



Managing Residential Development Advisory Committee Submission

Prepared by the City of Kingston as the Planning Authority

February 2016

INTRODUCTION

The City of Kingston (Kingston) has prided itself on 'planning' and 'not responding' and has been an active participant in the dialogue around the introduction of the reformed residential zones. Housing in Kingston is the deliberate assembly of zones and policies to achieve diversity at a range of scales respective of the characteristics of each area in the City.

It is in this context that Kingston provides this submission to the *Managing Residential Development Advisory Committee* (the Committee) that has been appointed to report on the application of zones that provide for residential development having regard to managing growth, proximity to transport and jobs, housing affordability and diversity. This submission responds specifically to the following four purposes of the Committee:

- 3(a) - Consider the process by which the new residential zones were implemented.
- 3(b) - Review the current application of zones that allow for residential development in the context of managing Melbourne and Victoria's residential growth in a sustainable manner and improving housing affordability.
- 3(c) - Advise on the level of evidence and justification needed when preparing relevant planning scheme amendments.
- 3(d) - Recommend improvements to the residential zones.

THE PROCESS BY WHICH THE NEW ZONES WERE IMPLEMENTED

During the rollout of the new residential zones, three processes were available for Councils to submit their planning scheme amendments for approval. Councils could:

- Apply directly to the Minister for Planning to have their planning scheme amendment approved.
- Go through the Residential Zones Standing Advisory Committee (RZSAC).
- Run a full planning scheme amendment process.

Each Council approached the translation in a different way in order to relate the controls to their existing planning framework and/or strategic work - either complete or underway.

Kingston's intent and direction in its approach to the RZSAC process was to evidence a longstanding process of locating residential growth around existing activity centres in accordance with its structure planning work (Activity Centre Zone (ACZ), Comprehensive Development Zone (CDZ), Commercial 1 Zone (C1Z) and Mixed Use Zone (MUZ)) and defined strategic redevelopment sites/areas (C1Z, RGZ and MUZ). This approach, together with the draft Amendment C140 to the Kingston Planning Scheme, created a strategy of reasoned growth with preferred locations for low, medium and higher density residential development. The Amendment applied to all land in the Residential 1 (23.6%) and Residential 3 (76.4%) zones in the City. The Amendment as exhibited proposed:

- The introduction of the NRZ together with a single schedule.
- The introduction of the GRZ together with four schedules with varying building height requirements (General Residential Areas ~ existing building height limits; Moderate Growth Areas ~ 8.6m or 2 storeys; Increased Diversity Areas ~ 11.2m or 3 storeys; Transit Corridor / Urban Renewal Areas ~ 11.2 or 3 storeys).
- The introduction of the RGZ with one schedule titled Residential Growth Areas.

Councils such as Stonnington, Glen Eira and Boroondara applied the Neighbourhood Residential Zone (NRZ) to inner suburban areas to cap densities to a maximum of two dwellings per lot. Other Councils such as Moreland and Yarra have nominated a greater maximum of dwellings per lot to their NRZ schedules (Moreland ~ four, Yarra ~ five); mainly due to the inability to use a sliding scale on the number of dwellings. Port Phillip recently

adopted its new zones and proposed to translate its sliding scale to a related number of dwellings per lot.

One of the notable differences through this process was the variations in terms of the level and 'status' of existing strategic justification required by amendments processed under a Ministerial amendment versus amendments considered by the RZSAC or a Planning Panel.

It is Council's view that the use of multiple approval processes to implement the new zones has contributed towards the inconsistent application of the zones across metropolitan Melbourne. This inconsistency is evidenced by the fact that some Council's that did not have a current housing strategy, or reliant upon strategic work undertaken some time ago, successfully implemented the new residential zones via Ministerial amendment, whilst others were recommended to prepare more recent and further strategic work by the RZSAC.

Council expresses concern with respect to the process of implementation of the new residential zones. The inconsistent application of the new residential zones and associated abundance of different schedules to these zones has created a higher level of complexity within the Victorian Planning System.

Effective implementation of the residential zones also necessitates consideration of all other zones that can accommodate housing. A key limitation of the implementation process of the new residential zones was the explicit restriction of the Terms of Reference of the RZSAC to consider other zones, and thus policy, thereby imposing a perceived need for the new residential zones to accommodate growth at a significantly increased rate than necessary.

Kingston welcomes the fact that the Terms of Reference of this Advisory Committee take a wider approach to considering the management of residential growth in Melbourne.

LEVEL OF EVIDENCE AND JUSTIFICATION NEEDED WHEN PREPARING RELEVANT PLANNING SCHEME AMENDMENTS

Current residential development across Melbourne is largely ad-hoc and market-led, driven by developer preferences under a facilitative land use planning system. Kingston's approach to housing is to have an in-depth understanding of what is actually happening 'on the ground', then projecting forward in a systematic manner to ensure housing is best located to maximise services.

Kingston's housing work coupled with its extensive structure planning program identifies a clear hierarchy of preferred locations for medium and high density residential development and areas where residential growth will be limited. The overall policy intent and direction is to locate residential growth around existing activity centres and defined strategic redevelopment sites/areas.

Council's strategic work has considered the location and type of residential development required in order to meet the changing needs of the Kingston community, whilst also seeking to ensure that development is consistent with and enhances Kingston's character, manages any associated environmental risks and is appropriately serviced. As noted, it establishes a clear framework for the hierarchy and direction of growth. Council's housing forecast work enabled it to demonstrate the projected dwelling growth can be accommodated without significant detriment to existing suburban areas.

Kingston commenced a deliberate strategy in 2012 (as a precursor to the application of the Residential Zones), to research infill development trends and prepare housing forecasts. Kingston believes that the level of evidence it provided to the RZSAC to justify its application of the new residential zones is at an appropriate level. The work is based on comprehensive data sets that were rigorously stress tested and analysed to ensure integrity. In short, this work included three components being:

1. Infill Housing Development Trends

This work involved researching and mapping the 1,667 small project developments (less than 10 dwellings) completed between 2000 and 2011 in its residentially zoned areas. This research showed:

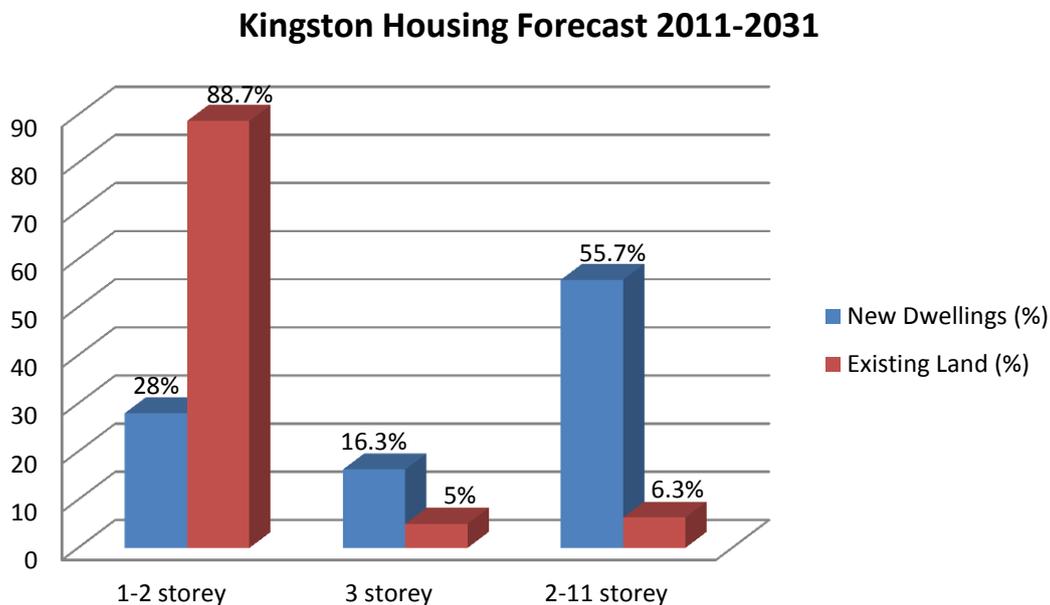
- Under the proposed 1:300sqm approach for the Neighbourhood Residential Zone (NRZ), all but 6.7% or 132 net new dwellings in total, would not have been built over the 12 year period).
- That if Kingston had used the same approach to apply the NRZ as proposed at the time in some other municipalities, that would have resulted in a significant net loss of dwellings (Glen Eira and Frankston ~ 45%; Bayside ~ 58%; Boroondara ~ 58%, assuming no further lot subdivision in NRZ areas).

This detailed research was undertaken to provide Council and the RZSAC with clarity around the level of development that would occur in the Neighbourhood Residential Zone without substantially limiting housing supply in NRZ areas.

2. Housing Forecasts

With regard to forecasting, the Council developed a forecast by examining a range of Kingston developments at scales, establishing turnover rates at a site/precinct level based on the probability of development proceeding over a 20 year time horizon and taking into account our stated development parameters in all zones, overlays and structure plans.

This detailed work found that there is ability to provide 15,254 dwellings over the 20 year planning horizon (2011-2031) even when discounting urban renewal opportunities like the 31ha Clayton Business Park site in the Monash National Employment Cluster. Approximately 64% of net new housing will likely be in apartment form, further diversifying Kingston's housing stock. The following figure illustrates land utilisation and dwelling provision:



This analysis demonstrates just how important it is to form a full picture of future housing distribution utilising the application of all zones capable of accommodating housing in order to properly understand the housing settings for Melbourne.

3. Alignment with Plan Melbourne and sub-regional housing requirements

Having considered the growth expectations set by State Government and strategic context, Kingston is able to deliver on *Plan Melbourne* directions in a variety of ways:

- A spectrum is created of low change (NRZ), moderate change (GRZ) and high change (Residential Growth Zone (RGZ), Comprehensive Development Zone (CDZ), Commercial 1 Zone (C1Z), Mixed Use Zone (MUZ)) areas as envisaged by *Plan Melbourne*, *Practice Note 78* and *Ministerial Direction 16*.
- Household growth is facilitated in close proximity to public transport services, specifically stations along the Frankston Railway Line and connecting bus routes. Notably the Frankston Railway Line is currently subject to a \$100 million upgrade and connects residents to the Melbourne CBD and South Yarra employment locations. Bus routes connect directly to the Monash Employment Cluster.
- The 20 minute neighbourhood objectives are facilitated by promoting growth in close proximity to the Moorabbin, Highett and Cheltenham Activity Centres and near Southland. Facilitating smaller dwellings in these areas would seem to be imperative particularly in the context of an ageing population throughout the southern region.

Kingston submits that it is imperative that strategies to accommodate housing are based on current rigorous assessments of established parameters, forecasts of balanced growth in appropriate locations of a necessary nature and an ability to facilitate State and regional population growth objectives.

As a standard, each Council should rely upon its residential strategy, or similar extensive forecasting and planning work, to demonstrate how and where housing change will be facilitated, including consideration of appropriate housing choice, and how this will accommodate the long term population and housing growth forecast of the municipality. Council planning, through such work, should be able to demonstrate a rigorous analysis, that there will still be sufficient housing growth across the municipality to meet demand and to achieve sustainable and liveable neighbourhoods.

CURRENT APPLICATION OF ZONES THAT ALLOW FOR RESIDENTIAL DEVELOPMENT IN THE CONTEXT OF MANAGING RESIDENTIAL GROWTH IN A SUSTAINABLE MANNER AND IMPROVING HOUSING AFFORDABILITY

Role of other Zones

Our approach has been explicit regarding where residential growth is anticipated. The forecasting information we have completed as part of our residential strategy update and draft Amendment C140, when broken down, illustrates a substantial trend towards outcomes sought in the RGZ being achieved through a range of zones including the ACZ, MUZ, and CDZ. It is the culmination of all zones and their application that provides for housing diversity in Kingston. Some recent planning and approvals that demonstrate this include:

- Applying the GRZ to former industrial land (former Sigma site, Clayton South) to deliver up to 6 storey apartment development.
- 6 storey apartment development in CDZ in Patterson Lakes adjacent to the activity centre.
- Approvals of apartment developments in the Cheltenham and Moorabbin activity centres subject to the ACZ.

Forecasting demonstrates that a total of 9,760 net new dwellings will occur over the planning period (2011-2031) in the municipality in the zones GRZ1, GRZ3, GRZ4, MUZ, C1, ACZ and CDZ. Development in these areas will be dominated almost entirely by apartments often of 3 or more storeys and will represent approximately 64% of the likely new development in Kingston over the forecast period.

In relation to accommodating future housing needs, Kingston has not only been undertaking structure planning for its key activity centres, but is also beginning to plan for a number of significant urban renewal sites including the 31ha Clayton Business Park which is within the Monash National Employment Cluster.

Further justification to the success of our approach is our performance with regard to the Victorian Civil and Administrative Tribunal (VCAT) appeals. In terms of total number of appeals over time, the annual VCAT report has Kingston ranked at 19 out of 20 of the top 20 councils (number of applications to the tribunal). More specifically:

- On seven targeted sites in Moorabbin, Highett and Cheltenham Activity Centres for development which ranged in scale from 4 – 11 storeys, a total of 721 dwellings were created with only 12 objections received. The detailed structure planning work undertaken in these areas and the resultant Planning Scheme Amendment and Planning Permit processes were all subject to extensive community consultation. As a consequence of this detailed strategic work and community engagement, a total of just 1 objection was received for every 60 dwellings approved.

Council only went to VCAT on 3 occasions either over conditions or once settled at VCAT mediation.

- By contrast, on seven residential infill sites in suburban Moorabbin, Highett, Cheltenham and Mordialloc for development which ranged in scale from 2 storeys to 3 storeys, a total of 147 dwellings were created with 214 objections being received. These sites had not been subject to detailed strategic work or community engagement and as a consequence, a total of 1.4 objections were received for every dwelling.

Council went to VCAT on 10 occasions.

The above examples serve to demonstrate that where alignment with local policy exists, substantial development is occurring without significant opposition. This outcome is arguably far more difficult to achieve on residential infill projects in the residential zones. Indeed, the alignment of Kingston's housing work with its structure planning / Amendment work provides for a more economically and socially constructive approach when compared with the ad hoc development in more traditional suburban residential streets.

Kingston's approach strikes a necessary balance in applying the residential zones as a component of the many different zones that provide for housing in the City. This approach not being dissimilar to that discussed in the RMIT report, '*Melbourne At 8 Million: Matching Land Supply To Dwelling Demand*'. This report shows that the demand for dwellings in Melbourne can be met while retaining historic and high amenity suburban housing in the NRZ, and limiting redevelopment on lots under 1,000sqm in the GRZ.

The RMIT report assumes that vast areas of Melbourne's suburban housing do not need to be redeveloped to satisfy projected housing demand. Rather, they argue that Melbourne's housing future largely relies upon unlocking the potential supply of land zoned MUZ, C1Z and potentially RGZ, and a range of infill sites, immediately adjacent or close to existing centres. The large potential supply of land in both residential and non-residential zoned areas in middle ring and other established suburbs are more appropriate for additional new homes than land developed at low densities in new fringe suburbs. The proportion of outer urban growth corridor housing could thus be reduced through only slightly increasing densities and without unduly affecting metropolitan dwelling demand projections.

Housing outcomes in Kingston

Kingston now provides the highest number of activity centres within the Activity Centre Zone in the State. This zone encourages a mixture of uses and the intensive development of

activity centres. It delivers a diversity of housing at higher densities to make optimum use of facilities and services available within the centre.

The Cheltenham Activity Centre has witnessed planning approvals or construction investment in excess of \$81 million. This centre will accommodate 1,635 new dwellings by 2036.

The Moorabbin Activity Centre has witnessed planning approvals or construction investment in excess of \$61 million. The Moorabbin Activity Centre zoning provides the potential to accommodate an additional 2,392 new dwellings by 2036.

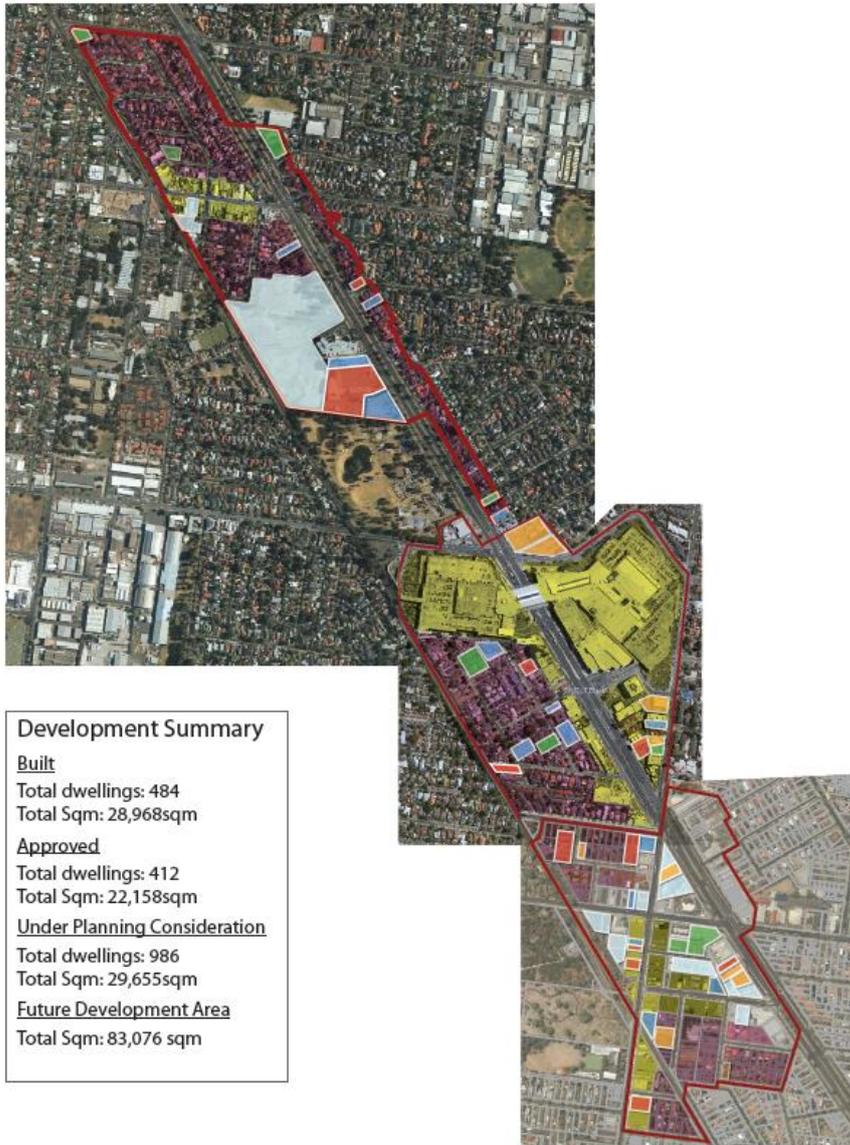
The following table provides an example of ten development sites within the Moorabbin and Cheltenham Activity Centres that demonstrates the planning of higher density housing in middle Melbourne:

NO	ADDRESS	DWELLINGS	STOREYS	COST
4-6	Station St Moorabbin	128	10	\$28M
11	Central Ave Moorabbin	45	7	\$9M
17	Taylor St Moorabbin	34	6	\$8.5M
2-6	Railway Rd Cheltenham	115	10	\$25M
1228	Nepean Hwy Cheltenham	190	9	\$25M
157	Park Rd Cheltenham	20	4	\$35M
278-286	Charman Rd Cheltenham	43	4	\$5.2M
321-323	Charman Rd Cheltenham	35	4	\$4M
273-275	Charman Rd Cheltenham	13	4	\$3.2M
261-267	Charman Rd Cheltenham	18	4	\$5M

In taking a proactive approach to carrying out the necessary strategic work and amendments to implement the ACZ in the City, the Council has effectively added another layer of housing in preferred locations, to its municipality for the market to develop.

As described in other sections of this submission, the Council has sought to, beyond its prepared NRZ areas, apply the General Residential Zone along its transit corridor and the RGZ to the strategic redevelopment site in Highett. These zones were chosen given the known development outcomes of our Activity Centres and identified strategically rezoned sites where structure planning and the implementation of the ACZ are forecast to provide new development opportunities beyond 4 storeys. The map below illustrates Council's effective planning to facilitate development growth in Activity Centres and transport corridors at a rate likely more facilitative than the RGZ of other municipalities.

HIGHETT/SOUTHLAND/ CHELTENHAM



Total Investment: \$270.38 million



The Council believes it is critical not to examine how much land is in a particular zone, but the likely redevelopment capacity of the land to achieve the zone's purpose. Understanding housing supply and having a detailed appreciation of the intended role of all zones from the NRZ to the ACZ and CDZ has allowed Kingston to develop enabling precinct and activity centre specific controls that often provide for outcomes exceeding 4 storeys across a broad range of zones.

RECOMMENDED IMPROVEMENTS TO THE NEW RESIDENTIAL ZONES

Neighbourhood Residential Zone

After extensive consultation Kingston suggested that the header provision of the NRZ be changed to accommodate a lot size based density (1:300sqm) to provide certainty of outcome whilst not inappropriately stifling development. This in turn provides clarity around intentions for areas in municipalities that will not be the substantial areas of future change.

This approach also removes much of the 'red tape' that now exists for NRZ areas where large lot sizes prevail. For example in Kingston there are lots of 1,500sqm. Under the NRZ as it stands, these lots would be required to subdivide into smaller lots prior to development. Kingston's NRZ proposal allows development applications to be submitted and approved prior to subdivision, providing certainty over the three dimensional built form outcome on such large sites.

Based on Council's review of the '*List of Suggested Improvements to the Residential Zones*' it is understood that a VC Amendment will be undertaken that amongst other matters, will introduce the ability for flexible requirements to the maximum number of dwellings on a lot through a density scale. It is noted that no detail has been made available with regard to the nature of the statutory changes proposed. As mentioned above, Kingston supports a density based change to the NRZ that facilitates development on larger sites thereby negating the need for subdivision.

Council also believes that the purpose of the NRZ which includes to '*recognise areas of predominantly single and double storey residential development*' has been given less credence than the objectives that mention neighbourhood character policy. Large areas of Kingston display a predominantly single and double storey residential typology. It is of some concern that these areas were not supported for inclusion in the NRZ when they are not dissimilar to large parts of municipalities like Glen Eira and Bayside where the NRZ has been applied broadly. Whilst Council is open to undertaking further work on neighbourhood character, it wishes to note that there are limitations in terms of the extent to which neighbourhood character work, if viewed in isolation, can be used as justification for the application of the residential zones.

Our Council, with a significant number of properties in the Special Building Overlay (SBO) or Land Subject to Inundation Overlay (LSIO), also proposed to apply an 8.6m height limit in our proposed NRZ to take account of increased floor levels and the ability to build a standard 2 storey house.

Again, Council understands that the proposed VC Amendment will allow for flood levels to be exempted from the maximum building height in the NRZ. Council welcomes such an amendment, as it would appropriately take account of this circumstance given the prevalence of these overlays across Kingston. This change will allow for the construction of 2 storey dwellings in areas where raised floor levels would result in 2 storey built form that exceeds the default 8 metre height limit in the NRZ.

General Residential Zone

In applying the GRZ as prepared through C140, Kingston's desire has been to facilitate diversity of housing outcomes and certainty of development outcomes through tailored schedules to the zone. The zone purpose is to encourage development that respects neighbourhood character, implements neighbourhood character policies and adopted neighbourhood guidelines, as well as to provide for housing diversity and moderate housing growth in locations offering good access to services and transport. Council has been faced with recent development approvals, on sites beyond activity centre boundaries where greater heights are appropriate, that have, despite Council's neighbourhood character guidelines and policies, exceeded acceptable heights in areas where single and double storey development is prevalent.

Accordingly Kingston considers maximum building heights in the GRZ areas to be an appropriate strategy towards achieving the outcomes that Council seeks in terms of housing diversity that is respectful of character. Further to the above, Kingston believes that other zones, applied to areas where strategic work has been undertaken and significant consultation has occurred, to be the appropriate context for discretionary controls with respect to building height as outlined below.

Residential Growth Zone

A significant range of views exists about the application of the RGZ across the metropolitan area. Communities are concerned about its application and others believe it requires broad use.

In applying the RGZ in Kingston we believe very careful consideration is required in its application for a few key reasons:

- The ability to effectively transition development of 13.5m into areas which are traditionally single and double storey.
- The 'creep' of previously prohibited non-residential activities into residential areas or onto residential sites proximate to activity centres.
- The role other zones play in providing for 'residential development of up to and including 4 storey buildings'.
- Sustained community feedback regarding the management of transition of building heights in residential areas.

The application of the RGZ is clear in its purpose, which is broadly to seek buildings up to and including 4 storeys, provide a transition from more intensive areas, to encourage a diversity of housing types in good locations, and to allow a range of other non-residential uses to serve local community needs. For municipalities with a limited record of completed structure planning work or entrenched areas constrained by Heritage Overlays, its application may be transformative.

Kingston is a little different as it cannot be said that diversification of housing has not been a sustained historical and clearly defined future objective. In applying the RGZ, Council reinforces that care needs to be exercised where it is intended to apply a zone which effectively seeks to transition areas with single and double storey development to development of up to 13.5m (4 storeys). It is our view that introducing 4 storey form into suburban residential streets is not an appropriate planning response and targeting development of this scale onto strategic sites and into activity centre areas is more appropriate.

Council has in a range of instances sought to apply the GRZ as a preference to the RGZ as a means of ensuring uses such as a shop, supermarket or office would not occur. Planning Scheme Amendment C126 which applied the GRZ with an enabling Design and Development Overlay that encouraged development of between 2 to 6 storeys is a practical illustration of an instance where the RGZ may have been preferable by purpose except for the potential for inappropriate incursion of non-residential uses in residential areas. The ability to schedule in or schedule out such non-residential activities would provide a greater incentive to use the RGZ (in such instances) or perhaps the review should consider removing from the zone such activities mindful that if a genuine mix of uses is sought, the MUZ may be a preferred zoning choice.

The Council illustrated to the RZSAC that its application of the RGZ into a single precinct, that was arrived at following structure planning work, would most likely yield substantially more housing than seeking to apply the zone in suburban locations where significant community concern would arise with development of 'up to and including 4 storeys' or land that is covered by heritage / character / design overlays. It was able to strongly illustrate why a focus on strategic sites and activity centres was preferable in terms of the significant costs to the planning system and level of community concern.

CONCLUDING COMMENTS

In conclusion, the Council wishes to reinforce that careful planning with clear intent and purpose based on rigorous housing and forecast work and utilising the VPPs in manner that delivers intended outcomes should be the aim of each Council when undertaking amendments to planning schemes. With regard to the new residential zones, this submission seeks to concisely provide comment on recommended strategic improvements to further simplify the planning system. In short Kingston:

- Submits that the inconsistent and inequitable application of the new residential zones and associated abundance of different schedules to these zones has created a higher level of complexity within the Victorian Planning System.
- Has a record of undertaking a range of strategic amendments since amalgamation. We have purposefully developed policies, often more enabling than the Residential Growth Zone. Amendment C126 applied the General Residential Zone but enables 6 storey apartment form.
- Believes that understanding housing supply requires a detailed appreciation of the intended role of all zones from the NRZ to the Activity Centre and Comprehensive Development Zones. In the absence of this, no appreciation is given to the significant work of Councils such as Kingston on enabling precinct and activity centre specific development that often provides for outcomes exceeding 4 storeys across a broad range of zones.
- Has prepared detailed forecast work to a level that provides a sound basis for the appropriateness of the zones based on housing forecasts at the broad state level.
- Forecasts approximately 64% of all its new dwellings will likely be in apartment form equivalent in a range of zones including ACZ, CDZ, MUZ and C1Z and often more significant to that in the RGZ.
- Welcomes the improvements proposed to the NRZ via a VC amendment, with regard to building height exemptions and flexible requirements to the maximum number of dwellings on a lot through a density scale.
- Has a pragmatic approach. The objective has always been to make the Kingston planning system clearer and more efficient for all users.
- Has a low attendance record with regard to appeals at VCAT, substantiating its approach to housing growth and community expectations.
- Has illustrated through the use of development mapping and figures, that housing growth can be accommodated within and in close proximity to its Activity Centres and its transport corridors, which is arguably more facilitative than the application of the Residential Growth Zone in other municipalities.