

Report to the Future Melbourne (Planning) Committee

Agenda item 6.4

Submission to the Managing Residential Development Advisory Committee

8 March 2016

Presenter: Ian Hicks, Acting Manager Urban Strategy

Purpose and background

1. The purpose of this report is to seek the Future Melbourne Committee's endorsement of the submission to the Managing Residential Development Advisory Committee at Attachment 5.
2. In November 2014, the Planning Minister introduced new residential zones, which were applied to the City of Melbourne through two Ministerial amendments: GC09, which substituted the General Residential Zone (GRZ) for all land in the Residential 1 and Residential 2 Zones; and C179, which introduced the Neighbourhood Residential Zone (NRZ) to parts of South Yarra, as well as Schedules with mandatory height controls to parts of East Melbourne and Jolimont, Carlton, Kensington, North Melbourne and Parkville zoned General Residential Zone (GRZ) and the Residential Growth Zone (RGZ) to parts of Carlton and Parkville previously zoned Residential 2 Zone.
3. At the end of 2015, the Planning Minister appointed the Managing Residential Development Advisory Committee (the Advisory Committee) to report on the application of zones that provide for residential development. Submissions are sought from Councils and other interested parties by 14 March 2016, with public hearings to be held in April-May 2016 prior to the Advisory Committee providing its report to the Minister at the end of June 2016.

Key issues

4. The purpose of the Advisory Committee is outlined in its Terms of Reference (Attachment 2). The Committee will be considering the zones from a procedural and policy perspective including reviewing the process undertaken to introduce the zones; how they are currently applied; and to consider how this process could be improved in the future including the level of justification required and the role of community consultation in the process.
5. It is not the role of the Advisory Committee to consider requests for rezoning.
6. The taskforce appointed to assist the Advisory Committee released an Overarching Report Residential Zones State of Play Report (Attachment 3) and a Central Subregion Residential Zones State of Play (Attachment 4) on 3 February 2016.
7. The draft submission (Attachment 5) broadly addresses the following matters:
 - 7.1. The process by which the new residential zones were implemented into the Melbourne Planning Scheme.
 - 7.2. How the City of Melbourne is contributing significantly to managing Melbourne's residential growth and whether the strategic justification for the new zones was adequate.
 - 7.3. Suggested improvements to the way the zones and their schedules are currently written.

Recommendation from management

8. That the Future Melbourne Committee endorses the submission to the Managing Residential Development Advisory Committee at Attachment 5.

Attachments:

1. Supporting Attachment (page 2 of 120)
2. Advisory Committee's Terms of Reference (page 3 of 120)
3. Overarching Residential State of Play report (page 8 of 120)
4. Central subregion Residential State of Play report (page 56 of 120)
5. Draft City of Melbourne submission to the Managing Residential Development Advisory Committee (page 114 of 120) 1.

Supporting Attachment

Legal

1. There are no legal implications. The Advisory Committee has been appointed pursuant to section 151 of the *Planning and Environment Act 1987*.

Finance

2. There are no financial implications related to the City of Melbourne lodging its submission to the Advisory Committee.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

4. Prior to the Minister's decision in November 2014, members of the public were provided with the opportunity to make submissions in August 2014 and to present to the Residential Zones Standing Advisory Committee in September 2014 in regard to Council's proposed application of the zones, which included the application of the NRZ to parts of Carlton, East Melbourne and Jolimont, Kensington, North and West Melbourne, Parkville and South Yarra.
5. Between December 2015 and the end of February 2016, members of the public have the opportunity to make a submission to the Advisory Committee and will have an opportunity to present to the Advisory Committee when it holds hearings in April-May 2016.

Relation to Council policy

6. The submission for endorsement by the Future Melbourne committee is consistent with the Municipal Strategic Statement in the Melbourne Planning Scheme.

Environmental sustainability

7. There is no impact on environmental sustainability.

Managing Residential Development Advisory Committee

Version: 29 November 2015

Advisory Committee appointed pursuant to section 151 of the *Planning and Environment Act 1987* to report on the application of zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe, having regard to managing growth, proximity to transport and jobs, housing affordability and diversity.

Name

1. The Advisory Committee is to be known as the Managing Residential Development Advisory Committee (the Committee).
2. The Committee is to have members with the following skills:
 - a. Statutory and Strategic Planning.
 - b. Transport planning in the context of residential development.
 - c. Knowledge and understanding of land development practices, planning law and the reformed residential zones.

Purpose

3. The purpose of the Committee is to:
 - a. Consider the process by which the new residential zones were implemented.
 - b. Review the current application of the 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.
 - c. Advise on the level of evidence and justification needed when preparing relevant planning scheme amendments.
 - d. Recommend improvements to the residential zones.
 - e. Provide councils, the community and the industry with an opportunity to be heard.
4. It is not the role of the Committee to consider requests to rezone specific sites.

Background

5. The Neighbourhood Residential Zone, General Residential Zone and Residential Growth Zone (the new residential zones) were introduced into the *Victoria Planning Provisions* through Amendment V8 in July 2013. The Mixed Use Zone, Township Zone and Low Density Residential Zone were also amended shortly afterwards through Amendment VC100.
6. Each council was given 12 months to prepare an amendment that justified the application of the new residential zones into their planning scheme. Where a council did not finalise an amendment to implement the new residential zones by 1 July 2014, the General Residential Zone was applied to all residentially-zoned land.

7. On 1 July 2014 the State Government replaced the Residential 1, Residential 2 and Residential 3 zones with the new residential zones in all Victorian planning schemes. A considerable proportion of planning schemes has the General Residential Zone applied as the default zone.
8. The new residential zones have been applied state-wide in differing ways, with a wide range of local variation.
9. The Residential Zones Standing Advisory Committee was established in February 2014 to advise on the method of application of the proposed new residential zones into local planning schemes. The Committee considered 25 proposals, heard over 1,600 parties, and provided an overarching issues report and 25 specific reports. It suggested improvements to the residential zones in its *Stage One Overarching Issues Report*.

Method

10. The Committee may apply to vary these Terms of Reference in any way it sees fit before submitting its report(s).
11. The Committee will be assisted by the Managing Residential Development Taskforce (the Taskforce) comprising staff from the Department of Environment, Land, Water and Planning. The Taskforce will:
 - a. Prepare a *Residential Zones State of Play* report for each of the Metropolitan subregions and one combined report for the four regional cities of Bendigo, Ballarat, Geelong and Latrobe (six reports in total). The *Residential Zones State of Play* reports will consider the residential zones and other zones that allow for residential development.
 - b. Compile a list of potential improvements to the operation of the new residential zones.
 - c. Undertake work at the direction of the Committee.

Stage One – Consultation

12. The Committee may hold an Inception Meeting(s) with the relevant councils and Industry Bodies (refer to Appendix A). The purpose of this meeting is to outline the Committee process and to make preliminary directions to the Taskforce and councils. These meetings may be undertaken at a regional level.
13. The Taskforce will seek submissions on its *Residential Zones State of Play* reports and list of potential improvements. Consultation must comprise¹:
 - a. Direct notice to relevant councils and industry bodies.
 - b. Direct notice to known community groups (in consultation with the relevant council).
 - c. A single, general notice in The Age and Herald Sun.
 - d. A comprehensive notice for each subregion in the relevant local newspaper(s).
14. All submissions are to be collected at the office of Planning Panels Victoria and electronic copies will be made available to other submitters upon request within ten working days from the close of the submission period.
15. The Committee must consider all relevant submissions.
16. The Committee will direct the Taskforce to undertake work to assist it in understanding the issues raised in submissions.

¹ Councils may wish to undertake additional consultation at their own cost.

Stage Two – Public Hearing

17. The Committee may pre-set the hearing dates.
18. The Committee will carry out a directions hearing and public hearing.
19. Concurrent hearings may be held with different members of the Committee.
20. The Committee may conduct workshops or forums to explore design issues or other matters. Any workshops or forums will be a public process.
21. The Committee may meet and invite others to meet with them when there is a quorum of at least two of its members.
22. The Committee may limit the time of parties appearing before it.
23. The Committee may regulate cross-examination.
24. The Committee may inform itself in anyway it sees fit.

Stage Three – Issues and Options

25. The Committee must provide its advice to the Minister for Planning.
26. The Committee must produce a brief issues and options report(s) which identifies system-wide and implementation issues related to residential development and the residential zones. In particular the Committee should consider:
 - a. The approach to monitoring residential development over time including consideration of Ministerial Direction No. 16, and the role of councils and the department.
 - b. A model methodology for preparing planning scheme amendments.
 - c. Any Taskforce suggestions for improving the residential zones.
 - d. Whether there are any further opportunities to improve the residential zones and/or associated planning tools.
 - e. A summary of submissions to the Committee.
 - f. A list of persons who made submissions considered by the Committee.
 - g. A list of persons consulted or heard.
 - h. Any other relevant matters raised in the course of the public hearings that the Committee considers necessary.

Submissions are public documents

27. The Committee must retain a library of any written submissions or other supporting documentation provided to it directly until a decision has been made on its report, or five years has passed from the time of its appointment.
28. Any written submissions or other supporting documentation provided to the Committee must be available for public inspection until the submission of its report, unless the Committee specifically directs that the material is to remain 'in camera'.

Timing

29. The submission period will commence in early December 2015 and close on Monday 29 February 2016.

30. The Taskforce is to prepare and publicly release its *Residential Zones State of Play* reports and list of improvements to the operation of the new residential zones no later than Friday 29 January 2016.
31. The Committee is required to submit its issues and options report(s) in writing as soon as practicable but no later than 40 business days from the completion of the last subregional hearing and/or meeting.

Fee

32. The fee for the Committee will be set at the current rate for a Panel appointed under Part 8 of the *Planning and Environment Act 1987*.
33. The costs of the Committee will be met by the Department of Environment, Land, Water and Planning.



Richard Wynne MP
Minister for Planning

Date: 29/01/15

Appendix A – Other Information

The following information does not form part the Terms of Reference.

Project Management

Administrative and operational support to the Committee will be provided by Jessica Cutting, Senior Project Manager of the Department of Environment, Land, Water and Planning on jessica.cutting@delwp.vic.gov.au or 8392 6411.

Day to day liaison for the Advisory Committee will be through Andrea Harwood, Senior Project Manager of Planning Panels Victoria on (03) 8392 6744 or andrea.harwood@delwp.vic.gov.au.

Relevant councils

Central Subregion

Maribyrnong City Council
Melbourne City Council
Port Phillip City Council
Stonnington City Council
Yarra City Council

Eastern Subregion

Boroondara City Council
Knox City Council
Manningham City Council
Maroondah City Council
Monash City Council
Whitehorse City Council
Yarra Ranges Shire Council

Southern Subregion

Bayside City Council
Cardinia Shire Council
Casey City Council
Frankston City Council
Glen Eira City Council
Greater Dandenong City Council
Kingston City Council
Mornington Peninsula Shire Council

Northern Subregion

Banyule City Council
Darebin City Council
Hume City Council
Mitchell Shire Council
Moreland City Council
Nillumbik Shire Council
Whittlesea City Council

Western Subregion

Brimbank City Council
Hobsons Bay City Council
Melton City Council
Moonee Valley City Council
Wyndham City Council

Regional Cities

Ballarat City Council
Greater Bendigo City Council
Greater Geelong City Council
Latrobe City Council

Industry Bodies

Industry Bodies

Building Designers Association Victoria
Housing Industry Association
Master Builders Association
Municipal Association of Victoria
Planning Institute of Australia
Property Council of Australia

Urban Development Institute of Australia
Victorian Local Government Association
Victorian Planning and Environmental Law Association

Managing Residential Development Taskforce

Overarching Report

Residential Zones State of Play

29 January 2016



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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACZ	Activity Centre Zone
CA	Commonwealth Land not controlled by Planning Scheme
CBD	Central Business District
CCZ	Capital City Zone
C1Z	Commercial 1 Zone
C2Z	Commercial 2 Zone
CDZ	Comprehensive Development Zone
DELWP	Department of Environment, Land, Water and Planning
DZ	Docklands Zone
GRZ	General Residential Zone
LDRZ	Low Density Residential Zone
MRDAC	Managing Residential Development Advisory Committee
MSS	Municipal Strategic Statement
MUZ	Mixed Use Zone
NRZ	Neighborhood Residential Zone
PDZ	Priority Development Zone
PSP	Precinct Structure Plan
PUZ	Public Use Zone
RAAF	Royal Australian Air Force
RAZ	Rural Activity Zone
RGZ	Residential Growth Zone
RLZ	Rural Living Zone
RZSAC	Residential Zones Standing Advisory Committee
SUZ	Special Use Zone
TZ	Township Zone
UGZ	Urban Growth Zone
VPP	Victoria Planning Provisions

GLOSSARY OF TERMS

1 for 1 replacement project	Demolition of a single dwelling followed by construction of a new replacement single dwelling.
20(4) Amendment	A planning scheme amendment that is prepared, adopted and approved without notice pursuant to section 20(4) of the Planning and Environment Act 1987.
ABS Building Approvals	This dataset from the Australian Bureau of Statistics records the number of dwelling units and the value of construction of development that has been given a building permit each month. This dataset has a catalogue number of 8731.0.
Amendment C##	<p>A 'C' amendment makes changes to an individual planning scheme only.</p> <p>A 'C' amendment can change a planning scheme in a number of ways, including amending or deleting an existing local provision, inserting a new local provision, inserting or deleting a zone or overlay or amending a planning scheme map.</p> <p>A 'C' amendment cannot change a State standard provision selected from the VPP.</p> <p>'C' amendments are prepared by the Council.</p>
Amendment GC##	<p>A 'GC' amendment makes changes to more than one planning scheme.</p> <p>A 'GC' amendment can be used to make changes to more than one planning scheme for a particular matter, such as a regional initiative.</p> <p>A 'GC' amendment cannot change a State standard provision selected from the VPP.</p> <p>'GC' amendments are prepared by the Minister for Planning.</p>
Amendment V##	<p>A 'V' amendment makes changes to the Victoria Planning Provisions only.</p> <p>'V' amendments are prepared by the Minister for Planning.</p>
Amendment VC##	<p>A 'VC' amendment makes changes to the VPP and one or more planning schemes.</p> <p>'VC' amendments are prepared by the Minister for Planning.</p>

Broadhectare development	<p>Broadhectare development (sometimes known as greenfield development) involves the development of large areas of land that were previously non-urban (usually agricultural land on the edge of the city) for new suburban development.</p> <p>The term ‘remnant broadhectare development’ refers to development of relatively small housing estates in the outer suburbs that may be within the established urban area, but are remaining pieces of broadhectare land that have not previously been developed for urban use.</p>
Draft Housing Development Data 2014	<p>Lot-by-lot data on housing stock and dwellings demolished or constructed for each year from 2004 to 2014. This data is commissioned by DELWP and is publicly available. Data from 2013 and 2014 is still in draft form at the time of publication and will be subject to revision.</p>
Dual occupancy	<p>A residential development project that involves the construction of two dwellings on a lot, and usually involves subdividing that lot into two new lots.</p>
Estimated resident population	<p>This refers to the official Australian Bureau of Statistics population estimate produced for each year respectively as at 30 June.</p>
Green Wedge	<p>Green Wedge land is defined under Part 3AA of the <i>Planning and Environment Act 1987</i> as “land that is described in a metropolitan fringe planning scheme as being outside an Urban Growth Boundary”. There are 12 defined Green Wedges spanning parts of 17 municipalities.</p>
Growth areas	<p>Locations on the fringe of metropolitan Melbourne designated in planning schemes for large-scale transformation, over many years, from rural to urban use.</p>
High density (Housing)	<p>Housing with a density of greater than 75 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other residential prohibitive areas are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with apartments.</p>
Low density (Housing)	<p>Housing with a density of less than 25 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other residential prohibitive areas are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with detached houses.</p>

Medium density (Housing)	<p>Housing with a density of 25 to 75 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other uses are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with units, townhouses, and semi-detached dwellings.</p>
Metropolitan Melbourne	<p>The area within the outer limits of the 31 municipalities that make up metropolitan Melbourne, plus part of Mitchell Shire within the Urban Growth Boundary.</p>
Middle ring municipalities	<p>These municipalities include the municipalities of Banyule, Bayside, Boroondara, Brimbank, Darebin, Glen Eira, Hobsons Bay, Kingston, Manningham, Maribyrnong, Monash, Moonee Valley, Moreland and Whitehorse</p>
New residential zones	<p>The three residential zones (Neighborhood Residential Zone, General Residential Zone and Residential Growth Zone) introduced into the Victoria Planning Provisions through Amendment V8 on 1 July 2013.</p>
Other (where referring to zones)	<p>Where the report refers to ‘other’ zones in the context of residential development, it refers to zones other than NRZ, RGZ and GRZ that allow for residential development.</p> <p>Where the term ‘other’ is used in a table or chart that also includes some of the zones from the list above, it refers to zones on this list other than those zones specifically mentioned.</p>
Peri-urban	<p>Comprises the hinterland beyond the proposed metropolitan urban boundary.</p>
Plan Melbourne	<p>The Victoria Government’s metropolitan planning strategy, approved in 2014.</p>
Population density	<p>Population density, where discussed in this report, is measured in persons per hectare. The measure used is ‘population-weighted density’, which reflects the density at which the average person lives. The calculations use 2011 Census data at statistical area level 1.</p>
Precinct Structure Plans	<p>Detailed plans for future growth corridor developments, informed by growth corridor plans. Before development begins, the Metropolitan Planning Authority and the relevant local government will develop these plans to identify alignments of transport routes, town centres, open space networks, densities of residential areas for industry and employment. They also produce other plans for state and local government infrastructure needs, development contributions and native vegetation protection.</p>

ResCode	<p>Commonly known as 'ResCode', the residential development provisions are not a separate document, they are incorporated into all Victorian planning schemes and the Victorian Building Regulations.</p> <p>There are 13 residential development standards in Clause 54 and 55 in all planning schemes in Victoria.</p>
Taskforce	<p>The Managing Residential Development Taskforce</p>
Urban Development Program 2015	<p>Data produced annually by DELWP that captures proposed residential development projects of 10 or more dwellings, broadhectare residential land supply, and industrial land supply and consumption. Data from the 2015 release is used in this report.</p>
Urban Growth Boundary	<p>The current geographical limit for the future urban area of Melbourne.</p>
Victoria in Future	<p><i>Victoria in Future 2015</i> is the latest official state government projection of population and housing.</p>
Victoria Planning Provisions	<p>The comprehensive set of planning provisions for Victoria. It is not a planning scheme and does not apply to any land. It is a statewide reference, used as required, to construct planning schemes.</p>
Zones that allow for residential development	<p>Zones where 'dwelling' is a Section 1 or Section 2 Use in the Victoria Planning Provisions. These are the Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone, Low Density Residential Zone, Mixed Use Zone, Township Zone, Commercial 1 Zone, Rural Living Zone, Rural Activity Zone, Comprehensive Development Zone, Capital City Zone, Docklands Zone, Priority Development Zone, Urban Growth Zone and Activity Centre Zone.</p>
Public land	<p>Metropolitan maps use the '<i>Public Land - Victorian Environment Assessment Council, 2012</i>' layer.</p> <p>Regional city maps use the Crown Land layer.</p>

Introduction

Background

In July 2013 new residential zones were introduced into the Victoria Planning Provisions. This concluded a six year period of consultation and discussion in which the Bracks, Brumby and Napthine governments sought the views of the community and industry on the preferred structure and content of the new residential zones.

The new residential zones comprise the Residential Growth Zone (RGZ), the General Residential Zone (GRZ) and the Neighbourhood Residential Zone (NRZ). In combination, these zones enable councils and their communities to better direct the location and scale of residential change.

Councils were given 12 months from July 2013 to amend their planning schemes to implement the new residential zones. At the time, Victoria's councils were at different stages of readiness to undertake a strategic implementation of the zones. Some had existing housing strategies that provided the rationale for the application of the NRZ, GRZ and RGZ to specific locations, while other councils drew on a combination of character, heritage and activity centre policy as a basis for applying the zones. Overall, the justification and rationale for implementing the zones varied between councils.

There were also inconsistencies in the level of public consultation and in the process by which the merit of planning scheme amendments to introduce the zones were assessed. Some councils undertook public consultation and had their planning scheme amendment formerly reviewed, while other councils didn't consult with their communities or undertook informal consultation and their amendments were approved without formal review. The way in which councils implemented the new residential zones can be generally grouped into:

- **Councils with existing housing policies** prepared an amendment and requested the Minister for Planning use his powers under section 20(4) of the *Planning and Environment Act, 1987* (known as a 20(4) Amendment).
- **Councils with draft housing policies** prepared a standard Planning Scheme Amendment which included formal exhibition of the amendment and were referred to an independent panel.
- **Councils with no relevant policy work** opted for a translation of the former zones to the GRZ.
- **Councils that opted-in to the Residential Zones Standing Advisory Committee (RZSAC)** process (Stage One or Two) which included notice in accordance with the RZSAC Terms of Reference and a public hearing process.

By January 2016 the majority of metropolitan municipalities and regional cities had completed an implementation of the zones based on relevant strategic planning work. Many councils in regional Victoria chose not to undertake a strategic implementation and opted for a translation into the GRZ.

Differences and inconsistencies in the application of the zones are now subject to review by the Victorian Government which has appointed the Managing Residential Development Advisory Committee (MRDAC) for this purpose. The MRDAC will seek the views and experiences of industry and the community on the application of the zones, and provide government with advice on the implications of this for future residential policy and best practice in the further application of the residential zones.

Managing Residential Development Advisory Committee

The MRDAC was appointed on 29 November 2015 by the Minister for Planning, the Hon Richard Wynne, under section 151 of the *Planning and Environment Act 1987* to report on the application of zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe.

The MRDAC comprises Kathy Mitchell (Chair), Michael Kirsch (Deputy Chair), Debra Butcher, Sarah Carlisle, Peter Gaschk, Sarah McDonald, Rachael O'Neill and John Riley.

The Terms of Reference for the MRDAC state that it will be supported by the Managing Residential Development Taskforce (the Taskforce) comprising staff from the Department of Environment, Land Water and Planning (DELWP).

Residential Zones State of Play reports

In accordance with the MRDAC Terms of Reference, the Taskforce has prepared Residential Zones State of Play reports for each *Plan Melbourne* subregion and a combined report for the regional cities of Ballarat, Bendigo, Geelong and Latrobe. Including the Overarching Report, there are seven Residential Zones State of Play reports:

1. **Overarching Report**
2. **Central Subregion** (Melbourne, Stonnington, Maribyrnong, Port Phillip, Yarra)
3. **Northern Subregion** (Banyule, Darebin, Hume, Mitchell (part), Moreland, Nillumbik, (Whittlesea)
4. **Eastern Subregion** (Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse, Yarra Ranges)
5. **Southern Subregion** (Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula)
6. **Western Subregion** (Brimbank, Hobsons Bay, Melton, Moonee Valley, Wyndham)
7. **Regional Cities** (Ballarat, Greater Bendigo, Greater Geelong and Latrobe).

The Overarching Report establishes the demographic and housing supply context for reviewing the application of the new residential zones. It covers Victoria's current and projected demographic changes and how these may ultimately influence housing demand, as well as detailed information on housing supply trends.

The five Residential Zones State of Play reports for metropolitan Melbourne (Central, Northern, Eastern, Southern and Western subregions) provide an overview at the subregional level including information on demographics, population growth, residential zoned land, dwelling supply and anticipated residential growth. This is followed by a chapter on each municipality which provides a short history of the residential zones including how the new residential zones were introduced, and by what method. Information is also provided on residential zoned land, dwelling supply and anticipated residential growth by municipality.

The combined Residential State of Play Report for Ballarat, Greater Bendigo, Greater Geelong and Latrobe provides a chapter on each municipality in the same way as the metropolitan Melbourne reports. However, this report does not include an overview at the subregional level as these municipalities are not located in the same area.

The Overarching Report and subregional reports are intended to assist the community, the development industry and ultimately the MRDAC to review the implementation of the new residential zones.

Each of the subregional reports is accompanied by an A3 Book of Plans.

About this report

This Overarching Report provides a range of empirical information on zoning within Melbourne and regional Victoria, and profiles the way in which different planning arrangements typically influence housing development. It also considers known impacts of the new residential zones since implementation.

The report begins by profiling Victoria’s current and projected population growth and demographic change and explores what this might mean for future housing demand. New housing supply is currently at an historic high, particularly in metropolitan Melbourne. This report examines the characteristics of this growth including the shift towards high and medium density dwellings and trends in the development of new dwellings in urban renewal, broadhectare and residential areas.

The demographic and housing profile sets the scene for considering the application of the new residential zones. The report therefore examines the implementation of the new residential zones and profiles the subsequent changes to the way in which land is zoned in Melbourne’s five subregions and Victoria’s major regional cities.

The final section discusses the known impacts of the new residential zones. In most municipalities the new residential zones have been in place for less than two years, which limits the extent to which impacts can be assessed. Nonetheless, this report offers some preliminary insights into the impact of the new residential zones on housing supply, certainty within the planning system and the balance between protecting areas from change and supporting further residential growth.

Explanation of tables and figures

Where necessary, an explanation of the tables and figures found in this report is provided in this section. These explanations provide clarification on the Taskforce’s methodology and assumptions.

Some tables and figures are relatively straightforward representations of data such as Australian Bureau of Statistics (ABS) Census data or *Victoria in Future 2015* population projections, and these are not explained further. Others tables and figures include certain assumptions, use customised categorisations of ABS data, or have caveats. These tables and charts require further explanation.

Table type: Zones that allow for residential development

This type of table shows the number of lots and area of lots (in hectares) by zone. The area is not the total area of zoned land but the combined area of all lots within that zone. Roads and other undevelopable areas have been excluded from the total area calculation.

The category ‘other’ refers to zones besides NRZ, RGZ, and GRZ that allow for residential development (refer to the definition in the glossary of terms).

In most cases, this type of table includes the three new residential zones and the ‘other’ category. This approach is modified when it is more appropriate to use a different selection of residential zones (such as those municipalities that do not have all three residential zones).

Table type: Other zones that allow for residential development

This type of table shows the area and number of lots for selected zones within the ‘other’ category. It generally does not include zones where there is only a very small

area of that zone or where it is anticipated there will be limited dwelling construction activity in that zone.

Chart type: Number of residential redevelopment projects by project size, 2010-2014

This type of table represents Draft Housing Development Data 2014 and shows the number of residential projects in the years 2010-2014 by project type in each zone. Projects are categorised according to the number of dwellings constructed.

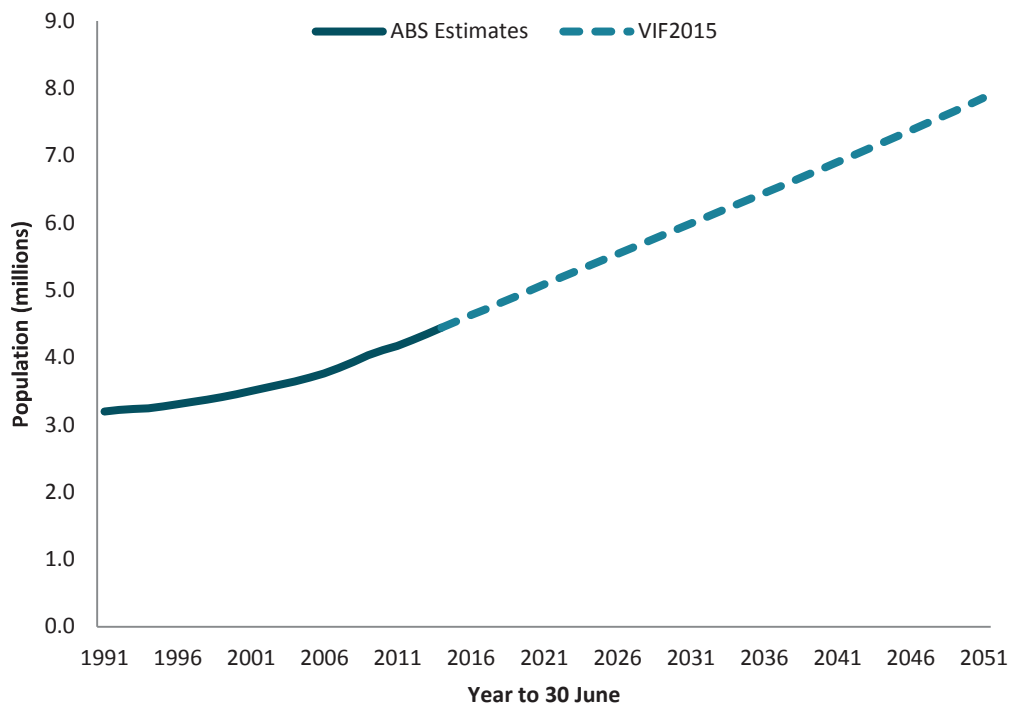
A distinction has been made between *1 for 1 replacement* projects and projects in which *1 dwelling* is constructed on a vacant lot. This distinction is made because the 1 for 1 replacement projects tend to be in older established suburbs and change the character of areas without a net increase in dwelling stock, while 1 dwelling projects tend to occur in newly developed areas and add to the overall dwelling stock.

Demography and demand for housing

Victoria’s population, particularly Melbourne, is growing strongly and is projected to continue to grow strongly into the future. Through international and interstate migration and the formation of new households by Victoria’s existing population, the number of households in Victoria is also growing. The consequence of these changes is ongoing demand for additional housing.

The population of metropolitan Melbourne is projected to grow from its current 4.5 million to 7.8 million by 2051. At the same time, the number of households is expected to increase by 90% from the current 1.59 million households to 3.15 million households by 2051.

Past and projected population of metropolitan Melbourne, 1991 to 2051

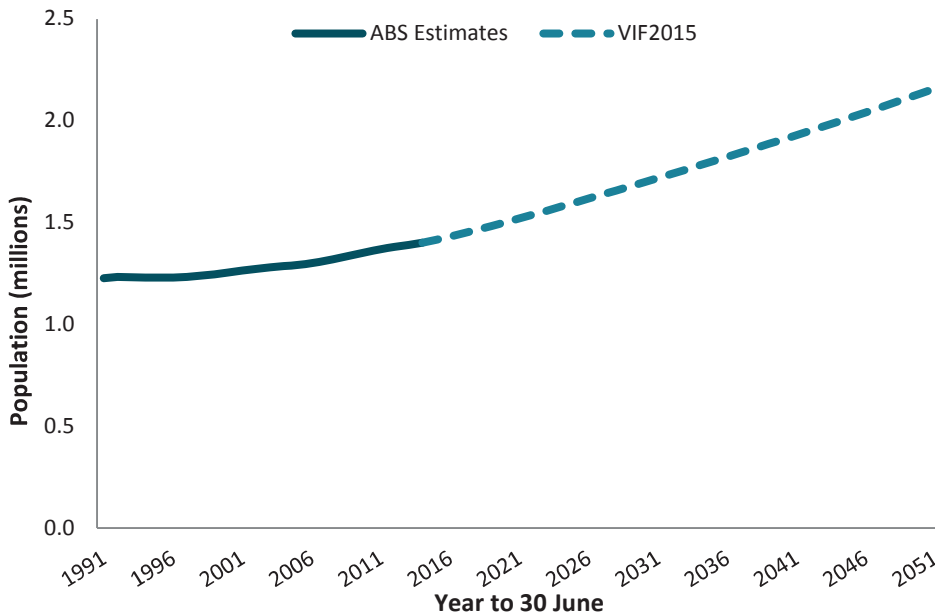


Source: *Victoria in Future, 2015* and *ABS Regional Population Growth, 2013-2014 (cat. no. 3218.0)*

Melbourne is not the only part of Victoria which is growing. As a whole, regional Victoria’s population is projected to grow by 800,000 or nearly 60% over the 35 years to 2051.

There is considerable variation in the distribution of regional Victoria’s growth. While some remote areas are anticipated to grow very slowly or have decreasing populations, larger centres are projected to grow strongly. Victoria’s 10 regional cities together are expected to account for 65% of regional Victoria’s growth to 2031, with 70% of this growth projected to be concentrated in Ballarat, Greater Bendigo and Greater Geelong.

Past and projected population of regional Victoria, 1991 to 2051

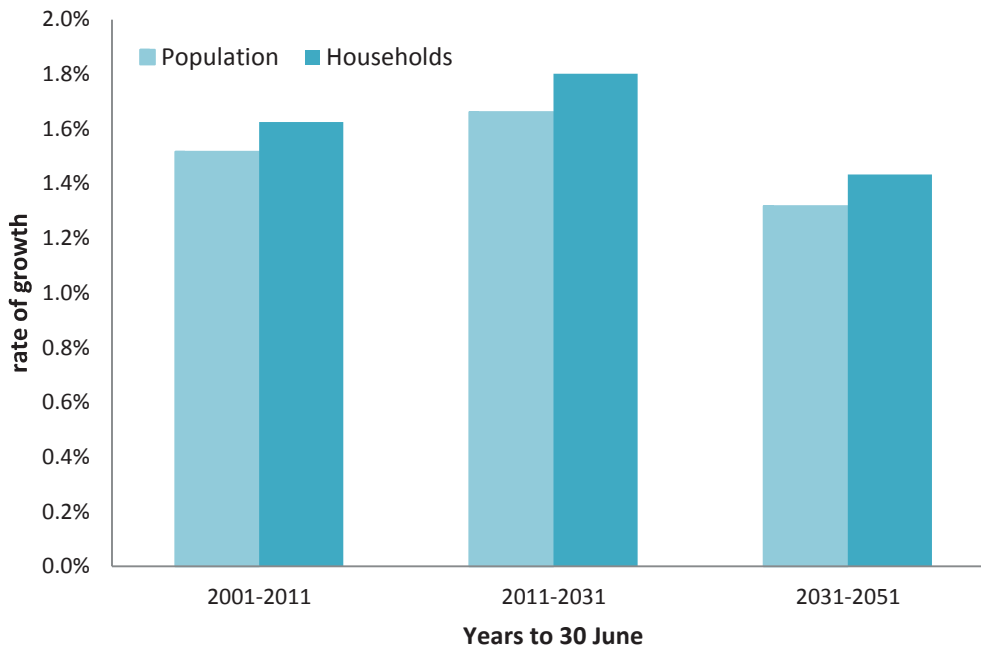


Source: Victoria in Future, 2015 and ABS Regional Population Growth, 2013-2014 (cat. no. 3218.0)

Household growth and change

Victoria’s population is projected to age over the period to 2051, with the proportion of people aged 65+ years increasing from 14% in 2011 to 22% in 2051. As older people tend to form smaller households (mainly one and two person households), this will see the average household size decline and the rate of growth in new households increase faster than the rate of population growth.

Annual average rate of growth in population and households, Victoria 2001-2051

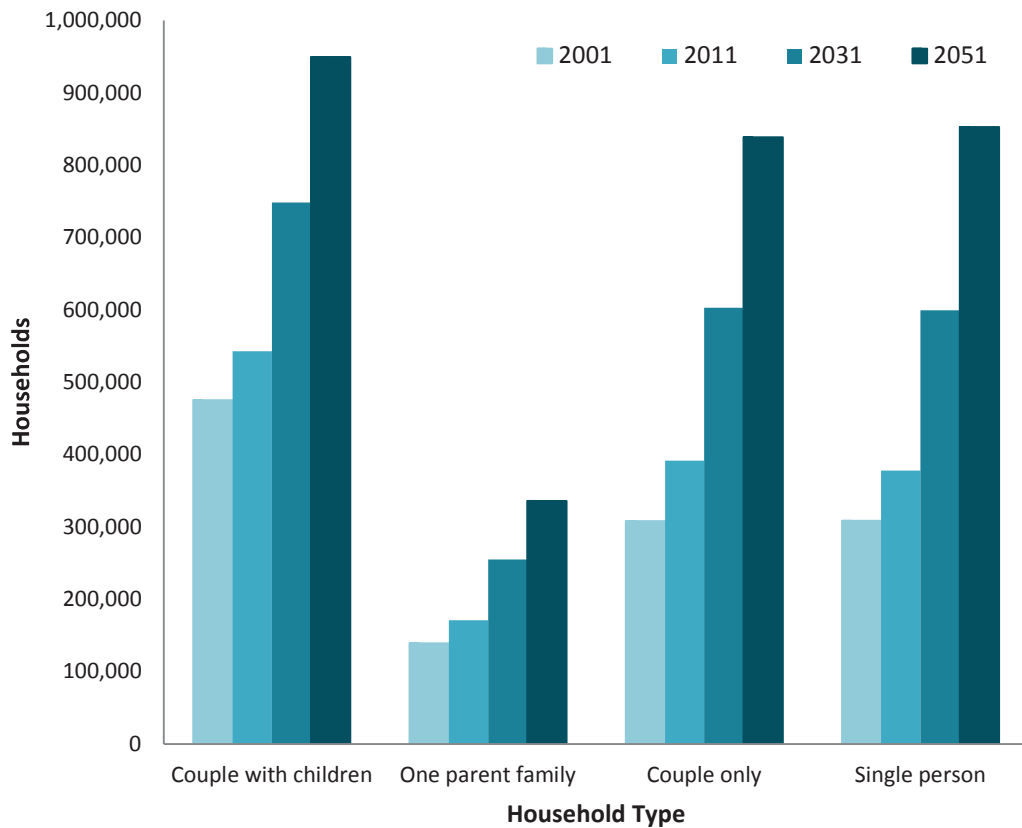


Source: DELWP estimates and Victoria in Future, 2015

‘Single person’ and ‘couple only’ households are expected to become a much larger proportion of the population. Across metropolitan Melbourne, these households are projected to more than double from under 800,000 in 2011 to over 1.6 million households by 2051. While the proportion of ‘couple with children’ households is

projected to decrease to 2051, the overall number of these households is still expected to increase significantly (from 540,000 to 950,000) and at all times will remain the largest number of any household type.

Past and projected households by type in metropolitan Melbourne, 2001 to 2051

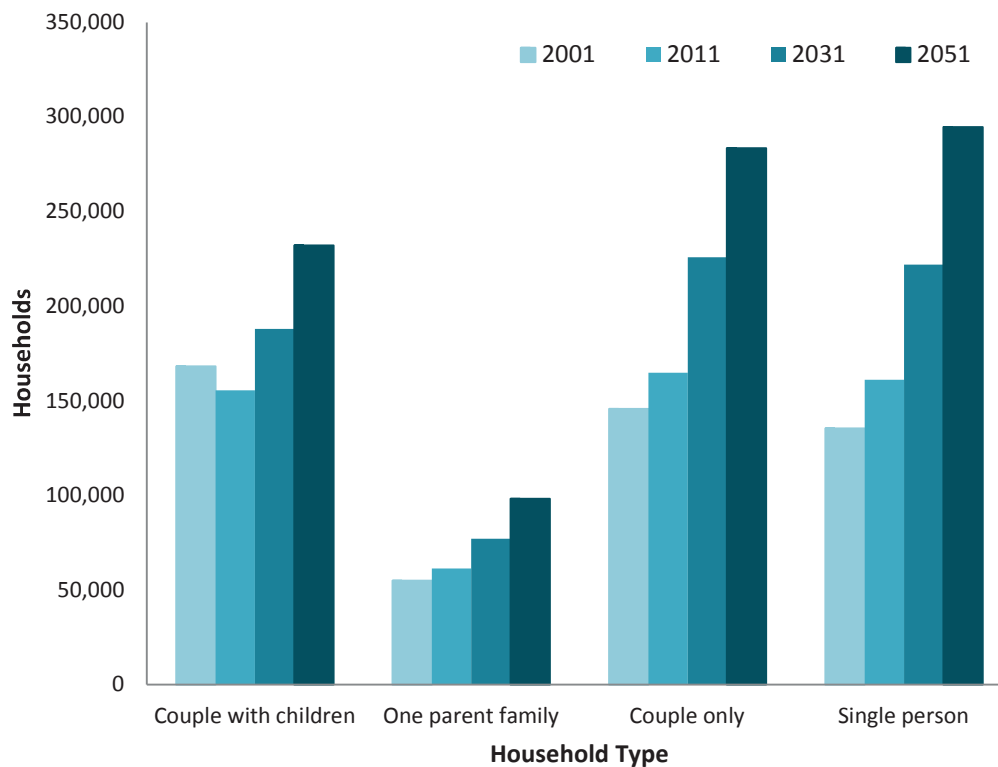


Source: DELWP estimates and Victoria in Future, 2015

In regional Victoria the pattern of change of household types is similar. The numbers of ‘single person’ and ‘couple only’ households are projected to nearly double by 2051, while the projected increase in the number of ‘couple with children’ households is also significant but not as large.

The key difference between regional Victoria and metropolitan Melbourne is in the proportions at 2011. Between 2001 and 2011 regional Victoria’s older population had already reached a stage where ‘single person’ and ‘couple only’ households made up the majority of households in many locations. This was not the case in metropolitan Melbourne in 2011 and is not anticipated to be the case in the future apart from some select areas. This includes areas such as the central city where one and two person households predominate and a number of mature suburbs where older age groups predominate.

Past and projected households by type in regional Victoria, 2001 to 2051



Source: DELWP estimates and *Victoria in Future*, 2015

Estimating future housing demand

Housing demand and household growth and change are interrelated. As people move through different life stages they are likely to be part of several different households. For example, a person might transition from a ‘single person’ household, to a ‘couple only’ household, and then to a ‘couple with children’ household and a variety of other household types as they age.

Overall change in households, as well as migration of households to different areas, has a strong influence on housing demand. In some locations, demand may reflect the housing needs of smaller one and two-person households, such as in Melbourne’s Central Subregion, while in other areas demand may be influenced by the migration of newly established family households in search of single detached dwellings, for example, in Melbourne’s growth areas. The dynamics of housing demand are complex as households adapt their housing to changes in living arrangements in a variety of ways. For example, when children leave home parents may choose to remain in their existing dwelling, while a couple with young children may choose to remain in a central city apartment.

At a metropolitan scale, *Victoria in Future* projections rely entirely on demographic factors such as births, deaths and migration, and the link to household growth to explain expected demand for new dwellings. However, at the municipal and suburban level, the distribution of future population growth is determined by the relationship between strong overall housing demand and knowledge of locations that are expected to add new dwellings. Population growth is, therefore, projected to be strongest in locations where the most number of dwellings can be accommodated. These locations include metropolitan Melbourne’s growth areas where land supply is plentiful, redevelopment sites such as disused industrial land, and Melbourne’s Central Subregion where development occurs at the greatest densities.

Victoria’s recent housing supply

Recent population and household growth in Victoria has been accompanied by increased dwelling construction. This section provides a snapshot of housing supply trends in metropolitan Melbourne and regional Victoria over the last 15 years.

Since 2009 Victoria has averaged over 54,000 dwelling approvals per annum, reaching a peak of 66,000 approvals in the 2014-15 financial year. This is a significant increase on average approvals of 41,000 dwellings per annum during the 2000s. Since June 2015 approvals data suggests that high levels of approvals will continue although the record approvals of 2014-15 may not be sustained.

Metropolitan Melbourne is the main location for housing construction in Victoria, accounting for over 80% of Victoria’s building approvals.

Annual residential building approvals: Metropolitan Melbourne, Regional Victoria and Victoria.



Source: ABS Building Approvals, Australia, Nov 2014 (cat. no. 8731.0)

Since 2000, regional Victoria has averaged 11,000 dwellings per annum, with dwelling yields spiking at 14,500 dwellings in the 2009-10 financial year. The regional centres of Greater Bendigo, Ballarat and Greater Geelong are a major focus of regional dwelling growth. In recent years Greater Geelong has experienced the highest share of regional housing supply, primarily due to the development of the Armstrong Creek Growth Area.

Annual residential building approvals: Greater Geelong, Greater Bendigo, Ballarat and Latrobe

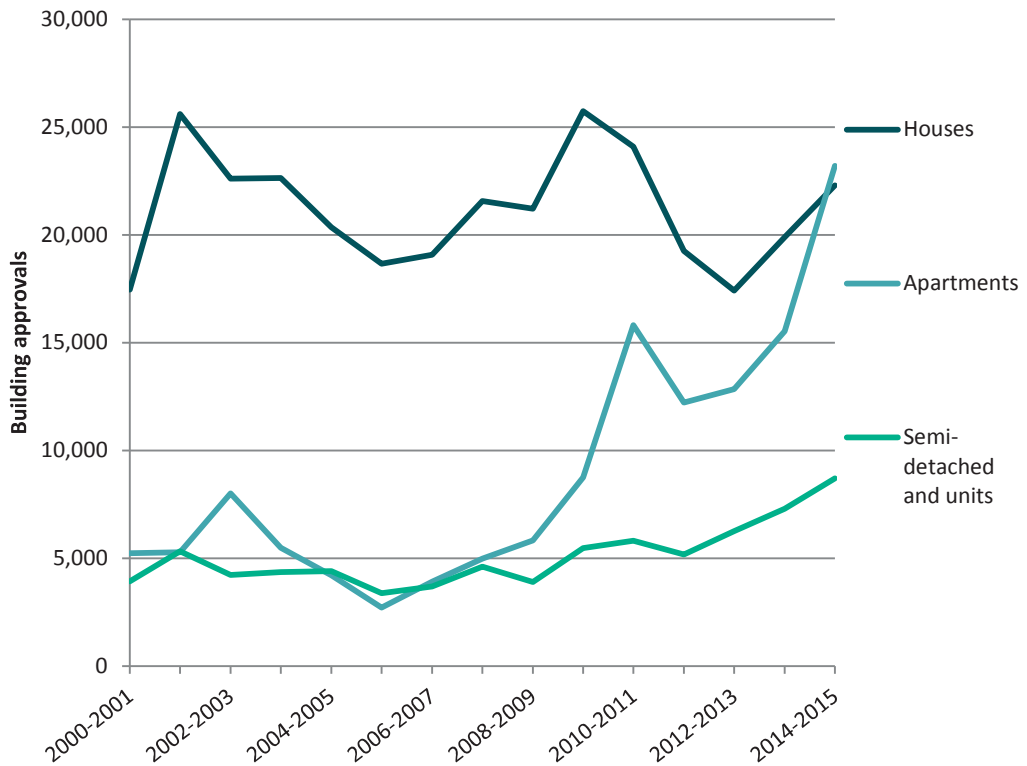


Source: ABS Building Approvals, Australia, Nov 2014 (cat. no. 8731.0)

Victoria’s recent housing growth is primarily the result of rapid and substantial growth in apartment construction, which now comprises the main form of new housing in Victoria.

From 4,200 building approvals in 2004-05, apartment approvals grew to more than 23,000 approvals in 2014-15 –more than a five-fold increase. Recently Victoria has seen consecutive years of record apartment construction, which has resulted in apartment approvals surpassing approvals for single detached houses. Since June 2015 residential building approvals data suggests that recent peaks in apartment approvals may not be sustained. Nonetheless, 2015-16 will still see substantial numbers of apartments approved for construction.

Annual number of residential building approvals by dwelling type: Metropolitan Melbourne



Source: ABS Building Approvals, Australia, Nov 2014 (cat. no. 8731.0)

Victoria’s housing growth has also been boosted through increased production of semi-detached townhouses and units, which grew from 4,300 approvals in 2004-05 to 8,700 approvals in 2014-15. Like apartment approvals, medium density approvals were mainly in metropolitan Melbourne.

Regional Victoria has not seen the same shift toward townhouse and apartment development as metropolitan Melbourne, with single detached houses representing over 90% of housing constructed. Central Geelong has, nonetheless, experienced a noticeable increase in medium density development.

While apartment and medium density construction increased, the supply of detached houses in metropolitan Melbourne has been quite volatile, fluctuating from under 20,000 approvals to over 25,000 approvals in any given year since 2000-01. Overall, approvals for detached houses in Victoria have averaged just over 31,000 per annum since 2000-01, with, on average, a third of this in regional Victoria.

Land use zoning and housing supply

The previous section examined housing supply and population growth in Melbourne and regional Victoria. To further establish the context for reviewing the application of the new residential zones, this section examines the characteristics of housing supply in relation to land use zoning, built form outcomes and location.

To do so, this section profiles the main forms of housing supply in Victoria which are:

- **Urban renewal:** the redevelopment and renewal of existing commercial, mixed use and former industrial land for new housing
- **Broadhectare development:** broadhectare housing development on former rural land
- **Residential infill:** the demolition and redevelopment of existing residential land for units and townhouses in established residential streets.

These forms of development produce nearly all of Melbourne's housing supply with urban renewal currently providing the largest share of new dwellings followed by broadhectare development.

The type and density of dwellings that result from urban renewal, broadhectare and residential infill are generally different and tend to appeal to different housing markets. These forms of development are also subject to distinct zoning and planning frameworks. This is further detailed below.

Urban renewal

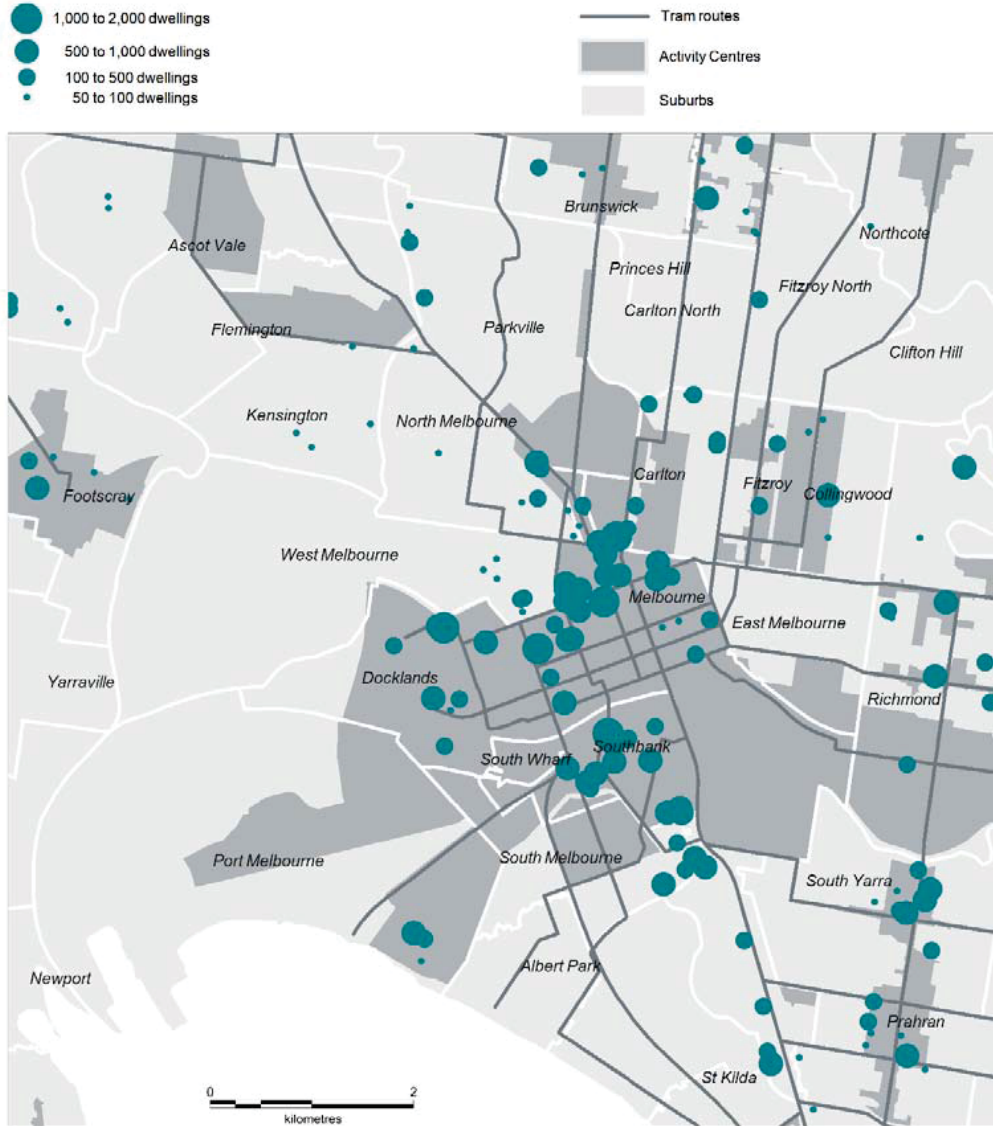
The redevelopment and renewal of existing commercial, mixed use and former industrial land is currently a major source of new housing supply, accounting for approximately 42% of metropolitan Melbourne's housing supply¹.

Urban renewal generally occurs on non-residentially zoned land typically within the Commercial 1, Mixed Use, and Capital City zones or on industrial land requiring rezoning. These zones generally support the construction of high density dwellings in multi-storey buildings. The redevelopment of Docklands, Southbank, Pentridge Prison, Tooronga Village and Victoria Gardens are well known examples of urban renewal in Melbourne that exemplify the redevelopment of redundant land for mixed commercial and residential purposes. Future major urban renewal projects in the city include Fishermans Bend and the Arden-Macaulay precinct as well as the redevelopment of other disused sites such as the Alphington Paper Mill site.

As can be seen in the map overleaf, over the past five years there has been extensive renewal activity throughout the Central Subregion, which has added population to locations with substantial transport infrastructure and services, and where Victoria's employment growth has been greatest. Many of Melbourne's middle ring urban renewal sites as well as those in regional cities are also in proximity to transport infrastructure and commercial activity.

¹ Dwellings within Urban Renewal sites have been calculated by counting dwellings developed in major redevelopment sites as defined by the Urban Development Program between 2011 and 2014. Dwellings not identified in the UDP but developed within the Capital City Zone, Docklands, Commercial 1 Zone, Mixed Use Zone, and Priority Development Zone within Melbourne's established areas are also counted. A number of select projects in the Comprehensive Development Zone and Special Use Zone are also counted.

Recent residential construction in Melbourne 2010-2014



Source: Draft Housing Development Data, 2014

When numerous redevelopment sites are clustered in the same location, significant and rapid population growth and built form change can result. This is currently the case in Melbourne’s inner north, which during the 2010-2014 period added 8,340 dwellings along its major transport corridors. Supported by local planning policy and structure plans that promote sustainable living and sustainable transport behaviour (see Moreland Planning Scheme Cl.21.02), these corridors are expected to add a further 11,500 new dwellings by 2017.

Development along major roads in Melbourne's inner north, 2010-2014 and into the future

Tram Route/Street	Completed dwellings 2010-2014	Dwellings under construction or planned 2015-2017
1 - Lygon Street	2,896	3,038
11 – St Georges Road	491	383
19 – Sydney Road	1,737	2,143
55 – Melville Road	642	775
86 – Smith St / High St / Plenty road	1,687	4,142
96 – Nicholson Street	887	1,115
Total	8,340	11,596

Source: Draft Housing Development Data, 2014 and Urban Development Program, 2015

Similar patterns and levels of development are occurring across most inner city areas, with Victoria and Burnley streets in Richmond and Chapel Street in South Yarra seeing significant housing growth. Major redevelopment is also spreading to middle ring activity centres that are increasingly a focus for high density development. In the 2014-2015 period nearly half of all apartments of four or more storeys were approved in metropolitan Melbourne's middle ring municipalities.

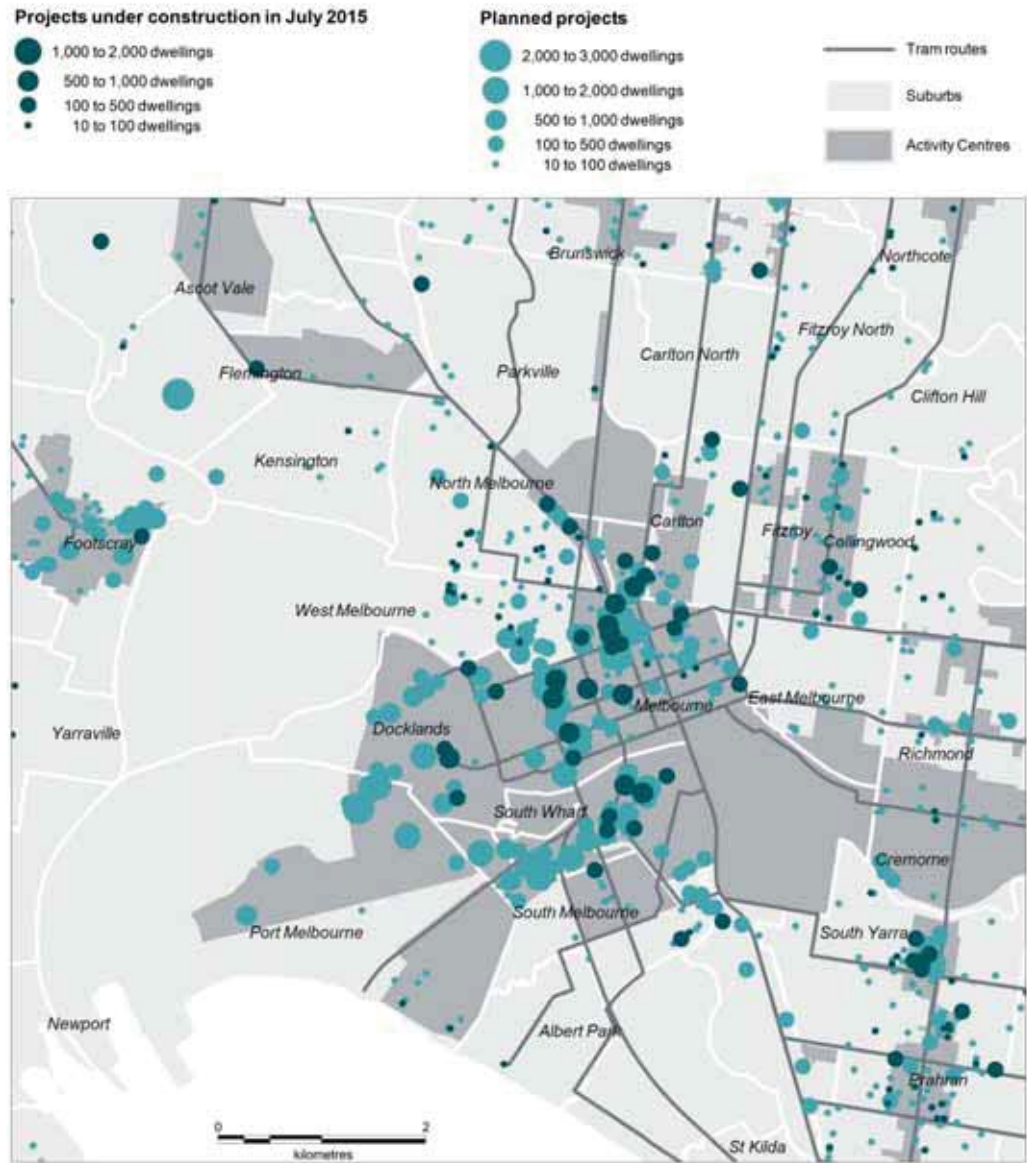
The *Urban Development Program 2015* anticipates there will be an additional 239,000 dwellings constructed on major redevelopment sites over the next decade, with 130,000 dwellings planned for major sites in the Central Subregion. This level of construction activity will increase further as development proposals for the Arden-Macaulay and Fishermans Bend precincts are finalised.

There are also a number of major redevelopment precincts in regional Victoria. These include the Scott Parade, Creswick Road and Selkirk Precincts in Ballarat, the Fyans Street Precinct and the Geelong Western Wedge redevelopment in Greater Geelong, and the former Coliban Water Depot and surplus La Trobe University land in Greater Bendigo.

While urban renewal is a major source of new housing and a highly efficient use of existing land, fast growing, high density precincts have generated concerns about liveability, amenity and the quality of built outcomes. Sustained high density growth is new to Melbourne and is shaping new urban lifestyles as well as new opportunities for many people.

There is general acceptance of the need to provide a consistent statewide approach to better manage high density development through the planning system and possibly the building system (Cook et al). The Victorian Government is progressing a range of initiatives to help manage high density growth including guidance for new apartments (*Better Apartments*), a review of central city built form controls (*Central City Built Form Review*) and the confirmation of preferred locations for high density dwellings as part of the refresh of *Plan Melbourne*.

Residential development projects either under construction or planned



Source: Urban Development Program, 2015

Broadhectare housing development

Redevelopment of rural land has long been a major source of new housing supply both on the fringes of Melbourne and in Victoria's regional cities.

For the 2010-2014 period, broadhectare development in Melbourne's growth areas provided approximately 31% of Melbourne's new housing supply². In most locations this housing was developed under the guidance of the Precinct Structure Planning process, which involves the development of masterplans that set out the way in which rural land within the Urban Growth Boundary is converted to urban uses.

As at December 2015, Melbourne had 197,900 lots in approved Precinct Structure Plans, with growth areas in the Western Subregion having the largest number of approved lots (97,400 lots). When land within future Precinct Structure Plans is added, the number of potential lots in Melbourne's growth areas increases to 373,000 lots. This is an estimated 25+ years of land supply.

Broadhectare land is typically zoned Urban Growth Zone or in some locations Comprehensive Development Zone or General Residential Zone (GRZ). As Precinct Structure Plans are implemented, residential land is typically rezoned to the GRZ, which is the default residential zone for most of Victoria's urban areas.

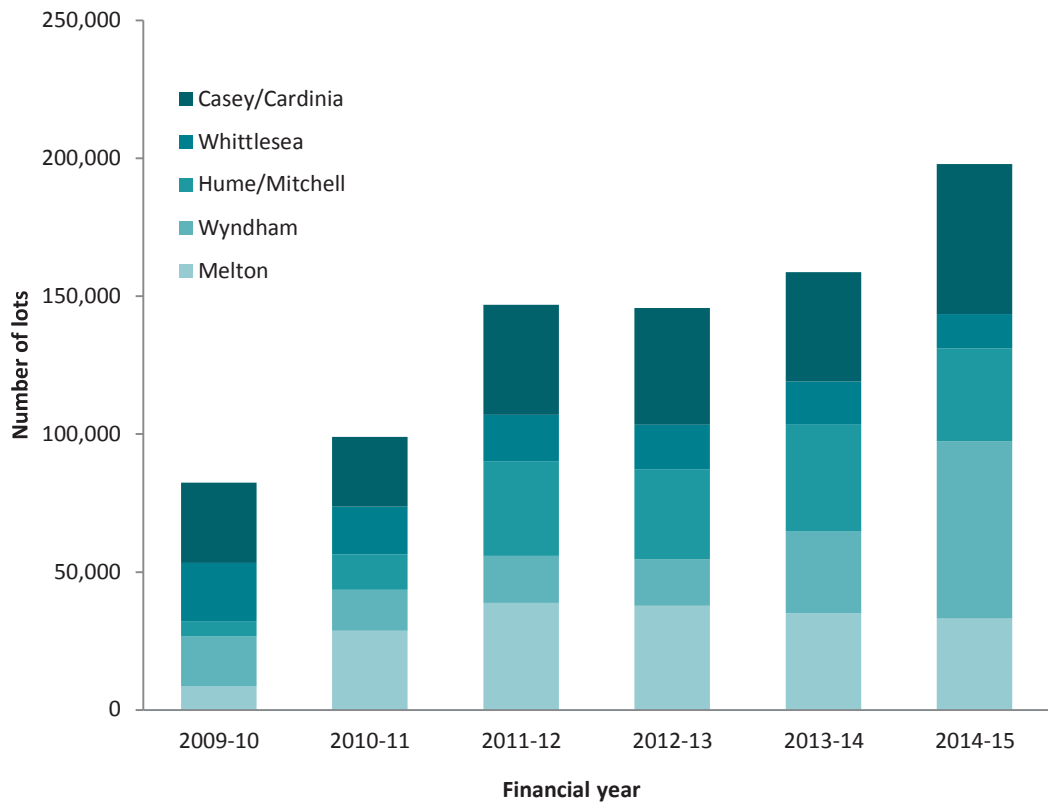
In comparison to other national broadhectare housing markets, Melbourne's growth area markets compare very favourably both in terms of price and capacity. Since 2010 land prices in Melbourne's growth areas have been relatively stable at approximately \$450–\$490 per square metre, which compares to an average price of \$640 per square metre in Sydney's growth areas (NLSP).

According to the National Land Survey Program, in September 2015, 39% of Melbourne's broadhectare lots were priced below \$200,000 compared to the national average of 28% (or 22% excluding Melbourne data). With significant capacity and multiple growth fronts, the National Land Survey Program sees limited potential for land price inflation in Melbourne's growth areas into the future.

There are also broadhectare growth areas on the fringe of Victoria's regional cities, including Armstrong Creek in Greater Geelong, Ballarat West in Ballarat and Maiden Gully and Strathfield in Greater Bendigo.

² This is calculated by counting new dwellings in historic and current broadhectare locations as defined by Urban Development Program. This includes all areas within current Precinct Structure Plans.

Broadhectare lots by growth area, 2015



Source: Urban Development Program, 2015

Residential infill

Residential infill typically comprises the demolition of an existing dwelling and its replacement with new townhouses or units. This is development that occurs on residential zones.

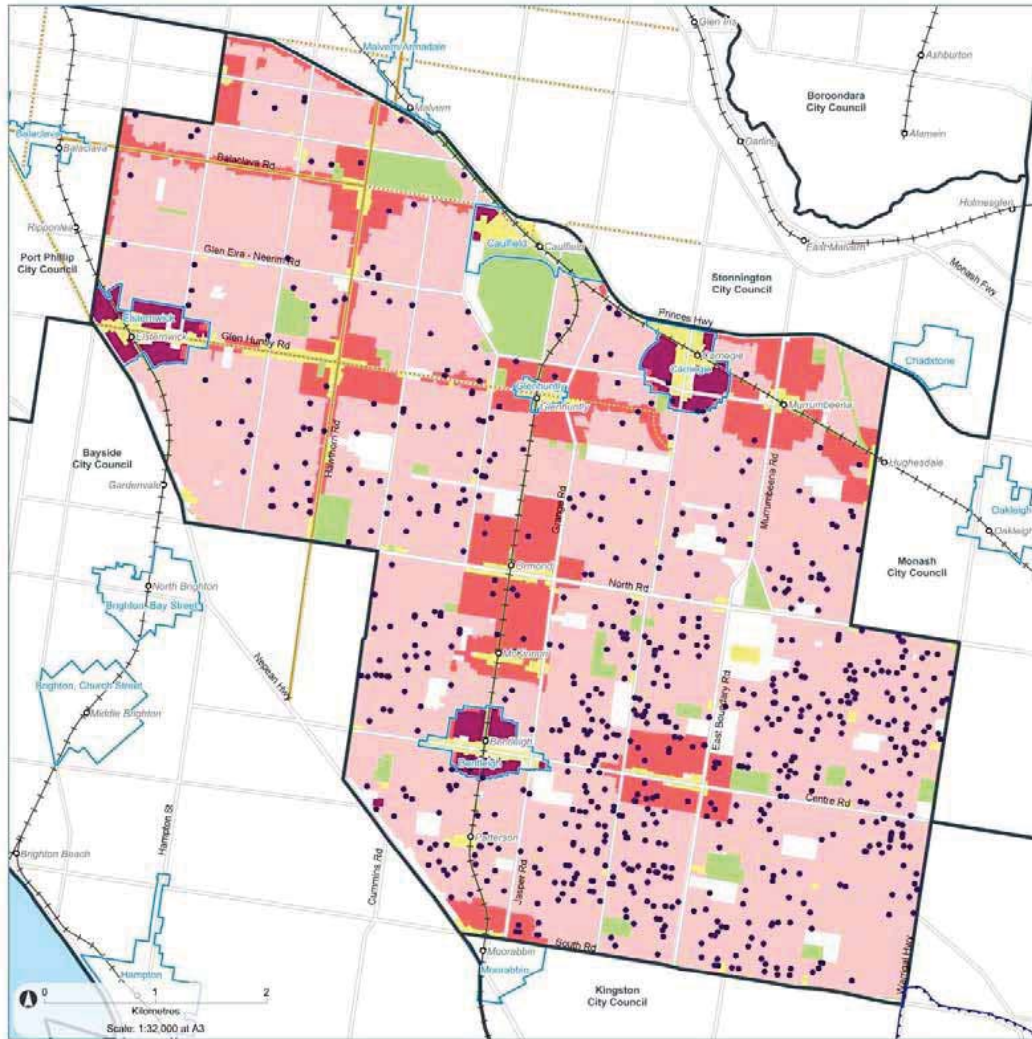
For the 2010-2014 period, residential infill provided approximately 25% of Melbourne’s overall housing supply, with a high proportion of this development occurring in Melbourne’s middle ring municipalities where numerous residential infill projects maintain a steady supply of units and townhouses³.

The majority of residential infill projects result in between two and nine new townhouses or units, although on larger sites or in strategic areas such as activity centres, yields can be higher.

A common form of residential infill is dual occupancy development, which involves the conversion of a site with a single dwelling into a site with two dwellings, frequently through redevelopment of the backyard. Dual occupancy development currently accounts for over 25% of new housing supply within the municipalities of Monash, Glen Eira, Hobsons Bay, Bayside and Manningham.

³ This counts dwellings developed in the former and new residential zones and within the Low Density Residential Zone. Major redevelopment sites identified in the Urban Development Program are excluded from this calculation as is broadhectare land within residential zones.

Dual occupancy development Glen Eira 2010-2014



- Dual occupancy projects*
- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development**
- Public land[^]
- Urban growth boundary
- Name LGA boundary
- Name Activity centre boundary
- Tram route
- Main roads
- ++ Railway and station

Glen Eira City Council is within the Plan Melbourne Southern Subregion

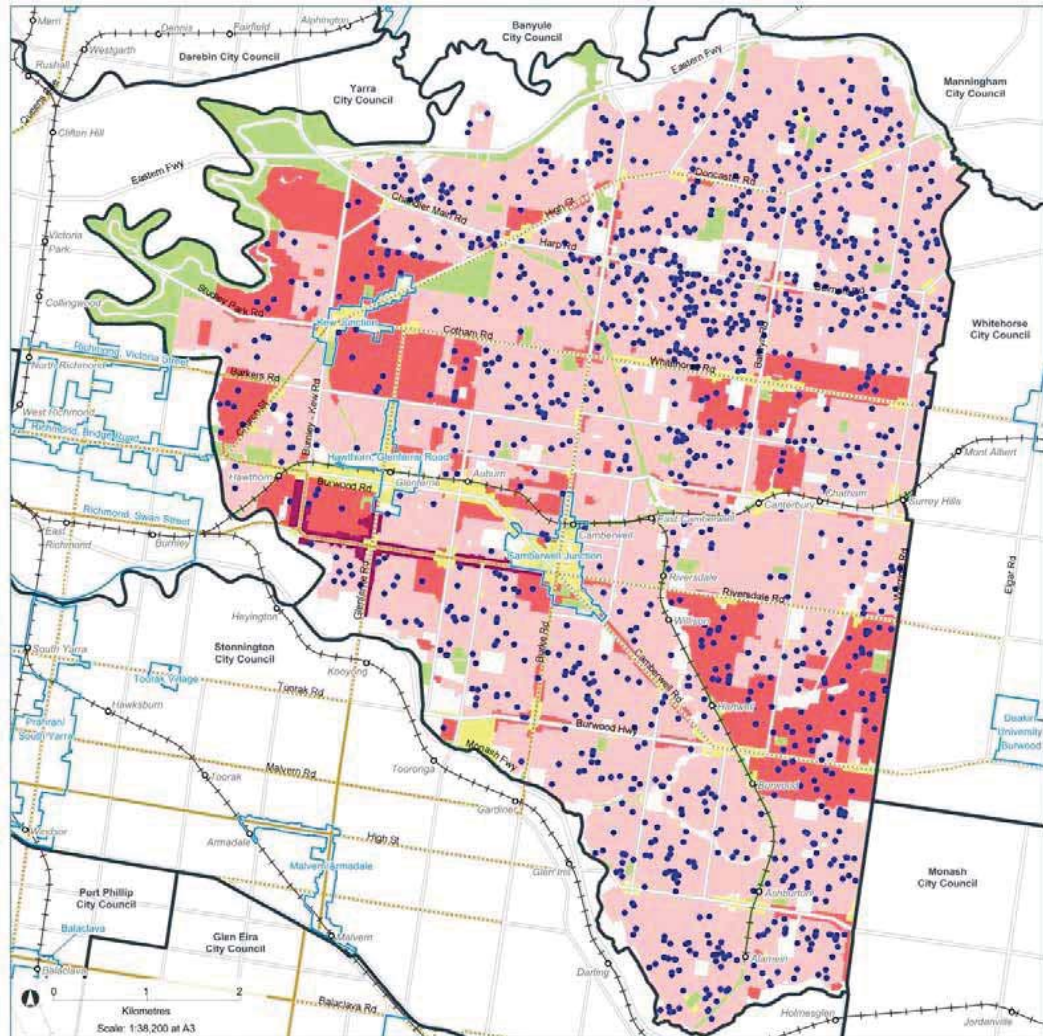


*Housing Development Data (2010-2014)
 **May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
[^]Refer to glossary of terms

Source: Draft Housing Development Data, 2014

The 1 for 1 replacement of existing dwellings is also common in residential areas. This form of project is most prevalent in the municipalities of Boroondara, Bayside, Monash, Whitehorse and Glen Eira. Over the 2010-2014 period, Boroondara averaged more than 200 replacement projects per annum which collectively transformed approximately 19 hectares of residential land per annum.

1 for 1 dwelling replacement projects in Boroondara, 2010-2014



Boroondara City Council is within the Plan Melbourne Eastern Subregion

- Replacement of a single dwelling*
- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development**
- Public land^
- Name LGA boundary
- Name Activity centre boundary
- Tram route
- Main roads
- ⊕ Railway and station

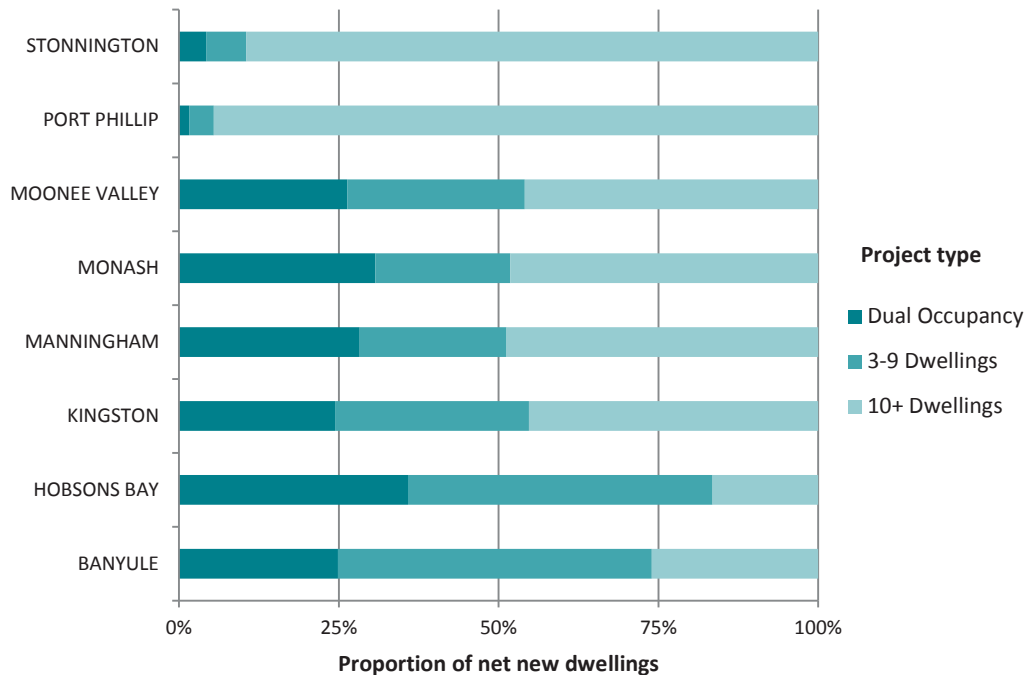
*Housing Development Data (2010-2014)
 **May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RIZ, TZ
 ^Refer to glossary of terms

Source: Draft Housing Development Data, 2014

Most new dwellings within the Central Subregion are developed in commercial and mixed use locations, with residential infill a relatively minor (and possibly declining) form of housing development, with the exception of Maribyrnong and eastern parts of Stonnington. Likewise, in Melbourne’s growth areas, the recent construction of most housing stock, combined with lower land prices, tends to mean that infill development is not yet a major form of housing growth.

Outside metropolitan Melbourne infill development is most common in Greater Geelong. Recent analysis shows large numbers of unit projects in the Geelong West/Newton area and within Ocean Grove and Barwon heads.

Sources of new dwellings by project size (select metropolitan municipalities), 2010-2014



Source: Draft Housing Development Data, 2014

When compared to the price of detached housing in Melbourne’s established suburbs, units and townhouses are often cheaper both to rent and buy. Therefore, for households that prefer a dwelling to include features similar to that of detached housing (including private open space and separate access), units and townhouses in established areas are a comparatively attractive and affordable option.

Research on Australian housing preferences has shown that when needing to realistically trade-off price against location, travel times and housing type, many households would prefer a unit or townhouse in the established areas of Australia’s capital cities (Weidemann et al). Related research also suggests that there is unmet demand for these dwellings (Grattan) and there are calls to increase semi-detached dwelling development in Melbourne’s middle suburbs to accommodate population growth and broaden housing options for new households and those wishing to downsize (Daley and UDIA).

While infill can boost housing diversity, it can also cumulatively change a suburb’s character and density of vegetation. Numerous subdivisions, house extensions and 1 for 1 replacement projects steadily change residential areas. As is detailed in the Residential Zones State of Play subregional reports, residential infill projects annually transform more land area than major redevelopment projects while not attracting the same community attention or concern.

Examples of urban change resulting from consecutive infill development in Monash



Victoria’s new residential zones were developed as planning tools to help councils better manage and direct infill outcomes. The zones enable communities to direct the scale of development in different residential areas, while the accompanying schedules provide the capacity to manage impacts on individual sites through site coverage, permeability and landscaping provisions.

To date, councils such as Moreland, Glen Eira, Banyule and Whitehorse have introduced schedules to the new residential zones mainly to achieve outcomes that reflect local character and/or environmental values. Further infill initiatives are being considered in the refresh of *Plan Melbourne*, particularly the *Greening the Greyfields* initiative, which seeks to deliver a more integrated and sustainable approach to the redevelopment of aging residential housing in Melbourne’s established suburbs.

Summary

Urban renewal, broadhectare development and residential infill each have different implications for the future scale of housing and population growth in Melbourne and regional cities.

Broadhectare growth will tend to result in the outward expansion of housing and population in Melbourne and regional cities, while urban renewal will tend to result in more apartment development and therefore more vertical growth. Residential infill will continue within established residential areas under the guidance of the new residential zones which enable quite distinct scales of change – from high density development in the RGZ to low density infill in the NRZ.

The refresh of *Plan Melbourne* will seek to clarify locations that best support population growth and new housing within Melbourne’s established residential areas. This may include a policy statement supporting population and housing growth in defined locations and further policy direction on Direction 4.2 ‘protect the suburbs’.

Implementation of the new residential zones

This section outlines the implementation of the new residential zones in metropolitan Melbourne and regional Victoria. It provides a summary of residential zoning at January 2016 and potential impacts on future residential development.

The objectives and provisions that make up the new residential zones have been under development since 2007. Over this time several governments consulted with industry and the community on the format and structure of the zones, with the assistance of a number of independent committees. A detailed timeline of the development of the new residential zones is provided in Appendix A.

The structure of the new residential zones was finalised in July 2013 and Victoria's municipalities commenced implementation from this date onwards. The challenges of converting from the previous residential zones to the new residential zones were considered by both the New Residential Zones for Victoria Advisory Committee of 2009 and the Reformed Zones Ministerial Advisory Committee of 2012 (the Underwood Committee), with both committees advocating for a strategic implementation of the zones based on sound evidence that would help achieve state and local policy objectives:

The application of the varied zones should not merely be seen as a translation from one current residential zone to a new zone. Application of the new zones should be considered strategically to implement local housing strategies that collectively achieve the future housing needs of Victoria (Underwood Committee p.46).

The Underwood Committee proposed criteria to guide the implementation of individual zones, which were subsequently taken up and enhanced in the drafting of *Practice Note.78 Applying the Residential Zones*. Prior to the release of *Plan Melbourne* in May 2014, *Practice Note.78* was the key source of guidance for municipalities on how to apply the zones.

When considering the readiness of municipalities to implement the new residential zones, the Underwood Committee correctly anticipated multiple and varied responses from Victoria's municipalities. As noted by the committee, in the time immediately prior to implementation, Victoria's municipalities were at very different stages of strategic readiness to convert to the new zones:

The ability of councils to quickly identify where the new zones should be applied and to determine the content of their new schedules is vastly different. Some councils have prepared, or are in the process of preparing, housing and development strategies and neighbourhood character strategies, while many councils have no such strategies, particularly in some rural municipalities. Many planning schemes include content in a schedule to an existing residential zone and differences in operation and implementation of the reformed zones will exist between metropolitan Melbourne and regional Victoria (Underwood Committee p.46).

Those councils with an existing residential framework/housing strategy were considered best placed to implement the new zones. These councils already had a local planning policy and associated mapping within their planning scheme to denote the scale of residential change supported in different parts of their municipality – typically areas identified for substantial, incremental, and minimal/limited residential change. For these councils, implementing the new residential zones largely involved confirming the relationship between existing planning policy and individual zones (i.e. that substantial

change areas aligned with the provisions of the RGZ) and proceeding with a planning scheme amendment. Glen Eira and Greater Dandenong were the first two municipalities to implement the new zones, both of which had established residential frameworks.

Councils without an established residential framework/housing strategy translated the new zones in one of the following ways:

- **By finalising or developing a housing strategy** – some councils in 2013 had either just completed or were finalising a housing strategy
- **By creating a residential framework** – by combining existing strategies, policies and controls, a number of councils were able to develop a rationale for implementing the zones. This approach was not anticipated by the *Residential Zones Progress Report* but is generally provided for in *Practice Note.78*.
- **By defaulting to the GRZ** – 52 councils ultimately translated into the zones in this way.

The following is a broad summary of zoning outcomes since 2013 across metropolitan Melbourne and regional Victoria. The five subregional reports provide detailed profiles about how the zones were implemented in individual metropolitan municipalities and within regional cities.

Land use zoning for residential development

The following information looks at land use zoning as at January 2016, focusing on land where further residential development is generally permitted. This includes zoning across metropolitan Melbourne and Victoria’s largest regional cities.

Zoning in metropolitan Melbourne

Melbourne has a substantial amount of land where further residential development is generally permitted. This includes land zoned solely for residential purposes, land zoned for mixed commercial and residential purposes, and rural land that is projected to transition to residential land.

The main residential zone in metropolitan Melbourne is the GRZ. This makes up approximately 44% of land on which further residential development is permitted. Large areas of GRZ are spread throughout established parts of Melbourne, particularly in Melbourne’s middle and outer ring suburbs. The GRZ generally enables incremental medium density housing change subject to the requirements of ResCode and local planning policy.

Approximately 23% of land in metropolitan Melbourne is within a zone that limits residential change. This includes land in the Rural Living Zone and Low Density Residential Zone, which typically protect low density locations in Melbourne’s outer areas. It also includes land subject to the NRZ, which since 2013 has mainly been applied to residential areas with a high environmental, heritage and/or built form value. As at January 2016, 13% of land where further residential development is permitted is subject to the NRZ.

Approximately 25% of land is subject to zoning that supports future broadhectare housing development under the direction of Precinct Structure Plans. This is land on Melbourne’s fringe, primarily within the Urban Growth Zone and to a lesser extent the Comprehensive Development Zone. Over time a significant proportion of land currently in the Urban Growth Zone will be rezoned to the GRZ allowing for future infill development.

Around 5% of land in metropolitan Melbourne is subject to zoning that supports higher density development. This includes land in the RGZ, Capital City Zone, Commercial 1

Zone, Activity Centre and Mixed Use Zone. These zones generally enable high density dwelling development in and around activity centres, shopping strips, stand-alone shopping centres, railway stations, major transport corridors, and within major redevelopment and urban renewal sites.

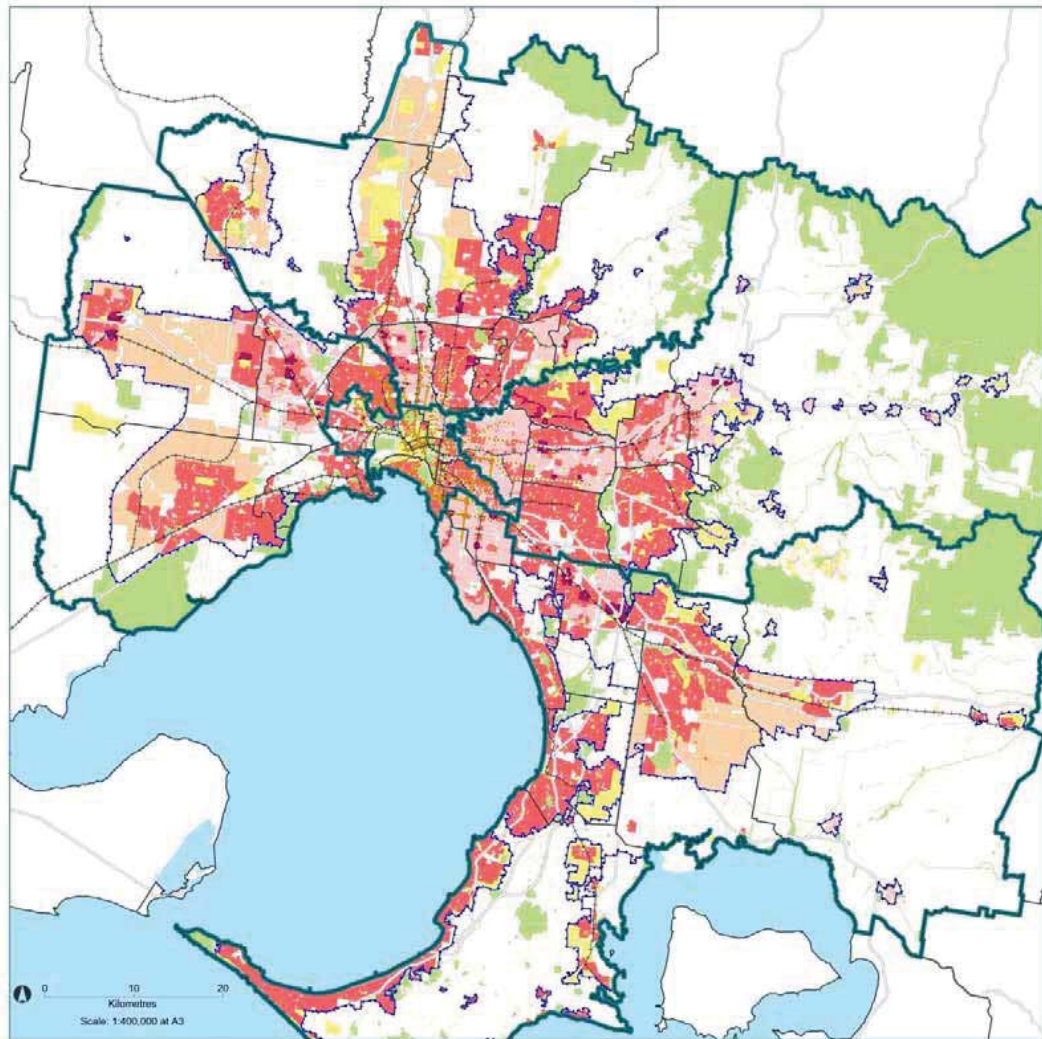
Zones that allow for residential development, metropolitan Melbourne

	NRZ	GRZ	RGZ	Other
Number of lots	341,037	1,070,724	26,397	131,186
Area (Hectares)	22,148	76,338	1,590	73,000
% of total zoned land	12.8%	44.1%	0.9%	42.2%

Other zones that allow for residential development, metropolitan Melbourne

	C1Z	UGZ	RLZ	ACZ	CCZ	MUZ	LDRZ
Number of lots	37,625	8,861	2,704	7,627	2,944	9,875	33,735
Area (Hectares)	2,832	42,764	2,723	739	429	2,188	14,650
% of total residentially zoned land	1.6%	24.7%	1.6%	0.4%	0.2%	1.3%	8.5%

Metropolitan Melbourne implementation of new residential zones January 2016



- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Urban Growth Zone (UGZ)
- Public land^
- Urban growth boundary
- Plan Melbourne Subregion boundary
- LGA boundary
- Tram route
- Freeways/Highways
- Railway



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

Zoning in Melbourne's subregions

Land use zoning in each of Melbourne's subregions reflects successive eras of settlement where zoning has helped direct the expansion of residential, commercial and industrial uses while protecting unique geographic and environmental features. Land use zoning also facilitates a range of other uses including transport, commercial, health, education, recreational and environmental uses.

Each of Melbourne's subregions has substantial amounts of land available for further residential development at a variety of scales including for high and medium density development as well as land subject to limited change requirements.

The Eastern Subregion has the highest proportion of land in zones that limit residential change. Approximately 13,000 hectares of land is zoned NRZ and Low Density Residential Zone. In general this land has more limited access to the subregion's core commercial areas and major transport infrastructure. This contrasts with the 15,600 hectares of land in the GRZ, which generally has greater access to commercial areas and transport services.

The Eastern Subregion also has a substantial amount land that provides for high density development, with 1,350 hectares of land in the Commercial 1, Mixed Use and Activity Centre Zones. These areas are spread throughout the subregion's network of activity centres, which make up Melbourne's largest and most established activity centres.

The Western Subregion is well placed to support ongoing housing change at a variety of scales. This subregion has over 2,000 hectares of land zoned to enable higher density development (more than any other subregion) and more than 18,000 hectares of land earmarked for broadhectare development.

The Southern Subregion, which is Melbourne's largest subregion, has over 26,000 hectares of land zoned GRZ, enabling ongoing medium density development throughout most of the subregion. The Southern Subregion also has significant land zoned for limited change with over 5,300 hectares in the NRZ and 7,000 hectares in the Low Density Residential Zone. Both the Northern and Southern subregions have approximately 10,000 hectares of land zoned for broadhectare development and approximately 1,200 hectares of land in zones that support higher density development.

Zoning in the Central Subregion tends to support higher density development, with 1,300 hectares of land in the Capital City, Commercial 1, Mixed Use and Docklands zones. In the future, the amount of land available for higher density dwellings in the Central Subregion will expand, particularly with the addition of major urban renewal precincts including the Arden-Macaulay and E-Gate precincts.

Over the next few years, as remaining Precinct Structure Plans are completed, additional land will become available for broadhectare development in Melbourne's growth areas. This will add substantial broadhectare capacity, particularly to Melbourne's Northern and Western subregions.

Zones that allow for residential development, metropolitan Melbourne

	Hectares of land and percent of land that allow for residential development			
	NRZ	GRZ	RGZ	Other
North	3,860 (11.0%)	15,261 (43.4%)	231 (0.7%)	15,778 (44.9%)
East	8,965 (29.2%)	15,609 (50.9%)	497 (1.6%)	5,621 (18.3%)
South	5,339 (10.2%)	26,629 (51.0%)	435 (0.8%)	19,784 (37.9%)
West	2,841 (7.4%)	14,079 (36.7%)	314 (0.8%)	21,180 (55.1%)
Central	1,143 (20.5%)	2,932 (52.5%)	113 (2.0%)	1,400 (25.1%)

Zoning in regional cities

The GRZ is the major zone used to distinguish urban areas from surrounding rural areas in regional Victoria. The GRZ has been applied by most regional municipalities as the default residential zone.

Along with some small pockets of RGZ, the GRZ usually surrounds the core commercial areas of regional cities, which are defined by the Commercial 1 and Mixed Use zones. The GRZ and RGZ, along with commercially zoned land, support the consolidation of population and housing in Victoria’s regional cities.

Small areas of regional cities have been zoned NRZ. In Latrobe and Ballarat (and a number of other regional centres) the NRZ has been applied to limit residential change on land that interfaces with sensitive uses such as resource industries and agricultural uses. In Greater Geelong, the NRZ has been applied to heritage locations in central Geelong, which more closely resembles the way the NRZ has been applied in metropolitan Melbourne.

Regional cities also include major areas for broadhectare development, particularly Greater Geelong and Ballarat, which have 4,700 hectares and 1,700 hectares of land respectively in the Urban Growth Zone. These regional growth areas provide significant capacity to support the expansion of regional cities into the future.

A high proportion of land surrounding Victoria’s regional cities is within the Rural Living Zone. The Rural Living Zone provides for residential living in a rural environment and therefore generally restricts residential change.

Zones that allow for residential development, regional cities

	Hectares of land and percent of land that allow for residential development				
	NRZ	GRZ	RGZ	RLZ	Other
Ballarat	478 (3.8%)	3,527 (28.1%)	29 (0.2%)	5,173 (41.2%)	3,333 (26.6%)
Greater Geelong	245 (1.3%)	7,644 (40.5%)	855 (4.5%)	4,135 (21.9%)	6,017 (31.8%)
Latrobe	58 (0.5%)	4,050 (33.0%)	96 (0.8%)	6,982 (56.9%)	1,093 (8.8%)
Bendigo	-	5,869 (14.6%)	-	30,082 (74.9%)	4,213 (10.5%)

New residential zones impact analysis

This section examines the challenges and early impacts of new residential zones on metropolitan Melbourne and regional Victoria.

For the majority of municipalities, the new residential zones have been in operation for less than two years, which limits the extent to which the impacts of the zones can be assessed.

Nonetheless, for the purposes of this report, a range of data sources as well as media articles have been analysed to examine the early impacts of the zones in relation to:

- Housing supply
- Certainty within the planning system
- The balance between protection and growth in residential areas.

Local government, industry and the community will inevitably make submissions on the impact of the zones to the MRDAC. As such, the following overview should be regarded as a first step towards a more comprehensive investigation by the MRDAC.

Housing supply and housing capacity

Following the introduction of the new residential zones there has been some concern about the potential impacts on housing supply. A common focus of submissions to the RZSAC in 2014 was the potential impact of new planning restrictions on broader housing supply, diversity and affordability (RZSAC).

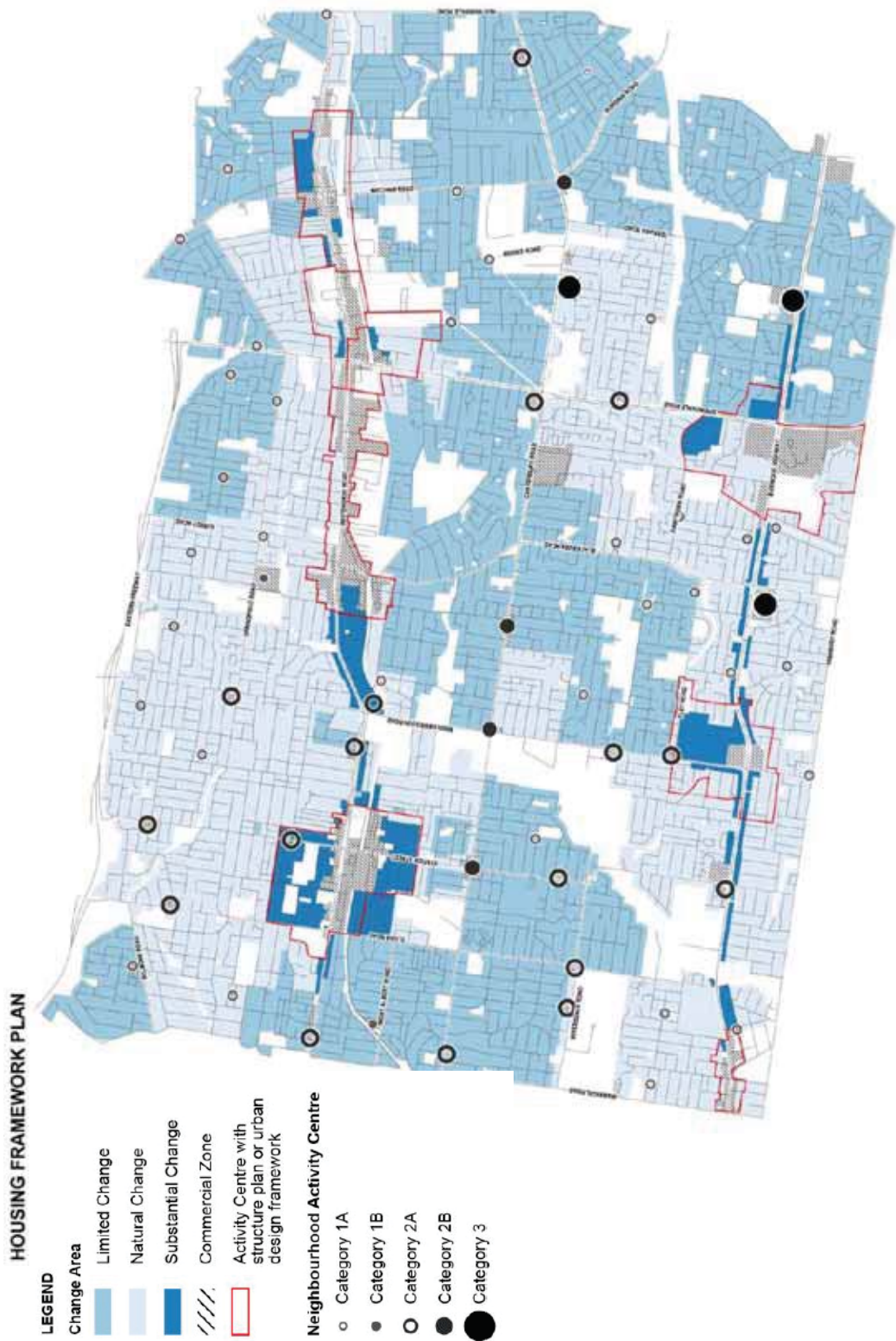
To date, no identifiable impacts on aggregate housing supply in Victoria or metropolitan Melbourne have emerged as a result of the zones. Instead, for the 2014-15 financial year, Victoria and Melbourne experienced record residential building approvals including substantial increases in approvals for medium and high density dwellings.

Given high levels of housing supply, it may be argued that the new residential zones have not had any immediate or short term detrimental impact on aggregate supply as feared in 2014. However, 2014-15 approvals include high numbers of projects that received planning permits under the former residential zones which obscure the impact of the new residential zones at statewide and metropolitan scales. More time is required before the full impact of the new residential zones can be properly assessed, in particular permits granted under the previous zones need to expire.

There are, nonetheless, identifiable supply impacts in specific locations. The height provisions and development objectives of the RGZ provide developers with significant certainty that applications in RGZ areas will achieve high yields. As a result, land in the RGZ is now highly attractive for redevelopment and, as has been widely reported, groups of owners in RGZ areas have joined together to sell their sites to developers for major redevelopment (AFR, Domain, Herald-Sun). The *Urban Development Program 2015* has identified 14,500 dwellings planned for development in RGZ areas within metropolitan Melbourne over the next decade. This will ultimately boost new housing supply in RGZ areas, which are often close to transport infrastructure and services.

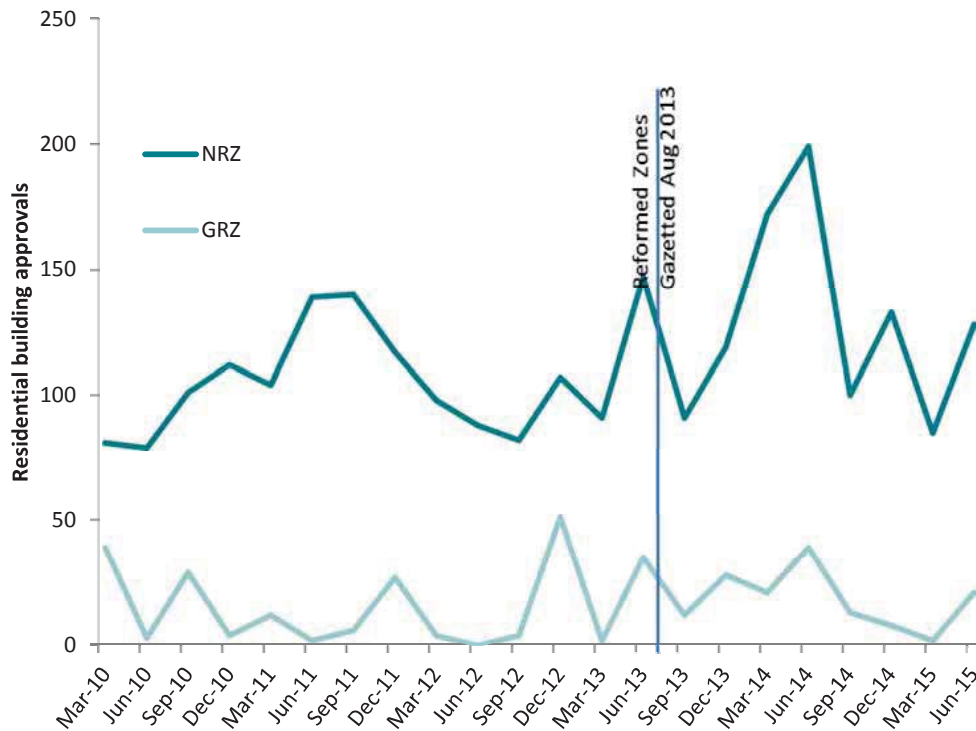
It is important to note that many areas now subject to the RGZ were previously either identified for substantial change within local policies or earmarked as major redevelopment sites. Examples include the Whitehorse Planning Scheme, where land now in the RGZ was identified for substantial change in local housing policy (Cl. 21.06) as well as Greater Dandenong (Cl. 21.04) and Manningham (Cl. 21.04). The development and height objectives of the RGZ have strengthened planning certainty for these areas.

Whitehorse Housing Framework Plan Cl.21.06



In areas now subject to the NRZ, the impacts have been less clear given available data. In Glen Eira, there has been no clear impact on residential building approvals following the implementation of the NRZ in August 2013 (see chart below). However, this might be influenced by planning permits granted under the former zones and/or the ongoing influence of Glen Eira’s minimal change policy (Cl. 22.08) which has sought to limit change in areas now within the NRZ since the early 2000s.

Quarterly residential dwelling approvals in Glen Eira⁴



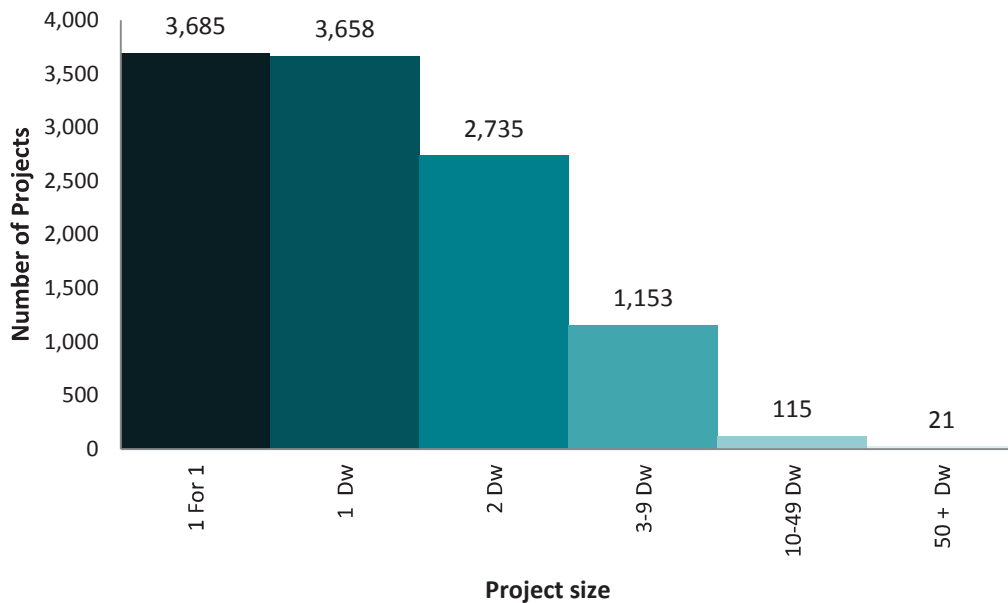
Source: ABS Building Approvals, Australia, Nov 2014 (cat. no. 8731.0)

To date, the application of the NRZ has not resulted in a shortage of new dwellings in metropolitan Melbourne as was feared when the new zones were introduced (SMH, Fifth Estate). As at January 2016, NRZ areas made up just under 13% of metropolitan land where further residential development was permitted and, for the 2004-2012 period, contributed 9% of Melbourne’s dwelling supply.

As the provisions of the NRZ start to take full effect it is plausible that this supply will decline. However, under the current application of the NRZ, any decline does not seem likely to be substantial, largely because the supply of new single and dual occupancy housing will continue. As shown overleaf, single and dual occupancy development is the most prevalent form of new housing within NRZ areas.

⁴ This has been approximated to SA1’s. Only SA1’s that completely comprise an individual zone are shown. If, for example, an SA1 includes RGZ and NRZ it has not been shown.

Number of projects in areas now zoned NRZ in metropolitan Melbourne by project size, 2010 - 2014



Source: Draft Housing Development Data, 2014

Despite these initial observations, more time is needed before the aggregate supply impacts of the NRZ will be known. It is important to note that the likelihood of supply impacts will increase if the area subject to the NRZ increases and/or if minimum subdivision requirements are further applied to extensive areas.

The impact of the NRZ may be greatest in local housing markets where there is extensive land in the NRZ such as in Boroondara, Glen Eira and Bayside. It is possible that the supply of new medium density dwellings in these areas will decline in response to NRZ and, while this is unlikely to generate supply impacts of metropolitan significance, at a local level, this might add to issues of housing diversity, choice and price.

As with RGZ areas, a number of areas now in the NRZ were already subject to local policies restricting residential change prior to the application of the new residential zones. For example, in Whitehorse many areas now in the NRZ were already identified for limited change in local planning policy dating back to the early 2000s (Cl.21.04). Similarly, in Greater Dandenong (Cl.21.04) and Banyule (Cl.42.02), NRZ areas were previously constrained by environmental overlays and were already subject to less residential change relative to other residential areas. In these locations, the NRZ might be seen as a continuation and strengthening of existing constraints. Long term monitoring of these and adjoining housing markets is needed to properly identify the impacts of the NRZ.

It is important to note that the refresh of *Plan Melbourne* includes options relating to the role of the new residential zones in delivering housing diversity. In particular, option 40 of the *Plan Melbourne Refresh Discussion Paper* seeks to clarify the current *Plan Melbourne* action to apply the NRZ to at least 50% of residential land (initiative 4.2.1.). Options for this action include:

- Deleting the action and replacing it with a direction that clarifies how the residential zones should be applied to respect valued character and deliver housing diversity, or alternatively
- Retaining the action but expanding application criteria.

Greater certainty in development outcomes

Through the implementation of the new residential zones, many areas of metropolitan Melbourne have shifted away from a discretionary planning framework to a mandatory framework. This has resulted in greater planning certainty about where residential change will occur and at what scale, particularly in the NRZ and RGZ zones.

The certainty provided by the RGZ has helped stimulate the housing market, with land values and associated development activity increasing in RGZ locations (the Age, Manningham Leader). Similarly, mandatory height and development controls within the NRZ provide significant certainty to the community about the likely scale of future change, which should result in less planning disputes and fewer reviews by VCAT in NRZ areas.

The mandatory nature of the new residential zones also address longstanding concerns by local government about the need for local policy to have more influence over planning decisions. The new residential zones fundamentally increase the statutory weight of local policy and strategies.

However, as is often the case with mandatory provisions, there may be unintended consequences. For example, larger lots in NRZ areas may be unduly restricted by mandatory development caps. Similarly, height controls in NRZ areas may unnecessarily impact on the pitch of roofs, while the height provisions of the RGZ may limit the ability of local government to manage the way high density development interfaces with adjoining land in other residential zones.

The current challenge for the planning system is to find options that allow for sensible outcomes within a mandatory framework.

The balance between protection and growth

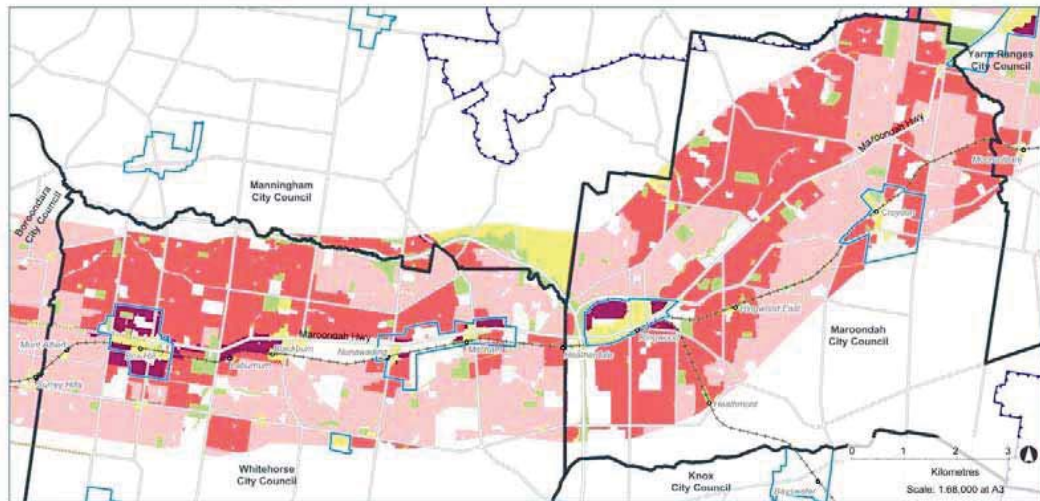
Victoria's new residential zones enable local government to better direct residential change to meet local and state priorities. In so doing, state planning policy directs local government to apply the zones to ensure current and future housing needs are met by balancing the protection of areas with support for residential growth in other locations. This is the underlying impetus of Ministerial Direction No. 16 (Residential Zones) and Direction 2.1 of *Plan Melbourne* which envisages municipalities applying the zones to create areas of:

...residential growth, moderate residential change and limited residential change to provide outcomes which achieve reasonable housing choice and diversity in a municipality.

In reviewing the application of the new zones in relation to the above directions, a number of preliminary observations can be made.

The majority of metropolitan municipalities and regional cities have zoned residential land in proximity to activity centres and major transport routes to support a mixture of incremental and higher density development. A good example of this is the residential land that rings the activity centres along the Frankston, Dandenong and Sunbury railway lines. This land has been consistently zoned to allow for medium, and in some locations, high density development. This is also the case along many transport corridors such as the Maroondah Highway, Dandenong Road, Doncaster Road and Nicholson Street where residential land is generally supported for higher scales of change.

Zoning along the Maroondah Highway January 2016



The application of the new residential zones to support housing development near activity centres and transport infrastructure reinforces longstanding state and local planning policy goals for more consolidated growth (e.g. *Melbourne 2030 Direction 1 – A more compact city*, or more recently *Plan Melbourne – Protect the suburbs by delivering density in defined locations*). Increasingly these policy aspirations are being achieved, with the past decade seeing extensive dwelling growth in activity centres, primarily within the Commercial 1 and Mixed Use zones, and increasing proportions of dwelling growth near rail and tram corridors. The Managing Residential Development Taskforce has commissioned new work to further investigate land use zoning and dwelling growth along public transport corridors, which will be available to the MRDAC.

For areas outside activity centres and major transport corridors, the application of the new residential zones has been less consistent. As detailed in the five subregional reports, each of the municipalities has been zoned RGZ, GRZ and NRZ in different proportions. While different land characteristics and urban histories may justify variations in the application of the zones, these differences have led to perceptions of unfairness and perceptions of geographic ‘winners and losers’ in the land use zoning process (The Age). Similar views were addressed by the RZSAC, which observed:

Melbourne’s subregions, as defined in Plan Melbourne, have different characteristics, such as the proportion of areas established in the nineteenth and early twentieth centuries and access to train stations. It is likely that housing strategies will lead to a higher proportion of one of the residential zones in one area or subregion than another. Although this variation may be perceived as unfair, it simply reflects the circumstances of areas (RSZAC p.24).

Two years have passed since the RZSAC made this observation and over this time many more municipalities have applied the new residential zones.

The MRDAC now has an opportunity to review the application of the zones across a greater number of municipalities and further consider the rationale for any differences in zoning outcomes. The MRDAC is also better positioned to consider the balance between protection and growth within Melbourne's subregions and specific areas, and in turn to provide advice on the implications of this for future residential zones amendments and residential policy.

In the future, the balance between growth and protection might be further influenced by the application of minimum subdivision controls in residential areas and the further application of the NRZ, particularly in areas that have already applied the NRZ extensively. The MRDAC's view on the further expansion of protective controls in areas already subject to the NRZ may be beneficial to government and council. Likewise, in assessing the balance between protection and growth, there may also be benefit in developing a clear set of principles to determine available land for new housing and resulting housing capacity.

This report, in association with the Residential Zones State of Play subregional reports, provides the MRDAC, industry and the community with the latest data and mapping to further consider these and other issues.

Appendix A – Residential Zones Chronology

2007

- 27 June Report of the Ministerial Working Group on Local Planning Policy *Making local policy stronger* is released. It recommends that more certainty in planning be provided by making it easier to implement policy through planning controls. The residential zones and associated provisions are to be reviewed as a priority.
- October The Victorian Government’s *Five point priority action plan* is released. The Government commits to introducing new residential zones that better implement housing strategies.

2008

- February *New Residential Zones for Victoria – A Discussion Paper* is released for public consultation. It outlines a broad structure for three new residential zones that provide for substantial, incremental and limited change.
- April Draft residential zone provisions are prepared.

2009

- February Draft residential zones released for public consultation. 236 submissions are received.
- 11 March New Residential Zones for Victoria Advisory Committee is appointed to report on issues concerning new residential zones for Victoria. The Committee is tasked to:
- Consider all submissions to the draft zone provisions
 - Hold public hearings of submitters to consider and clarify issues raised in the written submissions, if required
 - Make recommendations on the final form, content and operation of the draft zone provisions.
- August The New Residential Zones for Victoria Advisory Committee releases its report. Key recommendations include:
- Zones to be renamed to provide clarity of purpose
 - New incremental change zone (Later renamed General Residential Zone) seen as replacement for Residential 1 zone
 - Substantial Change Zone (later renamed Residential Growth Zone) seen as needing to be applied more widely than the Residential 2 zone and that councils need to undertake work to identify areas suitable for higher density development
 - Limited Change Zone (later renamed Neighborhood Residential Zone) should only be implemented in the context of a municipal housing strategy and in areas where heritage, environmental landscape or other values justifies protection of the area
 - Mandatory height controls should not be used as this impedes flexibility. Recommended that schedules be used to vary preferred height controls higher or lower. Only the Limited Change Zone should be capable of mandating a

height limit

- Introduction of the zones to occur in a two stage process with a neutral translation occurring on the same day for all councils followed by housing policy implementation for each planning scheme
- That a Standing Advisory Committee be appointed to assist in the review of each council’s final housing strategy to ensure consistency of application
- New zones implementation should be supported by guidance material released at the same time as the zones are introduced. This could include an: Advisory Note; Practice Note, Ministerial Direction; and general information for the public.

2010

27 November Change of government in Victoria

2011

June The Victorian Planning System Ministerial Advisory Committee appointed to examine all aspects of the planning system, including possible zone reform. One of the recommendations arising from this review and supported by the Victorian Government was to:

31 *Give further consideration to the structure of zones, including the possibility of allowing local variations.*

2012

July Minister for Planning releases the *Reformed Zones for Victoria Discussion Paper* and a package of proposed reformed zones for public comment.

8 November The Reformed Zones Ministerial Advisory Committee was appointed to:

Provide advice that will inform decisions by the Minister for Planning about the final form of the proposed reformed zones set out in the Reformed Zones for Victoria discussion paper and the manner by which the zones should be introduced.

Recommend a set of criteria that will help the Government and local councils to determine the appropriate spatial application of the reformed residential zones.

13 December The Reformed Zones Ministerial Advisory Committee provided its reports to the Minister for Planning, including the *Residential Zones Progress Report*.

The report broadly supported the concept and objectives of the reformed zones and contained 21 recommendations relating to the statutory detail of the zones and the introduction of the zone arrangements.

2013

March The Victorian Government releases its response to the *Residential Zones Progress Report*. Of the 21 recommendations: 16 agreed in full; 2 in part or in principle; and 3 not agreed to (including non-agreement to the establishment of a Standing Advisory Committee to advise on application of the new zones and to assist councils to prepare

	amendments to implement the residential zones.
6 March	Release of <i>Fact sheet: Reformed residential zones - an update</i>
1 July	The Minister for Planning announces that implementation of the three new residential zones will commence and be completed over a 12 month period. <i>Amendment V8</i> to the Victoria Planning Provisions introduces the Residential Growth Zone, General Residential Zone and Neighbourhood Residential Zone into the Victoria Planning Provision. This is accompanied by the release of <i>Advisory note 50: Reformed residential zones</i> , <i>Advisory note 52: Reformed residential, commercial and industrial zones for Victoria and Planning Practice Note No.78: Applying the Residential Zones</i> .
15 July	<i>Amendment VC100</i> to the Victoria Planning Provisions introduces the reformed Low Density Residential, Mixed Use and Township Zones to the Victoria Planning Provisions and amended Clause 54 and 55 to align with the features of the new residential zones.
22 August	<i>Amendment VC104</i> to the Victoria Planning Provisions introduces transitional provisions into a number of the residential zones and updates Clause 55 so that development of up to five stories are exempt.
October	The new residential zones introduced into the Campaspe, Greater Bendigo and Swan Hill Planning Schemes through a fast track amendment process
December	Revisions made to <i>Planning Practice Note 78: Applying the Residential Zones</i>

2014

5 February	The <i>Residential Zones Standing Advisory Committee</i> is appointed. The purpose of the Committee is to <i>advise on the method and application of the new residential zones into a local planning scheme. In Stage One, 14 councils self-nominated to participate in the process.</i>
May	<i>Plan Melbourne</i> is introduced into the State Planning Policy Framework through Amendment VC106. <i>Plan Melbourne</i> Initiative 2.1.1 “Apply the Reformed Residential Zones” indicates that government will: <ul style="list-style-type: none"> • Work with local councils to apply reformed residential zones on strategic grounds • Support the Reformed Residential Zones Standing Advisory Committee to help local governments test and confirm the strategic rationale for zoning proposals
20 June	Residential Zones Standing Advisory Committee <i>Stage One Overarching Issues Report</i> and 14 individual council reports are provided to the Minister for Planning.
1 July	Amendment VC116 to the Victoria Planning Provisions and planning schemes, implements the General Residential Zone into 24 Victorian planning schemes where the reformed residential zones had not been applied and deleted the Residential 1, 2 and 3 zones from the Victoria Planning Provisions and planning schemes. Amendments GC8,9,10,11 and 12 implemented the GRZ into 28

Victorian Planning Schemes where the new residential zones had not been applied and deleted the Residential 1,2 & 3 zones from these planning schemes.

July – November Stage Two of the Residential Zones Standing Advisory Committee (seven self-nominated council amendments and four amendments referred by the Minister for Planning).

29 November New government is elected in Victoria and commits to conduct an independent review of the residential zone changes:
‘consider protocols for best practice consultation and the appropriate role of the Minister, councils and the community in the planning process’.

2015

29 November The Managing Residential Development Advisory Committee (MRDAC) is appointed. The Committee is to report on *the application of zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe, having regard to managing growth, proximity to transport and jobs, housing affordability and diversity.*

8, 11, 16 December The MRDAC holds inception meetings with the relevant councils and industry bodies.

2016

29 January The Managing Residential Development Taskforce *Residential Zones State of Play* reports publicly released.

29 February MRDAC submission period closes.

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Managing Residential Development Taskforce

Central Subregion

Residential Zones State of Play

29 January 2016



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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACZ	Activity Centre Zone
CA	Commonwealth Land not controlled by Planning Scheme
CBD	Central Business District
CCZ	Capital City Zone
C1Z	Commercial 1 Zone
C2Z	Commercial 2 Zone
CDZ	Comprehensive Development Zone
DELWP	Department of Environment, Land, Water and Planning
DZ	Docklands Zone
GRZ	General Residential Zone
LDRZ	Low Density Residential Zone
MRDAC	Managing Residential Development Advisory Committee
MSS	Municipal Strategic Statement
MUZ	Mixed Use Zone
NRZ	Neighborhood Residential Zone
PDZ	Priority Development Zone
PSP	Precinct Structure Plan
PUZ	Public Use Zone
RAAF	Royal Australian Air Force
RAZ	Rural Activity Zone
RGZ	Residential Growth Zone
RLZ	Rural Living Zone
RZSAC	Residential Zones Standing Advisory Committee
SUZ	Special Use Zone
TZ	Township Zone
UGZ	Urban Growth Zone
VPP	Victoria Planning Provisions

GLOSSARY OF TERMS

1 for 1 replacement project	Demolition of a single dwelling followed by construction of a new replacement single dwelling.
20(4) Amendment	A planning scheme amendment that is prepared, adopted and approved without notice pursuant to section 20(4) of the Planning and Environment Act 1987.
ABS Building Approvals	This dataset from the Australian Bureau of Statistics records the number of dwelling units and the value of construction of development that has been given a building permit each month. This dataset has a catalogue number of 8731.0.
Amendment C##	<p>A ‘C’ amendment makes changes to an individual planning scheme only.</p> <p>A ‘C’ amendment can change a planning scheme in a number of ways, including amending or deleting an existing local provision, inserting a new local provision, inserting or deleting a zone or overlay or amending a planning scheme map.</p> <p>A ‘C’ amendment cannot change a State standard provision selected from the VPP.</p> <p>‘C’ amendments are prepared by the Council.</p>
Amendment GC##	<p>A ‘GC’ amendment makes changes to more than one planning scheme.</p> <p>A ‘GC’ amendment can be used to make changes to more than one planning scheme for a particular matter, such as a regional initiative.</p> <p>A ‘GC’ amendment cannot change a State standard provision selected from the VPP.</p> <p>‘GC’ amendments are prepared by the Minister for Planning.</p>
Amendment V##	<p>A ‘V’ amendment makes changes to the Victoria Planning Provisions only.</p> <p>‘V’ amendments are prepared by the Minister for Planning.</p>
Amendment VC##	<p>A ‘VC’ amendment makes changes to the VPP and one or more planning schemes.</p> <p>‘VC’ amendments are prepared by the Minister for Planning.</p>

Broadhectare development	<p>Broadhectare development (sometimes known as greenfield development) involves the development of large areas of land that were previously non-urban (usually agricultural land on the edge of the city) for new suburban development.</p> <p>The term ‘remnant broadhectare development’ refers to development of relatively small housing estates in the outer suburbs that may be within the established urban area, but are remaining pieces of broadhectare land that have not previously been developed for urban use.</p>
Draft Housing Development Data 2014	<p>Lot-by-lot data on housing stock and dwellings demolished or constructed for each year from 2004 to 2014. This data is commissioned by DELWP and is publicly available. Data from 2013 and 2014 is still in draft form at the time of publication and will be subject to revision.</p>
Dual occupancy	<p>A residential development project that involves the construction of two dwellings on a lot, and usually involves subdividing that lot into two new lots.</p>
Estimated resident population	<p>This refers to the official Australian Bureau of Statistics population estimate produced for each year respectively as at 30 June.</p>
Green Wedge	<p>Green Wedge land is defined under Part 3AA of the <i>Planning and Environment Act 1987</i> as “land that is described in in a metropolitan fringe planning scheme as being outside an Urban Growth Boundary”. There are 12 defined Green Wedges spanning parts of 17 municipalities.</p>
Growth areas	<p>Locations on the fringe of metropolitan Melbourne designated in planning schemes for large-scale transformation, over many years, from rural to urban use.</p>
High density (Housing)	<p>Housing with a density of greater than 75 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other residential prohibitive areas are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with apartments.</p>
Low density (Housing)	<p>Housing with a density of less than 25 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other residential prohibitive areas are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with detached houses.</p>

Medium density (Housing)	<p>Housing with a density of 25 to 75 dwellings per hectare. This is using a ‘site-density’ measure (i.e. roads and other uses are excluded from the area calculation).</p> <p>This definition is based on analysis showing this level of density is usually associated with units, townhouses, and semi-detached dwellings.</p>
Metropolitan Melbourne	<p>The area within the outer limits of the 31 municipalities that make up metropolitan Melbourne, plus part of Mitchell Shire within the Urban Growth Boundary.</p>
New residential zones	<p>The three residential zones (Neighborhood Residential Zone, General Residential Zone and Residential Growth Zone) introduced into the Victoria Planning Provisions through Amendment V8 on 1 July 2013.</p>
Other (where referring to zones)	<p>Where the report refers to ‘other’ zones in the context of residential development, it refers to zones other than NRZ, RGZ, and GRZ that allow for residential development.</p> <p>Where the term ‘other’ is used in a table or chart that also includes some of the zones from the list above, it refers to zones on this list other than those zones specifically mentioned.</p>
Peri-urban	<p>Comprises the hinterland beyond the proposed metropolitan urban boundary.</p>
Plan Melbourne	<p>The Victoria Government’s metropolitan planning strategy, approved in 2014.</p>
Population density	<p>Population density, where discussed in this report, is measured in persons per hectare. The measure used is ‘population-weighted density’, which reflects the density at which the average person lives. The calculations use 2011 Census data at statistical area level 1.</p>
Precinct Structure Plans	<p>Detailed plans for future growth corridor developments, informed by growth corridor plans. Before development begins, the Metropolitan Planning Authority and the relevant local government will develop these plans to identify alignments of transport routes, town centres, open space networks, densities of residential areas for industry and employment. They also produce other plans for state and local government infrastructure needs, development contributions and native vegetation protection.</p>
ResCode	<p>Commonly known as ‘ResCode’, the residential development provisions are not a separate document, they are incorporated into all Victorian planning schemes and the Victorian Building Regulations.</p> <p>There are 13 residential development standards in Clause 54 and 55 in all planning schemes in Victoria.</p>
Taskforce	<p>The Managing Residential Development Taskforce</p>

Urban Development Program 2015	Data produced annually by DELWP that captures proposed residential development projects of 10 or more dwellings, broadhectare residential land supply, and industrial land supply and consumption. Data from the 2015 release is used in this report.
Urban Growth Boundary	The current geographical limit for the future urban area of Melbourne.
Victoria in Future	<i>Victoria in Future 2015</i> is the latest official state government projection of population and housing.
Victoria Planning Provisions	The comprehensive set of planning provisions for Victoria. It is not a planning scheme and does not apply to any land. It is a statewide reference, used as required, to construct planning schemes.
Zones that allow for residential development	Zones where 'dwelling' is a Section 1 or Section 2 Use in the Victoria Planning Provisions. These are the Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone, Low Density Residential Zone, Mixed Use Zone, Township Zone, Commercial 1 Zone, Rural Living Zone, Rural Activity Zone, Comprehensive Development Zone, Capital City Zone, Docklands Zone, Priority Development Zone, Urban Growth Zone and Activity Centre Zone.
Public land	Metropolitan maps use the ' <i>Public Land - Victorian Environment Assessment Council, 2012</i> ' layer. Regional city maps use the Crown Land layer.

Introduction

Background

In July 2013 new residential zones were introduced into the Victoria Planning Provisions. This concluded a six year period of consultation and discussion in which the Bracks, Brumby and Napthine governments sought the views of the community and industry on the preferred structure and content of the new residential zones.

The new residential zones comprise the Residential Growth Zone (RGZ), the General Residential Zone (GRZ) and the Neighbourhood Residential Zone (NRZ). In combination, these zones enable councils and their communities to better direct the location and scale of residential change.

Councils were given 12 months from July 2013 to implement the new residential zones into their planning schemes. The way in which councils implemented the new residential zones can be generally grouped into four categories:

- **Councils with existing housing policies** prepared an amendment and requested the Minister for Planning use his powers under section 20(4) of the *Planning and Environment Act, 1987* (a 20(4) Amendment)
- **Councils with draft housing policies** prepared a standard Planning Scheme Amendment which included formal exhibition of the amendment and were referred to an independent panel
- **Councils with no relevant policy work** opted for a translation of the former zones to the GRZ
- **Councils that opted-in to the Residential Zones Standing Advisory Committee (RZSAC)** process (Stage One or Two) which included notice in accordance with the RZSAC Terms of Reference and a public hearing process.

By January 2016 the majority of metropolitan municipalities and regional cities had completed a strategic implementation of the zones.

With the new residential zones now in place, the Victorian Government has decided to seek the views and experiences of industry and the community on the application of the zones, and to receive advice on the implications of this for residential policy.

Managing Residential Development Advisory Committee

The Managing Residential Development Advisory Committee (MRDAC) was appointed on 29 November 2015 by the Minister for Planning, the Hon Richard Wynne, under section 151 of the *Planning and Environment Act 1987* to report on the application of zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe.

The MRDAC comprises Kathy Mitchell (Chair), Michael Kirsch (Deputy Chair), Debra Butcher, Sarah Carlisle, Peter Gaschk, Sarah McDonald, Rachael O'Neill and John Riley.

The Terms of Reference for the MRDAC state that it will be supported by the Managing Residential Development Taskforce (the Taskforce) comprising staff from the Department of Environment, Land Water and Planning (DELWP).

Residential Zones State of Play reports

In accordance with the MRDAC Terms of Reference, the Taskforce has prepared Residential Zones State of Play reports for each *Plan Melbourne* subregion and a combined report for the regional cities of Ballarat, Bendigo, Geelong and Latrobe. Including the Overarching Report, there are seven Residential Zones State of Play reports:

1. **Overarching Report**
2. **Central Subregion** (Melbourne, Stonnington, Maribyrnong, Port Phillip, Yarra)
3. **Northern Subregion** (Banyule, Darebin, Hume, Mitchell (part), Moreland, Nillumbik, (Whittlesea)
4. **Eastern Subregion** (Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse, Yarra Ranges)
5. **Southern Subregion** (Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston, Mornington Peninsula)
6. **Western Subregion** (Brimbank, Hobsons Bay, Melton, Moonee Valley, Wyndham)
7. **Regional Cities** (Ballarat, Greater Bendigo, Greater Geelong and Latrobe).

The Overarching Report establishes the demographic and housing supply context for reviewing the application of the new residential zones. It covers Victoria's current and projected demographic changes and how these may ultimately influence housing demand, as well as detailed information on housing supply trends.

The five Residential Zones State of Play reports for metropolitan Melbourne (Central, Northern, Eastern, Southern and Western subregions) provide an overview at the subregional level including information on demographics, population growth, residential zoned land, dwelling supply and anticipated residential growth. This is followed by a chapter on each municipality which provides a short history of the residential zones including how the new residential zones were introduced, and by what method. Information is also provided on residential zoned land, dwelling supply and anticipated residential growth by municipality.

The combined Residential State of Play Report for Ballarat, Greater Bendigo, Greater Geelong and Latrobe provides a chapter on each municipality in the same way as the metropolitan Melbourne reports. However, this report does not include an overview at the subregional level as these municipalities are not located in the same area.

The Overarching Report and subregional reports are intended to assist the community, the development industry and ultimately the MRDAC to review the implementation of the new residential zones.

Each of the subregional reports is accompanied by an A3 Book of Plans.

About this report

This report relates to the Central Subregion of metropolitan Melbourne which includes the municipalities of Maribyrnong, Melbourne, Port Phillip, Stonnington and Yarra.

Explanation of tables and figures

Where necessary, an explanation of the tables and figures found in the municipal chapters of this report is provided in this section. These explanations provide clarification on the Taskforce's methodology and assumptions.

Some tables and figures are relatively straightforward representations of data such as Australian Bureau of Statistics (ABS) Census data or *Victoria in Future 2015* population projections, and these are not explained further. Others tables and figures include certain assumptions, use customised categorisations of ABS data, or have caveats. These tables and charts require further explanation.

Table type: Zones that allow for residential development

This type of table shows the number of lots and area of lots (in hectares) by zone. The area is not the total area of zoned land but the combined area of all lots within that zone. Roads and other undevelopable areas have been excluded from the total area calculation.

The category ‘other’ refers to zones besides NRZ, RGZ, and GRZ that allow for residential development (refer to the definition in the glossary of terms).

In most cases, this type of table includes the three new residential zones and the ‘other’ category. This approach is modified when it is more appropriate to use a different selection of residential zones (such as those municipalities that do not have all three residential zones).

Table type: Other zones that allow for residential development

This type of table shows the area and number of lots for selected zones within the ‘other’ category. It generally does not include zones where there is only a very small area of that zone or where it is anticipated there will be limited dwelling construction activity in that zone.

Chart type: Proportion of land in each zone

This type of chart is generated from the data in the table ‘Zones that allow for residential development’.

Table type: Recent housing construction

This type of table shows the net dwelling increase in each of the zones over the 2010-2014 period. The net dwelling increase is the total number of dwellings constructed minus the total number of dwellings demolished.

Table type: Planned major residential redevelopment projects

This type of table shows planned major residential redevelopment projects in each zone, based on DELWP’s 2015 data. The *Urban Development Program 2015* tracks proposed projects of 10 or more dwellings within the established area of Melbourne in the redevelopment dataset.

Note that broadhectare subdivisions on the edge of the city are also captured in the broadhectare dataset in the *Urban Development Program 2015*, which is also referred to in these reports.

These projects range from those that are currently under construction to those with planning approval that are not yet under construction. The *Urban Development Program 2015* also tracks projects that are still in the early planning phase and those for which a planning permit may not have been applied for, where information is available.

In some cases, this table may show proposed developments in zones where residential development is prohibited. In most cases a rezoning of land to a zone that allows for residential development is proposed or under consideration.

This table does not appear for municipalities with limited planned residential redevelopment, such as the growth area municipalities, where almost all residential construction is in broadhectare projects.

Chart type: Number of residential redevelopment projects by project size, 2010-2014

This type of table represents Draft Housing Development Data 2014 and shows the number of residential projects in the years 2010-2014 by project type in each zone. Projects are categorised according to the number of dwellings constructed.

A distinction has been made between 1 for 1 replacement projects and projects in which 1 dwelling is constructed on a vacant lot. This distinction is made because the 1 for 1 replacement projects tend to be in older established suburbs and change the character of areas without a net increase in dwelling stock, while *1 dwelling* projects tend to occur in newly developed areas and add to the overall dwelling stock.

This table does not appear for some municipalities, where there is no useful comparison to be made. For example it usually does not appear for municipalities in which only the GRZ has been applied and it does not appear for growth area municipalities. This is because majority of residential development projects in growth areas involve the construction of a single detached house.

Table type: Dwellings approved by built form category, 2001-2015

This type of table shows the number of dwellings approved in a municipality categorised into different built forms. For the purpose of this report, the ABS dwelling categories are collapsed into three broad categories:

- **Houses:** the ABS building structure category of houses
- **Attached 1-2 storeys:** the ABS categories of semi-detached, row or terrace house, townhouse or duplex etc. with one storey; semi-detached, row or terrace house, townhouse or duplex etc. with two or more storeys; and flat, unit, or apartment in a building of one or two storeys
- **Attached 3+ storeys:** the ABS categories of flats units or apartments (in a three storey block) and flats units or apartments (in a four or more storey block).

This type of table has been prepared using the ABS Building Approvals data (Catalogue number 8731.0).

Due to the lack of consistent and available data for conversions, alterations and additions, only data for new constructions is used in this report. Reference to building approvals data for 2015 includes data up to September 2015, as that is what was available at the time of publication.

Table type: Broadhectare residential development

This type of table is only prepared for growth area municipalities. It shows:

- The number of Precinct Structure Plan areas
- The estimated total number of broadhectare lots anticipated to be constructed in those Precinct Structure Plans (i.e. this does not include already constructed lots in those Precinct Structure Plans)
- The total area in hectares of the Precinct Structure Plans including areas that are already developed.

Precinct Structure Plan areas referred to as 'PSP required' are areas that are identified to have a Precinct Structure Plan applied where work may have begun on a Precinct Structure Plan, although no Precinct Structure Plan currently applies.

A lot that is constructed is one that has had services connected, including road access, and works have been completed to prepare for the construction of a dwelling.

Central Subregion

The Central Subregion consists of the municipalities of Maribyrnong, Melbourne, Port Phillip, Stonnington and Yarra.

The subregion includes Melbourne’s CBD and established inner city suburbs containing a diverse range of housing such as apartments, townhouses, terrace houses and detached houses. The Central Subregion also includes significant heritage areas and places, major tourism and retail attractions, recognised health and biomedical research facilities, much-loved parks and gardens, and a well-established urban character.

Areas of state and local significance

National employment cluster Parkville

Metropolitan activity centre Footscray

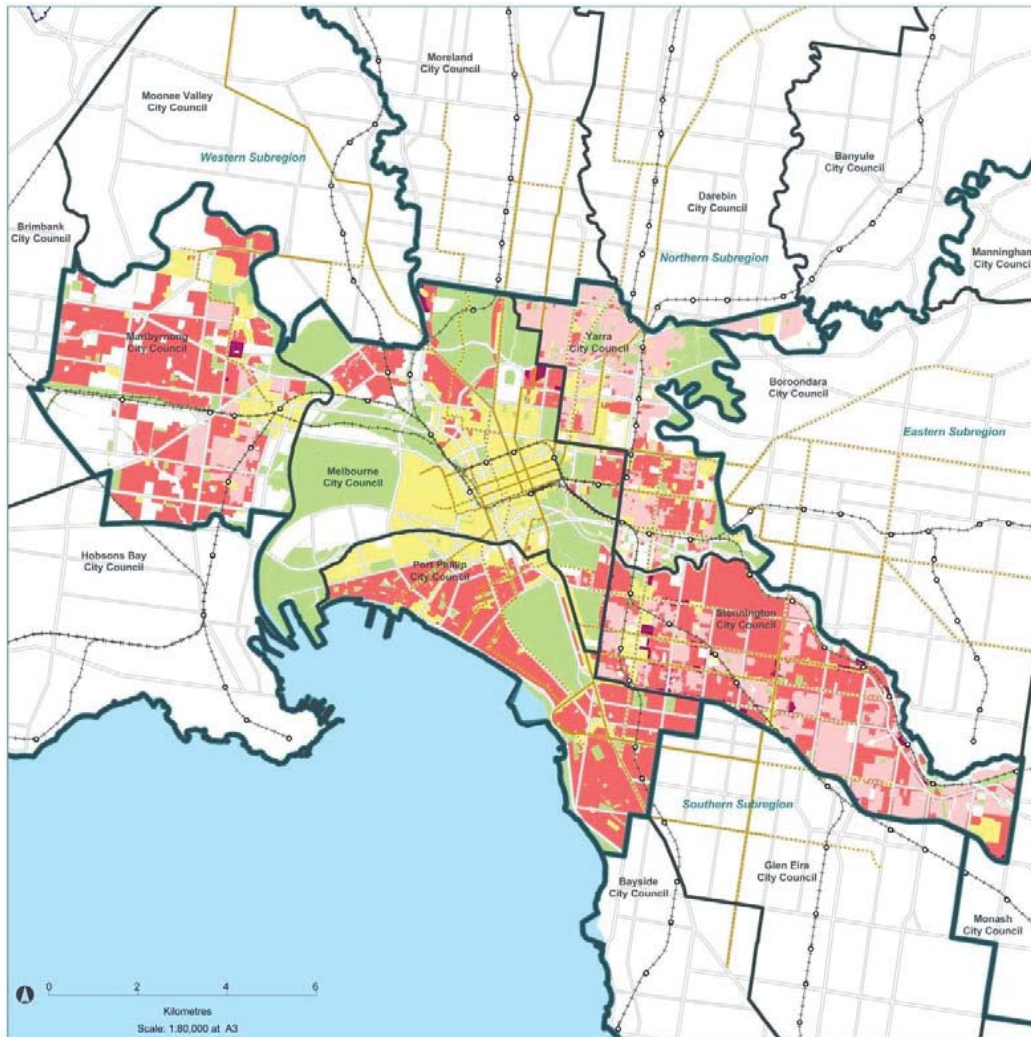
State-significant industrial precinct Western

Transport gateway Port of Melbourne

Health and/or education precincts Alfred Medical Research and Education Precinct (Prahran), Western Hospital (Footscray), Victoria University (Footscray), various health and education institutions in Parkville, St Vincent’s Hospital Melbourne and other health institutions (Fitzroy/East Melbourne), Epworth Richmond

Activity centres Balaclava, Braybrook-Central West, Carlton-Lygon Street, Chadstone, Fitzroy-Brunswick Street, Fitzroy-Smith Street, Malvern/Armadale, Maribyrnong-Highpoint, Port Melbourne-Bay Street, Prahran/South Yarra, Richmond-Bridge Road, Richmond-Swan Street, Richmond-Victoria Street, South Melbourne, St Kilda, Toorak Village

Central Subregion: Zones that allow for residential development



- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Public land[^]
- Urban growth boundary
- Plan Melbourne Subregion boundary
- LGA boundary
- Tram route
- Main roads
- Railway and station



Key urban renewal areas

The Central Subregion contains a number of urban renewal precincts in which large numbers of dwellings are being constructed. Many of these areas are former industrial land that is now being redeveloped for high density residential, office and retail uses, while industrial uses have moved to Melbourne’s metropolitan fringe.

These urban renewal areas present opportunities to masterplan entire precincts that deliver large numbers of dwellings in areas of high demand. Some of them have also effectively expanded Melbourne’s CBD and added more capacity for new office and employment space in desirable central locations, which has been very beneficial for the Victorian economy.

Key urban renewal areas in the Central Subregion include:

- **Fishermans Bend** is a 455 hectare area of land in the cities of Melbourne and Port Phillip to the south-west of the Melbourne CBD. The area was rezoned to Capital City Zone in 2012 with the intention that it will have a similar character to the Melbourne CBD. The current industrial uses are just beginning to be redeveloped for residential and commercial purposes. It is estimated that the precinct will be home to **80,000 residents by 2025**.
- **Docklands** is a 146 hectare precinct in the City of Melbourne immediately to the west of Melbourne’s CBD. It began to transition from industrial uses to its current CBD-style character in 1997. Most of the area has already been redeveloped and it is expected to contain approximately 20,000 residents by 2051. Docklands is the Victorian headquarters of some of Australia’s largest businesses.
- **E-Gate** is a 20 hectare area of land in the City of Melbourne to the north-west of Melbourne’s CBD that is currently railway yards. The Victorian Government invited expressions of interest from developers to redevelop site. E-Gate is anticipated to be home to about 10,000 residents by 2041.
- **Arden-Macaulay** is a 126 hectare precinct in the City of Melbourne, north-west of Melbourne’s CBD. Primarily an industrial area at present, it has started to transition towards office use and also contains some residential dwellings. The precinct is expected to be home to approximately 20,500 residents and 22,500 jobs by 2040.
- **City North** is a precinct immediately to the north of Melbourne’s CBD in the City of Melbourne. It is a significant health and education cluster with most of the University of Melbourne’s main campus within the precinct. As well as a large number of apartments and offices. Between 2011 and 2040, it is anticipated the number of jobs in the City North precinct will grow from 20,000 to 28,000 and the resident population will grow from 12,000 to 22,000.
- **Forest Hill** is a 17 hectare precinct centred around South Yarra railway station in the City of Stonnington that includes a mix of residential, industrial and commercial uses. Following Council’s adoption of the Forrest Hill Structure Plan in 2005, the precinct has been transitioning towards a high density mix of residential, office and retail.
- **Southbank** is 141 hectares of inner city land adjacent to the Melbourne CBD with a direct interface to the Yarra River. It is a significant tourism, cultural and entertainment precinct which supports a range of businesses and generally high rise residential development. It is anticipated that by 2051 Southbank will accommodate approximately 50,000 residents.

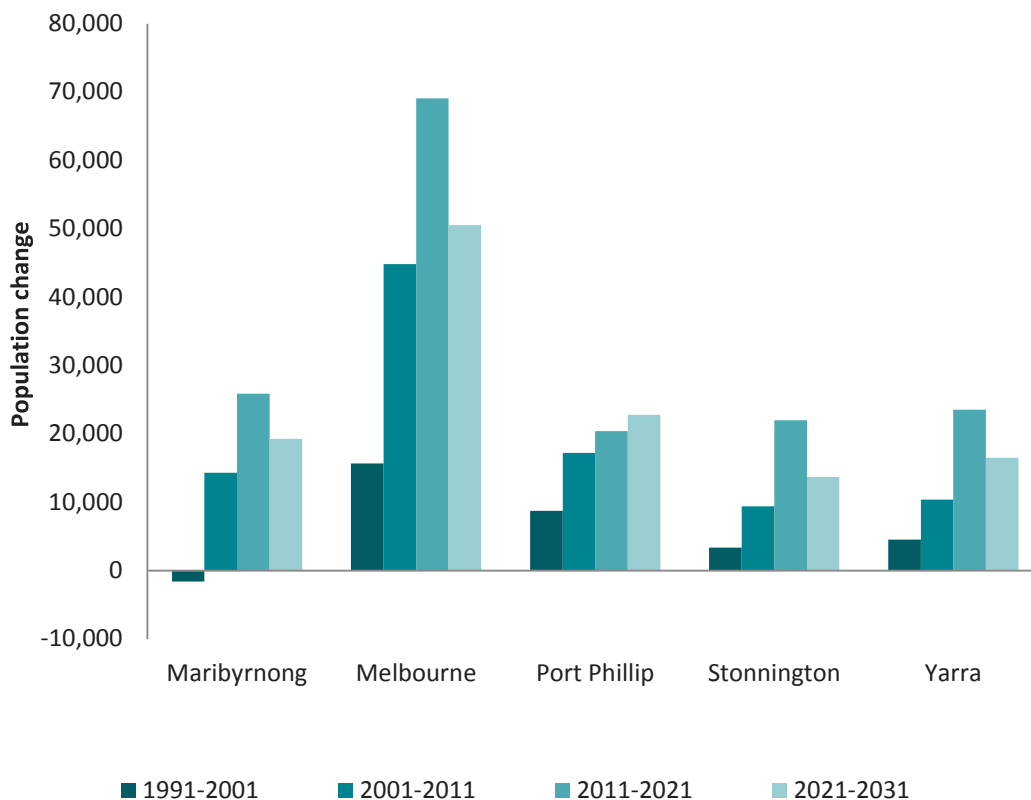
Population growth

The Central Subregion is the smallest subregion of metropolitan Melbourne by land size and population, and the most densely populated. As at 2014, its population was 501,000, equivalent to 11.4% of metropolitan Melbourne’s population. The Central Subregion’s population is projected to increase to 734,000 by 2031.

Compared to the other subregions, the Central Subregion has a much larger share of young adults (15-24 year-olds) and working age residents (25-64 year-olds).

All of the municipalities in the Central Subregion are projected to experience strong population growth to 2031. The City of Melbourne is projected to experience the highest population growth although this growth is expected to slow towards 2031. Meanwhile Port Phillip’s population growth is projected to increase over this period with the redevelopment of Fishermans Bend.

Central Subregion: Population change by municipality



Source: *Victoria in Future, 2015* and *ABS Regional Population Growth, 2013-2014 (cat. no. 3218.0)*

Following a decline in Melbourne’s inner city population in the post-war decades, the recent rapid population growth of the Central Subregion represents a major demographic shift for metropolitan Melbourne. The rediscovery of inner city living is being supported by significant apartment development, which over the last decade has spread from Melbourne’s CBD and surrounds to most of the Central Subregion.

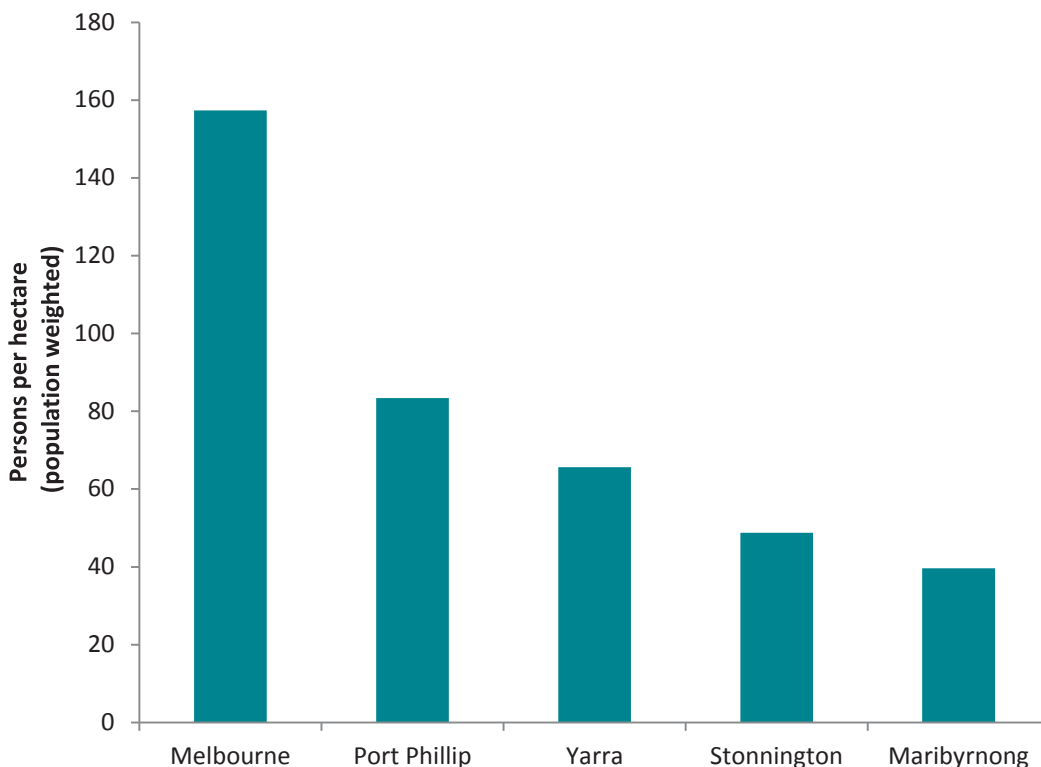
In 2001 the population of the City of Melbourne was 56,000 which was an increase of 15,700 residents from 1991. By 2011, the population had nearly doubled to 100,000, with much of this growth attributed to apartment construction in the CBD, Docklands and Southbank. By 2031, it is projected the City of Melbourne’s resident population will be 219,000.

Other areas of the Central Subregion are also projected to grow, although not to the same extent as the City of Melbourne. South Yarra in Stonnington, Fishermans Bend in Port Phillip and Footscray in Maribyrnong are all expected to grow significantly. Other areas such as Glen Iris, Toorak and the established part of South Melbourne are projected to experience slower growth.

Therefore, certain areas of each municipality will begin to account for a larger share of the total population, which is expected to further concentrate the demand for services in those locations.

The population density of the Central Subregion is generally higher than that of other subregions, with particularly high density in the City of Melbourne. In some municipalities, the population density varies significantly. For example, the western end of Stonnington is much more densely populated than the eastern end.

Central Subregion: Population density by municipality



Source: ABS Census, 2011

While the resident population of the Central Subregion is increasing, it is also important to consider the impact of daytime populations when planning for infrastructure and service provisions. Due to its concentrations of employment, education, shopping and entertainment destinations the Central Subregion, and in particular the City of Melbourne, attracts hundreds of thousands of workers and visitors from outside the subregion every day. For example, the population of the City of Melbourne currently swells from its overnight level of 122,000 to as much as 500,000 during the day. Understanding the size and timing of these population changes is particularly important when planning for transport infrastructure and public spaces.

Age

The Central Subregion is highly attractive to young people due to its high concentration of jobs, higher education, public transport and entertainment. The subregion is projected to maintain a high share of young adults and working age residents.

By 2031 the number of people aged 0-24 is projected to increase from 123,000 in 2011 to 193,000 in 2031. This suggests ongoing demand for educational services, particularly for primary and secondary education. Likewise, demand for health and aged care related services is also likely to increase as the number of those aged 65+ increases significantly, albeit from a low base.

Central Subregion: Population by age cohort

Age cohort	1991		2011		2021		2031	
	No.	%	No.	%	No.	%	No.	%
0-14	41,000	13.0%	51,000	11.3%	81,000	13.2%	102,000	13.8%
15-24	59,000	18.4%	72,000	15.9%	84,000	13.8%	91,000	12.3%
25-64	177,000	55.5%	282,000	62.7%	383,000	62.6%	455,000	62.0%
65-84	38,000	11.8%	39,000	8.7%	55,000	9.1%	75,000	10.3%
85+	4,000	1.4%	6,000	1.4%	8,000	1.3%	12,000	1.6%

Source: Victoria in Future, 2015 and ABS Regional Population Growth, 2013-2014 (cat. no. 3218.0)

Zoned land

The Central Subregion includes land zoned to support a wide range of commercial, industrial, recreational and residential uses. The subregion includes land zoned for limited residential change, incremental medium density housing, and for high density development.

The municipalities of Port Phillip, Maribyrnong and Stonnington include substantial areas of land in the GRZ as well as pockets of GRZ in the municipalities of Melbourne and Yarra. Within the Central Subregion, the GRZ accounts for approximately 58% of land where further residential development is permitted. The GRZ allows for ongoing incremental medium density development under the provisions of ResCode.

The NRZ has been applied to 20% of residential land in the subregion, including residential land with heritage value in the municipalities of Yarra, Melbourne, Maribyrnong, and Stonnington. In Stonnington, the NRZ has also been applied to areas of flood risk.

Around 27% of land that permits residential development is zoned to allow for higher density housing development. This includes land in the RGZ, the Mixed Use Zone, Commercial 1 Zone, Capital City Zone and Docklands Zone. These zones have been applied to most of the major commercial areas of the subregion including Melbourne's CBD, tram lines, shopping strips and around railway stations.

Central Subregion: Zones that allow for residential development

	NRZ	GRZ	RGZ	Other
Number of residential lots	32,888	66,517	1,636	18,890
Area (hectares)	1,143	2,932	113	1,400
% of total residentially zoned land	20.5%	52.5%	2.0%	25.1%

Central Subregion: Other zones that allow for residential development

	C1Z	CCZ	DZ	ACZ	MUZ	CDZ	PDZ
Number of lots	8,307	2,944	282	1,328	5,064	960	5
Area (hectares)	433	429	107	85	269	75	3
% of total residentially zoned land	7.8%	7.7%	1.9%	1.5%	4.8%	1.3%	0.1%

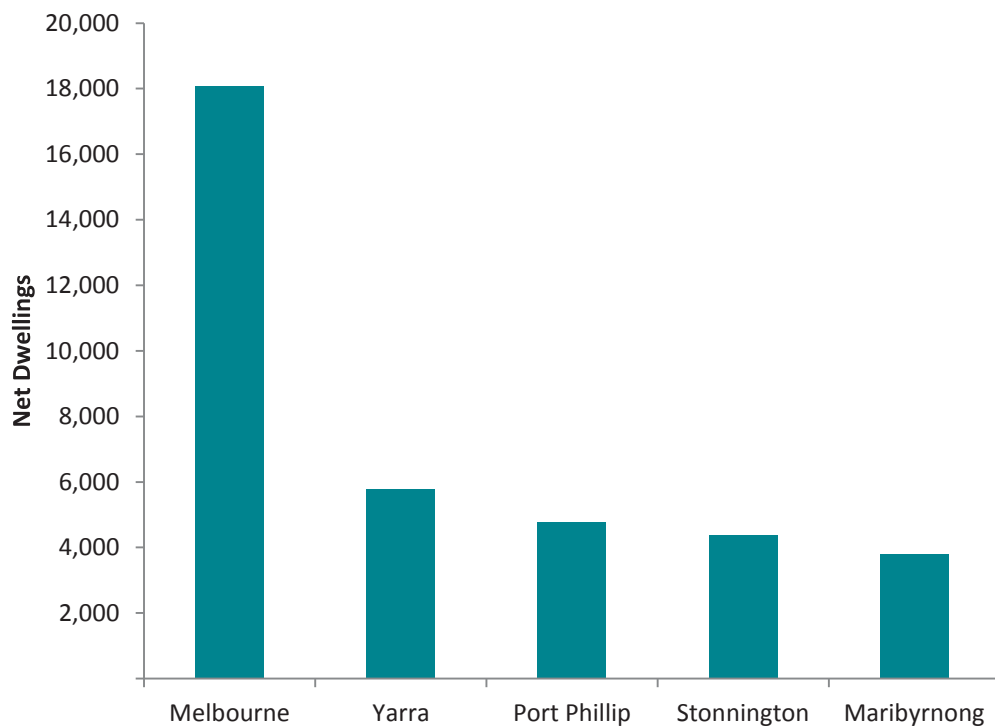
Recent dwelling supply

As at 2014, there were 254,500 dwellings in the Central Subregion. Since 2010 the region’s dwelling stock has been growing at approximately 7,370 dwellings per annum. Despite having a substantially smaller land area than the other subregions, the Central Subregion currently yields more dwellings than any other subregion with the exception of the Southern Subregion.

For the 2010-2014 period, the City of Melbourne yielded the largest number of new dwellings, adding more than 3,500 dwellings per annum on average, mostly in high rise high density towers. The subregion’s other municipalities each yielded between 760 and 1,160 new dwellings per annum, with this development consisting of a mixture of medium and high density dwellings.

Over the 2010-2014 period, the Central Subregion yielded 22% of Melbourne’s new dwelling development, while it currently contains only 15% of Melbourne’s dwelling stock.

Central Subregion: Net dwelling 2010-2014



Source: Draft Housing Development Data, 2014

For the 2010-2014 period, around one third of new dwellings in the Central Subregion were constructed in Melbourne’s CBD, with the Capital City Zone accommodating 28% of new dwellings and the Docklands Zone 6% of the subregion’s new dwellings. In the City of Yarra, and the suburbs of Parkville and North Melbourne, the Mixed Use Zone also accommodates significant development.

Only about 20% of the subregion’s new housing was constructed in the residential zones, and this was mostly in land now within the GRZ (previously the Residential 1 Zone). A number of large major redevelopment projects were developed in the residential areas of Richmond, South Yarra and Parkville.

Central Subregion: Recent housing construction

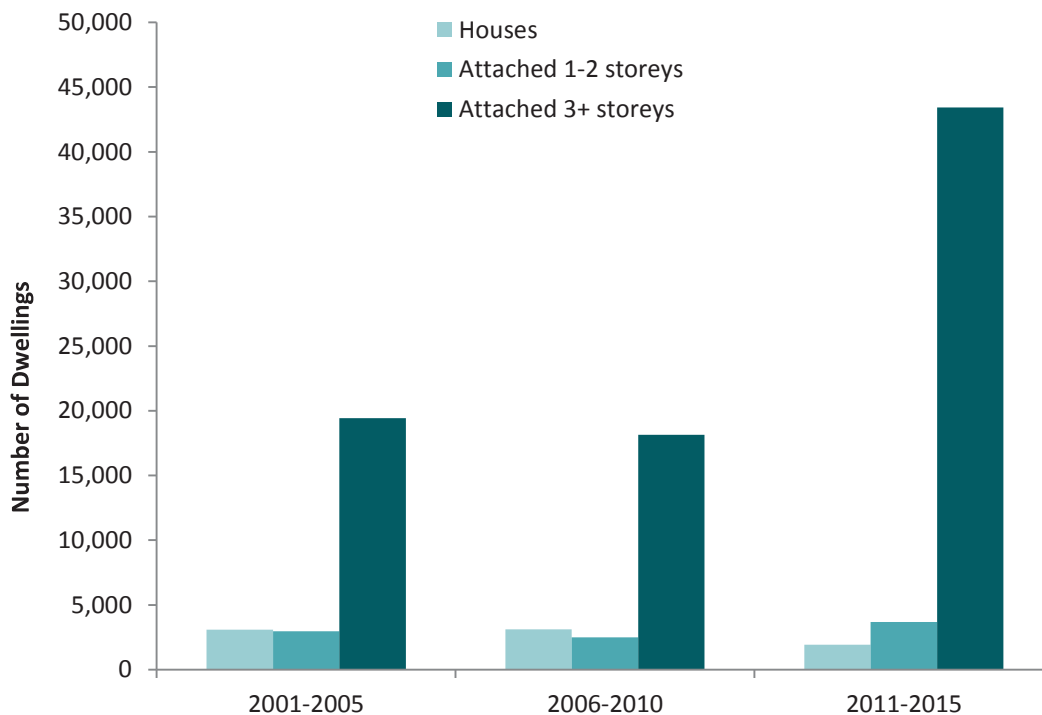
	NRZ	GRZ	RGZ	CCZ	MUZ	C1Z	DZ	CDZ	Other
Net dwelling Increase									
2010-2014	720	5,421	1,633	10,244	8,045	6,117	2,162	1,368	1,120
% of Net dwellings									
2010-2014	2%	15%	4%	28%	22%	17%	6%	4%	2%

Source: Draft Housing Development Data, 2014

Most new dwellings in the Central Subregion are in apartment buildings, with the subregion experiencing an apartment boom in recent years. The number of apartments approved since 2011 is double the number approved in the previous five years.

Approvals for townhouse development (attached 1-2 storeys) were steady over this period but these were dwarfed by apartment approvals. There was a similar small and declining number of approvals for detached houses, which was probably mostly 1 for 1 replacement projects.

Central Subregion: Dwellings approved by built form category, 2001-2015



Source: ABS, Building Approvals, Sept 2015 (cat. no. 8731.0)

Anticipated dwellings in major redevelopment sites

The *Urban Development Program 2015* identified planned projects for the Central Subregion that will yield a record high number of 135,000 new dwellings.

Over 90% of these new dwellings are in projects planned in commercial areas including land in the Capital City Zone, Mixed Use Zone, Commercial 1 Zone and Activity Centre Zone. These planned projects (to the extent that they proceed to construction) will add significant numbers of dwellings near existing services, infrastructure and jobs.

Less than 10% of new dwellings are planned for residential areas, most of which are in the GRZ.

The pipeline of planned development projects recorded in the Urban Development Plan 2015 for the Central Subregion suggest the subregion’s high rate of dwelling growth is likely to be sustained over the next decade.

Central Subregion: Planned major residential development projects

	NRZ	GRZ	RGZ	CCZ	C1Z	Other
Dwellings in planned UDP projects	507	8,516	1,884	59,642	16,429	48,153

Source: Urban Development Program, 2015

Central Subregion: Planned major residential development projects in other zones

	DZ	ACZ	MUZ	CDZ	C2Z	INZ	SUZ	CA
Dwellings in planned UDP Projects	8,171	7,292	19,392	3,087	1,913	2,016	2,112	3,000

Source: Urban Development Program, 2015

Melbourne

At a glance

The City of Melbourne is the capital city of Victoria and is located on the Yarra River estuary where the Yarra and Maribyrnong rivers and the Moonee Ponds Creek meet Port Phillip Bay. The municipality is the polycentric transport hub for greater Melbourne and Victoria. The municipality's public transport network, with numerous trains, trams and buses, extends from Melbourne's CBD to the rest of metropolitan Melbourne and regional Victoria.

The City of Melbourne is the business, administrative, cultural and recreational hub of Victoria. It is centrally located with easy access to education, commercial and retail businesses, services, conveniences and an inner-city lifestyle. The City of Melbourne is the setting for many major events and festivals, which attract visitors from across the city, Victoria, interstate and overseas. The municipality covers 15 inner urban suburbs and is known for its iconic buildings, famous sporting venues and much loved parks and gardens.

Residential zones history

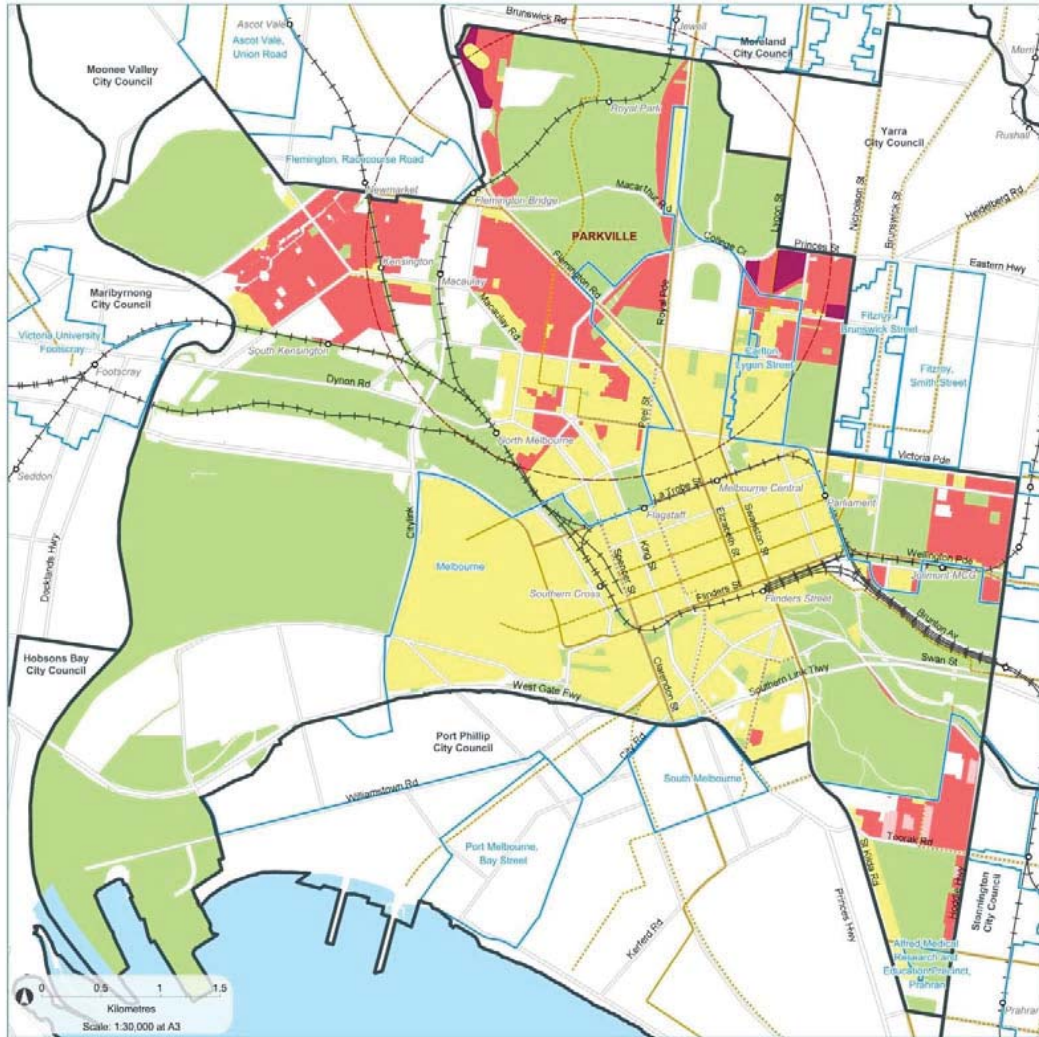
- 2002** Amendment C60 (MSS and R1Z discretionary uses) was placed on exhibition during December 2002.
- 2005** Amendment C60 was gazetted on 8 December 2005.
- 2010** Amendment C162 (MSS review and Growth Framework Plan) was placed on public exhibition during July and September 2010.
- 2012** An independent panel held a public hearing and delivered a panel report for Amendment C162 in February 2012.
- 2013** Amendment C162 was gazetted on 12 September 2013.
- 2014** Amendment GC9 translated land in the R1Z and R2Z to the GRZ. It was gazetted on 13 June 2014.
 Draft Amendment C179 (new residential zones) was prepared by Council and it undertook notice in accordance with the RZSAC Terms of Reference. The RZSAC held a public hearing in September 2014 and delivered its report in October 2014. Amendment C179 was gazetted on 27 November 2014.

New residential zones implementation

The new residential zones were introduced into the Melbourne Planning Scheme through Amendment GC9.

Amendment GC9 applied to five metropolitan Melbourne Planning Schemes where councils were not in a position to facilitate the conversion to the new residential zones by 1 July 2014. The amendment translated land in the former Residential 1 and 2 Zones to GRZ.

Melbourne: Zones that allow for residential development



- Residential Growth Zone (RGZ)
 - General Residential Zone (GRZ)
 - Neighbourhood Residential Zone (NRZ)
 - Other zones that allow for residential development*
 - Public land^
- Name LGA boundary
 - Name Activity centre boundary
 - NAME National employment cluster
 - Tram route
 - Main roads
 - + Railway and station

Melbourne City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

Melbourne: New residential zones implementation

Amendment number	GC9
Was it reviewed by the RZSAC?	No
Was it a 20(4) Amendment?	Yes
Gazettal Date	13 June 2014
Supporting strategic work	Amendment V8 and Melbourne Planning Scheme

Draft Amendment C179 was prepared by Council and proposed the application of the new residential zones in accordance with local policy, existing Design and Development Overlays, Council’s *Future Living Paper, 2013* and *Homes for People – Draft Housing Strategy, 2014*. Following the release of the RZSAC report in May 2014, the Minister

approved C179 which introduced new schedules to the GRZ for areas identified as 'stable residential', applied the RGZ to parts of Carlton and Parkville, and applied the NRZ to parts of South Yarra.

Melbourne: New residential zones implementation

Amendment number	C179
Was it reviewed by the RZSAC?	Yes (Stage Two)
Was it a 20(4) Amendment?	Yes
Gazettal Date	27 November 2014
Supporting strategic work	<i>Future Living Paper, 2013</i> <i>Homes for People - Draft Housing Strategy, 2014</i>

Population and households

As at 2011, the population of the City of Melbourne was approximately 100,000. The City of Melbourne has an average population density of 157 people per hectare, the highest density in metropolitan Melbourne.

By 2031 the municipality's population is expected to grow by 120,000 residents. Over this time population growth, combined with changes to the composition of households, is expected to result in an increase of approximately 58,000 households.

Melbourne's projected annual average population increase of 4% compares with 1.8% for metropolitan Melbourne.

Melbourne: Victoria in Future population projections

	2011	2031	Average annual increase
Estimated resident population	100,244	219,903	4.0%
Households	48,935	106,836	4.0%
Average household size	1.90	1.93	0.1%

Source: *Victoria in Future, 2015*

Zoned land

The GRZ has been applied to about a third of the municipality, including parts of Kensington, Carlton, East Melbourne and South Yarra, and the NRZ has been applied to small areas of land in South Yarra. The RGZ has been applied to public and private land in Carlton and some large sites along Royal Parade in Parkville.

One third of land that supports residential development is in the Capital City Zone, which includes the CBD and the Lorimer Precinct of Fishermans Bend.

Melbourne: Zones that allow for residential development

	NRZ	GRZ	RGZ	CCZ	Other
Number of lots	231	8,557	39	2,246	3,513
Area (hectares)	6	271	14	273	272
% of total residentially zoned land	0.7%	32.4%	1.6%	32.7%	32.6%

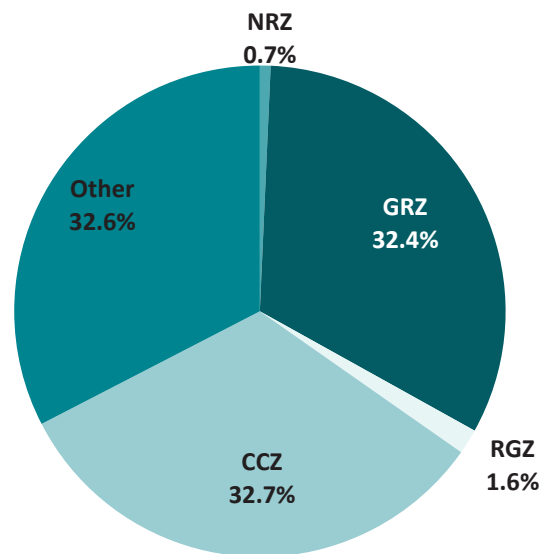
The Mixed Use Zone, Docklands Zone and Commercial 1 Zone collectively apply to the remaining one third of land in the City of Melbourne where residential development is permitted. The Mixed Use Zone has been applied to large parts of North Melbourne,

Southbank and the southern part of Carlton. The Commercial 1 Zone has been applied along tram routes and roads including Lygon Street in Carlton, Victoria Street in East Melbourne and Royal Parade in Parkville.

Melbourne: Other zones that allow for residential development

	C1Z	MUZ	CDZ	DZ
Number of lots	776	2,450	5	282
Area (hectares)	47	116	2	107
% of total residentially zoned land	5.7%	13.9%	0.2%	12.8%

Melbourne: Proportion of land in each zone



As at 2014, there were 69,300 dwellings in the City of Melbourne. Since 2010 the municipality’s dwelling stock has been growing at approximately 3,610 dwellings per annum.

The number of dwellings constructed in the City of Melbourne over the last five years was higher than any other municipality in Victoria by a wide margin.

Over the 2010-2014 period, 57% of new dwellings were constructed in the Capital City Zone, 19% were constructed in the Mixed Use Zone and 12% in the Docklands Zone.

Less than 10% of new dwellings constructed in the City of Melbourne over the 2010-2014 period were in the three residential zones. Most of those dwellings were constructed in areas now zoned RGZ, and almost none were constructed in areas now zoned NRZ.

Melbourne: Recent housing construction

	NRZ	GRZ	RGZ	CCZ	MUZ	DZ	CDZ	C1Z
Net dwelling increase 2010-2014	4	717	908	10,244	3,392	2,162	536	109
Total projects (with net increase) 2010-2014	2	140	11	44	66	17	1	4

Source: *Housing Development Data, 2014*

The *Urban Development Program 2015* shows there are a significant number of dwellings planned for high density apartment projects in the City of Melbourne. This

includes some projects specifically for students, with student apartment projects tending to be concentrated in Carlton and the northern end of the CBD.

Most planned projects are in the Capital City Zone in CBD, Southbank and the Lorimer Precinct of Fishermans Bend. There are also some major projects planned in the Mixed Use and Docklands zones and at Flemington Racecourse, which is zoned Special Use.

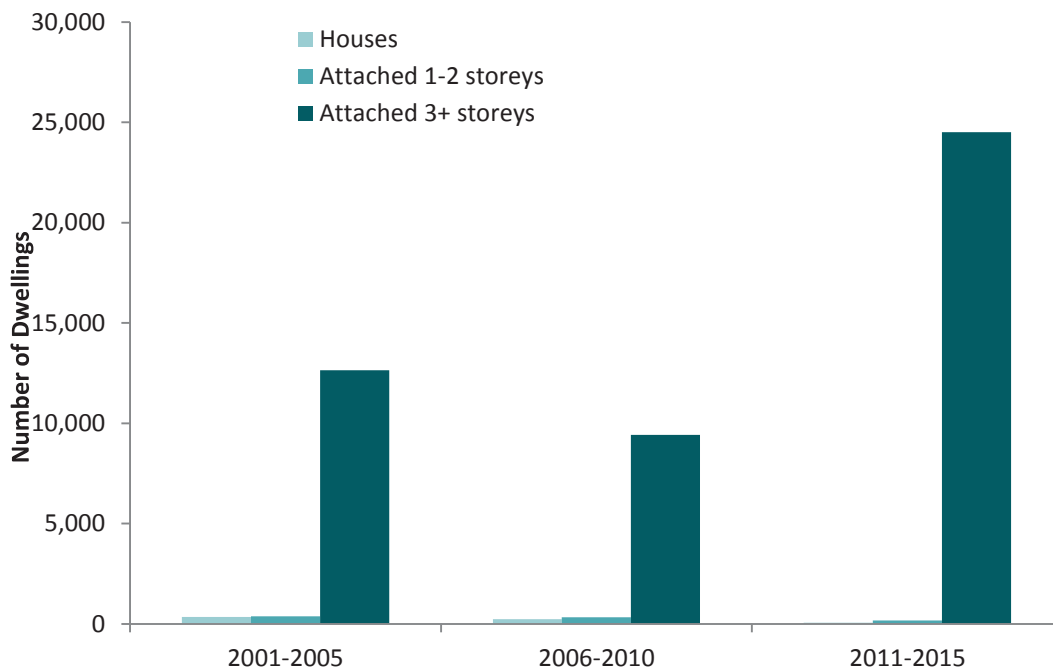
Melbourne: Planned major residential development projects

	GRZ	RGZ	CCZ	MUZ	DZ	CDZ	C1Z	SUZ
Dwellings in planned UDP projects	782	953	48,496	9,501	8,171	1,727	1,256	2,000
Number of planned UDP projects	24	7	141	94	21	3	17	1

Source: Urban Development Program, 2015

The City of Melbourne has seen a large increase in high rise apartment approvals over the last five years, with approvals more than doubling from 9,400 in the 2006-2010 period to nearly 25,000 in 2011-2015 period. The *Urban Development Program 2015* indicates a high level of apartment approvals is likely to continue.

Melbourne: Dwellings approved by built form category, 2001-2015



Source: ABS Building Approvals, Sept 2015 (cat. no. 8731.0)

Maribyrnong

At a glance

The City of Maribyrnong is located between 4 to 11 kilometres west of Melbourne’s CBD. The municipality is served by the Sunbury, Werribee and Williamstown railway lines, numerous trams and bus routes as well access to the West Gate Freeway, Ballarat Road.

Historically, Maribyrnong was the industrial heartland of Melbourne. However, in recent years the municipality has experienced increased residential growth, as industrial and manufacturing uses have been replaced or relocated.

Residential zones history

- 2010** Maribyrnong City Council commenced work on its *Housing Strategy and Footscray Central Activities District Comprehensive Development Plan*.
Amendment C90 (Footscray Central Activities District) was placed on exhibition during June and July 2010. Amendment C90 was gazetted on 28 October 2010.
- 2011** Council undertook community consultation for its Housing Strategy and adopted its *Housing Strategy, 2011* in December 2011.
- 2012** Council prepared Amendment C111 (MSS review and *Housing Strategy, 2011*) in September 2011 and requested the Minister for Planning to approve it without notice (20(2) amendment). Amendment C111 was gazette on 13 December 2012.
- 2013** Council prepared Amendment C130 (NRZ and GRZ) in October 2013 and requested the Minister for Planning to approve it without notice (20(4) amendment).
- 2014** Amendment VC116 removed the Residential 1, 2 and 3 zones from the Victoria Planning Provisions and rezoned land previously in Residential 1, 2 or 3 zones to GRZ. It was gazetted on 1 July 2014.

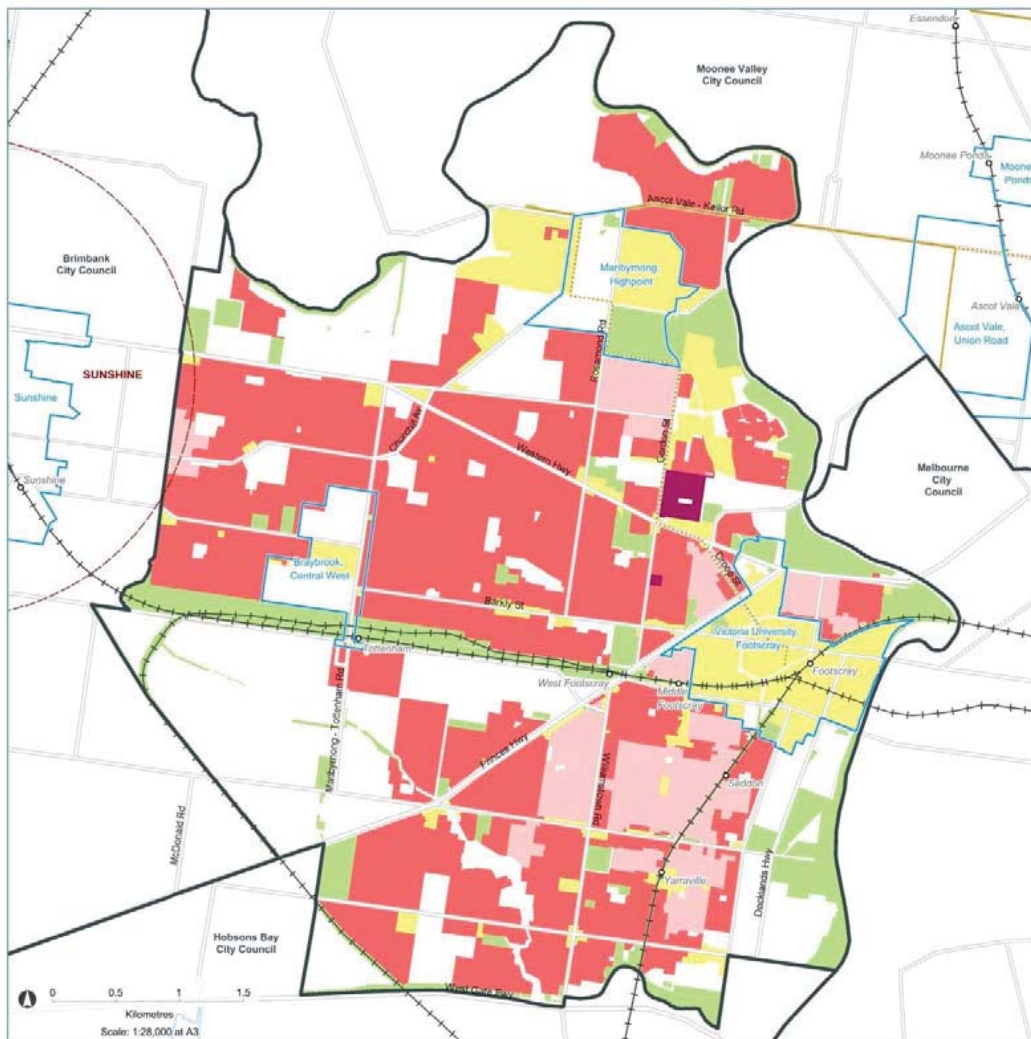
Draft Amendment C150 (C130 and additional RGZ precincts) was prepared by the Minister for Planning and the former DTPLI (now DELWP) undertook notice in accordance with the RZSAC Terms of Reference. The RZSAC held a public hearing in November 2014 and delivered its report in December 2014.
- 2015** Amendment C150 gazetted was on 23 April 2015.
Council commenced a review of its *Housing Strategy, 2011* in December 2015.

New residential zones implementation

The new residential zones were introduced into the Maribyrnong Planning Scheme through Amendments VC116 and the Planning Scheme was further amended through Amendment C150.

Amendment VC116 applied to a number of Planning Schemes where councils were not in a position to facilitate the conversion to the new residential zones by 1 July 2014. The amendment translated land in the former Residential 1, 2 and 3 Zones to GRZ.

Maribyrnong: Zones that allow for residential development



- Residential Growth Zone (RGZ)
 - General Residential Zone (GRZ)
 - Neighbourhood Residential Zone (NRZ)
 - Other zones that allow for residential development*
 - Public land^
- Name LGA boundary
 - Name Activity centre boundary
 - NAME National employment cluster
 - Tram route
 - Main roads
 - Railway and station

Maribyrnong City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

Maribyrnong: New residential zones implementation

Amendment number	VC116
Was it reviewed by the RZSAC?	No
Was it a 20(4) Amendment?	Yes
Gazettal Date	1 July 2014
Supporting strategic work	Amendment V8 and Maribyrnong Planning Scheme

Amendment C130 was prepared by Council and proposed a translation of all land zoned Residential 1 to the new residential zones. The Minister wrote to the RZSAC indicating that the application of the RGZ in four precincts needed to be considered before he

could consider Amendment C130. The Minister subsequently prepared Draft Amendment C150 which was basically the same as Amendment C130 with the exception that it proposed the RGZ to four precincts. The RZSAC considered the amendment and supported it, other than the application of the RGZ in some of the proposed precincts. Following the release of the RZSAC report in December 2014, the Minister approved Amendment C150 and applied the RGZ to the Western Hospital precinct and the NRZ to some areas in Footscray as per the RZSAC’s recommendation.

Maribyrnong: New residential zones implementation

Amendment number	C150
Was it reviewed by the RZSAC?	Yes (Stage Two)
Was it a 20(4) Amendment?	Yes
Gazettal Date	23 April 2015
Supporting strategic work	Maribyrnong Housing Strategy, 2011

Population and households

As at 2011, the population of Maribyrnong was approximately 75,000 residents. Maribyrnong has an average population density of 40 people per residential hectare.

By 2031 the municipality’s population is expected to grow by 45,000 residents. Over this time population growth, combined with changes to the composition of existing households, is expected to result in an increase of approximately 18,000 households.

Maribyrnong's projected annual average population increase of 2.4% compares to 1.8% for metropolitan Melbourne.

Maribyrnong: Victoria in Future population projections

	2011	2031	Average annual increase
Estimated resident population	75,154	120,306	2.4%
Households	30,235	48,293	2.4%
Average household size	2.45	2.46	0.0%

Source: Victoria in Future, 2015

Zoned land

The GRZ applies to about three quarters of Maribyrnong’s residential area.

The NRZ has been applied mostly in Yarraville and Seddon and some pockets around the Footscray Activity Centre and Maidstone. The NRZ has mainly been applied to residential areas within the Heritage Overlay. The RGZ was applied to a housing association site on Gordon Street and to an area between Quarry Park and Gordon Street in Footscray.

Maribyrnong: Zones that allow for residential development

	NRZ	GRZ	RGZ	Other
Number of lots	4,586	19,066	184	3,148
Area (hectares)	163	898	9	213
% of total residentially zoned land	12.7%	70.0%	0.7%	16.6%

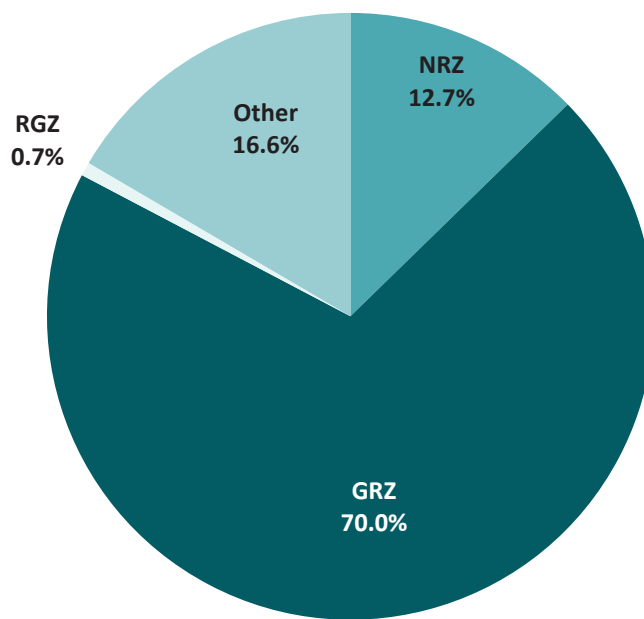
The Mixed Use Zone, Activity Centre Zone and Commercial 1 Zone apply to most of the other land in Maribyrnong on which residential development is permitted. The Footscray Activity Centre is entirely within the Activity Centre Zone, and the core commercial areas of Yarraville and Highpoint activity centres are in the Commercial 1 Zone. Shopping strips in Seddon, Braybrook and Maidstone are in the Mixed Use Zone and the Commercial 1 Zone.

The Comprehensive Development Zone has been applied to facilitate Waterford Green development (which is largely complete) and the Edgewater development to the east of Maidstone.

Maribyrnong: Other zones that allow for residential development

	C1Z	ACZ	MUZ	CDZ
Number of lots	314	1,328	578	928
Area (hectares)	53	85	35	40
% of total residentially zoned land	4.1%	6.6%	2.7%	3.1%

Maribyrnong: Proportion of land in each zone



As at 2014, there were approximately 34,200 dwellings in Maribyrnong. Since 2010 the municipality’s dwelling stock has been growing at approximately 760 dwellings per annum.

Over the 2010-2014 period, 46% of the municipality’s new dwellings were on land now zoned GRZ, which tended to be in the form of medium density dwellings, while approximately 4% of new dwellings were developed on land now zoned NRZ.

About 27% of new dwellings were constructed in the Activity Centre Zone and the Mixed Use Zone, mostly in high density projects. As per local planning policy (CI.21.04), this development is steadily adding dwellings and population to the municipality’s activity centres and is located near major transport infrastructure.

Maribyrnong: Recent housing construction

	NRZ	GRZ	RGZ	ACZ	MUZ	CDZ	C1Z
Net dwelling increase 2010-2014	170	1,729	16	660	390	832	1
Total projects (with net increase) 2010-2014	69	722	2	24	10	52	1

Source: Draft Housing Development Data, 2014

The *Urban Development Program 2015* indicates that planned residential projects in Maribyrnong would yield around 20,000 dwellings, which is one of the highest numbers across all metropolitan municipalities. However, some projects have been in planning for some years and not progressed to construction. This may reflect that even though there are large industrial sites suitable for redevelopment many of these sites have issues such as contamination that make redevelopment more difficult.

Maribyrnong: Planned major residential development projects

	NRZ	GRZ	RGZ	Other
Dwellings in planned UDP projects	98	2,503	45	17,000
Number of planned UDP projects	6	64	2	84

Source: Urban Development Program, 2015

Significant residential development is expected in the Footscray Activity Centre where a large number of medium and high density developments planned. This includes major projects along Josephs Road, within the Footscray Station Precinct and the redevelopment of the Ryco Site. Other major projects include the redevelopment of the Kinnears site on land currently zoned Mixed Use, plans for housing development on the Victoria University site in Braybrook, and a planned residential development in the Highpoint Activity Centre. The proposed redevelopment of the Maribyrnong Defence Site (which is on Commonwealth Land Not Controlled by Planning Scheme (CA)) is a particularly large project and is expected to involve the construction of 3,000 dwellings, although this project has been in planning for some time.

The six projects planned within land now zoned NRZ are, perhaps, a legacy of transitional provisions where projects lodged prior to the implementation of the new residential zones are considered against the previous zones.

Maribyrnong: Planned major residential development projects in other zones

	C1Z	ACZ	MUZ	CDZ	C2Z	INZ	SUZ	CA
Dwellings in planned UDP projects	586	7,292	2,413	589	992	2,016	112	3,000
Number of planned UDP projects	4	45	15	9	4	5	1	1

Source: Urban Development Program, 2015

Over the 2010-2014 period, most development projects within Maribyrnong were single dwelling or dual occupancy projects in the GRZ. The GRZ also saw a relatively high number of 1 for 1 replacement projects which suggests redevelopment of older housing stock into more contemporary housing.

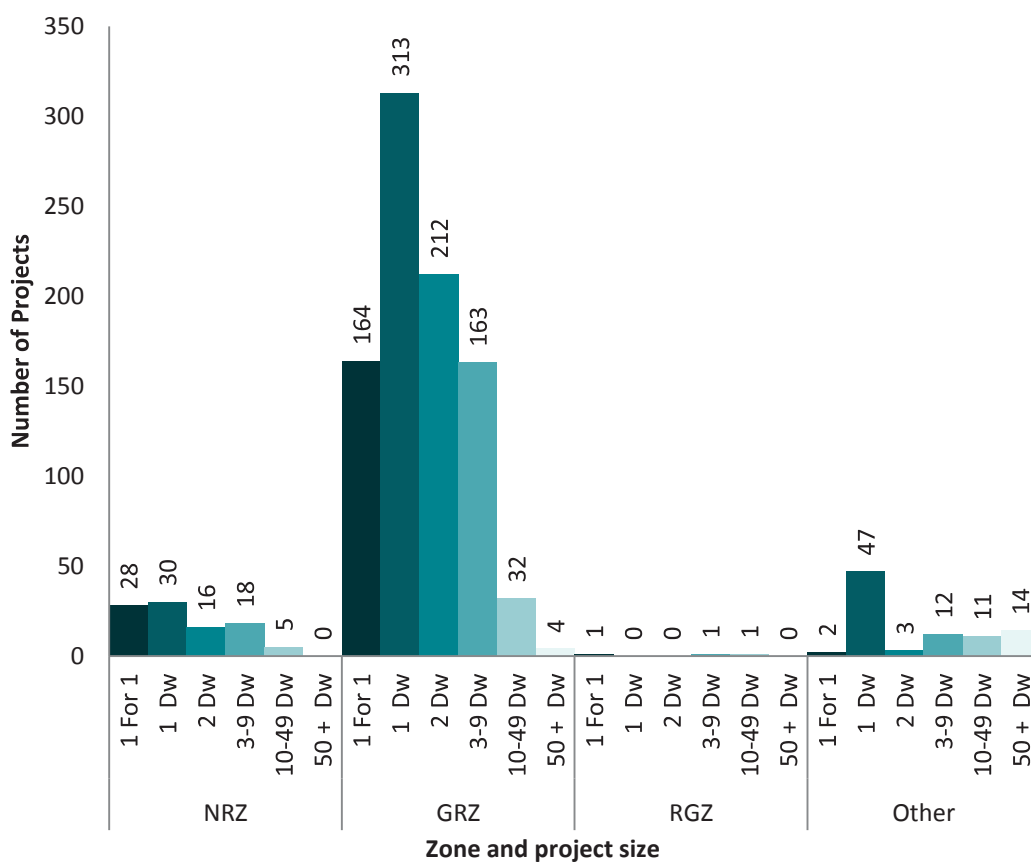
In addition, there were a number projects in Maribyrnong over the 2010-2014 period that yielded between three and nine new dwellings and 10 to 49 dwellings. Some of these projects involved the rezoning of industrial land into residential uses. This type of multi-unit type development is expected to continue as more sites change use.

For the 2010-2014 period, there were only a small number of development projects on land now zoned NRZ, most of which were single dwelling or dual occupancy projects. Small infill projects resulting in one or two dwellings are still permitted under NRZ while projects with more than two dwellings will no longer be permitted.

Relative to the GRZ, there are few development projects in the Mixed Use and Activity Centre Zones. However, these projects tend to yield a significant number of dwellings and provided approximately 27% of new dwellings at high densities over the 2010-2014 period.

The use and transformation of land in the Activity Centre Zone has been highly efficient in terms of providing a large number of dwellings on a relatively small amount of land. For the 2010-2014 period, 660 dwellings were developed in this zone on approximately 3.2 hectares of land. By contrast, over the same period, 1,729 dwellings were developed in the GRZ on 63 hectares of land.

Maribyrnong: Number of residential development projects by project size, 2010-2014

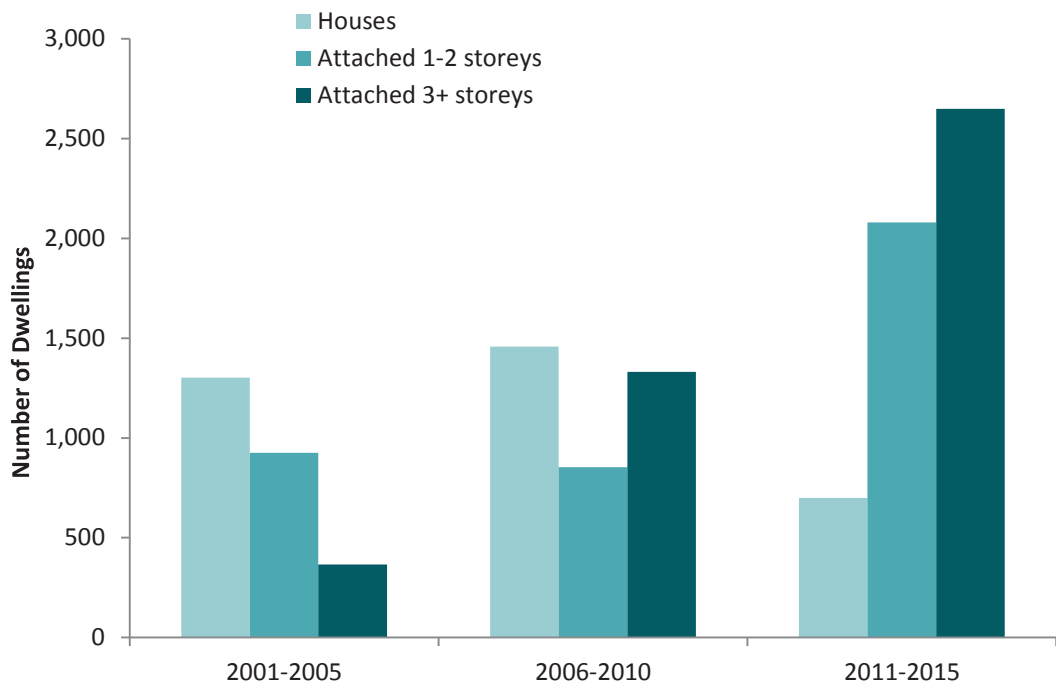


Source: Draft Housing Development Data, 2014

There has been a steady increase in the number of apartments in buildings of three or more storeys since 2001, with approximately 250 apartment approvals in the 2001-2005 period increasing to more than 2,500 approvals in the 2011-2015 period.

Dwellings in smaller one and two storey attached developments have also increased significantly, more than doubling to over 2,000 approvals in the last five-year period. Over the same time the number of approvals for detached housing has declined. The *Urban Development Program 2015* indicates that a high level of apartment approvals is likely to continue.

Maribyrnong: Dwellings approved by built form category, 2001-2015



Source: ABS Building Approvals, Sept 2015 (cat. no. 8731.0)

Port Phillip

At a glance

The City of Port Phillip is located between 2 to 9 kilometres south of the Melbourne's CBD. The municipality is served by the Sandringham railway line, St Kilda and Port Melbourne light rail lines, numerous tram and bus lines and access to the Nepean and Princess Highway.

Port Phillip features 11 kilometres of foreshore and is one of the oldest areas of Melbourne. The municipality comprises a mixture of land uses including residential, commercial, along with substantial industrial and office uses. It also supports the Port of Melbourne's activities and has several parks and gardens.

Residential zones history

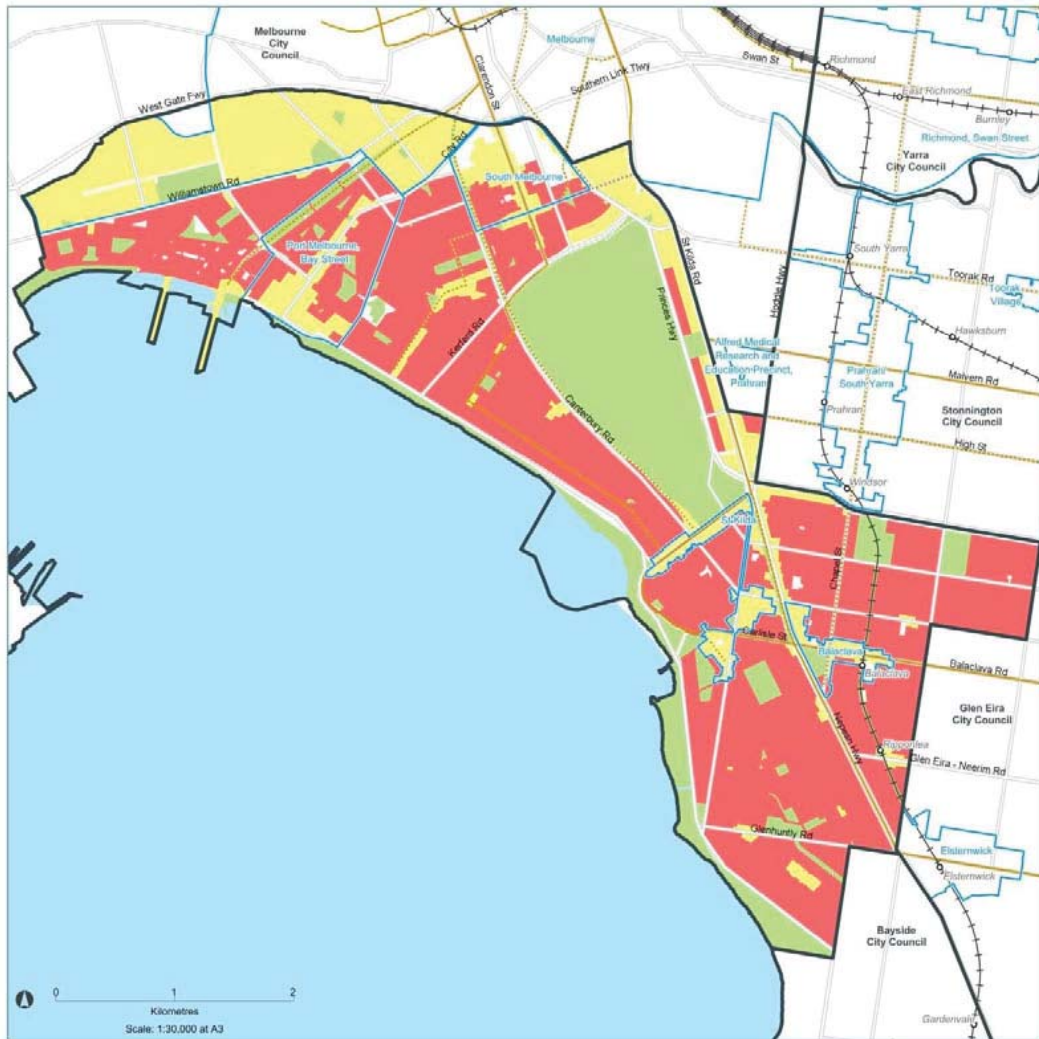
- 2005** Port Phillip City Council commenced work for its *Inner Regional Housing Statement 2005* in November 2005.
- 2006** Council commenced work on its *Housing Strategy*.
- 2007** Council undertook community consultation on its *Housing Strategy 2007-2017* in August 2007 and it was adopted by Council in October 2007.
- 2010** Amendment C62 (MSS review and Housing Policy) was placed on public exhibition during March and April 2010. An independent panel held a public hearing and delivered a panel report in November 2010.
- 2011** Amendment C62 was gazetted on 27 June 2011.
- 2014** Council undertook community consultation for the new residential zones between February and March 2014.
Council prepared Amendment C113 (translation based on C62) in May 2014.
Council prepared Amendment C114 (new residential zones to specific areas) in August 2014.
Amendment VC116 removed the Residential 1, 2 and 3 zones from the Victoria Planning Provisions and rezoned land previously in Residential 1, 2 or 3 zones to GRZ. It was gazetted on 1 July 2014.
- 2015** In May 2015, the Minister for Planning requested Council undertake further work in relation to C113 and C114. Council subsequently prepared Amendment C118 in October 2015 and requested the Minister for Planning to approve it without notice (20(4) amendment).
Amendment C123 (NRZ for St Kilda, East St Kilda, Ripponlea and Elwood) was prepared by Council in October 2015. Amendment C123 is expected to follow a full planning scheme amendment process in 2016.

New residential zones implementation

The new residential zones were introduced into the Port Phillip Planning Scheme through Amendment VC116.

Amendment VC116 applied to a number of Planning Schemes where councils were not in a position to facilitate the conversion to the new residential zones by 1 July 2014. The amendment translated land in the former Residential 1, 2 and 3 Zones to GRZ.

Port Phillip: Zones that allow for residential development



- General Residential Zone (GRZ)
- Other zones that allow for residential development*
- Public land^

- Name LGA boundary
- Name Activity centre boundary
- Tram route
- Main roads
- Railway and station

Port Phillip City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

Port Phillip: New residential zones implementation

Amendment number	VC116
Was it reviewed by the RZSAC?	No
Was it a 20(4) Amendment?	Yes
Gazettal Date	1 July 2014
Supporting strategic work	Amendment V8 and Port Phillip Planning Scheme

Population and households

As at 2011, the population of Port Phillip was approximately 97,000 residents. Port Phillip has a population density of 83 residents per hectare which is the second highest in metropolitan Melbourne.

By 2031 the municipality’s population is expected to grow by 43,000 residents. Over this time population growth, combined with changes to the composition of existing households, is expected to result in an increase of approximately 21,000 households.

Port Phillip's projected annual average population increase of 1.9% compares to 1.8% for metropolitan Melbourne.

Port Phillip: Victoria in Future population projections

	2011	2031	Average annual increase
Estimated resident population	97,260	140,486	1.9%
Households	49,905	70,706	1.8%
Average household size	1.90	1.93	0.1%

Source: Victoria in Future, 2015

Zoned land

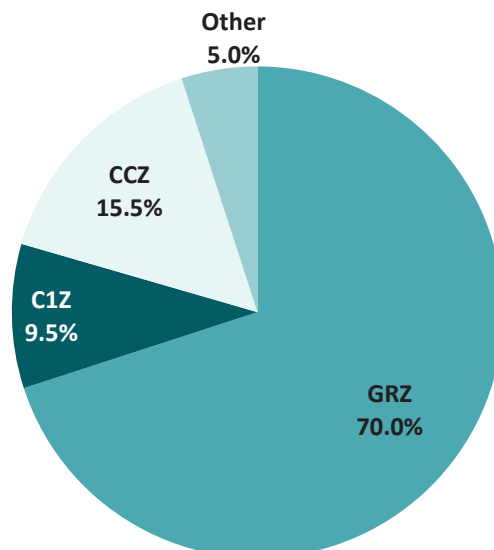
The GRZ has replaced all areas that were formerly zoned Residential 1.

The Commercial 1 Zone and the Capital City Zone make up most of the land in other zones on which residential development is permitted. The Commercial 1 Zone applies to the core areas of the municipality’s activity centres of Balacava, St Kilda, South Melbourne, Port Melbourne and land along St Kilda Road. The Fishermans Bend precinct in the north-west of the municipality is zoned Capital City Zone.

Port Phillip: Zones that allow for residential development

	GRZ	C1Z	CCZ	MUZ	CDZ
Number of lots	19,303	1,820	698	426	12
Area (hectares)	703	95	156	30	20
% of total residentially zoned land	70.0%	9.5%	15.5%	3.0%	2.0%

Port Phillip: Proportion of land in each zone



As at 2014, there were 57,600 dwellings in Port Phillip. Since 2010 the municipality’s dwelling stock has been growing at approximately 950 dwellings per annum.

Over the 2010-2014 period, most new dwellings (72%) were developed in the Commercial 1 and Mixed Use zones, generally at high density.

Development on land now zoned GRZ comprised 28% of new dwelling supply in the 2010-2014 period, also at high density although not as high as development in commercial areas.

Port Phillip: Recent housing construction

	GRZ	C1Z	MUZ
Net dwelling increase 2010-2014	1,345	2,207	1,220
Total projects (with net increase) 2010-2014	165	26	22

Source: Draft Housing Development Data, 2015

Urban Development Program 2015 data shows there are projects with a significant number of new dwellings planned in the Capital City Zone in the Fishermans Bend Precinct. These dwellings are expected to be high density. The Commercial 1 Zone is also expected to see several high density developments, with a number of major projects planned for Albert Road in South Melbourne and the southern end of St Kilda Road.

Future major development in the Mixed Use Zone is expected to be at a slightly lower density than the Capital City and Commercial 1 zones. Projects in the Mixed Use Zone are planned in the activity centres of St Kilda, South Melbourne, Port Melbourne and Balaclava.

There is also significant residential development activity expected in the GRZ, predominantly in the municipality’s southern suburbs of St Kilda, St Kilda East and Elwood. Projects planned for these areas are at a lower density than those planned for commercial and mixed use areas although they are still likely to be four storeys or more.

Port Phillip: Planned major residential development projects

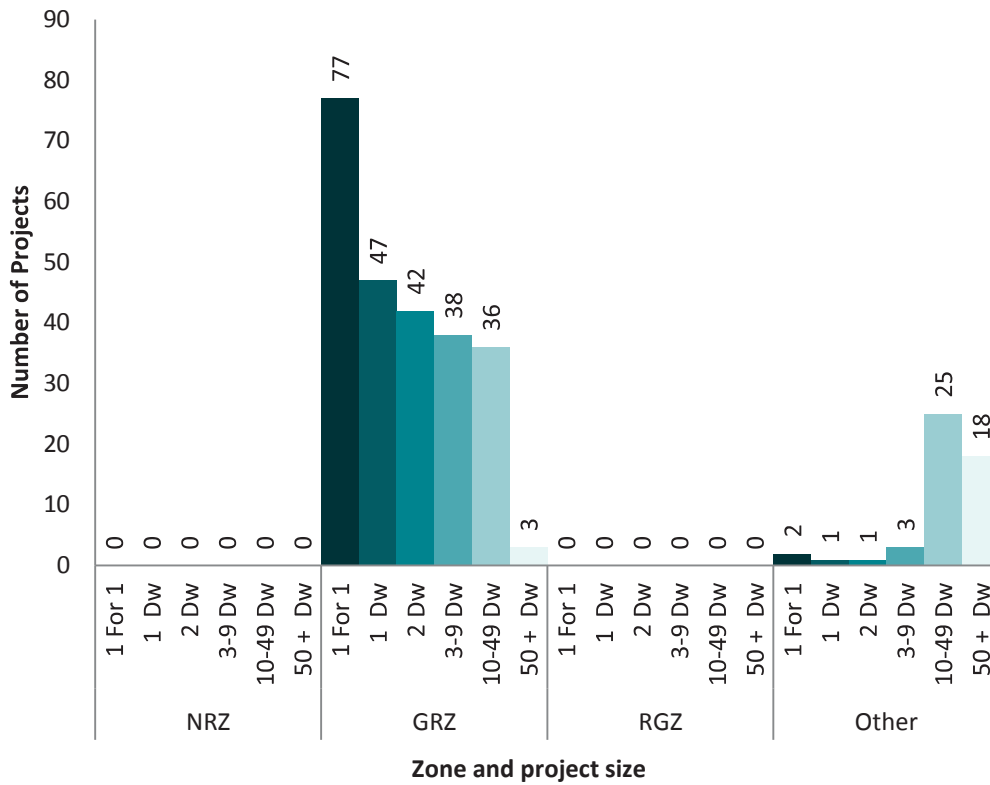
	GRZ	C1Z	CCZ	MUZ	PPRZ
Dwellings in planned UDP projects	1,885	3,571	11,146	1,057	22
Number of planned UDP projects	52	42	24	24	1

Source: Urban Development Program 2015

Over the 2010-2014 period, development in the GRZ ranged from single dwellings on one lot to multi-unit developments of up to 49 dwellings. This mix of development is expected to continue.

Relative to the GRZ, there are fewer development projects on land now zoned Commercial 1 and Mixed Use, although they tend to produce more dwellings.

Port Phillip: Number of residential development projects by project size, 2010-2014

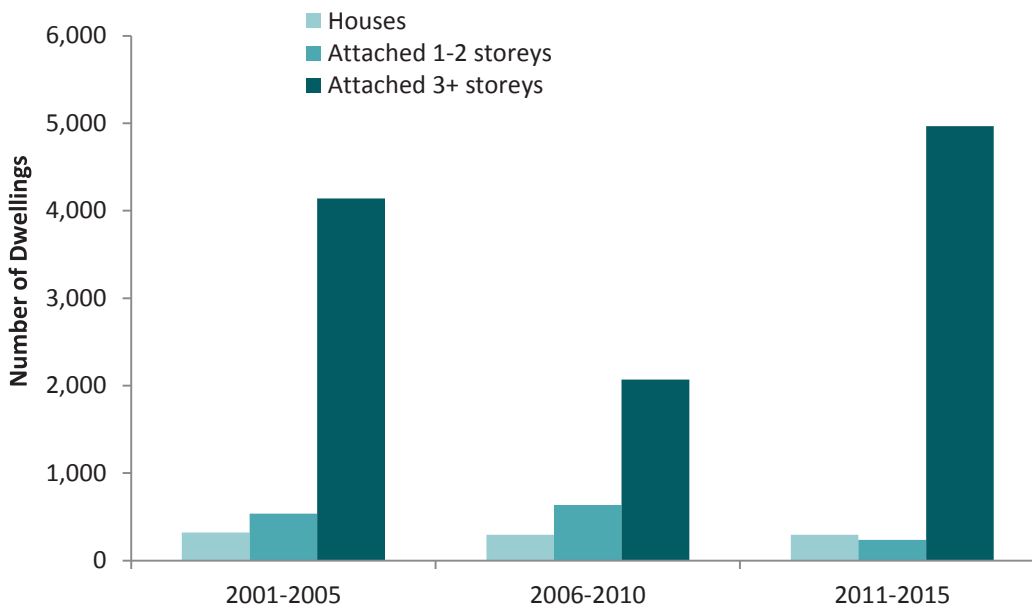


Source: Draft Housing Development Data, 2014

Since 2001 the development industry has responded to high land prices and strong demand for housing in Port Phillip by producing more high density dwellings and fewer detached houses.

Apartment development makes up most new housing development in the municipality. Over the 2006-10 period, apartment approvals declined to 2,068 approvals, but have since increased to nearly 5,000 approvals in the 2011-2015 period. *Urban Development Program 2015* data indicates that a high level of apartment development will continue.

Dwellings approved by built form category



Source: ABS Building Approvals, Sept 2015 (cat. no. 8731.0)

Stonnington

At a glance

The City of Stonnington is located between 3 to 14 kilometres south-east of Melbourne’s CBD. The municipality is served by the Cranbourne, Frankston, Glen Waverley, Pakenham and Sandringham railway lines, numerous tram and bus routes as well as to the Monash Freeway, Princes Highway and Punt Road.

Stonnington is recognised for its significant retail precincts and historical architecture. The municipality comprises a mixture of land uses including residential, commercial, along with some industrial, office and institutional uses.

Residential zones history

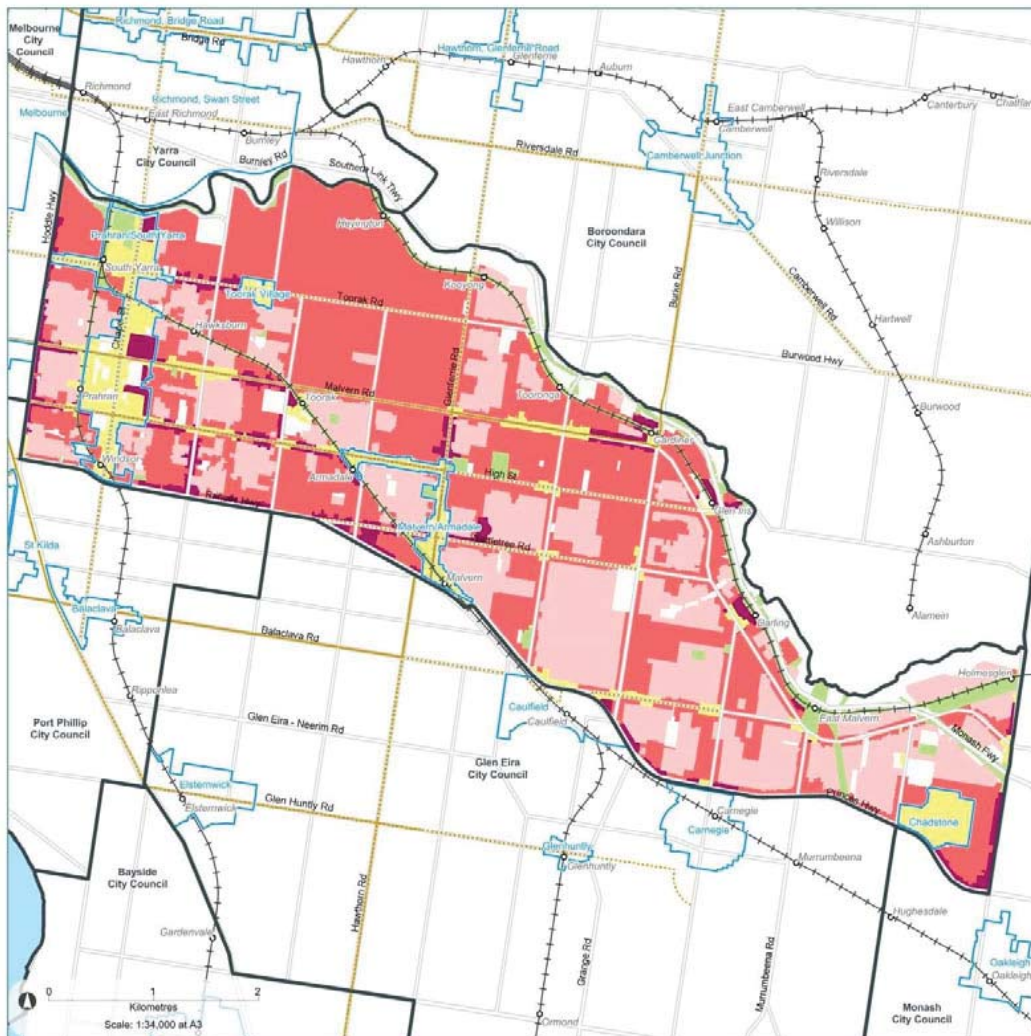
- 2009** Stonnington City Council commenced work and undertook community consultation on its *Planning Scheme Review* in October 2009
- 2010** Council adopted its *Planning Scheme Review* in June 2010.
- 2012** Amendment C161 (MSS review) was placed on public exhibition during May and June 2012.
- 2013** An independent panel conducted a public hearing for Amendment C161 and delivered a panel report in June 2013.
 Council adopted its *Stonnington Neighbourhood Character Review* in February 2013.
 Council undertook consultation on its new residential zones in September and October 2013.
 Council prepared Amendment C187 (new residential zones) in December 2013 and requested the Minister for Planning approve it without notice (20(4) amendment). Amendment C161 was gazetted on 5 December 2013.
 Amendment C175 (neighborhood character policy) was placed on exhibition during August and September 2013.
- 2014** Amendment C187 was gazetted on 19 June 2014.
 Amendment VC116 removed the Residential 1, 2 and 3 zones from the Victoria Planning Provisions and rezoned land previously in Residential 1, 2 or 3 zones to GRZ. It was gazetted on 1 July 2014.
 An independent panel conducted hearings for Amendment C175 and delivered a panel report in November 2014.
- 2015** Amendment C175 was gazetted on 17 September 2015.

New residential zones implementation

The new residential zones were introduced into the Stonnington Planning Scheme through Amendment VC116 and C187.

Amendment VC116 applied to a number of Planning Schemes where councils were not in a position to facilitate the conversion to the new residential zones by 1 July 2014. The amendment translated land in the former Residential 1, 2 and 3 Zones to GRZ.

Stonnington: Zones that allow for residential development



- Residential Growth Zone (RGZ)
 - General Residential Zone (GRZ)
 - Neighbourhood Residential Zone (NRZ)
 - Other zones that allow for residential development*
 - Public land^
- Name LGA boundary
 - Name Activity centre boundary
 - Tram route
 - Main roads
 - Railway and station

Stonnington City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

Stonnington: New residential zones implementation

Amendment number	VC116
Was it reviewed by the RZSAC?	No
Was it a 20(4) Amendment?	Yes
Gazettal Date	1 July 2014
Supporting strategic work	Amendment V8 and Stonnington Planning Scheme

Amendment C187 rezoned land in the former Residential 1 Zone to the new residential zones. The amendment was a translation of Stonnington’s existing residential zones to the new residential zones. It applied the NRZ to areas identified for minimal change, the

GRZ to areas identified for moderate growth, and the RGZ to areas along major public transport routes and near activity centres, in accordance with Council’s *Neighbourhood Character Review, 2013*.

Stonnington: New residential zones implementation

Amendment number	C187
Was it reviewed by the RZSAC?	No
Approval process	20(4) Amendment
Gazettal Date	19 June 2014
Supporting strategic work	<i>Neighbourhood Character Review, 2013</i>

Population and households

As at 2011, the population of Stonnington was approximately 99,000 residents. Stonnington has an average population density of 49 people per residential hectare.

The municipality’s population is expected to grow by 36,000 residents between 2011 and 2031. Over this time population growth, combined with changing household composition, is expected to result in an increase of approximately 17,000 households.

Stonnington's projected annual average population increase of 1.6% compares to 1.8% for metropolitan Melbourne.

Stonnington: Victoria in Future population projections

	2011	2031	Average annual increase
Estimated resident population	98,853	134,562	1.6%
Households	45,601	62,232	1.6%
Average household size	2.14	2.13	0.0%

Source: *Victoria in Future, 2015*

Zoned land

The GRZ has been applied to about half of Stonnington’s residentially zoned land to enable medium density change along major public transport corridors and strip shopping centres including land along Toorak, Malvern, Kooyong and Glenferrie roads. Council has developed a number of schedules that specify height and setback requirements for development in the GRZ areas along major roads. The suburbs of Malvern, Armadale and Toorak have the highest proportions of land zoned GRZ.

The NRZ has been applied mainly to residential land in the Heritage Overlay, land already constrained for development due to small lot sizes or flood risk, and areas furthest from major transport corridors and activity centres. Malvern and Malvern East have the largest areas of land zoned NRZ. Council has used the schedule to the NRZ to increase the default maximum building height from 8 to 9 metres.

The RGZ has mostly been applied to areas along major transport corridors that are in close proximity to Stonnington’s activity centres of Malvern/Armadale, Prahran/South Yarra and Toorak Village.

Stonnington: Zones that allow for residential development

	NRZ	GRZ	RGZ	Other
Number of lots	12,040	14,179	1,412	2,931

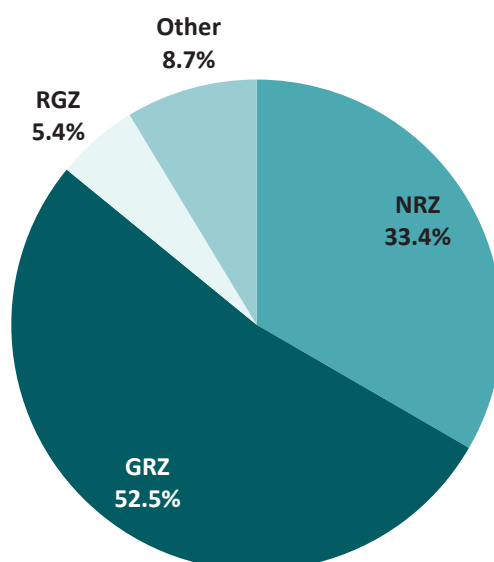
Area (hectares)	555	874	90	144
% of total residentially zoned land	33.4%	52.5%	5.4%	8.7%

The Commercial 1 Zone and the Mixed Use Zone have been applied to core areas of the municipality’s shopping strips including Chapel Street, High Street, Toorak Road, Malvern Road and Glenferrie Road. The Commercial 1 Zone and the Mixed Use Zone generally allow for high density dwelling development.

Stonnington: Other zones that allow for residential development

	C1Z	MUZ
Number of lots	2,714	217
Area (hectares)	133	11
% of total residentially zoned land	8.0%	0.7%

Stonnington: Proportion of land in each zone



As at 2014, there were 51,400 dwellings in Stonnington. Since 2010 the municipality’s dwelling stock has been growing at approximately 880 dwellings per annum.

Over the 2010-2014 period, 21% of new dwelling development was on land now zoned GRZ, mostly in the form of medium density development. Around 61% of new dwellings were constructed on land now zoned Commercial 1 Zone and Mixed Use Zone, and those projects generally resulted in high density dwellings.

Around 16% of new dwellings were developed on land now zoned RGZ, mostly in the form of 3 and 4 storey apartment buildings along the municipality’s major transport corridors.

Stonnington: Recent housing construction

	NRZ	GRZ	RGZ	C1Z	MUZ
Net dwelling increase 2010-2014	113	903	709	1,852	821
Total projects (with net increase) 2010-2014	82	188	36	32	8

Source: Housing Development Data, 2014

Urban Development Program 2015 data shows that over 8,800 new dwellings are planned for major redevelopment projects in the Commercial 1 Zone and the Mixed Use Zone. These projects will continue to add new dwellings and population to the municipality’s major transport corridors and activity centres, particularly those in South Yarra, Prahran and Malvern East. Major planned projects in commercial areas include the redevelopment of the former Fun Factory site, the 590 Orrong Road development, and developments in Yarra Street South Yarra, Wattle Street Prahran, and Dandenong Road Malvern East.

There is also significant residential development activity planned in the GRZ along public transport corridors and streets surrounding the major activity centres, with a number of projects planned for Toorak, Malvern East, South Yarra and Glen Iris. These developments are generally lower density than those in the Commercial 1 Zone.

Stonnington: Planned major residential development projects

	NRZ	GRZ	RGZ	C1Z	MUZ	PPR
Dwellings in planned UDP projects	145	2,372	886	7,420	1,381	238
Number of planned UDP projects	9	93	28	95	13	2

Source: *Urban Development Program 2015*

The most common forms of development activity on land now zoned GRZ and NRZ are 1 for 1 replacement and dual occupancy projects. Under the provisions of the NRZ and GRZ these projects will continue to be permitted.

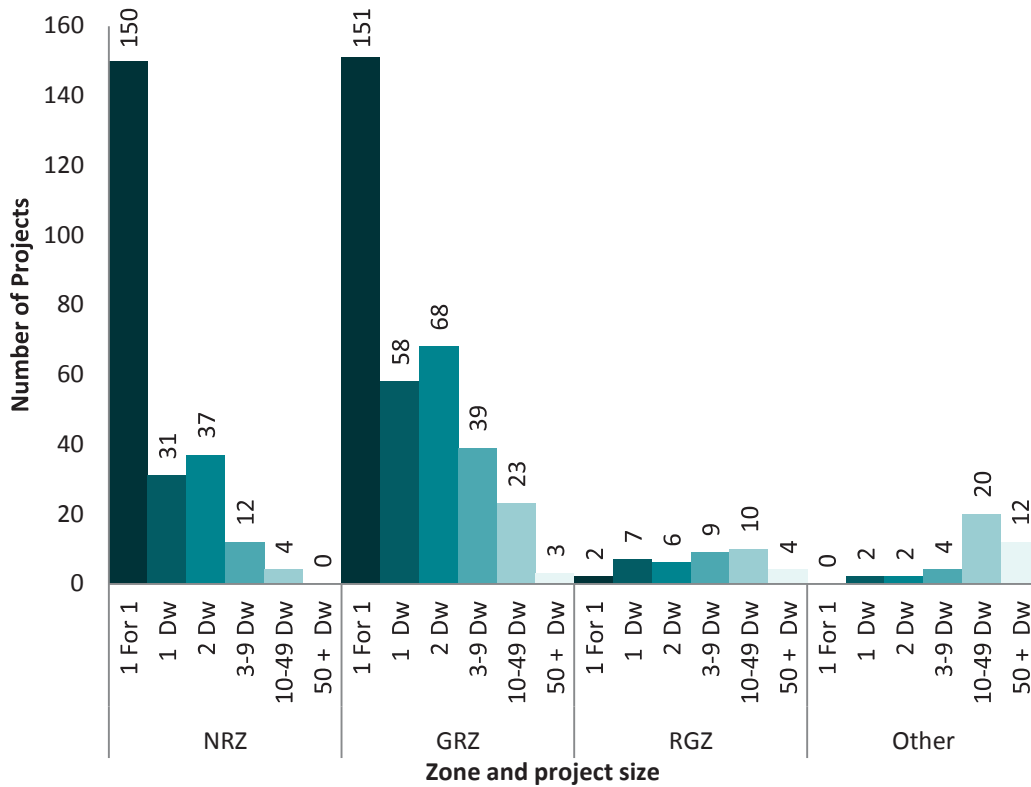
For the 2010-2014 period, there were also about 60 multi-unit developments yielding three to nine dwellings or 10-49 dwellings in areas now zoned GRZ. These will continue to be permitted in the GRZ in accordance with the setbacks and heights specified in the various GRZ schedules. Similar multi-unit projects yielding more than two dwellings per lot on land now zoned NRZ will no longer be permitted.

Compared with other parts of metropolitan Melbourne such as Monash, Glen Eira, Moonee Valley and Whitehorse, Stonnington had relatively few projects producing two to three dwellings.

Relative to the NRZ and GRZ, there are very few development projects in areas now zoned RGZ, Commercial 1 Zone and Mixed Use Zone. However, these projects tend to yield a significant number of dwellings at a high density.

The redevelopment of land in the Commercial 1 Zone tends to be significantly higher in density. Over the 2010-2014 period, 1,852 dwellings were developed on approximately 2.7 hectares of land in the Commercial 1 Zone. In contrast, only 903 dwellings were constructed on 19 hectares of land in the GRZ.

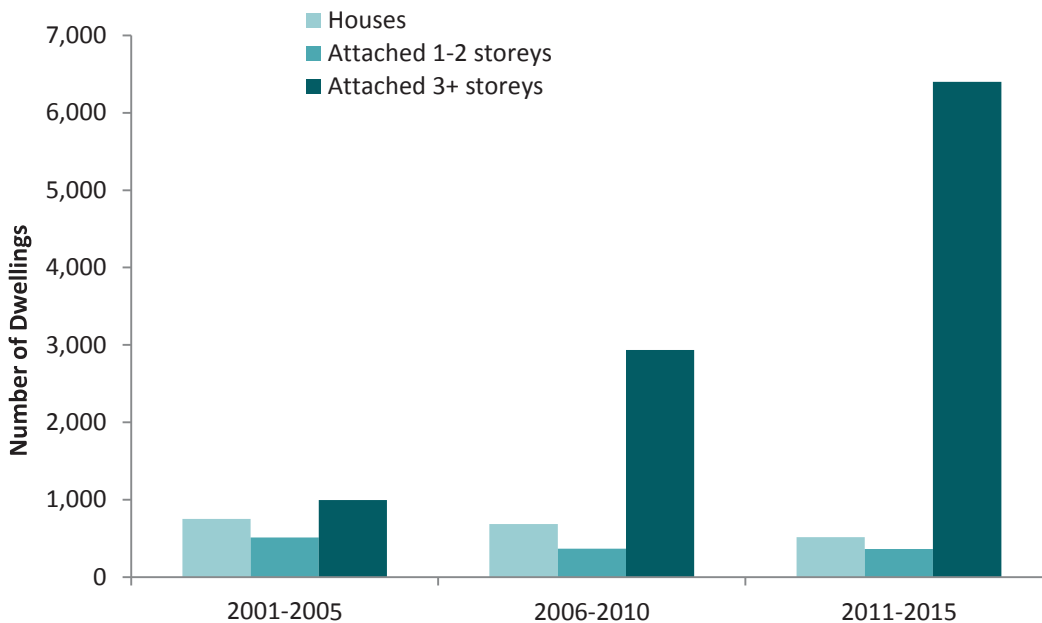
Stonnington: Number of residential development projects by project size, 2010-2014



Source: Draft Housing Development Data, 2014

Since 2001 there has been a steady increase in apartment approvals of three or more storeys in Stonnington. Over the 2001-2005 period there were 996 apartment approvals. Apartment approvals increased to 2,936 approvals in the 2006-2010 period and then more than doubled to 6,401 approvals in 2011-2015 period. Over the same period, smaller one and two storey attached developments and detached housing development declined. *Urban Development Program 2015* data indicates that a high level of apartment approvals is likely to continue.

Dwellings approved by built form category, 2001-2015



Source: ABS Building Approvals, Sept 2015 (cat. no. 8731.0)

Yarra

The City of Yarra is located between 1 to 8 kilometres north-east of Melbourne’s CBD. Yarra is served by several railway lines, numerous trams and bus routes as well as access to CityLink, the Eastern Freeway, Alexandra Parade and Hoddle Street.

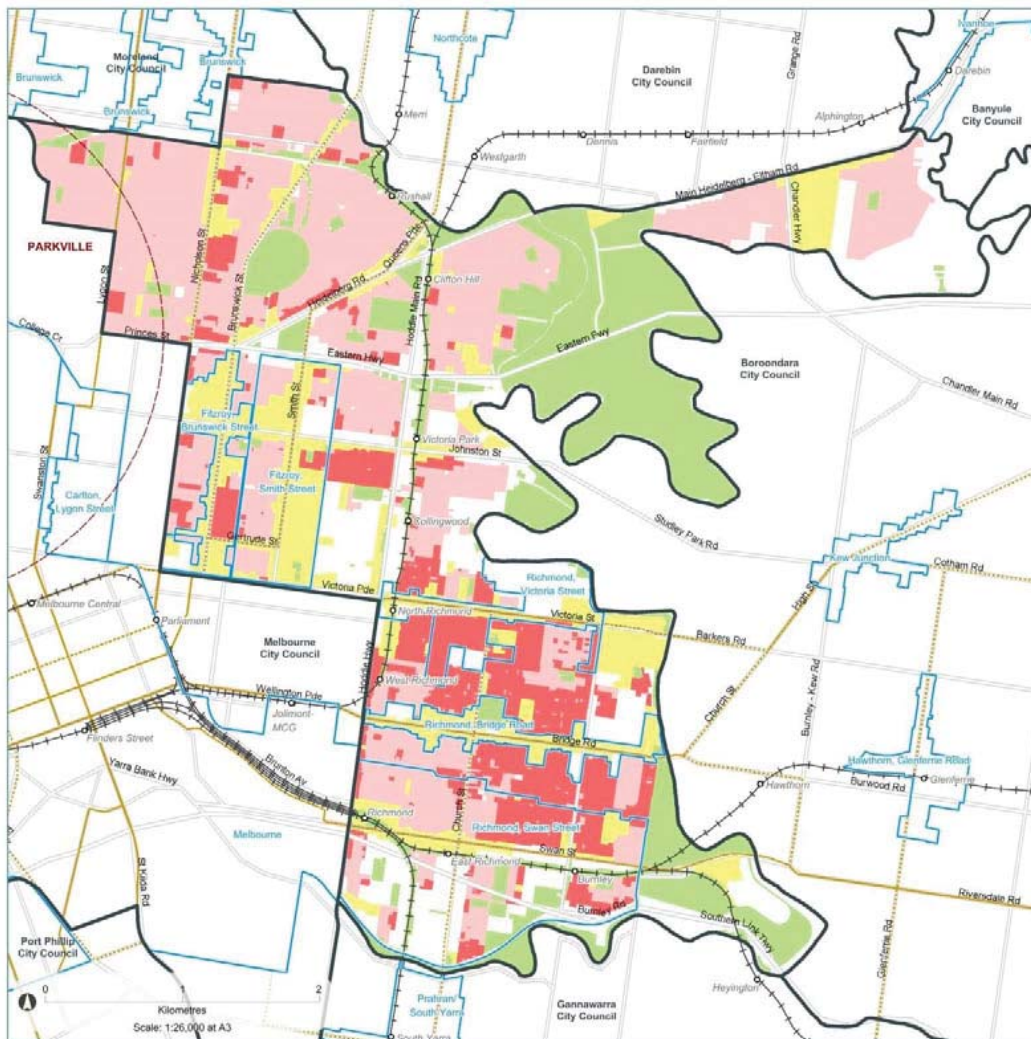
Yarra comprises a mixture of residential, industrial and commercial land uses and is also recognised by its hospitals and universities. The municipality includes a diverse range of residential development types from high and low-rise apartments to detached and semi-detached Victorian and Edwardian dwellings and townhouses. The municipality includes key commercial areas along several main roads and is known for its extensive community services infrastructure.

At a glance

Residential zones history

- 2001** Yarra City Council adopted its *Yarra Residential Interface Study, 2001*.
- 2003** Council adopted its *Yarra Built Form Review, 2003*.
- 2006** Amendment C84 (MSS review) was placed on public exhibition during August and September 2006.
- 2007** Council undertook a study of heritage areas and adopted its *Heritage Review, 2007*.
- 2008** An independent panel conducted a public hearing for Amendment C84 and delivered a panel report in February 2008.
Amendment C85 (*Heritage Review, 2007*) was placed on public exhibition during May and July 2007. An independent panel conducted hearings and delivered a panel report in June 2008.
- 2009** Amendment C84 was gazetted on 13 August 2009.
- 2010** Amendment C85 was gazetted on 30 September 2010.
Council undertook consultation on its Issues and Opportunities Paper for its *Housing Strategy 2010-2013* and this was adopted by Council in October 2010.
- 2013** Council commenced work on its residential zones implementation in December 2013.
- 2014** Council prepared Amendment C176 (NRZ and GRZ) in April 2015 and requested the Minister for Planning to approve it without notice (20(4) amendment).
Amendment VC116 removed the Residential 1, 2 and 3 zones from the Victoria Planning Provisions and rezoned land previously in Residential 1, 2 or 3 zones to GRZ. It was gazetted on 1 July 2014.
Draft Amendment C179 (RGZ) was prepared by Council and it undertook notice in accordance with the RZSAC Terms of Reference. The RZSAC held a public hearing in September 2014 and delivered an interim report in October 2014.
- 2015** Amendment C176 was gazetted on 30 April 2015.
Amendment C197 (NRZ and GRZ) was placed on public exhibition during November and December 2015.

Yarra: Zones that allow for residential development



- General Residential Zone (GRZ)
 - Neighbourhood Residential Zone (NRZ)
 - Other zones that allow for residential development*
 - Public land^
- Name LGA boundary
 - Name Activity centre boundary
 - Name National employment cluster
 - Tram route
 - Main roads
 - Railway and station

Yarra City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

New residential zones implementation

The new residential zones were introduced into the Yarra Planning Scheme through Amendments VC116 and the Planning Scheme was further amended through Amendment C176.

Amendment VC116 applied to a number of Planning Schemes where councils were not in a position to facilitate the conversion to the new residential zones by 1 July 2014. The amendment translated land in the former Residential 1, 2 and 3 Zones to GRZ.

Yarra: New residential zones implementation

Amendment number	VC116
Was it reviewed by the RZSAC?	No
Was it a 20(4) Amendment?	Yes
Gazettal Date	1 July 2013
Supporting strategic work	Amendment V8 and Yarra Planning Scheme

The new residential zones were introduced into the Yarra Planning Scheme through Amendment C176.

Amendment C176 applied the NRZ, with three schedules, to most of the residential zoned land within the municipality and introduced four new schedules to the GRZ (replacing the existing generic Schedule 1). The basis of the amendment was Council’s *Residential Zones Implementation for the City of Yarra – Discussion Paper, December 2013*

Yarra: New residential zones implementation

Amendment number	C176
Was it reviewed by the RZSAC?	Yes (Stage Two)
Was it a 20(4) Amendment?	Yes
Gazettal Date	30 April 2015
Supporting strategic work	<i>Residential Zones Implementation for the City of Yarra – Discussion Paper, December 2013</i>

Population and households

As at 2011, the population of Yarra was approximately 79,000 residents. Yarra has an average population density of 66 people per hectare, which is the third highest in metropolitan Melbourne.

By 2031 the municipality’s population is expected to grow by 40,000 residents. Over this time population growth, combined with changes to the composition of existing households, is expected to result in an increase of approximately 18,000 households.

Yarra's projected annual average population increase of 2.1% compares to 1.8% for metropolitan Melbourne.

Yarra: Victoria in Future population projections

	2011	2031	Average annual increase
Estimated resident population	78,901	119,020	2.1%
Households	36,534	54,677	2.0%
Average household size	2.12	2.13	0.0%

Source: *Victoria in Future, 2015*

Zoned land

Yarra has applied the NRZ and GRZ.

The NRZ has been applied to half of the municipality’s residentially zoned land. The NRZ was primarily applied to residential areas covered by the Heritage Overlay in West

Richmond, Fitzroy and Abbotsford, and in heritage precincts in Princes Hill, Carlton North, Fitzroy North and Clifton Hill.

Land zoned GRZ is concentrated within Richmond between the activity centres of Victoria Street Bridge Road and Swan Street. There are additional pockets of land zoned GRZ in Collingwood and Fitzroy.

Yarra: Zones that allow for residential development

	NRZ	GRZ	Other
Number of lots	16,031	5,412	4,096
Area (hectares)	420	186	197
% of total residentially zoned land	52.3%	23.1%	24.5%

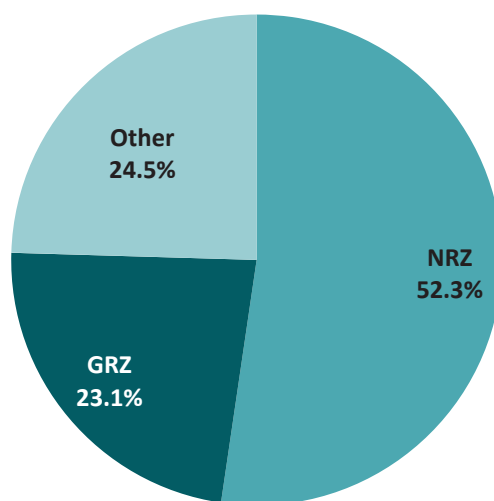
Yarra has significant land within the Commercial 1 and Mixed Use zones. These zones define land use within and around the municipality’s public transport corridors and activity centres including land along Victoria Street, Swan Street, Bridge Road, Brunswick Street, Smith Street and Johnston Street. These zones generally allow for high density development.

The Comprehensive Development Zone has been applied to land in the Yarra Gardens Precinct in Richmond (north-west of the Victoria Gardens Shopping Centre) and this precinct will accommodate some high density residential development.

Yarra: Other zones that allow for residential development

	C1Z	MUZ	CDZ	PDZ
Number of lots	2,683	1,393	15	5
Area (hectares)	105	76	13	3
% of total residentially zoned land	13.1%	9.5%	1.6%	0.4%

Yarra: Proportion of land in each zone



As at 2014, there were 42,100 dwellings in Yarra. Since 2010, the municipality’s dwelling stock has been growing at approximately 1,160 dwellings per annum.

Over the 2010-2014 period, most new dwellings were constructed in commercial and mixed use locations, with 34% of new dwellings developed on land zoned Commercial 1

Zone and 38% on land zoned Mixed Use. These dwellings were generally developed at high densities. There was also significant development in the Priority Development Zone in the Yarra Gardens Precinct in Richmond.

Over the 2010-2014 period, around 20% of new dwellings were developed in residential areas. Development in the GRZ included a number of major redevelopment projects along Burnley Street and Church Street in Richmond.

Yarra: Recent housing construction

	NRZ	GRZ	C1Z	MUZ	PDZ
Net dwelling increase 2010-2014	433	727	1,948	2,222	460
Total projects (with net increase) 2010-2014	133	109	36	72	2

Source: Draft Housing Development Data, 2014

The *Urban Development Program 2015* indicates that projects planned for the Mixed Use and Commercial 1 zones would yield around 8,500 dwellings. This includes the Richmond Plaza project and the Jacques Engineering site redevelopment in Richmond and the Banco Towers and Yorkshire Brewery redevelopments in Collingwood. These projects will continue to add new dwellings and population to the municipality’s major transport corridors and activity centres. Other planned projects include about 1,000 dwellings on land now zoned GRZ, mostly in Richmond.

Yarra: Planned major residential development projects

	NRZ	GRZ	C1Z	MUZ	CDZ	PDZ	C2Z
Dwellings in planned UDP projects	264	974	3,596	5,040	771	910	921
Number of planned UDP projects	10	26	67	51	2	2	7

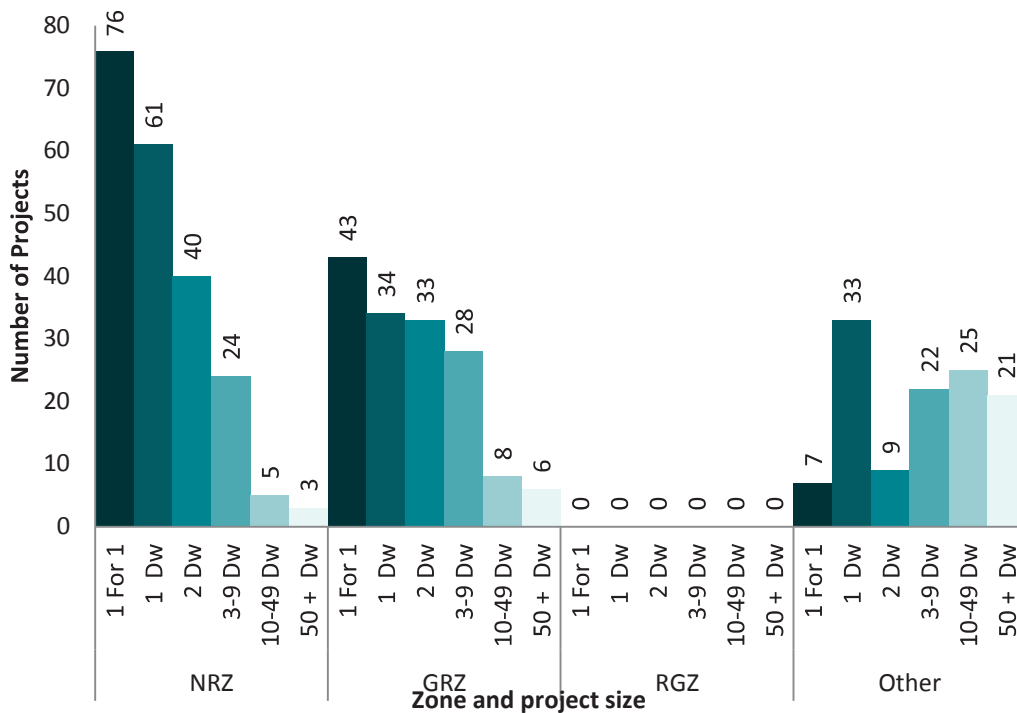
Source: Urban Development Program, 2015

Over the 2010-2014 period, most projects on land now zoned NRZ and GRZ were dual occupancies or single dwelling developments. There was also a relatively large number of multi-unit developments yielding three or more dwellings.

Multi-unit projects are allowed under the GRZ and may increase in the future, while only single dwelling and dual occupancy projects are allowed in the NRZ, except land zoned NRZ1 and NRZ3 where multi-unit development is permitted (up to five new dwellings in the NRZ1 and 10 dwellings in NRZ3). A high number of 1 for 1 replacement projects in the NRZ and the GRZ may also continue as older housing stock is replaced by new houses.

In addition, Yarra has seen a high number of development projects in the Commercial 1 and Mixed Use zones. These projects tend to be larger and result in significant numbers of new dwellings at high densities.

Yarra: Number of residential development projects by project size, 2010-2014



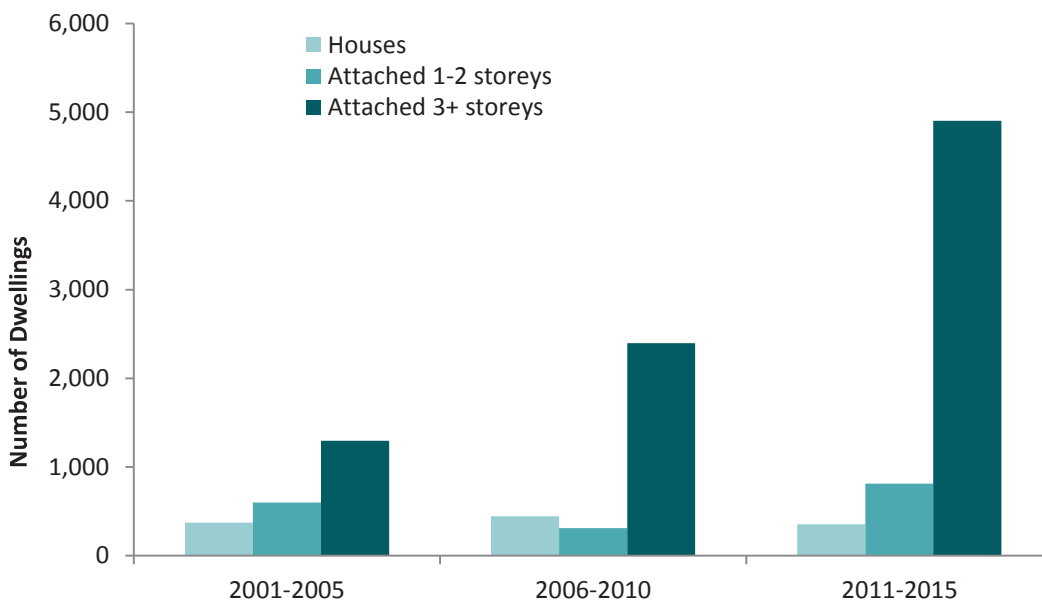
Source: Draft Housing Development Data, 2014

Since 2001 there has been a steady increase in apartment approvals in buildings of three or more storeys in Yarra. During the 2001-2005 period, there were 1,294 apartment approvals, increasing to 2,394 approvals in the 2006-2010 period, and then more than doubling to 4,904 approvals in 2011-2015.

Approvals for dwellings in one and two storey attached developments (typically units and townhouses) also increased, but declined relative to apartment approvals as a proportion of the municipality’s new dwelling stock.

Urban Development Program 2015 data indicates that a high level of apartment approvals is likely to continue.

Yarra: Dwellings approved by built form category, 2001-2015



Source: ABS Building Approvals, Sept 2015 (cat. no. 8731.0)

Managing Residential Development Taskforce

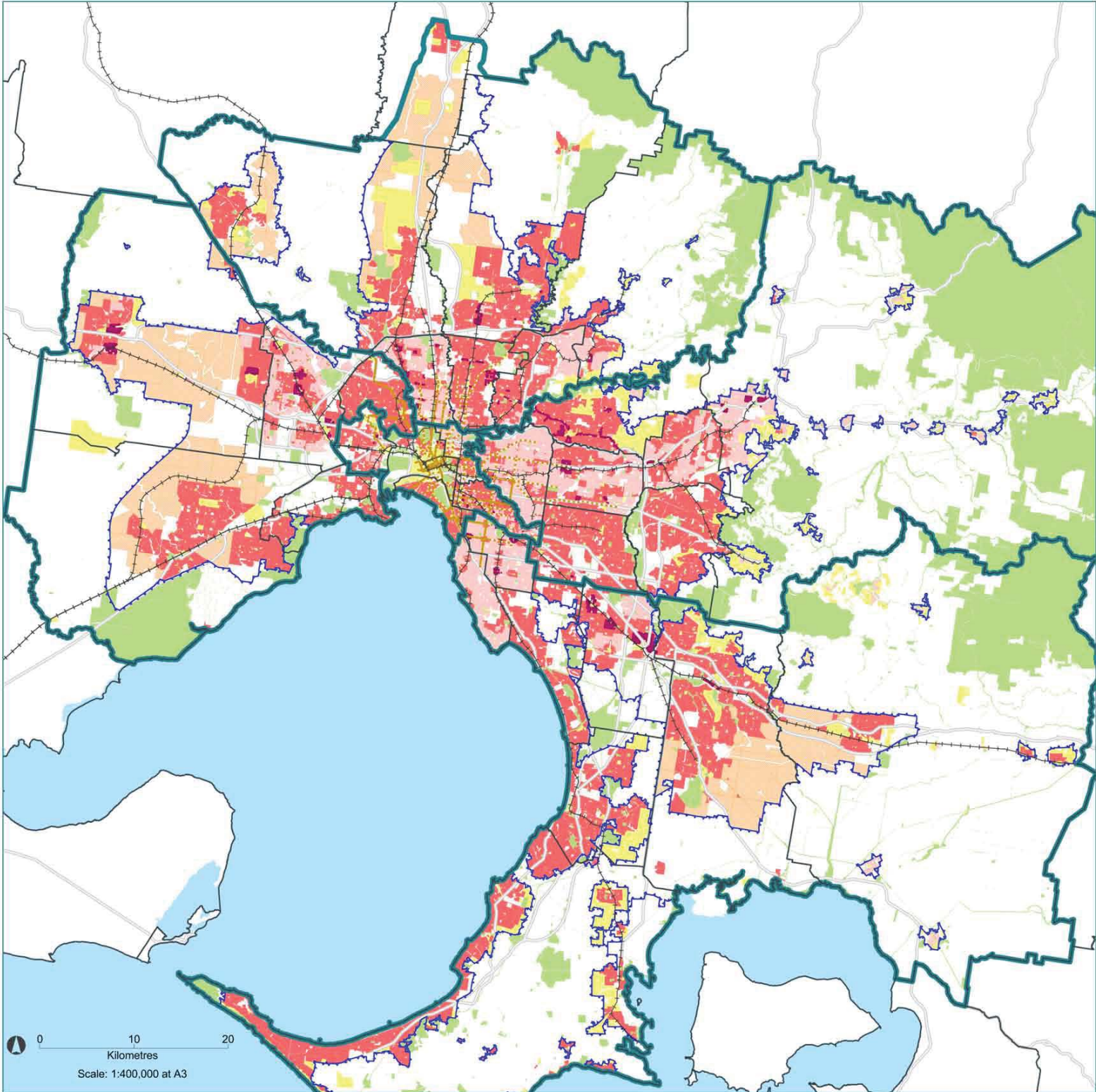
Central Subregion

Book of Plans

1. Metropolitan Melbourne
2. Central Subregion
3. Melbourne
4. Maribyrnong
5. Port Phillip
6. Stonnington
7. Yarra

29 January 2016



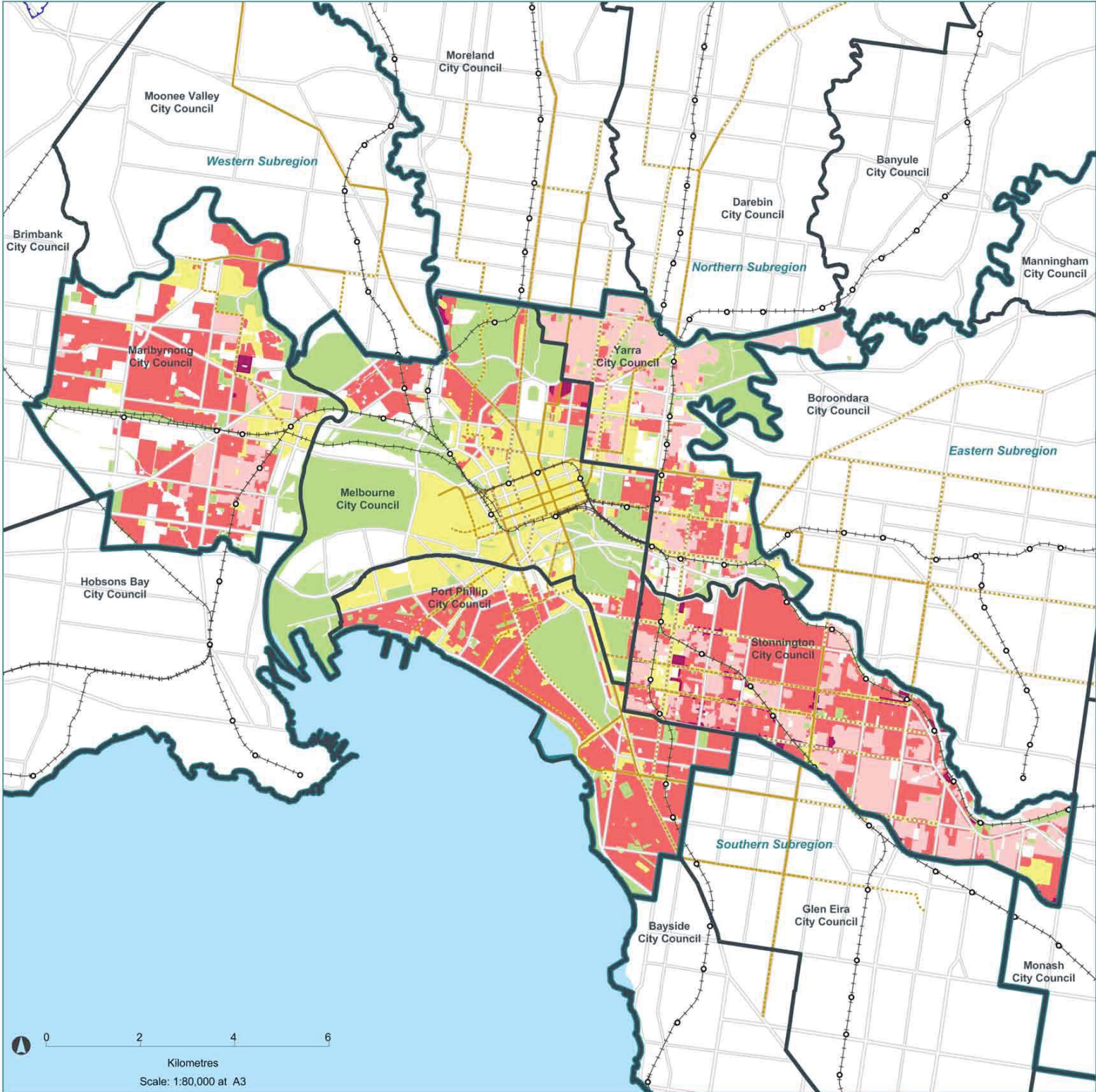


- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Urban Growth Zone (UGZ)
- Public land^

- Urban growth boundary
- Plan Melbourne Subregion boundary
- LGA boundary
- Tram route
- Freeways/Highways
- Railway



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

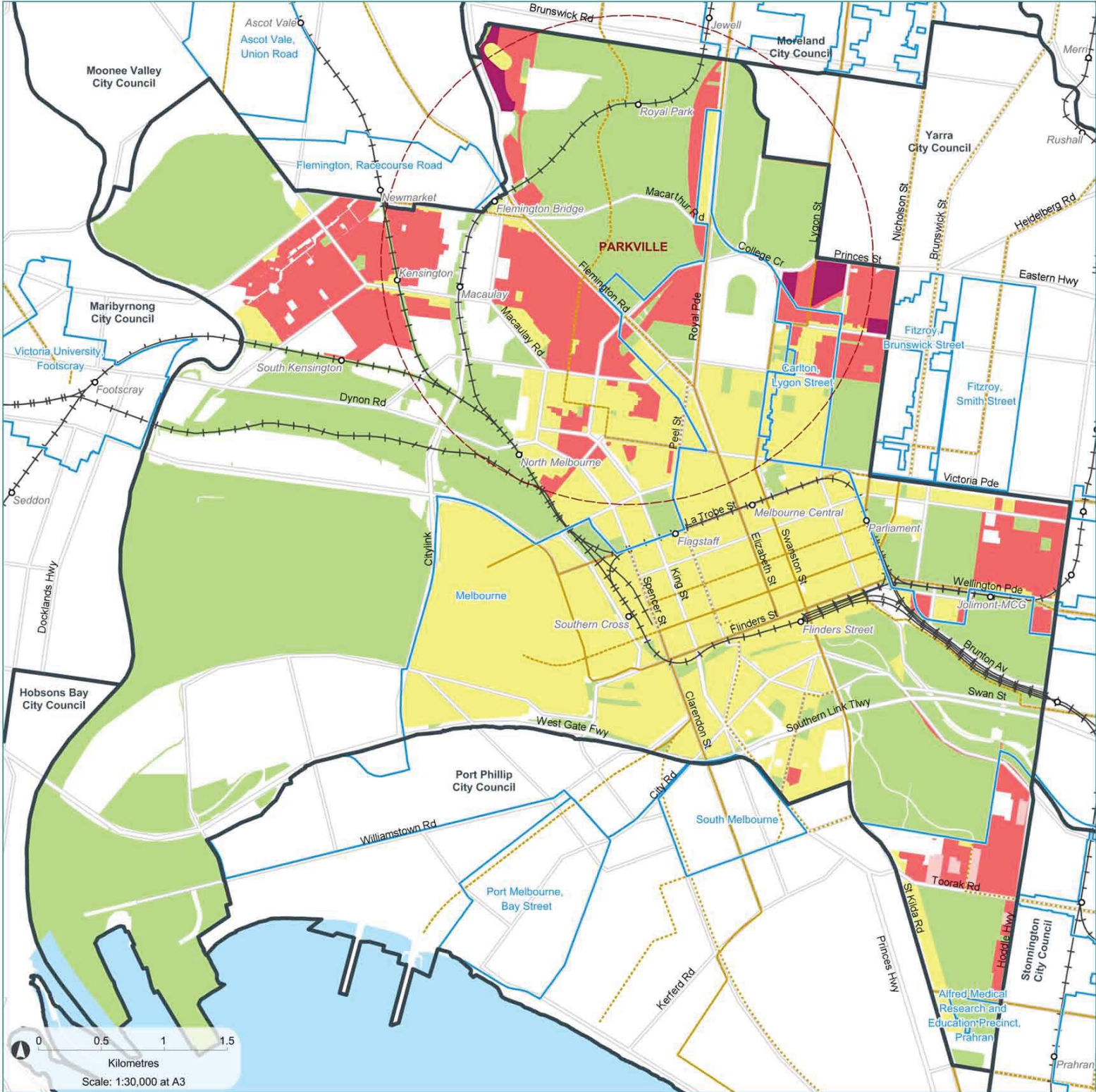


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- Other zones that allow for residential development*
- Public land^

- Urban growth boundary
- Plan Melbourne Subregion boundary
- Name LGA boundary
- Tram route
- Main roads
- Railway and station



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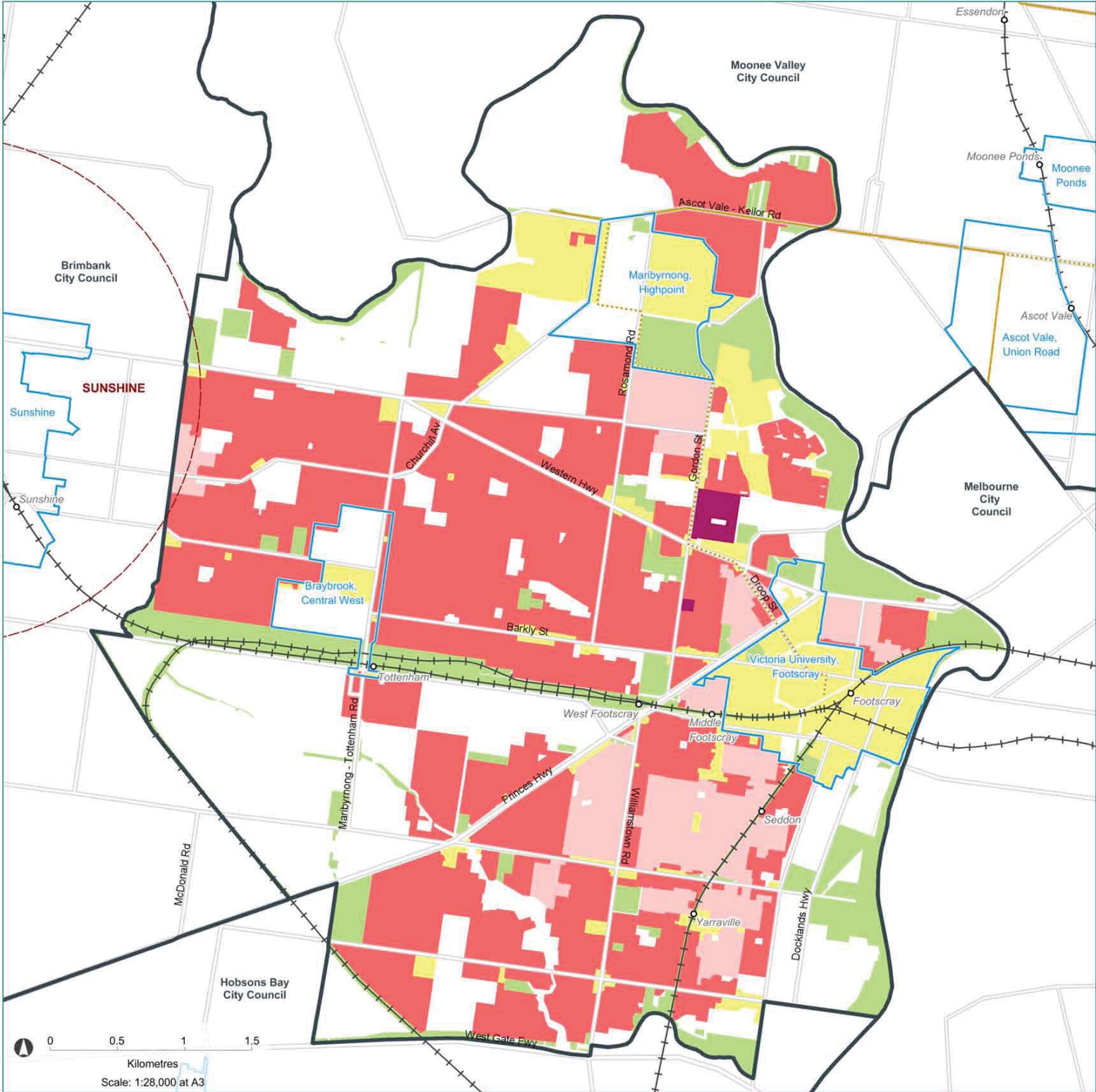
- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Public land^

- Name LGA boundary
- Name Activity centre boundary
- NAME National employment cluster
- Tram route
- Main roads
- Railway and station

Melbourne City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms



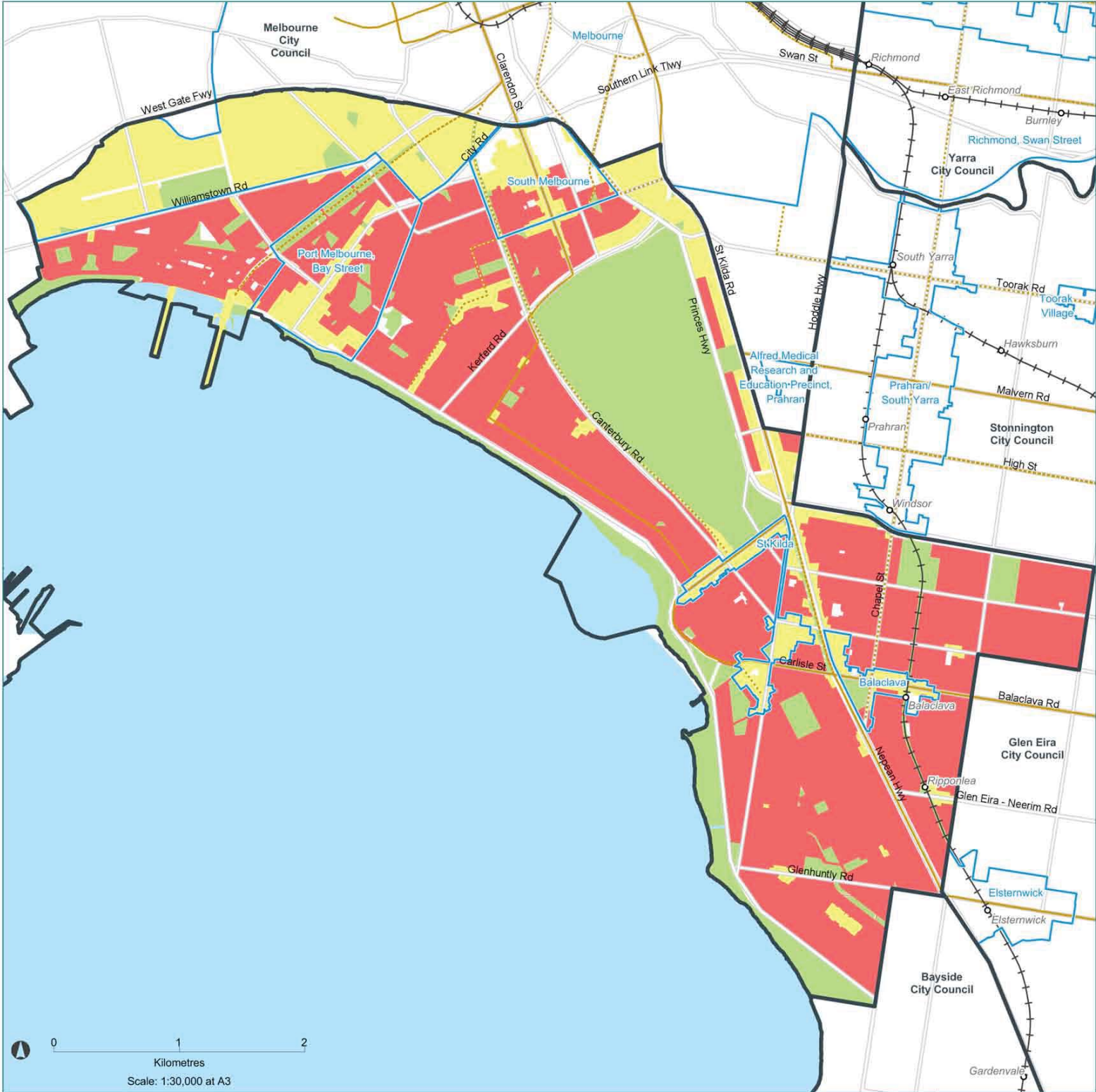
- Residential Growth Zone (RGZ)
- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Public land^

- Name LGA boundary
- Name Activity centre boundary
- NAME National employment cluster
- Tram route
- Main roads
- Railway and station

Maribyrnong City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

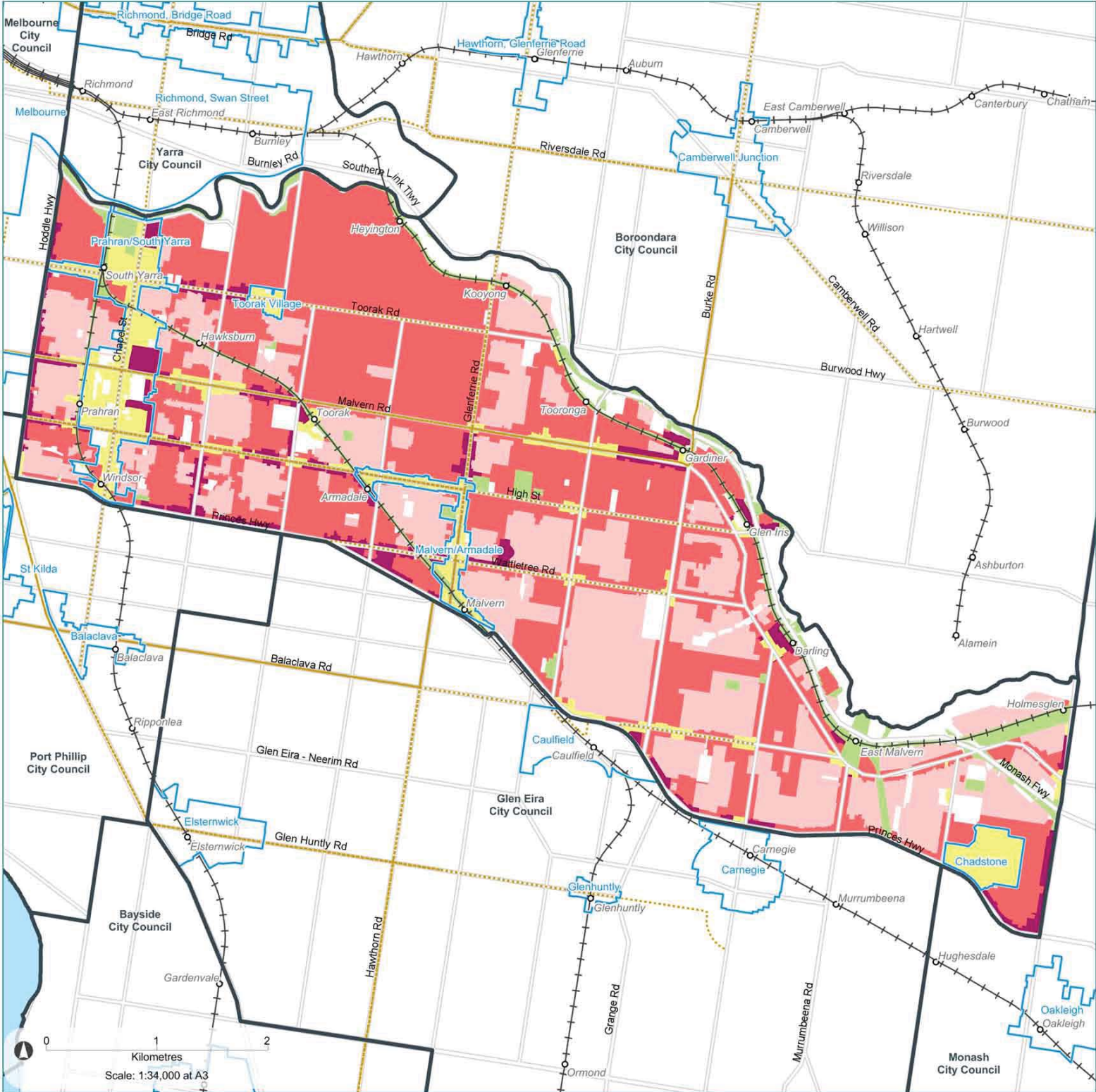


- General Residential Zone (GRZ)
- Other zones that allow for residential development*
- Public land^
- Name LGA boundary
- Name Activity centre boundary
- Tram route
- Main roads
- Railway and station

Port Phillip City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

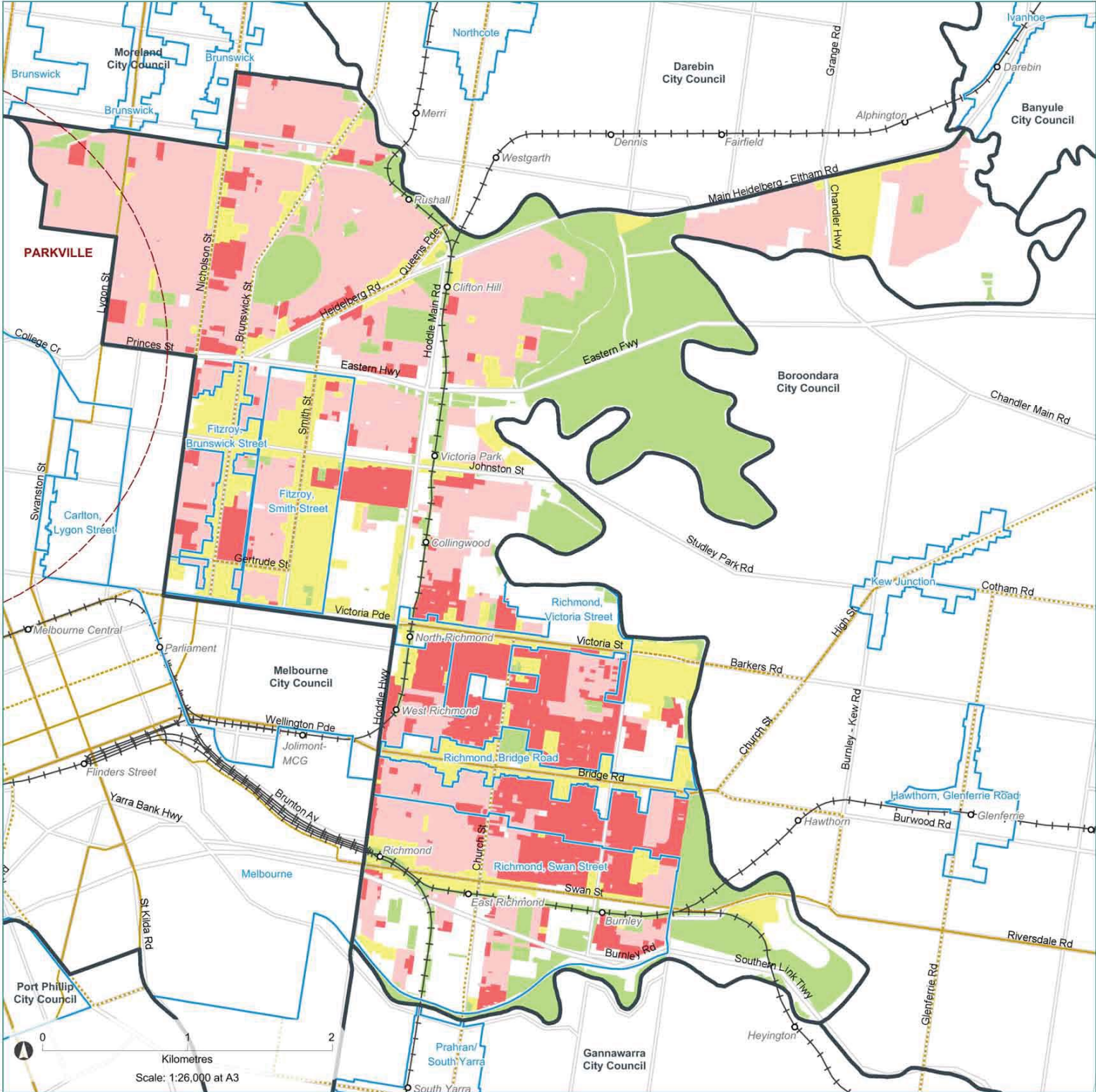


- Residential Growth Zone (RGZ)
 - General Residential Zone (GRZ)
 - Neighbourhood Residential Zone (NRZ)
 - Other zones that allow for residential development*
 - Public land^
- Name LGA boundary
 - Name Activity centre boundary
 - Tram route
 - Main roads
 - Railway and station

Stonnington City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms



- General Residential Zone (GRZ)
- Neighbourhood Residential Zone (NRZ)
- Other zones that allow for residential development*
- Public land^

- Name LGA boundary
- Name Activity centre boundary
- NAME National employment cluster
- Tram route
- Main roads
- + + Railway and station

Yarra City Council is within the Plan Melbourne Central Subregion



*May include one or more of the following zones: ACZ, C1Z, CCZ, CDZ, DZ, LDRZ, MUZ, PDZ, RAZ, RLZ, TZ
 ^Refer to glossary of terms

MANAGING RESIDENTIAL DEVELOPMENT ADVISORY COMMITTEE

DRAFT MELBOURNE CITY COUNCIL SUBMISSION

Contents

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Background

1. On 1 July 2013, the then Minister for Planning introduced three new residential zones – the Neighbourhood Residential Zone, the General Residential Zone and the Residential Growth Zone into the Victorian Planning Provisions through Amendment V8. Each Council was required to decide where and how to implement the new residential zones within their municipality.
2. In November 2014, the Planning Minister through Amendment GC09 substituted the General Residential Zone (GRZ) for all land in the Residential 1 and Residential 2 Zones in the Cities of Melbourne, Hobsons Bay, Hume, Mitchell and Wyndham.
3. The City of Melbourne then drafted Amendment C179 to the Melbourne Planning Scheme, and took part in the Residential Zones Standing Advisory Committee (RZSAC) process. The RZSAC process allowed Council to put forward its

proposed application of the new residential zones, allowed interested parties to present their views to the RZSAC, and required Council to provide evidence and justification for its draft amendment.

4. The approved version of Amendment C179 differed from what was proposed by Council and supported by the RZSAC.

Application of the zones that allow for residential development

5. The City of Melbourne makes a substantial contribution to accommodating Melbourne's growth with most of this occurring in non-residential zones.
6. While all the municipalities in the Central sub-region (the Cities of Melbourne, Maribyrnong, Port Phillip, Stonnington and Yarra) are projected to experience strong population growth to 2031, the City of Melbourne is projected to experience the highest population growth¹. The resident population in the municipality is projected to reach 219,000 by 2031, from 100,000 in 2011².
7. As stated in the Overarching Residential Zones State of Play report³, *most new dwellings within the Central Subregion are developed in commercial and mixed use locations, with residential infill a relatively minor (and possibly declining) form of housing development*. This is especially true for the City of Melbourne where one third of land that supports residential development is in the Capital City Zone (CCZ). Over the 2010-14 period, the CCZ accounted for 57%, the Mixed Use Zone accounted for 19% and the Docklands Zone for 12% of new dwellings. Less than 10% of new dwellings constructed in the City of Melbourne over this period were in the three residential zones Residential Growth Zone (RGZ), General Residential Zone (GRZ) and Neighbourhood Residential Zone (NRZ)⁴.
8. It should also be noted that six out of the seven key urban renewal areas identified in the Central Sub-region are located in the City of Melbourne⁵ and these will contribute significantly to future housing provision.

¹ Central Subregion Report, Residential Zones State of Play, DELWP 2015, page 7

² Central Subregion Report, Residential Zones State of Play, DELWP 2015, page 8

³ Overarching Report, Residential Zones State of Play, DELWP 2015, page 20

⁴ Central Subregion Report, Residential Zones State of Play, DELWP 2015, page 17

⁵ Central Subregion Report, Residential Zones State of Play, DELWP 2015, page 7

9. The new zones were introduced to enable councils and their communities to better direct the location and scale of residential change but their application was generally based on preserving the status quo.
10. The City of Melbourne requests that the Advisory Committee consider whether the introduction and implementation of the new residential zones, and particularly the Neighbourhood Residential Zone, has limited the ability of other sub-regions to contribute to the accommodation of Melbourne's residential growth in a sustainable manner.
11. There needs to be greater priority on infill residential development, and significantly greater priority on well-planned density along major transport corridors. As well as providing more people with easier access to jobs, this would enable significant savings from the use of existing infrastructure reducing the need for more infrastructure provision on the fringes of Melbourne.
12. A strong commitment to inner and middle ring suburb urban consolidation will help mitigate the risk that short term cost savings from building on cheaper land at the periphery of the city results in increased economic, social and environmental costs, such as the cost of additional infrastructure, greater travel times, more constrained access to employment and greater congestion and emissions.
13. The impact of the expanding city on green wedge and peri-urban areas can be far reaching and includes:
 - a) Threats to flora and fauna retention and biodiversity.
 - b) Risks to peri-urban farming, food security and food production. See *Foodprint Melbourne Research project*, *Victorian Eco Innovation Lab*, <http://www.ecoinnovationlab.org>
 - c) The economic costs of underutilized infrastructure.
 - d) The social costs to communities isolated from jobs and facilities. See also Preliminary Resilience Assessment, June 2015, City of Melbourne, <https://www.melbourne.vic.gov.au/AboutCouncil/Meetings/List>

[s/CouncilMeetingAgendaItems/Attachments/12430/JUN15%20FMC2%20AGENDA%20ITEM%206.3.pdf](#)

14. Strategic design performance-based criteria could be developed for informing density levels and appropriate housing typologies appropriate to the context (such as public transport accessibility) for transport corridors and nodes, designated growth areas and middle ring suburbs.
15. The character of an area can be developed and enhanced through an approach that balances genuine heritage qualities with a gradation of increased densities, especially in areas that are already well connected to public transport.
16. For infrastructure that is required to be provided for infill development, there needs to be a revised development contributions system to allow councils to easily access contributions for such investment. This should be based on the principle that any change that increases the value of land should incorporate a mechanism to capture part of the increased value to fund community services. Land owners / developers who benefit should, in turn, contribute to the infrastructure required to support and meet the demands of the communities.
17. It is noted that the Plan Melbourne Refresh discussion paper touches on this issue by considering whether the action to apply the Neighbourhood Residential Zone to at least 50 per cent of residential land:
 - a) should be deleted and replaced with a direction that clarifies how the residential zones should be applied to respect valued character and deliver housing diversity; or
 - b) should be retained as a guide but with an expanded criteria to enable variations between municipalities.

Strategic justification for residential planning scheme amendments

18. At the metropolitan level, the strategic justification for the introduction of the new residential zones does not appear to have considered the spatial organisation of Melbourne's business growth and development.

19. Any new policy or provisions should take into account differences in residential development across the metropolitan area and how different zones operate across Melbourne. It cannot be assumed that what is appropriate in the outer suburbs should be applied to inner Melbourne or even to middle-ring suburbs with good access to public transport, job and goods and services.
20. The introduction of the new residential zones was a departure from the previous residential zoning system, in that it coupled land use with height.
21. The Melbourne Planning Scheme has a comprehensive suite of built form controls (including height controls) which detail the outcomes sought and guide decisions on an extensive range of built form issues. Land in a particular zone could be subject to a range of different DDOs. This approach is generally more flexible than the zone approach. In South Yarra, for example, there is now a conflict between the heights approved for the Neighbourhood Residential Zone and the DDO.

Recommended Technical Improvements

22. As set out in the letter dated 14 October 2015 from the City of Melbourne to the Department of Environment, Land, Water and Planning, the following comments and suggested improvements are provided on the technical aspects/drafting of the head clauses and schedules to the Residential Growth Zone (RGZ), General Residential Zone (GRZ) and the Neighbourhood Residential Zone (NRZ).

Building heights – flexibility for sloping sites

23. Whilst the head clause in the NRZ (Clause 32.09-8) relating to mandatory maximum building height requirements provides flexibility for sloping sites, this is only applicable where no building height is specified in a schedule to the zone. This flexibility is also not provided in the GRZ where mandatory maximum building heights are specified in a schedule to the zone.
24. We therefore recommend that this review considers whether flexibility for sloping sites should be provided in all instances where a mandatory maximum building height is or can be specified.

Building heights – architectural features and building services exemption

25. In the draft Schedules to the NRZ, Council had included the following exemption to the mandatory maximum building height requirements, which the RZSAC supported: *with the exception of architectural features and building services.*
26. When Amendment C179 was approved, some of the areas proposed to be covered by Schedules to the NRZ were instead covered by schedules to the GRZ with the same mandatory height controls the City of Melbourne had included in the proposed schedules to the NRZ. However, despite the head clauses (Clauses 32.09-8 and 32.08-7) being written the same way (i.e. *The maximum height of a building used for the purpose of a dwelling or residential building must not exceed the building height specified in a schedule to this zone*), the approved new schedules to the GRZ included the exemption for architectural features and building services, but the schedules to the NRZ didn't.
27. We therefore recommend that this review considers whether:
- the head clause (32.09-8) needs to be amended to provide flexibility; or,
 - the suggested wording can be included in the City of Melbourne's NRZ Schedules without changing the wording of the head clause.

Maximum number of dwellings

28. In the draft Schedules to the NRZ, Council had included the following exemption to the requirement for a maximum of two dwellings on a lot:
- *“This does not apply to an extension of an existing building or the construction of a new building that exceeds the specified number of dwellings, provided that the total number of dwellings on the lot does not exceed the number of dwellings on the lot at the date of gazettal of the amendment that introduced the schedule”.*
29. The RZSAC noted DTPLI's concern that because of the way the head clause was drafted, “the Schedule should only specify a number and that the additional text was inconsistent with the schedule template”. However, the RZSAC agreed with Council that *“there should be an opportunity for replacement buildings to include the same number of dwellings as the building being replaced”* and their report

stated that *“the committee believes that this flexibility is warranted and recommends that this issue be resolved before the draft Amendment is approved”*. However, the head clause (Clause 32.09-3) was not changed prior to Melbourne Amendment C179 being approved and therefore Schedules 1 and 2 to the NRZ do not include this exemption.

30. We therefore recommend that this review considers whether:

- the head clause (Clause 32.09-3) should be amended to provide flexibility
- the suggested wording should be included in the City of Melbourne’s NRZ Schedules with or without changing the wording of the head clause.

Conclusion

31. The City of Melbourne wishes to participate in the upcoming public hearings and looks forward to receiving the Advisory Committee’s findings upon completion of its review.