

# Planning Panels Victoria

## Melbourne Planning Scheme Amendment C376melb

### Panel Report

*Planning and Environment Act 1987*

**18 October 2024**

**How will this report be used?**

This is a brief description of how this report will be used for the benefit of people unfamiliar with the planning system. If you have concerns about a specific issue you should seek independent advice.

The planning authority must consider this report before deciding whether to adopt the Amendment.  
[section 27(1) of the *Planning and Environment Act 1987* (the PE Act)]

For the Amendment to proceed, it must be adopted by the planning authority and then sent to the Minister for Planning for approval.

The planning authority is not obliged to follow the recommendations of the Panel, but it must give its reasons if it does not follow the recommendations. [section 31 (1) of the PE Act, and section 9 of the *Planning and Environment Regulations 2015*]

If approved by the Minister for Planning a formal change will be made to the planning scheme. Notice of approval of the Amendment will be published in the Government Gazette. [section 37 of the PE Act]

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*

Panel Report pursuant to section 25 of the PE Act

Melbourne Planning Scheme Amendment C376melb

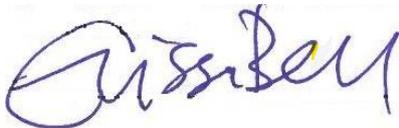
**18 October 2024**



Sarah Raso, Chair



John Roney, Member



Elissa Bell, Member

## Contents

	Page
<b>Executive summary</b> .....	<b>8</b>
<b>1 Introduction</b> .....	<b>17</b>
1.1 The Amendment.....	17
1.2 Background .....	18
1.3 Expert evidence .....	20
1.4 The Panel’s approach .....	20
<b>2 Strategic issues</b> .....	<b>23</b>
2.1 Strategic chronology .....	23
2.2 Planning context .....	28
2.3 Strategic justification and rationale for the Amendment .....	29
<b>3 Economic feasibility</b> .....	<b>32</b>
<b>4 Statutory planning approach to ESD requirements</b> .....	<b>42</b>
4.1 Planning policy or DDO? .....	42
4.2 External web-based assessment tools .....	50
4.3 Mandatory sustainability requirements .....	58
<b>5 Green Factor Tool</b> .....	<b>69</b>
5.1 What is the Green Factor Tool? .....	69
5.2 Is the Green Factor Tool appropriate? .....	74
5.3 Productive plants .....	77
<b>6 DDO73 drafting matters</b> .....	<b>81</b>
6.1 Gas connections.....	81
6.2 Expert and submitter proposed changes to DDO73 .....	84
6.3 Additional changes to DDO73 .....	88
<b>7 Sustainable transport requirements</b> .....	<b>90</b>
7.1 Subdivision requirements and adaptable parking .....	90
7.2 Specifying parking rates in zone schedules.....	92
7.3 Electric vehicle charging requirements .....	93
7.4 Parking rates.....	95
7.5 Green Travel Plan .....	96
7.6 Purpose .....	97
7.7 Clause 02.03-7 (Transport) .....	97
7.8 Capital City Zone Schedule 4 .....	97
7.9 Recommendations .....	98
<b>8 Other issues</b> .....	<b>100</b>
8.1 Transitional provisions .....	100
8.2 Approach to university campuses .....	101
8.3 National Construction Code standards .....	103
8.4 Parcel lockers .....	105
8.5 Accessibility .....	106

<b>Appendix A</b>	<b>Submitters to the Amendment .....</b>	<b>107</b>
<b>Appendix B</b>	<b>Document list.....</b>	<b>109</b>
<b>Appendix C</b>	<b>Planning context .....</b>	<b>113</b>
	C:1 Planning policy framework.....	113
	C:2 Other relevant planning strategies and policies .....	117
	C:3 Ministerial Directions, Planning Practice Notes and guides .....	118
<b>Appendix D</b>	<b>Panel preferred version of the Design and Development Overlay Schedule 73 .....</b>	<b>119</b>
<b>Appendix E</b>	<b>Panel preferred version of the Capital City Zone Schedule 1.....</b>	<b>130</b>
<b>Appendix F</b>	<b>Panel preferred version of the Docklands Zone Schedule 4 .....</b>	<b>143</b>
<b>Appendix G</b>	<b>Council’s Post Hearing version of the Design and Development Overlay Schedule 73.....</b>	<b>152</b>

## List of Tables

	<b>Page</b>
Table 1	Chronology of events ..... 18
Table 2	Summary of experts ..... 20
Table 3	Strategic chronology ..... 23
Table 4	Planning context ..... 28
Table 5	Economic impact assessment case studies ..... 34
Table 6	Summary of external web-based sustainability assessment tools ..... 50
Table 7	Summary of parameters for Green Factor Tool..... 70
Table 8	Delivery of functions rated for different vegetation forms ..... 72
Table 9	Urban ecosystem services in order of priority included in the Green Factor Tool..... 73
Table 10	Expert and submitter proposed changes to DDO73 ..... 84
Table 11	Summary of Municipal Planning Strategy and Planning Policy Framework ..... 113
Table 12	Relevant parts of Plan Melbourne..... 117

## List of Figures

	<b>Page</b>
Figure 1	Example Green Factor Scorecard ..... 71

## Glossary and abbreviations

Amendment	Melbourne Planning Scheme Amendment C376melb
Amendment C187	Melbourne C187 (PSA) [2012] PPV
APGA	Australian Pipeline and Gas Association
BESS	Built Environment Sustainability Scorecard
CCZ	Capital City Zone
CCZ4	Capital City Zone Schedule 4
Council	Melbourne City Council
DDO	Design and Development Overlay
DDO73	Design and Development Overlay Schedule 73
Disability Plan	Inclusive Victoria – the State Disability Plan 2022 – 2026
DTP	Department of Transport and Planning
ESD	Environmentally Sustainable Design
ESD Roadmap	<i>Environmentally sustainable development of buildings and subdivisions, A roadmap for Victoria’s planning system, DELWP, 2020</i>
Gas Roadmap	Victorian Gas Substitution Roadmap
GOCAP	<i>Green Our City Strategic Action Plan 2017-2021, City of Melbourne, June 2017</i>
GOCSAP	<i>The Green Our City Strategic Action Plan: Strategic Justification for regulatory requirement for sustainability, Arup Consultants &amp; Others, 18 October 2019</i>
Green Factor Tool	an online tool developed to assess the impact of a proposed development’s green infrastructure and to prioritise the types of greening that will provide benefit to the public and the environment
Hansen Report	<i>Sustainable Building Design Planning Scheme Amendment C376, Background Report, Hansen Partnership, September 2020</i>
Journal Article	<i>Integrating Green Infrastructure into Urban Planning: Developing Melbourne’s Green Factor Tool, Dr Judy Bush (Faculty of Architecture, Building and Planning, The University of Melbourne), Gavin Ashley (Hip V. Hype) and Ben Foster and Gail Hall (City of Melbourne), January 2021</i>
MAB	MAB Corporation Pty Ltd
MPS	Municipal Planning Strategy
NABERS	National Australian Built Environmental Rating System

NatHERS	Nationwide House Energy Rating Scheme
NCC	National Construction Code
PE Act	Planning and Environment Act 1987
Planning Scheme	Melbourne Planning Scheme
PPF	Planning Policy Framework
PPN59	Planning Practice Note 59: Mandatory Provisions in Planning Schemes, August 2023
Practitioner's Guide	Practitioner's Guide to Victoria's Planning Schemes (March 2024)
Scenario Testing Report	Scenario Testing Report, Green Infrastructure Assessment Tool, Hip V. Hype, May 2020
SGS	SGS Economics and Planning
SGS Report	<i>City of Melbourne Amendment C376 Economic Assessment</i> , SGS, August 2024
UDIA	Urban Development Institute of Australia
VCAT	Victorian Civil and Administrative Tribunal
VPP	Victoria Planning Provisions

## Overview

### Amendment summary

The Amendment	Melbourne Planning Scheme Amendment C376melb
Brief description	Implements: <ul style="list-style-type: none"> <li>- sustainability and green infrastructure policy</li> <li>- mandatory and discretionary sustainable building design standards and requirements</li> </ul>
Subject land	All land in the municipality
Planning Authority	Melbourne City Council
Authorisation	25 October 2022, with conditions
Exhibition	2 March to 17 April 2023
Submissions	73

### Panel process

The Panel	Sarah Raso (Chair), John Roney and Elissa Bell
Supported by	Chris Brennan, Senior Project Officer and Georgia Thomas, Project Officer, Planning Panels Victoria
Directions Hearing	In person and by video conference at Planning Panels Victoria, 1 Spring Street, Melbourne, 25 June 2024
Panel Hearing	In person and by video conference at Planning Panels Victoria, 1 Spring Street, Melbourne, 19, 20, 21 and 23 August 2024
Parties to the Hearing	Melbourne City Council represented by Juliet Forsyth SC and Jordan Wright instructed by Ann-Maree Drakos, who called expert evidence on: <ul style="list-style-type: none"> <li>- the Green Factor Tool from Gavin Ashley of Hip V. Hype</li> <li>- the use of the Green Factor Tool from Mark Jacques of Openwork</li> <li>- Planning from John Glossop of Glossop Town Planning</li> <li>- Environmentally Sustainable Design from David Ritter of Grimshaw</li> <li>- Economics from Julian Szafraniec and Andrew Spencer of SGS Economics and Planning</li> <li>- Transport from Charmaine Dunstan of Traffix</li> </ul> Ark Resources Pty Ltd represented by Jan Talacko My Parcel Locker Pty Ltd represented by Shay McQuade Bernd Bartl
Citation	Melbourne Planning Scheme PSA C376melb [2024] PPV
Date of this report	18 October 2024

## Executive summary

Melbourne Planning Scheme Amendment C376melb (the Amendment) seeks to introduce environmentally sustainable design (ESD) measures into the Melbourne Planning Scheme, including new mandatory and discretionary sustainable building design standards and requirements. The key changes proposed include:

- the introduction of a new Schedule 73 (Sustainable Building Design) to the Design and Development Overlay (DDO73) to include provisions directed to:
  - ESD
  - energy efficiency and renewables
  - waste and resource recovery
  - the urban heat island response
  - urban ecology
  - integrated water management
- amending Schedules 1, 2, 3, 4, 5 and 7 to the Capital City Zone (CCZ) and Schedules 1, 2, 3, 4, 5 and 6 to the Docklands Zone to include provisions directed to:
  - bicycle, motorcycle and car share parking
  - electric vehicle infrastructure
  - the design of car parking facilities
  - the retention of car parking spaces as common property, and future adaptation to other land uses.

In July 2019 Council declared a climate and biodiversity emergency, acknowledging that an average global temperature rise above 1.5 degrees Celsius would lead to major and irreversible damage to ecosystems, including within the municipality of Melbourne. The Amendment is a direct response to the climate emergency and seeks to implement built form standards to regulate the nature and performance of buildings in an attempt to mitigate the effect of climate change.

Following exhibition of the Amendment in March and April 2023, the Panel was referred 73 submissions. Issues raised ranged from strategic and statutory matters, broad concerns about economic impact, the mandatory nature of the sustainability requirements, concerns with the sustainable transport requirements, the interplay with the National Construction Code (NCC), stakeholder specific concerns and drafting matters.

### Strategic issues

#### *Strategic justification*

The Amendment is a direct and necessary response to the declared climate and biodiversity emergency and Council's commitment to net zero carbon emissions by 2040. It seeks to guide a range of matters relating to the design of new buildings to ensure they are energy efficient, provide green cover and respond to climate change impacts. The background reports underpinning the Amendment have been based on contemporary analysis, research and findings which provide a sound strategic justification for the Amendment.

#### *Economic impact*

Economic impact, in terms of development feasibility and costs compared to benefits was a key concern for many submitters. The analysis presented demonstrates:

- compliance with the Amendment may not necessitate a reduction in development yield

- the impact on the cost of construction is modest and acceptable
- the feasibility of development is not expected to be materially impacted.

The Amendment will have many direct benefits to occupiers of properties including operational cost savings through lower energy and water consumption. Benefits to the broader community include reduced emissions associated with embodied carbon, higher levels of renewable energy generation, production of materials and surfaces that reduce the urban heat island effect, reduced exposure to environmental risk and enhanced urban ecology.

### **Statutory Approach**

The Panel accepts the introduction of the ESD planning requirements in a DDO covering nearly the entire municipality is novel. ESD performance measures have largely (but not exclusively) been introduced to planning schemes through policies. However, in the absence of a State-wide approach to ESD requirements in Victorian planning schemes it is appropriate for Council to contemplate the innovative application of existing provisions to implement ESD requirements. ESD is not currently confined to local policy and it is now accepted contemporary practice to also consider specific ESD requirements in other places in the Planning Scheme. In this instance, it is appropriate to apply a DDO to implement ESD requirements, an approach which is generally consistent with emerging trends in statutory planning.

The requirements of DDO73 rely upon use of third-party web-based assessment tools external to the Planning Scheme. This includes existing tools such as Green Star, Built Environment Sustainability Scorecard, National Australian Built Environmental Rating System and Nationwide House Energy Rating Scheme, and the new Green Factor Tool. The Green Factor Tool is proposed as part of the Amendment and is described as a green infrastructure assessment tool developed to help with designing and constructing new buildings and significant alterations and additions to ensure they are environmentally sustainable and include green infrastructure.

Web-based sustainability assessment tools are widely used in the Planning Scheme and are a practical and efficient way to apply complex ESD performance measures. Based on the widespread use of these tools in the Planning Scheme, the Panel accepts it is appropriate to apply these tools in the Amendment. Changes to web-based tools over time are inevitable, but these changes should be properly and deliberately applied in the Planning Scheme rather than 'passively' updated. Until any broader review of the management of web-based assessment tools consider otherwise, it is appropriate to modify the definition of 'Green Factor Tool' in DDO73 to ensure that amendments to the Green Factor Tool should not modify the current scoring regime without a further planning scheme amendment.

The DDO73 proposes a mix of mandatory, quasi-mandatory and discretionary controls. These are confusing and overly complex, and there is little utility in having mandatory controls with some form of opportunity to vary the requirement. The Panel considers the Amendment should include only discretionary controls because:

- the cumulative effect of the requirements could potentially result in unintended consequences
- the DDO should provide flexibility to balance competing requirements to achieve a net result that is satisfactory
- web-based ESD assessment tools change over time and the management of updating these tools is problematic

- changes to the NCC over time may result in unforeseen conflict with DDO73 and a discretionary control provides for greater flexibility
- it is appropriate to proceed cautiously to ensure the ESD controls do not mandate unreasonable costs on development.

### **The Green Factor Tool**

The Green Factor Tool provides projects with a Green Factor Score, with a score of 0.55 selected as the minimum standard to be met. The Green Factor Score takes into account the relative volume of green elements (which are rated on their relative efficacy in delivering ecosystem services) in comparison to the overall area of the site.

The Panel appreciates that the tool is new, sits outside the Planning Scheme and provides little guidance in terms of its parameters, weightings and workings. However, the Panel considers the Green Factor Tool is an appropriate tool to include in the Amendment. The process undertaken to develop the Green Factor Tool has been robust and evidence-based and is sufficient to provide for an appropriate tool. The tool will provide for an industry-wide metric for quantifying the provision of green infrastructure and embedding this in the planning phase of a project. This will create a fair and orderly way of describing and measuring how that infrastructure is supplied.

The Panel is comfortable the proposed 0.55 Green Factor Score is an appropriate standard. There are no significant technical constraints with achieving this score and flexibility is available within the tool for designers to further increase Green Factor Scores as needed.

The Panel does however have reservations about how the Green Factor Tool works 'behind the scenes' and considers the parameters, weightings and workings of the tool need to be sufficiently transparent so users know exactly how the tool works and where value is placed.

A Green Factor Tool Guidance Note written in plain English with accompanying tables and spatial diagrams should be prepared to:

- provide a detailed explanation of the Green Factor Tool
- explain the parameters, weightings and workings of the Green Factor Tool
- explain how the parameters within the Green Factor Tool are considered and weighed to achieve a final Green Factor Score.

The Green Factor Tool Guidance Note should be included as a Background Document in Clause 72.08 of the Planning Scheme before gazettal of the Amendment.

### **Sustainable transport requirements**

The schedules to the CCZ and Docklands Zone require the retention of car parking spaces in common ownership and that car parking facilities be designed to transition to alternative uses over time.

The Panel appreciates the challenges involved in retaining car parking spaces in common ownership, including on the basis that this would remove an avenue for developers to offset the costs of development by selling off car spaces, and also because of difficulties associated with adaptation of car parking spaces to other uses over time. However, in the long term it is necessary to plan for the reduced dependency on private car travel, including parking. The proposed sustainable transportation provisions which require common ownership of car parking spaces are appropriate, however these provisions should be discretionary. Equally, anticipating the adaptive re-use of car parking spaces is appropriate.

The Panel agrees with submissions that specifying parking rates in a zone schedule is an unusual approach. However, the *Practitioner's Guide to Victoria's Planning Schemes* (March 2024) (Practitioner's Guide) provides broad scope to entertain this sort of outcome. While the approach is somewhat unusual, it has been adopted in the Fishermans Bend Urban Renewal Area (Amendment GC81) and for the Arden Structure Plan area (Amendment C407melb).

Design responses to electric vehicle requirements will continue to evolve. The Panel supports the proposed changes to the zone schedule which require the delivery of electric vehicle infrastructure. The requirements simply expand on the NCC to require the provision of electric ready bays and charging points, as opposed to just the distribution infrastructure.

The Panel is satisfied the updated parking rates recommended by Council post-exhibition are appropriate. The updated work carried out by Council in relation to bicycle rates in particular, address the concerns of submitters in relation to the potential for an oversupply of bicycle parking.

## **Other issues**

### *Transitional provisions*

It is appropriate for the Amendment to provide transitional arrangements for existing permit applications (including permit amendment applications).

### *University/precinct wide approach*

In relation to submissions which sought a precinct based approach to achieving sustainability requirements, the Panel understands and accepts Council's position that due to the strategic focus of the Green Factor Tool and its focus on the impact of buildings themselves, it should be applied to each development site, and not on a precinct-wide basis. However, it is appropriate that sustainable transport provisions allow consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.

### *Interplay with the National Construction Code*

The Panel is satisfied Council has strategically justified the need for the Amendment to impose standards that go further than the minimum construction standards set by the NCC. The Amendment will deliver ESD and sustainable transport objectives which are tailored to the specific context and needs of the municipality.

### *Parcel lockers*

Although indirectly relevant to environmental sustainability, the installation of parcel lockers in large residential and commercial building is not directly relevant to the exhibited Amendment. The implementation of a requirement to provide parcel lockers requires further detailed analysis and assessment and should be subject to a separate process, which may include a separate planning scheme amendment or other means.

### *Accessibility*

The Panel acknowledges the importance of providing suitably visible, adaptable and accessible buildings to accommodate all people, however this is not within the direct scope of the Amendment. This is an issue that should more appropriately be pursued through other mechanisms.

In addition, it would be inappropriate at this stage in the process to include changes to the Amendment to require all new buildings to be visitable, accessible and adaptable. These matters

have not been tested to determine the impacts of requiring such measures. Further detailed analysis and assessment is required.

### ***DDO73 drafting matters***

Various changes to DDO73 were suggested by Council's expert witnesses and submitters. The Panel carefully considered each suggested change and agrees with the approach and response adopted by Council. Council took a pragmatic and consultative approach to the drafting of the updated versions of DDO73 and each change accurately reflects the recommendation of either its experts or submitters. These changes are reflected in the Panel's recommendations and are shown in the Panel's preferred version of DDO73.

### **Recommendations**

Based on the reasons set out in this Report, the Panel recommends that Melbourne Planning Scheme Amendment C376melb be adopted as exhibited subject to the following:

1. **Delete Design and Development Overlay Schedule 73 from the Fishermans Bend Urban Renewal Area.**
2. **Amend Design and Development Overlay Schedule 73, as shown in Appendix D, to:**
  - a) **Ensure the consistent application of alternative assessment tools in various clauses to enable certification or agreements pursuant to the applicable rating rather than a specified rating or tool.**
  - b) **Delete reference to all mandatory and quasi-mandatory controls and make them discretionary.**
  - c) **Delete the requirements to demonstrate the delivery of a standard "*is not technically achievable*".**
  - d) **Delete the reference to "*preferred*" standards in Clause 2.3 (including in Tables 1 and 2), Clause 5.0 and Clause 6.0.**
  - e) **Revise Clause 2.1 to:**
    - **delete the definitions of "*green infrastructure*" and "*ecosystem services*" and update the definition of "*hardscaping*" to clarify its intent**
    - **modify the definition of Green Factor Tool to delete the words "*or any replacement tool*" and insert the words "*as amended from time to time except if the amendments impact the scoring regime under the tool*".**
  - f) **Revise Clause 2.3 to:**
    - **modify the headings in Table 1 and Table 2 to delete the words "*Minimum (mandatory)*" and "*Preferred*".**
    - **update the chapeau to Table 1 to extend the period of time after occupation in which a development's Green Star Buildings rating must be certified from 12 to 24 months**
    - **update the chapeau to Table 2 to separate the requirements for the NatHERS standards from the NABERS standards and reflect the slightly different process for certification for each**
    - **update the requirement in the chapeau to Table 2 to enable development to be certified with NABERS within 24 months or "*unless otherwise agreed with the responsible authority*".**

- g) **Revise Table 2 to reference the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings) for developments that are greater than 5,000 square metres.**
- h) **Revise Table 3 to confirm that connections to electricity is acceptable.**
- i) **Revise Table 5 (now Table 6) to:**
- **provide more clarity on what building and landscaping elements are to be included in the 75 per cent of site area requirement for the Urban Heat Island Effect**
  - **update the third bullet point in Table 5 to add the word “*productive*”.**
- j) **Revise Table 7 to allow for the use of alternative water for toilet flushing.**
- k) **Revise Clause 3.0 to state that a permit is not required to subdivide land.**
- l) **Revise Clause 6.0 to:**
- **include a new decision guideline which clarifies that certain uses such as laboratories, may require a gas connection**
  - **include new decision guidelines to guide the discretion where an existing building (including part of a building such as heritage fabric) is retained, or a part of the land cannot be built on due to a restriction.**
- m) **Include transitional arrangements for existing permit applications and existing applications to amend a permit.**
- n) **Include a sunset clause that ensures Schedule 73 will expire when it is superseded by an equivalent provision in the Victoria Planning Provisions.**
3. **Amend the Capital City Zone Schedules 1, 2, 3, 5 and 7 as shown in Appendix E to:**
- a) **Make the proposed clauses clearly discretionary by deleting the word ‘must’ and replacing it with the word ‘should’.**
- b) **Include transitional arrangements for existing permit applications and existing applications to amend a permit.**
- c) **Revise the Purpose to:**
- To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks.**
- d) **Revise Clause 3.0 to:**
- **reduce the employee and visitor bicycle parking rates to better reflect the anticipated demand for Retail, Place of assembly, Minor sports and recreation facility or Education uses**
  - **reduce the visitor bicycle parking rate for Dwelling and Office uses to better reflect the anticipated demand**
  - **set flat motorcycle and car share parking space rates as a proportion of total car parking spaces**
  - **clarify that motorcycle and car share parking rates only apply when car parking is proposed to avoid unnecessary construction and footpath crossover**
  - **clarify the development size threshold at which a Green Travel Plan must be provided**

- update the decision guideline relating to the adaptable re-use of car parking to provide more direction and flexibility for guiding the adaptive re-use of car parking above and below ground
  - include decision guidelines which allow for the consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.
4. Delete all proposed changes to the Capital City Zone Schedule 4.
  5. Amend the Docklands Zone Schedules 1, 2, 3, 4, 5 and 6 as shown in Appendix F to:
    - a) Make the proposed clauses clearly discretionary by deleting the word 'must' and replacing it with the word 'should'.
    - b) Include transitional arrangements for existing permit applications and existing applications to amend a permit.
    - c) Revise the Purpose to:
 

To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks.
    - d) Revise Clause 4.0 Buildings and Works to:
      - reduce the employee and visitor bicycle parking rates to better reflect the anticipated demand for Retail, Place of assembly, Minor sports and recreation facility or Education uses
      - reduce the visitor bicycle parking rate for Dwelling and Office uses to better reflect the anticipated demand
      - set flat motorcycle and car share parking space rates as a proportion of total car parking spaces
      - clarify that motorcycle and car share parking rates only apply when car parking is proposed to avoid unnecessary construction and footpath crossover
      - update the decision guideline relating to the adaptable re-use of car parking to provide more direction and flexibility for guiding the adaptive re-use of car parking above and below ground
      - include decision guidelines which allow for the consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.
  6. Amend Clause 02.03-2 (Environmental and Landscape Values) to replace the seventh dot point policy with:
 

Encourage the use of indigenous vegetation in the delivery of open spaces and green cover for buildings, while also recognising the contribution of native, productive and exotic plants for indigenous fauna habitat within the private realm.
  7. Amend Clause 02.03-7 (Transport) under the heading 'Sustainable Transport' to:
 

Melbourne is the centre of the state's transport network. It is the part of our state where the demand for travel is greatest and where walking, cycling and public transport are the dominant modes of transport. In order to move more people in the same amount of street space, the City needs to make the

existing transport infrastructure work harder. There is significant potential to boost the contribution of each of these sustainable modes.

The City of Melbourne aims to transition to 70% mode share for public transport, walking and cycling. Public transport is the most economic and efficient mode for mass travel to and from the City. Walking accounts for the greatest proportion of trips within the City. An excellent walking network is necessary for the functioning of all the other modes.

In encouraging sustainable transport, the Council will:

- Ensure streets and laneways are safe, comfortable and convenient for walking.
- Provide a well-connected network of safe and protected bicycle lanes and high-quality bicycle parking facilities.
- Support the laneways as a significant element of the pedestrian network and public realm.
- Enhance the stations as international gateways to the City.
- Ensure public bike hire and micro-mobility stations are convenient to pedestrians and public transport.
- Support public transport that is safe, accessible, fast and frequent.
- Support private vehicle access to the city for deliveries, servicing and for people who need to use a car.
- Support micro-mobility that delivers net public benefit.

8. Amend Clause 15.01-2L-01 (Building design strategies) to:

a) replace the second dot point policy with:

Ensure building design integrates green infrastructure (vegetation and soil) to provide the following ecosystem services:

- Urban temperature regulation (cooling).
- Habitat for biodiversity.
- Runoff mitigation.
- Food supply.
- Recreation.
- Place values and social cohesion.
- Aesthetic benefits.

b) replace the fifteenth dot point policy with:

Encourage increased delivery of local renewable energy generation such as solar hot water, photovoltaic cells (for which the sustainability benefits of low-emission energy production outweigh the impact on the urban heat island effect), or wind powered turbines in new developments.

9. Prepare a Green Factor Tool Guidance Note, written in plain English with accompanying tables and spatial diagrams to:

- a) provide a detailed explanation of the Green Factor Tool
- b) explain the parameters, weightings and workings of the Green Factor Tool

- c) explain how the parameters within the Green Factor Tool are considered and weighed to achieve a final Green Factor Score.**
- and include it as a Background Document in Clause 72.08.**

# 1 Introduction

## 1.1 The Amendment

The Amendment applies to all land in the municipality that is subject to the Melbourne Planning Scheme (Planning Scheme).

The Amendment proposes to implement environmentally sustainable design (ESD) measures into the Planning Scheme, including new mandatory and discretionary sustainable building design standards and requirements.

Specifically, the Amendment proposes to:

- amend the Municipal Planning Strategy (MPS) by making changes to:
  - Clause 02.03-2 (Environment and landscape values)
  - Clause 02.03-4 (Built environment and heritage)
  - Clause 02.03-7 (Transport)
- amend the Planning Policy Framework (PPF) by making changes to:
  - Clause 15.01-2L (Sustainable development)
  - Clause 19.03-3L (Stormwater management (Water Sensitive Urban Design))
- introduce a new Schedule 73 (Sustainable Building Design) to the Design and Development Overlay (DDO73) to apply to all land covered by the Planning Scheme except for Commonwealth land, the Port of Melbourne and land subject to the Transport Zone to include provisions directed to:
  - ESD
  - energy efficiency and renewables
  - waste and resource recovery
  - the urban heat island response
  - urban ecology
  - integrated water management
- amend Schedules 1, 2, 3, 4, 5 and 7 to the Capital City Zone (CCZ) and Schedules 1, 2, 3, 4, 5 and 6 to the Docklands Zone to include provisions directed to:
  - bicycle, motorcycle and car share parking
  - electric vehicle infrastructure
  - the design of car parking facilities
  - the retention of car parking spaces as common property, and future adaptation to other land uses
- amend the Schedule to Clause 72.03 (What does this Planning Scheme consist of?) to reference new map sheets for DDO73
- amend the Schedule to Clause 72.04 (Incorporated Documents) to include the *Guidelines for Waste Management Plans*, City of Melbourne, June 2021 as an incorporated document
- amend the Schedule to Clause 72.08 (Background Documents) to include a list of background documents that support the Amendment.

## 1.2 Background

Table 1 Chronology of events

Date	Event
15 September 2020	<p>Council's Future Melbourne Committee considered a report from Council management seeking:</p> <ul style="list-style-type: none"> <li>- authorisation to prepare the Amendment</li> <li>- endorsement of the Green Factor Tool as a mechanism for demonstrating urban ecology outcomes for new development.</li> </ul> <p>Future Melbourne Committee resolved to:</p> <ul style="list-style-type: none"> <li>- request authorisation from the Minister for Planning to prepare and exhibit the Amendment</li> <li>- endorse the Green Factor Tool for use through the Planning Scheme as the preferred approach for demonstrating urban ecology outcomes on new developments</li> </ul>
16 October 2020	Council wrote to the Minister seeking authorisation to prepare the Amendment
19 December 2021	Minister authorised the preparation of the Amendment subject to conditions (First Authorisation)
17 October 2022	Council wrote to the Minister requesting the conditions of authorisation be removed
25 October 2022	Minister's delegate agreed to remove the conditions imposed in the authorisation of 19 December 2021 and granted a fresh authorisation to prepare the Amendment subject to conditions (Second Authorisation)
2 March to 17 April 2023	Amendment exhibited
21 May 2024	Council resolved to appoint a Planning Panel
17 June 2024	Directions Hearing
19, 20, 21 and 23 August 2024	Panel Hearing

### (i) First Authorisation

The First Authorisation was subject to the following conditions:

Translate the proposed Design and Development Overlay into local planning policy with objectives, strategies and policy guidelines, consistent with the existing approach to supporting ESD outcomes through the Victorian Planning System.

Exclude the Fishermans Bend Urban Renewal Area (Lorimer precinct), which has existing precinct-specific policy guidance that is consistent across the Melbourne and Port Phillip Planning Scheme, from the local policy application.

Remove proposed energy efficiency standards that require compliance with scores and targets that duplicate or exceed those specified in the National Construction Code as shown in Table 1.

Remove proposed renewable energy and integrated water management standards that are inconsistent or overlap with requirements in the Victorian Planning Provisions as shown in Table 2.

Revise the proposed recycled water standard for use of alternative water sources for all non-potable uses from 'where technically achievable' to 'where feasible'.

Remove the proposed sustainable transport requirements in the Capital City Zone and Docklands Zone schedules and use local planning policy to encourage the provision of motorcycle, car-share, and electric-vehicle parking.

The First Authorisation provided some explanation for the basis of the conditions of authorisation, referring to:

- the development of new policies and standards being proposed by the state government into the Victorian Planning Provisions (VPPs)
- the review and strengthening of energy efficiency requirements for residential buildings in the NCC
- the development by the State government of the (at the time) Gas Substation Roadmap
- concerns held by the then Minister about implementation of the proposed ESD standards, including:
  - alignment with the (then) VPPs and proposed NCC changes
  - preference for ESD measures to be set out in local planning policy
  - whether the proposed sustainable transport measures had considered the head zone provisions
  - that the Green Factor Tool would sit outside the Planning Scheme.

## **(ii) Second Authorisation**

On 17 October 2022 the Lord Mayor wrote to the (acting) Minister, seeking the conditions of the First Authorisation be removed. The letter stated:

It is requested that the conditional authorisation of Amendment C376 be reconsidered also in light of the new State policy approved under Amendment VC216 (gazetted and approved by the Minister for Planning on Friday 10 June 2022). Amendment VC216 aligns with Amendment C376 in that it has strengthened and expanded the State policy on environmentally sustainable design and climate change response, meaning that proposed Amendment C376 is now more strongly supported by State planning policy.

This Amendment process, again, would allow for the testing of a set of controls aimed at delivering on the policy positions of both the State and Council.

The proposed planning provisions in Amendment C376 are evidence-based and developed in consultation with an external advisory group of experts and key stakeholders. The proposed provisions are commensurate with the City of Melbourne's unique development typology and climate change emissions scenario, which sees buildings contribute to 66% of emissions in City of Melbourne as compared to buildings contributing 25% of emissions for rest of the State.

Enabling the proposed standards to be fully tested through public consultation and an independent panel is important so that the standards are understood in the local context and that the best information is made available. Thank you for your reconsideration of this important work.

On 25 October 2022, the Deputy Secretary Planning, as the Minister's delegate, gave a second authorisation (Second Authorisation). The Second Authorisation replaced the First Authorisation and included a single condition of authorisation. The Second Authorisation stated:

I refer to your council's application for authorisation to prepare an amendment to the Melbourne Planning Scheme in accordance with section 8A of the Planning and Environment Act 1987 (PE Act), the former Minister for Planning's authorisation decision on C376melb of 19 December 2021 and the letter from the Lord Mayor of Melbourne of 17 October 2022, requesting that the conditions imposed on that authorisation be removed.

Amendment C376 proposes to implement sustainability and green infrastructure policy into the Melbourne Planning Scheme by introducing environmentally sustainable design (ESD) standards that include a range of new mandatory and discretionary requirements.

Having regard to the strategic justification provided by your council, and under delegated authority, I agree to remove the conditions imposed on the C376melb authorisation in the

letter of 19 December 2021, and grant your council authorisation to prepare Amendment C376melb in accordance with the following condition:

Prior to exhibition make any technical or clerical changes to the amendment document that are required to reflect changes to the Melbourne Planning Scheme that have occurred since the original request was submitted in 2020.

The authorisation of Amendment C376 provides an opportunity for the ESD provisions within the City of Melbourne to be tested with the community and industry through a public exhibition process in accordance with the provisions of the PE Act. Following the exhibition of C376melb consideration will be given to how any submissions that are made will be heard and considered, with potential options including a joint panel and advisory committee process.

The same amendment number was adopted, however Council submitted the effect of the Second Authorisation was to grant a fresh authorisation for the Amendment, with conditions.

### 1.3 Expert evidence

The Panel had the benefit of expert evidence from seven experts as shown in Table 2.

**Table 2** Summary of experts

Party	Expert	Field	Firm
Council	Gavin Ashley	Operation of the Green Factor Tool	Hip V. Hype
	Mark Jacques	Use of the Green Factor Tool	Openwork
	John Glossop	Strategic and statutory planning	Glossop Town Planning
	Julian Szafraniec	Economic implications	SGS Economics and Planning
	Andrew Spencer	Economic implications	SGS Economics and Planning
	Charmaine Dunstan	Transport	Traffix Group
	David Ritter	Environmentally sustainable design	Grimshaw Architects

Mr Ashley's expert evidence contained background information in relation to the Green Factor Tool including a video with a live demonstration. It also attached two background documents which underpinned the rigour of the tool:

- Scenario Testing Report, Green Infrastructure Assessment Tool, Hip V. Hype, May 2020 (Scenario Testing Report)<sup>1</sup>.
- An article published in *Urban Planning*, 2021, Volume 6, Issue 1, Pages 20–31 titled *Integrating Green Infrastructure into Urban Planning: Developing Melbourne's Green Factor Tool* by Judy Bush (Faculty of Architecture, Building and Planning, The University of Melbourne), Gavin Ashley (Hip V. Hype) and Ben Foster and Gail Hall (both City of Melbourne), January 2021 (Journal Article)<sup>2</sup>.

### 1.4 The Panel's approach

Key issues raised in submissions were:

- economic impact
- use of a DDO rather than policy
- mandatory sustainability requirements
- use of a new external web based tool

<sup>1</sup> Appended to D10a.

<sup>2</sup> Ibid.

- sustainable transport requirements including bicycle parking rates and the retention of car parking spaces in common ownership
- interplay with the NCC
- stakeholder specific concerns
- technical drafting matters.

The Panel has assessed the Amendment against the principles of net community benefit and sustainable development, as set out in Clause 71.02-3 (Integrated decision making) of the Planning Scheme.

The Panel considered all written submissions made in response to the exhibition of the Amendment and submissions, evidence and other material presented to it during the Hearing. It has reviewed a large volume of material and has had to be selective in referring to the more relevant or determinative material in the Report. All submissions and materials have been considered by the Panel in reaching its conclusions, regardless of whether they are specifically mentioned in the Report.

This Report deals with the issues under the following headings:

- Strategic issues
- Economic feasibility
- Statutory planning approach to ESD requirements
- Green Factor Tool
- DDO73 drafting matters
- Sustainable transport requirements
- Other issues.

#### **(i) Drafting of the Amendment ordinance**

This report refers to the following versions of Amendment ordinance:

- Exhibited - the version which original submissions responded to
- FMC – the version endorsed by Council on 21 May 2024<sup>3</sup>
- Day 1 – filed on 14 August 2024<sup>4</sup>
- Final Day – filed on 23 August 2024<sup>5</sup>
- Post-Hearing – filed on 6 September 2024.<sup>6</sup>

Through the exhibition and hearing process Council sought to respond to submissions and evidence and proposed many refinements to the ordinance. Council took a pragmatic consultative approach to the drafting of the new and amended controls and policy provisions. It sought to consult early with its independent experts to seek their views on the drafting in the Exhibited version.

The preliminary comments from its experts, together with submissions made on the Amendment, were considered by the Council officers and used to guide the amendments made in the FMC Version. The FMC Version was then considered by its experts for the purposes of the preparation of their witness statements. The various recommendations made by the experts in their

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<sup>3</sup> D9

<sup>4</sup> D18

<sup>5</sup> D47 to 50

<sup>6</sup> D54 to 77

respective statements in respect of the FMC Version then led to further drafting changes in the Day 1 version.

Council then produced a Final Day version and a Post Hearing version of the controls which respond to matters raised through the Hearing. The Panel thanks Council for the work and effort that went into the various iterations.

To assist the reader, a copy of Council's Post Hearing version of DDO73 is contained in Appendix G for completeness. It reflects Council's final position.

All Panel recommendations to the DDO73 and schedules to the Capital City Zone and Docklands Zone are based on the exhibited version of the ordinance.

## 2 Strategic issues

### 2.1 Strategic chronology

Table 3 Strategic chronology

Date	Event
2012	Last major change to the Planning Scheme's policies and requirements concerning environmentally sustainable buildings was when its ESD policy (Energy Water and Waste Efficiency, then at Clause 22.19) was introduced. That policy was the first in the State and largely remains in the Planning Scheme in Clause 15.01-2L-01 (Energy and resource efficiency). It was considered by a Panel in Melbourne C187 (PSA) [2012] PPV 132
April 2013	Amendment C187 was gazetted and introduced a revised Clause 22.19. That policy largely remains in the Planning Scheme in Clause 15.01-2L-01 Energy and resource efficiency
June 2013	(Then) Minister for Planning appointed the Environmentally Efficient Design Advisory Committee under section 151, 153 and 155 of the <i>Planning and Environment Act 1987</i> (PE Act) to provide advice to the Minister for Planning on the applicability and suitability of including environmental sustainability requirements in planning schemes generally as proposed in the local policies proposed to be introduced by six local councils. Those policies proposed to reference various ESD tools, such as Nationwide House Energy Rating Scheme (NatHERS) and Green Star. The policies were generally endorsed by the Advisory Committee in its report <i>Environmentally Efficient Design Local Policies</i> (AC) [2014] PPV 40
12 December 2015	Paris Agreement adopted
November 2017	Council's Future Melbourne Committee endorsed the <i>Green Our City Strategic Action Plan 2017-2021</i> , City of Melbourne, June 2017, City of Melbourne's plan for vertical and rooftop greening in Melbourne (GOCAP)
21 November 2017	Future Melbourne Committee resolved to: <ul style="list-style-type: none"> <li>1.1. Endorses the Green Our City Strategic Action Plan to enhance the City of Melbourne's existing education and incentive-based approach whilst developing a business case for a future regulatory mechanism, for Council's consideration</li> <li>1.2. Authorise the Director City Strategy and Place to make any further minor editorial changes to the Green Our City Strategic Action plan prior to publication</li> </ul>
2017 to 2019	Council commissioned ESD related initiatives including: <ul style="list-style-type: none"> <li>- <i>Climate Change Adaptation Strategy Refresh</i>, City of Melbourne, 2017</li> <li>- <i>The Municipal Integrated Water Management Plan</i>, City of Melbourne, 2017</li> <li>- <i>Climate Change Mitigation Strategy to 2050</i>, City of Melbourne, 2018</li> <li>- a refresh of the <i>Transport Strategy, Background paper, Increasing the Use of Bicycles for Transport</i>, Phillip Boyle &amp; Associates, May 2018</li> <li>- the <i>Waste and Resource Recovery Strategy 2030</i>, City of Melbourne, 2019</li> </ul>

Date	Event
	<ul style="list-style-type: none"> <li>- <i>Transport Strategy 2030</i>, City of Melbourne, 2019</li> <li>- <i>The Green Our City Strategic Action Plan: Strategic Justification for regulatory requirement for sustainability</i>, Arup Consultants &amp; Others, 18 October 2019 (GOCSAP)</li> </ul>
2018	<p>The Fishermans Bend Planning Review Panel considered the appropriateness of various ESD measures to be applied in the Fishermans Bend Urban Renewal Area. The Advisory Committee recommended, among other things that the CCZ Schedule should require buildings over 5,000 square metres to achieve a 5 Star Green Star rating (as a mandatory requirement): Section 11.2 of the <i>Fishermans Bend Planning Review Panel (AC) [2018] PPV 71</i></p>
June 2019	<p>Amendment GC118 introduced Capital City Zone Schedule 4 (Fishermans Bend Urban Renewal Area) (CCZ4), which includes permit conditions that require:</p> <ul style="list-style-type: none"> <li>- certain new buildings and additions/alterations achieve minimum 4 or 5 star ratings under the Green Star Design and As Built tool</li> <li>- ‘third pipe’ installations for recycled and rain water re-use, and the provision of rain water tanks for water re-use</li> </ul>
16 July 2019	<p>Council declared a climate and biodiversity emergency, acknowledging that an average global temperature rise above 1.5 degrees Celsius would lead to major and irreversible damage to ecosystems, including within the municipality of Melbourne</p>
18 February 2020	<p>Future Melbourne Committee endorsed Council management’s review and response to the climate and biodiversity emergency</p>
March 2020	<p>Council engaged Hip V. Hype to do further work on the Green Factor Tool, culminating in the Scenario Testing Report</p>
September 2020	<p><i>Sustainable Building Design Planning Scheme Amendment C376, Background Report</i>, Hansen Partnership, September 2020 (Hansen Report), was finalised</p>
2022	<p>State government released the <i>Environmentally sustainable development of buildings and subdivisions, A roadmap for Victoria’s planning system</i>, DELWP, 2020 (ESD Road Map)</p>
2 May 2022	<p>The Advisory Committee considering draft Melbourne Planning Scheme Amendment C407melb (Arden Structure Plan) released its report (<i>Victorian Planning Authority Projects Standing Advisory Committee – Referral 6 (AC) [2022] PPV 24</i>) and:</p> <ul style="list-style-type: none"> <li>- recommended the ESD requirements would be better located in a Design and Development Overlay (DDO) rather than local policy</li> <li>- endorsed the inclusion of various requirements relating to greening, and sustainable transport initiatives (including controlling motorcycle and bicycle parking through the zone provisions).</li> </ul>
July 2022	<p>Amendment C407melb was gazetted and includes provisions directed to the adaptability of buildings and carparks (DDO80, DDO81, DDO82 and DDO83). Clause 11.03-6L-01 (Arden Precinct) (rather than the DDOs) includes:</p> <ul style="list-style-type: none"> <li>- environmentally sustainable design objectives, strategies and policy guidelines</li> </ul>

Date	Event
10 June 2022	<p>- sustainable transport objectives, strategies and policy guidelines.</p> <p>Ministerial amendment VC216 was gazetted. It amended the VPP and PPF to support and enhance ESD outcomes, as part of the State government's implementation of Plan Melbourne actions relating to ESD, water management, cooling and greening, air and noise pollution, and recycling and resource recovery.</p>

### (i) GOCAP

The GOCAP was the genesis of the Green Factor Tool, and other standards proposed in the Amendment including those relating to the urban heat island effect.

The GOCAP aimed to address the issue that:

...despite all the action to date by the City of Melbourne to encourage green infrastructure, uptake of green roofs and vertical greening has been slow and as of November 2017 there are only 38 green rooftops in the municipality.

The number of green rooftops is to be contrasted with the number of buildings in the municipality being a total of 22,152. To address this the:

...action plan outlines the way Council and the community can substantially increase the quantity and quality of green infrastructure in both the public and private realm using a variety of approaches.

GOCAP acknowledged how green roofs and vertical greening have been used across the world to help mitigate climate change effects and improve city amenity. Internationally it was noted that cities successful in creating greener environments had done so by introducing planning requirements. Indeed, research confirmed the increased number of green roofs would not have occurred without such regulatory changes.

The preface to the GOCAP states:

A City that cares for the environment. Environmental sustainability is the basis for all Future Melbourne goals. It requires current generations to choose how they meet their needs without compromising the ability of future generations to be able to do the same.

Relevant for the Amendment, Action 4.1 of the GOCAP provides:

Pursue changes to the planning scheme to require all types of development in the City to play a part in achieving environmentally sustainable design targets, including green roofs and vertical greening.

The development of a green infrastructure assessment tool for Melbourne (which ultimately became the Green Factor Tool) was also first contemplated in the GOCAP. One of the listed considerations for implementation of Action 4.1 was:

How best to adapt world leading initiatives such as Seattle's Green Factor in a Melbourne context.

### (ii) GOCSAP

The *Green Our City Strategic Action Plan: Strategic Justification for regulatory requirement for sustainability*, Arup Consultants & Others, 18 October 2019 (GOCSAP) responded to Action 4.1 of the GOCAP and identified a number of ESD related gaps in the Planning Scheme (as it was at the time).

The Planning Scheme review undertaken identified that:

- Green infrastructure, climate change adaptation and biodiversity have the most limited representation in the planning scheme and must be the focus area for developing new tools and standards.
- Transport, flooding, sunlight, vegetation and resource efficiency targets were the most well-defined in terms of clarity and objectivity.
- The most robust planning provisions incorporated measurable targets, usually facilitated by a sustainability rating scheme such as Green Star.
- Planning provisions for Fishermans Bend had readily interpretable guidelines and targets for planners.

The investigation included lessons learned by Council in implementing its own local planning policy at Clause 22.19, other Victorian councils in implementing ESD policies and Australian and international cities in the first years of requiring green infrastructure through planning policy.

Relevant lessons included:

- Identifying green infrastructure priorities in different areas of the municipality, which allows the coordination of individual developments to contribute to precinct needs.
- ...
- Developing a green infrastructure assessment tool that allows green infrastructure solutions that reflect the opportunities and constraints of individual developments.
- Collecting data to track lessons and industry changes to inform the revision of guidelines and tools.

Informed by development viability testing, the GOCSAP made a series of recommendations about strengthening ESD measures in the Planning Scheme:

Refine urban ecology standards and the green infrastructure assessment tool.

Refine bicycle parking standards.

Consider expanding sustainability standards for less developed themes.

Continue to pursue the GOCAP planning scheme amendment.

Develop comprehensive support processes.

Collaborate with the Green Building Council of Australia.

Monitor policy impact.

It also developed a suite of standards to reflect Council's goals, actions and targets. There are two tiers of proposed standards:

- Minimum requirements – this standard is to be achieved across all development types (mandatory). Mandatory standards are necessary to drive meaningful green infrastructure and ESD outcomes where discretionary standards alone may be insufficient.
- Preferred standard – this standard achieves above the minimum requirements and would provide a higher contribution towards achieving the municipality's sustainability actions and targets (discretionary).

The following categories were identified in the GOCSAP, and were developed into the provisions of the Amendment, including:

- energy and greenhouse gas emissions by achieving certifications in Green Star, National Australian Built Environmental Rating System (NABERS), NatHERS and Built Environment Sustainability Scorecard (BESS)
- sustainable transport, including refining bicycle standards
- waste and resources recovery, including a requirement to meet Waste Management Guidelines
- urban heat reduction
- integrated water management, including requirements to support on-site green infrastructure

- urban ecology, including a requirement to achieve the equivalent of at least 40 per cent total site area as green cover, as demonstrated using the Green Factor Tool. In addition to the minimum requirements, the preferred standard, amongst other things, encouraged the prioritisation of indigenous vegetation.

The GOCSAP was underpinned by a suite of technical appendices including:

- a comprehensive 'wider benefits' literature review
- consideration of a policy based approach to ESD
- a gap analysis of existing policies and planning provisions
- an explanation of the evolution of ESD standards
- development viability case study work.

### (iii) Hansen Report

The Hansen Report:

- confirmed the rationale and appropriateness of introducing more sophisticated ESD controls (as detailed in the GOCSAP) into the Planning Scheme
- considered various options for implementation and concluded that the DDO and zone schedules were appropriate and "*the best fit*" to deliver the outcomes sought
- considered and endorsed the use of mandatory controls and external rating tools.

Key findings included:

The review undertaken by Hansen determined that the fundamentals of the Standards proposed in the GOCSAP (2019) report were sound and there was a clear overarching rationale for the benefits in applying more sophisticated ESD controls. In the refinement of the proposed Standards and the translation of these into policy and controls, the following considerations were acknowledged:

- It is widely accepted that it is of fundamental importance to 'build in' environmentally sustainable design, and particular energy efficiency, in the early stages of planning. Ensuring new buildings are energy efficient (and therefore reduce overall demand) is an important step in supporting broader transition to zero emissions, noting the challenges associated with retrofitting existing building stock.
- Many of the core principles and design outcomes which are necessary to deliver a built environment which responds to the climate emergency fundamentally need to be delivered at the planning stage. If they are not addressed at the planning stage, all too often optimal outcomes are 'locked out' or incur much greater costs. It is much more 'cost effective' to design in required responses than to add them later.
- There will necessarily be a difference in the scale, scope and practicality of delivering different standards having consideration to their application at a National, State or Local level. In other words, the particular characteristics of the City of Melbourne mean that the expectation and ability of developers to deliver outcomes is different from those which may exist in a regional centre (for example). This is supported by previous findings by the 2014 Ministerial Advisory Committee on Environmentally Efficient Design Local Policies which confirmed there was scope for local policies to "raise the bar" where municipalities wish to exceed the Statewide requirement. "

### (iv) ESD Roadmap

The ESD Roadmap outlines a program to introduce new ESD planning policies and standards in the VPP. The roadmap states:

The Victorian Government is committed to improving the environmental performance and resilience of buildings in response to urban growth and a changing climate.

Plan Melbourne (2017) recognises that well designed and resource efficient buildings provide essential building blocks for creating more sustainable, liveable cities and towns.

Improving the energy and water efficiency of new buildings supports affordable living, contributes to reduced greenhouse gas emissions and reduces stormwater pollution of our rivers and bays. Our quality of life is enhanced by building design features that make it easier to recycle, support more sustainable transport options and minimise the intrusion of air pollution and noise.

The ESD Roadmap identified a two stage process:

Development of an integrated planning system approach to ESD will follow a two-stage process.

Reforms as part of stage one will ensure that ESD is more comprehensively addressed throughout the Planning Policy Framework and provide a clearer policy basis for development of new standards.

Stage two will introduce new and expanded particular provisions across a range of key ESD elements to help achievement of wider urban sustainability goals. These actions will be supported by further guidance materials and tools.

These planning reforms will occur concurrently with a longer-term program to improve the environmental performance of developments through the building system. A staged process of changes and improvements to the energy efficiency standards of the National Construction Code commenced in 2019, with further improvements underway.

Consultation with stakeholders on the planning reforms will take place over the coming months and will be finalised over 2021.

## 2.2 Planning context

This sub-chapter identifies the planning context relevant to the Amendment. Appendix C highlights key imperatives of relevant provisions and policies.

Table 4 Planning context

	Relevant references
<b>Victorian planning objectives</b>	- section 4 of the PE Act
<b>Municipal Planning Strategy</b>	- Clause 02.03-2 Environmental and landscape values - Clause 02.03-4 Built environment and heritage – Sustainable Development - Clause 02.03-7 Transport
<b>Planning Policy Framework</b>	- Clauses 0.1 (Purpose of this Planning Scheme) - Clause 2 (Municipal Planning Strategy) - Clause 11 (Settlement), 11.01-1S (Victoria – Settlement) - Clause 12.01-1S (Protection of Biodiversity) - Clause 13.01.1S (Natural Hazards and Climate Change), 13.03-1S (Floodplain management), 13.06-1S (Air quality management) - Clause 15 (Built environment and Heritage), 15.01-1S (Urban design), 15.01-1R (Urban design – Metropolitan Melbourne), 15.01-2S (Building design), 15.01-4S (Healthy neighbourhoods) - Clause 18 (Transport), 18.01-1L (Land use and transport planning), 18.01-3S (Sustainable and safe transport), 18.02-2S (Cycling) - Clause 19.01-2S (Renewable energy), 19.03-3S (Integrated water management), 19.03.5S (Waste and resource recovery)
<b>Other planning strategies and policies</b>	- Plan Melbourne Direction 5.2, Policy 5.2.1, Direction 5.4, Policies 5.4.1 and 5.4.2, Direction 6.1, Policies 6.1.1 and 6.1.2, Direction 6.1, Policies 6.2.1 and 6.2.2, Direction 6.3, Policies 6.3.1, 6.3.2 and 6.3.3, Direction 6.4, Policies 6.4.1 and 6.4.2, Direction, 6.5, Policies 6.5.1,

	6.5.2 and 6.5.3, Direction 6.6, Policy 6.6.1, Direction 6.7, Policies 6.7.1, 6.7.2 and 6.7.3
<b>Planning scheme provisions</b>	<ul style="list-style-type: none"> <li>- Capital City Zone</li> <li>- Docklands Zone</li> <li>- Design and Development Overlay</li> </ul>
<b>Planning scheme amendments</b>	<ul style="list-style-type: none"> <li>- Melbourne C409melb – Planning Policy Framework translation</li> <li>- Melbourne C417melb – Macaulay Major Urban Renewal Precinct</li> <li>- Melbourne C432melb – Municipal Planning Strategy Update</li> <li>- Draft Amendment GC224 – Fishermans Bend Infrastructure Funding</li> <li>- Melbourne C384melb – Inundation Overlays</li> <li>- Amendment VC250 – Victoria’s Gas Substitution Roadmap</li> </ul>
<b>Ministerial directions</b>	<ul style="list-style-type: none"> <li>- Ministerial Direction s7(5) (Form and Content of Planning Schemes)</li> <li>- Ministerial Direction 9 (Metropolitan Strategy)</li> <li>- Ministerial Direction 11 (Strategic Assessment of Amendments)</li> </ul>
<b>Planning practice notes</b>	<ul style="list-style-type: none"> <li>- Practice Note 46: Strategic Assessment Guidelines, September 2022</li> <li>- Practice Note 59: Mandatory Provisions in Planning Schemes, August 2023</li> </ul>

## 2.3 Strategic justification and rationale for the Amendment

### (i) Evidence and submissions

Council provided a detailed summary of the rationale and strategic justification for the Amendment:

As noted above, Council has declared a climate and biodiversity emergency. It is now generally accepted that human induced climate change is occurring rapidly and leading to warming of the climate. The expectation is that this will lead to more frequent, and severe, weather events, an increase in global average temperatures, and severe consequential impacts on biodiversity.

Strategic planning has a clear, and obvious, role in adaptation to and mitigation of climate change impacts, by setting in place appropriate built form standards to regulate the nature and performance of buildings that will be in use for many decades into the future, and that consequentially will play an essential role in mitigating the effects of climate change.

It is in that context that Council has proposed the Amendment, which is directed to the introduction of intentionally higher and more demanding ESD standards for the development of new buildings (and larger extensions and additions to existing buildings) across the municipality.

The fundamental purpose to which the Amendment is directed is lifting the ESD performance of the applicable building types and typologies across the capital city, which have a significant environmental impact across their life cycle – and conversely, by the introduction of more stringent ESD requirements, can have a significant impact as part of the response to the climate emergency.

This context, and the importance of the built form response that is proposed by the Amendment, is supported by the extensive research and findings of the various background and supporting documents that have informed the Amendment.

Council submitted that this strategic background and work provides a clear rationale and sound strategic basis for the Amendment to proceed.

Council took the Panel to the Hansen Report which describes the rationale for the Amendment as follows:

While the GOCSAP (2019) report and other background documents provide more extensive discussions focussed on the rationale for the amendment, the following key observations are made as part of this review:

- The scientific basis for a response to climate change is clear, and the scientific evidence as to the step-change required to respond to this science continues to strengthen. Planning as a discipline must respond to this evidence base.
- Climate change requires an evolution from a 'business as usual' approach. The fundamental importance of addressing climate change and its impacts in meeting the objectives of planning under the Planning and Environment Act (1987) are acknowledged. The State commitment to zero emissions by 2050 means inevitable change in current practice at state, city, precinct and lot scale. To date the change required has not been reflected in planning policy.
- How we plan our cities, and build our buildings is a core part of any response to both mitigation and adaptation imperatives as a result of climate change. Buildings currently account for over 50% of Australia's electricity use and almost a quarter of our carbon emissions. In the City of Melbourne buildings contribute 66 per cent of current annual greenhouse gas emissions. Buildings can therefore make a significant contribution to mitigation. They also have a clear role to play in adaptation to support community resilience.
- The City of Melbourne owns and controls less than one third of the city's land area, with the majority of the municipality in private ownership. In terms of built form, City of Melbourne owns 1.3 percent of the buildings in the municipality (279 out of a total of 22,152). The private realm is therefore a critical contributor to any overarching municipal goals or targets. While the City, in partnership with other public entities, can drive change on public land, the planning system remains a key tool in facilitating changed practices on private land.
- The current content of the Melbourne Planning Scheme relating to ESD has begun the process of 'transition' in the introduction of planning controls which require higher levels of environmental sustainability (i.e. comparable, discretionary, controls already apply in the City). The declaration of an 'emergency' by Council constitutes recognition that further opportunities for gradual transition to address climate change have been lost and that urgent action is needed.
- Reviews undertaken prior to the formation of this amendment have identified that current policy in relation to relevant themes has both clear gaps (such as in relation to urban ecology) and shortcomings (such as in relation to energy efficiency and sustainable transport). There are also existing shortcomings in how policy is implemented and the 'follow through' of building elements which contribute to ESD outcomes.
- While the City of Melbourne's ESD policy (Energy Water and Waste Efficiency at Clause 22.19) was the first in the State, it is now outdated in relation to other comparable policies and misaligned with adopted Council positions.

On the basis of the above there is a clear rationale to update policy content relating to sustainable building design in the City of Melbourne to reflect evolution in the understanding of best practice, technological changes and the need for greater certainty in the delivery of buildings which mitigate and respond to climate change.

Council submitted the Amendment has been prepared so that it is consistent with the State Planning Policy Framework and the VPP and so that it is easily adaptable to a particular provisions schedule, should the State introduce a particular provision in the future.

Council said the Amendment goes further than the existing State ESD provisions because:

- of the severity of the climate change and consequences of insufficiently robust responses
- Council has led the way in many strategic planning areas and seeks to continue that role
- there is an expectation that development in the Municipality should lead the way in achieving higher standards.

Council submitted:

- Clause 22.19 (Energy Waste and Efficiency) and the NCC are not achieving the improvements needed
- compliance with a discretionary policy and the minimum standards in the NCC will not achieve net zero
- something more needs to be done.

## (ii) Discussion

Planning Schemes are dynamic documents that need to respond and adjust to societal demands and emerging challenges, including environmental challenges. The impacts of climate change will affect the look of our cities in different ways and society's response is critical given it has the potential to affect not just our health, safety and amenity but also our built environment.

The Amendment is a direct and necessary response to the declared climate and biodiversity emergency and Council's commitment to net zero carbon emissions by 2040. It seeks to guide a range of matters relating to the design of new buildings to ensure they are energy efficient, provide green cover and respond to climate change impacts. The background reports underpinning the Amendment have been based on contemporary analysis, research and findings brought together in the GOCSAP and Hansen Report, significant pieces of work which provide a sound strategic justification for the Amendment.

Importantly, the Amendment is consistent with the increased emphasis to be placed on climate change and emissions reductions as part of the planning framework, as demonstrated by the introduction of a new objective for the planning framework to be incorporated into the PE Act pursuant to section 16 of the *Climate Change and Energy Legislation Amendment (Renewable Energy and Storage Targets) Act 2024*. The new objective is:

(da) to provide for explicit consideration of the policies and obligations of the State relating to climate change, including but not limited to greenhouse gas emissions reduction targets and the need to increase resilience to climate change, when decisions are made about the use and development of land;

The State and local planning policy frameworks provide overwhelming support for addressing ESD in the land use and development process. The concept of ESD in planning schemes is not new, and includes Clause 22.19 and the NCC, but it has evolved to the point where it is widely accepted that ESD must be expanded to the point where a more targeted approach to sustainability is achieved. As Council submitted, it is evident that Clause 22.19 and the NCC are not achieving the improvements needed. The Amendment therefore appropriately seeks to embed in the planning system more stringent ESD controls.

## (iii) Conclusions and recommendation

For the reasons set out in this report, the Panel concludes that the Amendment:

- is supported by, and implements, the relevant sections of the Planning Policy Framework
- is consistent with the relevant Ministerial Directions and Practice Notes
- is well founded and strategically justified
- should proceed subject to addressing the more specific issues raised in submissions as discussed in the following chapters.

The Panel recommends:

**Adopt Melbourne Planning Scheme Amendment C376melb as exhibited subject to the specific recommendations in this report.**

## 3 Economic feasibility

### (i) The issue

The issue is whether the economic impact of the Amendment, in terms of development feasibility and costs compared to benefits, is appropriate and justified.

### (ii) Background

The GOCSAP reviewed testing of draft planning standards via a ‘technical feasibility study’ and a ‘development viability study’ that explored the impacts through a series of case studies. The analysis was based on modifying or ‘retrofitting’ existing developments to meet the proposed standards, rather than designing a new development ‘from scratch’ with the new standards in mind from the outset.

The technical feasibility study found the average construction cost increase to meet the standards for the four case study projects was 2 per cent and the average impact on yield was 2 per cent. The development viability study found the impact of these construction cost increases and yield losses on residual land values (RLV) were in the range of 4 to 16 per cent. However, these reductions to RLV would be offset if the development could achieve increases in revenues ranging from 1.2 to 4.4 per cent. These increases could arise where buyers are willing to pay more for buildings with higher ESD performance and features.

A further feasibility study *Green Our City Action Plan – Draft Planning Requirements 5 Additional Sites*, HillPDA, 2022 investigated an additional five case studies and found that proposed standards might impact construction costs by between 2.7 and 9.6 per cent and a revenue premium of between 4 to 6 per cent would be required to offset those cost impacts.

Council engaged SGS Economics and Planning (SGS) to complete a further review of the economic impact of the Amendment because of:

- proposed changes to the Amendment in response to submissions
- the time that had elapsed since the previous economic analyses in 2019 and 2022
- changes to the policy context and market conditions since the original feasibility studies.

The report *City of Melbourne Amendment C376 Economic Assessment*, SGS, August 2024 (SGS Report) was prepared by Mr Szafraniec and Mr Spencer of SGS. Both authors of the SGS Report were called by Council as expert witnesses and made a joint presentation at the Hearing. They relied on the SGS Report as the basis for their evidence statements.

### (iii) Evidence and submissions

The SGS Report notes:

The Amendment is novel and complex making it somewhat challenging to assess the precise magnitude of economic benefits arising from higher standards of sustainable building design. The Amendment covers all land subject to the Melbourne Planning Scheme and, as a result, impacts a wide range of development locations, forms and scales. Furthermore, unlike a simple height control, the Amendment directly and indirectly impacts development in a wide range of ways, which can also vary between development as it provides a degree of flexibility in how the market responds to various standards and requirements. While this flexible approach is a positive from an economic and market perspective, it creates challenges when seeking to measure its net impact on development and community. Hence, this report has considered the question of impact from a broader economic literature and local case study perspective, and both qualitative and quantitative perspective.

The SGS Report acknowledges higher standards of sustainable building design can potentially lead to higher costs compared to 'business as usual' building design due to:

- higher design costs where additional expertise is required to design and develop the building to the required standard
- higher construction costs as a result of more expensive materials and technologies
- longer construction times as a result of more complex construction and novel materials, construction techniques or technologies
- certification costs
- higher maintenance costs for green infrastructure (costs borne by the building owner or owners corporation).

There is limited rigorous empirical evidence regarding the cost-effectiveness of investments in higher standards of sustainable building design. The literature on the costs of sustainable building design suggest they are highly variable due to differences in building type, scale, location, climate, economic context at the time, and degree of sustainability uplift desired. As higher standards become the norm, design and construction costs and construction times are likely to reduce in response to higher demand, improved technologies and practices and economies of scale.

Sustainable building design also produces a range of direct benefits for building occupiers and indirect benefits for the broader community. Direct benefits can include operational cost savings, higher quality buildings, improved health outcomes and employee productivity. Benefits to the broader community can include reduced emissions associated with embodied carbon, reduced exposure to environmental risk and enhanced urban ecology.

The SGS Report notes:

- sustainable buildings typically attract higher revenues compared to more conventional buildings as the higher amenity and lower operating costs result in a price premium
- market research by HillPDA suggests higher ESD standards can provide an uplift of between 3 and 8 percent for residential and 2 and 7 percent for commercial property
- studies have found that the price premium for more sustainable buildings typically exceeds the additional costs and they are likely to be even more cost-effective if accounting for the life cycle of the building.

The SGS Report states that although there is evidence to suggest the benefits of more sustainable buildings outweighs the additional costs, "*the construction of more sustainable buildings is likely to be suboptimal*" because:

- there are a range of negative externalities (such as the cost of greenhouse gas emissions, loss of biodiversity and the risk of higher urban heat island effects) that are unpriced and are not reflected in market prices
- prospective purchasers or tenants of new buildings do not have perfect information about costs and benefits of sustainable buildings, resulting in economically inefficient outcomes
- developers of new buildings have different objectives to the prospective purchasers or tenants (for example, developers may seek to minimise costs by building less efficient buildings as the higher energy costs are borne by the end users).

The SGS Report notes that these market failures may prevent the switch to more sustainable buildings from happening at the pace that would otherwise be economically rational.

The SGS Report studied six new case studies by modelling the same building with and without the Amendment standards. This ensured findings were directly relevant to the specific changes to

new developments that would be triggered by the Amendment. The six case studies considered a range of common development types drawn randomly from actual recently approved planning permit applications within the City of Melbourne. The case studies are summarised in Table 5.

**Table 5 Economic impact assessment case studies**

Case study	Type	Scale	Context
Site 1	Residential	Single dwelling	Established area
Site 2	Residential (multi-dwelling)	Under 5,000 m <sup>2</sup>	Renewal/Transitioning
Site 3	Residential (multi-dwelling)	Over 5,000 m <sup>2</sup>	CBD/Docklands/Southbank
Site 4	Office	Over 5,000 m <sup>2</sup>	CBD/Docklands/Southbank
Site 5	Mixed use (retail/office)	Under 5,000 m <sup>2</sup>	Established area
Site 6	Mixed use (office/residential)	Over 5,000 m <sup>2</sup>	Renewal/Transitioning

Source: SGS Report

The SGS Report noted that ideally, the approach would have considered a larger number of case studies across a wide range of development forms, scales and locations. The resources required to undertake the rigorous analysis for each case study meant that only a small number of case studies could realistically be tested.

The impact assessment was undertaken by a multi-disciplinary team that included ESD experts (Council), architects (Fieldwork), quantity surveyors (WT Partnership), economists (SGS) and property valuers (M3Property).

For each case study, an assessment was carried out to identify those changes needed to make the 'Base case' development 'Amendment compliant'. This included a review against the appropriate ESD tools for the case study in question (such as Green Star Buildings, BESS, Green Factor Tool).

This assessment was led by Council with assistance from Fieldwork. On the basis of this assessment Fieldwork documented the required changes in plans and tables. Using the permit applications and the Fieldwork report, WT Partnership prepared construction cost plans for base case developments with separate costings for the changes required for an Amendment compliant development. Using these cost plans, a development feasibility assessment was undertaken by M3Property to determine the RLV for the base case and the Amendment compliant versions.

The assessment was intended to test the impact of the Amendment on contemporary planning proposals. This required updating the development approved in the permit applications to reflect recent changes in legislation and policy that would be applied were those permits sought in 2024. The assessment also included changes relating to NCC 2022 (a minimum NatHERS rating of 7.0 and provisions regarding photo-voltaic connections and electric vehicle infrastructure), Amendment VC250 (Victorian residential gas ban), VC174 (revised Better Apartment Design Standards) and updates to Green Star and BESS. These changes improved the base case which new buildings must meet and ensured that only the impact of the additional ESD requirements in the Amendment were assessed in the 'Amendment compliant' scenarios.

The 'Amendment compliant' scenarios assumed:

- the application of generally minimum standards rather than the preferred standards in Table 1 and 2 of DDO73 (for example, no development modelled compliance with 6 Star Green Star Buildings or a minimum 70 per cent BESS score)

- where relevant, the sustainable transport measures proposed in the CCZ and Docklands Zone areas, however the impact on revenues with respect to the proposed restrictions on subdivision of car parks was not modelled because appropriate data was not available
- the hypothetical 'retrofit' of the existing plans for each development rather than a completely new design – which is a conservative approach and is likely to over-estimate the potential cost of compliance with the Amendment.

Modelling for Site 1 (a single dwelling) assumed a NatHERS rating of 7.5 stars, however during the Hearing this was identified as an error, and an assumption rating of 7.0 stars should have been used. An addendum to the calculations was provided to the Panel (Document 51) which showed a reduction in construction costs for this site of approximately \$59,000. This reduced the cost of compliance against the base case cost from 3.06 per cent to 0.86 per cent.

The case study assessment found that it was technically possible to make all six case study developments compliant with the Amendment. In each case this improved a range of sustainability outcomes, but required modification to the development which increased construction costs.

For all six case studies there was a cost increase which ranged from 0.86 per cent to 1.95 per cent as a proportion of the base construction cost. The average cost increase was 1.51 per cent and the weighted average by floor space was 1.47 per cent.<sup>7</sup>

Across the case studies, the largest costs tended to relate to insulation and window glazing. The cost of additional green infrastructure varied substantially between case studies, depending on the amount of additional green cover and whether it was horizontal or vertical.

The estimated costs suggest that the impacts of the Amendment are at the lower end of the spectrum for cost increases identified in the international literature for higher standards of sustainable building design. They are also at the lower end of the spectrum of case studies prepared between 2019 and 2022 in earlier work associated with the Amendment.

The SGS Report states:

... the lower cost increase from this most recent assessment is likely to be a function of an increase in the degree to which sustainable building design elements feature in the base case as a result of the implementation of the 2022 National Construction Code change that require higher base level of energy efficiency in all residential building and the updated Better Apartment Design Guidelines. That is to say, the ambition of the policies in the Amendment when first conceived in 2018 are a less significant departure from current practice.

The price premium necessary to achieve the base case RLV with the Amendment development costs were estimated for each case study. The premiums range from 0.48 per cent<sup>8</sup> and 0.9 per cent. This suggests that for the cases studied, if Amendment compliant developments can achieve these relatively modest price increases, there would not be any reduction in RLV as a result of the Amendment. These increases are at the lower end of the range of potential price premiums identified by HillPDA.

The SGS Report said it is difficult to judge whether buildings that are compliant with the Amendment would achieve the price premiums required to maintain RLVs at their existing levels. Where this is the case feasibility will be unaffected. Where the price premium is not sufficient to offset construction cost increases RLVs will be reduced as a result of the Amendment.

<sup>7</sup> Based on updated costs for Site 1 provided in Document 51

<sup>8</sup> Based on updated costs for Site 1 provided in Document 51

Only one site (Site 3) demonstrated that the base case RLV is higher than the existing use value but the Amendment compliant RLV is lower than the Existing Use Value (EUV). In this case the Amendment could make a development unfeasible under current market conditions. In order for the development to be feasible, higher revenues (a 0.8 per cent increase) would be required to offset the higher construction costs.

The SGS Report noted that if the Amendment does result in higher prices, this may be perceived as harmful to affordability. In response, it commented:

However, sustainable buildings attract a price premium in part due to their lower operating costs. That is to say, higher upfront costs reflect the capitalisation of lower operating costs over the life of the building. Higher up front costs and lower operating costs effectively cancel each other out in a broader framing of affordability.

The modifications to make each case study 'Amendment compliant' did not affect the yield of any development. Although based on a small sample size, the SGS Report concluded that it is unlikely the Amendment will have a significant impact on development yields.

The Amendment compliant developments result in the following benefits when compared to the base case:

- five developments would have lower energy use
- two developments would have 20 per cent reduced upfront carbon
- two developments would have additional renewable energy generation
- all developments would decrease their contribution to urban the heat island effect
- all developments would have a higher level of green cover
- three developments would have lower water consumption
- three developments would provide better support for sustainable transport.

Changes to meet the Amendment requirements will also improve thermal comfort and amenity for building occupants, and contribute to the overall greening of the city due to increased green infrastructure being provided in private domain.

Total green cover would increase from 1,509 square metres under the base case to 3,719 square metres under Amendment compliant scenarios – an increase of 2,210 square metres and an average increase across the case studies of 146 per cent. As a proportion of the combined site area of the six case study sites, green cover would increase from 18 per cent to 43 per cent.

The SGS Report concludes:

Due to broader market forces, ESD standards on new developments have generally already been improving. This has been supported by consumer expectations, new design and construction materials/approaches and is likely to continue. As a result, the Amendment is largely accelerating an established market trend, rather than profoundly changing behaviours and development fundamentals. This is supported by the six case studies, previously completed feasibility analysis and wider literature which indicate the Amendment is unlikely to materially impact development rates and yields in the City of Melbourne and will likely only have a small impact on the cost of development. These cost impacts are likely to reduce over time as materials, technologies and design approaches that supports sustainable building design become more common.

In relation to the impacts of the Amendment of development feasibility, these are likely to be relatively modest in most cases. The analysis of six case studies described above found the costs of upgrading existing development to comply with the Amendment ... is less than the typical construction project contingency of 5%. Furthermore, higher standards of sustainable building design provide opportunities for higher revenues that could offset the construction cost increases. While the impact of the Amendment on development feasibility will vary from site to site, it is anticipated that in most cases the effect will be marginal. If specific development opportunities are sufficiently impacted by the Amendment that they do not

proceed, it is reasonable to expect that the underlying demand will be expressed in alternative developments (which do comply with the Amendment), minimising any overall net impact on new development. residential growth, economic activity, price and affordability.

The six case studies each demonstrate that the Amendment will materially improve ESD outcomes for new developments and this is supported by the wider literature on ESD policies in other jurisdictions. However, the exact impact would be highly variable based on how each individual development chose to respond to the ESD rating requirements. Overtime, each development is likely to contribute to a range of non-market benefits including: lower energy use; less embodied carbon; additional renewable energy generation; decreased urban the heat island effect; higher level of green cover; lower water consumption; and better support for sustainable transport. While it is not viable to accurately estimate these non-market benefits for the Amendment, it is likely that they will be significant and lasting impacts which SGS believes would offset the additional costs imposed on some developments. The Amendment therefore supports net community benefit and sustainable development.

Council submitted it was also important to address economic impacts in the context of doing nothing. Council's *Climate Change Mitigation Strategy* (2018) notes that the cost of a 'business as usual scenario' of not transitioning to a low carbon economy has been estimated at \$12.6 billion to the economy of the City of Melbourne by 2050. Delayed action on climate change would subject the city to increased economic, social and environmental risks.

Some submissions objected to the Amendment because it would generate additional costs associated with documentation for a planning permit application. In response, Council submitted the use of external rating tools (such as Green Star, BESS and NABERS) will provide certainty about what is required to satisfy the relevant ESD requirements. Documentation provided by the applicant demonstrating relevant scores have been achieved should eliminate the need for further information and investigation into compliance by Council.

Council also noted some ESD requirements do not rely on external ratings tools (for example the urban heat island requirements in Table 6 of DDO73) and documenting compliance with those requirements should not be onerous. It said a permit applicant will be required to provide (other than for a single dwelling) a Sustainable Design Assessment, landscape plan package, and Waste Management Plan, setting out how the applicable ESD requirements have been met. Council submitted that while the content of the documents may expand as a result of the Amendment, those documents already typically form part of the package of materials that accompany permit applications for the development typologies affected by the Amendment.

Several submissions raised concerns about the impact on economic feasibility of development as a consequence of the Amendment.

UDIA Victoria supported Council's efforts to make Melbourne more sustainable, however it said sustainability measures should be "*designed and implemented with due consideration for development feasibility, so that we can continue to deliver the projects that contribute to Melbourne's reputation as one of the world's most liveable cities*".

MAB Corporation Pty Ltd (MAB) (Submitter 53) stated the Amendment will:

- worsen the affordability of new dwellings in the inner city by reducing supply whilst the industry adjusts to such major changes to policy and controls overnight
- further delay the approval of new dwellings whilst a rigorous assessment is undertaken of the sustainability credentials of a proposal as part of the planning process
- place the City of Melbourne at a disadvantage when seeking to attract investment compared with adjoining municipalities with similar locational attributes

- stymie the immediate recovery from Covid-19 at a time when inflationary pressures, shortages of supply and building industry uncertainties are already causing widespread disruption
- place increasing pressure on VCAT to make complex technical assessments of the sustainability credentials of proposals before it.

MAB noted the declining development conditions for inner Melbourne apartments is a chronic problem born out of range of factors. It said this situation has now reached a point where MAB, like other major developers, is unable to bring new apartment supply to market at prices that the majority of consumers can reasonably afford. MAB said the housing crisis is an important context for assessing any new planning policy as it will carry major implications for our economy and the wellbeing of Victorians, particularly the young and disadvantaged.

Ausvest (Submitter 72) noted the proposed 6 Star Green Star standard is 'World Excellence' and this will impose additional construction costs that are likely to be, in many circumstances, substantial and prohibitive. It stated:

Council's goal towards achieving reduction in emissions is supported, however this requires careful management. Council is familiar with and cognisant of the challenges faced by the community in relation to housing supply and affordability. Implementation of sustainability standards needs to occur in a balanced and gradual manner, providing the ability for the development sector to continue to evolve over time. The proposed Amendment, as exhibited, fails to achieve this balance and requires further consideration.

Master Builders Victoria (Submitter 38) submitted:

Having building specifications that sit outside the National Construction Code and are required to undergo a planning process would create unnecessary confusion and delays. Planning delays are one of the biggest complaints from our members. The goal may be better served by adding incentives such as a fast-track process to halve planning delays. Councils across Melbourne introducing a variety of amendments that sit outside the NCC regulations create confusion, delays, issues of compliance, and increases construction costs.

The Property Council of Australia (Submitter 66) submitted:

The Property Council agrees with the policy intent that private land and developments within the municipality have important roles to play in reducing greenhouse gas emissions, the health of local ecosystems and waterways, and contributing to a resilient community. Our members support the greening of cities and buildings, provided a sensible approach is taken so that cost does not far outweigh the benefits and there is an appropriate lead in time regarding updated policy settings.

#### **(iv) Discussion**

The Panel accepts the SGS Report is based on a sound methodology. It is well researched, sufficiently rigorous and provides a reasonable basis for the economic assessment of the impact of the Amendment. In this instance, a conventional cost-benefit analysis of the Amendment is difficult because many of the costs and benefits are hard to quantify. The SGS Report approaches the analysis of the Amendment in a systematic and logical approach and attempts to quantify those matters that are quantifiable and notes those that are not.

No party to the Hearing challenged the SGS Report and no evidence was presented that contradicted its conclusions.

The six case studies provide a useful context for the detailed consideration of the direct costs associated with the Amendment. The analysis is thorough and the Panel acknowledges the extensive and very detailed work completed by a multi-disciplinary team of experts. Council is

commended for providing this further economic assessment based on contemporary requirements and costings. This has complemented the original assessments in 2019 and 2022 and enhanced the Panel's understanding of the impact of the Amendment.

Testing of a wider range of case studies would have provided greater certainty about the impact of costs on the feasibility of development that complies with the Amendment. The Panel acknowledges that there are limits to the extent of resources available to complete a more comprehensive assessment. The case studies were selected 'at random' and therefore there is no reason to believe they are not a representative sample, albeit a small sample given the variety of building types and development context.

The Panel notes Site 1 represented a 'high end' single dwelling and the consideration of the potential impacts on more modest single dwellings and smaller multi-dwelling projects (such as townhouses or smaller apartments) would have been beneficial.

The modelling generally applied realistic assumptions and parameters, although some matters such as the application of minimum standards (rather than the preferred standards) and the exclusion of revenue impacts resulting from the restrictions on subdivision of carparks are important factors that the Panel has noted in its consideration of those specific issues.

The Panel accepts the Amendment will have many direct benefits to owners and occupiers of properties. This includes operational cost savings through lower energy and water consumption. Benefits to the broader community include reduced emissions associated with embodied carbon, higher levels of renewable energy generation, production of materials and surfaces that reduce the urban heat island effect, reduced exposure to environmental risk and enhanced urban ecology. These broader social and community benefits are not necessarily quantifiable, but are part of the set of benefits against which a proposal like the Amendment should be assessed.

The case studies in the SGS Report demonstrated that compliance with the Amendment may not necessitate a reduction in yield. Although the sample size is small, the Panel considers that in a broader context any potential reduction in yield is likely to be marginal and will not directly impact on the supply of residential or non-residential floor space.

The impact of the Amendment on the cost of construction of the six case studies is modest and acceptable. Cost increases of between 0.86 and 1.92 per cent are relatively small and do not pose a materially significant difference in cost compared to the current requirements. It is conceivable that some developments will incur costs greater than this range. On the other hand, costs may moderate over time as the cost of materials and technologies required to meet the Amendment's higher standards become normalised.

The Panel notes that the market is already moving towards the provision of greater ESD features in Melbourne. These changes are as a result of regulatory change (such as the recent increase in standards in the NCC) and to some extent market preferences. The extent of these changes is reflected in the relatively small increases in costs above current practice. In this respect, the Amendment represents an incremental change towards greater sustainability requirements.

In addition, the six case studies were based on retro-fitting ESD to an existing design and further reductions in costs over time may arise where sustainability features are considered from the beginning of the design process.

The Panel is also cognisant of the cost of doing nothing. These costs will be borne by the occupiers of the buildings through increased operational costs as well as to the broader community through

inaction on climate change. Pursuant to the objectives of the Planning and Environment Act (Section 4), the Panel considers the Amendment generally:

- provides for the fair, orderly, economic and sustainable use, and development of land
- balances the present and future interests of all Victorians.

The documentation required to demonstrate compliance with the Amendment is not expected to result in significant cost increases for applicants having regard to the overall cost of development. The Panel notes that larger development typologies generally have more extensive documentation requirements and many of these already provide the type of reports and plans proposed by the Amendment. Smaller developments have relatively simple documentation requirements. This differentiation is appropriate.

Based on the six case studies, the feasibility of development is not expected to be materially impacted by the Amendment. Price premiums of between 0.48 and 0.9 per cent would be necessary for the six case studies to offset the construction costs associated with the Amendment and remain feasible. The Panel considers this is a relatively modest and acceptable cost.

That said, there is an element of uncertainty regarding the feasibility of development across a wider range of untested development scenarios. The Panel is well aware of the cost pressures on the development industry including on materials, labour and finance. This has resulted in a well-documented slow-down in development activity across a variety of sectors in Melbourne. The Panel does not dismiss the impact even small additional costs may have on the potential feasibility of projects in the current climate. On the other hand, the Panel agrees with the SGS Report that higher up-front costs should be balanced against lower operating costs in a broader consideration of affordability.

The Panel considers the Amendment generally results in acceptable economic impacts and net community benefit, however it should be implemented cautiously and subject to the more detailed assessment and recommendations in the following chapters.

## **(v) Conclusions**

The Panel concludes:

- The SGS Report provides a reasonable basis for the economic assessment of the impact of the Amendment.
- The Amendment will have many direct benefits to occupiers of properties including operational cost savings through lower energy and water consumption.
- Benefits to the broader community include reduced emissions associated with embodied carbon, higher levels of renewable energy generation, production of materials and surfaces that reduce the urban heat island effect, reduced exposure to environmental risk and enhanced urban ecology.
- The six case studies demonstrate:
  - that compliance with the Amendment may not necessitate a reduction in yield
  - the impact on the cost of construction is modest and acceptable
  - the feasibility of development is not expected to be materially impacted.
- Testing of a wider range of case studies would have provided greater certainty about the impact of costs on the feasibility of development that complies with the Amendment.
- There is an element of uncertainty regarding the feasibility of development across a wider range of untested development scenarios.
- The Amendment generally provides for the fair, orderly, economic and sustainable use, and development of land and balances the present and future interests of all Victorians.

- The Amendment generally results in acceptable economic impacts and net community benefit, however it should be implemented cautiously and subject to the more detailed assessment and recommendations in the following chapters.

## 4 Statutory planning approach to ESD Requirements

### 4.1 Planning policy or DDO?

#### (i) The issue

The issue is whether it is appropriate to implement ESD planning requirements in a DDO covering the nearly the entire municipality.

#### (ii) Evidence and submissions

Council submitted that since Amendment C187 the climate crisis has accelerated and the need to drive change in sustainability outcomes is much more acute. It said the Amendment was a “*further evolution*” in the approach to sustainable development in the Planning Scheme.

Council said it was important to distinguish between the use of a policy and a DDO to implement ESD requirements and noted:

- policies are not controls
- the purpose of a policy is to guide the exercise of the discretion given to a responsible authority by the applicable planning controls
- a policy cannot mandate built form outcomes
- the Amendment seeks to require relevant development typologies to achieve specific sustainability outcomes – and to do so by mandating outcomes
- the proposed approach is a clear point of distinction to the effect of Clause 22.19 as considered by the C187 Panel
- compliance with a discretionary policy and the minimum standards in the NCC will not achieve net zero, and something more needs to be done
- the planning system has a key role to play in driving sustainability improvements, as ESD principles need to be embedded at the earliest stages of a design
- the Amendment seeks to do this through the introduction of more stringent and mandatory (or quasi-mandatory) ESD controls
- Council has led the way in many strategic planning areas over the years, including in relation to ESD standards, and now seeks to continue that role
- the severity of the climate challenge and the consequences of insufficiently robust responses compels the proposed approach
- there is an expectation that development in the municipality should lead the way in achieving higher standards, both as a result of the type of development anticipated in the central city and the role that the municipality plays in the planning hierarchy.

Council submitted the Hansen Report considered the appropriate planning tools and mechanisms to implement ESD controls as part of the Amendment, including the use of the DDO to introduce mandatory and discretionary performance-based ESD controls across the municipality (and the use of the schedules to the CCZ and Docklands Zone to implement sustainable transport requirements).

The Hansen report considered various options for implementation of ESD controls and concluded that a DDO was appropriate. It states:

DDOs are not generally applied across a whole municipality, but rather are applied to specific areas where, for example, built form parameters relating to building heights and setbacks have been identified through a structure planning process.

While it is acknowledged that the use of a DDO across the municipality is unusual and would not generally be the preferred approach, there are a number of considerations which result in this recommendation representing the best 'fit' of the current planning tools. These considerations include:

- The intent to include a number of mandatory standards as part of the amendment. The Design and Development Overlay is the most appropriate tool for the expression of mandatory built form requirements.
- The intent to apply the standards across the full spatial extent of the municipality which meant other options, such as utilising zone schedules was not available.
- The intent to apply the standards across a very broad range of development typologies/ land uses.

As a result of the above, and in particular the first two dot points, the choice of controls is essentially narrowed to the tool proposed. Planning practice in the State has long endorsed the principle of the 'best fit' tool, of which this is a clear example. Planning practice also generally seeks to contain explicit measures (such as the numerical measurements included in many of the Standards), in a schedule to a zone or overlay rather than in policy.

...

In drafting the DDO, the relationship to existing controls which apply to specific precincts within the City of Melbourne was considered to ensure that the amendment did not duplicate existing content or create contradictions. Much of the existing content that addresses climate and biodiversity emergency responses or ESD however, is of a higher, 'strategic' level. Of current 'precinct' based controls, the only precinct where there was significant crossover with the proposed Standards is Fishermans Bend, where extensive controls have been applied relatively recently.

As a first principle, unless there were significant differences which underpinned the need for a more tailored, 'precinct specific' response identified, it was considered that the proposed Standards should be applied as consistently as possible across the municipality. The merits of 'breaking up' the DDO to apply it to different parts of the municipality were considered, including an alignment which considered the existing definitions within the scheme (for example, industrial areas, established residential areas, the central city and urban renewal areas). However, analysis indicated that the Standards as drafted would not differ between these areas and there was therefore no strategic basis to 'break up' the DDO, despite this being a theoretically better outcome than applying the DDO across the whole municipality.

The relevant policy relating to ESD outcomes in Fishermans Bend is not currently applied through the DDO which applies to that land, which is limited to more traditional built form matters such as building height and setbacks. Content which overlaps with that proposed through this amendment is contained in the Capital City Zone schedule, and in the Fishermans Bend local policy noted previously and will be updated accordingly ...<sup>9</sup>

Council submitted there is no other tool in the VPP that can achieve what is sought by DDO73 and the schedule is faithful to what is contemplated by the head clause. The provisions in DDO73 are *"requirements relating to the design or built form of new development"* and fall within the sorts of requirements contemplated by Clause 43.02.

Council acknowledged DDO73 will trigger a permit for a broad range of development typologies, however the detail of the schedule results in a nuanced application of the various standards relevant to specific development typologies.

Council supported the introduction of a State-wide planning provision to deal with ESD, city greening and green infrastructure with a local schedule to enable mandatory requirements and allow tailoring by individual councils.

<sup>9</sup> Sustainable Building Design Planning Scheme Amendment C376melb Background Report, pages 32-33

Council submitted:

... while the State government has expressed its intention to introduce new and updated ESD related particular provisions (by contrast to policy) as yet there is no specific detail or timeframe for the introduction of those provisions. In the absence of State-wide particular provisions, Council considers it essential for the Amendment to progress as soon as possible in order to advance the net zero goal.

What is proposed by the Amendment is not a step-change. Rather, the Amendment proposes a necessary further evolution of ESD targets, to more quickly drive improved ESD outcomes in the municipality, as part of the response to the rapidly increasing impacts of climate change.<sup>10</sup>

Mr Glossop concluded a DDO was the most appropriate tool in the circumstances. He noted the Practitioner's Guide states that a DDO:

...is principally intended to implement requirements based on a demonstrated need to control built form and the built environment. The intended built form outcome, and the way in which the imposed requirements will bring this about, must be clearly stated. Where possible, performance-based requirements should be used rather than prescriptive requirements.

It further states:

Mandatory provisions can be specified in a zone or an overlay if required by the Victoria Planning Provisions. The Design and Development Overlay is the most appropriate tool to implement mandatory built form requirements.

Mr Glossop said there is no Planning Practice Note which guides the drafting or application of a DDO although there is a template in the Ministerial Direction on the Form and Content of Planning Schemes.

He noted the Purpose of the DDO is:

To implement the Municipal Planning Strategy and the Planning Policy Framework.

To identify areas which are affected by specific requirements relating to the design and built form of new development.

Pursuant to Clause 43.02-2 (Buildings and works), a permit is required to construct a building or construct or carry out works, unless a schedule specifies otherwise, or the construction is a small second dwelling which meets specified requirements.

Mr Glossop concluded that *"on the whole, there is broad scope to use the DDO to control buildings and works and to specify the sort of built form outcomes that are proposed here"*. He noted that it would still be appropriate to apply a DDO in circumstances where the proposed controls were discretionary rather than mandatory.

Mr Glossop acknowledged it is unusual to apply a DDO across (virtually) the entire municipality in the manner proposed. In response to questions from the Panel, he could not identify any other circumstance where a DDO has been applied to this extent in Victoria. He said large parts of the municipality are affected by an overlay of one sort or another already (for example Heritage Overlay, Design and Development Overlay, Development Contributions Plan Overlay, Parking Overlay, Land Subject to Inundation Overlay and others). In his opinion:

... the City of Melbourne has evolved a much more sophisticated suite of planning controls than any other municipality in Victoria in response to the complex nature of the planning challenges that confront it and that City's importance to Victoria.

Provided the application is strategically justified, the application of the DDO to the entire City can be contemplated. A factor driving the municipal wide application of the control is the Council's desire to achieve a consistent level of control to all land and to achieve municipal

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<sup>10</sup> Council Part B Submission, paragraphs 100-101

wide improvements in energy efficiency (among other things). Given the nature of the issue to be addressed, it is essential that this particular Amendment has a wide reach to ensure consistent outcomes are achieved.

The strategic work supporting the Amendment has demonstrated a need to establish defined built form controls by way of the DDO. The strategic basis for the Amendment is clearly expressed in the Amendment's Explanatory Report ...<sup>11</sup>

Mr Glossop had not reviewed the State government's ESD Roadmap. He stated it may be appropriate for other municipalities with "*sophisticated urban areas*" to apply similar ESD requirements in a DDO, however in those circumstances it may also be appropriate to explore other ways of implementing ESD requirements on a State-wide basis.

Several submissions objected to the application of a DDO across the entire municipality to implement ESD requirements. For example, MAB stated:

- a DDO is intended "*to identify areas which are affected by specific requirements relating to the design and built form of new development*" and should not be applied to the whole of the municipality, where the strategic context and physical contexts vary substantially and where different zone and other overlay controls apply
- it is not appropriate to have a separate overlay control creating a separate planning permit trigger to deal solely with sustainable building design
- sustainable building design is a matter that is and should be appropriately addressed in the planning scheme in policy, zone provisions and as relevant under ResCode or the Apartment Guidelines
- the proposed DDO would create unnecessary and burdensome planning permit triggers for planning permit applications impacting applicants and Council officers
- achievement of sustainability outcomes (which are already mandated in the building permit process) does not warrant a planning permit trigger and can be readily and more fairly implemented through policy.

The UDIA (Submitter 45) noted the application of proposed DDO73 was "*an unconventional approach*".

The University of Melbourne (Submitter 68) stated DDO73 will trigger the need for a planning permit for any new building or additional 1,000 square metres of Gross Floor Area on the University's Parkville campus (including for accommodation, education centre, office, retail, research and development centre, or place of assembly). It said although various existing overlays (for example, Design and Development Overlays, Environmental Significance Overlays and Heritage Overlays) apply to different areas across the Parkville campus, there are locations where a planning permit is not currently needed for development due to the provisions in the Public Use Zone. It was concerned the proposed application of DDO73 would result in a permit trigger in some locations at the university where a permit trigger does not currently apply.

While the University acknowledged the reasoning behind the application of a DDO to implement new sustainability requirements, it said an alternative approach should be considered to achieve the same sustainability outcomes for land within the Public Use Zone. Melbourne University did not outline an alternative approach.

<sup>11</sup> Local policies (AC) [2014] PPV 40, pages 50-51

### (iii) Discussion

Over the last decade, ESD performance measures have largely (but not exclusively) been introduced to planning schemes in Victoria (including the Melbourne Planning Scheme) through policies rather than in zones, overlays or particular provisions. Within this context, it would have been open for Council to update Clause 15.01-2L-01 of the Planning Scheme consistent with the building typologies and thresholds in DDO73. This would have been a more 'conventional' approach and one that the Panel may have supported if it was proposed by Council. However, Council has not chosen to implement the substantial content of its updated ESD measures through policy alone. Rather, it has decided that a more direct approach is needed and has applied ESD requirements in a DDO. This has the effect of including more development types within the consideration of ESD matters and, in this case, it also enables Council to mandate certain requirements.

The Panel accepts that the application of a DDO is derived from the desire to 'raise the ESD bar' in response to the climate emergency and the existential threat that climate change poses to the municipality (and the planet). Climate change is not a fringe planning issue. This is reflected in a variety of documents, policies and legislation from the State government in recent years (as discussed in Chapter 2). The State government's ESD Roadmap recognises that ESD measures in planning scheme should be strengthened.

The ESD Roadmap proposes a two stage approach to the introduction of further ESD requirements in the State. Stage 1 updates the Planning Policy Framework and this has been partly implemented through VC216. Stage 2 is directed to updating the particular provisions in planning schemes and the ESD Roadmap states:

This stage will include development of specific planning objectives and standards that help achieve ESD policy goals.

Expanded and new particular provisions will be incorporated into planning schemes to help ensure ESD design and development responses with clear performance standards are consistently applied across the state.

ESD objectives and standards will continue to be applied throughout residential particular provisions under clauses 54, 55, 55.07, 56 and 58, which already include many existing ESD considerations.

For commercial and industrial developments, a new particular provision will be developed that provides ESD objectives and standards appropriate for these development types, building on existing clause 53.18 Stormwater management in urban development.

Providing new provisions relevant to new commercial and industrial developments is pivotal and part of improving ESD performance across all the built environment. Every development type has an important role to play in supporting sustainability. There is no fundamental reason ESD considerations should apply to a development in a residential zone, but not to a building in a commercial zone.

Existing particular provisions that address a specific ESD theme, such as 52.34 Bicycle Facilities, will also be reviewed as part of this process.

Further review of ESD local policy will be undertaken as part of the Stage Two reforms, in order to minimise any duplication with state policy and explore how state provisions and local ESD policies can best operate to support policy implementation and the permit assessment process.<sup>12</sup>

The ESD Roadmap states that Stage 2 would be implemented in 2021.

<sup>12</sup> Environmentally sustainable development of buildings and subdivision: A roadmap for Victoria's planning system, page 15

It is frustrating that implementation of State-wide ESD measures have been slow and there is little clarity regarding the format and timing of the Stage 2 reforms. The urgency of climate change warrants the prompt implementation of further ESD requirements in planning schemes in Victoria.

The Panel sees some parallels with the implementation of Stage 2 of the Roadmap and the circumstances discussed in the Environmentally Efficient Design Advisory Committee report in 2014 regarding local policies. At that time, the issue was whether local policies should be included in planning schemes to deal with ESD, or whether a broader State-wide approach should be pursued instead. The Advisory Committee said:

The Committee is firmly of the view a Statewide approach would be the most effective way to achieve the greatest sustainability outcomes, providing greater coverage, consistency, fairness and simplicity.

The Committee acknowledges the Amendment Councils have developed these policies in response to a lack of a Statewide approach and are to be commended for their vision and commitment. The Committee is concerned, however, that the adoption of varying approaches between municipalities could lead to confusion and inequity.

In the interim, until such time as a more cogent approach is developed at the Statewide level, the Committee accepts there is a case for municipalities to include a local policy which provides the strategic justification for the consideration of sustainability outcomes for defined developments.

The Committee also believes that even if a Statewide policy is introduced, local policies may still be appropriate where municipalities seek to 'raise the bar higher' either in specific locations, or where the community has higher sustainability expectations.

The Committee considers there is merit in including a sunset clause on any local policy introduced that would enable the review of these policies in light of any Statewide approach introduced. If these policies duplicate the Statewide approach it would be appropriate for these local policies to be deleted, however if the local policies go further than the Statewide approach, the policies could be refined to delete areas of duplication and focus solely on those elements which seek to 'raise the bar' at the local level.<sup>13</sup>

Council has been a leader in the development of ESD policy in the State for many years and it is commended for the role it has played in advancing evidence based policies and other measures to address the impact of climate change. The Panel accepts that planning schemes need to evolve to provide greater consideration of ESD at the planning permit stage. Ultimately, this is expected to include changes to the VPP and this is flagged in the ESD Roadmap. In the meantime, the Panel considers it is appropriate for Council to contemplate the innovative application of existing provisions to implement ESD requirements.

The Panel observes that ESD requirements have been gradually extended beyond local policies and into zones, overlays and particular provisions in the Planning Scheme. For example:

- CCZ4
- North Warf Precinct, Docklands (DDO59)
- Public Housing Renewal – Abbotsford Street, North Melbourne (DPO12)
- Housing by or on behalf of Homes Victoria (Clause 53.20)
- Future Homes (Clause 53.24).

In addition, Clause 55 (Two or more dwellings on a lot) and Clause 58 (Apartment developments) reference specific ESD performance measures.

It is clear to the Panel that ESD is not currently confined to local policy and it is now accepted contemporary practice to also consider specific ESD requirements in other places in the Planning

<sup>13</sup> Environmentally Efficient Design Local policies (AC) [2014] PPV 40, pages 50-51

Scheme. In this context, the Panel considers the application of ESD requirements in a DDO to be generally consistent with emerging trends.

That said, the Panel agrees with submissions that the application of a DDO as proposed is an unusual approach. A DDO is typically applied to control built form in an activity centre or precinct and guides setbacks, heights, shadowing and other similar matters. The Panel considers, however, the purpose of the DDO as expressed in Clause 43.02 and the Practitioner's Guide provides broad scope to entertain the sorts of outcomes proposed in DDO73.

It is also uncommon to apply a DDO over an entire municipality. The Panel notes the Hansen Report considered applying a distinct DDO to separate parts of the municipality but concluded there was little practical utility in doing so. The Panel agrees. Given the scope and intent of the provisions it is appropriate in this instance to apply a single DDO to the whole municipality (noting that it does not apply to Commonwealth land, the Port of Melbourne and land within the Transport Zone).

The exception, however, is land within the Fishermans Bend Urban Renewal Area. This land has recently been subject to extensive review including a range of ESD matters. The Fishermans Bend Urban Renewal Area is partly within the City of Port Phillip and the City of Melbourne and there should be a consistent approach to ESD issues across the two municipalities. It was unfortunate the Fishermans Bend Task Force was not a party to the Panel Hearing. The Panel has considered its written submission to the exhibited Amendment and notes Council proposed a number of changes to the Amendment in response to the submission. The Panel is concerned that not all of the issues identified by the Fishermans Bend Taskforce have been addressed and suggests that further work should be completed before the suite of proposed ESD requirements are applied to the area. Until this work is completed DDO73 should not apply to the Fishermans Bend Urban Renewal Area.

In general, the provisions of DDO73 are targeted and nuanced. Clause 2.2 of DDO73 states:

A permit is not required to construct a building or construct or carry out works, other than:

- The construction of a new building for the purposes of Accommodation, Retail premises, Office, Education centre, Research and development centre or Place of assembly.
- Buildings and works associated with an existing building which result in more than 1000 sqm additional gross floor area for the purposes listed above.<sup>14</sup>

Notably, there is no permit trigger under the DDO for industrial development or small (less than 1,000 square metres) extensions to dwellings. Based on the strategic assessments presented to the Panel, this is appropriate. Larger development types tend to have more onerous requirements, reflecting their greater impact on climate change and a greater capacity for them to incorporate ESD features.

The Panel sees no compelling reason to exempt the University of Melbourne from DDO73 and considers it appropriate for ESD requirements to apply to the University where a development proposal meets the relevant thresholds.

The Panel acknowledges the conclusions in the Panel Report regarding Amendment C187 where it considered whether it was appropriate to introduce ESD measures associated with energy, water and waste efficiency via a local policy or a DDO. It said:

The DDO offers a useful alternative to using a local planning policy. It contains permit triggers and can specify the same policy and performance measure outcomes to that contained in the proposed Clause 22.19. However, the Panel considers that the key

<sup>14</sup> Document 47

difference between using a local planning policy and a DDO is the issue relating to the 'area of coverage' of each tool. DDOs are useful tools that are normally applied to discrete geographical areas whereas the policy is considered across the municipality.

The policy is more aspirational in terms of establishing strategic directions or outcomes for land use and development whereas the DDO is an overlay tool focussing on buildings and works and derived from the strategic endeavours outlined under the policy frameworks of the planning scheme. In this sense, the Panel considers the choice of Council to apply a local planning policy to expand its coverage of ESD matters relating to energy, water and waste efficiency to be an appropriate approach because it addresses the need to provide greater strategic detail for applying ESD to development within the municipality for both individual proposals and broader urban renewal areas.<sup>15</sup>

The Panel considers the circumstances in 2024 have changed having regard to the need for urgent action and the way in which ESD requirements have been introduced to the planning scheme since 2012.

Although Council said a DDO was necessary because it could mandate specific requirements (whereas a local policy is not a control and cannot mandate an outcome), the Panel considers application of a DDO is appropriate whether the requirements are mandatory or discretionary. Mr Glossop agreed with this position.

Endorsement of the application of a DDO in this instance should not be interpreted to mean that the Panel considers it is the best approach to implement ESD matters in the Planning Scheme. There may be other more suitable ways to implement ESD matters that might necessitate changes to the VPP. That is beyond the scope of this Amendment (and the Panel) and ultimately are matters for the State government to address in the implementation of the ESD Roadmap. The Panel considers the application of a DDO in this instance is appropriate until such time as a State-wide approach to ESD matters as outlined in the ESD Roadmap (Stage 2) is finalised.

The Panel agrees with Council that DDO73 could ultimately be adapted into a local schedule or schedules as part of the implementation of the ESD Roadmap. On that basis, it is appropriate to include a sunset clause in DDO73 that states:

This schedule will expire when it is superseded by an equivalent provision in the Victoria Planning Provisions.

#### **(iv) Conclusions and recommendations**

The Panel concludes:

- In the absence of a State-wide approach to ESD requirements in Victorian planning schemes it is appropriate for Council to contemplate the innovative application of existing provisions to implement ESD requirements.
- ESD is not currently confined to local policy and it is now accepted contemporary practice to also consider specific ESD requirements in other places in the planning scheme.
- The application of ESD requirements in a DDO is generally consistent with emerging trends in statutory planning.
- The purpose of the DDO as expressed in Clause 43.02 and the Practitioner's Guide to Victoria's Planning Schemes provides broad scope to entertain the sorts of outcomes proposed in DDO73.
- It is appropriate to apply a DDO to implement ESD requirements until such time as a State-wide approach to ESD matters as outlined in the ESD Roadmap (Stage 2) is finalised.

<sup>15</sup> Melbourne C187 (PSA)[2012] PPV 132, page 21

- It is appropriate to apply a single DDO to the whole municipality except for land in the Fishermans Bend Urban Renewal Area, land within the Transport Zone and Commonwealth land.
- Further work is required before DDO73 is applied to land in the Fishermans Bend Urban Renewal Area.
- Application of a DDO is appropriate whether the requirements are mandatory or discretionary.
- DDO73 could ultimately be adapted into a local schedule or schedules as part of the implementation of the ESD Roadmap.
- A sunset clause should be included in DDO73 that ensures the schedule will expire when it is superseded by an equivalent provision in the Victoria Planning Provisions.

The Panel recommends:

**Delete the Design and Development Overlay Schedule 73 from the Fishermans Bend Urban Renewal Area.**

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to include a sunset clause that ensures Schedule 73 will expire when it is superseded by an equivalent provision in the Victoria Planning Provisions.**

## 4.2 External web-based assessment tools

### (i) The issue

The issue is whether it is appropriate to apply third-party web-based assessment tools that are external to the Planning Scheme.

### (ii) Background

The requirements of DDO73 rely on the use third-party web-based assessment tools external to the Planning Scheme. The Panel has summarised some of the key elements of each tool based on submissions, evidence and information from the website of each tool (Table 6).

**Table 6 Summary of external web-based sustainability assessment tools**

Name	Owner	Purpose	Ratings
<b>Green Star</b>	Green Building Council of Australia	Internationally recognised sustainability rating system for buildings and places. Buildings can be independently certified as achieving a rating.	4 Star- Best practice 5 Star – Australian excellence 6 Star – World leadership
<b>BESS</b> (Built Environment Sustainability Scorecard)	Owned by Municipal Association of Victoria and operated by Council Alliance for a Sustainable Built Environment	Victorian system regarding water, energy, stormwater quality, transport, waste, urban ecology. Applicable for residential, non-residential and mixed use. Used in over 30 municipalities in Victoria.	Best practice – 50% or higher Excellence – 70% or higher
<b>NABERS</b> (National Australian Built)	National program managed by NSW government	Can be used to measure building efficiency regarding energy, water, waste and indoor environment.	1 Star – making a start 2 Star – below average 3 Star – average 4 Star - good

Name	Owner	Purpose	Ratings
Environmental Rating System)		Can be used for a range of building types and uses. Disclosure of the rating for offices 1000 square metres or larger at the point of sale or lease is mandatory under Commonwealth law. Buildings can be independently certified as achieving a rating. A 'Commitment Agreement' is a contract signed by a developer or owner to commit to design, build and commission a building to achieve a specific NABERS energy rating	5 Star - excellent 6 Star – market leading
<b>NatHERS</b> (Nationwide House Energy Rating Scheme)	Commonwealth government on behalf of all States and Territories	Provides energy ratings for new dwellings and major extensions. NCC references minimum star ratings for all new houses in Australia. Buildings can be independently certified as achieving a rating.	Thermal star ratings out of 10 0 Star - uncomfortable 7 Star – some mechanical heating and cooling required to be comfortable 10 Star – limited or no mechanical heating and cooling required to be comfortable.
<b>Green Factor Tool</b>	City of Melbourne	Measures the green infrastructure credentials of a building	Minimum benchmark score of 0.55

The Planning Scheme currently refers to all of the tools other than the Green Factor Tool (which is proposed as part of the Amendment).

The assessment tools are not proposed to be listed in the Schedule to Clause 72.04 (Documents incorporated in this planning scheme) or the Schedule to Clause 72.08 (Background documents).

The Schedule to Clause 72.08 currently includes the 'Green Star Rating Tools (Green Building Council of Australia)' and the NABERS. The Amendment proposes to delete these Background documents from the Schedule.

### (iii) Evidence and submissions

Council submitted the use of external rating tools was considered in the Hansen Report, which states:

The standards contained in the GOCSAP (2019) report relied heavily on the use of external rating tools. The standards include references to Green Star, BESS, NatHERS, NABERS, and the City of Melbourne Green Factor Tool. The rationale for the use of these tools as articulated in that report pointed to independent certifications as providing consistent and understood methodologies, which are underpinned by strong governance and stakeholder engagement processes to be used, reducing the inconsistencies in interpretation of policy. It also identified that the use of the tools makes implementation easier, and reduced the need to include complex or technical content within the scheme. All tools are currently used by the development industry and are developed in consultation with the industry, ensuring they reflect existing industry capacity.

While the use of external tools endorsed by previous Panels did not involve mandatory use, it is noted that the mandatory use of the tools is caveated by wording within the schedule that allows the use of alternate tools consistent "provided it is equivalent to the identified tool and results in comparable outcomes." Current policy applied to Fishermans Bend also establishes a precedent for the mandatory application of a Green Star requirement.

Green Star and BESS were selected as the 'overall' ratings tools as these are the most well-known, widely used and respected tools for broad sustainability assessments and are the tools which cover the full scope of the themes. The approach adopted by the GOCSAP (2019) report to require more stringent or complex conditions in association with larger developments and less onerous standards or conditions on smaller developments was considered logical. Reflecting this in the application of Green Star to larger development and BESS to small to medium scale development was also considered logical and reflects established practice.

In utilising these external tools, the review process also involved a comparison between existing requirements under each of the rating tools and the Standards, to ensure that the processes are aligned. For example, the initial requirement for urban heat island responsive materials was increased to 75% to reflect the aligned Green Star standards, and the NABERS energy standard was increased by half a star to align with Green Star. The review sought to avoid a situation where a building was designed to meet a City of Melbourne minimum but where this did not allow them to deliver the corresponding credit in their achievement of the overarching Green Star / BESS rating. It is noted that at the time of writing Green Star credits were in the process of review so alignment has been benchmarked to the greatest degree possible, noting ongoing engagement with the Green Building Council of Australia.<sup>16</sup>

Council submitted it was important to embed independent third-party sustainability certification such as Green Star, NABERS and NatHERS into Planning Scheme standards and it was insufficient to only require demonstration of equivalent performance at the planning permit application stage.

Some submissions challenged the use of ratings tools external to the Planning Scheme. They said it was inappropriate for a planning scheme to refer to and rely on tools that sit outside the scheme, particularly where those tools can be changed by their authors/operators without the sort of public process associated with a planning scheme amendment.

In response, Council noted:

- reference to web-based tools is now well entrenched and they have been in use by the development industry and decision makers for a long time
- the tools are mature, sophisticated, well understood and robust and are used as a matter of course for a variety of projects of many different types, sizes and purposes
- they have been developed, refined and improved over time with the benefit of feedback from users and the industry
- the tools have been used to set mandatory benchmarks in the Fishermans Bend Urban Renewal Area
- use of the tools is consistent with the Practitioners' Guide.

Council submitted that although it may be conceptually desirable for a planning scheme to be wholly self-contained, it would be *"an impossible task"* to document sustainability performance standards and metrics within the planning scheme. It said there was also no need to do so where there are such well-regarded and outcome specific tools available that are already in use by the development industry.

Council said an *"extraordinary amount of work and experience"* sits behind each of the tools and *"it would be impossible for any council to replicate, in any meaningful way, an ESD ratings tool equivalent to any of Green Star, NABERS, NatHERS or BESS, in order to codify what those tools do directly in a planning scheme (or an Incorporated Document)"*.

Council referred to the Panel Report for Amendment C187 that concluded:

<sup>16</sup> Sustainable Building Design Planning Scheme Amendment C376melb Background Report, Hansen Partnership (2020), page 34

- the reliance on external rating tools for the policy's performance measures was appropriate given the difficulty of incorporating these tools when they are the subject of regular review and the fact that similar rating tools were already referred to under Clause 22.19
- external planning tools were also referenced in other areas of the planning scheme, such as at Clause 13.05- 1 – Bushfire planning strategies and principles regarding Australian Standard AS3959- 2009 - Construction of Buildings in Bushfire- prone Areas (Standards Australia, 2009).

Council acknowledged that the rating tools are regularly and systematically reviewed and updated and are likely to increase in stringency over time as the climate crisis worsens, technology improves and expectations shift. It said the Panel should not be concerned that reference to external ratings tools in DDO73 poses any real risk of the operation of the planning scheme being “hijacked” by changes to those tools because:

- there are robust governance frameworks in place for all of the tools which include advisory bodies made up of industry and government stakeholders
- any changes to the tools will be forecast to stakeholders well in advance of the changes being made
- if it is the case that a change is made that fundamentally alters the operation of one of the nominated tools, Council as planning authority will need to consider whether a consequential change needs to be made to DDO73
- any fundamental changes will be known well in advance and Council will have the time to take any necessary steps through the usual processes
- it is always open for the Minister for Planning to amend a planning scheme.

Clause 2.3 in DDO73 allows a permit applicant to “*use an alternative tool, provided it is demonstrated to be equivalent to the identified tool and results in equivalent or better outcomes, to the satisfaction of the responsible authority.*”

“*Equivalent to the identified tool*” is defined in Clause 2.1 of DDO73 as meaning:

an assessment method developed by a reputable organisation which provides an evidence-based framework for assessing compliance with the relevant standard in this schedule. The assessment methodology must be comparable or better than the relevant tool identified in this schedule with the results able to be easily reviewed and assessed as accurate by the responsible authority.

Council submitted this option provided flexibility for an applicant. For example, there are a number of other tools in an international context which may fall into the category of equivalent tools to Green Star such as the *Living Building Challenge* (LBC, International Living Future Institute) and it is possible for buildings rated under LBC to achieve certification in Australia. Similarly, BREEAM (UK) and LEED (USA) are also potentially equivalent tools. Council expected use of alternative tools would be the exception to the specified tools.

Council acknowledged that several parts of the exhibited DDO73 require certification to meet specified Green Star, NABERS and NatHERS ratings. Consistent with the option of using alternative tools, it said these clauses should be modified to state that certification should relate to “*the applicable rating*” to enable certification under an equivalent tool. Council provided modified clauses to this effect in its Final Day and Post Hearing versions of DDO73<sup>17</sup>.

<sup>17</sup> D47 and D53

Mr Glossop said the proposed web-based sustainability assessment tools in DDO73 are established, well regarded and currently used for development in Victoria (except for the Green Factor Tool). He said use of the tools enable a specified outcome without prescribing exactly how this must occur and, in this respect, DDO73 is in keeping with the rules for writing planning scheme provisions as set out in the Practitioner's Guide.

Mr Glossop noted Section 6.6 (How to Apply External Documents) of the Practitioner's Guide says:

Webtools are not 'documents' and are not assigned an incorporated or background document status. Webtools differ from documents in the planning system in that they may include changeable content and are dependent on electronic software for computations. Webtools in planning schemes cannot provide mandatory controls (as is possible with an incorporated document). A webtool may be referenced in a planning scheme as a non-statutory tool, such as part of a policy guideline or decision guideline instead of using a document when:

- The content is more effectively addressed in a webtool over a document.
- It performs a function beyond the scope of a static document.
- The content relies on an interactive format (e.g. calculators or assessment tools such as Melbourne Water's STORM calculator).
- It is made available online.

In response to this statement, he said:

These comments are made in the context of a party deciding whether to incorporate or reference a webtool. I take them to mean that a webtool cannot be incorporated (which is not proposed here) but the meaning of Webtools in planning schemes cannot provide mandatory controls is unclear. This statement could mean that the use of a particular webtool cannot be mandatory (which is also not proposed here). It might also mean that use of a webtool alone (without any specified or substantiated benchmark) would not meet any particular objective and would not be appropriate, with which I agree.

The Amendment differs from this scenario though in that it seeks to ensure an outcome meets a specified benchmark when using a specified webtool (or equivalent).<sup>18</sup>

Mr Glossop said he did not interpret Section 6.6 of the Practitioner's Guide as a prohibition upon the use of webtools as proposed. He noted:

- Clause 15.01-2L-01 of the Planning Scheme already refers to NABERS and Green Star
- other planning schemes include reference to STORM, MUSIC, NatHERS and BESS (but do not apply them as mandatory requirements)
- it is commonly accepted that these tools can be referenced in the planning scheme
- there is already an example where Green Star is a mandatory requirement in the Planning Scheme (CCZ4).

Mr Glossop said the Advisory Committee that considered the implementation of the Fishermans Bend Framework supported a mandatory requirement to meet a Green Star rating and this was ultimately gazetted in Amendment GC81. The Amendment's Explanatory Report identifies that Amendment GC81 (among other things) promotes sustainable transport patterns and best practice environmental sustainability.

Mr Glossop said CCZ4 is contextually relevant for introducing mandatory requirements using a third party tool (Green Star) and it indicates the application of mandatory controls has previously been considered acceptable.

<sup>18</sup> Document 13, paragraph 64-65

Mr Glossop said, in general, the use of web-based tools external to the planning scheme was evolving and becoming more common. He did not think this was a problem provided the tool was reputable and had sufficient governance frameworks in place.

Both Mr Ashley and Mr Glossop were of the view that a governance framework should set the rules for how the Green Factor Tool is updated. Mr Glossop said the fundamental inputs to the Green Factor Tool should not be altered without a further planning scheme amendment. He suggested the best means of achieving this may be to insert a version number for the Green Factor Tool into DDO73 along with an undertaking that the version is not modified. In making this recommendation, he did not seek to prevent any and all changes to the tool, only those that would change (particularly increase) the obligations upon applicants. Revisions to the user interface, for example, or to correct bugs and glitches ought to still be allowed.

Council did not consider this change to be necessary and said the Green Factor Tool should be treated in the same way as other tools referenced in the planning scheme. It said it was *“critically important that a version number is not inserted, as that would arguably prevent the council from implementing the interface type improvements that have been recommended by Prof Jacques.”*

Council submitted one way of implementing Mr Glossop’s recommendation would be to adjust the definition of Green Factor Tool in the Day 1 version of DDO73, to read:

Green Factor Tool means the City of Melbourne's tool for measuring the green infrastructure credentials of a development (as amended from time to time except if the amendments impact the scoring regime under the tool).<sup>19</sup>

This proposed definition was put to Mr Glossop and he agreed that those changes would address his concern.

Mr Glossop supported the option for applicants to use an alternative sustainability assessment tool, provided it is demonstrated to be equivalent to the identified tool and results in equivalent or better outcomes, to the satisfaction of the responsible authority. He said this provided applicants with a degree of flexibility in the assessment tool they select and gave some *“manoeuvrability”*, should it be required.

#### **(iv) Discussion**

The Panel accepts that web-based sustainability assessment tools are now widely used in the planning scheme. Council and Mr Glossop referred to a number of these in submissions and evidence. They drew particular attention to the Fishermans Bend Urban Renewal Area that includes a mandatory requirement to apply permit conditions relating to Green Star.

The Panel has reviewed the Planning Scheme and has identified a wide range of instances where web-based assessment tools are referenced. Tools such as Green Star, NABERS and NatHERS are referred to in a range of policies, a zone, overlays and particular provisions.

Although BESS is not currently referred to in the Planning Scheme, it is referenced in a number of other planning schemes including (but not limited to) Port Phillip, Yarra, Darebin and Merri-bek.

The Panel has difficulty reconciling several parts of the guidance given in the Practitioner’s Guide with current planning practice.

First, Section 6.6 (How to Apply External Documents) of the Practitioner’s Guide states that *“Webtools in planning schemes cannot provide mandatory controls (as is possible with an*

<sup>19</sup> D41 paragraph 191

*incorporated document*)". The Panel agrees with Mr Glossop that this sentence is unclear. On first blush it would appear to mean that a planning scheme cannot rely on a web tool to introduce a mandatory requirement. Mr Glossop's view was that potentially the meaning is more nuanced. In any event, it is clear the planning scheme currently refers to mandatory controls referenced by web tools. The following mandatory provisions are currently referenced in the Planning Scheme:

- Clause 37.04 CCZ4 (Green Star)
- Clause 43.02 Design and Development Overlay Schedule 59 North Warf Precinct, Docklands (Green Star)
- Clause 43.04 Development Plan Overlay Schedule 12 Public Housing Renewal – Abbotsford Street, North Melbourne (Green Star)
- Clause 53.24 Future Homes (NatHERS).

Second, the Practitioner's Guide states that "*A webtool may be referenced in a planning scheme as a non-statutory tool, such as part of a policy guideline or decision guideline instead of using a document*" and lists four criteria for when it could be appropriate to reference a web tool. It is apparent that web tools are currently referenced in the planning scheme in ways additional to policy guidelines and decision guidelines. The many existing provisions within the Planning Scheme demonstrate that web tools are referenced as a statutory tool in a zone, overlays and particular provisions.

The Amendment is consistent with the Practitioner's Guide to the extent that none of the proposed tools are proposed as an Incorporated Document (Clause 72.04) or Background Documents (Clause 72.08) in the Planning Scheme. In addition, the Amendment proposes to delete reference to the 'Green Star Rating Tools (Green Building Council of Australia)' and the NABERS from the Schedule to Clause 72.08.

The Panel accepts that it would be extremely difficult and cumbersome to explain specific components of each tool in detail in the Planning Scheme. Web-based assessment tools also provide a degree of flexibility to achieve a required overall performance measure and this is consistent with the approach generally applied in the VPP. The Panel agrees web-based assessment tools are a practical and efficient way to apply complex ESD performance measures. Based on the widespread use of these tools in the current planning scheme, the Panel accepts it is appropriate to apply these tools through the Amendment.

The use of web-based tools that sit outside the Planning Scheme is, however, not without some challenges. Web tools are referenced in the Planning Scheme and relate to specific requirements (in some cases mandatory requirements) but are not Incorporated documents and sit outside the Planning Scheme.

This is a significant issue because web tools are regularly reviewed and updated. This can involve the introduction of new measures and parameters as technology and expectations change. What might be regarded as 'excellent' and 5 Star today might be recalibrated to mean 6 Star in the future. Alternatively, the definition of 5 Star may be recalibrated to require a higher level of performance. Both scenarios could also apply.

The Panel accepts that Green Star, BESS, NABERS and NatHERS all have a robust self-governance process. This provides a level of comfort that the tools are unlikely to change without at least some scrutiny. This scrutiny is, however, different to the type of review that normally applies to a planning scheme amendment. Changes to web-based tools over time are inevitable, but these changes should be properly and deliberately applied in the planning scheme rather than 'passively'

updated. The lack of proper review could potentially result in unintended consequences and ‘regulation creep’ by default.

The Panel notes the Green Factor Tool has no established governance framework. Council submitted it was committed to implementing a governance system in the future, however the content and timing of this process is unclear. The fact the Green Factor Tool is operated by Council makes the need for proper oversight of any future changes to the tool even more important. It would be unacceptable for the Amendment to be gazetted based on a specific and tested assumption of what constitutes a score of 0.55 (as currently proposed) and then for Council to vary the inner workings of the tool and recalibrate the meaning of a 0.55 score. Council’s proposed change to the definition of ‘Green Factor Tool’ in Clause 2.1 of DDO73 goes some way to addressing this issue. The inclusion of explanatory information about the Green Factor Tool in a Background Document may also assist in clarifying the parameters, weightings and workings of the Green Factor Tool. This is discussed in further detail in Chapter 5.

The Panel notes the ESD Roadmap includes a section under Stage 2 headed ‘Further assessment, guidance and tools to support delivery of ESD’ that states:

Implementing ESD across all local government areas will require approaches that recognise the different circumstances between a small rural town and a metropolitan centre. It is also important to make clear the performance outcomes that should be delivered from new developments, wherever someone lives. To assist with these challenges, additional resources such as practice notes and guidelines will be prepared.

...

To support an efficient and thorough assessment process for applicants and planning authorities, ESD assessment tools can play a valuable role. These can consist of checklists and practice notes, through to more sophisticated online rating systems. The latter organise all the standards into one place and provide users with a scoring system to assess the overall design of the development in regard to ESD.

Examples of this include Green Star developed by the Green Building Council of Australia (GBCA), EnviroDevelopment developed by the Urban Development Institute of Australia (UDIA), and BESS developed by Council Alliance for a Sustainable Built Environment.

The Victorian government ESD project will review opportunities to incorporate use of an ESD assessment tool at a state level to support the assessment of planning applications in reference to policies, objectives and standards set out in the VPP.<sup>20</sup>

The Panel encourages the Department of Transport and Planning to consider how changes to all web-based assessment tools should be managed to ensure the tools and performance measures remain relevant and appropriate for reference in planning schemes. This could form part of the finalisation of Stage 2 of the ESD Roadmap.

The Panel agrees with the concept of providing for the use of alternative tools in the assessment of a planning permit application. This will provide added flexibility for applicants and acknowledges it is the outcome that is important, not the use of a specific tool. The proposed definition of “*equivalent to the identified tool*” is appropriate and provides guidance regarding alternative tools.

If an applicant elects to use an alternative assessment tool it is appropriate and logical that any requirement for certification (as proposed in the Amendment) should reflect the need for certification under the applicable rating in the alternative tool. The modified clauses provided by Council<sup>21</sup> address this inconsistency and are appropriate.

<sup>20</sup> Environmentally sustainable development of buildings and subdivisions: A roadmap for Victoria’s planning system, Page 16

<sup>21</sup> D47

**(v) Conclusions and recommendations**

The Panel concludes:

- Based on the widespread use of web-based sustainability assessment tools in the Planning Scheme, the Panel accepts it is appropriate to apply these tools in the Amendment.
- Changes to web-based tools over time are inevitable, but these changes should be properly and deliberately applied in the planning scheme rather than ‘passively’ updated.
- Until any broader review of the management of web-based assessment tools consider otherwise, it is appropriate to modify the definition of ‘Green Factor Tool’ in DDO73 to ensure that amendments to the Green Factor Tool should not modify the current scoring regime without a further planning scheme amendment.
- It is appropriate to provide for the use of alternative tools in the assessment of a planning permit application provided the alternative method is comparable or better than the relevant tool identified in DDO73 and the results are clear, transparent and derived from an evidence-based framework.
- To ensure the consistent application of alternative assessment tools in the Amendment, clauses in DDO73 that reference certification or agreements in accordance with a specific identified tool should be modified to enable certification or agreements pursuant to the ‘applicable rating’.

The Panel recommends:

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to:**

- **Modify the definition of Green Factor Tool in Clause 2.1 to delete the words “or any replacement tool” and insert the words “as amended from time to time except if the amendments impact the scoring regime under the tool”**
- **Ensure the consistent application of alternative assessment tools in various clauses to enable certification or agreements pursuant to the applicable rating rather than a specified rating or tool.**

**4.3 Mandatory sustainability requirements****(i) The issues**

The issues are whether:

- it is appropriate to apply mandatory controls in the Amendment
- the proposed quasi-mandatory controls are appropriate
- the ‘preferred’ standards relating to ESD and Energy efficiency and renewables in DDO73 are appropriate.

**(ii) Background**

The Practitioner’s Guide provides:

A mandatory provision is a requirement or control that must be met and provides for no opportunity to vary the requirement.

A performance-based provision (also called a discretionary provision) provides for flexibility in the method or measure used to achieve a required outcome.

Victorian planning schemes largely consist of performance-based provisions that require an assessment to decide whether a proposal meets:

- relevant planning objectives

- achieves an appropriate balance between competing planning policies.

Performance-based provisions can facilitate variation and innovation in how a use or development is planned. They can also accommodate unforeseen circumstances peculiar to a particular application.

Planning Practice Note 59, Mandatory Provisions in Planning Schemes, August 2023 (PPN59) sets out criteria that can be used to decide whether a mandatory provision is appropriate in a planning scheme. It states:

While mandatory provisions only provide fixed planning outcomes, there are circumstances where they are warranted. Mandatory provisions provide greater certainty and ensure a preferred outcome and more efficient process. Although mandatory provisions are the exception, they may be used to manage:

- areas of high heritage value
- areas of consistent character
- sensitive environmental locations such as along the coast
- building heights in some activity centres.

A balance must be struck between the benefits of a mandatory provision in the achievement of an objective against any resulting loss of opportunity for flexibility in achieving the objective.

...

Mandatory provisions usually specify a maximum or minimum built form requirement. Most mandatory provisions are for building heights, but they can also relate to:

- site coverage
- plot ratio
- setbacks to buildings
- lot sizes
- open space areas
- sight lines.

Mandatory provisions may be considered if it can be demonstrated, through a detailed assessment and evidence-base, that discretionary provisions are insufficient to achieve desired outcomes.

PPN59 includes criteria as a guide for assessing the appropriateness of a proposed mandatory control. The three key criteria include:

- strategic support
- appropriateness of departing from performance based approach
- facilitates required outcome.

Questions to be considered under each criterion include:

**Is the mandatory provision strategically supported?**

- Does the proposed mandatory provision have a solid strategic objective while having regard to the planning objective?
- Does the proposed mandatory provision implement planning policy (state, regional or local)?

**Is the mandatory provision an appropriate substitute for a performance-based provision?**

- Will most proposals that contravene the proposed mandatory provision lead to unacceptable planning outcomes?
- Has the proposed mandatory provision been drafted to limit any unnecessary loss of the flexibility and opportunity available through a performance-based approach?
- Have all other relevant performance-based provision options been explored?
- Would policy or performance-based measures lead to the outcome prescribed by the proposed measure in most cases?

- Is there evidence of adverse existing or proposed use or development that justifies the proposed control?

**Does the mandatory provision provide for the preferred outcome?**

- Is the proposed mandatory provision limiting? Does it only lead to one outcome from a number of suitable ones that would deliver on related planning policy?
- Does the proposed mandatory provision avoid the risk of adverse outcomes in a way that a performance-based approach cannot?

PPN59 also notes:

The planning authority should also consider whether the proposed mandatory provision reduces costs for councils, applicants and the community.

...

The Design and Development Overlay is the most appropriate tool to implement mandatory built form requirements. Opportunities may also exist in some other zones and overlays to mandate controls.

A local planning policy is not a control. Local planning policies have a role to guide the exercise of discretion created by a zone, overlay or particular provision. Local planning policy cannot include mandatory provisions or remove a discretion under a planning control.

The Amendment proposes mandatory and quasi-mandatory controls in DDO73, Schedules 1, 2, 3, 4, 5 and 7 to the Capital City Zone and Schedules 1, 2, 3, 4, 5 and 6 to the Docklands Zone.

### **(iii) Evidence and submissions**

Council submitted the basis for the application of mandatory controls was reviewed in the Hansen Report, which states:

The inclusion in this amendment of mandatory elements is both a critical part of the amendment and a part of the proposed Standards which was subject to rigorous review. As noted previously the number of mandatory elements proposed to be implemented through Amendment C376 has been significantly reduced from that originally proposed by the GOCSAP (2019) report. This is a natural and expected outcome of the review process.

This section of the report notes the Standards proposed for mandatory application and includes an assessment against the relevant 'tests' established through Planning Practice Note 59: The Role of Mandatory Provisions in Planning Schemes. Three key points are made upfront however:

- The first being that for most of the mandatory aspects of this amendment, a corresponding or comparable discretionary control is already in place in the Melbourne Planning Scheme, ensuring that the mandatory application of controls in this context in many cases represent an evolution of existing controls rather than a new control.
- Secondly, while Practice Note 59 is an important and relevant consideration, its drafting in 2015 did not contemplate the kinds of development controls that may be needed to ensure that both the City of Melbourne, and Victoria more broadly may rely upon to deliver critical objectives in relation to climate change.
- Lastly, in most cases the mandatory part of the controls is the benchmark or rating which development must meet, with an inherent flexibility provided as to how each development meets this mandatory aspect, rather than an explicit development outcome as contemplated in the wording of the Practice Note.

The Hansen Report provided an assessment of the proposed mandatory controls with regard to the version of PPN59 at that time.

Council provided an assessment of the Amendment against the current version of PPN59 and noted:

- the proposed mandatory provisions implement and respond to state and local planning policy and achieve the Amendment's strategic objective of addressing climate change reflected in objectives in GOCSAP, the Hansen Report and the design objectives of DDO73

- proposals which contravene the proposed mandatory provisions would result in unacceptable planning outcomes and contradict the planning objectives of DDO73 and the strategic objectives of the Amendment because they would not:
  - be designed and certified (where relevant) to achieve net zero emissions and address climate change impacts by way of industry recognised ESD and energy rating tools
  - provide green cover to improve urban cooling and biodiversity in the municipality
  - reduce the urban heat island effect in the most intensively developed municipality in the State
  - improve water efficiency to mitigate future water shortages and storm events
- the majority of the provisions proposed by the Amendment are discretionary and are considered adequate to achieve their respective strategic and planning objectives
- the GOCSAP and Hansen Report detail how existing policy regarding Green Star ratings, energy efficiency and water efficiency are not leading to corresponding built outcomes because of their non-mandatory nature
- the mandatory provisions provide for the minimum ESD and sustainable transport outcomes that Council seeks, consistent with the overarching purpose of the Amendment
- the proposed mandatory provisions will substantially simplify the preparation of planning applications for applicants and assessment by Council because they establish clear expectations for ESD performance and the information to be provided with a permit application
- the need to register buildings with Green Star and enter into a Commitment Agreement with NABERS prior to submitting a planning application (as applicable) ensures that proposals will already be fully committed to achieving the relevant ESD requirements at the design stage which will reduce the cost for applicants 'retrofitting' ESD measures in response to Council feedback during the application assessment process
- mandatory controls are proposed in accordance with the overlay type recommended in PPN59 and where opportunities are provided in the Capital City Zone and Docklands Zone.

Council submitted the proposed mandatory provisions generally prescribe performance based targets either as ratings in specified tools or metrics. Assessment tools such as Green Star, NABERS, NatHERS, BESS and the Green Factor Tool enable an applicant flexibility to achieve the performance target. In addition, the Amendment provides further flexibility to use an alternative tool provided that the same (or a better) outcome would be achieved. Council submitted that it is the outcome that is mandatory, rather than the way in which the outcome is achieved.

Council also noted that *"there are different categories of mandatory (or quasi-mandatory) provisions proposed, with differing levels of built in flexibility. PPN59 does not apply to these quasi-mandatory provisions."*

For example, Council noted the following provisions in DDO73:

- DDO73, Table 4:
  - Must provide waste and resource recovery facilities that meet the requirements of the City of Melbourne's Guidelines for Waste Management Plans to the satisfaction of the responsible authority.
  - Must meet the requirements of a precinct waste management plan, if there is one in place, to the satisfaction of the responsible authority.

- DDO73, Table 5:  
Must be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool. A permit may be granted to vary this requirement if achieving a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool is not achievable having regard to the context and constraints of the site.  
If a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool is not met:
  - The equivalent of a minimum of 40% of the total site area must be provided as green cover.
  - The green cover provided should satisfy all of the following elements:
    - A minimum of 65% of the required green cover is canopy planting and a minimum of 35% is understorey planting. Canopy planting and understorey planting may overlap.
    - Consist of native vegetation species.
    - Be located to maximise cooling of the adjoining public realm.<sup>22</sup>
- CCZ and Docklands Zone schedules, Subdivision:  
Car parking areas must be retained in a single or a consolidated title as common property, unless the responsible authority agrees otherwise.
- CCZ and Docklands Zone schedules, Requirements – bicycle, motorcycle and car share parking:  
Developments must provide bicycle, motorcycle and car share parking spaces and associated facilities in accordance with the table below, unless the responsible authority is satisfied that a lesser number is sufficient.

Council said it was not unique for “*discretionary mandatory*” controls in a DDO and pointed to several clauses in the Planning Scheme such as:

- DDO1:  
In the Central City area shown in Map 1 to Schedule 1 to the Design and Development Overlay, all car parking must be located in a basement unless it is part of a development that removes existing open to sky at grade car parking.
- DDO2, DDO10 and DDO40:  
A permit must not be granted for buildings and works which would cast any additional shadow across the spaces within Table 2 to this schedule during the hours and date(s) specified for that space, unless the overshadowing will not unreasonably prejudice the amenity of the space.
- DDO19:  
Any goods displayed in a building or on the site must not be able to be seen from St Kilda Road, unless it can be demonstrated to the satisfaction of the responsible authority that the design objectives of this schedule can be met.

Council submitted discretions that allow the responsible authority to accept a variation to the requirement does not create interpretive or application difficulties. It said it is clear from the wording of each requirement what the expectation to be met is, and what is required to vary that expectation.

Council noted the Fishermans Bend Planning Review Panel supported the application of mandatory 5 Star Green Star Buildings for that area, including mandatory registration with the Green Building Council of Australia. It said this approach was supported by the Minister for Planning in the gazettal of Amendment GC118.

Mr Glossop assessed the proposed mandatory controls against PPN59 and concluded they have a solid strategic basis. He said the controls are not like typical mandatory provisions that might

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<sup>22</sup> D72

result in a loss of flexibility and opportunity available in a performance based approach. The mandatory controls relate to achieving a performance based measure and therefore will not lead to a uniform development outcome.

The Amendment proposes to include mandatory requirements for:

- buildings and works associated with an existing building which results in more than 5,000 square metres of additional gross floor area
- applications that create between 1,000 square metres and 5,000 square metres of additional gross floor area (Tables 1 and 2 in DDO73).

The Panel asked Mr Glossop whether it was appropriate to apply mandatory requirements for buildings and works associated with an existing building which creates between 1,000 and 5,000 square metres of additional gross floor area. He said that despite the comments in the Hansen Report it was appropriate for mandatory controls for alterations and additions at this scale, noting that the wording for the requirement had evolved over time.

Council submitted that at the time of the Hansen Report, the application of the ESD standards to alterations and additions was unclear and required clarification through further testing. The Economic Feasibility Testing Report '5 Additional Sites' prepared by HillPDA (2022) was commissioned to test the feasibility of various alterations and addition typologies. Council submitted this work provided an evidence base to support the application of mandatory controls to that typology.

Several submissions supported introducing mandatory sustainability requirements. Some submissions said all requirements should be mandatory.

On the other hand, several submissions objected to the inclusion of mandatory controls in the Amendment.

The UDIA said the VPP is primarily based on the principle that there should be discretion for most developments and that applications should be tested against objectives and performance outcomes rather than prescriptive mandatory requirements. The use of mandatory provisions proposed by the Amendment is inconsistent with PPN59 and effectively disallows discretion without explanation.

MAB said the Amendment failed to provide a "*clear demonstration*" of why discretionary controls are insufficient. It said mandatory requirements related to ESD, hinders flexibility, results in poor urban design outcomes and impacts housing affordability.

Ausvest submitted:

- the combination of 'Preferred' and 'Minimum (mandatory)' requirements included in DDO73 Table 1 and 2 is "*clunky, onerous and unworkable*"
- as exhibited, DDO73 requires the 'Preferred' requirement in Table 1 to be met unless "*it is not technically achievable*" and in Table 2 the 'Preferred' requirement must be met unless "*it is not technically achievable or economically feasible*"
- it is unclear what is meant by '*technically achievable*' and '*economically feasible*' and these vague terms are open to significant and costly dispute and delay
- if the Green Star and BESS standards are sought to be implemented as mandatory requirements, consideration needs to be given to the fact that these standards can and will change over time which has the potential to create unforeseen consequences
- consideration and preference should be given to the implementation of discretionary sustainability requirements only, not mandatory requirements.

Ark Resources (Submission 50) submitted it is unusual and undesirable for an ESD related control to take the approach of specifying minimum mandatory standards and higher preferred standards. It submitted that the minimum standards should be mandatory and the 'Preferred' requirements should be removed.

In response, Council submitted:

- the minimum mandatory standards have been determined based on what all buildings are able to, and should at a minimum, achieve
- it is entirely appropriate for Council to require buildings to do better than the minimum standard, where they are able to, in the context of the climate emergency
- the whole point of the approach is to set a base line but ask applicants to strive higher
- it is orthodox for built form controls to specify mandatory standards and preferred discretionary standards directed to elevated aspirations or outcomes (for example DDO10, DDO81 and DDO82)
- DDO73 provides the right balance between certainty and flexibility.

#### **(iv) Discussion**

Council seeks to apply a range of mandatory controls relating to ESD matters across the municipality. A DDO enables the application of mandatory controls and this is one of the key reasons why Council has proposed this type of overlay as part of the Amendment. It is complemented by a variety of sustainable transport controls in schedules to the CCZ and Docklands Zone. This approach is generally consistent with the Practitioner's Guide.

In the Panel's assessment, proposed DDO73<sup>23</sup> includes the following mandatory controls:

- Environmentally sustainable design (Table 1):
  - New buildings of more than 5,000 square metres gross floor area and Buildings and works associated with an existing building which result in more than 5,000 square metres in additional gross floor area must be a minimum 5 Star Green Star Buildings
  - New buildings of equal to or less than 5,000 square metres gross floor area and Buildings and works associated with an existing building which result in between 1,000 square metres and 5,000 square metres in additional gross floor area must achieve a minimum 50 per cent BESS
  - Development in accordance with Green Star Buildings standards must be designed, constructed and certified as achieving certification to the applicable rating
  - Development in accordance with the BESS standards must be designed and constructed to achieve the applicable score.
- Energy efficiency and renewables (Table 2):
  - New buildings of more than 5,000 square metres gross floor area and Buildings and works associated with an existing building which result in more than 5,000 square metres in additional gross floor area must meet specified NatHERS ratings for dwellings and specified NABERS ratings for uses other than dwellings (noting that a permit may be granted to vary this requirement if a NABERS Energy rating for the building is not available)
  - New buildings of equal to or less than 5,000 square metres gross floor area and Buildings and works associated with an existing building which result in between 1,000 square metres and 5,000 square metres in additional gross floor area must meet a

<sup>23</sup> D72

- specified BESS score in the Energy category and for a dwelling in an apartment development must meet specified NatHERS ratings
- Development in accordance with NatHERS standards must be designed and constructed to the applicable rating
  - Development in accordance with the NABERS standards must be designed and certified to achieve the applicable rating.
- Urban ecology (Table 5):
    - For new buildings, if a minimum Green Factor Score of 0.55 using City of Melbourne Green Factor Tool is not met the equivalent of a minimum 40 per cent of the total site area must be provided as green cover
  - Urban heat island response (Table 6):
    - All development must provide the equivalent of at least 75 per cent of the development's total site area as solar panels and building and landscape elements that reduce the impact of the urban heat island effect (noting this requirement does not apply if the development achieves a Green Star Buildings rating with at least the Credit Achievement for Credit 19: Heat Resilience of Green Star Buildings)
  - Integrated water management (Table 7):
    - New buildings of equal to or less than 5,000 square metres gross floor area must:
      - connect to a precinct scale recycled water source if available
      - unless connected to a recycled water source, must install a rainwater tank to support on-site green cover
    - New buildings of more than 5,000 square metres gross floor area and Buildings and works associated with an existing building which result in more than 5,000 square metres in additional gross floor area must:
      - connect to a precinct scale recycled water source if available
      - unless connected to a recycled water source, must install a rainwater tank to support on-site green cover
      - achieve a Green Star Buildings rating with at least the Minimum Expectation for the Reducing Water Use criteria of Credit 25: Water Use of Green Star Buildings.

All other controls are specified as either:

- a 'should' – such as Table 3 which states that all development *“Should incorporate on-site renewable energy generation”*
- a 'must' but with the opportunity to apply for a permit (quasi-mandatory) – such as Table 5 which states that new buildings *“Must be designed and constructed to achieve a minimum Green Factor Score of 0.55 using City of Melbourne's Green Factor Tool. A permit may be granted to vary this requirement if achieving a minimum Green Factor Score of 0.55 using City of Melbourne's Green Factor Tool is not achievable having regard to the context and constraints of the site”*
- a 'must' but subject to variation with the consent of the responsible authority (quasi-mandatory) – such as Table 4 which states *“Must provide waste and resource recovery facilities that meet the requirements of the City of Melbourne's Guidelines for Waste Management Plans to the satisfaction of the responsible authority”*

The CCZ and Docklands Zone schedules also contain quasi-mandatory controls that state:

- car parking areas must be retained in a single or a consolidated title as common property, unless the responsible authority agrees otherwise

- developments must provide bicycle, motorcycle and car share parking spaces and associated facilities in accordance with the table below, unless the responsible authority is satisfied that a lesser number is sufficient.

The Panel considers the mix of mandatory, quasi-mandatory and discretionary controls confusing and overly complex. This complexity is compounded when having regard to the opportunity to apply alternative web-based assessment tools. It is appreciated that Council is intending to provide for some level of flexibility for applicants to achieve an intended outcome, however Council appears to be 'wanting to have its cake and eat it too'.

The '*discretionary mandatory*' controls in DDO1, DDO2, DDO10, DDO19 and DDO40 referred to by Council in its submissions are different in construction to those proposed in the Amendment. In those instances, the controls are specific about the circumstances where a mandatory requirement is not applicable. For example, DDO1 states that all car parking must be located in a basement unless it is part of a development that removes existing open to sky at grade car parking. This is quite different to the proposed approach in the CCZ and Docklands Zone schedules that state car parking areas must be retained in a single or a consolidated title as common property, unless the responsible authority agrees otherwise.

The wording of the '*discretionary mandatory*' control for the Green Factor Tool in Table 5 provides limited and vague guidance regarding the circumstances when a minimum score of 0.55 is not applicable. It is agreed there is merit in providing flexibility to achieve a Green Factor Score of 0.55, however it would be clearer if the provision did not imply the requirement was mandatory.

The Panel considers there is little utility in having quasi-mandatory controls with some form of opportunity to vary the requirement unless the circumstances for varying the control are specifically identified and warranted. If discretion is desired then the controls should not be constructed to imply they are mandatory. The proposed quasi-mandatory controls should be reworded to make it clear that these requirements are 'shoulds' (not 'musts'). This will enable a permit to be granted to vary the requirement.

More broadly, the Panel considers the Amendment should include only discretionary controls for the following reasons.

First, the Panel notes there are a wide range of mandatory requirements. This is different to other examples where ESD requirements are mandated such as Fishermans Bend, where targeted and specific measures relate to a narrow range of matters. The Panel considers Council should proceed cautiously with mandatory controls in the Amendment because the cumulative effect of the requirements could potentially result in unintended consequences.

The Amendment proposes mandatory requirements relating to ESD, energy efficiency and renewables, urban ecology, urban heat island and integrated water management. There may be circumstances where a development does not meet a particular requirement under one of these headings but overall it demonstrates good (and acceptable) ESD. The DDO should provide flexibility to balance competing requirements to achieve a net result that is satisfactory. The application of discretionary controls will enable the balancing of potentially competing ESD and other requirements, having regard to net community benefit.

Monitoring of the implementation of the controls could provide evidence to support some mandatory requirements in the future, however the Panel considers it is prudent to apply discretionary controls as a first step.

Second, web-based ESD assessment tools change over time and as discussed in Chapter 4.2, the management of updating these tools is problematic. For example, it is unclear precisely what it might mean to achieve a 5 Star Green Star rating in the future and there is a risk in having a mandatory requirement to meet this measure. A discretionary control would, however, enable flexibility to apply a varied standard, should it be necessary. The Panel acknowledges that other parts of the Planning Scheme mandate web-based standards, however it is concerned that DDO73 proposes multiple ESD controls simultaneously.

Further, changes to the NCC over time may also result in unforeseen conflict with DDO73 and a discretionary control provides for greater flexibility without the need for continual change to the Planning Scheme.

Third, as discussed in Chapter 3, although the economic modelling provides some evidence to suggest the proposed controls will not create an unacceptable economic impact on the cost of development, this work also demonstrated that:

- it is difficult to model the full impact of the proposed controls
- the modelling relied on a very small sample size of building typologies and sizes
- testing of a wider range of case studies would have provided greater certainty about the impact of costs on the feasibility of development that complies with the Amendment
- there is an element of uncertainty regarding the feasibility of development across a wider range of untested development scenarios
- the current market is volatile and many projects are already not feasible due to factors beyond the scope of the Amendment (such as the current high cost of materials, labour and finance).

In addition, the Panel considers there is no strategic justification for mandatory controls relating to buildings and works associated with an existing building which results in between 1,000 and 5,000 square metres of additional gross floor area. The Hansen Report flagged the need for economic testing before standards relating to large and medium scale alterations and additions were added to the suite of controls. It noted if the economic testing demonstrated it was acceptable to include medium scale alterations and additions *“the application of controls should be discretionary to reflect the variety of development outcomes and potential complexities in adapting buildings at this development scale”*.

The Panel accepts the further testing of the ESD standards to alterations and additions in the Economic Feasibility Testing Report ‘5 Additional Sites’ prepared by HillPDA provides sufficient evidence to justify the inclusion of ESD standards for medium scale alterations and additions. It does not provide an evidence base to support the application of mandatory controls to that typology. The Panel prefers the interpretation of the Hansen Report.

Within this context, the Panel considers it is appropriate to proceed cautiously to ensure the ESD controls do not mandate unreasonable costs on development.

Fourth, the Panel is not convinced there is a compelling strategic justification for a mandatory requirement for the equivalent of a minimum 40 per cent of the total site area as green cover. The Panel understands that 40 per cent is a long-standing target originating in GOCSAP, however it seems a relatively arbitrary metric and there does not seem to be an empirical basis to justify this percentage as a mandatory requirement.

Having concluded that the standards in Table 1 and 2 should be discretionary, it follows that the requirements to design, construct and certify development in accordance with specified ratings should also be discretionary.

The Panel considers the ‘preferred’ controls in Table 1 and 2 should be deleted. As noted in Chapter 3, the economic modelling completed by SGS did not include extensive testing of the preferred standards. It is therefore inappropriate to require these standards, even as a discretionary control. Applicants may elect to adopt these higher standards in a development, however they should not be required to do so. The standards in Table 1 and 2 under the exhibited heading ‘Minimum (mandatory)’ should be discretionary under the heading ‘Standard’.

#### **(v) Conclusions and recommendations**

The Panel concludes:

- The Amendment should include only discretionary controls because:
  - the cumulative effect of the requirements could potentially result in unintended consequences
  - the DDO should provide flexibility to balance competing requirements to achieve a net result that is satisfactory
  - web-based ESD assessment tools change over time and the management of updating these tools is problematic
  - changes to the NCC over time may result in unforeseen conflict with DDO73 and a discretionary control provides for greater flexibility
  - it is appropriate to proceed cautiously to ensure the ESD controls do not mandate unreasonable costs on development
  - there is no compelling strategic justification for a mandatory requirement for the equivalent of a minimum 40 per cent of the total site area as green cover
- Having concluded that the standards in Table 1 and 2 should be discretionary, the requirements to design, construct and certify development in accordance with specified ratings should also be discretionary.
- The standards in Tables 1 and 2 under the exhibited heading ‘Minimum (mandatory)’ should be discretionary under the heading ‘Standard’.
- The proposed quasi-mandatory controls should be reworded to make it clear that these requirements are ‘shoulds’ (not ‘musts’).

The Panel recommends:

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to:**

- **Delete reference to all mandatory and quasi-mandatory controls and make them discretionary.**
- **Modify the headings in Tables 1 and 2 to delete the words ‘Minimum (mandatory)’ and ‘Preferred’**
- **Delete reference to ‘preferred’ standards in Clause 2.3 Requirements (including Tables 1 and 2), Clause 5.0 Application requirements and Clause 6.0 Decision guidelines.**

**Amend the Capital City Zone schedules 1, 2, 3, 5 and 7 as shown in Appendix E to make the proposed clauses clearly discretionary by deleting the word ‘must’ and replacing it with the word ‘should’.**

**Amend the Docklands Zone schedules 1, 2, 3, 4, 5 and 6 as shown in Appendix F to make the proposed clauses clearly discretionary by deleting the word ‘must’ and replacing it with the word ‘should’.**

## 5 Green Factor Tool

### 5.1 What is the Green Factor Tool?

The Green Factor Tool is an online tool developed to assess the impact of a proposed development's green infrastructure and to prioritise the types of greening that will provide benefit to the public and the environment. Green infrastructure is defined in the tool as:

Elements related to vegetation, soil, drainage and irrigation (amongst others). This tool currently focuses on vegetation and soil green infrastructure elements.

The tool provides projects with a Green Factor Score. The Green Factor Score takes into account the relative volume of green elements (which are rated on their relative efficacy in delivering ecosystem services) in comparison to the overall area of the site.

To use the tool, a user would need the following information about their project to develop a Green Factor Score:

- basic site information – address, total site area and the like
- number of trees proposed as part of the project
- area of plants other than trees proposed (that is, shrubs, climbers, groundcovers) in square metres
- location of plantings (for example, ground level (existing/new), green wall, green façade, planters or green roof)
- accessibility and visibility of plantings for general public and building residents
- depth of soil.

For each type of vegetation, the tool requests the plant type to be nominated. There are four plant types:

- indigenous
- native
- exotic
- productive.

Each green element is rated based on its delivery of seven ecosystem services. The seven ecosystem services are:

- urban temperature regulation
- habitat for biodiversity
- runoff mitigation
- food supply
- recreation
- place values and social cohesion
- aesthetic benefits.

A summary of all the variable inputs for the Green Factor Tool is provided in Table 7.

**Table 7** Summary of parameters for Green Factor Tool

Category	Parameter
Ecosystem functions	Urban temperature regulation Habitat for biodiversity Runoff mitigation Food supply Recreation Place values and social cohesion Aesthetic benefits
Green infrastructure type	Vegetation Soil
Soil or substrate depth categories <sup>24</sup>	Over 500 mm 200 to 500 mm Under 200 mm
Green infrastructure elements <sup>25</sup>	In ground (existing retained) In ground (new) Green wall Green façade Planters (on structures) Green roof
Vegetation forms	Large tree Medium tree Small tree & climbers (on structures) Large shrub Small shrub Groundcover/understory Lawn/turf
Vegetation species	Indigenous Native Exotic Productive

<sup>24</sup> Information on depth classes was obtained from Mr Ashley's evidence (D10a) but is summarised here for convenience.

<sup>25</sup> Parameters obtained from Green Factor Tool itself (<https://www.melbourne.vic.gov.au/green-factor-tool>). Remaining parameters obtained from the Journal Article.

Category	Parameter
Location of green infrastructure <sup>26</sup>	Available for occupant’s use Visible to general public Available for general public use Ground level Low rise High rise Contributing to buildings shading strategy

Once all elements are completed for a project in the tool a Green Factor Score and Scorecard is provided. A Green Factor Score ranges from 0 to 1. A Green Factor Scorecard provides a summary of the green elements, their location and area, and their relative contribution to ecosystem outcomes and the Green Factor Score. An example Green Factor Scorecard is provided in Figure 1.

Figure 1 Example Green Factor Scorecard



Source: D10a, page 27.

A Green Factor Score of 0.55 was chosen as the minimum standard for the Amendment as it correlated with the minimum requirement identified in the GOCAP to provide green infrastructure equivalent to at least 40 per cent of the site area as green cover. This is explained further in a ‘Scenario Testing Report’.

The Green Factor Tool and its weighting system was supported by two background documents:

- the Journal Article which outlines the development of the Green Factor Tool and the evidence base to underpin scoring within the Green Factor Tool itself
- the Scenario Testing Report which tested the Green Factor Tool with various building typologies to calibrate the tool.

<sup>26</sup> ibid

## Journal Article

The Journal Article outlines the research process for the Green Factor Tool including the development of an evidence base to underpin scoring within the Green Factor Tool itself.

It outlined the stages in the Green Factor Tool development as follows:

- defining forms and ecosystem functions of greenery
- prioritising functions based on local strategic priorities and with reference to local context and conditions
- building the evidence base to demonstrate the delivery of each ecosystem function by different vegetation forms and species
- rating vegetation forms for relative delivery of functions
- peer review of scoring and matrix
- finalisation of tool design and piloting.

The article included two tables which go some way to explain the ratings attributed to different vegetation forms for delivering on the different ecosystem functions (Table 8) and the weightings attributed to each ecosystem function (

Table 9). Although ‘air purification’ was originally considered a relevant ecosystem service it was not included in the final version of the tool.

**Table 8** Delivery of functions rated for different vegetation forms

	Large tree 10 m +	Medium Tree 6 m – 10 m	Small tree and climbers	Large shrub	Small shrub	Ground cover	Lawn
Temperature regulation	3	3	2.5	2	2	2* 1**	2* 1**
Habitat provision	3	3	2.5	2	2	1.5	0.5
Runoff	3	3	2.5	2	2	2	2
Recreation	3	3	2.5	1	1	1	2
Air purification	3	3	3	3	3	1	0
Place and social cohesion	3	3	3	2	2	2	1
Aesthetic	3	3	3	2	2	2	2
Food production	2***	2***	2***	2***	2***	3***	0

Notes: \* = irrigated, \*\*=unirrigated, \*\*\*= productive food only.

Source: Table 4 of D10a.

**Table 9** Urban ecosystem services in order of priority included in the Green Factor Tool

Function	Weighting (per cent)	Ecosystem service
Urban temperature regulation	25	Regulating
Habitat for biodiversity	20	Supporting
Runoff mitigation	20	Regulating
Food supply	10	Provisioning
Recreation	10	Cultural
Place values and social cohesion	10	Cultural
Aesthetic benefits	5	Cultural

Source: Table 5 of D10a

### Scenario Testing Report

The Scenario Testing Report tested the Green Factor Tool across three scales of ambition (being business as usual, moderate case and optimised case) and seven building typologies (for example mid-rise, large residential and so on) to calibrate the scoring within the tool. Both the business as usual and moderate case scales relied upon the same built form model typical of the recent history of permit applications. Sensitivity testing was undertaken for the moderate case to understand the consequences of changing assumptions in the tool, such as species selection or occupant accessibility.

The optimised case included changes to the built form to accommodate increased green infrastructure spaces. Nevertheless, such built form changes attempted to maintain development yield or improve urban design outcomes.

The scenario testing considered the green cover (percentage) and Green Factor Score for each building typology. For the moderate case scenario, the aim was to demonstrate a green cover standard of 40 per cent, as proposed by GOCAP, could be technically achievable and then to inform the corresponding Green Factor Score.

The results of the moderate case scenario testing resulted in a recommendation for a provisional Green Factor Score target of 0.55 for all typologies with the exception of the industrial/warehouse typology, for which a provisional Green Factor Score target of 0.25 was recommended.

Sensitivity analysis demonstrated the impact of adjusting a single variable. For example, adjusting cultural services such as occupant access, public visibility and public use or adjusting plant species selection from native to indigenous, productive or exotic. The average score impact of adjusting such variables was provided. For example, a 0.04 average score increase was noted for replacing native plant species with indigenous. When native plants were replaced with productive plants a 0.09 average score increase was noted.

In relation to the latter, the report stated:

Whilst on the face value this may seem a larger than expected impact, given the recreation and social cohesion value assigned and the high value of productive landscapes for habitat this increase is defensible, but may warrant further review.

The impact of incorporating façade greening as part of a shading strategy was investigated for mid-rise buildings and a minor score increase of 0.006. In relation to this, this report stated:

There is a sound basis for only a minor impact on scoring as the focus on the tool on broader community benefit, however some consideration should be given to whether the benefit should be valued higher to encourage design responses that take this into account.

## 5.2 Is the Green Factor Tool appropriate?

### (i) The issue

The issues are whether the:

- Green Factor Tool is an appropriate web tool for inclusion in the Amendment
- a minimum standard Green Factor Score of 0.55 is appropriate
- parameters, weightings and workings of the Green Factor Tool are sufficiently transparent.

### (ii) Evidence and submissions

Many submitters supported the use of the of the Green Factor Tool in the Amendment.

The Australian Institute of Landscape Architects (Submitter 62) submitted that embedding the Green Factor Tool in the Planning Scheme *“ensures a level playing field across all new developments that effectively removes the perceived costs incurred by developers in providing landscapes to roofs, balconies and facades”*.

Conversely, the UDIA had reservations about the use of the tool and said it was unclear how it would work in practice. Other submitters were concerned with whether the Green Factor Score of 0.55 was achievable, particularly within the context or constraints of a new single dwelling.

Prof Jacques supported the Green Factor Tool, giving evidence that providing *“landscape and green infrastructure on new buildings is not innovative”* but *“an orthodox and accepted outcome”*. He said:

The Green Factor Tool's innovation is in providing a way of measuring the provision of green infrastructure on buildings and framing that measure in terms of urban ecology. I would say that the tool has enabled us to push the things that we're already doing in practice a little harder - to find a little more area for planting, to argue for a little more deep soil and to advocate for higher proportions of indigenous planting. My experience is that this is about tweaking accepted industry norms rather than reinventing them.

Prof Jacques provided an overview of his own experience using the Green Factor Tool. He had experience using it voluntarily on seven projects, where six of the seven projects were able to exceed the Green Factor Tool score of 0.55 either by adopting standard design measures, making modest increases in landscape areas or refining plant species to privilege indigenous and productive plants which the *“Green Factor Tool weighs as more valuable than exotic or native species”*. For all case studies, Prof Jacques did not use green walls (vertical built structures including soil or substitute substrate and integrated hydration delivery system) given his personal reservations about their long-term viability. Nevertheless, he was able to achieve the compliant score.

A number of submitters, whilst supporting the Amendment, considered the Green Factor Tool lacked detail as to how different green infrastructure was rated and what its parameters were.

Prof Jacques said it was not clear how the Green Factor Tool achieves its scores and what its objectives are. He said:

... if the tool is to be widely adopted, trusted and used with purpose, there needs to (sic) much more explanation about how it works and what it values. This explanation needs to be visual and spatial as well as text based, needs to be in plain language and needs to be couched in terms of creating value and impact.

Mr Glossop said the technical data which sits behind the Green Factor Tool is *“invisible to users outside of Council”*.

In response to these concerns, Council suggested that a document could be prepared setting out the inputs to the Green Factor Tool that could lead to changes in the Green Factor score. Council submitted this would ensure clarity about what is required for the 0.55 score to be achieved.

Mr Ashley was asked to prepare a memorandum setting out what the Green Factor Tool inputs are<sup>27</sup> and Council translated that into a document titled the *Green Factor Scoring Regime*<sup>28</sup>. This document identified the components of the Green Factor Tool that would lead to a material change in scoring. This document included two tables. The first provided the assumed canopy size of small, medium and large trees in square metres. The second explained the impact on ratings of adjusting the location of greening or depth of soil on the contribution score for an ecosystem service. For example, relocating greening from ground level to high rise would result in a reduction of the habitat for biodiversity score (out of 3) by 0.5. These tables worked with the relative contribution of each of the green forms to ecosystem services and the ecosystem weighting tables provided in the Journal Article and extracted in Table 8 and

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<sup>27</sup> D32

<sup>28</sup> D40

Table 9 above.

Following further questioning from the Panel about the relative treatment of productive plants compared with indigenous plants (discussed in Chapter 5.3), Council provided an updated *Green Factor Scoring Regime* with an additional table<sup>29</sup> and an updated memorandum from Mr Ashley<sup>30</sup>. Mr Ashley's updated memorandum explained the key components of the Green Factor Tool that could result in a material change in the overall score and clarified the relative ecosystem service ratings for indigenous and productive vegetation.

Council said this document could be included as a Background Document, if the Panel considered that to be appropriate.

### (iii) Discussion

The Panel considers the Green Factor Tool is an appropriate tool to include in the Amendment. The Journal Article documents the process for developing the tool including a multi-disciplinary workshop which included Council staff from a range of Council departments, including strategic and statutory planning, urban landscapes management, landscape architecture and urban ecology. Together these participants *"discussed and negotiated the relative priority of different functions, based on policy priorities, as well as their experience of how urban greenery, vegetation and landscaping elements are incorporated into development plans"*. An evidence base was then built using locally based and generated research to underpin the Green Factor Tool's rigour and credibility. The Journal Article states:

The resulting research evidence-base matrix included a summary of how vegetation delivered each of the ecosystem functions and the key characteristics associated with maximising the functions deliver. The evidence base matrix also included details differentiating the relative delivery of each function for each vegetation form. For example, tree canopy contributes both shade and evapo-transpiration. The research identified 73 key sources of research on these functions, including journal articles, books and reports.

The Panel is confident the process undertaken to develop the Green Factor Tool has been robust and evidence-based and is sufficient to provide for an appropriate tool. The tool will provide for an industry-wide metric for quantifying the provision of green infrastructure. Embedding this in the planning phase of a project will create a fair and orderly way of describing and measuring how that infrastructure is supplied.

The Panel is comfortable the proposed 0.55 Green Factor Score is an appropriate standard. There are no significant technical constraints with achieving this score and flexibility is available within the tool for designers to further increase Green Factor Scores by, for example, specifying productive or indigenous plants.

The Scenario Testing Report considered and tested the Green Factor Tool against a number of development typologies and their capability to achieve a minimum Green Factor Score of 0.55. This provides a strong strategic basis for the score.

As Prof Jacques noted, many projects are already likely achieving the required score of 0.55 suggesting that the Green Factor Tool is a way of measuring provisions already in the industry rather than asking for new forms of innovation. In terms of single dwellings, the tool's value bias toward in-ground planting and productive landscape (both typical in single residential dwellings) should make achieving a score of 0.55 possible depending on the site coverage of the building.

<sup>29</sup> D77

<sup>30</sup> D76

Converting the provisions to discretionary requirements will also assist (as recommended by the Panel in Chapter 4.3).

Whilst the Journal Article explains the process for developing the ratings including peer review of the proposed scoring and evidence matrix, it does not clearly explain how the Green Factor Tool works. The rating of each green element against the ecosystem services and the weighting of each ecosystem service is undertaken behind the scenes of the Green Factor Tool. It is not obvious to users how each parameter influences the overall Green Factor Score developed by the tool.

The Panel agrees with Prof Jacques that the parameters, weightings and workings of the Green Factor Tool need to be sufficiently transparent such that users know exactly how the tool works and where value is placed. This is important for two reasons:

- to improve user experience by managing expectations about weighting of specific design responses
- to ensure the goal posts to achieve the 0.55 score are clear and cannot be varied by amending the inner workings of the tool without due process.

Council's updated *Green Factor Scoring Regime*<sup>31</sup> was produced with the intent that it could serve the purpose of transparently describing the inner workings of the Green Factor Tool and be included as a Background Document. Whilst this document provides some useful technical background information, it lacks adequate explanation as to how the ratings work. It is a series of tables which explain the weightings of ecosystem services and some of the parameters but does not provide a written explanation of how these factors work together to influence the score. For example, Table 1 of the *Green Factor Scoring Regime* (extracted in Table 8 in this Report) provides ratings of vegetation forms for each ecosystem function. It does not explain that each rating is the maximum score available and that the ultimate score will depend on the vegetation type and greening location. Further, not all of the parameters identified in Table 8 of this Report are discussed or explained in the *Green Factor Scoring Regime*.

The Panel recommends that prior to gazettal a Green Factor Tool Guidance Note be prepared which:

- provides a detailed explanation of the Green Factor Tool
- explains the parameters, weightings and workings of the Green Factor Tool
- explains how the parameters within the Green Factor Tool are considered and weighed to achieve a final Green Factor Score.

The Green Factor Tool Guidance Note should be included in the Planning Scheme as a Background Document.

#### **(iv) Conclusions and recommendations**

The Panel concludes:

- The Green Factor Tool is an appropriate web tool for inclusion in the Amendment.
- The proposed minimum standard Green Factor Score of 0.55 is appropriate.
- The parameters, weightings and workings of the Green Factor Tool are not sufficiently transparent.
- A Green Factor Tool Guidance Note written in plain English with accompanying tables and spatial diagrams should be prepared to:
  - provide a detailed explanation of the Green Factor Tool

<sup>31</sup> D77

- explain the parameters, weightings and workings of the Green Factor Tool.
- explain how the parameters within the Green Factor Tool are considered and weighed to achieve a final Green Factor Score.
- The Green Factor Tool Guidance Note should be included as a Background Document in Clause 72.08 of the Planning Scheme before gazettal of the Amendment.

The Panel recommends:

**Prepare a Green Factor Tool Guidance Note, written in plain English with accompanying tables and spatial diagrams to:**

- **provide a detailed explanation of the Green Factor Tool**
- **explain the parameters, weightings and workings of the Green Factor Tool**
- **explain how the parameters within the Green Factor Tool are considered and weighed to achieve a final Green Factor Score.**

**and include as a Background Document in Clause 72.08.**

## 5.3 Productive plants

### (i) The issue

The issue is whether local policy should address productive planting as a priority, given the way in which the Green Factor Tool scoring addresses productive planting.

### (ii) How does the Green Factor Tool address productive planting?

As noted in Chapter 5.1, there are seven ecosystem services used in the Green Factor Tool.

When an applicant processes a landscape proposal through the Green Factor Tool, the tool assigns points to that proposal, based on how the planting scheme achieves each of the seven ecosystem services, and using a weighting system, arrives at a Green Factor score. That score is given based on a number of factors, including things like where the vegetation is located, the size and type of vegetation, how accessible it is, whether it can be seen, and whether it is productive.

For the seven ecosystem services, productive vegetation is the only type of vegetation that is capable of achieving points across all seven ecosystem services, but only where the scheme for that vegetation is 'optimised'. That is it is of the right type, in the right location, and can provide habitat. By contrast, indigenous (non-productive) vegetation cannot achieve points for 'food production' but could achieve points in the other six ecosystem service categories.

A productive garden at ground level, in a location that is accessible to residents, visible to the public, and providing habitat supportive of biodiversity will score more highly, than a productive garden that is elevated and not accessible, or that is not visible.

### (iii) Evidence and submissions

Prof Jacques gave evidence based on his experience using the Green Factor Tool and said the use of indigenous or productive plants generates a higher score compared to using native or exotic species.

The Panel asked Mr Ashley to explain the conclusion in the Scenario Testing Report that the impact of adopting productive landscapes "*may require further review*" prior to regulatory release. Mr Ashley said a review had been undertaken by his team who were satisfied with the proposed

weighting of productive plants. He said this was because productive plants are able to achieve points across all seven ecosystem services (including habitat for biodiversity).

In describing the scoring system, Mr Ashley explained that so long as the landscape area was accessible and visible, productive landscapes would trump indigenous landscapes. This was not because they obtained a higher score for the biodiversity ecosystem service, but because they were able to also obtain points for the productive landscape ecosystem service. Mr Ashley considered this was unlikely to result in applicants pushing for productive landscapes in situations where they were unlikely to have appropriate maintenance.

Council submitted because productive landscapes needed to be fully accessible to tenants to achieve the benefit of points in the social cohesion ecosystem service, it was unlikely the Green Factor Tool would result in a perverse outcome, such as an excess of rotting fruit. Council indicated its staff were already involved in reviewing applications to ensure productive plants were in the right location to achieve the full social benefit without any disbenefits.

The Panel requested further information as to the evidence base for productive plants contributing to the ecosystem function of habitat for biodiversity. Council responded with a memorandum from Mr Ashley<sup>32</sup> addressing the issue, and an updated memo on the scoring regime<sup>33</sup>.

Mr Ashley said the Journal Article reported only a snapshot of the literature review which underpinned the evidence base for the ecosystem function ratings. His memorandum cited literature that reported the use of urban gardens and habitats by native fauna including the Grey-headed flying fox to illustrate they were not limited to remnant habitat. For this reason, he said the decision was made to rate productive landscapes and native plants the same (but not as high as indigenous vegetation) for the ecosystem service of habitat for biodiversity.

The Panel queried whether the proposed local policy should:

- reflect the seven ecosystem services considered by the Green Factor Tool
- address the potential biodiversity role productive planting can provide as habitat for native fauna.

After providing some further background as to the parameters (including location of planting, accessibility, visibility etc) and weighting behind the Green Factor Score, Council submitted:

It is not the case that the Green Factor Tool gives elevated priority to productive gardens, and nor does Council seek to prioritise productive gardens over indigenous planting. Instead, the Green Factor Tool recognises that productive gardens have an additional benefit that other types of greening cannot provide; but that benefit is derived by planting productive gardens where they can actually be used by residents, rather than a whole greening scheme being based around productive plants.

Nevertheless, Council submitted the Panel had identified a gap in the local policy drafting and suggested changes to:

- Clause 02.03-2 (Environmental and Landscape values – biodiversity and waterways) – to recognise the biodiversity value of productive landscapes in the private realm.
- Clause 15.01-2L-01 (Environmentally Sustainable Building Design) – to identify the seven ecosystem services which green infrastructure was to provide on buildings.

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<sup>32</sup> D76.

<sup>33</sup> D77.

**(iv) Discussion**

Mr Ashley's memorandum makes it clear all four vegetation types (indigenous, native, productive and exotic) can achieve a rating for the ecosystem service of habitat for biodiversity. The highest rating in this ecosystem service is achieved by indigenous plants, followed equally by native and productive plants, with exotic last.

Clause 12.01-1S (Protection of biodiversity) includes the objective "*to protect and enhance Victoria's biodiversity*". A relevant strategy in this clause, in the context of the Amendment is:

Support land use and development that contributes to protecting and enhancing habitat for indigenous plants and animals in urban areas.

It is not immediately clear from the wording that the intent is to encourage all types of vegetation to achieve habitat for indigenous plants and animals. The Panel can accept that indigenous fauna is adaptable in urban areas and some species will utilise non-indigenous plants, notably mature exotic trees. For this reason the Panel accepts there is therefore habitat value in retaining mature exotic trees in the exhibited policy.

When considering new plantings the Panel also accepts Council's submission that all vegetation types can contribute to habitat but the relative weighting will differ. The Panel is however cognisant of the potential role of this ESD policy, being the first of a potential 'new tranche' and would not want this rating to be further rolled out or entrenched without further consideration and review of the resulting vegetation mix that is to be achieved.

Council should monitor the mix of vegetation types achieved through the initial roll out of the Green Factor Tool and review whether an appropriate mix is being achieved. The Panel is confident the discretionary nature of the 0.55 Green Factor Score allows any subsequent changes to the vegetation type mix to be supported by the current drafting.

To ensure transparency and consistency between the Green Factor Tool weightings and local policy, it is important the local policy explicitly recognises the role non indigenous vegetation may play for indigenous fauna. Whilst Council has proposed some wording to recognise the value of productive landscapes within the private realm, Mr Ashley's evidence indicates the Green Factor Tool also recognises the value of native and (to a lesser extent) exotic plants within the private realm. The Panel understands this 'value' is in the context of indigenous fauna and considers it would be useful for this context to be explained in local policy as well. The Panel recommends the proposed drafting be amended to recognise all vegetation types as potentially contributing to indigenous fauna habitat so the intent is clear.

The Panel agrees with Council that it is appropriate for the seven ecosystem services rated for the Green Factor Tool to be explicitly stated in local policy and agrees Clause 15.01-2L-01 (Environmentally Sustainable Building Design) is an appropriate location. Greater clarity would be provided by acknowledging that 'green infrastructure' includes vegetation and soil. This is consistent with the Green Factor Tool.

**(v) Conclusion and recommendation**

The Panel concludes:

- All vegetation types can contribute to the habitat for biodiversity ecosystem service in the context of a highly urban environment.
- To ensure transparency and consistency between the Green Factor Tool weightings and local policy, it is important the local policy explicitly recognises the role non indigenous vegetation may play for indigenous fauna.

- It is appropriate for the seven ecosystem services rated for the Green Factor Tool to be explicitly stated in local policy and agrees Clause 15.01-2L-01 (Environmentally Sustainable Building Design) is an appropriate location.

The Panel recommends:

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to revise the third bullet point in Table 5 to add the word 'productive'.**

**Amend Clause 02.03-2 (Environmental and Landscape Values) to replace the seventh dot point policy with:**

**Encourage the use of indigenous vegetation in the delivery of open spaces and green cover for buildings, while also recognising the contribution of native, productive and exotic plants for indigenous fauna habitat within the private realm.**

**Amend Clause 15.01-2L-01 (Building design strategies) to replace the second dot point policy with:**

**Ensure building design integrates green infrastructure (vegetation and soil) to provide the following ecosystem services:**

- **Urban temperature regulation (cooling).**
- **Habitat for biodiversity.**
- **Runoff mitigation.**
- **Food supply.**
- **Recreation.**
- **Place values and social cohesion.**
- **Aesthetic benefits.**

## 6 DDO73 drafting matters

### 6.1 Gas connections

#### (i) The issue

The issue is whether it is appropriate to discourage gas connections for all new development as proposed in DDO73.

#### (ii) Background

The Victorian Gas Substitution Roadmap (the Gas Roadmap), released in 2022, outlines the State's transition from gas to alternate forms of energy which would reduce energy bills and greenhouse gas emissions whilst increasing energy reliability. The Gas Roadmap includes incentives for energy efficient products and policy changes to remove gas connection requirements for new residential subdivisions and to strengthen the support for energy efficiency and renewables. Whilst the Gas Roadmap recognises there is a need for biomethane and renewable hydrogen gases to supply a range of industrial and manufacturing processes, it identified *"electrification as the most cost-effective decarbonisation pathway for most of Victoria's gas use – especially in our homes and businesses"*.

Amendment VC250 supported the Gas Roadmap by prohibiting new gas connections for new dwellings, apartments and residential subdivisions where a planning permit is required by Clause 53.03 (Residential reticulated gas service connection). This amendment came into effect on 1 January 2024.

Acknowledging the difficulty of achieving zero emissions whilst retaining gas as an energy source, the Hansen Report stated:

The transition from gas however, remains in its early stages and there are some uses for which a replacement energy source is still problematic. Notable among these to which the Standard may apply are some aspects of research and development and health services and potentially some hospitality uses. However, for the majority of uses the alternative technologies to enable a reasonably achieved transition to 100% electricity (which can then translate to 100% renewable generation) are available.

The Hansen Report further noted, the standard was to be applied on a discretionary basis which would allow Council to consider those uses which cannot reasonably transition to gas at this stage.

DDO73 seeks to extend the new Clause 53.03 policy to:

- discourage new gas connections for all developments by including a discretionary requirement in Table 3 of DDO73
- require all new buildings above 5000 square metres to achieve a minimum 5-star Green Star rating, which would result in a prohibition of further gas connections for most uses, including cooking, with some exclusions for manufacturing and research (Table 1 of DDO73).

#### (iii) Evidence and submissions

Some submitters challenged the inclusion of the discretionary requirement in DDO73 that new development not incorporate connections to gas services or other non-renewable energy. Those submissions were directed primarily to the potential need for gas connections for commercial cooking and specialist requirements like laboratories.

The submission of Australian Pipeline and Gas Association (APGA) (Submitter 56) considered the discouragement of new gas connections could leave energy consumers worse off as developers may choose more costly zero emission energy solutions. APGA acknowledged the government's intention to increase renewable electricity, but submitted gas would continue to *"be lower in emissions than electricity for years to come"*. APGA's submission also related to the potential re-use of existing gas infrastructure for renewable gases submitting *"renewable gases represent a real, technically viable approach to lowest-cost energy decarbonisation in Australia"*.

RMIT (Submitter 33) identified that whilst it was committed to future electrification of its campuses, the Amendment could have significant implications for science buildings *"where gas is an essential component for research and education needs"*. Similarly, the University of Melbourne sought clarification on how Council would assess applications where gas remained necessary for education purposes.

The Property Council of Australia referred to the proposed building design standards (at Clause 15.01-2L-01) which seek to encourage increased delivery of local renewable energy generation including *"combined heat and power generation systems"* and submitted such systems are not consistent with the Gas Roadmap as they typically use mains gas. Council agreed and proposed removing the reference to the combined heat and power generation systems in the Clause.

Council submitted:

The intention of the discretionary requirement in Table 3 is to discourage all new gas connections. This includes for food and beverage uses. Council considers this to be strategically justified, given the imperative to achieve net zero, and in circumstances where there are mature alternative technologies available (including electric induction). There is no good reason, in the context of a climate crisis directly resulting from the burning of fossil fuels, why new food and beverage use should include gas connections, where electric alternatives are readily available. Green Star Buildings ratings also do not provide an exemption for gas cooking

However, it acknowledged that certain uses, such as laboratories, may require a gas connection, at least until as alternative energy sources are available. Council therefore proposed the following new decision guideline in the Day 1 Version of the DDO73:

Whether the proposed reticulated gas service or other non-renewable energy connection is required for the purpose of education, research or industry.

Mr Ritter supported Council's proposed approach. He said that given there are viable alternatives to gas for domestic cooking, it was appropriate and consistent with both State policy and the Green Star ratings, for new gas connections to be limited to circumstances where it was required as a core part of the building's processes, such as a science laboratory.

Mr Glossop noted Table 3 (under Energy Efficiency and Renewables) indicates that development *should* incorporate on site renewable energy generation (which in his view was appropriate) and *should not* incorporate connections to gas or other non-renewable energy. He identified:

- new gas connections are no longer permitted for residential development in Victoria pursuant to Clause 53.03 (Residential Reticulated Gas Service Connection) of the Planning Scheme
- a requirement to not incorporate a connection to any other non-renewable energy seems an extremely high bar and may need to be reconsidered
- the Hansen Report notes the objective of this requirement is to disincentive new gas connections and for the majority of uses and transition to 100 per cent electricity (ultimately with 100 per cent renewable generation)

- even though this requirement is discretionary, it might be better reflected as a policy statement at Clause 15.01-2L-01.

Council did not support reflecting this requirement in policy but proposed changes to the wording in Table 3 of DDO73 to replace:

Should not incorporate connections to gas services or other non-renewable energy.

with:

Should not incorporate connections to reticulated gas or other non-renewable energy services except for electricity.

#### **(iv) Discussion**

The Panel is satisfied Council's intention to discourage all new gas connections is strategically justified and consistent with the Gas Roadmap. Sufficient discretion has been provided in Council's proposed wording of the Day 1 version of DDO73 (and carried through to the Post Hearing version) to allow for new gas connections to accommodate research, education and industrial needs. Such connections could facilitate natural gas or new renewable gas (if viable) consistent with the Gas Roadmap and APGA's submission. The Panel acknowledges submitters with personal preference to cook with gas but accepts Council's submission that viable alternatives exist.

The Panel notes that the standards in Table 3 are discretionary and there is some flexibility for gas connections to be provided where an applicant can provide appropriate justification.

The Panel supports the updated wording suggested by Council to Table 3.

The Panel agrees that reference to "*combined heat and power generation systems*" should be removed from Clause 15.01-2L-01.

#### **(v) Conclusion and recommendation**

The Panel concludes:

- Council's intention to discourage all new gas connections is strategically justified.
- Certain uses, such as laboratories, may require a gas connection, at least until as alternative energy sources are available.
- Council's new decision guideline proposed in its Post Hearing version of DDO73 provides appropriate guidance to allow for new gas connections to accommodate research, education and industrial needs.
- A requirement to prohibit electricity connections is inappropriate.
- Reference to "*combined heat and power generation systems*" should be removed from Clause 15.01-2L-01.

The Panel recommends:

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to:**

- include a new decision guideline in Clause 6.0 which clarifies that certain uses such as laboratories, may require a gas connection
- revise Table 3 to confirm that connections to electricity is acceptable.

**Amend Clause 15.01-2L-01 (Building design strategies) to replace the fifteenth dot point policy with:**

**Encourage increased delivery of local renewable energy generation such as solar hot water, photovoltaic cells (for which the sustainability benefits of**

low-emission energy production outweigh the impact on the urban heat island effect), or wind powered turbines in new developments.

## 6.2 Expert and submitter proposed changes to DDO73

Various changes to DDO73 were suggested by Council's expert witnesses and submitters. The Panel has summarised these in Table 10 including Council's response in its Post Hearing version.

**Table 10** Expert and submitter proposed changes to DDO73

Clause	Change	Council response
2.1	Property Council of Australia (Submitter 66) suggested the definition "green infrastructure", "ecosystem services" and "hardscaping" were confusing and required clarification. Prof Jacques agreed.	Council agreed and: <ul style="list-style-type: none"> <li>- updated the definition of "hardscaping"</li> <li>- deleted the definitions "green infrastructure" and "ecosystem services".</li> </ul>
2.3	Submitters suggested the requirement to demonstrate that meeting the preferred standard "is not technically achievable" whenever non-compliance is sought was too onerous.	Council agreed to delete this requirement throughout DDO73.
2.3	Submitters suggested the period of time after occupation in which a development's Green Star Building rating must be certified should be extended from 12 months to 24 months, or as otherwise agreed with the responsible authority, to align with the Green Star timeline for certification.	Council agreed this change was appropriate.
2.3	Submitters suggested the requirement (in the chapeau to Tab 1) to enable development to be certified with NABERS should be "at a time agreed with the responsible authority" rather than 24 months. This reflects the need to achieve a threshold of building occupancy before performance monitoring can take place and for the certification rating to be completed.	Council considered it appropriate to leave the 24 month requirement but added the words "or as otherwise agreed with the responsible authority" to allow sufficient flexibility.
Table 1	Mr Ritter recommended the minimum BESS score for ESD should be increased from 50 per cent to 60 per cent. Ark Resources agreed, submitting: <ul style="list-style-type: none"> <li>- the 50 per cent BESS score is too low and will be ineffective</li> <li>- a 4-Star Green Star building rating should be provided as an alternate standard to the current 50 per cent BESS as 4-Star Green Star building</li> </ul>	Council: <ul style="list-style-type: none"> <li>- did not object to increasing the minimum BESS rating, however considered it inappropriate at this stage in the process</li> <li>- did not oppose the use of Green Star 4-Star as an alternative to the 50 per cent BESS score but submitted DDO73 already enables use of Green Star 4-Star as an "alternative tool".</li> </ul>

Clause	Change	Council response
	ratings require a 10 per cent upfront carbon reduction.	
Table 1	Mr Ritter sought the inclusion of an explicit requirement for all development to demonstrate a 20 per cent, up front, embodied carbon reduction target.	Council did not oppose the suggestion but considered it inappropriate to make this change at this point in the process.
Table 2	Mr Ritter suggested for developments that are greater than 5,000 square metres, the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings) should be specifically referenced.	Council accepted the intent of the recommendation and updated Table 2 to facilitate this change.
Table 2	Mr Ritter suggested Table 2 should include explicit NABERS targets for Hotels, Offices and Shopping Centres.	Council supported the purpose of this recommendation and included additional drafting in response to this in the chapeau to Table 2. However, the addition of the explicit targets to Table 2 was not supported. Council said the NABERS class types do not clearly align to defined land uses under the Planning Scheme and considered adding the explicit targets would duplicate the new drafting in the chapeau.
Table 2	Ark Resources submitted: <ul style="list-style-type: none"> <li>- the NatHERS Whole of Home tool was more appropriate than BESS for Class 1 dwellings (individual dwellings)</li> <li>- BESS should be replaced by NatHERS Whole of Home</li> <li>- if a 60 per cent BESS score remained, it should exclude plug-in appliances in the score</li> <li>- at the very least, achieving net zero in the NatHERS Whole of Home tool should be included as an alternate pathway.</li> </ul>	Council opposed this and submitted: <ul style="list-style-type: none"> <li>- BESS was the appropriate standard</li> <li>- net zero emissions based on the NatHERS Whole of Home method is not comparable to what was tested or exhibited</li> <li>- the 'equivalent tool provision' allowed applicants to establish the NatHERS Whole of Home tool was equivalent to the specified 60 per cent BESS energy standard.</li> </ul>
Table 5	Mr Ritter suggested there should be additional guidance to explain how the various building and landscaping elements are to be included in the 75 per cent of site area requirement for the Urban Heat Island Effect. He also queried whether solar panels are intended to be included.  Mr Ritter also suggested that for the avoidance of any doubt on how the area calculation method is required to be	Council updated Table 5 to provide more clarity on what will enable a reduction of the urban heat island effect, and also provided specific reference to solar panels.  Council supported the suggestion for guidance notes and indicated it would prepare these.

Clause	Change	Council response
	carried out some example calculations and/or diagrams be provided in supporting guidance notes.	
Table 7	<p>Mr Ritter suggested Table 7 be updated to require all development incorporate a toilet flush for use of alternative water sources.</p> <p>Ark Resources proposed changes to Table 7 to encourage the use of alternative water (including rainwater) for toilet flushing.</p> <p>Mr Ritter suggested the minimum potable water saving target for larger developments be increased from 10 per cent to 30 per cent.</p> <p>Mr Ritter suggested making achievement of the best practice guidelines and the MUSIC modelling mandatory.</p>	<p>While Council did not consider this change necessary, it had no objection to this recommendation. Council incorporated a change to its Post Hearing version of DDO73 to incorporate the use of alternative water for toilet flushing.</p> <p>Council had no objection to increasing the potable water saving target but considered it would not be appropriate to make at this stage of the process.</p> <p>Council did not support making achievement of the best practice guidelines mandatory as that would be inconsistent with the requirements in Clauses 55.03-4, 58.03-8 and 53.18.</p> <p>Council did not object to making the use of MUSIC modelling mandatory but considered it would not be appropriate to make this change at this stage of the process.</p>
3.0	Mr Glossop recommended the wording of Clause 3.0 should be updated to ensure no permit is triggered for subdivision.	Council agreed this was appropriate.
6.0	Prof Jacques suggested greater guidance was needed to guide discretion in Table 5 where an existing building (including part of a building such as heritage fabric) is retained, or a part of the land cannot be built on due to an easement or restriction.	Council proposed a new decision guideline: "Where buildings and works associated with an existing building are proposed, whether the retention of an existing building (including part of a building) or any easement or restriction impedes the achievement of a Green Factor Score of 0.55."

### (i) Conclusions and recommendations

The Panel has carefully considered each suggested change and, in each case, agrees with the approach and response adopted by Council. Council took a pragmatic and consultative approach to the drafting of the updated versions of DDO73 and each change accurately reflects the recommendation of either its experts or submitters.

In relation to **Clause 2.0** the Panel concludes:

- The exhibited definitions of "*green infrastructure*", "*ecosystem services*" and "*hardscaping*" are confusing and are inconsistent with the Panel's understanding of the meanings of these terms as understood in the context of the Green Factor Tool. The Panel supports Council's changes to remove and refine these definitions.
- Council's proposed new wording to Clause 2.2 Building and works is appropriate. It will clarify that a permit is required for buildings and works associated with an existing

building which will result in more than 1,000 square metres of additional gross floor area. This wording should also be replicated in Tables 1-7.

- It is appropriate to delete the requirement to demonstrate the delivery of a standard “*is not technically achievable*”. This requirement could end up being financially onerous, for example, if evidence is required to be submitted to demonstrate that something is not technically achievable.
- The period of time after occupation in which a development’s Green Star Buildings rating must be certified should be extended from 12 months to 24 months, or as otherwise agreed with the responsible authority, to align with the Green Star timeline for certification.
- The period of time to enable development to be certified with NABERS should remain at 24 months, but with added flexibility for the responsible authority to agree otherwise.

In relation to **Table 1** the Panel concludes:

- The economic analysis supports a 50 per cent BESS score and anything higher would need to be considered in a future amendment with supporting documentation.
- Explicit reference to 4-Star Green Star as an alternative to the 50 per cent BESS standard is unnecessary as Clause 2.3 provides for alternative assessment tools to be considered.
- It is not appropriate to include an embodied carbon reduction target for all developments at this stage in the amendment process.

In relation to **Table 2** the Panel concludes:

- For new buildings more than 5,000 square metres and buildings and works associated with an existing building which result in more than 5,000 square metres of additional floor area, the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings) should be referenced in the standard for all uses other than a Dwelling.
- The chapeau to Table 2 should be updated to separate the requirements for the NatHERS standards from the NABERS standards and reflect the slightly different process for certification for each.
- It is not necessary for the BESS standard in Table 2 for individual dwellings be replaced by the NatHERS Whole of Home tool. Applicants may choose to use the NatHERS Whole of Home tool as the “*equivalent tool*” if desired.

In relation to **Table 5** (shown as Table 6 in the Panel’s preferred version) the Panel concludes:

- Table 5 should be updated to provide more clarity on what building and landscaping elements are to be included in the 75 per cent of site area requirement for the Urban Heat Island Effect.

In relation to **Table 7** the Panel concludes:

- It is appropriate to encourage the use of alternative water (including rainwater) for toilet flushing.
- It is not appropriate to increase the potable water saving target at this stage of the process.
- It is not appropriate to make the achievement of the best practice guidelines or the use of MUSIC modelling mandatory given the Panel’s finding in Chapter 4.3.

In relation to Clause 3 **Subdivision** the Panel concludes:

- It is appropriate for Clause 3 to be updated to ensure no permit is triggered for subdivision.

In relation to Clause 6 **decision guidelines** the Panel concludes:

- Greater guidance would assist to guide discretion in Table 5 where an existing building (including part of a building such as heritage fabric) is retained, or a part of the land cannot be built on due to a restriction. Council's proposed new decision guideline to address this is appropriate.

The Panel recommends

**Amend the Design and Development Overlay Schedule 73 as shown in Appendix D to:**

- **Delete the definitions of "green infrastructure" and "ecosystem services" from Clause 2.1 Definitions and update the definition of "hardscaping" to clarify its intent.**
- **Delete the requirements to demonstrate the delivery of a standard "is not technically achievable".**
- **Revise the chapeau to Table 1 to extend the period of time after occupation in which a development's Green Star Buildings rating must be certified from 12 to 24 months.**
- **Revise the requirement in the chapeau to Table 2 to enable development to be certified with NABERS within 24 months or "unless otherwise agreed with the responsible authority".**
- **Revise the chapeau to Table 2 to separate the requirements for the NatHERS standards from the NABERS standards and reflect the slightly different process for certification for each.**
- **Revise Table 2 to reference the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings) for developments that are greater than 5,000 square metres.**
- **Revise Table 5 (now Table 6) to provide more clarity on what building and landscaping elements are to be included in the 75 per cent of site area requirement for the Urban Heat Island Effect.**
- **Revise Table 7 to allow for the use of alternative water for toilet flushing.**
- **Revise Clause 3.0 to state that a permit is not required to subdivide land.**
- **Include new decision guidelines in Clause 6.0 to guide the discretion where an existing building (including part of a building such as heritage fabric) is retained, or a part of the land cannot be built on due to a restriction.**

### 6.3 Additional changes to DDO73

Council made a number of further changes to the exhibited DDO73 (and reflected in its Post Hearing version) which include:

- changes made to improve clarity for consistency or alignment with other provisions
- amended the last dot point under the heading 2.3 Requirements to replace "*comparable outcomes*" with the more specific "*equivalent or better outcomes*"
- moved Urban Ecology Table to go before Urban heat island response Table to improve operation of schedule
- deleted "*Uses species selected from drawn from the City of Melbourne's preferred species list*" from Urban Ecology Table
- adjusted the requirements in the Urban heat island response Table to better align with industry implementation

- consolidated Table 7 and Table 8 to:
  - clarify the achievement level and criteria required by applications of more than 5,000 square metres in the Water Use credit of Green Star Buildings
  - remove unnecessary duplication with other requirements of the schedule
- resolving a drafting error in Table 7 which would have resulted in new buildings equal to or less than 5,000 square metres not being required to install a rainwater tank to support green cover.

The Panel supports these changes all of which have been included in the Panel's preferred version of DDO73.

## 7 Sustainable transport requirements

### 7.1 Subdivision requirements and adaptable parking

#### (i) The issue

The issue is whether it is appropriate to amend the schedules to the CCZ and Docklands Zone to include provisions which require the retention of car parking spaces as common property.

#### (ii) Background

The Amendment proposes to amend the Subdivision provisions in the zone schedules to add:

##### Requirements

Car parking areas must be retained in a single or a consolidated title as common property, unless the responsible authority agrees otherwise.

##### Application Requirements

An application for subdivision must be accompanied by, as relevant, information that demonstrates how the subdivision will allow for the transition of car parking spaces to alternate uses over time.

...

##### Decision Guidelines

Before deciding on a permit application under this schedule the responsible authority must consider, as appropriate:

- Whether the subdivision will facilitate the future adaptation or repurposing of proposed car parking areas.
- Whether the subdivision promotes the efficient use of car parking spaces.

The Amendment also proposes to amend the Buildings and works provisions in the zone schedules to:

- add car parking design standards that relate to the future adaptation of car parking:

##### Requirements – design of car parking facilities

Where car parking facilities are provided as part of an application they should:

- Be designed to facilitate the future adaptation to support alternate uses in the short and long term.
- add the following decision guideline:  
The ability of car parking facilities to transition to alternative uses over time.

#### (iii) Evidence and submission

A number of submissions challenged the proposed requirement that car parking spaces be retained in common ownership. Submitters said this would remove the ability for developers to offset the costs of development by selling off car spaces, and create difficulties associated with adaptation of car parking spaces to other uses over time.

Council submitted:

- it is necessary and appropriate to reduce the amount of car traffic in the municipality, both for reasons related to emissions, and amenity
- reduction in car traffic in the municipality is an inevitability over time, and something that Council is working towards
- there will come a time when car spaces provided in buildings around the municipality will no longer be required for cars

- it is sensible to anticipate that future, and mandate consideration of adaptation of those spaces into different uses at the planning stage
- the only way that adaptation can be practically achieved is if the car spaces are retained in single ownership.

In response to submissions that developers could grant long term leases or licences over car spaces, Council submitted:

- the purpose of the proposed requirement is to anticipate a future condition where there is reduced demand for car spaces
- where that occurs, one would expect a similar decrease in demand for long term leases and licences
- those forms of tenure are not permanent, but contractual, expire and can be terminated.

Ms Dunstan supported the approach proposed from the transport perspective. She did however recommend an additional decision guideline for Buildings and works to provide more direction for guiding adaptive re-use of car parking:

Where private car parking is provided, the extent to which it can be adapted for future uses should be considered, including the consideration of appropriate headroom clearances and whether the car parking is provided below the ground.

Council supported this approach and adjusted the drafting to specify above ground and below ground requirements:

If the car parking facility is provided above ground, whether the car parking areas have been designed to be adapted to alternative uses over time, including whether appropriate floor to ceiling clearances are provided.

If the car parking facility is provided below ground, whether the car parking areas are appropriate for alternative uses over time, and if so, whether they have been designed to facilitate adaptation, including whether appropriate floor to ceiling clearances are provided.

Council explained the intention behind the drafting as:

... for below ground spaces, the first question is whether they are suitable at all to be adapted. The use of the word 'suitability' is to direct the responsible authority's attention to whether the particular space suits adaptation at all given its location. If it is suitable, then attention shifts to whether appropriate ceiling heights are provided.

In relation to above ground spaces, the assessment is intentionally different because those spaces are inherently more suitable to be adapted. Ms Dunstan confirms this in her evidence. Therefore the question is whether the proposal has made those spaces able to be adapted, including by providing appropriate ceiling heights.

Mr Glossop supported the consideration of how large car parking spaces could be re-purposed in the future, including Council's proposed re-drafting of the new decision guideline.

#### **(iv) Discussion**

The Panel appreciates the challenges involved in retaining car parking spaces in common ownership, including on the basis that this would remove an avenue for developers to offset the costs of development by selling off car spaces, and also because of difficulties associated with adaptation of car parking spaces to other uses over time. However, in the long term it is necessary to plan for the reduced dependency on private car travel, including parking.

The Amendment is seeking to anticipate this change and require a consideration of adaption of car parking spaces at the planning stage. This approach is commendable and supported, noting that it will still be possible for developers to grant long term leases or licences over car spaces to recoup some revenue. This would not necessarily stymie the purpose of the requirement to retain the car parks in single ownership but would simply allow for an interim arrangement while car parking is

necessary. A licence or lease is not permanent but is a contractual arrangement which will expire and can be terminated. Therefore, at the conclusion of the arrangement the car spaces would revert to single ownership, and then could be adapted into different uses. By contrast, if car spaces are sold, that opportunity would be lost.

The approach proposed, which seeks to ‘decouple’ car parking spaces through changes to the subdivision provisions is not new. It has been tested and applied in Fishermans Bend where car parking areas must be retained in a single or a consolidated title as common property, unless the responsible authority agrees otherwise.

The proposed controls regarding subdivision of car parking spaces should be updated to ensure they are clearly discretionary, rather than mandatory, as recommended by the Panel in Chapter 4.3.

The Panel supports the new provisions as reflected in Council’s Post Hearing version of the zone schedules. They provide suitable direction for guiding adaptive re-use of car parking for both above and below ground situations.

## **(v) Conclusions**

The Panel concludes:

- The proposed zone changes and sustainable transportation provisions which require common ownership of car parking spaces are generally appropriate, however they should be discretionary.
- The Decision guidelines for Buildings and works should be amended to provide more direction and flexibility for guiding the adaptive re-use of car parking above ground and below ground.

## **7.2 Specifying parking rates in zone schedules**

### **(i) The issue**

The issue is whether it is appropriate to specify parking rates in the schedules to the CCZ and Docklands Zone.

### **(ii) Background**

The Amendment proposes to specify bicycle, motorcycle and car share parking rates in the zone schedules.

The provisions specify that developments must provide bicycle, motorcycle and car share parking spaces and associated facilities in accordance with a table, unless the responsible authority is satisfied that a lesser number is sufficient.

### **(iii) Evidence and submissions**

Some submissions challenged the inclusion of bicycle, motorcycle and car share parking rates in the zone schedules because the approach was “*unconventional*”. More specifically, others challenged the inclusion of bicycle rates on the basis bicycle rates were already specified within Clause 52.34 of the Planning Scheme.

Mr Glossop supported the approach of including parking rates within the zone schedules and said:

It appears to be acceptable in terms of the practitioner guidance to specify rates for bicycle, motorcycle and car share parking in a zone. This can be contrasted with car parking

requirements, which Planning Practice Note 22: Using the Car Parking Provisions says can only be varied by way of a Parking Overlay.

More specifically he said:

- the parking rates are requirements and not permit triggers
- this means that in terms of bicycle facilities, Clause 52.34 will continue to trigger a permit requirement however, the rates in the zone will prevail
- similar provisions already exist in CCZ4.

In relation to the inclusion of bicycle rates, Council identified:

- Clause 52.34 sets fixed rates based on floor area, number of dwellings, or number of employees (or another similar metric)
- the proposed rates in the zone schedules are *minimum* rates, based on number of dwellings, or net floor area.

In terms of establishing whether the zone controls or Clause 53.34 would impose a greater or lesser obligation the Council submitted:

- this doesn't matter because both would need to be met and can be met
- the 'minimum' drafting in the zone schedules allows for a greater number to be provided, if required by Clause 52.34 for a particular use proposal
- where the zone requires a greater number of bicycle parking spaces than specified in clause 52.34, no permit would be triggered under Clause 52.34.

#### **(iv) Discussion**

The Panel agrees with submissions that specifying parking rates in a zone schedule is an unusual approach. However, as Mr Glossop noted, the Practitioner's Guide provides broad scope to entertain this sort of outcome. The approach has been adopted in both the Fishermans Bend Urban Renewal (Amendment GC81) and the Arden Structure Plan area (Amendment C407melb).

The Panel agrees with Council and Mr Glossop that the bicycle provisions proposed in the schedules and Clause 52.34 requirements both serve specific purposes and can co-exist.

#### **(v) Conclusion**

The Panel concludes:

- The Practitioner's Guide to Victoria's Planning Schemes provides broad scope to entertain the inclusion of parking rates as proposed in the zone schedules.
- It is appropriate to specify bicycle, motorcycle and car share parking rates in the schedules to the CCZ and Docklands Zone.

## **7.3 Electric vehicle charging requirements**

### **(i) The issue**

The issue is whether it is appropriate to amend the zone schedules to include provisions which require electric vehicle infrastructure in the design of car parking facilities.

### **(ii) Background**

The Amendment proposes to amend the zone schedules to add car parking design standards that relate to electric vehicle charging:

Requirements – design of car parking facilities

Where car parking facilities are provided as part of an application they should:

...

- Include design features, such as electric vehicle charging points, which support more sustainable forms of private car usage.

...

Car parking facilities should be designed in accordance with the following Design Standards:

- Development of car parking areas should include the delivery of infrastructure (including electricity supply and signage), space and metering arrangements to support the installation of electric vehicle charging points.
- Where a facility is proposed with 50 car parking spaces or more, all of the following should be provided:
  - Electric vehicle ready parking bays for a minimum of 5% non-shared parking spaces.
  - Sufficient infrastructure capacity to accommodate electric vehicle charging for 20% of parking spaces.
  - Electric vehicle charging points at all allocated shared car spaces.

**(iii) Evidence and submissions**

Submitters objected to the new electric vehicle car parking design requirements for reasons including challenges in delivering the electric vehicle infrastructure in multi-level and basement areas, and for fire safety reasons.

Council identified that the NCC includes requirements for the provision of electrical distribution infrastructure in apartment buildings to be able to accommodate chargers for 100 per cent of residential parking spaces, and 10 per cent for non-residential uses<sup>34</sup> so the provision of electric vehicle charging infrastructure was already a minimum expectation.

Ms Dunstan indicated that the approach to electric vehicle charging and design response relate to building permit issues that are being worked through as the industry and authorities navigate the changes with emerging technologies and practices. She indicated that it was appropriate for her to defer to the expertise of others (or the NCC process) in resolving these. Ms Dunstan did however make it clear that electric vehicle charging capability is necessary, and it is inevitable that adoption of electric vehicles will be wide spread (if not the primary fuel source), and this should be pro-actively planned for.

**(iv) Discussion**

Design responses to electric vehicle requirements will continue to evolve. The Panel supports the proposed changes to the zone schedule on the basis that the requirements simply expand on the NCC to require the provision of electric ready bays and charging points, as opposed to just the distribution infrastructure. Electric vehicle charging capability is necessary and must be provided for, and the important aspects from a traffic engineering perspective is that any shared electric vehicle charging facilities are appropriately located and managed. The proposed changes to the zone schedules provide for this.

<sup>34</sup> See NCC 2022, J9D4

**(v) Conclusion**

The Panel concludes:

- It is appropriate to amend the zone schedules to include provisions which require electric vehicle infrastructure in the design of car parking facilities.

**7.4 Parking rates****(i) The issue**

The issue is whether the parking rates proposed through the schedules to the CCZ and Docklands Zone are appropriate.

**(ii) Evidence and submissions**

Five submitters requested the proposed bicycle parking rates be reduced.

Ms Dunstan agreed, and also considered that the grouping of land uses to prescribe bicycle parking rates under the zone schedules was not appropriate (and would lead to an oversupply).

The exhibited provisions specify rates for the following land uses:

- New Dwelling
- New Retail or Office development, including buildings and works which result in more than 1000 square metres additional gross floor area
- New Place of assembly, Minor sports and recreation facility or Education centre development, including buildings and works which result in more than 1000 square metres additional gross floor area.

Ms Dunstan said:

- developments that are mainly employee or student based and those that are mainly customer or visitor based are not the same, and their demands for long-term and short-term bicycle parking vary considerably
- the bicycle parking rates for visitors/customers are likely to result in an oversupply in bicycle parking, particularly for visitors that would usually be allocated highly-valued accessible ground floor areas
- Council should undertake additional work in relation to benchmarking the bicycle parking requirements, to provide adequate justification for the bicycle parking rates, or ultimately adjust the rates appropriately to suit the findings of the additional research.

In response to Ms Dunstan's assessment, Council undertook the additional benchmarking work and produced a revised version of the zone schedules (the FMC Version) which, in relation to bicycle parking rates:

- reduced the employee and visitor bicycle parking rates to better reflect the anticipated demand for Retail, Place of assembly, Minor sports and recreation facility or Education uses
- reduced the visitor bicycle parking rate for Dwelling and Office uses to better reflect the anticipated demand.

Ms Dunstan confirmed that she was satisfied:

- the separation into the land uses as described within FMC Version was appropriate
- the new rates in the FMC Version represented an appropriate balance between providing adequate bicycle parking for short-term users, without compromising highly-valued at-grade areas.

While not a matter raised in submissions, Ms Dunstan in her initial review of the exhibited motorcycle parking rates, found the requirements should be required on a per car space basis, rather than on floor area or dwelling numbers. She said this would avoid the unnecessary provision of crossovers to achieve access for motorcycles in developments that provide no car parking.

Council, in its FMC Version adopted this recommendation and the FMC Version of the zone schedules require motorcycle parking on a per car space basis as follows:

Where car parking is proposed, a minimum of one motorcycle space per 40 car parking spaces should be provided, unless the responsible authority agrees to a lesser number.

Finally, in relation to the proposed car share rates specified, Ms Dunstan found:

- the requirement for car share should only apply where on-site car parking is proposed in a building to avoid any unnecessary vehicle crossovers and/or obvious cases for where a waiver would sensibly apply in the case of no car parking developments
- the car share provision rates are too high, acknowledging that the community is becoming less reliant on car share (in favour of ride-share, public transport and active transport modes, etc).

Council, in its FMC Version included a new rate for car share parking based on an overall car parking provision, rather than a measure related to floor area or dwelling number. Ms Dunstan supported the revised approach.

### **(iii) Discussion**

The Panel is satisfied the updated parking rates for bicycle, motorcycle and car share spaces as shown in the FMC Version of the zone schedules, and carried through to the Post Hearing Version are appropriate. The updated work carried out by Council in relation to bicycle rates in particular, address both Ms Dunstan's concerns and also the concerns of submitters in relation to the potential for an oversupply of bicycle parking. The office land use has been separated from general retail uses recognising the difference in demand generated by these uses.

### **(iv) Conclusion**

The Panel concludes:

- The bicycle, motorcycle and car share parking rates as reflected in the FCM Version of the zone schedules, and carried through to the Post Hearing Version are appropriate.

## **7.5 Green Travel Plan**

The exhibited CCZ schedules do not prescribe the timing for the preparation and submission of a Green Travel Plan. Ms Dunstan recommended that this be clarified.

The Day 1 Version of the CCZ schedules now requires a Green Travel Plan at the permit application stage for any development that results in more than 5,000 square metres of additional gross floor area. Ms Dunstan confirmed this timing is appropriate

The Panel agrees with this recommendation. Delivery at this stage allows meaningful integration of green travel initiatives at an earlier stage of the development process.

## 7.6 Purpose

The exhibited zone schedules provided a new purpose as follows:

To encourage a less car dependent transport system by facilitating the adoption of sustainable transport alternatives, and ensuring that opportunities to adapt and repurpose car parks are protected.

The FMC Version proposed a different purpose as follows:

To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks.

Ms Dunstan reviewed the new purpose and considered it appropriate. The Panel equally agrees the revised Purpose is appropriate. It references the key sustainable considerations of concern for the Amendment, being to encourage sustainable transport and adaptive reuse of car parking.

## 7.7 Clause 02.03-7 (Transport)

Ms Dunstan identified that the exhibited Clause 02.03-7 (Transport) under the ‘Sustainable Transport’ heading did not fully encompass the contemporary sustainable transport aims or actions of Council. She said:

My recommendation for Clause 02.03-7 (Transport) is that rather than minor amendments to the wording of the gazetted Clause, a complete re-write is appropriate as this amended section does not fully encompass the contemporary sustainable transport aims or actions of City of Melbourne. It reads like a municipality at the start of change rather than one well into change, which now has an enhanced vision and commitment to prioritising sustainable transport (in the priority order of active transport, public transport), future-proofing and adaptive use of car parking, supporting the adopting of electric vehicles, etc.

The reference to “bicycles and motorised bikes/scooters are gaining popularity” to “opportunities to reduce private vehicle usage in the City through car share schemes are also important”, do not adequately encompass the range of strategies City of Melbourne has and will adopt.

For example, there is no mention of the current and new requirements for EV charging and adaptive car parking or the primacy of active transport modes in how Council plans and manages the city.

There would seem to be a number of updated strategies (most importantly the refreshed Transport Strategy City of Melbourne 2019, which is a Background Document) that Council could draw directly from.

Ms Dunstan also suggested the Clause reference Council’s transport strategy target of achieving 70 per cent of all trips to occur by public transport by 2030.

The FMC Version Clause 02.03-7 (Transport) includes a re-written ‘Sustainable Transport’ section which was supported by Ms Dunstan.

The Panel agrees with this recommendation. The updated text fully encompasses the contemporary sustainable transport aims and actions of Council, a municipality which has significantly progressed its sustainable transport initiatives, rather than a municipality at the start of change.

## 7.8 Capital City Zone Schedule 4

CCZ4 applies to the Fishermans Bend Urban Renewal Area. As noted in Chapter 4.1, this land has recently been subject to extensive review including a range of ESD matters. The Fishermans Bend Urban Renewal Area is partly within the City of Port Phillip and the City of Melbourne and there should be a consistent approach to ESD issues across the two municipalities. For similar reasons to

those expressed in in Chapter 4.1, the Panel considers further work should be completed before the suite of proposed ESD requirements, including the sustainable transport requirements, are applied to the area. Until this work is completed the Amendment should not apply to the Fishermans Bend Urban Renewal Area.

## 7.9 Recommendations

The Panel recommends:

**Amend the Purpose of the Capital City Zone Schedules 1, 2, 3, 5 and 7 and Docklands Zone Schedules 1, 2, 3, 4, 5, and 6 as shown in Appendix E to:**

**To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks.**

**Amend Clause 3.0 Buildings and Works of the Capital City Zone Schedules 1, 2, 3, 5 and 7 as shown in Appendix E to:**

- **reduce the employee and visitor bicycle parking rates to better reflect the anticipated demand for Retail, Place of assembly, Minor sports and recreation facility or Education uses**
- **reduce the visitor bicycle parking rate for Dwelling and Office uses to better reflect the anticipated demand**
- **set flat motorcycle and car share parking space rates as a proportion of total car parking spaces**
- **clarify that motorcycle and car share parking rates only apply when car parking is proposed to avoid unnecessary construction and footpath crossovers**
- **clarify the development size threshold at which a Green Travel Plan must be provided**
- **update the decision guideline relating to the adaptable re-use of car parking to provide more direction and flexibility for guiding the adaptive re-use of car parking above and below ground.**

**Amend Clause 4.0 Buildings and Works of the Docklands Zone Schedules 1, 2, 3, 4, 5 and 6 as shown in Appendix F to:**

- **reduce the employee and visitor bicycle parking rates to better reflect the anticipated demand for Retail, Place of assembly, Minor sports and recreation facility or Education uses**
- **reduce the visitor bicycle parking rate for Dwelling and Office uses to better reflect the anticipated demand**
- **set flat motorcycle and car share parking space rates as a proportion of total car parking spaces**
- **clarify that motorcycle and car share parking rates only apply when car parking is proposed to avoid unnecessary construction and footpath crossovers**
- **update the decision guideline relating to the adaptable re-use of car parking to provide more direction and flexibility for guiding the adaptive re-use of car parking above and below ground.**

**Amend Clause 02.03-7 (Transport) under the heading ‘Sustainable Transport’ to:**

**Melbourne is the centre of the state’s transport network. It is the part of our state where the demand for travel is greatest and where walking, cycling and public transport are the dominant modes of transport. In order to move more people in the same amount of street space, the City needs to make the existing transport infrastructure work harder. There is significant potential to boost the contribution of each of these sustainable modes.**

**The City of Melbourne aims to transition to 70% mode share for public transport, walking and cycling. Public transport is the most economic and efficient mode for mass travel to and from the City. Walking accounts for the greatest proportion of trips within the City. An excellent walking network is necessary for the functioning of all the other modes.**

**In encouraging sustainable transport, the Council will:**

- **Ensure streets and laneways are safe, comfortable and convenient for walking.**
- **Provide a well-connected network of safe and protected bicycle lanes and high-quality bicycle parking facilities.**
- **Support the laneways as a significant element of the pedestrian network and public realm.**
- **Enhance the stations as international gateways to the City.**
- **Ensure public bike hire and micro-mobility stations are convenient to pedestrians and public transport.**
- **Support public transport that is safe, accessible, fast and frequent.**
- **Support private vehicle access to the city for deliveries, servicing and for people who need to use a car.**
- **Support micro-mobility that delivers net public benefit.**

**Delete all proposed changes to the Capital City Zone Schedule 4.**

## 8 Other issues

### 8.1 Transitional provisions

#### (i) The issue

The issue is whether the Amendment appropriately addresses existing permit applications including applications to amend a permit.

#### (ii) Evidence and submissions

The exhibited DDO73 and zone schedules are silent on transitional provisions.

The Property Council of Australia submitted that the Amendment should include transitional arrangements to support the feasibility of projects in progress. The UDIA agreed, submitting:

Any proposed amendment, where adopted, should include appropriate transitional provisions. Particularly as it relates to land with existing planning permits; where there are applications for amendments to endorsed plans; other amendments; and extensions of time.

Council agreed and recommended transitional provisions be added to the DDO73, CCZ and Docklands Zone to exempt applications (including applications to amend a permit) made before the commencement of the Amendment.

#### (iii) Discussion

Assessing whether transitional provisions should be included requires a balance. The interests of the current landowners must be balanced against those of the future developers and occupants of the City of Melbourne. The issue of fairness must be balanced against the need for good planning outcomes sought by the proposed controls. This balancing exercise is not easy.

The Panel has not expressly considered the issue of transitional provisions given Council ultimately agreed to their inclusion in the controls.

Council's proposed transitional provisions for DDO73 have the effect of:

- in Clause 2.3, in relation to amendments to a permit issued before the commencement of the Amendment, the minimum standards switch to being discretionary
- in Clause 7.0, that a permit is not required under the DDO for applications (including applications to amend a permit) made before commencement of the Amendment.

Council's proposed transitional provisions for the zone schedules have the effect of:

- the requirement to retain car parking spaces in common ownership does not apply to the subdivision of land undertaken in accordance with a planning permit issued before the commencement of the Amendment; and
- the requirements in the schedules do not apply to an application (including an application to amend a permit) made before commencement of the Amendment.

The Panel accepts Council's proposed wording as reflected in the Day 1 versions and carried through to the Post Hearing versions of the DDO73, CCZ and Docklands Zone<sup>35</sup>. However, the amendment to Clause 2.3 of DDO73 is not required given the Panel's recommendation that the controls should be discretionary, rather than mandatory, as recommended by the Panel in Chapter 4.3.

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<sup>35</sup> D60 to D73

The provisions proposed are appropriate in that they address existing permit applications (including permit amendment applications). It was not put that transitional provisions are required in respect of the extension of existing permits and the Panel agrees. Well-established principles govern the extension of existing permits, and a change in the planning controls is not necessarily an impediment to an extension.

#### (iv) Conclusion and recommendations

The Panel concludes:

- It is appropriate to include some transitional scope within the proposed DDO37 and the zone schedules for existing permit applications and existing applications to amend a permit.

The Panel recommends:

**Amend the Design and Development Overlay Schedule 73, as shown in Appendix D, to include transitional arrangements for existing permit applications and existing applications to amend a permit.**

**Amend the Capital City Zone Schedules 1, 2, 3, 4, 5 and 7 as shown in Appendix E to include transitional arrangements for existing permit applications and existing applications to amend a permit.**

**Amend the Docklands Zone Schedules 1, 2, 3, 4, 5 and 6 as shown in Appendix F to include transitional arrangements for existing permit applications and existing applications to amend a permit.**

## 8.2 Approach to university campuses

### (i) The issue

The issue is whether a precinct-scale approach should be applied to educational institutions when assessing their achievement of ESD requirements.

### (ii) Background

Table 5 of DDO73 requires all “*new buildings*” and “*buildings and works associated with an existing building which result in more than 1000 sqm additional gross floor area*” to achieve a minimum Green Factor Tool score of 0.55.

The Green Factor Tool allows for consideration of existing in-ground green infrastructure which will be retained as part of the development. This green infrastructure is credited within the Green Factor Tool.

The following site information is required for the Green Factor Tool assessment:

- Address or Block/Lot ID
- Suburb in the City of Melbourne
- Total site land area (in sqm)
- Land use and building typology
- Planning application number
- Urban Forest Fund application
- Description – short description of the proposed development.

No guidance is provided as to how the total site land area should be calculated or what it should include. For instance, it is unclear whether for larger land holdings, such as a university campus, the total site land area should include all titles or all land at the address or whether it should be limited to the development site itself (even if that development site is part of a larger landholding).

### (iii) Evidence and submissions

The University of Melbourne supported the Amendment but submitted:

- in the case of its multitude of buildings and grounds, a site-specific approach to achieving sustainability requirements may not always make the best use of the existing context
- it would be appropriate for DDO73 to support a 'precinct-scale' approach to achieving ESD requirements for educational institutions.

For example, the University submitted:

- in relation to the Green Factor Tool, a new building on its Parkville campus should be able to rely on existing contributions to green cover made by the wider Parkville campus
- there may be "*instances where a precinct-based approach to bicycle parking and end-of-trip facilities is appropriate*".

RMIT took issue with the proposed car parking rates because they are proposed to be applied on a "*building by building basis*" and would not allow flexibility to provide infrastructure to meet the needs across its various precincts.

With respect to the Green Factor Tool, Mr Ashley responded:

On sites where there are multiple buildings being delivered in stages, the definition of the site land area may require case by case consideration. The City of Melbourne should further consider the definition of site land area for the limited number of applications which impact a portion of a larger lot. I consider the definition of site land area could be reasonably defined as the area of land subject to the town planning application where this differs from the title.

Council submitted:

- its intent for the Green Factor Tool score was for each new development to achieve the designated score "*within the development site itself*"
- there was some capacity within the Green Factor Tool to credit existing greening that is retained within a development site
- university campuses should otherwise not be treated any differently from other development sites.

In relation to sustainable transport matters, Council submitted the proposed bicycle, car share and electric vehicle rates are discretionary rather than mandatory, which will enable Council to accommodate the particular circumstances of large landholders such as the University of Melbourne, whilst providing a reference point for precinct-based assessments. In addition, Council proposed a new decision guideline to the CCZ and Docklands Zone schedules which would require the "*responsible authority to consider the characteristics of the site and proposed land use*" when considering the proposed parking provisions.

### (iv) Discussion

The Panel accepts Council's position that due to the strategic focus of the Green Factor Tool and its policy basis on the impact of buildings themselves, it should be applied to each development site, and not on a precinct-wide basis. The Green Factor Tool is not clear on this point as there is currently no guidance as to how the 'total site land area' should be calculated.

The Panel considers the Green Factor Tool should clearly specify that the ‘total site land area’ is the area of land which is subject to the planning permit application. Existing green infrastructure to be retained within this land area will be credited in the Green Factor Tool calculation, however existing green infrastructure elsewhere within the property or precinct will not and should not be credited, consistent with the policy intent and strategic purpose of the tool.

The Panel accepts the submission that a precinct-scale approach may be appropriate in some cases for sustainable transport provisions and considers the proposed decision guidelines, as shown in Council’s Day 1 version (and carried through all versions) of the CCZ and Docklands Zone schedules are appropriate. However, the Panel considers a minor edit to the first decision guideline would assist, as follows:

Whether, having regard to the [characteristics of the site and the](#) proposed use of the land, the number of bicycle parking spaces is appropriate.

Whether the design, location and accessibility of bicycle facilities is convenient given the characteristics of the site, including whether visitor spaces are located within convenient access to both the street and any office building foyer or retail premises entrance.

This edit reflects the wording adopted by Council in its proposed second decision guideline and will allow for greater flexibility in the consideration of the number of bicycle parking spaces when considering larger landholdings.

#### (v) Conclusion and recommendations

The Panel concludes:

- Due to the strategic focus of the Green Factor Tool and its policy basis on the impact of buildings themselves, the Green Factor Tool should be applied to each development site.
- Further guidance in the Green Factor Tool would assist applicants in understanding the relevant site area for an application.
- It is appropriate that sustainable transport provisions ensure consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.

The Panel recommends:

**Amend Clause 3.0 of the Capital City Zone Schedules 1, 2, 3, 5 and 7 as shown in Appendix E to include decision guidelines which allow for the consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.**

**Amend Clause 4.0 of the Docklands Zone Schedules 1, 2, 3, 4, 5 and 6 as shown in Appendix F to include decision guidelines which allow for the consideration of the site context and characteristics when assessing the number, design, location and accessibility of bicycle spaces.**

## 8.3 National Construction Code standards

#### (i) The issue

This issue is whether it is appropriate for the Amendment to go further than the NCC standards.

## (ii) Background

The Hansen Report undertook a review of the Standards proposed in the GOCSAP and found they were sound and there was clear strategic justification for applying more sophisticated ESD controls. In refining the standards and translating these into policy, the Hansen Report acknowledged the following consideration (amongst others):

There will necessarily be a difference in the scale, scope and practicality of delivering different standards having consideration to their application at a National, State or Local level. In other words, the particular characteristics of the City of Melbourne mean that the expectation and ability of developers to deliver outcomes is different from those which may exist in a regional centre (for example). This is supported by previous findings by the 2014 Ministerial Advisory Committee on Environmentally Efficient Design Local Policies which confirmed there was scope for local policies to “raise the bar” where municipalities wish to exceed the Statewide requirement.

## (iii) Evidence and submissions

Masters Builders of Victoria submitted that introducing building specifications outside the NCC could result in building delays, cost increase and unnecessary confusion and duplication. With planning delays being cited as one of the biggest complaints from its members, it suggested additional incentives such as fast-tracked planning processes could better achieve the goal of encouraging sustainable buildings.

The Housing Institute of Australia (Submitter 43) opposed to all aspects of the Amendment which mandated sustainable building designs exceeding existing standards of the NCC.

UDIA submitted Council should evaluate the effects of impending updates to the NCC and NatHERS before imposing further local planning requirements.

Council submitted:

- the Amendment intentionally built on the minimum national standards set by the NCC to deliver ESD and sustainable transport objectives suitable for the specific context and needs of the municipality
- it was entirely appropriate *“that, at a local level, a planning scheme is able to require built form outcomes that improve on the minimum standards set by the NCC, to reflect other planning policy objectives beyond minimum built form expectations”*
- complying with the minimum requirements would not be *“sufficient to drive the built form performance improvements necessary to respond to the climate emergency”*.

Council submitted:

...there is no question arising about inconsistency with the NCC. In all cases, the standards and requirements proposed by the Amendment, improve on the relevant requirements of the NCC, but do not prevent a development from achieving compliance with the NCC.

## (iv) Discussion

The NCC standards are applied at the National level, and the ability for the City of Melbourne to deliver outcomes at a local level is very different from those which might exist elsewhere, for example, at a regional level. The Amendment will deliver ESD and sustainable transport objectives which are tailored to the specific context and needs of the municipality.

Where a development meets the DDO73 requirements and standards, it will also satisfy the relevant NCC standards (where there is an overlap in subject matter). This should not result in any confusion or unnecessary duplication.

It is appropriate that the Planning Scheme is able to build upon and improve standards set by the NCC and there is nothing that prevents a planning authority from requiring buildings to achieve performance standards that exceed the NCC requirements.

In terms of increasing costs, the Panel found in Chapter 3 the Amendment generally results in acceptable economic impacts and net community benefit.

#### **(v) Conclusion**

The Panel concludes:

- It is appropriate that the Planning Scheme is able to build upon and improve standards set by the NCC.
- There is nothing that prevents a planning authority from requiring buildings to achieve performance standards that exceed the NCC requirements.

## **8.4 Parcel lockers**

### **(i) The issue**

The issue is whether the Amendment should require multi-residential and commercial buildings to include facilities for unattended deliveries to reduce unnecessary traffic movements.

### **(ii) Submissions**

My Parcel Locker (Submitter 41) provided a detailed submission on current issues associated with failed parcel deliveries in the City of Melbourne. It claimed residents of the municipality currently receive more than 7 million deliveries each year and 24 per cent of these are unable to be delivered the first time because the recipient is not present. This requires residents to undertake a total of 1.5 million trips each year to post offices and courier depots to retrieve their items. With population forecast to increase, the number of avoidable trips would increase over time – all contributing to excess greenhouse gas emissions assuming at least some of those trips are made by car.

My Parcel Locker submitted that requiring multi-residential and commercial buildings to include lockers, where parcels could be delivered and safely left unattended, would reduce the number of trips to post offices and other locations to collect undelivered parcels. It said the reduction in unnecessary trips would reduce emissions consistent with the sustainability objectives of the Amendment.

My Parcel Locker suggested this could be achieved by adding the following sentence to the Purpose or through a decision guideline to the zone schedules:

For developments which exceed 55 residences a system to facilitate 24/7 unattended deliveries is required to minimise delivery related traffic movement.<sup>36</sup>

Council did not consider it appropriate to include such a requirement in the Amendment at this stage, especially considering it had not been exhibited or properly assessed.

### **(iii) Discussion and conclusion**

Although indirectly relevant to environmental sustainability, the installation of parcel lockers is not directly relevant to the exhibited Amendment. That is not to say the inclusion of parcel lockers in

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<sup>36</sup> D43.

large residential and commercial buildings is not without merit. The Panel understands the intent of My Parcel Locker's suggestion, however considers the proposal requires further detailed analysis and assessment. The implementation of a requirement to provide parcel lockers should be subject to a separate process, which may include a separate planning scheme amendment or other means.

## **8.5 Accessibility**

### **(i) The issue**

The issue is whether the Amendment should require all new buildings to be visitable, accessible and adaptable.

### **(ii) Submissions**

Submitter 61 identified:

- visible, adaptable and accessible housing falls within the scope of sustainable buildings policy
- the significant additional greenhouse gas emissions required to retrofit accommodation that was not suitably designed in the first place, meant including such design measures in this Amendment was warranted
- changes to the NCC were inadequate for many people with mobility impairments and that at a minimum, higher standards ought be set for social housing.

Council proposed no changes to the Amendment in response to the submission, submitting it would be inappropriate at this stage in the amendment process.

### **(iii) Discussion and conclusion**

The Panel acknowledges the very important issue of providing suitably visible, adaptable and accessible buildings to accommodate all people, however this is not within the direct scope of the Amendment. This is an issue that should more appropriately be pursued through other mechanisms.

In addition, it would be inappropriate at this stage in the process to include changes to the Amendment to require all new buildings to be visitable, accessible and adaptable. These matters have not been tested to determine the impacts of requiring such measures. Further detailed analysis and assessment is required.

## Appendix A Submitters to the Amendment

No.	Submitter	No.	Submitter
1	Christopher Kelly	38	Master Builders Association of Victoria
2	Gary Davison	39	Sam Smith
3	Yuk Cheng (Cindy)	40	South East Water
4	Jesse Stanger	41	My Parcel Locker
5	Aurecon	42	John Blake
6	Andrew Thompson	43	Housing Industry Association
7	Ross Muhlan	44	Suzy Turner
8	Beulah	45	Urban Development Institute of Australia
9	Barry Strong	46	RSA Holdings Pty Ltd
10	Greg Branson	47	Cerclos
11	Scott McIntyre	48	Development Victoria
12	Gary Ellett	49	Rockford Constant Velocity Pty Ltd
13	Jiehong Yan	50	Ark Resources
14	Imran Vilcassim	51	Thami Croeser
15	Emanuele Raffaele	52	GoGet Carshare
16	Andrew Crimston	53	MAB Corporation Pty Ltd
17	Paul Hempshall	54	Urban Design Forum Australia
18	Darren Farrugia	55	Christina Drummond
19	Kieran Isherwood	56	Australian Pipelines and Gas Association
20	Charlie Summons	57	Southbank Residents Association
21	Carol Jones	58	Goodman Property Services
22	EmilHajlo	59	The University of Melbourne
23	Fleur Rubens	60	Green Building Council of Australia
24	Wayne Taylor	61	Bernd Bartl
25	Ivan Jovetic	62	Australian Institute of Landscape Architects
26	John Dowling	63	Nicola Smith
27	Australasian Green Infrastructure Network	64	Fishermans Bend Taskforce
28	Meri-bek Council	65	NABERS
29	E Built NZ Limited and Oz E Built Limited	66	Property Council of Australia
30	Plantabox Pty Ltd	67	Planners Declare
31	ASPECT Studios	68	University of Melbourne

32	Ewan Ogilvy	69	ADP Consulting
33	Royal Melbourne Institute of Technology	70	Moonee Valley City Council
34	Erwin Taal	71	Council Alliance for a Sustainable Built Environment
35	Matthew Mackay	72	Ausvest Holdings
36	Cassandra Chilton	73	City of Yarra
37	Kirsten Bauer		

## Appendix B Document list

No	Date	Description	Presented by
1	4 Jun 24	Panel Directions Hearing letter	Planning Panels Victoria (PPV)
2	6 Jun 24	Submission 32 addendum	Ewan Ogilvy
3	27 Jun 24	Panel Directions and Hearing Timetable v1	PPV
4	27 Jun 24	Future Melbourne Committee (FMC) version of Amendment	Council
5	1 Jul 24	Email from My Parcel Locker and Panel response regarding scope of Amendment	PPV
6	2 Jul 24	Response to Panel Direction 8 – Expert witnesses	Melbourne City Council (Council)
7	12 Jul 24	Submitter location map (confidential)	Council
8	16 Jul 24	Email confirming reconstitution of Panel	PPV
9	24 Jul 24	Response to Panel Direction 6 – Response to FMC Version of Amendment	Ark Resources
10	5 Aug 24	Part A Submission	Council
10a	5 Aug 24	Expert Evidence Statement - Green Factor Tool - Gavin Ashley	Council
10b	5 Aug 24	Video Demonstration of Green Factor Tool - Gavin Ashley	Council
10c	5 Aug 24	FMC Agenda and Minutes - November 2017	Council
10d	5 Aug 24	FMC Agenda and Minutes - 18 February 2020	Council
10e	5 Aug 24	Melbourne C187 (PSA) [2012] PPV 132	Council
10f	5 Aug 24	Environmentally Efficient Design Local Policies (AC) [2014] PPV 40	Council
10g	5 Aug 24	Fishermans Bend Planning Review Panel (AC) 2018 PPV 71	Council
10h	5 Aug 24	Victorian Planning Authority Projects Standing Advisory Committee - Referral 6 (AC) Report [2022] PPV 24	Council
10i	5 Aug 24	Letter - Lord Mayor to (acting) Minister for Planning dated 17 October 2022	Council
10j	5 Aug 24	Summary of submissions from 21 May 2024 Future Melbourne Committee Agenda	Council
10k	5 Aug 24	Summary of recommended changes from 21 May 2024 Future Melbourne Committee Agenda	Council
11	7 Aug 24	Expert witness statement of David Ritter	Council
12	7 Aug 24	Expert witness statement of Mark Jacques	Council
13	7 Aug 24	Expert witness statement of John Glossop	Council
14	7 Aug 24	Expert witness statement of Charmaine Dunstan	Council
15	9 Aug 24	Expert witness statement of Andrew Spencer	Council

No	Date	Description	Presented by
16	9 Aug 24	Expert witness statement of Julian Szafraniec	Council
17	9 Aug 24	Economic Assessment	Council
17a	9 Aug 24	Appendix A - Instructions	Council
17b	9 Aug 24	Appendix B - City of Melbourne Environmentally Sustainable Design case study assessments	Council
17c	9 Aug 24	Appendix C - Fieldwork design study report	Council
17d	9 Aug 24	Appendix D – Feasibility cost plans	Council
17e	9 Aug 24	Appendix E - M3 development feasibility assessments	Council
18	14 Aug 24	Day 1 version of the Amendment	Council
19	14 Aug 24	Email – Witnesses to be called and proposed order	Council
20	15 Aug 24	Email – Discussing Green Building Council	My Parcel Locker
21	16 Aug 24	Officer response to expert recommendations by ???	Council
22	16 Aug 24	Presentation of David Ritter	Council
23	16 Aug 24	Presentation of John Glossop	Council
24	16 Aug 24	Addendum report to the Economic Assessment (D???)	Council
25	16 Aug 24	Climate Change 2023 Synthesis Report	Council
26	19 Aug 24	Land Court of Queensland decision - Waratah Coal Pty Ltd v Youth Verdict Ltd & Ors (No 6) QLC 21	Council
27	19 Aug 24	Day 1 version of DDO73 (clean)	Council
28	19 Aug 24	Presentation of Prof Jacques	Council
29	19 Aug 24	Clause 43.02 Design and Development Overlay	Council
30	19 Aug 24	Hearing Presentation	My Parcel Locker
31	20 Aug 24	SGS Hearing Presentation	Council
32	20 Aug 24	Evidence memorandum – Green Factor Tool Scoring Advice	Council
33	20 Aug 24	<i>Shadda Abercrombie v Salter Architects &amp; Anor</i> [2018] VSCA 74	Council
34	20 Aug 24	Schedule 1 to the Design and Development Overlay (DDO1)	Council
35	20 Aug 24	Schedule 10 to the Design and Development Overlay (DDO10)	Council
36	20 Aug 24	Submission	Bernd Bartl
37	20 Aug 24	Supporting submission from Independent Disability Services Inc	Bernd Bartl
38	20 Aug 24	Economic Effects of Utilising Lifemark at a National Level Rashbrooke, G (2009)	Bernd Bartl
39	20 Aug 24	Submission	Ark Resources
40	20 Aug 24	Green Factor Tool Scoring Regime (August 2024)	Council
41	21 Aug 24	Part B Submission	Council

No	Date	Description	Presented by
42	21 Aug 24	Hearing presentation	Mr Bartl
43	22 Aug 24	Response to Panel questions	My Parcel Locker
44	22 Aug 24	Response to Panel question regarding proposed amendments to tables 1 and 2 of Green Factor Tool	Ark Resources
45	22 Aug 24	Email to Council requesting appearance of Mr Ashley	PPV
46	23 Aug 24	Part C Submissions	Council
47	23 Aug 24	Final Day version of the DDO73	Council
48	23 Aug 24	Final Day tracked extracts of CCZ1 – decision guidelines	Council
49	23 Aug 24	Final Day Clause 15.01-2L-01 (Building design strategies)	Council
50	23 Aug 24	Final Day Clause 02.03-2 (Environmental and Landscape Values)	Council
51	23 Aug 24	Memo from Andrew Spencer regarding Site 1 NatHERS score	Council
52	26 Aug 24	Closing email from Panel 260824	PPV
53	6 Sep 24	Email from Council to Panel - Post Hearing documents	Council
54	6 Sep 24	Clause 02.03 Strategic Directions (Post-Hearing version)	Council
55	6 Sep 24	Clause 11.03-6L-01 Arden Precinct (Post-Hearing version)	Council
56	6 Sep 24	Clause 11.03-6L-06 Fishermans Bend Urban Renewal Area (Post-Hearing version)	Council
57	6 Sep 24	Clause 15.01-2L-01 Environmentally Sustainable Building Design (Post-Hearing version)	Council
58	6 Sep 24	Clause 19.03-3L Stormwater Management (Water Sensitive Urban Design) (Post-Hearing version)	Council
59	6 Sep 24	Clause 72.03 What does this Planning Scheme consist of (Post-Hearing version)	Council
60	6 Sep 24	Schedule 1 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council
61	6 Sep 24	Schedule 1 to the Docklands Zone (Post-Hearing version)	Council
62	6 Sep 24	Schedule 2 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council
63	6 Sep 24	Schedule 2 to the Docklands Zone (Post-Hearing version)	Council
64	6 Sep 24	Schedule 3 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council
65	6 Sep 24	Schedule 3 to the Docklands Zone (Post-Hearing version)	Council
66	6 Sep 24	Schedule 4 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council
67	6 Sep 24	Schedule 4 to the Docklands Zone (Post-Hearing version)	Council
68	6 Sep 24	Schedule 5 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council

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No	Date	Description	Presented by
69	6 Sep 24	Schedule 5 to the Docklands Zone (Post-Hearing version)	Council
70	6 Sep 24	Schedule 6 to the Docklands Zone (Post-Hearing version)	Council
71	6 Sep 24	Schedule 7 to Clause 37.04 Capital City Zone (Post-Hearing version)	Council
72	6 Sep 24	Schedule 73 to Clause 43.02 Design and Development Overlay with Green Star 4 Star (Post-Hearing version)	Council
73	6 Sep 24	Schedule 73 to Clause 43.02 Design and Development Overlay (Post-Hearing version)	Council
74	6 Sep 24	Schedule to Clause 72.04 Incorporated Documents (Post-Hearing version)	Council
75	6 Sep 24	Schedule to Clause 72.08 Background Documents (Post-Hearing version)	Council
76	6 Sep 24	Green Factor Tool - Memo - 4 September (Post-Hearing version)	Council
77	6 Sep 24	Green Factor Tool Scoring Regime - 4 September 2024 (Post-Hearing version)	Council

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## Appendix C Planning context

### C:1 Planning policy framework

#### Victorian planning objectives

The Amendment will assist in implementing State policy objectives set out in section 4 of the PE Act as follows:

- providing for the fair, orderly, economic and sustainable use and development of land
- providing for the protection of natural and human-made resources
- securing a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria
- balancing the present and future interests of all Victorians.

The Amendment implements these objectives by introducing standards and requirements for sustainable building design into the Melbourne Planning Scheme.

Council submitted that the Amendment is supported by various clauses in the MPS and PPF, which the Panel has summarised below.

#### Municipal Planning Strategy and Planning Policy Framework

The Amendment is consistent with and supported by the MPS and PPF. Relevant clauses (and objectives and strategies) are summarised in Table 11.

**Table 11 Summary of Municipal Planning Strategy and Planning Policy Framework**

Clause	Policy
<b>Municipal Planning Strategy</b>	
Clause 0.1 (Purpose of this Planning Scheme)	To support responses to climate change.
Clause 2.02 (Vision)	The vision for the City is to be a bold, inspirational and sustainable city.
Clause 2.03-2 (Environmental and landscape values)	<p>Biodiversity and waterways</p> <p>In managing biodiversity and waterways, the Council will:</p> <ul style="list-style-type: none"> <li>- Support design treatments that enhance or restore natural systems.</li> <li>- Encourage the retention of native vegetation in the development of sites and enhance indigenous and remnant vegetation.</li> <li>- Encourage the use of indigenous vegetation in open spaces and roof top greening.</li> <li>- Create and enhance bio-links for native flora and fauna.</li> </ul>
Clause 2.03-4 (Built environment and heritage)	<p>Built environment</p> <p>In managing the built environment, the Council will:</p> <ul style="list-style-type: none"> <li>- Design public and private open spaces to support wellbeing including physical movement, communal exercising, social interaction, quiet enjoyment and connections to the natural environment.</li> </ul> <p>Sustainable Development</p> <p>The City will plan and design to become an environmentally sustainable city that is energy, water and waste efficient and adapted to predicted climate change.</p> <p>In promoting sustainable development, the Council will:</p> <ul style="list-style-type: none"> <li>- Ensure an environmentally sustainable urban environment and building design that facilitates reduced greenhouse emissions, integrated water management, and efficient resource use and waste reduction.</li> <li>- Ensure the built environment resilient to heatwaves, water shortages, extreme storm events and sea level rise.</li> </ul>

Clause	Policy
	<ul style="list-style-type: none"> <li>- Encourage environmentally sustainable building design innovation.</li> <li>- Encourage the connection of buildings to district energy, water and waste systems through a precinct-wide approach.</li> </ul>
Clause 2.03- 5 (Housing)	<p>Housing diversity</p> <p>High standards of on-site amenity should be provided in all residential development, including good access to sunlight, daylight and privacy as well as protection from effects such as noise and light spill.</p> <p>In providing housing, the Council will:</p> <ul style="list-style-type: none"> <li>- Ensure that new residential development achieves high standards of amenity including access to sunlight and daylight and protection from overlooking.</li> </ul>
Clause 2.03 - 7 (Transport)	<p>Integrated Transport</p> <p>Effective and efficient mobility is essential for the liveability, creativity, prosperity, innovation and environmental sustainability of the City.</p> <p>Sustainable Transport</p> <p>A priority for the City is maximising the use of sustainable modes of transport.</p>
Clause 2.03-8 (Infrastructure)	<p>Integrated Water Management</p> <p>In practicing integrated water management, the Council will:</p> <ul style="list-style-type: none"> <li>- Encourage stormwater management, including water sensitive urban design, to minimise the impact of development on waterways.</li> </ul>
<b>Planning Policy Framework</b>	
Clause 11 (Settlement)	<p>Planning is to recognise the need for, and as far as practicable contribute towards:</p> <ul style="list-style-type: none"> <li>- A high standard of environmental sustainability, urban design and amenity.</li> <li>- Climate change adaptation and mitigation.</li> <li>- Protecting, conserving and improving biodiversity, waterways and other natural resources.</li> <li>- Waste minimisation and resource recovery.</li> </ul>
Clause 11.01-1S (Settlement)	<p>To facilitate the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements.</p> <p>Deliver networks of high-quality integrated settlements that have a strong identity and sense of place, are prosperous and are sustainable by:</p> <ul style="list-style-type: none"> <li>- Integrating the management of water resources into the urban environment in a way that supports water security, public health, environment and amenity outcomes.</li> <li>- Minimising exposure to natural hazards, including increased risks due to climate change.</li> <li>- Contributing to net zero greenhouse gas emissions through renewable energy infrastructure and energy efficient urban layout and urban design.</li> </ul> <p>Encourage a form and density of settlements that supports healthy, active and sustainable transport.</p> <p>Support metropolitan and regional climate changes adaptation and mitigation measures.</p>
Clause 12.01-1S (Protection of biodiversity)	<p>To protect and enhance Victoria's biodiversity.</p> <p>Support land use and development that contributes to protecting and enhancing habitat for indigenous plants and animals in urban areas.</p>
Clause 13.01-1S (Natural hazards and climate change)	<p>To minimise the impacts of natural hazards and adapt to the impacts of climate change through risk-based planning.</p> <p>Respond to the risks associated with climate change in planning and management decision making.</p> <p>Ensure planning controls allow for risk mitigation and climate change adaptation strategies to be implemented.</p>
Clause 13.03-1S (Floodplain management)	<p>To assist in the protection of:</p> <ul style="list-style-type: none"> <li>- Life, property and community infrastructure from flood hazard, including coastal inundation, riverine and overland flows.</li> </ul>

Clause	Policy
Clause 13.06-1S (Air quality management)	<p>To assist in the protection and improvement of air quality.</p> <p>Ensure that land use planning and transport infrastructure provision contribute to improved air quality by:</p> <ul style="list-style-type: none"> <li>- Providing infrastructure for walking, cycling and public transport.</li> </ul>
Clause 15 (Built Environment and Heritage)	<p>Planning is to recognise the role of urban design, building design, heritage and energy and resource efficiency in delivering liveable and sustainable cities, towns and neighbourhoods.</p> <p>Planning must support the establishment and maintenance of communities by delivering functional, accessible, safe and diverse physical and social environments, through the appropriate location of use and development and through high quality buildings and urban design.</p> <p>Planning should promote excellence in the built environment and create places that:</p> <ul style="list-style-type: none"> <li>- Are enjoyable, engaging, and comfortable to be in.</li> <li>- Support human health and community wellbeing.</li> </ul> <p>Planning should promote development that is environmentally sustainable and minimise detrimental impacts on the built and natural environment.</p> <p>Planning should facilitate development that:</p> <ul style="list-style-type: none"> <li>- Is adapted and resilient to climate related hazards.</li> <li>- Supports the transition to net zero greenhouse gas emissions.</li> <li>- Minimises waste generation and supports resource recovery.</li> <li>- Conserves potable water.</li> <li>- Supports the use of, and access to, low emission forms of transport.</li> <li>- Protects and enhances natural values.</li> <li>- Minimises off-site detrimental impacts on people and the environment.</li> </ul>
Clause 15.01-1S (Urban design)	<p>To create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity.</p> <p>Require development to respond to its context in terms of character, cultural identity, natural features, surrounding landscape and climate.</p> <p>Ensure development contributes to community and cultural life by improving the quality of living and working environments, facilitating accessibility and providing for inclusiveness.</p> <p>Ensure development supports public realm amenity and safe access to walking and cycling environments and public transport.</p> <p>Ensure that development provides landscaping that supports the amenity, attractiveness and safety of the public realm.</p>
Clause 15.01-1R (Urban design – Metropolitan Melbourne)	<p>To create a distinctive and liveable city with quality design and amenity.</p>
Clause 15.01-2S (Building design)	<p>To achieve building design and siting outcomes that contribute positively to the local context enhance the public realm and support environmentally sustainable development.</p> <p>Improve the energy performance of buildings through siting and design measures that encourage:</p> <ul style="list-style-type: none"> <li>- Passive design responses that minimise the need for heating, cooling and lighting.</li> <li>- On-site renewable energy generation and storage technology.</li> <li>- Use of low embodied energy materials.</li> <li>- Restrict the provision of reticulated natural gas in new dwelling development.</li> </ul> <p>Ensure the layout and design of development supports resource recovery, including separation, storage and collection of waste, mixed recycling, glass, organics and e-waste.</p> <p>Encourage use of recycled and reusable materials in building construction and undertake adaptive reuse of buildings, where practical.</p> <p>Encourage water efficiency and the use of rainwater, storm water and recycled water.</p>

Clause	Policy
	<p>Minimise stormwater discharge through site layout and landscaping measures that support on-site infiltration and stormwater reuse.</p> <p>Ensure development considers and responds to transport movement networks and provides safe access and egress for pedestrians, cyclists and vehicles.</p> <p>Encourage development to retain existing vegetation.</p> <p>Ensure development provides landscaping that responds to its site context, enhances the built form, creates safe and attractive spaces and supports cooling and greening of urban areas.</p>
Clause 15.01-4S (Healthy neighbourhoods)	To achieve neighbourhoods that foster healthy and active living and community wellbeing.
Clause 18 (Transport)	<p>Planning should ensure a safe, integrated and sustainable transport system that:</p> <ul style="list-style-type: none"> <li>- Actively contributes to environmental sustainability.</li> <li>- Supports health and wellbeing.</li> </ul>
Clause 18.01-1L (Land use and transport planning)	<p>Support development that encourages other transport modes and discourages the use of private motor vehicles.</p> <p>Support off street parking for small and micro cars, motor scooters and motorbikes.</p> <p>Encourage re-charging facilities powered by renewable sources of energy for electric powered vehicles.</p> <p>Support a reduction or waiving of car parking requirements for new use and development that has good access to public transport.</p> <p>Encourage the co-location and sharing of car parking facilities.</p>
Clause 18.01-3S (Sustainable and safe transport)	<p>To facilitate and environmentally sustainable transport system that is safe and supports health and wellbeing.</p> <p>Plan and develop the transport system to:</p> <ul style="list-style-type: none"> <li>- Prepare for and adapt to climate change impacts.</li> <li>- Prioritise the use of sustainable personal transport.</li> <li>- Protect, conserve and improve the natural environment by supporting forms of transport, energy use and transport technologies that have the least environmental impact.</li> <li>- Avoid, minimise and offset harm to the environment by: <ul style="list-style-type: none"> <li>- Protecting biodiversity.</li> <li>- Reducing transport-related greenhouse gas emissions.</li> </ul> </li> </ul> <p>Support forms of transport and energy use that have the greatest benefit for, and least negative impact on, health and wellbeing.</p> <p>Design development to promote walking, cycling and the use of public transport, in that order, and minimise car dependency.</p>
Clause 18.02-2S (Cycling)	<p>To facilitate an efficient and safe bicycle network and increase the proportion of trips made by cycling.</p> <p>Support increased cycling by providing:</p> <p>Cycling routes and cycling infrastructure early in new developments and in all major transport projects.</p> <p>Cycle parking and related end of trip facilities to meet demand at education, recreation, transport, shopping, commercial, public transport interchanges and community facilities, significant trip generating developments and other major attractions.</p>
Clause 19.01-2S (Renewable energy)	To support the provision and use of renewable energy in a manner that ensures appropriate siting and design considerations are met.
Clause 19.03-3S (Integrated water management)	To sustainably manage water supply and demand, water resources, wastewater, drainage and stormwater through an integrated water management approach.
Clause 19.03-3L (Stormwater management - Water sensitive urban design)	<p>To achieve the best practice performance objectives for suspended solids, total phosphorus and total nitrogen, as set out in the Urban Stormwater Best Practice Environmental Management Guidelines, CSIRO 1999 (or as amended).</p> <p>To promote the use of water sensitive urban design.</p>

Clause	Policy
Clause 19.03-5S (Waste and resource recovery)	<p>To reduce waste and maximise resource recovery, to reduce reliance on landfills and minimise environmental, amenity and public health impacts.</p> <p>Ensure future waste and resource recovery infrastructure needs are identified and planned for to safely and sustainably manage all waste streams and maximise opportunities for resource recovery.</p> <p>Integrate waste and resource recovery infrastructure planning with land use and transport planning.</p> <p>Encourage development that facilitates sustainable waste and resource recovery, including facilities for Victoria's container deposit scheme.</p>

## C:2 Other relevant planning strategies and policies

### Plan Melbourne

*Plan Melbourne 2017-2050* sets out strategic directions to guide Melbourne's development to 2050, to ensure it becomes more sustainable, productive and liveable as its population approaches 8 million. It is accompanied by a separate implementation plan that is regularly updated and refreshed every five years.

Plan Melbourne is structured around seven Outcomes, which set out the aims of the plan. The Outcomes are supported by Directions and Policies, which outline how the Outcomes will be achieved.

**Table 12** Relevant parts of Plan Melbourne

Outcome	Directions	Policies
5: Melbourne is a city of inclusive, vibrant and healthy neighbourhoods.	5.2: Create neighbourhoods that support safe communities and healthy lifestyles.	Improve neighbourhoods to enable walking and cycling as a part of daily life
	5.4: Deliver local parks and green neighbourhoods in collaboration with communities.	<p>Develop a network of accessible, high-quality, local open spaces</p> <p>Support community gardens and productive streetscapes</p>
6: Melbourne is a sustainable and resilient city.	6.1: Transition to a low-carbon city to enable Victoria to achieve its target of zero greenhouse gas emissions by 2050.	Improve energy, water and waste performance of buildings through environmentally sustainable development and energy efficiency upgrades
		Facilitate the uptake of renewable energy technologies
	6.2: Reduce the likelihood and consequences of natural hazard events and adapt to climate change.	Mitigate exposure to natural hazards and adapt to the impacts of climate change
		Require climate change risks to be considered in infrastructure planning
6.3: Integrate urban development and water cycle management to support a resilient and liveable city.	6.4: Make Melbourne cooler and greener.	Reduce pressure on water supplies by making the best use of all water sources
		<p>Improve alignment between urban water management and planning by adopting an integrated water management approach</p> <p>Protect water, drainage and sewerage assets</p>
		Strengthen the integrated metropolitan open space network

Outcome	Directions	Policies
	6.5: Protect and restore natural habitats.	<p>Create a network of green spaces that support biodiversity conservation and opportunities to connect with nature</p> <p>Protect and enhance the health of urban waterways</p> <p>Protect the coastlines and waters of Port Phillip Bay and Western Port</p>
	6.6: Improve air quality and reduce the impact of excessive noise.	Reduce air pollution emissions and minimise exposure to air pollution and excessive noise
	6.7: Reduce waste and improve waste management and resource recovery.	<p>Improve the economic recovery of waste and reduce reliance on landfill</p> <p>Improve waste and resource recovery systems to meet the logistical challenges of medium- and higher-density developments</p> <p>Protect waste management and resource recovery facilities from urban encroachment and assess opportunities for new waste facilities</p>

### C:3 Ministerial Directions, Planning Practice Notes and guides

#### Ministerial Directions

The Explanatory Report discusses how the Amendment meets the relevant requirements of Ministerial Direction 11 (Strategic Assessment of Amendments) and *Planning Practice Note 46: Strategic Assessment Guidelines*, August 2018 (PPN46). That discussion is not repeated here.

#### Planning Practice Notes

The following Planning Practice Notes are relevant:

- PPN59: The Role of Mandatory Provisions in Planning Schemes which sets out the circumstances under which mandatory provisions may be applied and criteria for making that judgement.
- PPN46: Strategic Assessment Guidelines which provides a consistent framework for the preparation and evaluation of Amendments and how they are to address specified strategic considerations.

#### Practitioner's Guide

The Practitioner's Guide sets out key guidance to assist practitioners when preparing planning scheme provisions. The guidance seeks to ensure:

- the intended outcome is within scope of the objectives and power of the PE Act and has a sound basis in strategic planning policy
- a provision is necessary and proportional to the intended outcome and applies the VPP in a proper manner
- a provision is clear, unambiguous and effective in achieving the intended outcome.

# Appendix D Panel preferred version of the Design and Development Overlay Schedule 73

[Tracked Added](#)

~~Tracked Deleted~~

## SCHEDULE 73 TO CLAUSE 43.02 DESIGN AND DEVELOPMENT OVERLAY

Shown on the planning scheme map as **DDO73**.

### SUSTAINABLE BUILDING DESIGN

#### 1.0 Design objectives

- To ensure buildings are energy efficient and align with the City of Melbourne's target of [net](#) zero emissions by 2040.
- To increase the quantity, quality and distribution of green cover to improve urban cooling and biodiversity outcomes.
- To support opportunities for precinct scale environmentally sustainable design outcomes, including the transition to a circular economy.
- To ensure the design, construction and operation of buildings addresses climate change impacts, including water shortages and the urban heat island effect, and minimises impacts on the local environment, including through waste management and resource recovery.

#### 2.0 Buildings and works

##### 2.1 Definitions

For the purpose of this schedule:

- **Green cover** includes trees, shrubs, grasses, climbers, living green roofs and walls, other vegetation and lawn, and excludes non-plantable surfaces (hard non-permeable and permeable).
- **Green Factor Tool** refers to the City of Melbourne's tool for measuring the green infrastructure credentials of a development ~~(or any replacement tool)~~ [\(as amended from time to time except if the amendments impact the scoring regime under the tool\)](#).
- **Green Factor Scorecard** means the document output from a completed Green Factor Tool assessment which provides relevant project information including the overall Green Factor score, area calculations and ecosystem outcomes.
- ~~▪ **Green infrastructure** means infrastructure that directly provides ecosystem services or supports the provision of these services including green cover, stormwater and rainwater harvesting interventions, permeable surfaces, waterways and wetlands.~~
- ~~▪ **Ecosystem services** means services (such as water filtration, noise reduction and climate regulation) that are provided by natural elements of the environment (including natural elements that have been constructed by humans such as green infrastructure) and that contribute directly or indirectly to human wellbeing.~~
- **Equivalent to the identified tool** means an assessment method developed by a reputable organisation which provides an evidence-based framework for assessing compliance with the relevant standard in this schedule. The assessment

methodology must be comparable or better than the relevant tool identified in this schedule with the results able to be easily reviewed and assessed as accurate by the responsible authority.

- **Hardscaping** means landscape elements (including paving and roads) other than green cover, and excludes any area on a roof or wall.

## 2.2 Buildings and works for which no permit is required

A permit is not required to construct a building or construct or carry out works, other than:

- The construction of a new building for the purposes of Accommodation, Retail premises, Office, Education centre, Research and development centre or Place of assembly.
- Buildings and works associated with an existing building which result in more than 1000 sqm additional gross floor area for the purposes listed above.

## 2.3 Requirements

An application to construct a building or to construct or carry out works 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.

~~A permit cannot be granted to vary a requirement expressed with the term 'must' or a requirement that relates to a minimum (mandatory) standard of this schedule. This does not apply to the requirement at Table 6 where it can be demonstrated to the satisfaction of the responsible authority:~~

- ~~• That the use of the Green Factor Tool is not practical.~~
- ~~• At least 40% of the total site area will be provided as green cover, which must satisfy all of the following elements:~~
  - ~~- A minimum of 65% of the required green cover as canopy planting and a minimum of 35% understorey planting. Canopy planting and understorey planting may overlap.~~
  - ~~- A planting scheme comprising of native vegetation species which provide habitat for native fauna.~~
  - ~~- Green cover which is located to provide maximum benefit in relation to cooling of the adjoining public realm to the satisfaction of the responsible authority. Green walls or facades under this alternate delivery must directly abut the public realm and be on the lower levels of the building.~~

~~In the case of an amendment to a permit, a requirement expressed with the term 'must' or a requirement that relates to a minimum (mandatory) standard of this schedule may be varied only if the amendment does not increase the extent of the non-compliance.~~

Where this schedule ~~identifies~~ refers to the use of a specific tool external to this planning scheme, ~~;~~:

- A applicants ~~must~~ should use the most current version of the specified tool.
- ~~or~~ Applicants may use an alternative tool, provided it is demonstrated to be equivalent to the identified tool and results in ~~comparable~~ equivalent or better outcomes, to the satisfaction of the responsible authority.

## Environmentally sustainable design

Development should meet the ~~preferred~~ standard in **Table 1 to this schedule**, ~~unless it is demonstrated to the satisfaction of the responsible authority that the delivery of the preferred standard is not technically achievable.~~

~~If the preferred standard is not met, the minimum (mandatory) standard must be met.~~

~~The requirement to meet~~ Meeting the standard means:

- In relation to the Green Star Buildings standards:
  - The development ~~must be~~ is designed to ~~be able to~~ achieve certification to the applicable ~~Green Star Buildings~~ rating.
  - The development ~~must be~~ is constructed so as to be ~~able to be~~ certified to the applicable ~~Green Star Buildings~~ rating.
  - Within ~~12-24~~ months of occupation of the building, or as otherwise agreed with the responsible authority, the development ~~must be~~ is certified as achieving the applicable ~~Green Star Buildings~~ rating ~~with the Green Building Council of Australia~~.
- In relation to the Built Environment Sustainability Scorecard (BESS) standards:
  - The development ~~must be~~ is designed to ~~be able to~~ achieve the applicable score.
  - The development ~~must be~~ is constructed to achieve the applicable score.

**Table 1**

Type of development	Standard	
	<del>Minimum (mandatory)</del>	<del>Preferred</del>
New buildings of more than 5000 sqm gross floor area Buildings and works <u>associated with an existing building</u> which result in more than 5000 sqm additional gross floor area	5 Star Green Star Buildings	<del>6 Star Green Star Buildings</del>
New buildings of equal to or less than 5000 sqm gross floor area Buildings and works <u>associated with an existing building</u> which result in between 1000 and 5000 sqm additional gross floor area	A minimum 50% BESS score	<del>A minimum 70% BESS score</del>

## Energy efficiency and renewables

Development should meet the ~~preferred~~ standard in **Table 2** ~~unless it is demonstrated to the satisfaction of the responsible authority that the delivery of the preferred standard is not technically achievable or economically feasible~~ to this schedule.

~~If the preferred standard is not met the minimum (mandatory) standard must be met.~~

~~The requirement to m~~ Meeting the standard means:

- In relation to the Nationwide House Energy Rating Scheme (NatHERS) ~~and the National Australian Built Environment Rating System (NABERS)~~ standards:
  - The development ~~must be~~ is designed to ~~be able to~~ achieve certification to the applicable ~~NatHERS or NABERS~~ star rating.

- [The development is constructed to achieve the applicable rating.](#)
- [In relation to the National Australian Built Environment Rating System \(NABERS\) standards:](#)
  - The development ~~must be is constructed so as to be able to become certified to the applicable NABERS star rating~~ [designed to achieve the applicable rating.](#)
  - ~~The development must be constructed to achieve the applicable NatHERS star rating.~~
  - Within 24 months of occupation of the building, [or as otherwise agreed with the responsible authority,](#) the development ~~must be is~~ certified as achieving the applicable ~~NABERS star~~ rating.
- In relation to the BESS standards:
  - The development ~~must be is~~ designed to be able to achieve the applicable score.
  - The development ~~must be is~~ constructed to achieve the applicable score.

**Table 2**

Type of development	Standard	
	Minimum (mandatory)	Preferred
New buildings of more than 5000 sqm gross floor area  Buildings and works <a href="#">associated with an existing building</a> which result in more than 5000 sqm additional gross floor area	For <del>residential a Dwelling in an apartment development (including in a mixed use building)</del> - An average of at least 7.5 star NatHERS rating across multiple <del>D</del> dwellings, and a minimum of <del>a</del> 6.5 star NatHERS rating for each <del>d</del> Dwelling.  <del>For non-residential – A minimum 5.5 star NABERS Energy rating</del>  For all uses other than a <a href="#">Dwelling, the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings).</a> This standard does not apply if a <a href="#">NABERS Energy rating for the building is not available.</a>	<del>For residential – none specified</del>  <del>For non-residential – A minimum 6 star NABERS Energy rating.</del>

<p>New buildings of equal to or less than 5000 sqm gross floor area</p> <p>Buildings and works <a href="#">associated with an existing building</a> which result in between 1000 and 5000 sqm additional gross floor area</p>	<p>For all, including <a href="#">residential-a Dwelling</a> - A minimum 60% score in the BESS Energy category</p> <p>For <a href="#">residential-a Dwelling in an apartment development (including in a mixed use building)</a> - An average of at least 7.5 star NatHERS rating across multiple <a href="#">Dwellings</a>, and a minimum of 6.5 star NatHERS rating for each <a href="#">dDwelling</a>.</p>	<p><del>A minimum 70% score in the BESS energy category.</del></p>
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Table 3

Type of development	Requirement
<p>All development</p> <p><a href="#">All development (except construction of a new dwelling or a new apartment development).</a></p>	<ul style="list-style-type: none"> <li>Should incorporate on-site renewable energy generation.</li> <li>Should not incorporate connections to <a href="#">reticulated gas services</a> or other non-renewable energy <a href="#">services except for electricity</a>.</li> <li><a href="#">Should not incorporate connections to reticulated gas or other non-renewable energy services except for electricity.</a></li> </ul>

### Waste and resource recovery

Table 4

Type of development	Requirement <a href="#">Standard</a>
<p>All development</p>	<ul style="list-style-type: none"> <li><del>Must</del> <a href="#">Should</a> provide waste and resource recovery facilities that meet the requirements of the City of Melbourne's <i>Guidelines for Waste Management Plans</i>.</li> <li><del>Must</del> <a href="#">Should</a> meet the requirements of a precinct waste management plan, if there is one in place.</li> <li>Should manage construction waste to minimise landfill and maximise resource recovery.</li> </ul>

### [Urban ecology](#)

Table 5

Type of development	Requirement <a href="#">Standard</a>
<p>New buildings</p>	<p><del>Must</del> <a href="#">Should</a> be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's <i>Green Factor Tool</i>.</p>
<p>Buildings and works <a href="#">associated with an existing building</a> which result in more than 1000 sqm additional gross floor area</p>	<p>Should be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's <i>Green Factor Tool</i>.</p>

<p>All development</p>	<p>Should ensure green cover proposed:</p> <ul style="list-style-type: none"> <li>▪ Supports the creation of complex and biodiverse ecosystems.</li> <li>▪ Provides a layered approach, incorporating both understorey and canopy planting.</li> <li>▪ Provides native, indigenous, <u>productive</u> or climate change resilient exotic plants that provide resources for native fauna.</li> <li>▪ Supports the creation of vegetation links between areas of high biodiversity through planting selection and design where applicable.</li> <li>▪ Retains existing mature canopy trees or vegetation which contributes to habitat for native fauna.</li> </ul> <p><del>Uses species selected drawn from the City of Melbourne's preferred species list.</del></p>
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**Urban heat island response**

Table ~~65~~

Type of development	Requirement <del>Standard</del>
<p>All development</p>	<ul style="list-style-type: none"> <li>▪ <del>Must</del> <u>Should</u> provide the equivalent of at least 75% of the development's total site area as <u>solar panels and building or and</u> landscape elements that reduce the impact of the urban heat island effect. These elements include: <ul style="list-style-type: none"> <li><del>— Green infrastructure</del></li> <li>- <u>Green cover.</u></li> <li>- <u>Roof or facade materials, including shading structures, with a minimum Solar Reflectance Index (SRI) of 0.654 for a roof pitched below 15 degrees, or a minimum SRI of 34 for a roof pitched above 15 degrees.</u></li> <li>- <u>Facade materials with a minimum SRI of 34.</u></li> <li><del>— Solar panels</del></li> <li><del>— Shading structures</del></li> <li>- <u>Permeable paving.</u></li> <li>- <u>Waterways, wetlands and stormwater and rainwater harvesting.</u></li> <li>- <u>Hardscaping materials with a minimum SRI of 0.6534.</u></li> </ul> <p><u>This standard does not apply if the development achieves a Green Star Buildings rating with at least the Credit Achievement for Credit 19: Heat Resilience of Green Star Buildings.</u></p> </li> </ul> <p><del>▪ Should ensure non-glazed facade materials</del></p>

- ~~exposed to summer sun have a minimum SRI of 0.65~~
- Should use passive cooling and heating techniques to reduce reliance on artificial heating and cooling.
- ~~Should utilise paving treatments which assist in cooling, such as permeable paving or light coloured aggregates, where applicable.~~

**Urban ecology**

**Table 6**

Type of development	Requirement
New buildings	<del>Must be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool.</del>
<del>Buildings and works which result in more than 1000 sqm additional gross floor area</del>	<del>Should be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool.</del>
All development	<p>Should ensure green cover proposed:</p> <ul style="list-style-type: none"> <li>▪ <del>Supports the creation of complex and biodiverse ecosystems.</del></li> <li>▪ <del>Provides a layered approach, incorporating both understorey and canopy planting.</del></li> <li>▪ <del>Provides native, indigenous or climate change resilient exotic plants that provide resources for native fauna.</del></li> <li>▪ <del>Supports the creation of vegetation links between areas of high biodiversity through planting selection and design where applicable.</del></li> <li>▪ <del>Retains existing mature canopy trees or vegetation which contributes to habitat for native fauna.</del></li> <li>▪ <del>Uses species selected drawn from the City of Melbourne's preferred species list.</del></li> </ul>

**Integrated water management**

**Table 7**

Type of development	Requirement <u>Standard</u>
All development <sub>1</sub>	<p><del>Must</del> <u>Should</u> achieve the best practice water quality performance objectives set out in the <i>Urban Stormwater Best Practice Environmental Management Guidelines</i>, CSIRO, 1999 (or as amended).</p> <p>Should use alternative water for all non-potable uses on-site <del>where technically achievable</del><sub>1</sub> <u>including toilet flush</u>.</p>

<p><u>New buildings of equal to or less than 5000 sqm gross floor area.</u></p>	<p><u>Should connect to a precinct scale recycled water source if available.</u></p> <p><u>Unless connected to a recycled water source, should install a rainwater tank to support on-site green cover.</u></p>
<p>New buildings <u>of more than 5000 sqm gross floor area.</u></p> <p>Buildings and works <u>associated with an existing building</u> which result in more than 5000 sqm additional gross floor area.</p>	<p><del>Must</del> <u>Should</u> connect to a precinct scale recycled water source if available.</p> <p>Unless connected to a recycled water source, <del>must</del> <u>should</u> install a rainwater tank to support on-site green cover <del>or supply a minimum of 10% of internal water demand.</del></p> <p><u>Should achieve a Green Star Buildings rating with at least the Minimum Expectation for the Reducing Water Use criteria of Credit 25: Water Use of Green Star Buildings.</u></p>
<p>Buildings and works <u>associated with an existing building</u> which result in between 1000 sqm and 5000 sqm additional gross floor area.</p>	<p>Should connect to a precinct scale recycled water source if available.</p> <p>Unless connected to a recycled water source, should install a rainwater tank to support on-site green cover <del>or supply a minimum of 10% of internal water demand.</del></p>

~~Development should meet the standard in Table 8.~~

~~The requirement to meet the standard means:~~

- ~~▪—The development must be designed to be able to achieve the applicable standard.~~
- ~~▪—The development must be constructed to achieve compliance with the relevant rating.~~

**Table 8**

Type of development	Standard
<p><del>New buildings of more than 5000 sqm gross floor area</del></p>	<p><del>For residential—the relevant Water credit under 5 Star Green Star Buildings.</del></p>
<p><del>Buildings and works which result in more than 5000 sqm additional gross floor area</del></p>	<p><del>For non-residential—a minimum 4 Star NABERS Water rating.</del></p>
<p><del>New buildings of equal to or less than 5000 sqm gross floor area</del></p>	<p><del>A minimum 50% score in BESS Water category.</del></p>
<p><del>Buildings and works which result in between 1000 sqm and 5000 sqm additional gross floor area</del></p>	

**3.0 Subdivision**

~~None specified~~ A permit is not required to subdivide land.

**4.0 Signs**

None specified.

**5.0 Application requirements**

The following application requirements apply to an application for a permit under Clause 43.02, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A response to the Decision Guidelines outlined at Section 6.0 where not addressed by other application requirements.
- ~~If a 'preferred' standard will not be met by the development, the following must be provided:~~
  - ~~A detailed analysis of the site context and its impact on the delivery of the preferred standard.~~
  - ~~A report from a suitably qualified person that provides a justification for why delivery of the preferred standard is not technically achievable or economically feasible.~~
- Documentation of how relevant ~~requirements and~~ standards will be delivered as identified in **Table 89** below.

**Table 89**

Type of development	Requirement <del>Standard</del>
<p>New buildings of more than 5000 sqm gross floor area</p> <p>Buildings and works <a href="#">associated with an existing building</a> which result in more than 5000 sqm additional gross floor area</p>	<p>Evidence <del>to the satisfaction of the responsible authority</del> that demonstrates the project has been registered to seek the applicable Green Star Buildings rating with the Green Building Council of Australia.</p> <p><a href="#">A completed NABERS Energy Commitment Agreement, or evidence that a Commitment Agreement is unavailable.</a></p> <p>A Sustainability Management Plan (SMP) that is prepared by a suitably qualified person, contains a detailed assessment of the development and includes:</p> <ul style="list-style-type: none"> <li>▪ Details of how the development meets each of the applicable <del>requirements and</del> standards in this schedule.</li> <li>▪ In relation to the standards in <b>Table 1</b> and <b>Table 2</b>:                             <ul style="list-style-type: none"> <li>- An assessment that demonstrates that the development meets (or, where relating to construction or occupation, has the potential to meet) the applicable <del>requirements and</del> standards.</li> <li>- The steps that will be taken to ensure that the development is constructed to achieve the relevant <del>requirements or</del> standards, including by obtaining certification under the relevant ratings tool (if applicable).</li> </ul> </li> </ul> <p>Plans submitted with the application must detail the content of the SMP where relevant.</p>
<p>New buildings equal to or less than 5000 sqm gross floor area</p> <p>Buildings and works <a href="#">associated with an existing building</a> which result in between 1000 sqm and 5000 sqm additional gross floor area</p>	<p>A Sustainable Design Assessment (SDA) that includes:</p> <ul style="list-style-type: none"> <li>▪ Details of how the development meets each of the applicable <del>requirements and</del> standards in this schedule.</li> <li>▪ In relation to the standards in <b>Table 1</b> and <b>Table 2</b>:</li> </ul>

	<ul style="list-style-type: none"> <li>- An assessment from a suitably qualified person or a report created using the relevant ratings tool (as applicable), which demonstrates that the development meets (or, where relating to construction or occupation, has the potential to meet) the <del>requirements and</del> standards.</li> <li>- The steps that will be taken to ensure that the development as constructed achieves the relevant standard, including by obtaining certification under the relevant ratings tool (if applicable).</li> </ul> <p>Plans submitted with the application must detail the content of the SDA where relevant.</p>
All developments (other than single dwellings)	A landscape package comprising a landscape maintenance plan, Green Factor Scorecard (if applicable) and associated landscape plan/s, including species lists and construction details (if relevant).
Single dwellings	A Green Factor Scorecard and landscape plan, as applicable.
All development	A Waste Management Plan prepared in accordance with the City of Melbourne's <i>Guidelines for Waste Management Plans</i> .

## 6.0 Decision guidelines

The following decision guidelines apply to an application for a permit under Clause 43.02, in addition to those specified in Clause 43.02 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- ~~In respect of the, Whether the following matters impede achieving a preferred standards in Table 1 and Table 2, the justification for any variation on the basis of technical feasibility or economic viability.:~~
  - [Site context and constraints.](#)
  - [Technical impediments.](#)
  - [Economic impacts.](#)
- How the development aligns with the City of Melbourne's target for [net](#) zero carbon emissions by 2040.
- The merits of providing on-site renewable energy infrastructure having regard to the contribution the energy generated would make to reducing greenhouse gas emissions.
- ~~The site context.~~
- The contribution the development makes to mitigation of the urban heat island effect.

- [The quantity of green cover and tree canopy provided.](#)
- [Where buildings and works associated with an existing building are proposed, whether the retention of an existing building \(including part of a building\) or any easement or restriction impedes the achievement of a Green Factor score of 0.55.](#)
- The maintenance plan for the proposed green cover.
- [Whether the proposed reticulated gas service or other non-renewable energy connection is required for the purpose of education, research or industry.](#)
- The ability of the integrated water management approach to reintegrate stormwater into the landscape.
- How additional water requirements to support on-site green cover are aligned with integrated water management on the site.
- The impact of the removal of any mature canopy trees or vegetation which contribute to the City's natural ecosystems, and the measures proposed to mitigate these impacts.

## **7.0 Transitional arrangements**

[A permit is not required to construct a building or construct or carry out works for an application \(including an application to amend a permit\) made before the commencement of Amendment C376melb to this scheme.](#)

## **8.0 Expiry**

[This schedule will expire when it is superseded by an equivalent provision in the Victoria Planning Provisions.](#)

# Appendix E Panel preferred version of the Capital City Zone Schedule 1

[Tracked Added](#)

~~Tracked Deleted~~

THIS REFLECTS CHANGES PROPOSED TO BE MADE TO SCHEDULES 1, 2, 3, 5 AND 7 TO THE CAPITAL CITY ZONE

## SCHEDULE 1 TO CLAUSE 37.04 CAPITAL CITY ZONE

Shown on the planning scheme map as **CCZ1**.

### OUTSIDE THE RETAIL CORE

#### Purpose

To provide for a range of financial, legal, administrative, cultural, recreational, tourist, entertainment and other uses that complement the capital city function of the locality.

[To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks.](#) ~~encourage a less car dependent transport system by facilitating the adoption of sustainable transport alternatives, and ensuring that opportunities to adapt and repurpose car parks are protected.~~

## 1.0 Table of uses

### Section 1 - Permit not required

Use	Condition
Accommodation (other than Corrective institution)	
Any use permitted under the Reference Areas Act 1978, the National Parks Act 1975, the Fisheries Act 1995, the Wildlife Act 1975 or the Forest Act 1958.	
Apiculture	Must meet the requirements of the Apiary Code of Practice, May 1997.
Automated collection point	Must meet the requirements of Clause 52.13-3 and 52.13-5.  The gross floor area of all buildings must not exceed 50 square metres.

<b>Education centre</b>	
<b>Home occupation</b>	
<b>Informal outdoor recreation</b>	
<b>Mineral exploration</b>	
<b>Mining</b>	Must meet the requirements of Clause 52.08-2.
<b>Minor sport and recreation facility</b>	Must occur on the Yarra River or on land abutting the Yarra River which is managed by Melbourne Parks and Waterways or Parks Victoria.  Must be licensed by Parks Victoria.
<b>Minor utility installation</b>	
<b>Office</b>	
<b>Place of assembly (other than Amusement parlour and Nightclub)</b>	
<b>Pleasure boat facility</b>	Must occur on the Yarra River or on land abutting the Yarra River which is managed by Melbourne Parks and Waterways or Parks Victoria.  Must be licensed by Parks Victoria.
<b>Railway</b>	
<b>Railway station</b>	
<b>Retail premises (other than Adult sex bookshop, Department store, Hotel, Supermarket, and Tavern)</b>	
<b>Road</b>	
<b>Search for stone</b>	Must not be costeaning or bulk sampling.
<b>Tramway</b>	
<b>Any other use not in Section 3</b>	A use conducted by or on behalf of Melbourne Parks and Waterways or Parks Victoria under the Water Industry Act 1994, the Water Act 1989, the Marine Act, the Port of Melbourne Authority Act 1958, the Parks Victoria Act 1998 or the Crown Land (Reserves) Act 1978.

**Section 2 - Permit required**

Use	Condition
<p>Adult sex bookshop</p> <p>Amusement parlour</p>	
<p>Car park</p>	<p>Must meet the requirements of Clause 52.06.</p> <p>Must not be an open lot car park.</p>
<p>Corrective institution</p> <p>Department store</p> <p>Hotel</p>	
<p>Industry (other than Automated collection point)</p>	<p>Must not be a purpose listed in the table to Clause 52.10 (other than Materials Recycling)</p>
<p>Leisure and recreation (other than Informal outdoor recreation)</p> <p>Mineral, stone, or soil extraction (other than Extractive industry, Mineral exploration, Mining, and Search for stone)</p> <p>Nightclub</p> <p>Supermarket</p> <p>Tavern</p> <p>Utility installation (other than Minor utility installation)</p> <p>Warehouse (other than Freezing and cool storage, and Liquid fuel depot)</p>	
<p>Any other use not in Section 1 or 3</p>	

**Section 3 - Prohibited**

Use
<p>Cold store</p>
<p>Extractive industry</p>
<p>Freezing and cool storage</p>
<p>Liquid fuel depot</p>

## 2.0 Subdivision

### Requirements

Car parking areas ~~must~~ should be retained in a single or a consolidated title as common property, ~~unless the responsible authority agrees otherwise.~~

### Application Requirements

An application for subdivision ~~must~~ should be accompanied by, as relevant, information that demonstrates how the subdivision will allow for the transition of car parking spaces to alternate uses over time.

### Exemption from notice and review

An application to subdivide land 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.

### Decision Guidelines

Before deciding on a permit application under this schedule the responsible authority ~~must~~ should consider, as appropriate:

- Whether the subdivision will facilitate the future adaptation or repurposing of proposed car parking areas.
- Whether the subdivision promotes the efficient use of car parking spaces.

## 3.0 Buildings and works

### Prohibitions

The construction of footbridges, pedestrian ways, vehicle bridges and links across the above ground level of Bourke Street, Collins Street, Swanston Street and Elizabeth Street, Melbourne is prohibited.

### Permit Requirement

A permit is required:

- To construct a building or construct or carry out works.
- To construct a building which does not extend to the road boundary of the site.
- To construct a building providing fewer than one bicycle parking space per 500 square metres of gross floor area in the case of a new building without on site car parking.
- To construct a building providing fewer than one bicycle parking space for every 100 car parking spaces in the case of a new building with on-site car parking.

A permit must not be granted or amended (unless the amendment does not increase the extent of non-compliance) to construct a building or construct or carry out works with a floor area ratio in excess of 18:1 on land to which schedule 10 to the Design and Development Overlay applies unless:

- a public benefit as calculated and specified in a manner agreed to by the responsible authority is provided; and
- the permit includes a condition (or conditions) which requires the provision of a public benefit to be secured via an agreement made under section 173 of the *Planning and Environment Act 1987*.

For the purpose of this schedule the floor area ratio is the gross floor area above ground of all buildings on a site, including all enclosed areas, services, lifts, car stackers and covered balconies, divided by the area of the site. Voids associated with lifts, car stackers and similar service elements should be considered as multiple floors of the same height as adjacent floors or 3.0 metres if there is no adjacent floor.

### **No Permit Required**

A permit is not required for:

- Buildings or works carried out by or on behalf of Melbourne Parks and Waterways or Park Victoria under the Water Industry Act 1994, the Water Act 1989, the Marine Act, the Port of Melbourne Authority Act 1958, the Parks Victoria Act 1998 or the Crown Land (Reserves) Act 1978.
- Buildings or works for Railway purposes.
- Alterations to a building authorised under the Heritage Act, provided the works do not alter the existing building envelope or floor area.
- Footpath vehicle crossovers provided they are constructed to the satisfaction of the responsible authority.
- Bus and tram shelters required for public purposes by or for the Crown or a public authority in accordance with plans and siting to the satisfaction of the responsible authority.
- Decorations, gardens and planting required for public purposes by or for the Crown, a public authority or the City of Melbourne.
- Street furniture.
- A work of art, statue, fountain or similar civic works required for public purposes by or for the Crown, a public authority or the City of Melbourne.
- Buildings or works or uses on public land for which a current permit exists under a City of Melbourne local law.
- The erection of information booths and kiosks required for public purposes by or for the Crown, a public authority or the City of Melbourne.
- Traffic control works required by or for the Crown, a public authority or the City of Melbourne.
- The construction, or modification, of a waste pipe, flue, vent, duct, exhaust fan, air conditioning plant, lift motor room, skylight, security camera, street heater or similar minor works provided they are to the satisfaction of the responsible authority.
- A flagpole.

- A modification to the shop front window or entranceway of a building to the satisfaction of the responsible authority having regard to the architectural character of the building.
- An addition or modification to a verandah, awning, sunblind or canopy of a building to the satisfaction of the responsible authority.
- The painting, plastering and external finishing of a building or works to the satisfaction of the responsible authority.
- Changes to glazing of existing windows to not more than 15% reflectivity.
- External works to provide disabled access that complies with all legislative requirements to the satisfaction of the responsible authority.

**Requirements – bicycle, motorcycle and car share parking**

Developments ~~must~~ should provide bicycle, ~~and~~ motorcycle and car share parking spaces and associated facilities in accordance with the table below, ~~unless the responsible authority is satisfied that a lesser number is sufficient.~~

Type of development	Rate Requirement	Facility Requirement
Bicycle parking		
New Dwelling.	A minimum of one <del>secure</del> bicycle space per Dwelling. <del>Two secure</del> <u>A minimum of one</u> visitor bicycle spaces per 5 Dwellings.	None specified.
<p><u>New building for the purpose of Retail premises, Place of assembly, Minor sports and recreation facility or Education centre.</u></p> <p><u>Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Retail premises, Place of assembly, Minor sports and recreation facility, or Education centre.</u></p> <p><del>New Retail or Office development including buildings and work which result in more than 1000sqm additional gross floor area.</del></p> <p><del>New Place of Assembly, Minor sports and recreation</del></p>	<p>A minimum of one <del>secure</del> employee bicycle space per <del>4</del>200sqm of net floor area.</p> <p><del>A minimum of one</del> <u>A minimum of one</u> <del>secure</del> bicycle visitor space per <del>100</del>sqm <u>200</u>sqm of net floor area <del>with a minimum of four visitor spaces provided.</del></p>	<p>If 5 or more employee bicycle spaces are required, 1 shower for the first 5 employee bicycle spaces, plus 1 to each 10 employee bicycle spaces thereafter.</p> <p>1 change room or direct access to a communal change room to each shower. The change room may be a combined shower and change room.</p> <p>If 20 or more employee bicycle spaces are required, personal lockers are to be provided with each bicycle space required.</p> <p>If more than 30 bicycle spaces are required then a change room must be provided with direct access to each shower. The change room may be a combined shower and change room.</p>

<del>facility or Education centre development, including buildings and works which result in more than 1000sqm additional gross floor area.</del>		
<u>New building for the purpose of Office.</u> <u>Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Office.</u>	<u>A minimum of one employee bicycle space per 100sqm of net floor area.</u> <u>A minimum of one bicycle visitor space per 500sqm of net floor area.</u>	
Motorcycle parking		
<del>New Dwellings</del>	<del>Where car parking is proposed a minimum of one space per 450 dwellings.</del>	<del>None specified.</del>
New <u>buildings for the purpose of Dwelling.</u> Retail <del>premises.</del> or Office <del>development.</del> Place of <u>a</u> Assembly, Minor sports and recreation facility or Education <u>c</u> Centre <del>development.</del>	<u>Where car parking is proposed a <u>Aa</u> minimum of one <u>motorcycle</u> space per 40 car parking spaces.</u>	None specified.
Car share parking <del>spaces</del>		
Developments of more than 50 dwellings. <u>New buildings for the purpose of Retail premises, Office, Place of assembly or Education centre.</u> <u>Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Retail premises, Office, Place of assembly or Education centre.</u>	<del>2 spaces plus an additional 1 space per 25 additional Dwellings.</del> <u>A minimum of 5% of all car parking spaces is to be provided as car share spaces for use by car share vehicles.</u>	None specified.
<del>New Retail or Office development, Place of Assembly or Education Centre, including buildings and works which result in more than</del>	<del>1 per 60 car parking spaces</del>	<del>None specified.</del>

1000sqm additional gross floor area		
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### Requirements – design of car parking facilities

Where car parking facilities are provided as part of an application they should:

- Be designed to facilitate the future adaptation to support alternate uses in the short and long term.
- Include design features, including electric vehicle charging points, which support more sustainable forms of private car usage.

The location and design of car share parking spaces should be:

- Publicly accessible.
- In the most accessible level of a multi-storey car park.
- Well-lit and a short distance from an entry point, lift or staircase.
- In a location with a minimum height clearance to allow access by a cleaning van.

Car parking facilities should be designed in accordance with the following Design Standards:

- Development of car parking areas should include the delivery of infrastructure (including electricity supply and signage), space and metering arrangements to support the installation of electric vehicle (EV) charging points.
- Where a facility is proposed with 50 car parking spaces or more, all of the following should be provided:
  - EV ready parking bays for a minimum of 5% non-shared parking spaces.
  - Sufficient infrastructure capacity to accommodate EV charging for 20% of parking spaces.
  - EV charging points at all allocated shared car spaces.

### Application Requirements

An application for a permit must be accompanied by a written urban context report documenting the key planning influences on the development and how it relates to its surroundings. The urban context report must identify the development opportunities and constraints, and document the effect of the development, as appropriate, in terms of:

- State Planning Policy Framework and the Local Planning Policy Framework, zone and overlay objectives.
- Built form and character of adjacent and nearby buildings.
- Heritage character of adjacent and nearby heritage places.
- Microclimate, including sunlight, daylight and wind effects on streets and other public spaces.
- Energy efficiency and waste management.
- Ground floor street frontages, including visual impacts and pedestrian safety.
- Public infrastructure, including reticulated services, traffic and car parking impact.

- Vistas.

An application to construct a building or to construct or carry out works must include, as appropriate, upgrading of adjacent footpaths or laneways to the satisfaction of the responsible authority.

An application for a permit to construct or carry out works for development of a building listed in the Heritage Overlay must be accompanied by a conservation analysis and management plan in accordance with the principles of the Australian ICOMOS Charter for the Conservation of Places of Cultural Significance 1992 (The Burra Charter) to the satisfaction of the responsible authority.

An application to construct a building or to construct or carry out works for a residential use must be accompanied by an Acoustic Assessment which must show how the proposal meets the following requirements:

- Habitable rooms of new dwellings adjacent to high levels of external noise should be designed to limit internal noise levels to a maximum of 45dB in accordance with relevant Australian Standards for acoustic control.

An application to construct a building or construct or carry out works on land to which schedule 10 to the Design and Development Overlay applies must:

- be accompanied by an assessment and report of the proposed floor area ratio from an independent quantity surveyor; and
- if the proposed floor area ratio exceeds 18:1, include details of the public benefit to be provided

[An application to construct a building or to carry out works which results in more than 5000 sqm additional gross floor area must be accompanied by a Green Travel Plan demonstrating how the development supports public transport, walking and cycling prepared by a suitably qualified person.](#)

#### **Exemption from notice and review**

An application to construct a building or construct or carry out works for a use in Section 1 of Clause 37.04-1 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.

#### **Decision guidelines**

Before deciding on a permit application under this schedule the responsible authority must consider, as appropriate:

- The State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- The comments and requirements of relevant authorities.
- The size and shape of the parcel of land to which the application relates, the siting of the proposed development and the area to be occupied by the development in relation to the size and shape of the land, adjoining land and adjoining development.

- The movement of pedestrians and cyclists, and vehicles providing for supplies, waste removal, emergency services and public transport.
- The provision of car parking, loading of vehicles and access to parking spaces and loading bays.
- The adequacy of entrance to and egress from the site.
- If the car parking facility is provided above ground, whether ~~the ability of~~ car parking areas have been designed to be adapted ~~facilities to transition~~ to alternative uses over time, including whether appropriate floor to ceiling clearances are provided.
- If the car parking facility is provided below ground, whether the car parking areas are appropriate for alternative uses over time, and if so, whether they have been designed to facilitate adaptation, including whether appropriate floor to ceiling clearances are provided.
- The contribution of the development to an increase in the availability of off-street electric vehicle charging facilities.
- How the development supports the transition to a 70% mode share for public transport, walking and cycling.
- The contribution the development makes to increasing the provision of car share facilities.
- Whether, having regard to the characteristics of the site and the proposed use of the land, the number of bicycle parking spaces is appropriate.
- Whether ~~the design, location and; accessibility and security (including suitable lighting and locking devices)~~ of bicycle facilities is convenient given the characteristics of the site, including whether visitor spaces are located within convenient access to both the street and any office building foyer or retail premises entrance.
- The security (including suitable lighting, surveillance and locking devices) of bicycle facilities.
- The streetscape, the scale and height of the neighbouring buildings and the proposed development, the proximity to heritage places, the design of verandahs, access from street frontages, the protection of active frontages to pedestrian areas, the treatment of the front and backs of buildings and their appurtenances, illumination of buildings or their immediate spaces and the landscaping of land adjoining a road.
- The existing and future use and amenity of the land and the locality.
- The location, area, dimensions and suitability of use of land proposed for public use.
- The provision of landscaping.
- The responsibility for the maintenance of buildings, landscaping and paved areas.
- The impact on the amenity of any existing dwellings on adjacent sites.

- Where new buildings incorporate dwellings, that the design respects and anticipates the development potential of adjacent sites, to ensure that the future development of the adjacent site does not cause a significant loss of amenity to the subject site.
- Habitable rooms of new dwellings adjacent to high levels of external noise should be designed to limit internal noise levels to a maximum of 45 dB in accordance with relevant Australian Standards for acoustic control.
- The design of buildings to provide for solar access, energy efficiency and waste management.
- The impact on amenity of existing or proposed sensitive land uses susceptible to the off-site effects of industry.
- Whether the development would compromise the function, form and capacity of public spaces and public infrastructure.
- If the floor area ratio of the proposal exceeds 18:1, the extent to which it will deliver a commensurate public benefit.
- Securing the floor area ratio across a site where a site is developed in part to ensure:
  - that an agreement be entered into to acknowledge that the remaining site cannot be later developed;
  - that a heritage building being retained that an agreement be entered into to conserve the heritage building in perpetuity;
  - that the proposed building is sited so that adequate setbacks are maintained in the event that the land is subdivided or separate land holdings are administratively effected to create a future development site.

#### **4.0 Demolition or Removal of Buildings**

A permit and prior approval for the redevelopment of the site are required to demolish or remove a building or works.

This does not include:

- Demolition or removal of temporary structures.
- Demolition ordered or undertaken by the responsible authority in accordance with the relevant legislation and/or local law.

Before deciding on an application to demolish or remove a building, the responsible authority may require an agreement pursuant to Section 173 of the Planning and Environment Act 1987 between the landowner and the responsible authority requiring, as appropriate:

- Temporary works on the vacant site should it remain vacant for 6 months after completion of the demolition.
- Temporary works on the vacant site where demolition or construction activity has ceased for 6 months, or an aggregate of 6 months, after commencement of the construction.

Temporary works must be constructed to the satisfaction of the responsible authority. Temporary works may include:

- The construction of temporary buildings for short-term retail or commercial use. Such structures shall include the provision of an active street frontage.
- Landscaping of the site for the purpose of public recreation and open space.

#### **Exemption from notice and review**

An application to demolish or remove a building or works 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.

### **5.0 Advertising signs**

A permit is required to erect an advertising sign, except for:

- Advertising signs exempted by Clause 52.05.4.
- An under-verandah business sign if:
  - It does not exceed 2.5 metres measured horizontally, 0.5 metres vertically and 0.3 metres between the faces of the sign;
  - It is located between 2.7 metres and 3.5 metres above ground level and perpendicular to the building facade; and
  - It does not contain any animation or intermittent lighting.
- A ground floor business sign cantilevered from a building if:
  - It does not exceed 0.84 metres measured horizontally, 0.61 metres vertically and 0.3 metres between the faces of the sign;
  - It is located between 2.7 metres and 3.5 metres above ground level and perpendicular to the building facade; and
  - It does not contain any animation or intermittent lighting.
- A window display.
- A non-illuminated sign on a verandah fascia, provided no part of the sign protrudes above or below the fascia.
- Renewal or replacement of an existing internally illuminated business identification sign.

#### **Exemption from notice and review**

An application to erect or construct or carry out works for an advertising sign, 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.

## 6.0 Referral of applications

An application that includes the creation or alteration of access to the arterial road – Wurundjeri Way must be referred in accordance with section 55 of the Act to the referral authority specified in the schedule to Clause 66.04.

An application for development with a gross floor area exceeding 25,000 square metres must be referred in accordance with section 55 of the Act to the referral authority specified in the schedule to Clause 66.04.

An application for buildings and works on Treasury Square – 295-357 Wellington Parade South, Melbourne must be referred in accordance with section 55 of the Act to the referral authority specified in the schedule to Clause 66.04.

## 7.0 Transitional arrangements

[The requirement of Clause 2.0 of this schedule that an application to subdivide land must ensure that all car parking spaces are retained in a single or a consolidated title as common property does not apply to:](#)

- [The subdivision of land that is undertaken in accordance with a planning permit \(including for the development of land for a building\) that was issued before the commencement of Amendment C376melb to this planning scheme.](#)

The requirements of this schedule do not apply to:

- [an application \(including an application to amend a permit\) made before the commencement of Amendment C376melb to this planning Scheme. For such applications, the requirements of this schedule, as they were in force immediately before the commencement of Amendment C376melb, continue to apply.](#)
- an application (including an application to amend a permit) made before the commencement of Amendment C262 to this planning scheme. For such applications, the requirements of this schedule, as they were in force immediately before the commencement of Amendment C262, continue to apply.
- an application (including an application to amend a permit) made after the commencement of Amendment C262 but before the commencement of Amendment C270 to this planning scheme. For such applications, the requirements of this schedule, as they were in force immediately before the commencement of Amendment C270, continue to apply.

## Appendix F Panel preferred version of the Docklands Zone Schedule 4

[Tracked Added](#)

~~Tracked Deleted~~

THIS REFLECTS CHANGES PROPOSED TO BE MADE TO SCHEDULES 1, 2, 3, 4, 5 AND 6 TO THE DOCKLANDS ZONE

### SCHEDULE 4 TO THE DOCKLANDS ZONE

Shown on the planning scheme map as **DZ4**.

#### STADIUM PRECINCT

##### Purpose

To provide for a range of commercial, residential, recreational, educational, technology, business and leisure uses within a mixed use environment.

To encourage integrated and compatible land use and development within the area surrounding the stadium facility.

To ensure that the Major Sports and Recreation Facility includes the opportunity to cater for a wide range of sporting events, as well as a range of entertainment and leisure activities.

To promote sustainable transport patterns and a less car dependent community and built form that ensures opportunities to adapt and repurpose car parks ~~Encourage a less car dependent transport system by facilitating the adoption of sustainable transport alternatives, and ensuring that opportunities to adapt and repurpose car parks are protected.~~

## 1.0

### Table of uses

#### Section 1 - Permit not required

Use	Condition
Any use permitted under the Reference Areas Act 1978, the National Parks Act 1975, the Fisheries Act 1995, the Wildlife Act 1975 or the Forest Act 1958.	
Apiculture	Must meet the requirements of the Apiary Code of Practice, May 1997.
Aquarium	
Automated collection point	Must meet the requirements of Clause 52.13-3 and 52.13-5. The gross floor area of all buildings must not exceed 50 square metres.

<b>Car park</b>	<p>Must be;</p> <p>No more than 3,600 car spaces which are a component of or used in association with the Major Sports and Recreation Facility.</p> <p>No more than 500 spaces to the north west of the Major Sports and Recreation facility.</p> <p>Must not be an open lot car park.</p>
<b>Commercial display area</b>	
<b>Dwelling</b>	Must be located to the south of the Major Sports and Recreation facility.
<b>Education centre</b>	
<b>Exhibition Centre</b>	If located within the Major Sports and Recreation Facility.
<b>Home occupation</b>	
<b>Hotel</b>	Must not be located to the north east of the Major Sports and Recreation facility.
<b>Informal outdoor recreation</b>	
<b>Major sports and recreation facility</b>	
<b>Mineral exploration</b>	
<b>Mining</b>	Must meet the requirements of 52.08-2.
<b>Museum</b> <b>Office</b> <b>Place of assembly</b> <b>Research centre</b> <b>Research and development centre</b> <b>Residential hotel</b> <b>Restaurant</b> <b>Road</b>	
<b>Search for stone</b>	Must not be costeaning or bulk sampling.
<b>Shop (other than Adult Sex bookshop Department store, a Supermarket exceeding 2,500 sqm of GFA and Restricted retail premises)</b>	<p>If located in the Major Sports and Recreation Facility must be located within the building.</p> <p>Must not be located at ground floor.</p>
<b>Take away food premises</b>	
<b>Tavern</b>	
<b>Telecommunications facility</b>	Buildings and works must meet the requirements of Clause 52.19
<b>Television studio</b>	
<b>Tramway</b>	

**Section 2 - Permit required**

Use	Condition
Car park	Must be associated with a development in the surrounding area, or a Section 1 or 2 use.
Any use not in Section 1 or 3.	

**Section 3 - Prohibited**

Use
Adult sex bookshop
Animal husbandry
Brothel
Fuel depot
Industry (other than Automated collection point, Car wash, Dry cleaner, Laundromat, Motor repairs and Research and development centre)

**2.0 Use of land****Exemption from notice and appeal**

An application for use 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.

**Decision guidelines**

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- The existing and future use and amenity of the land and the locality.
- The provision of physical infrastructure and community services sufficient to meet the needs of the proposed use.

**3.0 Subdivision****Requirements**

A permit is required to subdivide land.

Car parking areas ~~must~~ **should** be retained in a single or a consolidated title as common property, ~~unless the responsible authority agrees otherwise.~~

### Application requirements

An application for subdivision ~~must~~ should be accompanied by, as relevant, information that demonstrates how the subdivision will allow for the transition of car parking spaces to alternate uses over time.

### Exemption from notice and appeal

An application to subdivide land 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.

### Decision guidelines

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority ~~must~~ should consider, as appropriate:

- Whether the subdivision will facilitate the future adaptation or repurposing of proposed car parking areas.
- Whether the subdivision promotes the efficient use of car parking spaces.

## 4.0

### Buildings and works

#### Permit requirement

A permit is not required for the following:

- The construction, or modification, of a waste pipe, flue, vent, duct, exhaust fan, air conditioning plant, lift motor room, skylight, security camera, street heater or similar minor works provided they are to the satisfaction of the responsible authority.
- A modification to the shop front window or entranceway of a building to the satisfaction of the responsible authority having regard to the architectural character of the building.
  - An addition or modification to a verandah, awning, sunblind or canopy of a building to the satisfaction of the responsible authority.
  - The painting, plastering and external finishing of a building or works to the satisfaction of the responsible authority.
  - Changes to glazing of existing windows to not more than 15% reflectivity or to the satisfaction of the Responsible Authority.

External works to provide disabled access that complies with all legislative requirements to the satisfaction of the responsible authority.

#### Requirements – bicycle, motorcycle and car share parking

Developments ~~must~~ should provide bicycle, ~~and~~ motorcycle and car share parking spaces and associated facilities in accordance with the table below, ~~unless the responsible authority is satisfied that a lesser number is sufficient.~~

Type of development	Rate Requirement	Facility Requirement
Bicycle parking		
New Dwelling.	A minimum of one <del>secure</del> bicycle space per Dwelling. <del>A minimum of one</del> <u>Two</u> <del>secure</del> visitor bicycle spaces per 5 Dwellings.	None specified.
<p><u>New building for the purpose of Retail premises, Place of assembly, Minor sports and recreation facility or Education centre.</u></p> <p><u>Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Retail premises, Place of assembly, Minor sports and recreation facility, or Education centre.</u></p> <p><del>New Retail or Office development including buildings and works which result in more than 1000sqm additional gross floor area.</del></p> <p><del>New Place of assembly, Minor sports and recreation facility or Education centre development, including buildings and works which result in more than 1000sqm additional gross floor area.</del></p>	<p>A minimum of one <del>secure</del> employee bicycle space per <del>100sqm-200sqm</del> of net floor area.</p> <p><u>A minimum of One</u> <del>secure</del> bicycle visitor space per <del>100sqm-200sqm</del> of net floor area, <del>with a minimum of four visitor spaces provided.</del></p>	<p>If 5 or more employee bicycle spaces are required, 1 shower for the first 5 employee bicycle spaces, plus 1 to each 10 employee bicycle spaces thereafter.</p> <p>1 change room or direct access to a communal change room to each shower. The change room may be a combined shower and change room.</p> <p>If 20 or more employee bicycle spaces are required, personal lockers are to be provided with each bicycle space required.</p> <p>If more than 30 bicycle spaces are required then a change room must be provided with direct access to each shower. The change room may be a combined shower and change room.</p>
<p><u>New building for the purpose of Office.</u></p> <p><u>Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Office.</u></p>	<p><u>A minimum of one employee bicycle space per 100sqm of net floor area.</u></p> <p><u>A minimum of one bicycle visitor space per 500sqm of net floor area.</u></p>	
Motorcycle parking		
New Dwellings	<del>Where car parking is proposed a minimum of</del>	<del>None specified.</del>

	<del>one space per 450 dwellings.</del>	
New <a href="#">buildings for the purpose of Dwellings, Retail premises, <del>or</del> Office development, Place of <del>Assembly</del> assembly, Minor sports and recreation facility or Education <del>Centre</del> centre development.</a>	<a href="#">Where car parking is proposed a</a> minimum of one <a href="#">motorcycle</a> space per 40 car parking spaces.	None specified.
<b>Car share parking spaces</b>		
Developments of more than 50 dwellings. <a href="#">New buildings for the purpose of Retail premises, Office, Place of assembly or Education centre.</a> <a href="#">Buildings and works which result in more than 1000sqm additional gross floor area for the purpose of Retail premises, Office, Place of assembly or Education centre.</a>	<del>2 spaces plus an additional 1 space per 25 additional Dwellings.</del> <a href="#">A minimum of 5% of all car parking spaces is to be provided as car share spaces for use by car share vehicles.</a>	None specified.
<del>New Retail or Office development, Place of Assembly or Education Centre, including buildings and works which result in more than 1000sqm additional gross floor area</del>	<del>1 per 60 car parking spaces</del>	<del>None specified.</del>

### Requirements – design of car parking facilities

Where car parking facilities are provided as part of an application they should:

- Be designed to facilitate the future adaptation to support alternate uses in the short and long term.
- Include design features, including electric vehicle charging points, which support more sustainable forms of private car usage.

The location and design of car share parking spaces should be:

- Publicly accessible.
- In the most accessible level of a multi-storey car park.
- Well-lit and a short distance from an entry point, lift or staircase.
- In a location with a minimum height clearance to allow access by a cleaning van.

Car parking facilities should be designed in accordance with the following Design Standards:

- Development of car parking areas should include the delivery of infrastructure (including electricity supply and signage), space and metering arrangements to support the installation of electric vehicle (EV) charging points.
- Where a facility is proposed with 50 car parking spaces or more, all of the following should be provided:
  - EV ready parking bays for a minimum of 5% non-shared parking spaces.
  - Sufficient infrastructure capacity to accommodate EV charging for 20% of parking spaces.
  - EV charging points at all allocated shared car spaces.

### **Exemption from notice and appeal**

An application to construct a building or construct or carry out works or demolish or remove a building or works 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.

### **Decision guidelines**

Before deciding on an application, in addition to the decision guidelines in Clause 65, the responsible authority must consider, as appropriate:

- The siting and design quality of all buildings and works and their suitability for the use proposed in the context of the adjacent area.
- Provision of site landscaping in the context of adjacent areas.
- Effect on the visual amenity, landscape and streetscape of the area.
- Impact on the importance, character and appearance of any building, area or place of scientific, aesthetic, architectural, or historical importance.
- Where new buildings incorporate dwellings, the design should respect and anticipate the development potential of adjacent sites, to ensure that the future development of the adjacent sites does not cause a significant loss of amenity to the subject site.
- For residential development, ensure appropriate noise attenuation measures are adopted to limit internal and external noise to appropriate levels.
- The design and treatment of the public realm including the solar access to existing open spaces.
- The wind effects of the proposed development at ground level.
- If the car parking facility is provided above ground, whether ~~the ability of~~ car parking areas have been designed to be adapted ~~facilities to transition to~~ alternative uses over time, including whether appropriate floor to ceiling clearances are provided.
- If the car parking facility is provided below ground, whether the car parking areas are appropriate for alternative uses over time, and if so, whether they have been designed to facilitate adaptation, including whether appropriate floor to ceiling clearances are provided.

- The contribution of the development to an increase in the availability of off-street electric vehicle charging facilities.
- How the development supports the transition to a 70% mode share for public transport, walking and cycling.
- The contribution the development makes to increasing the provision of car share facilities.
- Whether, having regard to the characteristics of the site and the proposed use of the land, the number of bicycle parking spaces is appropriate.
- Whether the design, location and accessibility of bicycle facilities is convenient given the characteristics of the site, including whether visitor spaces are located within convenient access to both the street and any office building foyer or retail premises entrance.
- The security (including suitable lighting, surveillance and locking devices) of bicycle facilities.

## 5.0 Referral of applications

An application to use land or to construct a building or carry out works must be referred in accordance with Section 55 of the Act to the referral authority specified in the schedule to Clause 66.04.

## 6.0 Advertising signs

A permit is required to erect an advertising sign, except for:

- Advertising signs exempted by Clause 52.05-4.
- An under-verandah business sign if:
  - It does not exceed 2.5 metres measured horizontally, 0.5 metres vertically and 0.3 metres between the faces of the sign;
  - It is located between 2.7 metres and 3.5 metres above ground level and perpendicular to the building façade;
  - It does not contain any animation or intermittent lighting; and
  - It meets the Docklands Signage Guidelines to the satisfaction of the responsible authority.

A ground floor business sign cantilevered from a building if:

- It does not exceed 0.84 metres measured horizontally, 0.61 metres vertically and 0.3 metres between the faces of the sign;
- It is located between 2.7 metres and 3.5 metres above ground level and perpendicular to the building facade;
- It does not contain any animation or intermittent lighting; and
- It meets the Docklands Signage Guidelines to the satisfaction of the responsible authority.

- A window display.
- A non-illuminated sign on a verandah fascia, provided no part of the sign protrudes above or below the fascia.
- Renewal or replacement of an existing internally illuminated business identification sign.

#### **Exemption from notice and appeal**

An application to erect or construct or carry out works for an advertising sign, 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.

### **7.0 Transitional arrangements**

The requirement of Clause 3.0 of this schedule that an application to subdivide land must ensure that all car parking spaces are retained in a single or a consolidated title as common property does not apply to:

- The subdivision of land that is undertaken in accordance with a planning permit (including for the development of land for a building) that was issued before the commencement of Amendment C376melb to this planning scheme.

The requirements of this schedule do not apply to:

- an application (including an application to amend a permit) made before the commencement of Amendment C376melb to this planning Scheme. For such applications, the requirements of this schedule, as they were in force immediately before the commencement of Amendment C376melb, continue to apply.

# Appendix G Council's Post Hearing version of the Design and Development Overlay Schedule 73

[Tracked Added](#)

~~Tracked Deleted~~

## SCHEDULE 73 TO CLAUSE 43.02 DESIGN AND DEVELOPMENT OVERLAY

Shown on the planning scheme map as **DDO73**.

### SUSTAINABLE BUILDING DESIGN

#### 1.0 Design objectives

- To ensure buildings are energy efficient and align with the City of Melbourne's target of [net](#) zero emissions by 2040.
- To increase the quantity, quality and distribution of green cover to improve urban cooling and biodiversity outcomes.
- To support opportunities for precinct scale environmentally sustainable design outcomes, including the transition to a circular economy.
- To ensure the design, construction and operation of buildings addresses climate change impacts, including water shortages and the urban heat island effect, and minimises impacts on the local environment, including through waste management and resource recovery.

#### 2.0 Buildings and works

##### 2.1 Definitions

For the purpose of this schedule:

- **Green cover** includes trees, shrubs, grasses, climbers, living green roofs and walls, other vegetation and lawn, and excludes non-plantable surfaces (hard non-permeable and permeable).
- **Green Factor Tool** refers to the City of Melbourne's tool for measuring the green infrastructure credentials of a development (or any replacement tool).
- **Green Factor Scorecard** means the document output from a completed Green Factor Tool assessment which provides relevant project information including the overall Green Factor score, area calculations and ecosystem outcomes.
- ~~▪ **Green infrastructure** means infrastructure that directly provides ecosystem services or supports the provision of these services including green cover, stormwater and rainwater harvesting interventions, permeable surfaces, waterways and wetlands.~~
- ~~▪ **Ecosystem services** means services (such as water filtration, noise reduction and climate regulation) that are provided by natural elements of the environment (including natural elements that have been constructed by humans such as green infrastructure) and that contribute directly or indirectly to human wellbeing.~~

- **Equivalent to the identified tool** means an assessment method developed by a reputable organisation which provides an evidence-based framework for assessing compliance with the relevant standard in this schedule. The assessment methodology must be comparable or better than the relevant tool identified in this schedule with the results able to be easily reviewed and assessed as accurate by the responsible authority.
- **Hardscaping** means landscape elements (including paving and roads) other than green cover, and excludes any area on a roof or wall.

## 2.2 Buildings and works for which no permit is required

A permit is not required to construct a building or construct or carry out works, other than:

- The construction of a new building for the purposes of Accommodation, Retail premises, Office, Education centre, Research and development centre or Place of assembly.
- Buildings and works associated with an existing building which result in more than 1000 sqm additional gross floor area for the purposes listed above.

## 2.3 Requirements

An application to construct a building or to construct or carry out works 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 otherwise stated in this schedule, A permit cannot be granted to vary a requirement expressed with the term 'must' or a requirement that relates to a minimum (mandatory) standard of this schedule, except. ~~This does not apply to the requirement at Table 6 where it can be demonstrated to the satisfaction of the responsible authority:~~

- ~~• That the use of the Green Factor Tool is not practical.~~
- ~~• At least 40% of the total site area will be provided as green cover, which must satisfy all of the following elements:~~
  - ~~• A minimum of 65% of the required green cover as canopy planting and a minimum of 35% understorey planting. Canopy planting and understorey planting may overlap.~~
  - ~~• A planting scheme comprising of native vegetation species which provide habitat for native fauna.~~
  - ~~• Green cover which is located to provide maximum benefit in relation to cooling of the adjoining public realm to the satisfaction of the responsible authority. Green walls or facades under this alternate delivery must directly abut the public realm and be on the lower levels of the building.~~

in the case of an amendment to a permit that was issued before the commencement of Amendment C376melb to this scheme, a requirement expressed with the term 'must' or a requirement that relates to a minimum (mandatory) standard of this schedule may be varied only if the amendment does not increase the extent of the non-compliance.

Where this schedule ~~identifies~~ refers to the use of a specific tool external to this planning scheme;

- A applicants ~~must~~ should use the most current version of the specified tool.
- ~~or~~ Applicants may use an alternative tool, provided it is demonstrated to be equivalent to the identified tool and results in comparable equivalent or better

outcomes, to the satisfaction of the responsible authority.

### Environmentally sustainable design

[The requirements of Table 1 do not apply to land subject to Schedule 4 to Clause 37.04 Capital City Zone, shown on the planning scheme map as CCZ4.](#)

Development should meet the preferred standard in Table 1 [to this schedule](#), ~~unless it is demonstrated to the satisfaction of the responsible authority that the delivery of the preferred standard is not technically achievable.~~

If the preferred standard is not met, the minimum (*mandatory*) standard must be met.

The requirement to meet the standard means:

- In relation to the Green Star Buildings standards:
  - The development must be designed to be able to achieve certification to the applicable ~~Green Star Buildings~~ rating.
  - The development must be constructed so as to be able to be certified to the applicable ~~Green Star Buildings~~ rating.
  - Within ~~12-24~~ months of occupation of the building, [or as otherwise agreed with the responsible authority](#), the development must be certified as achieving the applicable ~~Green Star Buildings~~ rating ~~with the Green Building Council of Australia~~.
- In relation to the Built Environment Sustainability Scorecard (BESS) standards:
  - The development must be designed to be able to achieve the applicable score.
  - The development must be constructed to achieve the applicable score.

**Table 1**

Type of development	Standard	
	Minimum ( <i>mandatory</i> )	Preferred
New buildings of more than 5000 sqm gross floor area Buildings and works <a href="#">associated with an existing building</a> which result in more than 5000 sqm additional gross floor area	5 Star Green Star Buildings	6 Star Green Star Buildings
New buildings of equal to or less than 5000 sqm gross floor area Buildings and works <a href="#">associated with an existing building</a> which result in between 1000 and 5000 sqm additional gross floor area	A minimum 50% BESS score	A minimum 70% BESS score

### Energy efficiency and renewables

Development should meet the preferred standard in Table 2 ~~unless it is demonstrated to the satisfaction of the responsible authority that the delivery of the preferred standard is not technically achievable or economically feasible~~ [to this schedule](#).

If the preferred standard is not met the minimum (*mandatory*) standard must be met.

The requirement to meet the standard means:

- In relation to the Nationwide House Energy Rating Scheme (NatHERS) ~~and the National Australian Built Environment Rating System (NABERS)~~ standards:
  - The development must be designed to be able to achieve

- certification to the applicable ~~NatHERS or NABERS star~~ rating.
- The development must be constructed to achieve the applicable rating.
  - In relation to the National Australian Built Environment Rating System (NABERS) standards:
    - The development must be ~~constructed so as to be able to become certified to the applicable NABERS star rating~~designed to be able to achieve the applicable rating.
    - ~~The development must be constructed to achieve the applicable NatHERS star rating.~~
    - Within 24 months of occupation of the building, or as otherwise agreed with the responsible authority, the development must be certified as achieving the applicable ~~NABERS star~~ rating.
  - In relation to the BESS standards:
    - The development must be designed to be able to achieve the applicable score.
    - The development must be constructed to achieve the applicable score.

**Table 2**

Type of development	Standard	
	Minimum ( <i>mandatory</i> )	Preferred
New buildings of more than 5000 sqm gross floor area  Buildings and works <u>associated with an existing building</u> which result in more than 5000 sqm additional gross floor area	For <del>residential a Dwelling in an apartment development (including in a mixed use building)</del> - An average of at least 7.5 star NatHERS rating across multiple <del>D</del> dwellings, and a minimum of <u>a</u> 6.5 star NatHERS rating for each <del>d</del> Dwelling.  <del>For non-residential – A minimum 6.5 star NABERS Energy rating</del> For all uses other than a Dwelling, the NABERS Energy rating for the relevant building class specified for Credit Achievement in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings). A permit may be granted to vary this requirement if a NABERS Energy rating for the building is not available.	For <del>residential a Dwelling</del> - none specified  For <del>non-residential</del> uses other than a Dwelling - <del>A minimum 6 Star NABERS Energy rating</del> the NABERS Energy rating for the relevant building class specified for Exceptional Performance in Credit 22 Energy Use NABERS Commitment Agreement Pathway (Green Star Buildings).
New buildings of equal to or less than 5000 sqm gross floor area  Buildings and works <u>associated with an existing building</u> which result in	For all, including <del>residential a Dwelling</del> - A minimum 60% score in the BESS Energy category  For <del>residential a Dwelling in an apartment development</del>	For all, including a Dwelling - A minimum 70% score in the BESS energy category.

between 1000 and 5000 sqm additional gross floor area	<a href="#">(including in a mixed use building)</a> - An average of at least 7.5 star NatHERS rating across multiple <a href="#">D</a> wellings, and a minimum of 6.5 star NatHERS rating for each <a href="#">eD</a> wellling.	
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**Table 3**

Type of development	Requirement
All development	Should incorporate on-site renewable energy generation. <del>Should not incorporate connections to gas services or other non-renewable energy.</del>
<a href="#">All development except construction of a new dwelling or a new apartment development.</a>	<a href="#">Should not incorporate connections to reticulated gas or other non-renewable energy services except for electricity.</a>

**Waste and resource recovery****Table 4**

Type of development	Requirement
All development	Must provide waste and resource recovery facilities that meet the requirements of the City of Melbourne's <i>Guidelines for Waste Management Plans</i> <a href="#">to the satisfaction of the responsible authority</a> . Must meet the requirements of a precinct waste management plan, if there is one in place, <a href="#">to the satisfaction of the responsible authority</a> . Should manage construction waste to minimise landfill and maximise resource recovery.

**[Urban ecology](#)****[Table 5](#)**

Type of development	Requirement
New buildings	Must be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's <i>Green Factor Tool</i> . <a href="#">A permit may be granted to vary this requirement if achieving a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool is not achievable having regard to the context and constraints of the site.</a> <a href="#">If a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool is not met:</a> <ul style="list-style-type: none"> <li><a href="#">The equivalent of a minimum of 40% of the total site area must be provided as</a></li> </ul>

	<p><a href="#">green cover.</a></p> <ul style="list-style-type: none"> <li>▪ <a href="#">The green cover provided should satisfy all of the following elements:</a> <ul style="list-style-type: none"> <li>- <a href="#">A minimum of 65% of the required green cover is canopy planting and a minimum of 35% is understorey planting. Canopy planting and understorey planting may overlap.</a></li> <li>- <a href="#">Consist of native vegetation species.</a></li> <li>- <a href="#">Be located to maximise cooling of the adjoining public realm.</a></li> </ul> </li> </ul>
Buildings and works <a href="#">associated with an existing building</a> which result in more than 1000 sqm additional gross floor area	Should be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's <i>Green Factor Tool</i> .
All development	<p>Should ensure green cover proposed:</p> <ul style="list-style-type: none"> <li>▪ Supports the creation of complex and biodiverse ecosystems.</li> <li>▪ Provides a layered approach, incorporating both understorey and canopy planting.</li> <li>▪ Provides native, indigenous or climate change resilient exotic plants that provide resources for native fauna.</li> <li>▪ Supports the creation of vegetation links between areas of high biodiversity through planting selection and design where applicable.</li> <li>▪ Retains existing mature canopy trees or vegetation which contributes to habitat for native fauna.</li> </ul> <p><del>Uses species selected drawn from the City of Melbourne's preferred species list.</del></p>

**Urban heat island response**

**Table 65**

Type of development	Requirement
All development	<ul style="list-style-type: none"> <li>▪ Must provide the equivalent of at least 75% of the development's total site area as <a href="#">solar panels and</a> building <del>or and</del> landscape elements that reduce the impact of the urban heat island effect. These elements include: <ul style="list-style-type: none"> <li><del>— Green infrastructure</del></li> <li>- <a href="#">Green cover.</a></li> <li>- Roof <del>or facade</del> materials, <a href="#">including to shading structures</a>, with a minimum Solar Reflectance Index (SRI) of <del>0.654</del> <a href="#">for a roof pitched below 15 degrees, or a minimum SRI of 34 for a roof pitched above 15 degrees.</a></li> <li>- <a href="#">Façade materials with a minimum</a></li> </ul> </li> </ul>

- [SRI of 34.](#)
- ~~— Solar panels~~
- ~~— Shading structures~~
- [Permeable paving.](#)
- [Waterways, wetlands and stormwater and rainwater harvesting.](#)
- Hardscaping materials with a minimum SRI of ~~0.65~~[34.](#)

[This requirement does not apply if the development achieves a Green Star Buildings rating with at least the Credit Achievement for Credit 19: Heat Resilience of Green Star Buildings.](#)

- ~~▪ Should ensure non-glazed facade materials exposed to summer sun have a minimum SRI of 0.65~~
- Should use passive cooling and heating techniques to reduce reliance on artificial heating and cooling.
- ~~▪ Should utilise paving treatments which assist in cooling, such as permeable paving or light coloured aggregates, where applicable.~~

Urban ecology

Table 6

Type of development	Requirement
New buildings	Must be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool.
Buildings and works which result in more than 1000 sqm additional gross floor area	<del>Should be designed and constructed to achieve a minimum Green Factor score of 0.55 using City of Melbourne's Green Factor Tool.</del>
All development	<p><del>Should ensure green cover proposed:</del></p> <ul style="list-style-type: none"> <li><del>▪ Supports the creation of complex and biodiverse ecosystems.</del></li> <li><del>▪ Provides a layered approach, incorporating both understorey and canopy planting.</del></li> <li><del>▪ Provides native, indigenous or climate change resilient exotic plants that provide resources for native fauna.</del></li> <li><del>▪ Supports the creation of vegetation links between areas of high biodiversity through planting selection and design where applicable.</del></li> <li><del>▪ Retains existing mature canopy trees or vegetation which contributes to habitat for native fauna.</del></li> <li><del>▪ Uses species selected drawn from the City of Melbourne's preferred species list.</del></li> </ul>

## Integrated water management

[The requirements of Table 7 do not apply to land subject to Schedule 4 to Clause 37.04 Capital City Zone, shown on the planning scheme map as CCZ4.](#)

**Table 7**

Type of development	Requirement
All development.	<del>Must</del> <u>Should</u> achieve the best practice water quality performance objectives set out in the <i>Urban Stormwater Best Practice Environmental Management Guidelines</i> , CSIRO, 1999 (or as amended).  Should use alternative water for all non-potable uses on-site <del>where technically achievable,</del> <u>including toilet flush.</u>
<u>New buildings of equal to or less than 5000 sqm gross floor area.</u>	<u>Must connect to a precinct scale recycled water source if available.</u>  <u>Unless connected to a recycled water source, must install a rainwater tank to support on-site green cover.</u>
New buildings <u>of more than 5000 sqm gross floor area.</u>  Buildings and works <u>associated with an existing building</u> which result in more than 5000 sqm additional gross floor area.	Must connect to a precinct scale recycled water source if available.  Unless connected to a recycled water source, must install a rainwater tank to support on-site green cover <del>or supply a minimum of 10% of internal water demand.</del>  <u>Must achieve a Green Star Buildings rating with at least the Minimum Expectation for the Reducing Water Use criteria of Credit 25: Water Use of Green Star Buildings.</u>
Buildings and works <u>associated with an existing building</u> which result in between 1000 sqm and 5000 sqm additional gross floor area.	Should connect to a precinct scale recycled water source if available.  Unless connected to a recycled water source, should install a rainwater tank to support on-site green cover <del>or supply a minimum of 10% of</del>  <del>internal water demand.</del>

~~Development should meet the standard in Table 8.~~

~~The requirement to meet the standard means:~~

- ~~▪ The development must be designed to be able to achieve the applicable standard.~~
- ~~▪ The development must be constructed to achieve compliance with the relevant rating.~~

**Table 8**

Type of development	Standard
<del>New buildings of more than 5000 sqm gross floor area</del>	<del>For residential – the relevant Water credit under 5 Star Green Star Buildings.</del>
<del>Buildings and works which result in more than 5000 sqm additional gross floor area</del>	<del>For non-residential – a minimum 4 Star NABERS Water rating.</del>

<p>New buildings of equal to or less than 5000 sqm gross floor area</p> <p>Buildings and works which result in between 1000 sqm and 5000 sqm additional gross floor area</p>	<p>A minimum 50% score in BESS Water category.</p>
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**3.0 Subdivision**

~~None specified~~ [A permit is not required to subdivide land.](#)

**4.0 Signs**

None specified.

**5.0 Application requirements**

The following application requirements apply to an application for a permit under Clause 43.02, in addition to those specified elsewhere in the scheme and must accompany an application, as appropriate, to the satisfaction of the responsible authority:

- A response to the Decision Guidelines outlined at Section 6.0 where not addressed by other application requirements.
- If a 'preferred' standard [or a requirement expressed with the term 'should'](#) will not be met by the development, ~~the following must be provided:~~ [A](#) detailed analysis of the site context and its impact on the delivery of the preferred standard.
  - ~~A report from a suitably qualified person that provides a justification for why delivery of the preferred standard is not technically achievable or economically feasible.~~
- Documentation of how relevant requirements and standards will be delivered as identified in **Table 89** below.

**Table 89**

Type of development	Requirement
<p>New buildings of more than 5000 sqm gross floor area</p> <p>Buildings and works <a href="#">associated with an existing building</a> which result in more than 5000 sqm additional gross floor area</p>	<p>Evidence to the satisfaction of the responsible authority that demonstrates the project has been registered to seek the applicable Green Star Buildings rating with the Green Building Council of Australia.</p> <p><a href="#">A completed NABERS Energy Commitment Agreement to the satisfaction of the responsible authority, or evidence that a Commitment Agreement is unavailable.</a></p> <p>A Sustainability Management Plan (SMP) that is prepared by a suitably qualified person, contains a detailed assessment of the development and includes:</p> <ul style="list-style-type: none"> <li>▪ Details of how the development meets each of the applicable requirements and standards in this schedule.</li> <li>▪ In relation to the standards in <b>Table 1</b> and <b>Table 2</b>:                     <ul style="list-style-type: none"> <li>- An assessment that demonstrates that the development meets (or, where relating to construction or</li> </ul> </li> </ul>

<p>New buildings equal to or less than 5000 sqm gross floor area</p> <p>Buildings and works <a href="#">associated with an existing building</a> which result in between 1000 sqm and 5000 sqm additional gross floor area</p>	<p>occupation, has the potential to meet) the applicable requirements and standards.</p> <ul style="list-style-type: none"> <li>- The steps that will be taken to ensure that the development is constructed to achieve the relevant requirements or standards, including by obtaining certification under the relevant ratings tool (if applicable).</li> </ul> <p>Plans submitted with the application must detail the content of the SMP where relevant.</p>
<p>All developments (other than single dwellings)</p> <p>Single dwellings</p> <p>All development</p>	<p>A Sustainable Design Assessment (SDA) that includes:</p> <ul style="list-style-type: none"> <li>▪ Details of how the development meets each of the applicable requirements and standards in this schedule.</li> <li>▪ In relation to the standards in <b>Table 1</b> and <b>Table 2</b>: <ul style="list-style-type: none"> <li>- An assessment from a suitably qualified person or a report created using the relevant ratings tool (as applicable), which demonstrates that the development meets (or, where relating to construction or occupation, has the potential to meet) the requirements and standards.</li> <li>- The steps that will be taken to ensure that the development as constructed achieves the relevant standard, including by obtaining certification under the relevant ratings tool (if applicable).</li> </ul> </li> </ul> <p>Plans submitted with the application must detail the content of the SDA where relevant.</p>
	<p>A landscape package comprising a landscape maintenance plan, Green Factor Scorecard (if applicable) and associated landscape plan/s, including species lists and construction details (if relevant).</p> <p>A Green Factor Scorecard and landscape plan, as applicable.</p> <p>A Waste Management Plan prepared in accordance with the City of Melbourne's <i>Guidelines for Waste Management Plans</i>.</p>

## 6.0 Decision guidelines

The following decision guidelines apply to an application for a permit under Clause 43.02, in addition to those specified in Clause 43.02 and elsewhere in the scheme which must be considered, as appropriate, by the responsible authority:

- ~~In respect of the~~
If the development is a new building of more than 5000 sqm gross floor area, or buildings and works associated with an existing building which result in more than 5000 sqm additional gross floor area, or if the land is in public ownership, whether the following matters impede achieving a preferred standards in **Table 1** and **Table 2**, ~~the justification for any variation on the basis of technical feasibility or economic viability~~:
  - [Site context.](#)
  - [Technical impediments.](#)
  - [Economic impacts.](#)
- How the development aligns with the City of Melbourne's target for **net** zero carbon emissions by 2040.
- The merits of providing on-site renewable energy infrastructure having regard to the contribution the energy generated would make to reducing greenhouse gas emissions.
- The site context.
- The contribution the development makes to mitigation of the urban heat island effect.
- [The quantity of green cover and tree canopy provided.](#)
- [Where buildings and works associated with an existing building are proposed, whether the retention of an existing building \(including part of a building\) or any easement or restriction impedes the achievement of a Green Factor score of 0.55.](#)
- The maintenance plan for the proposed green cover.
- [Whether the proposed reticulated gas service or other non-renewable energy connection is required for the purpose of education, research or industry.](#)
- The ability of the integrated water management approach to reintegrate stormwater into the landscape.
- How additional water requirements to support on-site green cover are aligned with integrated water management on the site.
- The impact of the removal of any mature canopy trees or vegetation which contribute to the City's natural ecosystems, and the measures proposed to mitigate these impacts.

## 7.0 Transitional arrangements

[A permit is not required to construct a building or construct or carry out works for an application \(including an application to amend a permit\) made before the commencement of Amendment C376melb to this scheme.](#)