

# New Residential Zones for Victoria

A DISCUSSION PAPER

# Introduction

The Victorian Government strongly supports planning strategies that improve the liveability of our towns and cities, maintain the character of our neighbourhoods, develop strong and active communities and protect our valued natural assets.

The proposals in this discussion paper are designed to enable ideas to be put forward that will inform the development of new residential zones for Victoria, so that we can continue to accommodate the growth we are currently experiencing whilst maintaining our reputation as one of the world's most liveable places.

The development of new residential zones is a key action in the Victorian Government's five point priority action plan to implement the expert group report, *Making local policy stronger*.

This discussion paper outlines a broad structure for the following proposed new zones:

- > Substantial Change Zone
- > Incremental Change Zone
- > Limited Change Zone.

The new zones are intended to more directly reflect the objectives of State and local planning policies for housing and to provide better tools for councils to manage the diverse and changing housing needs of their communities.

Once the structure is established, the specific detail of the zones will be developed and will be made available for further comment.

I encourage you to read this paper and contribute to the discussion by making a submission. Section 8 tells you how to do this.



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Minister for Planning



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**WHAT'S HAPPENING?**

# [1] Why are new residential zones needed?

## Victoria is changing

Victoria is experiencing its highest levels of population growth since the 1960s, with the main three factors that drive population growth all happening together.

Overseas migration is at its highest level since the late 1980's, losses of people interstate are low, and natural increase is still strong – there are still twice as many births as deaths in Victoria despite our ageing population.

While Melbourne is growing by around 1000 people per week, regional centres like Mildura, Bendigo, Ballarat and Horsham now have faster population growth than Melbourne.

Managing growth and servicing new populations in coastal settlements and regional centres is now facing similar challenges to those faced by Melbourne.

Apart from population growth, the trend towards fewer people living in each household also impacts on our housing needs. The number of new households is projected to increase at a faster rate than the rate of population growth. The trend towards fewer people living in each household, and the subsequent increase in household numbers, is being driven by the children of baby boomers leaving home, the elderly living longer, different family structures, and more adults choosing to live alone or having children later in life.

These trends mean that more housing and a greater diversity of housing types will be needed. Single detached dwellings, town houses and villa units, apartments, aged care facilities and share housing are but some examples of the different forms of housing for all communities into the future.

Good planning and development will help build on Victoria's strengths and allows us to continue to prosper and develop sustainably. In seeking to accommodate growth, however, the qualities that make Victoria such a great place to live, work and raise a family must be retained.

The new residential zones, together with good local strategic planning, are the primary mechanisms to respond to these challenges.

## Making local policy stronger

The use, development and protection of land in Victoria is regulated through a range of controls contained in planning schemes. This includes zones, overlays, State and local policies.

For the use and development of residential land, planning schemes should identify the areas suitable for additional housing opportunities. They should also identify areas where the nature of existing residential development needs to be protected.

In October 2007, the State Government released a report called *Making local policy stronger*, which made a number of findings in relation to the interplay between planning policies and zones. In particular, it found that the structure of residential zones, and where they are applied, do not reflect the strategic intentions of State and local policies. It found that:

*“Despite local housing strategies which might identify (for instance) areas for accelerated growth or areas for special protection, the Residential 1 Zone is the overwhelming ‘zone of choice’ in residential areas and provides for a mix of densities and dwelling types”.*

*“The Residential 2 Zone, which is meant to ‘encourage residential development at medium or higher densities’, covers only small areas and its greatest concentrations are in the outer suburbs at Frankston and Dandenong. The Residential 2 Zone is not to be found around the vibrant inner and middle ring centres, the public transport nodes or along arterial roads with tramlines which is where Melbourne 2030 suggests are the very places to ‘encourage residential development at medium or higher densities’.*

*“...While some councils proactively identify ‘go go’ (substantial change), ‘slow go’ (incremental change) or ‘no go’ (minimal change) areas in their local planning policy framework, they do not have a suite of zones that provides a ‘neat fit’. As a consequence, the issue tends to be resolved through complex and lengthy local planning policy or difficult permit application assessment processes rather than through a combination of zoning, state planning policy direction and local application”.*

The report recommended, as a matter of priority, that the residential zones be reviewed.

Reviewing the residential zones is the first initiative in the Victorian Government’s five point action plan to implement the recommendations of the *Making local policy stronger* report.

## [2] Aligning the new zones to planning policies

State policy promotes housing development that improves housing choice, and which makes more efficient use of existing services, transport and community infrastructure. Redevelopment that increases housing opportunities in suitable areas is an important way to achieve these objectives.

Currently, many councils identify, through their local policies, areas where more housing should go, or areas where new housing opportunities are limited (by things such as special neighbourhood character or heritage). However, these intentions are not adequately reflected in the existing suite of residential zones. This has led to councils relying on local planning policies instead of zones to identify the right places for change to occur.

The new zone proposals seek to address this issue. They enable substantial change, incremental change and limited change to occur as described below.

### **Substantial change areas**

Are areas that present opportunities to substantially increase the number and diversity of dwellings. The form and design of new development can be specified. Appropriate services and facilities will be or will become available.

### **Incremental change areas**

Are areas where change can continue to occur however development must respect the character of the area.

### **Limited change areas**

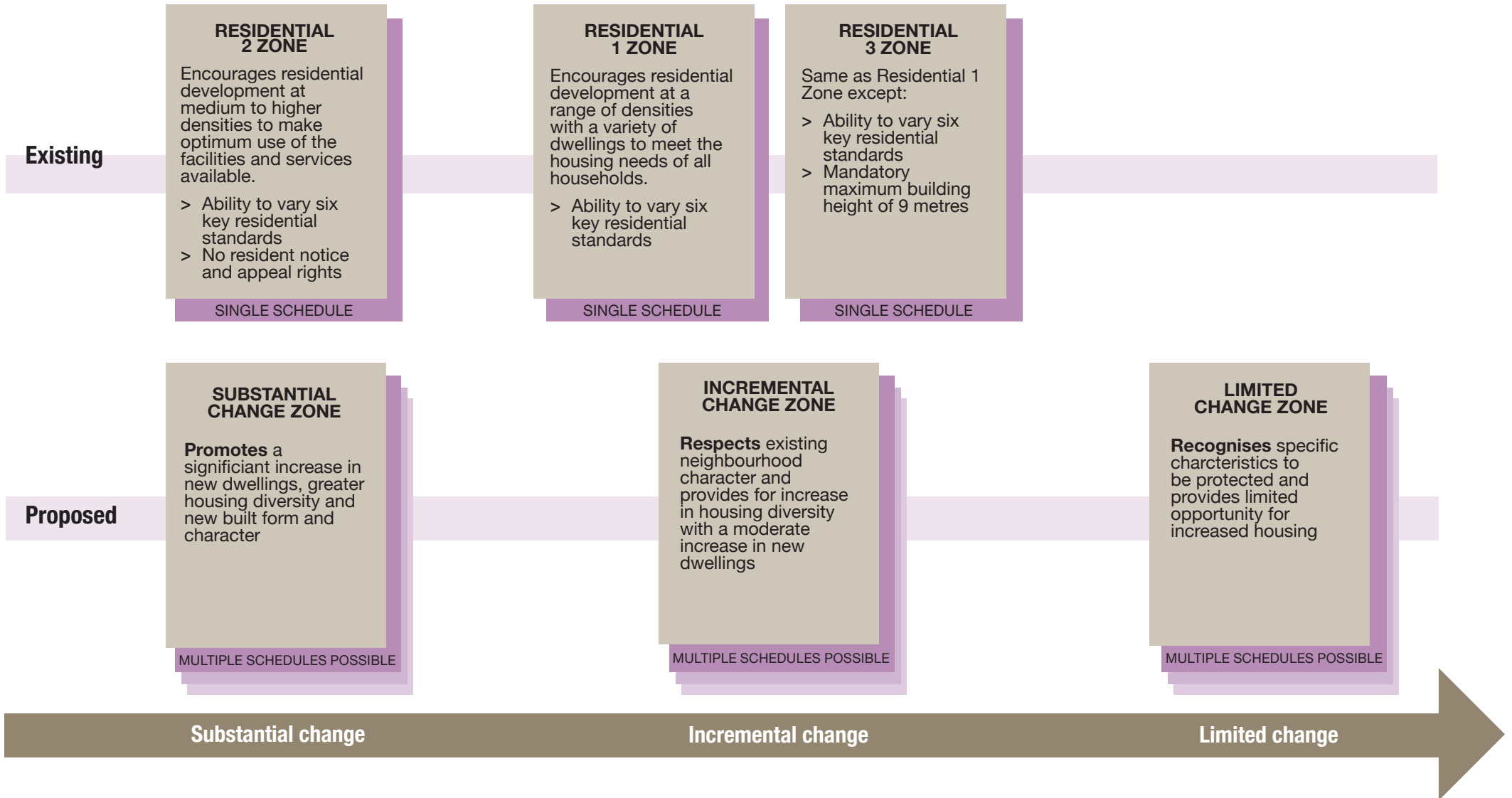
Are areas with limited opportunity for change because of identified development constraints, including special neighbourhood character, environmental and landscape values or infrastructure capacity. In these areas the impact of new development will be limited.

The proposed new zones have also been designed to:

- > Keep single dwelling approvals in the building permit system as much as possible.
- > Reduce the need for separate overlay controls.
- > Enable councils to vary the standard zone requirements to suit a variety of local circumstances.
- > Streamline the approval of developments that clearly meet the purposes of the zone and meet set criteria.

A snapshot of the proposed new zones is shown on the next page. The second part of this discussion paper presents the structure of the proposed new zones in more detail.

### [3] The new zones at a glance



See page 10 for more details of the proposed zones





## **DRAFT RESIDENTIAL ZONES FOR COMMENT**

## [4] Overview of the new zones

	Substantial Change Zone	Incremental Change Zone	Limited Change Zone
<b>Purpose</b>	<b>Promotes</b> a significant increase in new dwellings, greater housing diversity, and new built form and character.	<b>Respects</b> existing neighbourhood character and provides for increase in housing diversity with a moderate increase in new dwellings.	<b>Recognises</b> specific characteristics to be protected and provides limited opportunity for increased housing.
<b>Application</b>	Appropriate locations close to community facilities and services, employment or public transport.	Most of Victoria's towns and suburbs where modest residential development can occur.	Areas of special neighbourhood character, vegetation, environmental or landscape significance or limited infrastructure capacity or areas remote from public services and transport.
<b>Notice</b>	Revised notice requirements consistent with the purpose of the zone and with streamlining objectives ie, limited or no notice where there is limited offsite impact.		
<b>Use</b>	Allow some additional uses that would serve an increased population density.	Similar to current Residential 1 Zone Provisions.	Limit some non-residential uses to sites adjacent to a road zone.
<b>Development provisions</b>	<p>Ability to apply multiple schedules to vary the following development provisions for different areas within the zone:</p> <ul style="list-style-type: none"> <li>&gt; Statement expressing the preferred new built form and character.</li> <li>&gt; Design objectives to be achieved by new development.</li> <li>&gt; Maximum building height (any maximum height that is specified cannot be less than 12 metres, approximately 4 storeys).</li> <li>&gt; Minimum number of dwellings on a lot for new residential development.</li> <li>&gt; Specified ResCode standards to reflect the preferred new built form and character for the area.</li> </ul> <p>Fast track approval processes for straight forward developments.</p>	<p>Ability to apply multiple schedules to vary the following development provisions for different areas within the zone:</p> <ul style="list-style-type: none"> <li>&gt; Statement expressing the preferred or existing character.</li> <li>&gt; Design objectives to be achieved by new development.</li> <li>&gt; Maximum building height (any maximum height that is specified cannot be less than 9 metres, approximately 3 storeys).</li> <li>&gt; A permit requirement for vegetation removal.</li> <li>&gt; Specified ResCode standards to reflect the preferred or existing character.</li> </ul> <p>Fast track approval processes for straight forward developments.</p>	<p>Ability to apply multiple schedules to vary the following development provisions for different areas within the zone:</p> <ul style="list-style-type: none"> <li>&gt; Statement expressing the existing values or development constraints.</li> <li>&gt; Design objectives to be achieved by new development.</li> <li>&gt; Maximum number of dwellings on a lot.</li> <li>&gt; Minimum lot size for subdivision applications.</li> <li>&gt; Maximum building height.</li> <li>&gt; A permit requirement for vegetation removal.</li> <li>&gt; Specified ResCode standards to protect existing values or respond to existing constraints.</li> </ul> <p>Fast track approval processes for straight forward developments.</p>

## [5] Substantial Change Zone

### Basis for the new zone

Locations that are close to services, facilities and public transport require a zone that facilitates higher density development to take full advantage of this infrastructure. They also require a zone which can ensure that land is used efficiently and the opportunities to tackle Victoria's growth challenges presented in these locations is not lost. The substantial change zone will be used to clearly identify these areas.

### Issues

Key issues for this zone will be how to:

- > Provide flexibility to respond to the diversity and capacity of these strategic locations within the zone provisions while providing certainty and transparency for Councils, the community and planning permit applicants.
- > Build attractive and sustainable residential neighbourhoods while providing for a streamlined approvals process to ensure that potential for change is achieved.
- > Ensure that the potential of these locations to accommodate substantial change is not lost by development which does not make the most efficient use of the land.

### Questions

*Should the controls over non-residential uses be changed to enable these uses to be more easily established at street level to provide for greater activity, diversity and to meet the needs of residents?*

*Is requiring a planning permit for one dwelling on a single lot the best way to ensure that underdevelopment does not occur and the potential of these areas is achieved?*

*How should the preferred design and development objectives in a schedule to this zone be structured to implement the purposes of the zone?*

*How should the design and form of buildings of four or more storeys be controlled?*

*What type of development should be able to get fast track approval if it meets preset requirements?*

*Should complying development be exempt from notice and review at VCAT?*

<b>Substantial Change Zone</b>	
<b>Purpose</b>	<b>Promotes</b> a significant increase in new dwellings, greater housing diversity, and new built form and character.
<b>Notice</b>	<p>All applications for one or more than one dwelling on a lot are:</p> <ul style="list-style-type: none"> <li>&gt; Exempt from notice and review at VCAT if the development meets specified ResCode standards.</li> <li>&gt; Otherwise, notice and review at VCAT is limited to adjoining and opposite properties if the development proposes a variation to a ResCode standard.</li> <li>&gt; Other uses and development would need to meet the notice and review requirements as they currently apply.</li> </ul>
<b>Use</b>	<ul style="list-style-type: none"> <li>&gt; Specific non-residential uses such as medical centre, child care centre and convenience shop do not require a planning permit if located at street level of a multi storey residential building.</li> <li>&gt; Additional application requirements and decision guidelines apply for non-residential uses.</li> </ul>
<b>Development Provisions</b>	<p><b>Subdivision</b> An application to subdivide land for a development for which a permit has been granted does not need to meet the requirements of Clause 56.</p>
	<p><b>One dwelling on a lot</b> A planning permit is required to construct or extend one dwelling on a lot.</p>
	<p><b>Two or more dwellings on a lot</b> A planning permit is required to construct or extend two or more dwellings on a lot.</p>
	<p>Fast track approval process for straight forward developments.</p>
	<p>Ability to apply multiple schedules to vary the following development provisions for different areas within the zone:</p> <ul style="list-style-type: none"> <li>&gt; Statement expressing the preferred new built form and character.</li> <li>&gt; Design objectives to be achieved by new development.</li> <li>&gt; Maximum building height (any maximum height that is specified cannot be less than 12 metres, approximately 4 storeys).</li> <li>&gt; Minimum number of dwellings on a lot for new residential development.</li> <li>&gt; Specified ResCode standards to reflect the preferred new built form and character for the area.</li> </ul>

## [6] Incremental Change Zone

### Basis for the new zone

Many existing residential areas have capacity for increased and more diverse types of housing to assist to meet Victoria's future housing needs. While these areas also have an existing character which is valued by residents new development is able to be designed to respect that character. These are areas where substantial change should not occur over time.

### Issues

Key issues for this zone will be how to:

- > Recognise the varying character of different residential areas while providing certainty and transparency for councils, the community and planning permit applicants.
- > Manage new development so that it respects the neighbourhood character of existing residential areas while allowing for some change and diversity.

### Questions

*What other changes may be needed to ensure that the purpose of the new zone can be achieved?*

*Will 'area-based' schedules be sufficient to ensure development is designed to respect neighbourhood character?*

*Should there be capacity to vary ResCode standards in a schedule? If so, for what standards?*

*Should there be capacity to specify the number of dwellings on a lot in incremental change areas?*

*Should the building height be mandatory or is a preferred building height sufficient in this zone?*

*Should any changes be made to the non-residential uses that can be permitted in this zone?*

*What type of development should be able to get fast track approval if it meets preset requirements?*

*Should complying development be exempt from notice and review at VCAT?*

Incremental Change Zone	
<b>Purpose</b>	<b>Respects</b> existing neighbourhood character and provides for increase in housing diversity with a moderate increase in new dwellings.
<b>Notice</b>	<p>All applications for one or more than one dwelling on a lot are:</p> <ul style="list-style-type: none"> <li>&gt; Exempt from notice and review at VCAT if the development meets specified ResCode standards.</li> <li>&gt; Otherwise, notice and review at VCAT is limited to adjoining and opposite properties if the development proposes a variation to a ResCode standard.</li> </ul> <p>Other uses and development would need to meet the notice and review requirements as they currently apply.</p>
<b>Use</b>	<ul style="list-style-type: none"> <li>&gt; Dwellings do not require a planning permit.</li> <li>&gt; Specific non-residential uses, such as places of assembly, medical centre, community market and child care centre require a planning permit.</li> <li>&gt; Additional application requirements and decision guidelines apply for non-residential uses.</li> </ul>
<b>Development Provisions</b>	<p><b>Subdivision</b> An application to subdivide land for a development for which a permit has been granted does not need to meet the requirements of Clause 56.</p>
	<p><b>One dwelling on a lot</b> A planning permit is required to construct or extend one dwelling on a lot less than 300 square metres (the capacity to specify 500 square metres as the lot size trigger under the current Residential 1 Zone is removed).</p>
	<p><b>Two or more dwellings on a lot</b> A planning permit is required to construct or extend two or more dwellings on a lot.</p>
	<p>Fast track approval process for straight forward developments.</p>
	<p>Ability to apply multiple schedules to vary the following development provisions for different areas within the zone:</p> <ul style="list-style-type: none"> <li>&gt; Statement expressing the preferred or existing character.</li> <li>&gt; Design objectives to be achieved by new development.</li> <li>&gt; Maximum building height (any maximum height that is specified cannot be less than 9 metres, approximately 3 storeys).</li> <li>&gt; A permit requirement for vegetation removal.</li> <li>&gt; Specified ResCode standards to reflect the preferred or existing character.</li> </ul>

## [7] Limited Change Zone

### Basis for the new zone

Some existing residential areas in Victoria have limited capacity for change. This may include areas of: identified special neighbourhood character; vegetation, environmental or landscape significance; or areas subject to infrastructure or other development constraints. The Limited Change Zone will be used to clearly identify these areas.

The Limited Change Zone may also be appropriate for areas where there is no identified constraint to new development but where because of the age or form of existing residential development it is not intended there will be a significant amount of redevelopment within the timeframe of a local housing strategy.

It is not intended that this zone will replace existing overlays which control heritage and environmental values. Rather this zone may be used in conjunction with these overlays to better reflect the impact that these values have on the capacity for change. The application of this zone may however remove the need for the Neighbourhood Character Overlay.

### Issues

An issue to be addressed is whether there should be an ability to control the number of dwellings permitted on a lot through the provisions of the zone. It is proposed that there be capacity to restrict both the lot size for subdivision and number of permissible dwellings on a lot in the Limited Change Zone.

### Questions

*What other provisions could be included to ensure that the purpose of the new zone can be achieved?*

*Should there be capacity to vary ResCode standards in the schedule?*

*Should non-residential uses be prevented from establishing or expanding in these areas?*

*What type of development should be able to get fast track approval if it meets preset requirements?*

*Should complying development be exempt from notice and review at VCAT?*

Limited Change Zone	
<b>Purpose</b>	<b>Recognises</b> specific characteristics to be protected and provides limited opportunity for increased housing.
<b>Notice</b>	All applications for one or more than one dwelling on a lot are: > Exempt from notice and review at VCAT if the development meets specified ResCode standards. > Otherwise, notice and review at VCAT is limited to adjoining and opposite properties if the development proposes a variation to a ResCode standard. Other uses and development would need to meet the notice and review requirements as they currently apply.
<b>Use</b>	> Specific non-residential uses, such as places of assembly, medical centre, community market and child care centre require a planning permit. > Additional application requirements and decision guidelines apply for non-residential uses.
<b>Development Provisions</b>	<b>Subdivision</b> > Capacity to restrict lot size. > An application to subdivide land for a development for which a permit has been granted does not need to meet the requirements of Clause 56.
	<b>One dwelling on a lot</b> A planning permit is required to construct or extend one dwelling if the lot is less than 500 square metres.
	<b>Two or more dwellings on a lot</b> > A planning permit is required to construct or extend two or more dwellings on a lot. > Ability to specify a maximum number of dwellings on a lot.
	Fast track approval process for straight forward developments.
	Ability to apply multiple schedules to vary the following development provisions for different areas within the zone: > Statement expressing the existing values or development constraints. > Design objectives to be achieved by new development. > Maximum number of dwellings on a lot. > Minimum lot size for subdivision applications. > Maximum building height. > A permit requirement for vegetation removal. > Specified ResCode standards to protect existing values or respond to existing constraints.





## **MAKING A SUBMISSION**

## [8] How to make a submission

The new zone proposals are a 'work in progress' and have been prepared to stimulate discussion around the ways that improvement can be delivered.

Comments on the structure, content, format and implementation of the new zone proposals are welcomed. A feedback form designed to help you respond to the issues raised can be downloaded from [www.dpcd.vic.gov.au/planning](http://www.dpcd.vic.gov.au/planning).

Submissions can be made online or by printing the feedback form at [www.dpcd.vic.gov.au/planning](http://www.dpcd.vic.gov.au/planning).

Completed comments should be submitted to the Department of Planning and Community Development either by:

**EMAIL** [planning.systems@dpcd.vic.gov.au](mailto:planning.systems@dpcd.vic.gov.au)

or

**MAIL** Planning Systems  
Department of Planning and Community Development  
GPO Box 2392  
Melbourne VIC 3001

**The closing date for lodging submissions is 5.00pm Friday 18 April 2008.**

Call 9637 8610 if you have any questions about making a submission.

Information sessions will be held at regional and metropolitan locations to assist you to respond to the issues raised in this discussion paper. Please visit [www.dpcd.vic.gov.au/planning](http://www.dpcd.vic.gov.au/planning) for further information regarding the time and location of information sessions. Your submission will help inform the preparation of the proposed final form of the residential zones. These zones are expected to be released for further consultation in mid 2008.

## [9] What happens next?

Steps	Date
Discussion paper released with draft residential zones for public consultation. Information sessions held.	Feb - Apr 2008
Submissions on draft zone proposals considered.	Apr - Jun 2008
Proposed final form of new residential zones released for public consultation.	Jul - Aug 2008
Advisory Committee reviews and considers submissions, and provides advice to Minister for Planning.	Sept - Oct 2008
New residential zones announced.	Dec 2008

## [10] Some questions answered

### **What happens after I make a submission – are these the final zones?**

These are not the final zones. The responses to this discussion paper will inform the preparation of the draft final zones. There will be a further opportunity to comment on the more detailed draft final zones in mid-2008.

### **When will the new residential zones be completed?**

It is proposed that the final new zones and a program for their introduction will be announced by the end of 2008.

### **When will the new residential zones be applied?**

The Department of Planning and Community Development will work with councils to develop an appropriate transition timeframe once the new zones are finalised. Sufficient time and opportunity will be provided to consider how the new zones will be applied to each municipality. Councils will be able to identify any transitional issues that may require resolution.

### **Will existing local provisions carry over to the new residential zones?**

It is anticipated that ResCode variations in the schedules to the existing zones will be transitioned when the new residential zones are applied.

### **How do the new zones affect council's local policy framework?**

Councils will be given the opportunity to identify where existing planning policies can be migrated into the new zones. This will assist in delivering simpler and clear local housing policies. In other circumstances it is not expected that the transition will involve any substantive change to the existing planning policies of councils.

### **What happens to ResCode?**

ResCode will continue to operate in the planning and building systems. Councils will retain the ability to vary particular ResCode standards in their planning schemes.

### **How do the new zones relate to overlays?**

There may be an opportunity to remove an existing overlay where the development issue that the overlay deals with can be addressed by one of the new zones. Otherwise planning scheme overlays will continue to be used in conjunction with the new zones.

### **What happens to the other residential zones?**

The other zones which make up the current suite of residential zones in the Victoria Planning Provisions (the Township Zone, the Low Density Residential Zone and the Mixed Use Zone) may also require consequential changes to reflect the approach taken with the new zones. Any consequential changes to these zones will also be considered during the Advisory Committee process.