriate to abandon the Parking Overlay proposed as part of draft Amendment GC248, and instead rely on [the updated] Clause 52.06 to determine parking rates across dwelling and non-dwelling uses. In the event additional suppression is required, this can be considered closer to the time that the new SRL station and bus interchange are intended to open.

It confirmed that if the Parking Overlay schedules are retained, then a five year review should be undertaken.

Bayside Council also provided a response to VC277 on 19 January 2026 and advised that it continued to support the use of Parking Overlay schedules and the rates set in the Parking Overlay schedules.

(ii) Discussion

The Committee is somewhat perplexed by the fact that the experts agreed that Parking Overlay schedules were critically important to achieve mode shift, but at the same time, were generally comfortable that the proposed parking rates would satisfy the existing parking demand for each precinct. In other words, there is no 'suppression' proposed by the Parking Overlay rates to force mode shift.

The majority of the precincts are well served with public transport, and have a fine grade road network which facilitates good pedestrian movement and accessibility. Infrastructure to promote and encourage cycling access is emerging in and around each precinct. This will likely only improve in the future.

In that light, the Committee accepts that while the Parking Overlay schedules could have commenced with greater suppression of parking, lower car parking rates can (and are likely to be) introduced in later years.

The Committee is satisfied the proposed Parking Overlay schedules are generally appropriate in the first instance, acknowledging that there should be 5 yearly reviews to monitor their effectiveness in contributing to mode shift. While the parking rates in the Parking Overlay schedules differ to VC277, the Committee is satisfied that the parking rates were developed based on precinct-specific assessments and were subject to peer review and critique and found to be satisfactory. The rates should be reviewed every five years. The draft implementation plans should be updated to require these 5 yearly reviews.

(iii) Findings

The Committee finds:

- The proposed Parking Overlay schedules are satisfactory, but must be reviewed within 5 years (as part of a broader monitoring and review strategy in relation to mode shift), to ensure the rates are appropriately calibrated to encourage a shift towards more sustainable transport modes.

8.7.2 On street car parking management

The General Issues Referred Matter relating to mode shift asks whether the draft structure plans, draft implementation plans and draft Amendments facilitate a suitable and achievable mode shift, including having regard to the projected demand for on street and public parking.

A draft structure plan action requires the Proponent to:

... develop a suite of documents in consultation with the relevant Council(s) to effectively manage the function and needs of kerbside and on street parking.

Little evidence was presented to the Committee in relation to the projected demand for on-street parking.

Ms Marshall and Mr De Young gave evidence that the introduction of new parking controls needs to occur in parallel with enhanced management of on-street and public parking – this is important to ensure that the introduction of maximum car parking rates does not inadvertently result in car parking demand from new development spilling onto the local street network, adversely impacting local amenity. These views were supported by the other experts.

Mr De Young also explained in the Glen Waverley Hearing (but generally relevant to the other precincts) that there was already well-developed parking restrictions in operation around the precincts to ensure an equitable distribution of parking for all existing users. New developments and their residents would typically not be provided with resident parking permits exempting them from on-street parking restrictions.

While no specific evidence was put to the Committee on the projected demand for on-street parking, the Committee is generally satisfied that on-street and public parking will be able to be effectively managed in the future. The roll out of new development will potentially take some time, providing ample opportunity for the parking rates in the Parking Overlay schedules, and any on-street parking restrictions, to be reviewed as necessary.

Greater impacts may be felt on the periphery of the precincts where no parking restrictions currently apply. However permit zones could be introduced in these streets to protect residential amenity while discouraging all day parking from new residents.

(i) Findings

The Committee finds:

- On-street and public parking will be able to be effectively managed in the future.

8.8 Transport modelling

(i) Evidence and submissions

The Proponent submitted the modelling relied on by the Transport Technical Reports was sufficient to inform the draft Amendments. It submitted that further modelling is not required before the draft Amendments being implemented. It preferred to include a requirement for additional modelling in the draft implementation plans.

The transport experts all acknowledged that:

- 2041 had been selected/directed to be the appropriate year for assessment
- the precincts are expected to be developed over a longer duration (20-30+ years) with more development expected between 2041 and 2051 than between 2026 and 2041
- VITM⁸ is useful for estimating baseline mode share in 2041, on a broad scale, but is less useful for determining mode share on a precinct level as it does not adequately account for active transport infrastructure.

Ms Marshall and Mr De Young explained that the traffic modelling undertaken for the SRL Project EES was based on inputs aligned with the 2041 Future Baseline scenario and not the 2041 target mode shares which informed the draft Amendments. As such, the traffic modelling effectively presents a conservative scenario (in other words, more traffic and less walking and cycling than what is anticipated). They also explained that additional sensitivity transport modelling had been completed after the EES to inform the design of the road networks near the proposed SRL stations.

Relying on Mr Walsh's evidence, the Councils and University Group had concerns about the absence of modelling and potential issues that the road network and/or other local intersections may be unable to absorb the future traffic demands. Mr Walsh explained that:

- the modelling to date had been restricted to key locations or areas close to the proposed stations
- there were potential traffic impacts further afield (in other words, other nearby intersections) that had yet to be identified.

He considered this work should ideally be completed now, to confirm the need for any improvement works before the draft Amendments being approved, though he acknowledged this work could be completed after, through the inclusion of additional draft implementation plan actions.

Kingston Council supported Mr Walsh's evidence, in that the scope of transport infrastructure works that may be required should be identified and costed, and this work depends on additional modelling being carried out before the draft Amendments being finalised.

The other experts agreed in principle that additional modelling may be beneficial in selected areas but acknowledged that transport modelling would also occur on a site by site basis with future permit applications. Ms Marshall and Mr De Young considered it was more appropriate for broader network modelling work to be carried out at a later date, as part of an implementation plan action.

(ii) Discussion

The fundamental concern of the councils was that the network transport modelling was incomplete, and future modelling would likely identify necessary transport infrastructure

⁸ VITM Victorian Integrated Transport Model. It is a strategic transport planning tool used to understand potential impacts of changes to the transport system.

upgrades for which there is currently no funding mechanism and no details around who would actually be responsible for delivery.

The Committee appreciates the conundrum of how much modelling is enough and whether additional modelling to identify road network upgrades should be undertaken now or later. Consistent with its findings in the Common Issues Report (Volume 2) relating to open space and community infrastructure, transport upgrades (if required) will be more difficult and costly to implement in future, as land values increase with the rezoning and the precincts begin to develop.

That said, the Committee considers the traffic modelling to date is generally sufficient to provide a broad overview of what road network upgrades may be required, at least in and around the station locations. These are the locations where some of the higher intensity uses will occur. This provides a satisfactory basis to assess the overall feasibility of the future road network operation together with the proposed suite of traffic enhancement works which is generally sufficient for this stage in the planning process.

There are parts of the network further afield that have not been modelled. Additional modelling will need to be carried out in the future as the precincts develop, to identify if any intersections or road lengths will require upgrading due to the additional traffic generated by new development within each precinct.

The absence of more comprehensive modelling means that there is uncertainty about whether (and what) additional traffic infrastructure works may be required in future, whether those upgrades would be delivered as part of future developments (as developer works) or whether more substantial precinct-wide upgrades may be required. There is also no certainty around the funding or delivery of any future precinct-wide upgrades.

The significant transformation facilitated by the draft Amendments will occur over several decades, with the bulk of development likely to occur from 2041 onwards. This provides time for future traffic modelling to be undertaken as each precinct evolves, allowing for more refined and contemporary data to be used and more accurate predictions of the likely transport infrastructure upgrades that will be required. The experts were generally comfortable that this modelling could occur in the future.

The Committee supports the experts' suggestion for the draft implementation plans to record the need for this work. The timing should be medium term (considering the bulk of development will occur after 2041) with responsibility resting with SRLA as lead, and with Council and DTP as partners.

(iii) Findings

The Committee finds:

- The traffic modelling to date is generally satisfactory to enable broad conclusions to be drawn in relation to what road network upgrades may be required in future, at least in and around the station locations.
- Additional modelling should occur in the future on a site by site basis as part of permit applications as the precincts develop.

- The draft implementation plans should be updated to include a requirement for further network traffic modelling.

8.9 Conclusions

Based on the findings in this Chapter and in Chapter 9.9, the Committee concludes:

- The draft structure plans, draft implementation plans and draft Amendments will facilitate mode shift, but:
 - it is not possible to say whether the mode shift is 'suitable' and 'achievable'
 - to ensure mode shift is achieved:
 - the draft Amendments need to include the travel mode shift targets for each precinct
 - the draft implementation plans need to include a comprehensive monitoring and review strategy to ascertain if the targets are being reached and sustainable transport mode shift is being realised.

8.10 Recommendations

The Committee recommends:

Draft Amendments

- 14. GI R14: Amend the new local policies for the structure plan areas to include the active travel mode shift targets (specified in the Transport Technical Reports) for each precinct.**

Draft implementation plans

- 15. GI R15: Amend the draft implementation plans as follows:**
 - a) amend Objective 18 to reference a monitoring and review program to measure the uptake of sustainable transport mode shift against the targets**
 - b) include details of the monitoring and review program that requires (among other things):**
 - **a review of the car parking rates in the Parking Overlay schedules to ensure that they are set at the appropriate rate to suppress demand for private vehicles**
 - **a review at least every 5 years.**

9 Drafting of schedules

9.1 Master planning requirements

(i) Summary

As a matter of principle, the use of the PRZ schedules to identify sites which require master plans is appropriate. However, the logic of when a master plan needs to be completed is not clear. The draft structure plans need to be amended to clearly explain the basis on which the relevant sites were selected as being appropriate for master planning. The controls then need to be amended to reflect these updates.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The identification of sites for which master plans need to be prepared
- The preparation and approval of master plans

There is overlap between this Referred Matter and the Referred Matter relating to strategic sites (Chapter 9.3).

(iii) Key issues

The key issues are whether the following are clear and appropriate:

- reasons for identifying sites to be master planned
- the master planning requirements themselves
- the process for approval and review of master plans.

(iv) Background

Draft structure plans

Other than in Monash, none of the draft structure plans identify which strategic sites will have master planning controls.

Most of the draft structure plans state:

Strategic sites have been identified throughout the Structure Plan Area based on the opportunities they present to accommodate significant growth or their strong potential to help deliver policy objectives or public benefit outcomes.

To capture these opportunities, strategic sites may be subject to detailed master planning in future. The master planning process allows for better management of site-specific and offsite impacts, while providing flexibility to test potential design options and fully consider matters that may only be known closer to the time of the site's development.

The Box Hill draft Structure Plan also states:

The context and characteristics of the strategic site will dictate the exact planning process required to achieve the desired outcomes.

The Cheltenham draft Structure Plan also states:

The master planning process allows flexibility and provides for an integrated approach to land use, design response, public realm, movement and infrastructure.

Draft Amendments

Of the 35 strategic sites identified in the draft structure plans (across all precincts), ten are identified as requiring master plans:

- the SDAs
- Southland Shopping Centre (Cheltenham)
- Highett Gasworks (Cheltenham)
- Monash Central and Surrounds (Monash)
- the former Box Hill Brickworks site (Box Hill).

Precinct Zone

The sites identified for master planning each have a separate PRZ schedule that sets out the:

- role of the precinct
- use and development objectives
- Use and Development Framework Plan
- master plan requirements, including the reports and information required to be included in the master plan and matters to be addressed in the master plan.

Master plan controls are not proposed for sites that contain major health, education or research related use and development, and where public or special use zones apply.

In the Day 3 version of Monash PRZ4 (SDA, Monash Central and Surrounds), there is an additional requirement for a 'concept plan' to be prepared by the Proponent before the preparation of a master plan. This was clarified in the Monash Hearing, where the Proponent explained it would prepare the 'concept plan' (being the precursor to the master plan) to establish street connections through the precinct.

The master planned sites are all subject to the VPBUF.

Built Form Overlay

No BFO is proposed to be applied to the nine master plan sites, to avoid duplication of controls (the bespoke PRZ schedules include built form controls).

(v) Evidence and submissions

The Proponent submitted the identification of master planned sites and the PRZ master planning provisions are clear, workable and appropriate. It determined which sites are to be master planned on a site by site basis, considering existing land use and zoning, the complexity of the site and need for bespoke controls, opportunity for public benefit and capacity and scale of the site.

Mr Crowder said the inclusion of the SDAs as master planned sites was sensible given the likely complexity and scale of development. Further, most land in the SDAs would be owned by the Proponent, which would simplify preparation of the master plan as well as coordination and delivery. He considered the other sites identified for master planning were appropriate, being large sites that have the potential to deliver strategic objectives

and public benefits and would benefit from a master planning process. The strategic sites not nominated for master planning were, in his view, sites with fewer complexities and could be delivered through the standard planning permit process.

The Councils and University Group generally supported the approach of identifying sites to be master planned, however considered that additional sites should be included. These are explored through the precinct reports.

Mr Barnes considered it unclear why some strategic sites are subject to master plan requirements and others are not. He recommended better differentiation between strategic sites and master planned sites.

While Mr Barnes considered the master plan requirements broadly acceptable, he highlighted potential complexities where land is in multiple ownership, situations where the landowner and the council disagree about master plan requirements, and that there may be issues with Councils' interpretation of the controls (given they have been drafted by the Proponent). He recommended the controls be refined to outline clearer direction on the preparation, assessment, review and approval process for master plans.

Mr Crowder had no objection to Mr Barnes' recommendation, however he maintained it was not necessary.

(vi) Discussion

The site selection and the use of bespoke PRZ schedules to master plan larger and more complex sites is logical and appropriate. While the details of the requirements for a master plan were not examined in the General Issues Hearing, they generally seem appropriate in identifying objectives, a land use and development framework, and setting out information requirements and decision guidelines.

That said, the basis of identifying which strategic sites should be master planned and which not is unclear. This is discussed in more detail in Chapter 9.3.

While the controls detail the information required for a master plan and decision guidelines for approval, the Committee agrees with Mr Barnes that further clarity should be provided on the preparation, assessment, review and approval process. This should include:

- whether surrounding landowners and key stakeholders are to be consulted in the preparation of a master plan, even if they do not have objection or appeal rights
- where sites are in multiple ownership, who will lead the master planning process and any dispute between owners will be resolved
- whether there are review rights in the event that the responsible authority does not accept a master plan or aspects of a master plan.

The merits or otherwise of particular sites being subject to master plan requirements are addressed in the precinct reports.

(vii) Findings and conclusions

The Committee finds:

- The general approach of using bespoke PRZ schedules to identify sites which require master plans is appropriate.
- The basis on which some Strategic Sites were selected to be master planned and not others is unclear and the draft structure plans should be updated to explain this more clearly.
- In relation to the master plan provisions, the:
 - provisions in relation to the content of master plans are generally appropriate
 - process for preparing and approving master plans and the level of community input is unclear.
- The draft structure plans should be updated to explain the basis on which some Strategic Sites were selected to be master planned and not others
- The PRZ schedules should be updated to better describe the process for preparing and approving master plans.

Based on the above findings, the Committee concludes:

- It is appropriate to use bespoke PRZ schedules to identify sites for which master plans are required.
- The provisions in the PRZ schedules relating to the preparation and approval of master plans are not appropriate, and need to be updated to provide greater clarity.

(viii) Recommendations

The Committee recommends:

Draft structure plans

- 16. GI R16: Update the draft structure plans to explain the basis for selecting which Strategic Sites require master planning.**

Draft Amendments

- 17. GI R17: Update the Precinct Zone schedules for the master planned sites to more clearly outline the process for preparing and approving of master plans, including:**
 - a) who is responsible for preparing master plans (particularly for master plans covering multiple sites in different ownership)**
 - b) who is required to be consulted in the preparation of the master plan**
 - c) specifying that master plans must be approved by the responsible authority.**

9.2 Deemed to comply provisions

(i) Summary

There is insufficient testing to demonstrate that compliance with the deemed to comply standards will lead to acceptable outcomes in the majority of cases. The following

standards present the most significant risk of unacceptable outcomes, and should not be deemed to comply:

- Standard BF04 (Overshadowing of open space or public realm)
- Standard BF06 (Side and rear setbacks and building separation within a site)
- Standard BF10 (Pedestrian connections).

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The deemed to comply provisions in the BFOs.

(iii) Key issues

The key issues are whether:

- the standards to which the deemed to comply provisions have been applied are appropriate
- there has been enough testing to be confident that the outcomes achieved under the deemed to comply standards will be appropriate.

(iv) Background

The deemed to comply provisions used in some BFO schedules set out standards that, if met, are automatically considered to comply with the planning scheme.

The SRL East PSA Approach Report states the deemed to comply provisions are intended to facilitate development by:

- providing greater certainty and clarity to landowners and permit applicants
- reducing permit assessment timeframes and costs.

The PSA Approach Report states that a deemed to comply pathway is not appropriate in areas where multiple land uses and typologies could be proposed. Accordingly, deemed to comply provisions:

- apply in Residential Neighbourhoods, Employment Growth and Employment Neighbourhoods
- do not apply in Central Cores, Central Flanks and Main Street and Key Movement Corridors.

For example, in the Monash BFO14 (Burwood Residential Neighbourhoods) the following built form standards are deemed to comply:

- (BF02) Maximum Building heights
- (BF04) Overshadowing of open space or public realm
- (BF05) Front setbacks, street wall heights above the street wall and landscaped setbacks
- (BF06) Side and rear setbacks and building separation within a site
- (BF10) Pedestrian connections
- (BF12) Landscaping and fencing, and
- (BF13) Car parking design.

In the Whitehorse BFO4 (Burwood Employment Neighbourhoods) the following built form standards are deemed to comply:

- (BF02) Maximum Building heights
- (BF05) Front setbacks, street wall heights above the street wall and landscaped setbacks
- (BF06) Side and rear setbacks and building separation within a site
- (BF12) Landscaping and fencing, and
- (BF13) Car parking design.

(v) Evidence and submissions

Mr Crowder gave evidence that the concept of deemed to comply provisions had become a feature of statutory planning in Victoria through the 'Townhouse and Low-Rise Code' and amended Clause 55 provisions, and the BFO. Therefore, he considered the merit of deemed to comply provisions as a tool was not open for debate. He considered the assessment should be limited to whether the nominated built form standards should be deemed to comply.

Mr Crowder considered the Residential Neighbourhoods, Employment Growth and Employment Neighbourhoods were appropriate for the 'codified' approach given the greater consistency in land use and building typologies. He noted the built form standards proposed to be deemed to comply had been informed by urban design testing and were likely to be suitable for this pathway.

Mr Sheppard reviewed the BFO schedules relating to Residential Neighbourhoods and related submissions and made recommendations for improvements to the objectives and standards, including:

- increasing the minimum side setback standard where it abuts a rear boundary of a neighbouring property, to avoid unreasonably imposing built form
- including a maximum building length and width, to avoid unacceptable impacts particularly where 'back to back' lots are consolidated.

Mr Barnes considered the structure and operation of the deemed to comply provisions to be excessively complicated. The deemed to comply standards require an assessment of the outcomes and standards in the parent clause, before establishing which of those outcomes and standards are excluded, varied or replaced in the schedule. Given this complexity, he considered they are not usable or functional and this may lead to poor planning outcomes.

Mr Barnes did not address the *"fine grain elements of each standard and whether they are logical, reasonable and strategically justified"* in his General Issues evidence, leaving this to the precinct hearings.

Mr Crowder supported changes to achieve better clarity and consistency and agreed with Mr Barnes' suggestion that redrafting by location was one way this would be achieved.

The Councils and University Group did not support the deemed to comply provisions. It highlighted that they were applied in the most sensitive place types (Residential Neighbourhoods and Employment Neighbourhoods) that have interfaces with residential

areas outside the precincts. In addition, there is potential for adverse amenity impacts on neighbouring properties, public open space and canopy trees where some of the deemed to comply standards (such as preferred maximum building heights and setbacks) are met.

The Councils and University Group submitted the deemed to comply provisions were analogous to mandatory controls with no power to refuse to grant a permit if the standard is met, irrespective of the impact on amenity or neighbourhoods. On this basis, it submitted they should only be applied where the standard will achieve an acceptable outcome in the majority of cases. The work had not been done to demonstrate whether this was the case, with the Hayball testing limited to 15 scenarios, and not taking into account irregular shaped lots, different sized lots, interfaces and orientation. It also submitted that where a qualitative assessment is required, a standard should not be deemed to comply.

Mr Glossop highlighted the implications of deemed to comply provisions in relation to amenity impacts on existing dwellings, with a deemed to comply standard allowing for an outcome despite an unreasonable amenity impact on, say, abutting windows or open spaces. On this basis he considered controls that seek to manage amenity impacts should be flexible in nature.

The Proponent's position was that aside from review of the provisions for simplification and clarity where possible, no changes were required to the deemed to comply standards.

(vi) Discussion

Deemed to comply provisions are now an established tool under the VPPs. They are intended to provide greater certainty and a faster approval process for applications in activity centres and other well serviced locations, such as the precincts.

That said, the Committee agrees with the Councils and University Group that there needs to be a high level of certainty that the deemed to comply standards will result in acceptable planning outcomes in most (if not all) cases. The Hayball testing was limited. Given the deemed to comply provisions are proposed to be applied across large areas of land, with sensitive interfaces, the testing is not sufficient to demonstrate acceptable outcomes in the majority of cases.

The Committee accepts that certainty and faster approval timeframes can provide a net community benefit. However, it does not consider that this should be at the cost of poor amenity or urban design outcomes, particularly noting that applications are exempt from third party notice and review. These third party exemptions (discussed further in Chapter 9.12) are already likely to deliver faster approvals and a greater level of certainty for landowners.

While the standards are explored more fully in the precinct reports, as a general principle the Committee recommends the deemed to comply provisions are only applied where there is confidence that unintended outcomes will not result.

The Committee has particular concerns about the deemed to comply nature of standards:

- BF04 Overshadowing of open space or public realm
- BF06 Side and rear setbacks and building separation within a site
- BF10 Pedestrian connections.
- BF12 landscaping and fencing

This is because, as discussed elsewhere in this **Chapter 9**:

- the Committee does not consider the overshadowing standards are appropriate
- there are a range of circumstances where the default side and rear setback standards could lead to unacceptable outcomes
- the pedestrian connections need to be aligned with connections on other land, and discretion is required to ensure functional and logical links are delivered
- the Committee does not consider that the tree canopy controls are appropriate and there is a need to consider existing trees and site context.

(vii) Findings and conclusions

The Committee finds:

- There is insufficient testing to demonstrate that compliance with the deemed to comply standards will lead to acceptable outcomes in the majority of cases.
- Standards BF04, BF06 and BF10 should not be deemed to comply, as these standards have more potential to impact on amenity of surrounding residential uses and deliver unacceptable outcomes.

Based on the above findings, the Committee concludes:

- The deemed to comply provisions in the BFO schedules are not appropriate.

(viii) Recommendations

The Committee recommends:

Further work

- 18. GI R18: Before the draft Amendments are approved, undertake further testing of deemed to comply standards across a wider range of sites with varied interfaces to test whether the standards would lead to acceptable outcomes in the majority of cases.**

Draft Amendments

- 19. GI R19: Amend the Built Form Overlay schedules to remove the deemed to comply status of standards BF04, BF06, BF10 and BF12 (unless the testing referred to in Recommendation GI R18 demonstrates acceptable outcomes in the majority of cases).**

9.3 Strategic sites

(i) Summary

Apart from the strategic sites that have a bespoke PRZ schedule containing master planning requirements, the outcomes sought for strategic sites are unclear. It is therefore not possible to conclude that the PRZ and BFO schedules are appropriate in respect of the specific objectives and any built form outcomes to be achieved. Further

work is required to explain how strategic sites were identified, to differentiate between the different purposes of the different types of strategic sites, and to explain why some strategic sites are subject to master planning requirements and others not.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The specific objectives, and any built form outcomes to be achieved, for strategic sites.

There is overlap between this Referred Matter and the Referred Matter relating to master planning requirements (Chapter 9.1).

(iii) Key issues

The key issues are whether:

- the basis for nominating strategic sites is clear
- the planning scheme provisions relating to strategic sites are appropriate.

(iv) Background

Draft structure plans

The draft structure plans map strategic sites on various plans, and list the strategic sites in each area. Strategies include encouraging the redevelopment and intensification of strategic sites to support new housing growth, affordable housing and public benefit outcomes.

Policy

The structure plan area maps in the local policies identify strategic sites. The new local policies state:

Strategic sites strategies

Plan strategic sites to make a significant contribution to accommodate residential and employment growth projections.

Encourage strategic sites to capitalise on their potential for redevelopment, intensification and opportunities to deliver public benefit outcomes, including public realm improvements, affordable housing, and new open space or public links.

The policies also state:

Incentivise the provision of affordable housing on strategic sites.

Zone and Overlays

Apart from the master planned sites with bespoke PRZ schedules, there are no specific objectives or built form outcomes that explain the outcomes sought for strategic sites. The only way the schedules respond to strategic sites is by mapping them.

The VPBUF applies to some but not all strategic sites.

(v) Evidence and submissions

Mr Barnes considered the role of strategic sites is obscured and confused between the draft structure plans, policy expectations and the PRZ and BFO schedules. He noted:

- there are no specific statutory controls or requirements that apply to strategic sites other than the general statements in the new local policies
- neither the PRZ nor BFO parent clauses make reference to strategic sites
- the PRZ and BFO schedules illustrate strategic sites on the mapping, but contain no other content to differentiate strategic sites from other land
- there is no clear logic to the way strategic sites interact with the VPBUF (which he noted applies to some but not all strategic sites, and applies to many other sites not identified as being strategic).

Mr Barnes did not support sites being retained in a public use zone⁹ being identified as strategic sites, given they are not subject to the precinct controls, and are generally exempt from requiring a permit for a use or development carried out by or on behalf of the public land manager. He also did not support sites such as the National Centre for Synchrotron Science and Melbourne Centre for Nanofabrication being identified as strategic sites, given their particular land use means they are not the focus for redevelopment for affordable housing or public realm improvements as sought by the local policy.

On this basis Mr Barnes recommended that the draft Amendments be updated to distinguish between:

- strategic sites that further the strategies in the new structure plan area local policies
- other major strategic land uses (such as Monash University).

Mr Crowder generally supported the provisions in the new local policies for strategic sites, noting the identified strategic sites are generally suitable for substantial redevelopment and intensification. He considered there should be an additional decision guideline in the PRZ schedules that links back to the local policies:

Strategic site. [The following must be considered].

The suitability of Strategic Sites identified on the Use and Development Framework Plan (Map 1) to accommodate substantial redevelopment and intensification, including making significant contributions to the delivery of nominated public benefits.

Kingston Council supported this recommendation.

Phileo Australia Pty Ltd, the owner of the former Brickworks site in Box Hill, supported the nomination of their land as a Strategic Site, but highlighted that it had a considerably lower mandatory FAR than other strategic sites in Box Hill and other precincts.

(vi) Discussion

The Referred Matter relates to whether the specific objectives and any built form outcomes in the PRZ and BFO schedules relating to strategic sites are appropriate. Given that there are no objectives or built form controls in the schedules that explicitly

⁹ Examples being Monash University Clayton Campus, the CSIRO site in Clayton and the Deakin University Burwood Campus.

differentiate strategic sites from other sites (apart from in the bespoke PRZ schedules that contain master planning requirements), the answer to the Referred Matter is no.

The draft Amendments appear to address two (possibly three) distinct categories of strategic sites:

- strategic sites with bespoke PRZ schedules that require a master plan
- strategic sites that are identified in the structure plans and the maps in the PRZ schedules but do not have bespoke schedules (but are subject to the policy expectations for strategic sites)
- major strategic land uses (such as Monash University) that are zoned PUZ and are not intended to be subject to the draft Amendments.

Using the same designation for all categories creates confusion. The distinction should be clarified so all stakeholders understand the expectations for each type of 'strategic site'.

The Committee refers to the three types of sites as:

- master planned sites
- strategic sites
- major strategic land uses.

The Committee understands the intent is that strategic sites will play a key role in delivering the housing, employment and public realm objectives of the draft structure plans (whereas major strategic land uses will not). However the Committee is unclear on:

- the criteria for identifying strategic sites
- how the policy objective of intensification will be achieved
- how the built form controls and FARs differentiate the role and development capacity of strategic sites from surrounding sites
- why some strategic sites are subject to the VPBUF and others are not
- why some strategic sites are also master planned sites and others not (see Chapter 9.1).

The draft structure plans (and potentially the local policies) should be updated to clearly explain the criteria for identifying strategic sites, and the different roles of strategic sites, master planned sites and major strategic land uses.

Apart from the SDAs, there was no evidence that strategic sites have been given greater development potential through the preferred maximum building height controls, increased FARs or other provisions to assist them in delivering substantial redevelopment and intensification (compared to surrounding sites). The built form controls and FARs for strategic sites need to be reviewed to ensure they are being afforded the capacity to meet the policy objectives in the new local policies of:

- making a significant contribution to accommodating residential and employment growth projections
- capitalising on their potential for redevelopment, intensification and opportunities to deliver public benefit outcomes
- incentivising the provision of affordable housing on strategic sites.

The Committee supports the recommendation of Mr Crowder to include an additional decision guideline for strategic sites in the PRZ schedules. However, given the

Committee's Recommendation CI R03(b), this should relate to social and affordable housing only.

(vii) Findings and conclusions

The Committee finds:

- It is unclear:
 - how strategic sites were identified
 - what the difference is between strategic sites, master planned sites and major strategic land uses
 - what expectations and outcomes are anticipated for strategic sites
 - how the built form controls and floor area ratios for strategic sites facilitate their role (as described in the local policies) in delivering substantial redevelopment and intensification as well as public benefits.
- The draft structure plans and local policies should be reviewed and updated to separately identify strategic sites, master planned sites and major strategic land uses, and to explain their different roles and functions.
- The built form controls for strategic sites (including preferred maximum building heights and FARs, if they are to be retained) need to be reviewed to ensure they are being afforded the capacity to do what is sought by the local policies.
- As part of the further work recommended in relation to VPBUF, consideration should be given to expanding the spatial application of the VPBUF to all strategic sites, given their role (as described in the local policies) in delivering public benefit.

Based on the above findings, the Committee concludes:

- The PRZ and BFO schedules are not appropriate to achieve the specific objectives, and built form outcomes for strategic sites (which are unclear).

(viii) Recommendations

The Committee recommends:

Further work

- 20. GI R20: Before the draft Amendments are approved, update the draft structure plans to:**
 - a) differentiate and clearly define the roles of strategic sites, master planned sites and major strategic land uses (as those terms are used in this report)**
 - b) clearly explain the basis for selecting:**
 - **strategic sites**
 - **master planned sites.**
- 21. GI R21: Before the draft Amendments are approved, review the built form controls for strategic sites to ensure they:**
 - a) reflect the role of strategic sites as described in the revised structure plans (Recommendation GI R20)**
 - b) are being afforded the capacity to meet the policy objectives outlined for strategic sites in the new local policies.**

22. GI R22: As part of the further work relating to the Voluntary Public Benefit Uplift Framework (Recommendation CI R01 in Volume 2):

- a) review the floor area ratios for strategic sites to ensure they:**
 - **reflect the role of strategic sites as described in the revised structure plans (Recommendation GI R20)**
 - **are being afforded the capacity to meet the policy objectives outlined for strategic sites in the new local policies**
- b) consider extending the spatial application of the Framework to all strategic sites.**

Draft Amendments

23. GI R23: Before the draft Amendments are approved:

- a) review the new local policies and make any adjustments required to reflect the outcomes of Recommendations GI R20, GI R21 and GI R22**
- b) amend the Precinct Zone and Built Form Overlay schedules that apply to strategic sites to include an additional decision guideline for permit applications for strategic sites:**

Consider the suitability of strategic sites to accommodate substantial redevelopment and intensification, including making significant contributions to the delivery of social and affordable housing.

9.4 Privacy

(i) Summary

The PRZ and BFO schedules go some way to protecting privacy, but the controls need to be strengthened to ensure a reasonable level of privacy is achieved. This is particularly important in areas that have an interface to residential precincts and at the edge of precinct boundaries.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Achieving a reasonable level of privacy.

(iii) Key issue

The key issue is whether the privacy protections are appropriate given the scale of development envisaged.

(iv) Background

Draft structure plans

The draft structure plans include an objective to ensure new buildings provide a good level of amenity to occupants. Actions include to ensure new development provides an

appropriate sense of privacy for occupants and balance privacy and activation of the public realm.

Precinct Zone

The PRZ parent clause does not contain objectives or standards relating to privacy.

Decision guidelines require consideration of:

- potential off-site impacts and the interface with adjoining zones
- the objectives, standards and decision guidelines of Clause 58 for apartment developments.

There are no objectives or controls relating to privacy in the PRZ schedules for the precincts. There is a decision guideline in the schedules that requires consideration of:

The relationship between the proposed building setbacks and anticipated building setbacks within a site or adjacent properties to provide equitable access to privacy, daylight and outlook having regard to the proposed internal uses and the height of the existing or proposed adjoining built form.

Built Form Overlay

Privacy is intended to be primarily managed through setbacks and building separation.

The setback standards in the BFO parent clause refer to privacy as follows:

- outcomes for *"Front setbacks, street wall heights, setbacks above the street wall and landscaped setbacks"*, include:
 - Contribute to the privacy of any ground floor dwellings.
- outcomes for *"Side and rear setbacks and building separation within a site"*, include:
 - Respond to sensitive interfaces
 - Achieve privacy by setbacks rather than screening.

The schedules provide minimum front, side and rear setbacks which are discretionary. The setback standards are deemed to comply and if the standards are met there is no consideration of the outcomes or decision guidelines.

Most schedules for Residential Neighbourhoods, Key Movement Corridors and Urban Neighbourhoods include the following decision guideline that applies to an application that does not meet the deemed to comply standards:

For the construction or extension of a dwelling, the extent to which the proposal maximises internal amenity by prioritising dwelling orientation to limit overlooking into private open space and habitable room windows of adjacent properties and other dwellings within the same development.

Whether rear setbacks contribute to a new rear character providing good outlooks for dwellings, privacy, daylight and the establishment of a new landscaped character derived from deep soil planting and canopy trees.

The schedules that relate to Residential Neighbourhoods state:

The outcomes and standards in this overlay and this schedule prevail over ... Clause 58.04-1 (relating to overlooking).

(v) Evidence and submissions

Mr Crowder observed that as precincts of substantial change and renewal, amenity expectations, including privacy, needed to be tempered and contextualised. He was comfortable with setbacks being used to address privacy. He considered a 4.5 metre

boundary setback for dwellings with a primary outlook to a side or rear boundary generally appropriate (noting it would combine to a 9 metre separation if provided on adjoining sites).

Mr Crowder noted decision guidelines in the PRZ parent clause that require apartment development to meet the provisions of Clause 58. While this did not extend to Clauses 55 and 57 (that apply to medium density residential development of less than 4 storeys) he stated, *"it is likely overlooking would still be addressed in future permit applications"*.

Mr Sheppard highlighted that the privacy provisions of Clauses 55, 57 and 58 would not apply, with the overlooking provisions 'switched off'. However other controls seek to manage privacy, including:

- 6 metre rear setbacks in Central Flanks, Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods, combining to 12 metres when provided on adjoining sites
- boundary fence and canopy trees in rear setbacks providing privacy where private open space is within 9 metres of adjoining lots
- decision guidelines for Key Movement Corridors and Urban Neighbourhoods requiring consideration of overlooking into private open space and habitable room windows (except in the Bayside BF03)
- decision guidelines in some Key Movement Corridors and Urban Neighbourhoods requiring consideration of whether rear setbacks provide privacy
- in Residential Neighbourhoods where the deemed to comply setbacks are not met, outcomes and decision guidelines relating to privacy.

He recommended including consistent decision guidelines in all the Key Movement Corridor, Urban Neighbourhood and Residential Neighbourhood BFO schedules that require consideration of privacy.

Mr Barnes considered there should be measurable guidance or technical requirements to achieve the intent of the relevant decision guidelines relating to privacy, particularly when discretionary setbacks are reduced.

The Councils and University Group stated the draft Amendments adopt a new approach to amenity protection that assumes that the discretionary setback standard will achieve an acceptable level of privacy. However, there had not been adequate work to consider the different context of sites across the various precincts, including the different sizes, shapes and orientation of lots and interfaces with land outside the precincts. On this basis it supported Mr Barnes' recommendation.

Kingston Council accepted the theory of using a built form envelope to provide privacy, however considered this failed to account for the need to protect privacy for existing development, or lots that are unlikely to be redeveloped in the longer term. It acknowledged the changing context of the precincts, however considered there should be a balancing of strategic aspirations, practical realities and the principles of 'fair' development of land for *"present and future interests of all Victorians"* as set out in the objectives in the PE Act.

Mr Glossop did not consider the draft Amendments provide adequate amenity protection and recommended including a decision guideline referring to the objectives, standards and decision guidelines of Clauses 54 and 55 (similar to the Commercial 1 Zone).

Mr Crowder was reticent to support a requirement to comply with Clauses 54, 55 or 57 and was more comfortable with Mr Barnes' recommendation to address privacy in a more generalised way. He acknowledged that where there is a direct abuttal to residential properties outside the precincts, it would be reasonable to add an additional decision guideline, as follows:

For residential properties outside and abutting the SRL (East) areas whether the proposal will result in acceptable visual bulk, overshadowing or overlooking outcomes having regard to the relevant provisions of Clause 54, Clause 55 or Clause 57, as applicable.

(vi) Discussion

The precincts are areas of transformation and intensification and the Committee accepts that this tempers privacy expectations. Setbacks (rather than screening) should be the primary tool to manage privacy.

The Committee is generally comfortable that the setbacks provided in the schedules should result in a reasonable level of privacy in the 'core' of the structure plan areas, particularly where matched on adjoining sites. This however does not extend to the Residential Neighbourhoods or other areas where there is an interface to residential land outside the precinct boundaries.

The Committee considers that more caution is required in the Residential Neighbourhoods and at the precinct boundaries, where:

- change from the existing conditions may take longer
- there is a greater diversity of interfaces and site contexts
- there is a (legitimately) higher expectation of protection of residential amenity, particularly for land outside the precinct boundaries.

The BFO was introduced as a tool to the VPP together with the Housing Choice and Transport Zone (HCTZ) to support growth in an around activity centres. The Planning Victoria website describes the BFO as a tool to be applied to the 'core' of activity centres, with the HCTZ applying to housing in the surrounding catchments in residential zones.

In the draft Amendments, the HCTZ is not being used, with the BFO used across the entirety of the precincts, from the central core to the outer edges of the structure plan areas, including the residential catchments around the cores.

As discussed in Chapter 9.2, in the absence of comprehensive testing of whether the built form controls deliver acceptable outcomes in the majority of cases across the Residential Neighbourhoods, the Committee cannot be satisfied that the setback standards will provide for a reasonable level of privacy in the majority of cases.

While the measure of what is 'reasonable' has typically been no overlooking within 9 metres (Clauses 54, 55 and 57), what is 'reasonable' in the context of the transformation expected in the precincts is less clear. The Committee supports the recommendation of Mr Barnes (generally supported by Mr Crowder) to include measurable (quantitative)

guidance or technical requirements relating to privacy. However no suitable standard or requirement was put to the Committee.

In the absence of a clear and measurable standard, the setbacks should not be deemed to comply in the Residential Neighbourhoods and other areas with an interface to residential areas. This will ensure appropriate consideration of privacy in accordance with the decision guidelines.

The Day 3 controls have introduced a new minimum setback control from a common boundary with land outside of the structure plan area, being 6 metres plus 0.7 metres per metre of height above 11 metres. The Committee supports this additional control.

(vii) Findings and conclusions

The Committee finds:

- Generally it is appropriate to manage privacy using setbacks, however the Committee is not satisfied that the deemed to comply setbacks will appropriately manage privacy in sensitive residential areas in the majority of cases.
- The schedules for Residential Neighbourhoods and areas with a residential interface (within or outside the structure plan areas) should be amended to:
 - include a standard or measurable guidance that is demonstrated (through further architectural testing) to achieve an appropriate level of privacy protection in the majority of cases
 - remove the deemed to comply status of the setback standards if no properly tested standard or measurable guidance is included.

Based on the above findings, the Committee concludes:

- The PRZ and/or BFO schedules go some way toward protecting privacy but need to be strengthened and refined to ensure a reasonable level of privacy is achieved.

(viii) Recommendations

The Committee recommends:

Draft Amendments

24. GI R24: Amend the Precinct Zone and/or Built Form Overlay schedules applying to Residential Neighbourhoods and areas that have an interface to residential areas within or outside the structure plan area boundaries to:

- a) include a standard or measurable guidance that is demonstrated (through further architectural testing) to achieve an appropriate level of privacy protection in the majority of cases**
- b) add the following decision guideline:**

Whether the proposal will result in acceptable visual bulk, overshadowing or overlooking outcomes having regard to the relevant provisions of Clauses 54, 55 or 57.

25. GI R25: If a standard or measurable guidance is not included as recommended in Recommendation GI R24(a), delete the deemed to comply status of setback standards in the relevant schedules.

9.5 Overshadowing of private open space

(i) Summary

The BFO schedules do not appropriately manage overshadowing to private open space. In Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods the controls need to be strengthened to include overshadowing standards.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Managing the impacts of overshadowing on private open spaces.

(iii) Key issue

The key issue is whether the provisions that seek to protect overshadowing of private open spaces are appropriate.

(iv) Background

Draft structure plans

The draft structure plans state:

Importantly, intensification of built form will be balanced with a high level of amenity.

The associated strategies direct growth of various scales across the different parts of the precinct and seek to ensure that development provides an appropriate interface with adjoining properties, based on the level of change anticipated.

Urban Design Reports

The UDRs for each precinct state:

The building scale and massing will also limit additional shadow to private open space in the rear setbacks of properties in Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods.

The reports recommend that overshadowing be avoided to private open space between 9am and 3pm on the September equinox, for 40 square metre or 75 per cent of any open space in the rear setback (whichever is the lesser) for the following times:

- Key Movement Corridors and Urban Neighbourhoods – 3 hours
- Residential Neighbourhoods – 4 hours
- residentially zoned properties outside the structure plan area boundaries – 5 hours.

Precinct Zone

There are no direct references to consideration of overshadowing to adjoining areas of private open space in the PRZ parent clause or schedules. There are decision guidelines requiring consideration of:

- the potential for off-site impacts and the interface with adjoining zones, especially the relationship with residential zones
- the objectives, standards and decision guidelines of Clause 58 for apartment developments.

Built Form Overlay

There are no direct references to consideration of overshadowing to adjoining areas of private open space in the BFO schedules. However, the BFO parent clause includes a purpose *"to ensure development contributes positively to the functionality and amenity of the area"*.

(v) Evidence and submissions

The Proponent submitted that the draft Amendment seeks to protect solar access to private open space through building envelopes and setbacks.

Mr Crowder was supportive of the setback requirements in the BFO that require rear and side setbacks that increase as building height increases, to create a receding building form. He considered that when matched by adjoining development *"this will likely result in acceptable solar access between developments in rear open space areas"*.

He considered that in the context of areas of substantial change and intensification, daylight (rather than sunlight) was a more relevant and reasonable consideration, as otherwise, very little development is likely to occur. Overall, he was satisfied the built form controls 'build in' sufficient overshadowing protection for existing and future adjoining development.

Mr Barnes highlighted that despite the standards set out in the UDRs (for nominated times, hours and areas) the draft structure plans only include general commentary to minimise overshadowing, and the PRZ and BFO schedules do not contain any strategies, objectives or measurable standards in relation to overshadowing of private open areas. He considered this a poor planning outcome and recommended that the relevant PRZ and BFO standards be redrafted to include measurable (quantitative) standards to protect private open space from overshadowing.

Mr Sheppard was satisfied the proposed rear setback requirements for Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods would ensure development limits overshadowing to residential properties abutting rear boundaries. While the standards do not seek to protect residential properties abutting side boundaries to the same degree, he considered this was an appropriate balance between growth and amenity.

In response to submissions and in recognition that the controls are discretionary, Mr Crowder recommended:

- a decision guideline requiring consideration of whether proposed reductions in the upper level setbacks requirements (and side setback requirements in

Residential Neighbourhoods) would result in additional overshadowing of neighbouring residential properties

- increased setback requirements in the BFO schedules for Employment Neighbourhoods on properties directly abutting residential properties – being Interface Type 1 – given the architectural testing has shown that the proposed setbacks may be insufficient.

Mr Glossop was not satisfied the side and rear setback provisions of the BFO schedules will result in acceptable amenity outcomes for existing dwellings in most cases. He highlighted that where lots are fragmented or strata titled, that reduces the likelihood of redevelopment and these existing developments will be afforded little amenity protection in the interim.

Mr Glossop accepted that there will be inevitable off-site amenity impacts as a result of higher density development, but (as noted in Chapter 9.4) recommended a decision guideline be included in the BFO schedules that requires consideration of the objectives, standards and decision guidelines of Clauses 54, 55 and 57 (similar to the Commercial 1 Zone).

Mr Crowder's supplementary evidence recommended that overshadowing to private open space be addressed in a similar way to overlooking.

(vi) Discussion

There are no objectives, standards or outcomes that directly address overshadowing of private open spaces in the schedules to the PRZ or BFO, however the BFO parent clause include a general purpose relating to the amenity of the area. As with privacy (discussed in Chapter 9.4 above), overshadowing protections are said to be dealt with through 'built in' maximum building height and setbacks controls, instead of explicit standards such as in Clauses 54, 55 and 57.

There are also no decision guidelines relating to overshadowing of private open spaces. This means that even if the 'built in' standards are varied (maximum building height exceeded or setbacks reduced), the controls do not require the decision maker to have any regard to overshadowing (other than to the public realm discussed in Chapter 9.6 below). The Committee does not consider this will deliver acceptable planning outcomes.

As highlighted by Mr Barnes, the background reports, including the UDRs, make specific recommendations to achieve appropriate levels of overshadowing across the various precincts, stating:

The number of hours on the September equinox during which solar access to private open space should be maintained, should be consistent with ResCode where the affected property is outside the Structure Plan Area (5 hours), gradually reducing as development increases in density towards the centre, to reflect the different balance between intensification and environmental amenity.

The Committee agrees with this principle of a varying scale of solar protection and accepts that it is the rear areas, rather than side setback areas, where building scale and massing should seek to limit overshadowing to private open spaces. The Committee supports the intent of the setback standards to achieve this, however it does not have

confidence that they will, on their own, produce acceptable outcomes in the majority of cases.

Neither the Proponent nor its experts explained why the overshadowing standards in the UDRs had not been adopted, other than a general need for intensification across the precincts and that a balancing of objectives had weighted more heavily in relation to the need to deliver housing than to protect amenity.

The Committee considers that both these outcomes can be achieved. The economic evidence was that there was more than enough capacity to meet projected population demands, with a very generous 'buffer' (see Chapter 6). While the standards in the UDRs may need to be varied to reflect recent changes to Clauses 55 and 57, and may not be met in all cases (with discretion to vary), designing new development to have regard to minimum standards is good planning practice.

As with privacy, overshadowing of private open space needs to be managed in the Residential Neighbourhoods and areas with direct abuttals to residential properties (being the Key Movement Corridors and Urban Neighbourhoods). This issue is not so important in the core areas of the precincts where more intensive development is anticipated and encouraged.

The Committee agree with the experts' recommendations for additional guidance to require explicit consideration of overshadowing to private open spaces. Mr Barnes and Mr Glossop recommended redrafting the applicable BFO schedules to include (respectively):

- measurable guidance or technical requirements or standards relating to the protection of private open space from overshadowing
- a requirement to have regard to the objectives, standards and decision guidelines of Clauses 54, 55 and 57.

Both approaches are suitable.

(vii) Findings and conclusions

The Committee finds:

- In Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods:
 - specific standards should apply in relation to overshadowing to private open spaces, or
 - a decision guideline should be included requiring consideration of overshadowing of neighbouring residential properties having regard to the objectives, standards and decision guidelines of Clauses 54, 55 and 57.

Based on the above findings, the Committee concludes:

- The BFO schedules do not appropriately manage overshadowing to private open spaces.

(viii) Recommendations

The Committee recommends:

Draft Amendments

26. GI R26: Amend the Built Form Overlay schedules that apply to Key Movement Corridors, Urban Neighbourhoods and Residential Neighbourhoods to:

- a) provide measurable (quantitative) guidance or technical requirements or standards relating to the protection of private open space from overshadowing, or**
- b) include a decision guideline requiring consideration of the objectives, standards and decision guidelines of Clauses 54, 55 and 57.**

9.6 Overshadowing of public realm

(i) Summary

The BFO schedules do not appropriately manage the impacts of overshadowing on the public realm. The draft Amendments do not reflect the standards in the UDRs or contemporary overshadowing controls that are increasingly recognising the importance of winter based solar controls for open space in higher density areas. The BFO and PRZ schedules should be amended to introduce shadow controls that generally protect the public realm for up to three hours at the winter solstice. More specific details are included in the precinct reports, where key public realm and public open spaces are discussed.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Managing the impacts of overshadowing on the public realm, including public open spaces.

(iii) Key issues

The key issues are whether:

- the proposed controls will achieve an outcome sought by the draft structure plans and background reports to maintain solar access to public open spaces and key streets, and provide an appropriate balance between supporting growth and delivering a high quality public realm
- the controls should be mandatory or discretionary
- the controls should apply to the spring equinox or winter solstice
- it is appropriate to use the building envelope, rather than street wall, as an 'allowable' shadow to public open space.

(iv) Background

Urban Design Report

Solar access standards are developed within the UDRs that seek to balance reasonable solar access to key public open spaces and footpaths with the opportunities for growth in areas with high levels of access to jobs and services. The UDRs states that these standards are supported by solar testing of public spaces to demonstrate the effect of the standards on surrounding development potential.

Draft structure plans

The draft structure plans state:

Protecting key spaces from overshadowing as the height of buildings in the Structure Plan Area increases will be important. Sunlight should be offered to spaces:

- To reflect the broader significance of the key public spaces.
- During control period times that respond to the usage of key public spaces and degree of direct sunlight achieved.
- Considering the nature of sunlight protection needed, balanced with the strategic role, desired activity and function of the space, street and neighbourhood.

Strategies include:

- Ensure development maintains reasonable solar access to key streets and public open spaces.

Actions include:

- Amend the planning scheme to ensure that new development is designed to minimise adverse overshadowing impacts to key streets and public open space, and private open spaces.

Precinct Zone

The PRZ parent clause includes a decision guideline requiring consideration of solar access to the building and on the public realm.

The PRZ schedules relating to the SDAs contain objectives to achieve a *"high amenity public realm"*.

Some master plan requirements require consideration of shadow impacts to particular public spaces and include decision guidelines requiring consideration of the extent to which building envelopes consider sunlight to adjacent public realm between 11am and 2pm at the September equinox.

Built Form Overlay

The BFO parent clause contains Standard BF04 relating to overshadowing of open space or public realm. The standard states (emphasis added):

Buildings should not cast any additional shadow beyond that cast by the applicable preferred or maximum street wall height specified in a schedule to this overlay for standard BF05 and existing buildings over:

- The existing or proposed public open space identified in a schedule to this overlay for the hours specified in that schedule.
- The existing or proposed key pedestrian streets identified in a schedule to this overlay for the hours specified in that schedule.

This does not apply to shadow cast by:

- Incidental elements such as canopies, kiosks, artworks, screens or trees.
- Buildings and works constructed within the open space or street.

Most BFO schedules vary the standard as follows:

Buildings should not cast any additional shadow beyond that cast by the applicable building envelope specified in BF02, BF05 and BF06 of this schedule and existing buildings over public open spaces shown on the Development framework (Map1): [and then specifies the relevant open space areas and applicable hours].

The BFO schedules also contain a decision guideline that states:

Development should not unreasonably reduce sunlight on nominated public open spaces. Where shadows increase, consider the following:

- The extent of shadows cast by adjacent buildings.
- The nature and use of the space.
- The relative area that will remain in sunlight.

(v) Evidence and submissions

Mr Crowder stated that given the BFO schedules seek to limit overshadowing to public spaces beyond the building envelope rather than the street wall as specified in the parent control:

This therefore assumes the nominated preferred building envelopes have been drafted to ensure acceptable shadow impacts on nominated public spaces given the specific contexts of the SRL (East) precincts.

Mr Crowder understood that the overshadowing scenarios permitted by the building envelopes had been tested as detailed in the UDRs (Attachment C).

He supported the controls applying at the September equinox in most cases (rather than the winter solstice) given the potential impacts of winter solstice controls on development. He supported the discretionary, and (in some cases) deemed to comply nature of the standards.

Mr Crowder also supported the decision guidelines in the BFO, which allow for a quantitative and qualitative assessment of shadow impacts.

Under cross examination, Mr Crowder agreed that providing a percentage protection to parks, as contemplated in the UDRs, was not a good outcome, as it favours the 'first mover' and requires assessment of all existing and approved built form around the public open space.

Mr Sheppard's evidence was that:

- In the Main Streets, Key Movement Corridors, Urban Neighbourhoods, Residential Neighbourhoods and most streets in the Central Flanks (except the narrowest) the proposed upper level setbacks will protect solar access to the opposite footpath at the equinox.
- In the Central Core, the building envelopes will maintain shafts of sunlight in the public realm.
- The maximum building height and setback controls in the Urban Neighbourhoods and Residential Neighbourhoods will generally achieve the solar access standard recommended by Attachment C to the UDRs for small and narrow parks outside the Central Core and Central Flanks.

- The overshadowing controls in the BFO schedules will ensure good amenity in public open spaces.

Mr Sheppard recommended additional decision guidelines in the:

- BFO schedules for Residential Neighbourhoods, Key Movement Corridors and Urban Neighbourhoods requiring consideration of whether proposals that exceed the preferred building envelope will impact on solar access to public open spaces
- Burwood Whitehorse BFO1, Glen Waverley Monash BFO9, Cheltenham Kingston BFO2 and Cheltenham Bayside BFO2 requiring consideration of whether the development mitigates overshadowing to the Main Street when the preferred maximum building height is exceeded, or minimum setbacks are reduced.

Mr Barnes considered the proposed standards were inadequate to prevent unreasonable overshadowing of key areas of public open space, key streets and areas of the public realm. He highlighted a number of concerns with the proposed controls, including:

- the draft Amendments did not reflect the recommended solar access standards in the UDRs
- the drafting of the BFO schedules is such that consideration of solar access is not triggered in instances where proposed public open space or key pedestrian streets are not specifically identified in a table or the Development Framework Plan
- proposed or future public open space or key pedestrian streets are not typically identified, therefore would have no overshadowing protection
- the use of the preferred maximum building envelope for acceptable shadow contradicts the outcomes and standards in the parent provisions.

Mr Barnes recommended:

- all current and proposed public open spaces and key pedestrian routes be clearly identified in the Development Framework Plans to allow for protection for solar access
- these also be nominated on the structure plan area maps in the new local policies.

Mr Partos conducted solar access testing on 22 September and 21 June on various sites throughout the precincts. Based on his testing he considered the guidance on protecting solar access in the BFO Schedules was inadequate. He considered that in the absence of ranking of public open spaces, all public open space should require year-round solar access, including at the winter solstice.

Mr Glossop noted discrepancies between the UDRs and the schedules. For example, the shadow assessment for the former Highett Gasworks site near Sir William Fry Reserve was based on a lower building height (43 metres) than that specified in the PRZ schedule (60 metres, which is inconsistent with the UDR recommended height of 43 metres). Mr Glossop also expressed concern about the inconsistent shadow standards applied to different parks, which he felt were not adequately explained or justified.

Ms Thompson considered the PRZ, BFO and their schedules did not provide adequate protection of sunlight to public open spaces. She considered the planning controls

should require that public open spaces receive at least five hours of direct winter sunlight in the middle of the day across the entire reserve, and that this requirement should be mandatory. This was compared to the vast majority of parks across the precincts proposed to be protected for four hours at the equinox.

Her reasons included:

- access to sunlight enhances the attractiveness of parks, encouraging outdoor activity and supporting both physical and mental health
- sunlight promotes plant growth
- sunlight helps maintain vitamin D levels during winter
- parks with good sunlight access become increasingly important as higher-density living reduces access to private open space.

The Councils and University Group submitted that the proposed approach places too much emphasis on facilitating development at the expense of public amenity. It noted that most Main Streets and Activity Streets lack adequate solar protection and submitted the overshadowing standards applied to public parks are inconsistent with contemporary strategic planning practice (which is to apply mandatory solar access controls, protecting key parks and streets at the winter solstice and other parks and streets at the equinox).

The Councils and University Group also submitted the proposed solar standards are not supported by sufficient testing or analysis. It identified issues with the modelling, including a failure to account for cumulative overshadowing impacts and inconsistencies in the building envelopes used. As a result, it contended the Committee could have little confidence the building envelopes set out in the BFO schedules will provide adequate protection for existing public open spaces and streets.

The Councils and University Group submitted that future parks should also be given protection in the BFO schedules, requiring up-front identification of the location of these open space areas as discussed in the Common Issues report (Volume 2 Chapter 5). It recommended:

All parks should be protected with mandatory overshadowing controls which require that the parks are not overshadowed between 10am – 3pm at the winter solstice, with no overshadowing beyond that cast by a building with a 9-metre street wall on the boundary of the site adjacent to the park.

(vi) Discussion

The Committee is not satisfied that the provisions in the BFO schedules that seek to manage the impacts of overshadowing on public open spaces and the public realm are appropriate.

The provisions are unlikely to achieve the consistent aims (across the draft structure plans, UDRs, PRZ and BFO objectives) to deliver high levels of amenity to the public realm and minimise the impacts of overshadowing.

The Committee has concerns with allowable shadow being based on the building envelope (rather than the street wall). In many cases the preferred maximum building heights are significant (in some cases higher than the UDRs recommend) and shadow

cast by the height of the building would be significantly more extensive than the shadow cast by the street wall.

The solar testing has been limited and through cross examination was found not to be accurate in all cases. The testing did not account for factors such as irregular lots, different orientations and interfaces, and in some cases did not account for cumulative shadow impacts. It also did not account for changes between the recommended maximum building heights in the UDRs and the draft Amendments. Given the importance of sunlight, and the irreversible nature of overshadowing, a more cautious approach is required to achieve the visions and the aims sought in the draft structure plans and the BFO objectives.

The UDRs and the BFO parent clause appropriately recognise there needs to be a balance between supporting urban growth and delivering high levels of amenity to the public realm. This balance is particularly important for the precincts, as on the one hand there is a greater need for taller buildings, however on the other, there is a greater reliance of public parks and other public spaces, because people have reduced access to sun in their private spaces.

While Victoria does not have consistent solar access standards across the state, there is increasing recognition of the importance of sunlight to parks and key pedestrian streets throughout all times of the year, including winter. This is for the health and wellbeing of people as well as vegetation within open spaces.

As discussed in Chapter 5, the floor space capacity assessments demonstrate that there is significant excess capacity beyond that needed to accommodate the resident and worker population growth to 2041. While a buffer is appropriate to allow the precincts to continue to develop beyond 2041, the buffer in this case is generous and likely to be more than required.

The Committee considers the draft Amendments do not strike the appropriate balance between facilitating growth and delivering a high quality public realm with good solar access. The controls should provide for a greater level of sunlight protection to the public realm, even if it restricts some building heights or building envelopes around the edges to parks or along key streets.

Further testing is required, and through the precinct hearings it was determined that some parks will require more detailed and bespoke controls based on factors such as site context, sensitivity, demand, the use of the open space in question (station plaza, playground, link area and so on), reasonable impact on building or development envelopes and whether alternative public open spaces are located nearby.

The lack of any solar access or overshadowing control to future public realm areas and parks is also a key concern, and an inadequacy of the proposed controls. The Committee agrees with the councils and other submitters that it is critical that the key future open spaces are identified upfront, to ensure solar access can be maintained. The adequacy of open space planning is discussed in more detail in Volume 2, Chapter 5.

Overall, the Committee supports most of the submissions of the Councils in relation to the controls. The Committee agrees that measurable (quantitative) standards should be

applied to offer a higher degree of protection for important public spaces in high density precincts. The Committee supports the following general principles:

- the street wall should form the basis for 'allowable shadow' rather than the building envelope, except in lower scale areas where there is no street wall
- the shadow controls to parks should:
 - be based on the winter solstice (21 June) except where the site-specific context justifies a different approach
 - provide for a minimum of 3 consecutive hours of sunlight access between 10am and 3pm
 - be mandatory rather than discretionary
- the shadow controls to key streets should provide protection to the southern footpath (of east-west streets) or the east and/or west footpath (of north-south streets) between 11am and 2pm at the equinox.

The Committee does not support overshadowing controls that provide for 50 per cent of a park or street to be shadowed. This approach:

- presents difficulties in measuring a percentage area as parks, streets and other public areas often don't have defined boundaries
- unfairly favours the 'first mover', leaving other sites with significantly less development opportunity
- requires extensive testing of existing and approved buildings to calculate the percentage already shadowed, which is not practical.

(vii) Findings and conclusions

The Committee finds:

- Solar access to parks and other key open spaces is very important, particularly in context of higher density living.
- The approach in allowing the building envelope to determine the allowable shadow rather than a street wall is unlikely to achieve the required objectives and bakes in an assumption that maximum building heights have been tested to ensure an acceptable level of shadow, which has not been demonstrated.
- The draft Amendments do not reflect the standards in the UDRs or contemporary overshadowing controls that are increasingly recognising the importance of winter based solar controls for open space in higher density areas.
- Overshadowing controls that provide for a percentage of a park or street to be protected from overshadowing are not appropriate.
- The lack of protection to future public open spaces is a key inadequacy that is likely to result in unacceptable outcomes.
- The overshadowing controls should be based on the general principles outlined by the Committee in Recommendation GI R27, noting that some variation may be appropriate where indicated in the precinct reports.

Based on the above findings, the Committee concludes:

- The BFO schedules are not appropriate to manage the impacts of overshadowing on the public realm, including public open spaces.

(viii) Recommendations

The Committee recommends that:

Draft Amendments

27. GI R27: Amend the Precinct Zone and Built Form Overlay schedules to:

- a) include a development objective directed at ensuring good levels of solar access to public open spaces, public realm and footpaths of key pedestrian streets**
- b) update Table 1 in Standard BF04 of the Built Form Overlay schedules in accordance with the following general principles (unless specified otherwise for a particular site in a precinct report):**
 - **the street wall should form the basis for 'allowable shadow' rather than the building envelope, except in lower scale areas where there is no street wall**
 - **the shadow controls to parks should:**
 - **be based on the winter solstice (21 June) except where the site-specific context justifies a different approach**
 - **provide for a minimum of 3 consecutive hours of sunlight access between 10am and 3pm**
 - **be mandatory rather than discretionary**
 - **the shadow controls to key streets should provide protection to the southern footpath (of east-west streets) or the east and/or west footpath (of north-south streets) between 11am and 2pm at the equinox.**

9.7 High quality design

(i) Summary

The PRZ and BFO schedules need to be amended to better support "*high quality design outcomes*". The controls need to be strengthened so that strategic sites achieve 'design excellence'. High quality design should be achieved across the balance of the precincts. More clarity and detail are needed in relation to assessment criteria and the design review panel process.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Supporting high-quality design outcomes.

(iii) Key issues

The key issues are:

- what is meant by high quality design
- the difference between design excellence and high quality design
- whether the controls will achieve high quality design.

(iv) Background

Precinct Zone

For strategic sites that require a master plan and have their own PRZ schedule (for example PRZ5 to the Whitehorse Planning Scheme, relating to the Former Box Hill Brickworks site), decision guidelines include statements such as:

Demonstration of design excellence through high quality architecture, landscape architecture and urban design for the site as supported, where required, by an independent design review that endorses the proposed outcomes for the site.

Built Form Overlay

The BFO schedules include a range of references to high quality design and design excellence. For example, Monash BFO13 includes objectives that seek:

- To create a high-quality public realm
- To create a precinct which demonstrates design excellence, environmental sustainability and buildings which support the intended uses.

Monash BFO13 also includes an application requirement (under the sub-heading design excellence) for a report that demonstrates how the proposal achieves high-quality design having regard to a range of matters.

It goes on to state that applications that depart from the preferred setback, street wall height or maximum building height by more than 20 per cent may be subject to independent design review where required by the responsible authority.

(v) Evidence and submissions

The Proponent submitted that the draft Amendments require high quality design through built form controls and public realm outcomes. It pointed to the application requirement for a design report for strategic sites subject to master planning requirements, which requires applicants to demonstrate how the application achieves high quality urban design including function, liveability, sustainability and contribution to urban spaces.

Mr Crowder acknowledged the subjective nature of the term design excellence, but was generally comfortable with the approach. He noted there was nothing particularly consequential about the terminology, that generally expressed an aspiration that new development be of a high standard.

He was also comfortable with the 'peer review' approach to assess a design response where standards are varied by more than 20 per cent, however acknowledged there was some uncertainty to how this would operate. He saw merit in better explaining the peer review process.

Mr Sheppard considered the application of design excellence was too widespread and it was not realistic or necessary to apply it across such a large proportion of the precincts. He supported the term 'high quality design' for the majority of the precincts, and requiring design excellence only for the most prominent sites, such as strategic sites and where applications sought to exceed the maximum building height and/or setback requirements.

He recommended:

- referring to 'high quality design' in the development objectives (rather than design excellence)
- referring to 'design quality' in the application requirements (rather than design excellence)
- refining the design excellence decision guideline to seek the highest standards of design on strategic sites and applications that exceed maximum building height or setback requirements (and refer to high quality design on other sites)
- the development objective in the Box Hill Central Core (BFO5) be a stand alone objective, as is the case with the other Central Core and Central Flank schedules.

The Proponent supported these recommendations, which were included in the Day 3 documents.

Mr Barnes highlighted inconsistencies in the use of the term 'high quality design' in the PRZ and BFO schedules. He considered the draft Amendments could be improved by additional policy content to address the broader aspirations for high quality design throughout the structure plan areas, and more targeted guidelines to be included in specific PRZ or BFO schedules.

The Councils and University Group submitted the draft structure plans aspire to high quality design through their visions and agreed with Mr Barnes that there is inconsistent content relating to high quality design across the schedules. It recommended:

Redraft the PSA documentation to address the broader parameters and aspirations to achieve 'high-quality design' throughout Structure Plan areas.

Mr Glossop supported the independent design review in theory, however noted it was not clear who is responsible for engaging the review panel, who the panel is and what qualifications they hold, and who pays for the service. He recommended that this be clarified.

(vi) Discussion

There is no common understanding of what is meant by 'design excellence' or even 'high quality design' and the use of these terms in the draft Amendments is inconsistent and unclear.

Seeking 'design excellence' across the precincts renders the term meaningless. The Committee agrees with Mr Sheppard that design excellence requirements should be limited to strategic sites (including master planned sites) and applications that seek to exceed maximum building height or setback standards. Elsewhere, high quality design should be sought, however the schedules should provide greater clarity about what that means to assist decision makers.

High quality design and design excellence should encompass multiple facets of design, including function, appearance, environmental performance, contribution to the public realm, and innovation. This should be reflected in the decision guideline to guide decision makers in assessing new development.

The Committee supports an independent design review process for applications that exceed the built form standards by more than 20 per cent. The schedules should be amended to clarify how these will be conducted and by whom.

Finally, the Committee supports Mr Sheppard's recommendation to make the high quality design development objective in the Box Hill Central Core schedule (BFO5) a stand alone objective, consistent with the other Central Core and Central Flank schedules.

(vii) Findings and conclusions

The Committee finds:

- The BFO schedules generally support high quality design outcomes, but they should be amended to:
 - require design excellence only on strategic sites, master planned sites and for applications that exceed maximum building height or setback standards by 20 per cent or more
 - require high quality design across the remainder of the precincts
 - define the criteria to assess design excellence and high quality design
 - clarify the independent design review panel process.

Based on the above findings, the Committee concludes:

- The PRZ and BFO schedules need to be amended to better support high-quality design outcomes.

(viii) Recommendations

The Committee recommends:

Draft Amendments

- 28. GI R28: Amend the Precinct Zone and Built Form Overlay schedules to:**
 - a) provide greater clarity on what is meant by 'design excellence' and 'high quality design', and how they differ**
 - b) clarify that design excellence and high quality design encompass function, appearance, environmental performance, contribution to the public realm and innovation**
 - c) replace references to 'design excellence' in the development objectives with 'high quality design'**
 - d) replace references to 'design excellence' in the application requirements with 'design quality'**
 - e) refine the 'design excellence' decision guideline to:**
 - **seek 'design excellence' (the highest standards of design) on strategic sites, master planned sites and applications that exceed maximum building height or minimum setbacks by more than 20 per cent**
 - **otherwise seek 'high quality design'**
 - f) provide greater clarity in relation to the independent design review panel process, including:**
 - **the required qualifications of the design review panel**

- **the process for engagement and payment for design reviews**
 - **consideration of the outcomes of design reviews**
- g) make the development objective relating to high quality design in the Whitehorse Built Form Overlay Schedule 5 (Box Hill Central Core) a standalone objective, consistent with the other Central Core and Central Flank schedules.**

9.8 Off-site amenity impacts

(i) Summary

The PRZ schedules are generally appropriate to manage off-site amenity impacts (including dust, odour, noise and vibration impacts), but some adjustments are needed. The application requirements and decision guidelines in the PRZ schedules need to be updated and the EPA should be consulted in relation to the Air Quality Plans.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Managing the potential for offsite amenity impacts including with respect to potential dust, odour, noise and vibration impacts arising from existing uses.

(iii) Key issues

The key issues are whether:

- dust and odour impacts will be acceptable
- noise and vibration impacts will be acceptable
- the EPA should have an ongoing role.

(iv) Background

Draft structure plans

There is a strategy in all draft structure plans which seeks to manage off-site amenity impacts. In the Cheltenham, Clayton, Glen Waverley and Burwood precincts the strategy relates to noise and vibration impacts on new sensitive development. In Box Hill and Monash¹⁰ the strategies relate to noise, vibration, odour and dust in proximity to existing employment areas, and noise and vibration impacts on new sensitive development.

Precinct Zone

The PRZ parent clause includes:

- an application requirement for an assessment of *"any significant noise, odour, fume and vibration sources to and/or from the development"* for an application to use land

¹⁰ The Monash Precinct has the most specific strategy which calls up Monash Central neighbourhood, Employment Growth neighbourhood and Blackburn Road

- decision guidelines requiring consideration of how the layout and design of the proposed use and development manages potential off-site impacts, including from noise, fumes, odour or vibrations and addresses the potential for adverse amenity impacts from existing off-site uses.

Monash PRZ3 and PRZ4 include a more prescriptive application requirement for new sensitive uses within identified buffers of existing industries (such as the Monash City Council Recycling and Waste Centre and Monash State Emergency Services centre) to be accompanied by an Amenity Impact Plan addressing potential amenity impacts from the existing use.

(v) Evidence and submissions

The Proponent submitted off-site amenity impacts are appropriately dealt with by the provisions in the PRZ parent clause, with the tailoring of the schedules within precincts. It referred to examples in the PRZ schedules that called up an application for an acoustic report (Monash PRZ3 and PRZ4), bespoke decision guidelines (Whitehorse PRZ3) and the application requirement for an Amenity Impact Plan (Monash PRZ3 and PRZ4).

Mr Crowder considered off-site amenity impacts are broadly dealt with by existing State policy provisions at Clause 13.06-1S (Air quality management) and Clause 13.07- 1S (Land use compatibility), supported by the general decision guidelines at Clause 65.01 requiring consideration of how an application affects the environment, human health and amenity of an area. He said this is reinforced in the precincts by the requirement for an acoustic report in the PRZ schedules for applications within 300 metres of existing industrial or noise sources, and an Amenity Impact Plan in the Monash Precinct which includes an assessment of dust impacts.

EPA supported the requirement for an Amenity Impact Plan to manage the impacts of odour and dust from the following existing industries on new development involving a sensitive use within:

- 500 metres of PPG (Clayton)
- 250 metres of Future Recycling (Cheltenham)
- 250 metres of Monash City Council Recycling & Waste Centre (Monash)
- 250 metres of Monash SES permanent stockpile (Monash)
- 100 metres of Pazzi Marble & Granite (Monash).

EPA submitted it may be appropriate to consider whether new sensitive uses around existing industries are suitable at a strategic level before considering design responses. It recommended some refinements to the Amenity Impact Plan application requirement, including:

- amend to expressly protect indoor and outdoor areas on the receiving site
- specify that the methodology for the assessment should follow EPA Publication 1943 Section 5
- rename the Amenity Impact Plan to reflect that it is an assessment of dust impacts (as this is the primary purpose of the assessment).

It also recommending referencing EPA Publications 1949 and 1943 as policy documents within the relevant schedules to the PRZ.

EPA did not support the requirement for EPA to be consulted as part of the Amenity Impact Plan process. It submitted that the absence of an express requirement would not prevent councils from consulting with EPA where appropriate, but it should not be the default requirement.

EPA advised that its original concerns in relation to noise had been addressed by the Proponent agreeing that the Acoustic Report required under the PRZ schedules should consider the protection of outdoor spaces as far as reasonably practicable. EPA noted there was sufficient existing policy in place to address noise impacts.

Mr Barnes considered that:

- reverse amenity impacts needed to be considered
- the PRZ schedules should include a decision guideline to consider whether the proposed use or development mitigates and minimises potential amenity impacts through building siting.

The Councils and University Group adopted Mr Barnes' evidence and submitted that an additional decision guideline should be included in the PRZ schedules to address reverse amenity impacts:

There will be pressure to use and develop land for residential purposes. This must not be at the expense of Employment Neighbourhoods. There should be strong policy support for the protection of existing and future high or potentially high amenity impact businesses and industry to continue to operate and establish in the Employment Neighbourhoods.

In the Monash Hearing, Monash submitted that EPA should have a role in the Amenity Impact Plan process. It submitted that Monash is not experienced in dealing with matters related to odour, dust and amenity issues in the same technical way that EPA is. It would prefer not to rely on discretion to seek advice and submitted there should be a clear pathway for EPA to be involved.

(vi) Discussion

Generally, off-site amenity impacts have been dealt with appropriately in the Proponent's Day 3 documents and there is a high level of agreement between the Proponent and EPA. There are however a few outstanding matters that have been raised by the Councils.

Dust

The Amenity Impact Plan requirements relate to dust management and it should be updated to Air Quality Plan to reflect this. The Committee is not clear why the title of the plan suggests a broader amenity consideration.

The Committee agrees with most of the refinements to the application requirements suggested by EPA. However, the Committee does not consider that it is necessary to reference a specific methodology for the Air Quality Plan assessment. Instead the Air Quality Plan provisions should reference EPA Publications 1949 and 1943 as a relevant consideration.

The Day 3 documents retain the requirement for EPA to be consulted in relation to the Air Quality Plans. EPA has an existing regulatory role under the EP Act in relation to dust and is best placed to provide technical advice on dust considerations and broader

considerations such as the General Environmental Duty. The Committee therefore supports EPA having a formal role in assessing Air Quality Plans.

Noise

All industrial, commercial and entertainment venues are required to comply with the Noise Protocol (EPA Publication 1826.5). Business operations that are currently compliant with the protocol may become non-compliant through the encroachment of residential land uses.

The Monash PRZ3 and PRZ4 include more specific requirements to manage the interface with the existing industrial area in that precinct. These schedules require an Acoustic Report for noise sensitive proposals within 300 metres of the industrial area. The responsible authority should have discretion to waive the requirement for minor buildings and works proposals to ensure the assessment is commensurate with the risks.

The Acoustic Report will need to determine all noise sources affecting the land and at all times of the day, including noise from commerce, industry and trade, road traffic noise and aircraft noise. If compliance is unable to be achieved from any surrounding noise sources, noise attenuation should be required at the expense of the developer.

The application requirement for an Acoustic Report in the Monash PRZ3 references specific noise levels, and also includes a more generic reference to levels in the Australian standards. It is not appropriate or necessary to repeat levels from the Australian standard in the same clause (which may be amended from time to time).

Reverse amenity impacts

For these precincts to provide opportunities to live and work locally, existing employment land needs to be protected from the inevitable pressure for residential development. Reverse amenity considerations need to be integrated in the PRZ schedules, particularly for established industries in the Monash, Clayton and Cheltenham precincts.

While there are other provisions in the planning schemes that deal with reverse amenity considerations, this should be a higher order priority in high density precincts where there will be inevitable pressure for residential development. Provisions dealing with reverse amenity considerations are warranted, and there should not be an implied assumption that a new use can always be made appropriate through design. To address this issue, the Committee supports Mr Barnes' recommendation to include an additional decision guideline in all PRZ schedules that deals with the siting of buildings (as well as their design) to address off-site amenity impacts.

(vii) Findings and conclusions

The Committee finds:

- Amenity impacts can be acceptably managed with minor adjustments to applicable PRZ schedules:
 - The provisions relating to Amenity Impact Plans (which should be renamed Air Quality Plans) need minor refinements, and EPA should be consulted on Air Quality Plans.

- Any PRZ schedule that requires an Acoustic Report (for example the Monash PRZ3) should give the Council discretion to waive the requirement for minor works.
- An additional decision guideline is needed in all PRZ schedules to manage reverse amenity considerations where there is encroachment of sensitive uses into established industrial or employment areas.

Based on the above findings, the Committee concludes:

- The PRZ schedules are generally appropriate to manage the potential for off-site amenity impacts including with respect to potential dust, odour, noise and vibration impacts arising from existing uses, subject to minor adjustments.

(viii) Recommendations

The Committee recommends:

Draft Amendments

29. GI R29: Amend the Precinct Zone schedules containing an application requirement for an Amenity Impact Plan to:

- a) rename the Amenity Impact Plan 'Air Quality Plan' to reflect that it is an assessment of the impacts of dust**
- b) include a requirement that the Air Quality Plan demonstrates that the site is suitable for the proposed use (before considering design responses)**
- c) require consideration of EPA Publications 1949 and 1943**
- d) require consultation with Environment Protection Authority Victoria in the preparation of an Air Quality Plan.**

30. GI R30: Amend any Precinct Zone schedules that require an Acoustic Report to give the responsible authority discretion to waive the requirement for an Acoustic Report for minor buildings and works.

31. GI R31: Amend all Precinct Zone schedules to insert a decision guideline to require the consideration of whether building siting, design and layout of a proposed use or development appropriately minimises and mitigates potential off-site amenity impacts from existing uses.

9.9 Pedestrian connections and links

(i) Summary

Pedestrian connections are critical to achieving several aspects of the precinct visions, including high amenity walkable and permeable neighbourhoods and the shift to sustainable transport modes. To ensure the precinct visions can be achieved, further work is required in relation to pedestrian links. This includes not just the way they are identified, but also the ways in which they can be delivered.

The way pedestrian connections are identified in the structure plans and schedules is complex and confusing. There is no clear line of sight between the pedestrian corridors and links in the draft structure plans and the designation of 'specific' and 'indicative'

pedestrian connections in the BFO schedules. The intent and priority of these connections is difficult to understand.

There is not enough certainty about the delivery mechanisms for pedestrian links for the Committee to be confident they will support the visions and objectives in the draft structure plans. In particular, the VPBUF is not an appropriate delivery mechanism for pedestrian links.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- The identification of pedestrian connections and links

There is overlap between this Referred Matter and the Referred Matters relating to:

- the VPBUF (Volume 2, Chapter 4)
- mode shift and active transport (Chapter 8).

(iii) Key issues

The key issues are whether the:

- identification of pedestrian connections in the draft structure plans and draft Amendments makes clear their intended role and function
- graphic representation of pedestrian connections in the PRZ and BFO schedules is clear
- implementation and delivery mechanisms are appropriate.

While the Referred Matter relating to pedestrian links does not directly seek advice on implementation and delivery mechanisms, the Committee has addressed this matter because:

- it received extensive submissions and evidence on delivery mechanisms
- delivery is a critical consideration for the Referred Matter relating to mode shift.

(iv) Background

Draft structure plans

Section 5.6 (Better Connections) of each draft structure plan includes the following objective:

Create a legible and safe active transport network.

The draft structure plans note:

Infrastructure upgrades and enhancements will be needed to promote a shift from private car travel to public and active transport.

The draft structure plans identify a range of interventions to improve the movement network including strategic walking/cycling corridors that aim to support commuter trips and link to destinations with metropolitan and regional significance, such as employment and activity centres.

The draft structure plans describe three types of 'Key Links' and their intended functions:

- Critical Key Links are considered essential connections to achieve the Vision
- Important Key Links provide connection to or between strategic active transport corridors
- Local Key Links aim to improve local active transport connections/permeability and place activation.

Each draft structure plan contains a 'Better connections plan – Active transport' which shows (among other things) the location of Key Links classified as:

- 'Critical Key Link'
- 'Important or Local Key Link (indicative)'.

Not all draft structure plans include a 'Critical Key Link'. Some draft structure plans also show 'Investigation area for active transport'.

The draft structure plans set out strategies and actions in relation to Key Links. A common action is:

Amend the planning scheme to encourage the delivery of Important Key Links and Local Key Links through the future development of private landholdings.

The Clayton draft Structure Plan includes an action to:

Require delivery of Critical Key Links to provide for a network of connected, permeable walking and cycling corridors across the Structure Plan Area as shown in [the 'Better connections plan – Active transport'].

The Monash draft Structure Plan includes an action to:

Require the preparation of a master plan for the area shown in [the 'Better connections plan – Active transport'], which provides detailed design guidance for the delivery of a network of Critical Key Links.

Section 6 of each draft structure plan (Neighbourhoods) shows:

- 'New key links' on Neighbourhood framework plans
- 'Key links (fixed)' and 'Key links (flexible)' on Movement plans
- 'Indicative link interfaces' on Preferred interfaces and setbacks plans that identify where links would be overlooked by windows, balconies or both on both sides, including at ground level.

The draft structure plans state:

Key links must be provided consistent with the fixed key links shown in [the movement Plan]

Key links should be provided consistent with the flexible key links shown in [the Movement Plan]

When provided through new development, new key links should be (where relevant):

- Direct, attractive and well-lit
- Safe and free of entrapment areas
- Publicly accessible at ground level
- Overlooked by windows, balconies or both on both sides, including at ground level
- Designed to consider function in interim and ultimate stages, including layout and landscaping.

Built Form Overlay schedules

The 'Key Links' referred to in the draft structure plans are referred to as 'pedestrian connections' in the BFO schedules. 'Pedestrian connection' is defined in the BFO parent clause (Clause 43.06-15) as:

Pedestrian connection means a publicly accessible street with a defined footpath, a shared zone, a pedestrian only laneway (covered or open), an arcade, a through building connection and an atrium.

All proposed BFO schedules which include a pedestrian connection include, amongst others, an objective:

To increase permeability and connectivity for pedestrians and cyclists, with the creation of through block pedestrian connections for a fine-grain street and laneway network.

Specific and Indicative pedestrian connections are shown on the Development Framework Plan (Map 1 in each relevant schedule).

Standard BF10 in the parent clause states:

If a schedule to this overlay identifies a pedestrian connection as:

- 'Specific', development should provide the connection along the alignment indicated.
- 'Indicative', development should provide the connection along the alignment indicated or a different alignment that provides the same connectivity.

Standard BF10 is proposed to be modified by the schedules to:

- require pedestrian connections in the indicative or specific locations identified on the Development Framework Plan (Map 1)
- require minimum widths of:
 - 6 metres where key areas are to be connected (generally including the new SRL (East) station, precinct core, areas of employment or major open spaces) and where higher pedestrian volumes are anticipated
 - 3 metres in Residential Neighbourhoods
- operate as:
 - discretionary for all BFO schedules
 - deemed to comply standards for Residential Neighbourhood and Employment Neighbourhood schedules.

Precinct Zone schedules

Pedestrian connections are provided for in the PRZ schedules for strategic sites where a master plan is required. Where relevant, the Development Framework Plan identifies pedestrian connections of various classifications. The Monash PRZ4 also requires a Concept Plan to show "*Essential Key Streets (transport and pedestrian) throughout the precinct*".

Public Acquisition Overlay

Specific 'Critical Key Links' identified in the Clayton and Monash draft Structure Plans are proposed to be delivered on land acquired pursuant to a PAO applied as part of the relevant draft Amendment.

Voluntary Public Benefit Uplift Framework

Category 1 benefits (public realm improvements) include:

Provision of a through site link or shared path link generally in accordance with the relevant Structure Plan. The link must be provided within a development site, with a minimum width of at least 6 metres.

(v) Evidence and submissions

Proponent

The Proponent submitted the identification of pedestrian connections and links in the PRZ and BFO schedules is appropriate. It submitted the identification of the links will enable the delivery of these links through a range of statutory mechanisms and will provide sufficient certainty as to their location and delivery without predetermining precisely how they will be delivered.

It submitted:

- for master planned sites, the bespoke PRZ schedules:
 - identify pedestrian links at Map 1
 - include requirements for pedestrian connections to be shown in application documentation
 - require consideration of delivery of pedestrian connections in the decision guidelines
- the BFO schedules specify pedestrian connections with relevant Outcomes and Standards, application requirements and decision guidelines which enable consideration of the delivery of Key Links progressively over time
- the delivery of pedestrian connections is incentivised through the VPBUF.

The Proponent explained that the PAO is limited to specific 'Critical Key Links' providing connections to the SRL East station environs in Clayton and Monash, where the link is not:

- (entirely) on public land
- to be delivered by Proponent or other public authorities in other processes
- otherwise provided for as a key project in the relevant implementation plan.

Other 'Critical Key Links' do not have a PAO.

Before the precinct hearings, the Proponent completed a review of pedestrian connections shown on Development Framework Plans in the BFO schedules. The review was limited to pedestrian connections identified in the BFO schedules and did not extend to pedestrian connections that may be delivered through a PAO or in locations where the VPBUF applies.

Specifically, the review considered whether a pedestrian connection:

- was identified in the relevant OSTR to address gaps in access to open space provision identified in relevant structure plan areas
- is a critical, important or local link identified in the relevant UDR, or the Transport Technical Report, or both
- was included within a schedule in error
- affects a Strategic Site
- would facilitate a direct connection to an established street network
- is in the vicinity of an existing connection that provides a similar connectivity benefit
- is located on sites that are less likely to be redeveloped, such as those with:
 - a recently constructed development or planning permit
 - a Heritage Overlay with a significant or contributory heritage rating
 - two or more lots or a strata title development

- an area of less than 600 square metres.

The review resulted in multiple pedestrian connections being deleted from all precincts in the Day 1 versions of the draft Amendments.

The Proponent also reviewed how pedestrian connections are depicted in Development Framework Plans. Any 'Specific' pedestrian connections for which no delivery mechanism had been identified in the draft Amendment was proposed to be shown as 'Indicative'.

Councils and University Group

The Councils and University Group submitted pedestrian connections are essential to ensure the precincts are walkable, permeable and accessible. As discussed in Chapter 8, mode shift requires high quality walking and cycling routes to facilitate behavioural change within each structure plan area.

It said there were too many uncertainties associated with the delivery of the pedestrian links because:

- the BFO schedules only set out a discretionary standard (BF10) to provide pedestrian connections
- the VPBUF does not apply in the Residential Neighbourhoods and Employment Neighbourhoods, and there is no incentive to provide the pedestrian links outside the FAR areas
- some pedestrian connections run through land which is both within and outside a FAR area, which creates uncertainty about whether (and how) the full length of the link will be provided
- as many of the links are shown as 'indicative' only, developers can legitimately argue they should not have to provide the link
- some of the pedestrian links run through several titles and rely on multiple parcels of land being developed, which is unlikely to occur – it only takes one landowner or developer to fail to develop, or resist providing an indicative link, for many of the pedestrian connections to be unfulfilled.

The Councils and University Group submitted that to overcome the uncertainties associated with the delivery of pedestrian links, they need to be mandated. It recommended the draft Amendments should:

- identify which links are critical and which are desirable
- identify specific locations for the critical links, and make their provision mandatory
- apply a PAO to the critical links that are unlikely to be delivered without compulsorily acquiring the land, with the Proponent as the acquiring authority
- identify critical links that do *not* have a PAO as 'Specific links' in the BFO schedules, and:
 - include mandatory permit conditions requiring their delivery
 - exclude them from the VPBUF
- retain the proposed controls for desirable links *within* FAR areas, subject to the (non-reviewable) discretion of the responsible authority to accept the provision of that pedestrian link as a public benefit for the purposes of the VPBUF

- retain the proposed controls for desirable links *outside* the FAR areas.

Kingston Council

Kingston Council acknowledged the issues raised by the Councils and University Group and submitted:

- there are no mechanisms which guarantee delivery of the pedestrian links, particularly where they span multiple lots or when redevelopment does not proceed in a linear and *"orchestrated way"*
- several pedestrian links traverse multiple private titles in areas not subject to the VPBUF which makes them 'undeliverable' and creates false expectations, planning uncertainty and prevents council from being able to require more realistic connections through permit conditions
- the combined effect of undeliverable pedestrian connections and unfeasible cycling improvements is that the active transport network objectives in the structure plans are unlikely to be achieved.

Kingston Council recommended:

- applying consistent terminology and mapping conventions for pedestrian connections and key links in the draft Amendments and structure plans (or clearly distinguish them if they are intended to have different roles and definitions)
- clearly depicting the location of deliverable pedestrian connections in the maps in the schedules, with an achievable delivery pathway identified
- deleting undeliverable pedestrian links.

Kingston Council further recommended the implementation plans be updated to make it clear that active transport infrastructure is to be planned and progressively delivered from the outset to support mode shift, with the Proponent providing adequate support to councils to enable the development and implementation of relevant actions and projects.

Planning and urban design evidence

Ms Waty recommended, and Mr Sheppard agreed:

- the draft Amendments be revised to apply consistent terminology for pedestrian connections and key links, or clearly distinguish them if they are intended to have different roles and definitions
- the draft structure plans *"explicitly confirm"* the status of pedestrian connections and key links *"to provide certainty for landowners, decision-makers, and the community"*.

Mr Crowder supported the use of BFO schedules to identify pedestrian connections, particularly in areas where the VPBUF applies. He acknowledged that the provision of through-block connections in areas where the VPBUF did not apply was *"more challenging"*, and suggested an additional decision guideline to 'incentivise' the provision of links/through-block pedestrian connections to the effect of:

Whether greater design flexibility should be exercised where through-block pedestrian connections are proposed to be provided on private land and thereafter transferred to public ownership.

Mr Barnes supported the general intent to provide additional pedestrian connections and links, but considered a detailed framework and implementation strategy is required to ensure they can practically be provided. He recommended:

Update the Implementation Plan to include a short term objective to reconcile and rationalise identified pedestrian connections and links, and prepare a clearer policy and strategy framework for their delivery in a logical and consistent manner.

In terms of delivery, Mr Barnes supported mandatory controls requiring the delivery of identified links and noted:

- links in FAR areas may only be provided if developers decide to 'opt in' to the VPBUF, which could lead to incomplete links and unplanned outcomes
- outside the FAR areas, there is no mandated requirement to provide an indicative link, and no PAO to secure their delivery.

Mr Crowder supported Mr Barnes' recommendation to update the implementation plans, and said it also went towards addressing his concerns regarding the delivery of pedestrian connections in areas where the VPBUF does not apply. In reflecting on his proposed decision guideline, Mr Crowder stated:

...I am more comfortable with the suggestion from Mr Barnes, noting this would likely result in a more considered and strategic response to this issue.

Mr Sheppard recommended that both the provisions and the maps in the BFO schedules be amended to provide greater clarity regarding which properties are required to deliver links and in what circumstances.

Mr Glossop considered the approach to pedestrian connections and links in areas where the VPBUF applies "*may be feasible*" but had concerns about fairness in the absence of any "*mechanism for compensation*" in respect of pedestrian connections and links in other areas. He suggested the PAO be applied.

Traffic evidence

Mr Walsh and Mr Gnanakone considered the Development Framework Plans in the BFO schedules should not identify pedestrian links "*as this is overly prescriptive and the deliverability of the links has not been proven*". They considered pedestrian links should also be deleted from the draft structure plans because it has not been demonstrated that they are practicably deliverable.

Mr De Young and Ms Marshall had less concern regarding links being identified in the draft structure plans and Development Framework Plans but acknowledged that indicative locations in the schedules "*may set an unrealistic expectation that [links] are achievable at the locations shown*".

Mr Walsh considered many pedestrian connections are not likely to be practically achievable. He illustrated this with an example of a link in the Cheltenham Structure Plan Area between Jack Road and Tulip Grove that is identified as an indicative discretionary link in accordance with Standard BF10 and would need to extend through eight separate residential lots to make the connection functional.

Proponent's response

In response to evidence and submissions the Proponent agreed to the following changes which are reflected in the Day 3 documents:

- an amendment to the draft implementation plans to include a new short-term action that states:
 - Prepare a framework to support the delivery of Important or Local Key Links shown in the Structure Plan, informed by a review of these links having regard to priority and feasibility of delivery.
- a new decision guideline for BFO schedules for Residential Neighbourhoods and Employment Neighbourhoods:
 - Whether standards specified in this schedule or in Clause 43.06-7 may be varied having regard to the provision of pedestrian connections shown in the Development framework (Map 1) as part of the development.

(vi) Discussion

Identification of pedestrian links

The identification and labelling of pedestrian connections in the draft structure plan and draft Amendments is complex and confusing. For example, the Better Connections Plan – Active Transport in the structure plans separately identifies:

- strategic walking corridor
- local walking corridor
- strategic cycling corridor
- critical Key Link
- important or Local Key Link (indicative).

These descriptors are then varied in the Neighbourhood Plans within the structure plans, which show:

- 'New key links' on Neighbourhood framework plans
- 'Key links (fixed)' and 'Key links (flexible)' on Movement plans
- 'Indicative link interfaces' on Preferred interfaces and setbacks plans.

It is not possible to reconcile whether the Critical Key Links in the Better Connections Plan should match the Key links (fixed) in the Neighbourhood Plans. Similar issues arise for the Important or Local Links (indicative) and the Key links (flexible). It is also confusing that Indicative link interfaces are shown as Key links (fixed). Further, the structure plans do not define the purpose or intent of the different types of pedestrian connections.

The confusion is compounded with the translation of the pedestrian connections into the BFO schedules. There is no clear line of sight between the pedestrian connections in the structure plans and the designation of 'Specific' and 'Indicative' pedestrian connections in the BFO schedules.

The BFO parent clause (Standard BF10) refers to 'Specific' and 'Indicative' pedestrian connections. Specific connections should be provided on the alignment indicated on the Development Framework Plan, whereas alternative alignments may be considered for Indicative connections. It is unclear why some of the 'Indicative' links shown on the structure plans have been elevated to require a 'specific' alignment in the BFO schedules and others have not.

Graphic representation

The Specific and Indicative pedestrian connections identified on the BFO Development Framework Plans are shown as 'wiggly' lines. This is in contrast to the straight lines shown on the various active transport plans in the structure plans.

The wiggly lines are likely to create contest and debate about the preferred alignment of pedestrian connections, and whether a permit application on a particular lot is required to deliver a pedestrian connection. Many lots have only a very small portion affected by the wiggly line and it is unclear how that may be interpreted within the context of a permit application for the lot.

If the intent of a wiggly line is to indicate a degree of flexibility in the alignment of the pedestrian connection, this is unnecessary and inappropriate. The meaning of 'Specific' and 'Indicative' in Standard BF10 provides sufficient direction regarding the degree of flexibility in the alignment. Specific pedestrian connections, by definition, should be provided on the alignment shown in the BFO schedules.

All pedestrian connections should be shown as straight lines. This is consistent with Standard BF10 that specifies that pedestrian connections should be direct and provide a line of sight from one end to the other (for public safety reasons).

Implementation and delivery

There is a significant risk that the pedestrian connections may never eventuate without certain, equitable and fair delivery mechanisms. This would undermine the visions and objectives of the draft structure plans in relation to mode shift, active transport, liveable and permeable neighbourhoods, and walkable access to the SRL stations, public open space and community infrastructure.

The Committee generally supports the approach proposed in the PRZ schedules for master planned sites. The PRZ schedules have clearer requirements (compared to the BFO schedules) for identified pedestrian links to be provided. The master planned sites are generally large, often in single ownership (or only a few different owners) and delivery of pedestrian connections in these circumstances is generally more certain.

The Committee supports the application of the PAO for 'Critical Key Links' in the Clayton and Monash Precincts. However it is unclear how the remaining Critical Key Links and other proposed links are intended to be delivered. The draft structure plans do not identify specific actions or mechanisms to ensure the delivery of Critical Key Links. The only action in the structure plans that contemplates delivery mechanisms refers to amending the planning scheme to encourage the delivery of Important and Local Key Links through future development of private landholdings.

Other than the PAO, the VPBUF appears to be the only other mechanism currently identified for the delivery of pedestrian links. The Committee has fundamental concerns with the VPBUF. Substantial further work is required to demonstrate the VPBUF is appropriately designed to be effective and capable of practical application. If the decision is made to retain the VPBUF after completion of the further work, public realm improvements (including pedestrian connections) should not be an eligible category of public benefit. See Volume 2 Chapter 4 for more detail.

Further:

- many of the proposed pedestrian links are within areas where the VPBUF does not apply
- even in the FAR areas, there is no certainty that a developer will elect to use the VPBUF, or would elect to provide a pedestrian link
- it is unclear whether the links shown in the BFO schedules are a requirement of the planning scheme and would therefore not be eligible for uplift under the VPBUF.

Quite apart from the problems associated with the design and implementation of the VPBUF, many of the proposed links extend through multiple lots. A voluntary delivery mechanism is fundamentally inappropriate in these circumstances. A more co-ordinated approach is required to ensure the delivery of the full length of the link. Partial delivery of the links would result in inappropriate outcomes and create potential 'dead ends' that would be susceptible to neglect and be difficult to manage, creating safety concerns.

The Councils and University Group recommended the application of mandatory permit conditions to achieve the delivery of pedestrian connections. The Committee has concerns with this approach. Although a mandatory permit requirement may provide certainty regarding the delivery of pedestrian connections, it is inequitable for only some private land owners to carry the burden of public infrastructure unless there is some way of balancing out such a contribution (for example through a funding mechanism such as a Development Contributions Plan).

It is beyond the scope of this Committee to recommend the application of a PAO to any additional pedestrian connections. That said, the Committee agrees in principle with this approach.

A way forward

The Committee generally supports the recommendation of Mr Barnes (supported by other experts) to reconcile and rationalise identified pedestrian connections and links and prepare a clearer policy and strategy framework for the delivery of pedestrian connections in a logical and consistent approach.

Further work is required to identify which pedestrian connections are critical, and which are desirable. The further work should:

- establish a clear hierarchy of pedestrian links using consistent terminology and graphic depiction
- determine critical and preferred alignments for the pedestrian links
- identify appropriate delivery mechanisms for critical links (for example through the application of a PAO)
- identify incentives that could help to facilitate the delivery of non-critical but desirable connections (as an alternative to the VPBUF)
- ensure the delivery mechanisms are based on principles of fairness, equity and certainty.

In terms of alignments, pedestrian links should focus on connecting destinations, such as the SRL stations, key employment and visitor locations and existing and future public

open space and community facilities. The identified locations and alignments of some pedestrian connections may need to be modified, including after the completion of the further work recommended in Volume 2 Chapters 5 and 6 to assess open space and community infrastructure needs.

Links that are not necessary and are unlikely to be delivered due to practical complexities should be deleted. While the Committee acknowledges the review of pedestrian connections completed by the Proponent before the precinct hearings, it makes no finding with respect to whether the proposed removal of specific pedestrian connections is appropriate. The removal of any proposed pedestrian links needs to consider the impact on accessibility to public open space and the ability to achieve the intended mode shift towards active transport.

That said, sufficient information was provided in some of the precinct hearings to demonstrate that particular connections are not required. These are addressed in the precinct reports.

(vii) Findings and conclusions

In relation to the identification of pedestrian connections, the Committee finds:

- The identification and labelling of pedestrian connections in the structure plans and BFO schedules is complex and confusing.
- There is no clear line of sight between the pedestrian corridors and links in the structure plans and the designation of Specific and Indicative pedestrian connections in the BFO schedules, which makes the intent and priority of these connections difficult to understand.
- The representation of pedestrian connections as wiggly lines in the BFO schedules creates confusion and uncertainty about the location of the proposed links. All pedestrian connections should be shown as straight lines.

In relation to implementation and delivery, the Committee finds:

- The Committee supports:
 - the application of the PAO for 'Critical Key Links' in the Clayton and Monash Precincts
 - the requirements to provide identified pedestrian links in the PRZ schedules for master planned sites.
- There are significant risks in assuming that all other pedestrian connections identified in the structure plans or BFO schedules can be achieved as proposed.
- The VPBUF is not an appropriate delivery mechanism for pedestrian links.

In relation to the way forward, the Committee finds:

- Further work is required to ensure the appropriate delivery of the proposed pedestrian connections to ensure the precinct visions and objectives in the structure plans are realised.
- The further work should:
 - establish a clear hierarchy of pedestrian links using consistent terminology and graphic depiction
 - determine critical and preferred alignments for the pedestrian links with a view to connecting key destinations such as the SRL stations, key

- employment and visitor locations and existing and future open space and community facilities
- identify appropriate delivery mechanisms for critical links (for example through the application of a PAO)
- identify incentives that could help to facilitate the delivery of non-critical but desirable connections (as an alternative to the VPBUF)
- ensure the delivery mechanisms are based on principles of fairness, equity and certainty.
- Links that are not necessary and are unlikely to be delivered due to practical complexities should be deleted.
- That said, the implications of the removal of any pedestrian connections needs to be carefully considered having regard to the impact on accessibility to public open space and the ability to achieve a mode shift towards active transport. This should form part of the further work.

Based on the above findings, the Committee concludes:

- The identification of pedestrian connections and links in the PRZ and BFO schedules is not appropriate.

(viii) Recommendations

The Committee recommends:

Further work

- 32. GI R32: Before the draft Amendments are approved, undertake further work to review all pedestrian connections in the draft structure plans, Precinct Zone schedules and Built Form Overlay schedules to:**
 - a) establish a clear hierarchy of pedestrian links using consistent terminology and graphic depiction**
 - b) determine critical and preferred alignments for the pedestrian links with a view to connecting key destinations such as the Suburban Rail Loop stations, key employment and visitor locations and existing and future open space and community facilities**
 - c) identify appropriate delivery mechanisms for critical links (for example through the application of a Public Acquisition Overlay)**
 - d) identify incentives that could help to facilitate the delivery of non-critical but desirable connections (as an alternative to the Voluntary Public Benefit Uplift Framework)**
 - e) ensure the delivery mechanisms are based on principles of fairness, equity and certainty.**
 - f) delete links that are not necessary and are unlikely to be delivered due to practical complexities, but before deleting any link consider:**
 - the impact on accessibility to public open space and community facilities**
 - the ability to achieve a mode shift towards active transport**
 - g) apply any specific recommendations in the precinct reports.**

Draft structure plans

- 33. GI R33: Amend the pedestrian connections shown on the draft structure plans to:**
- a) reflect the outcome of the further work in Recommendation GI R32**
 - b) ensure that pedestrian connections have a clear, consistent hierarchy and priority.**

Draft Amendments

- 34. GI R34: Amend the pedestrian connections shown on the maps in the Built form Overlay schedules to:**
- a) reflect the revised draft structure plans amended in accordance with Recommendation GI R33**
 - b) show pedestrian connections as direct routes (with straight lines).**

9.10 Waste management

(i) Summary

The PRZ and BFO schedules generally manage waste appropriately. More specific recommendations in relation to expanding the scope of Waste Management Plans in the Sustainability chapter (Chapter 7).

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Waste management.

There is overlap between this Referred Matter and the Referred Matter relating to:

- sustainability (Chapter 7)

(iii) Key issues

The key issues are whether the Waste Management Plan requirements:

- are appropriate
- should be applied to smaller developments.

(iv) Background

The draft structure plans deal with waste management in:

- Section 5.7 Empowering Sustainability – Better waste and water management will promote a circular economy
- objective 21 – Reduce waste and encourage use of recycled and sustainable resources
- action 2 – Amend the planning scheme to require the submission of a waste management plan as part of any permit application for developments greater than 5,000 square metres GFA.

Objective 21 in the draft implementation plans provides the associated actions and timeframes.

The PRZ schedules include an application requirement at Clause 9.0 for a Waste Management Plan.

The BFO parent clause (at Standard BF14) includes requirements in relation to access and design of waste management facilities. The proposed BFO schedules do not alter the standard design requirements in the parent clause.

(v) Evidence and submissions

The Proponent submitted the controls in relation to waste management, including the threshold for when a Waste Management Plan is required, are appropriate. It submitted that standard BF14 in the BFO parent clause, as well as the provisions of Clause 58, will ensure that all new developments, regardless of size, consider and provide for waste management.

Mr Barnes and Mr Crowder both supported the requirement for a Waste Management Plan for developments exceeding 5,000 square metres GFA, as shown in the PRZ schedules.

Mr Crowder said the application requirements in the PRZ schedules for a Waste Management Plan, combined with existing policy references and the proposed planning controls, will ensure acceptable outcomes. He said that in practice, Waste Management Plans will be submitted with all new development applications, regardless of their scale. However, determining the appropriate threshold for the requirement for a Waste Management Plan was beyond his expertise.

The Councils and University Group submitted that a Waste Management Plan should be required for:

- developments with ten or more dwellings (to match the threshold for a requirement for a SMP)
- buildings greater than 1,000 square metres.¹¹

Kingston Council submitted that a Waste Management Plan should be required for all planning permit applications, to the satisfaction of the responsible authority.

As outlined in Chapter 7, the Proponent submitted the Waste Management Plan requirements could be expanded to address sustainability objectives relating to waste reduction.

(vi) Discussion

The Committee has already concluded that the Waste Management Plan requirement needs to be bolstered to achieve sustainability objectives (see Chapter 7). This Chapter focusses on the appropriate threshold for requiring a Waste Management Plan, specifically whether it should be developments of:

¹¹ Whitehorse, Monash and Bayside Councils existing ESD policies apply to developments of ten or more dwellings and buildings with more than 1,000 square metres of GFA

- greater than 10 dwellings and/or 1,000 square metres GFA as recommended by Councils and University Group
- 5,000 square metres GFA as proposed in the Day 3 documents.

The Committee did not have the benefit of any waste experts to comment on the most appropriate threshold. However, the Committee notes that a SMP is triggered in the PRZ schedules for developments comprising of 10 or more dwellings, or a building with more than 1000 square metres GFA. The SMP requires a sustainability assessment (with Green Star the primary tool) and Green Star takes into account waste management. As such, waste management will already be considered for developments comprising 10 or more dwellings, or a building with more than 1000 square metres GFA. It therefore is not necessary to alter threshold for a Waste Management Plan as the Councils and University Group suggested.

(vii) Findings and conclusions

The Committee finds:

- The threshold for providing a (separate) Waste Management Plan should remain as proposed (developments greater than 5,000 square metres GFA).
- Waste considerations will be captured for smaller developments through the Sustainability Management Plan.

Based on the findings in Chapter 7, the Committee concludes the PRZ and BFO schedules do not appropriately manage waste. The Committee's Recommendation GI R12 addresses this.

9.11 Tree canopy cover

(i) Summary

The measures to support tree canopy cover are not appropriate. The local policies need to be updated to include a 30 per cent tree canopy target within the precincts and amendments are needed to the BFO schedule to ensure sufficient tree canopy cover can be achieved.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Measures to support tree canopy cover.

There is overlap between this Referred Matter and the Referred Matters relating to sustainability (Chapter 7).

(iii) Key issues

The key issues are whether:

- the draft Amendments should include a tree canopy cover target
- the BFO standards relating to tree canopy cover and deep soil planting are likely to achieve the intended outcomes

- existing trees should be protected, or their retention be incentivised.

(iv) Background

Climate Response Plans

The Climate Response Plans found the precincts are vulnerable to high urban heat due to low tree canopy coverage. The Plans reference the strong policy support for preventing a decline in tree canopy cover, and set a target of 30 per cent tree canopy cover across each precinct.

Draft structure plans

The draft structure plans have an aspiration for a green canopy cover of 30 per cent across all structure plan areas (objective 22).

Built Form Overlay

Standard BF12 (Landscaping and fencing) in the BFO parent clause requires deep soil and canopy trees. The schedules 'switch off' Standard BF12 in the following place types, where it is envisaged that built form will cover 100 per cent of the site:

- Central Cores and Main Streets
- Central Flanks areas in Box Hill.

For the other place types, the schedules specify the following minimum deep soil targets (which are percentages of total site area):

- 15 per cent in Key Movement Corridors and Urban Neighbourhoods
- 30 per cent in Residential Neighbourhoods
- 10 per cent in Central Flanks in Clayton and Cheltenham only, and
- 10 per cent in Employment Neighbourhoods.

All deep soil requirements are discretionary and are deemed to comply in the Residential and Employment Neighbourhoods.

In the exhibited versions of the BFO schedules, Standard BF12 also included requirements for the number of canopy trees based on the deep soil area:

- up to 50 square metres – at least 1 Type A tree
- 51 to 100 square metres – at least 1 Type B tree
- 101 to 200 square metres – at least 2 Type B trees
- 201 square metres or more – at least 3 Type B trees.

At maturity:

- Type A trees have a minimum 4 metre canopy and height of 6 metres
- Type B trees have a minimum 8 metre canopy and height of 8 metres.

There are a range of decision guidelines that relate to canopy trees in the BFO schedules including:

- whether the street setback supports canopy tree planting
- whether rear setbacks contribute to a new landscaped character derived from deep soil planting and canopy trees
- the type and quantity of tree canopy cover
- the contribution of landscaping to the public and private realm interfaces

- the extent to which the landscape and design response contributes to a biodiverse, greener environment and reduces urban heat.

Technical Note TN-G09

The Technical Note on tree canopy cover and soil volumes states that the proposed canopy tree provisions will support tree canopy cover and “*will contribute to the aspiration for 30 per cent canopy coverage*”. It notes that:

- the proposed BF12 standards require a sufficient soil volume to support a Type A or Type B tree
- the proposed front setbacks are sufficient, with trees having the ability to partially grow into the road reserve
- 6 metre rear setbacks can accommodate the crown requirements of Type A or Type B trees
- a Type A tree can be accommodated within a 2 metre side setback, where an equal or greater setback is provided on the adjacent property.

The Technical Note acknowledges that 2 metre side setbacks are likely to result in it being difficult for a neighbouring site to also establish a tree on the other side of the boundary, and that trees within side setbacks may impact on solar access to lower windows. Small scale plantings along side setbacks are likely to be more successful.

(v) Evidence and submissions

Proponent

The Proponent submitted the deep soil requirements in the BFO schedules are sufficient, and it is not necessary or appropriate to specify a 30 per cent tree canopy coverage target in the schedules, as:

- the target can't be achieved through development applications on private land only (reliance will have to be placed on the public realm as well)
- it is difficult to measure and enforce the target
- it cannot be applied uniformly across all neighbourhoods given the differing objectives for each area
- there are competing objectives for canopy trees and sunlight and daylight access, and there may be cases where it is appropriate to prioritise daylight or sunlight in setback areas rather than canopy tree planting.

Mr Sheppard was comfortable with the tree canopy provisions, and considered they provide an appropriate balance between allowing for development growth and providing for tree canopy cover. While noting the BFO controls were discretionary, he referred to the range of decision guidelines and considered the standards, together with the decision guidelines, would ensure the desired landscaped rear setback outcome is achieved.

Submitters were concerned that the Hayball architectural testing (described in other parts of this report) hadn't demonstrated whether it is feasible to deliver the required 6 metre setbacks to accommodate tree canopy and also achieve the maximum FAR (for applicable sites). Mr Sheppard responded that the following proportion of sites were

large enough to achieve these setbacks (and the FARs), and therefore provide for tree canopy:

- 75 per cent of lots in the Central Flanks (noting that deep soil requirements don't apply in some Central Flanks areas)
- 80 per cent of lots in Key Movement Corridors
- 80 per cent of lots in Urban Neighbourhoods and
- 75 per cent of lots in Residential Neighbourhoods.

Mr Sheppard conceded that the Hayball testing demonstrated that smaller lots (that is less than 1000 square metres in area) may not be able to provide the required tree canopy cover given basement car parking.

Councils and University Group

The Councils and University Group submitted the canopy tree provisions are unacceptable. It submitted that existing vegetation protections are proposed to be removed by the draft Amendments (namely Significant Landscape and Vegetation Overlay controls in Box Hill, Burwood and Glen Waverley), which would inevitably lead to a loss of existing vegetation. It is therefore even more important to ensure the draft Amendments provide appropriate tree canopy requirements.

Its main concerns with draft Amendments were:

- they do not include the 30 per cent tree canopy target despite the target being in background documents including the draft structure plans
- the 30 per cent tree canopy cover requirement only applies in the Residential Neighbourhoods (which amount to only one-sixth of the overall structure plan areas), placing a significant burden on public land to provide for tree canopy cover
- the 3 metre front setbacks do not provide adequate room for sufficient deep soil areas and instead require Type B tree canopies to spread into the road reserve where there is competition with powerlines and other infrastructure
- the controls in the BFO schedules are discretionary and not mandatory, and in some cases deemed to comply
- there is no obligation to provide anything larger than a Type B tree anywhere in the precincts
- the requirements in the BFO schedules are less than what would be contemplated under Clause 58.03-5, which requires larger Type C trees (12 metre height at maturity).

The Councils and University Group recommended:

- including a 30 per cent tree canopy target in the new local policies
- making the BFO standards mandatory, and not deemed to comply
- increasing deep soil requirements to:
 - 20 per cent for Key Movement Corridors and Urban Neighbourhoods
 - 35 per cent for consolidated sites in Residential Neighbourhoods
- requiring Type C trees where deep soil exceeds 201 square metres, and additional canopy trees for larger sites
- mandatory front setbacks of 4 metres in Residential Neighbourhoods and rear setbacks of 6 metres or 15 per cent of the site (whichever is greater)

- objectives in the BFO standards to retain and protect existing mature canopy trees.

Mr Barnes said that references to canopy trees are inconsistent throughout the various objectives, application requirements and decision guidelines in the BFO schedules. While the draft Amendments encourage canopy tree planting as part of the overall urban greening objective, the targets in the draft structure plan and policy have not been translated into the schedules which limits the ability for Councils to secure appropriate canopy tree outcomes. He recommended the 30 per cent tree canopy target be included in the draft Amendments.

Mr Barnes was also critical of Standard BF12 nominating only Type A and Type B canopy trees, and not requiring any Type C trees. He considered this counter intuitive to the overall objectives of urban shading, pedestrian focused streets and addressing urban heat island effects.

Mr Crowder stated that while he had no in principle objection to Mr Barnes' recommendation to include the 30 per cent tree canopy target in the draft Amendments, he did not consider it necessary. If it was included, he considered it should be included in the local policies, not the schedules.

Kingston Council

Mr Glossop was concerned that the provisions did not give any 'credit' for retained trees. While he did not consider there should be a specific requirement to retain trees, he considered an incentive to retain trees would be appropriate. He also recommended that a minimum soil depth be provided similar to Table D3 soil requirements at Clause 58.03-5.

Proponent's response

In response, the Proponent submitted that while it supported in principle the 30 per cent target being specified in the new local policies, it was not required as Clause 12.06 of each planning scheme already includes this target for urban areas.

The Proponent also supported the principle of including objectives in the BFO schedules to retain and protect mature canopy trees and the inclusion of minimum tree canopy cover for some place types This is reflected in the Day 3 documents.

(vi) Discussion

Increasing tree canopy coverage is an important goal for the precincts to reduce urban heat effects and contribute to urban greening and biodiversity outcomes. The draft structure plans and associated background reports all support creating a cooler and greener environment as a priority. The Climate Response Plans highlight that current sustainability challenges will remain or worsen with the growth and densification in the precincts. Tree canopy may continue to be lost with the consolidation of lots and high density of development.

Tree canopy targets

The Climate Response Plans support a tree canopy cover target of 30 per cent on private and public land.

The gazettal of Amendment VC283 during the hearing has set a state-wide strategy of achieving an overall 30 per cent tree canopy target in urban areas (Clause 12.06-1S).

While this is a general policy that applies to all urban areas (including the precincts), in the context of the Climate Response Plans, MD22, background technical reports and draft structure plans targets, the Committee agrees with submitters that there needs to be explicit reference to the 30 per cent target in the new local policies. Otherwise, there is a risk that arguments could be made that the target can be met in other lower density areas throughout the municipality, rather than prioritising tree canopy in the structure plan areas. This would be a poor outcome for the precincts, and not consistent with the visions and objectives of the draft structure plans.

Tree canopy standards in the Built Form Overlay schedules

Standard BF12 (landscaping and fencing) was substantially modified in the Day 3 versions of the BFO schedules. These changes:

- added a percentage requirement for a minimum tree canopy cover (at maturity) for some Place Types:
 - 20 per cent of the total site area for Residential Neighbourhoods
 - 10 per cent of the total site area for Key Movement Corridors
 - 7 per cent of the total site area for Employment Neighbourhoods (no requirements are specified for SDAs, Main Streets and some Central Flanks)
- removed the Table in the schedules that set out the tree type requirements (the number of Type A and Type B trees based on deep soil areas)
- defined what constitutes an existing tree to be retained (namely a tree of at least 5 metres height with a trunk circumference of 0.5 metres or greater at 1.4 metres above ground level).

The Day 3 changes were poorly drafted, hard to interpret and without explanation.

The tree canopy coverage requirements in the Day 3 controls (20 per cent for Residential Neighbourhoods, 10 per cent for Key Movement Corridors, 7 per cent for Employment Neighbourhoods and no requirement for SDAs, Main Streets and some Central Flanks) fall well short of the 30 per cent target. While the public realm will have a significant role to play in achieving the 30 per cent target, it is unrealistic to expect the public realm to make up the likely shortfall based on the Day 3 tree canopy coverage requirements for private land.

More ambitious tree canopy coverage requirements are required for the different place types. The revised requirements recommended by the Councils and University Group (35 per cent for Residential Neighbourhoods and 20 per cent for Key Movement Corridor Urban Neighbourhoods) are more appropriate, and will make it more likely that the 30 per cent target in the new local policies can be achieved.

The Committee accepts that tree canopy coverage requirements in Central Core and Central Flanks Place Types would not be appropriate given the built form expectations

for those areas. Much of the canopy planting in those areas will have to be in the public realm. Further, there is an application requirement for an Urban Greening Plan in these Place Types that requires consideration of green cover.

Tree type requirements

The Committee does not support the removal of all tree type requirements from the Day 3 controls. Larger Type C trees can make a significant contribution to the 30 per cent target, and should be required on larger sites with deep soil areas of 201 square metres or more. Type C trees are required under Clause 55.02-7 (two or more dwellings on a lot) and Clause 58.03-5 (apartment developments), and no rationale was provided as to why Type C trees should not be provided within the precincts.

Protection of existing trees

The draft Amendments need to encourage the retention of existing trees where possible. The changes to the BFO schedules in the Day 3 documents have accommodated this through provisions stating that the minimum tree canopy cover requirements can be met using any combination of new trees and existing trees that meet the height and circumference requirements. The Committee supports this.

The Councils and University Group also submitted that the objectives of the BFO standards should encourage the retention and protection of mature canopy trees. The objectives in the parent clause for Standard BF12 do not refer to existing trees and the Committee agrees that an objective should be included in the schedules encouraging the retention and protection of mature canopy trees.

Mandatory and deemed to comply controls

The Committee does not support mandatory deep soil and canopy tree provisions. There need to be some flexibility depending on site context and features. However, the Committee agrees that the provisions should not be 'deemed to comply', so that site opportunities and context can be considered, including opportunities for the retention of existing trees.

Setbacks

Generally, the Committee does not consider that ground level setbacks need to be increased and mandated, noting the technical note advice that the proposed setbacks are sufficient to accommodate canopy trees. Many trees within metropolitan Melbourne grow successfully close to footpaths and beneath sealed surfaces. There may however be variations required within particular precincts.

(vii) Findings and conclusions

The Committee finds the draft Amendments need to be strengthened by:

- including a 30 per cent tree canopy target in the new local policies
- including an objective in the BFO schedules to retain and protect existing mature canopy trees
- increasing the Day 3 tree canopy coverage requirements to:
 - 35 per cent for Residential Neighbourhoods

- 20 per cent for Key Movement Corridors and Urban Neighbourhoods
- 7 per cent of the total site area for Employment Neighbourhoods
- requiring Type C trees where deep soil exceeds 201 square metres, and additional canopy trees for larger sites
- making Standard BF12 not deemed to comply.

Based on the above findings, the Committee concludes:

- The measures to support tree canopy cover are not appropriate.

(viii) Recommendations

The Committee recommends:

Draft Amendments

- 35. GI R35: Amend the new local policies to include a 30 per cent tree canopy target within the precincts.**
- 36. GI R36: Amend the Built Form Overlay schedules as follows:**
 - a) include an objective in all schedules to retain and protect existing mature canopy trees**
 - b) amend the BF12 (Landscaping and fencing) standards to require tree canopy coverage of:**
 - **35 per cent of the total site area for Residential Neighbourhoods**
 - **20 per cent of the total site area for Key Movement Corridors and Urban Neighbourhoods**
 - **7 per cent of the total site area for Employment Neighbourhoods**
 - c) include tree type requirements that match or exceed those in Clause 55 and Clause 58, including requirements for large trees (Type C trees with a height of 12 metres at maturity) on:**
 - **large sites (over 1,000 square metres)**
 - **sites where deep soil requirements exceed 200 square metres**
 - d) remove the deemed to comply status of Standard BF12.**

9.12 Third party review rights

(i) Summary

The third party notice and review provisions are not appropriate. The PRZ and BFO schedules need to be amended so that notice needs to be given where a proposal:

- exceeds the built form parameters relating to building height and setback
- if a new section 2 use is proposed
- where notice and review rights apply under another provision.

(ii) Referred Matter

The Referred Matter is:

Whether the schedules to the proposed Precinct Zones (PRZs) and/or Built Form Overlays (BFOs) are appropriate, in respect of the following matters:

- Third party review rights.

(iii) Key issue

The key issue is whether the exemption from third party notice and review rights is appropriate.

(iv) Background

The parent clauses in the PRZ and BFO provide the following exemption from notice and review:

An application under any provision of this planning scheme is exempt from the notice requirements of section 52(1)(a), (b) and (d), the decision requirements of section 64(1), (2) and (3) and the review rights of section 82(1) of the Act unless a schedule to this zone specifies otherwise.

The PRZ and BFO schedules originally restated the exemption, however this was removed in the Day 3 documents on the basis that it was unnecessary.

(v) Evidence and submissions

The Proponent submitted that the notification of third parties, objections and potential appeals to VCAT adds time and cost to applications. This time and cost must be avoided given the strategic imperative of encouraging transformative change in the precincts

Mr Crowder supported the exemption from third party review, accepting that *"growing pains are an inevitable consequence"* of the process. In oral evidence, he conceded that if the Committee did not support a full exemption, it would be appropriate to provide notice of applications that seek to exceed the built form controls (as recommended by Mr Barnes), but not review rights.

The Councils and University Group submitted that a variation to the discretionary built form requirements has the potential to increase the adverse amenity (and other) impacts of a development proposal. It submitted that notice should be given to third parties when:

- a proposal seeks to vary the built form requirements or apply for a new use (as recommended by Mr Barnes and Mr Glossop)
- third party notice and review rights apply under an existing control (for example under a Heritage Overlay).

Kingston Council submitted that third party notice requirements should be 'switched on' for:

- new land uses which may cause material detriment
- applications to vary the built form requirements.

Kingston Council submitted this approach would allow responsible authorities to inform themselves of third party concerns, while still retaining all the principal benefit of eliminating the cost and delay of objector review in VCAT.

A submitter made submissions in the General Issues and Clayton Hearings that third party review rights should not be turned off in residential areas, given the likely impact on established properties (and the timelines involved in the transition). In the context of concerns in relation to the deemed to comply standards, another submitter said that directly affected stakeholders should be given notice to ensure they have an opportunity

to be heard and identify any errors or issues with future permit applications. The submitter noted that impacts on existing canopy trees and overlooking are areas of particular concern.

The Proponent did not support changes to third party rights, submitting that:

- third party involvement must be balanced against the need to drive change and achieve the objectives of the precincts
- decision makers are “*very capable*” of assessing the planning merits of an application that does not meet the built form standards or proposes a change of use
- the decision-maker could choose to be informed by third party submissions in an informal manner (as is often the case for Development Plan Overlays for example), but statutory rights should not be afforded to third parties given:
 - the extent and type of change anticipated for the precincts has been established by the planning framework
 - the broader strategic objectives must take precedence over site-specific objections
 - in-built protections are provided in the detail of the provisions.

(vi) Discussion

The Committee agrees that transformative change is expected and encouraged in the precincts, and that it is broadly appropriate to ‘switch off’ the usual third party notice and review rights. This is consistent with the intention of the parent clauses.

That said, the objectives of the BFO include:

To facilitate higher density development that provides for high amenity living and working environments...

Third party notice and review helps to ensure high amenity living and working environments are achieved.

The built form controls in the BFO are discretionary and many of the usual amenity protections for existing residential properties have been turned off (see Chapters 9.4 and 9.5 in particular). In this context, the Committee considers it is appropriate to give notice in some circumstances, particularly where there is uncertainty about built form outcomes (and associated amenity impacts) in residential areas.

The Committee agrees with Mr Barnes, Mr Glossop and Councils that notice should be given to third parties (but not appeal rights) when:

- a proposal seeks to vary the built form requirements
- applications are made for a new (section 2) use
- third party notice and review rights apply under an existing control (such as the Heritage Overlay) that is being retained.

The threshold for when notice is required for built form variations should be 20 per cent, consistent with the threshold for when a design excellence report is required (Chapter 9.7).

This approach appropriately balances the interests of existing residents, the visions for the precincts and the need to facilitate transformative change without the costs and

delays associated with VCAT appeals. It will allow the councils to inform themselves of third party concerns, while still retaining all the principal benefit of eliminating the cost and delay of objector review in VCAT.

(vii) Findings and conclusions

The Committee finds:

- Exemptions from third party review rights in the schedules are appropriate, but notice is warranted and should be provided when:
 - a proposal seeks to vary the built form requirements (height and setbacks) by more than 20 per cent
 - applications for a new (section 2) use
 - third party notice and review rights apply under an existing control (for example under a Heritage Overlay).

Based on the above findings, the Committee concludes:

- The third party notice and review provisions are not appropriate.

(viii) Recommendations

The Committee recommends:

Draft Amendments

- 37. GI R37: Amend the Precinct Zone schedules to require notice of applications:**
 - a) that seek to apply for a new section 2 use**
 - b) where third party notice and review rights apply under an existing control (for example under a Heritage Overlay).**
- 38. GI R38: Amend the Built Form Overlay schedules to require notice of applications that seek to vary the height and setback requirements by more than 20 per cent.**