

VICTORIA PLANNING PROVISIONS AND ALL PLANNING SCHEMES AMENDMENT VC250 EXPLANATORY REPORT

Who is the planning authority?

This amendment has been prepared by the Minister for Planning.

The Minister for Planning is the planning authority for this amendment.

What the amendment does

The amendment supports *Victoria's Gas Substitution Roadmap* (Victorian Government, 2022) by prohibiting new gas connections for new dwellings, apartments and residential subdivisions where a planning permit is required.

The amendment changes the *Victoria Planning Provisions* (VPP) and all planning schemes by:

- Amending clauses 15.01-2S and 15.01-3S to provide consistent state level policy with the prohibition of new gas connections.
- Amending clauses 52.20, 53.20, 55.02, 56.09 and 58.02 to remove the optional requirement for a gas connection.
- Introduce a new particular provision at clause 53.03 to prohibit new gas connections to new dwellings, apartments and residential subdivisions. The provisions apply to permit applications lodged on or after 1 January 2024.
- Amending clause 65.02 to ensure the provision of gas is not assessed when it is prohibited.

The amendment changes the VPP and relevant planning schemes by:

- Amending clause 17.01-1R (Diversified economy – Loddon Mallee North) to remove policy support for the expansion of gas infrastructure.
- Removing clause 19.01-1R (Energy supply – Loddon Mallee North) to remove policy support for the provision of reticulated natural gas to residents and industry.
- Amending the decisions guidelines in clauses 32.03, 32.05 and 45.05 to ensure the provision of gas is not assessed when it is prohibited.
- Amending the land use condition for small second dwellings in clauses 32.03, 32.04, 32.05, 32.07, 32.08, 32.09, 35.03, 35.04, 35.05, 35.06, 35.07, 35.08, 37.07 and 51.02 to align with the gas prohibitions for new dwellings, apartments and residential subdivisions.

Strategic assessment of the amendment

Why is the amendment required?

Amendment VC250 is required to implement the objectives of Victoria's Gas Substitution Roadmap to phase out the use of fossil gas (natural gas) in Victoria.

Victoria has legislated emissions reduction targets of halving emissions by 2030, a 75-80 per cent reduction by 2035, and net zero by 2045. This is in addition to recent commitments to reach 95 per cent renewable electricity by 2035. Victoria's gas sector emissions contribute 17 per cent of the state's total emissions, whilst 80 per cent of Victoria's homes are connected to reticulated gas. Preventing new gas connection to new dwellings, apartments and residential subdivisions will reduce the expansion of natural gas infrastructure, its consumption and associated emissions.

New homes that are built all-electric provide financial benefits saving occupants up to \$1,000 a year on energy bills. Requiring new homes to be built all-electric will deliver these financial benefits to Victoria.

How does the amendment implement the objectives of planning in Victoria?

The amendment implements the objectives in section 4(1) of the *Planning and Environment Act 1987* (the Act). In particular, it supports the objectives to:

- (a) To provide for the fair, orderly, economic and sustainable use, and development of land;
- (b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;
- (c) to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;
- (e) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;
- (f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), and (e);
- (fa) to facilitate the provision of affordable housing in Victoria;
- (g) to balance the present and future interests of all Victorians.

How does the amendment address any environmental, social and economic effects?

The amendment will generate positive environmental benefits by reducing the expansion of fossil gas use, which contributes 17 per cent towards Victoria's total emissions.

The amendment will generate positive social benefits by reducing the health impacts of fossil gas use in households.

The amendment will generate positive economic benefits by ensuring new households can benefit the savings on energy bills by using all-electric appliances.

Does the amendment address relevant bushfire risk?

The amendment will not increase the risk of life, property, community infrastructure and the natural environment from bushfire because the amendment does not remove or reduce and bushfire requirements within the VPP.

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

The amendment complies with relevant Ministerial Directions issued under section 12 of the Act.

This explanatory report has been prepared in accordance with *Ministerial Direction No.11 Strategic Assessment of Amendments*.

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

How does the amendment support or implement the Planning Policy Framework (PPF) and any adopted state policy?

The amendment is consistent with the purpose of the planning scheme which includes planning responses to help address climate change.

Amendment VC250 makes changes to the clause 15.01-2S (Building design) and 15.01-3S (Subdivision design) to provide consistent state level policy to prohibit new gas connections.

Amendment VC250 also makes changes to 17.01-1R (Diversified economy – Loddon Mallee North) to remove policy support for the expansion of gas infrastructure and remove clause 19.01-1R (Energy supply – Loddon Mallee North) to remove the policy support for the provision of reticulated natural gas to residents and industry.

Does the amendment make proper use of the Victoria Planning Provisions?

The amendment makes proper use of the VPP by creating a new particular provision to prohibit new gas connections to new dwellings, apartments and residential subdivisions. Consequential changes have been made across the VPP to ensure consistency with the policy on new residential gas connections.

How does the amendment address the views of any relevant agency?

No agencies were consulted during the preparation of VC250.

Does the amendment have a significant impact on the transport system, as defined by section 3 of the *Transport Integration Act 2010*?

The amendment will not have a significant impact on the transport system. The amendment focuses on implementing the objectives of Victoria's Gas Substitution Roadmap to phase out the use of fossil gas in Victoria.

Resource and administrative costs

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

The amendment does not impose any new permit requirements. It requires the responsible authority to include a mandatory condition on certain permits related to a new dwelling, apartment and residential subdivision development. This is not expected to have a significant impact on the resource and administrative costs of the responsible authority.

Where you may inspect this amendment

A copy of the amendment can be inspected, free of charge, during office hours, at all municipal council offices in Victoria and at the following Department offices:

Barwon South West Region
Geelong office
Level 4
30-38 Lt Malop Street
GEELONG VIC 3220

Barwon South West Region
Warrnambool office
78 Henna Street
WARRNAMBOOL VIC 3280

Gippsland Region

71 Hotham Street
TRARALGON VIC 3844

Hume Region

Level 1, 62 Ovens Street
WANGARATTA VIC 3676

Grampians Region

Level 3, 402-406 Mair Street
BALLARAT VIC 3350

Loddon Mallee Region

Galkangu – BendigoGovHub
189-229 Lyttleton Terrace
BENDIGO VIC 3550

The amendment can be inspected free of charge at the Department of Transport and Planning website at www.planning.vic.gov.au/public-inspection or by contacting 1800 789 386 to arrange a time to view the amendment documentation.