



# National Planning Reform Blueprint

Victoria September 2024 progress report



The Department of Transport and Planning proudly acknowledges Victoria's Aboriginal communities and their ongoing strength in practicing the world's oldest living cultures.

ISBN: 978-0-7311-9336-3

Authorised by the Victorian Government, Melbourne 1 Spring Street Melbourne Victoria 3000.

Telephone (03) 9655 6666.

© Copyright State of Victoria Department of Transport and Planning

Except for any logos, emblems, trademarks, artwork and photography in this document is made available under the terms of the [Creative Commons Attribution 4.0](https://creativecommons.org/licenses/by/4.0/) Australia licence.

# Contents

- Measure 2 .....1**
  - How Victoria’s strategic plans will deliver on housing supply targets .....1
- Measure 3 .....2**
  - Summary of planning, zoning, land release, density and other reforms .....2
- Measure 4 .....7**
  - Key findings from a development ready land stocktake .....7
- Measure 5 .....8**
  - Zoning, planning and other amendments to support dense, well-located housing .....8
  - Reforms to non-planning barriers preventing a diversity of housing .....10
- Measure 6 .....11**
  - Reforms to development approvals.....11
    - Reforms to social and affordable housing approval pathways.....11
    - Reforms addressing barriers to the timely issuing of development approvals .....13
    - Planning reforms to address existing development approvals which have not been acted upon...13
    - Victoria’s position on planning and inclusionary zoning reforms to support permanent affordable, social and other specialist housing in developments .....14
    - Other reforms to development approval pathways .....14
  - Initiatives to share planning data and improve visibility of factors affecting housing delivery.....17
- Measure 10 .....17**
  - Well located government land suitable for housing.....17
  - Best practice examples of developing government land .....18

# Measure 2

Planning Ministers will report to National Cabinet on state, regional and local strategic plans before 1 March 2024 that reflect their jurisdiction's share of housing supply targets agreed by National Cabinet and links with infrastructure pipelines.

## How Victoria's strategic plans will deliver on housing supply targets

### A new plan for Victoria and local housing targets

On 20 September 2023, the Victorian Government announced the release of Victoria's Housing Statement – The decade ahead 2024-2034 (the Housing Statement), which set a target to build 800,000 dwellings in Victoria over the next decade. This exceeds the National Cabinet housing target of 306,000 dwellings over five years, on a per capita distribution.

A key longer-term initiative included in the Housing Statement is to replace the current metropolitan planning strategy, Plan Melbourne, with a new plan for Victoria that will cover the whole state. The plan will acknowledge the role that regional cities will also play in building more homes for all Victorians, and acknowledge the interconnected nature of Victoria's cities, suburbs, towns, and regions in a coordinated response to building more homes and reaching the state's full potential.

The Victorian Government has commenced preparation of the new plan for Victoria which will have a horizon to 2051 and will include clear actions across key pillars of affordable housing and choice, equity and jobs, thriving and liveable suburbs and towns, sustainable environments and climate action, and self-determination and caring for Country.

This state-wide blueprint for the future of Victoria's cities, suburbs, towns, and regions, will focus on building more homes, including affordable homes, near transport, attracting job opportunities and essential services in vibrant, liveable, and sustainable neighbourhoods. It will set local government housing targets and strengthen policy to build more homes in transport- and services-rich places. This will ensure that the locations for more homes are clear and increase accountability for local government and other housing delivery agencies to achieve the housing targets.

The new plan for Victoria aims to deliver an integrated land use and transport response that maximises the benefits of existing infrastructure and capitalises on the benefits of major new infrastructure investments such as:

- Victoria's Big Build to deliver a better transport future for all Victorians including Metro Tunnel and the Suburban Rail Loop, which will take 600,000 cars off the road and improve travel times for four out of five Victorians whether they drive or use public transport.

- Delivery of more renewable energy and protecting the natural environment, including the gas substitution roadmap.
- Investment in training for the skills Victoria's economy needs by re-opening and upgrading TAFE campuses and offering free TAFE courses.

The Victorian Government committed that the new plan for Victoria will include local government housing targets for where homes need to be built. Housing targets are designed to create more housing choice where there is existing and planned public transport, jobs and services in Melbourne and regional cities.

Draft housing targets were released on 16 June 2024. The draft housing targets represent an initial local government area distribution of the Housing Statement's overall aspirations for increased housing provision over and above existing expectations (2.24 million homes by 2051). The finalisation of housing targets, as well as approaches to statutory implementation, is subject to feedback received during consultation which concluded on 30 August 2024.

Stakeholder engagement on the new plan for Victoria commenced in November 2023 through roundtables and webinars targeted at industry, peak bodies and local government mayors and CEOs as leading representatives of the Victorian community. Wider community engagement commenced in February 2024 with pop-ups and drop-in events held across Melbourne and regional Victoria, as well as ongoing online engagement and targeted outreach to hard-to-reach cohorts. Ongoing engagement with industry, peak bodies and local government has continued, with an intent to deliver the new plan early in 2025.

A dedicated engagement program is underway in partnership with Traditional Owners and First Peoples to embed their voices, rights and aspirations in strategic decision making and planning processes.

## Measure 3

Planning Ministers will undertake planning, zoning, land release and other reforms, such as increasing density, to meet their jurisdiction's share of housing supply targets agreed by National Cabinet.

## Summary of planning, zoning, land release, density and other reforms

### Activity Centre Program (ACP)

*Update: Consultation in August-September 2024 | First reported in March 2024*

Victoria's Housing Statement, announced on 20 September 2023, includes an initiative to introduce clear planning controls around an initial 10 activity centres across Melbourne to support the faster delivery of more homes close to services, jobs and transport.

The program will introduce new planning controls in and around the activity to accommodate appropriate increased density.

Activity centre plans will guide investment in the things a growing suburb needs like community facilities, public spaces and parks. The program will also consider the best way to incentivise more affordable housing.

The initiative will deliver an estimated additional 60,000 homes within and in walkable catchments surrounding each of the activity centres.

The centres selected have the potential to deliver substantial housing growth, have good transport access and will benefit from state-led intervention to improve planning frameworks to increase housing supply and diversity.

10 activity centres have been selected:

Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood.

The Victorian Department of Transport and Planning, in partnership with the Victorian Planning Authority, have engaged councils with identified activity centres and key stakeholders throughout the program. Community engagement in March-April 2024 focused on understanding local identity and places of significance in each activity centre, reaching almost 780,000 people.

## **Making it easier to build a small second home**

*Update: Enacted | First reported in March 2024*

On 14 December 2023, as part of delivering Victoria's Housing Statement, Victoria's planning and building systems were amended to make it easier to build a small second home.

The reforms facilitate the delivery of housing in Victoria by making a small second dwelling with a gross floor area of 60 square metres or less, exempt from requiring a planning permit in most residential and rural zones if specified requirements are met.

Analysis by the Department of Transport and Planning found there are around 700,000 lots of 300 square metres or larger eligible to have a small second home in residential zones across the state, and roughly 2,450 in rural zones – all of which have no overlays.

Research undertaken by the University of Sydney indicates this type of approach has increased the supply of secondary dwellings representing approximately 5,000 dwellings or 10 per cent of all dwelling approvals per annum.

Amendment VC253 made changes to the Victoria Planning Provisions and all planning schemes, and the Building Amendment (Small Second Dwellings) Regulations 2023 made changes to the Building Regulations 2018 to coordinate the approval processes to build a small second home.

## Priority Precincts

*Update: Progressed | First reported in March 2024*

The Department of Transport and Planning is leading the whole-of-government delivery of Priority Precincts including Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville, Sunshine, Richmond to Flinders Street Corridor and National Employment and Innovation Clusters.

The work will create vibrant, liveable and sustainable communities, affordable housing and quality jobs which help to grow Victoria's economy. Priority Precincts will capitalise on the benefits of major infrastructure investments like Metro Tunnel, Suburban Rail Loop and the Level Crossing Removal Project to support thriving communities and encourage further investment.

Priority Precincts are expected to deliver around 150,000 homes with opportunity for more homes to be built as Priority Precincts grow over time and the Victorian Government implements the Housing Statement. Recent activity is outlined below.

An Opportunity Statement was released for the East Werribee Precinct in May 2024, outlining the Victorian Government's vision for the East Werribee Precinct. We envisage East Werribee as a new centre for jobs and housing in Melbourne's growing western corridor. A Development Strategy is currently undergoing a planning and feasibility review, with targeted stakeholder engagement commenced in July 2024.

A Discussion Paper on the Albion Quarter in the Sunshine Precinct was released in May 2024 to gain feedback from the community and stakeholders about the type of place they want Albion Quarter to become. Feedback will be used to develop a Structure Plan.

Further work is underway on the preferred route for a possible future rail tunnel through Fishermans Bend and Docklands with two stations in Fishermans Bend (Innovation and Sandridge Precincts) announced in June 2024. This further work will protect the route and confirm complementary surface public transport plans.

The Department of Transport and Planning continues to deliver Stage 1 of the Fishermans Bend Innovation Precinct (with Development Victoria), with completion expected for the end of 2025. The planned opening of the University of Melbourne's new Engineering and Design Campus is expected in 2026.

The Government has undertaken consultation on the Urban Renewal Area Development Contributions Plan (DCP) and Montague Precinct Implementation Plan (MPIP) to guide the growth and change of the current development front in Fishermans Bend over the next decade (due to be finalised in 2025).

## Unlock surplus government land

*Update: Progressed | First reported in March 2024*

Victoria's Housing Statement includes a commitment to unlock and rezone surplus government land across 45 sites in metropolitan Melbourne and regional Victoria. As part of this work, a target has been set of at least 10 per cent of affordable homes to be built across these sites.

The initiative will deliver around 9,000 homes across 45 sites in both metropolitan Melbourne and regional Victoria.

A pipeline of sites potentially suitable for housing identified from across Victorian Government departments and agencies is currently being assessed and individual sites are being progressed as a priority as they become development ready, and significant activity is already underway across a number of sites.

An Expression of Interest (EOI) for the Small Sites Pilot, which includes sites in Alphington, Coburg, Preston and Malvern, was released on 30 July 2024. The Small Sites program will deliver approximately 260 homes, including 10 per cent affordable housing, supporting the objectives of Victoria's Housing Statement by providing more homes, closer to where people work. The EOI seeks responses from experienced developers to help accelerate the supply of new and affordable housing, through acquiring, funding and developing surplus land.

The Land Coordinator General is working with Invest Victoria in identifying surplus and underutilised land suitable for institutional investors. On 24 June 2024, the Government released an EOI inviting partners to participate in developing 13.5 hectares of government owned land in the Arden Precinct. Just two kilometres from the centre of Melbourne's CBD, Arden is a central and connected precinct which is set to be home to up to 20,000 people by 2051.

The former VicRoads site in Kew will be given a new lease on life with consultation underway on a proposed amendment to the Boroondara Planning Scheme to rezone the Denmark Street site and could result in up to 500 homes. Rezoning the land from Transport Zone to a mix of Commercial and General Residential zones will allow for the future redevelopment of the site for both residential and commercial development.

## **Priority planning projects for growing suburbs**

*Update: Progressed | First reported in March 2024*

The Victorian Planning Authority (VPA) will continue preparing Precinct Structure Plans (PSPs) for new housing and jobs in Melbourne and regional Victoria. Further work across 21 priority projects will continue to be developed to deliver a sustainable supply of greenfield land, and more jobs close to home, while we plan for more housing choice in all parts of Victoria.

The 21 priority projects will ensure a sustainable supply of greenfield land, and more jobs close to homes. These projects will continue to be progressed to deliver zoned capacity for more than 60,000 homes and 60,000 jobs.

One project is complete (Planning Minister approved and / or gazetted) with estimated capacity for 5,000 homes and 1,657 jobs.

Seven projects are in their final stages and nearing completion with estimated capacity for 17,778 homes and 24,890 jobs.

## **Activate the Arden Precinct**

*Update: Progressed | First reported in March 2024*

A landmark precinct in central Melbourne, Arden will be a globally recognised destination for bio-medical and health sciences, and is set to transform the area into a thriving community.

The catalyst for redevelopment of the Arden Precinct is the new Arden Metro Station. The Victorian Government's intention is to partner with the private sector, industry and investors to start

delivering the Arden precinct – with quality and affordable housing to support diverse residents and key workers, including affordable build to rent, build to sell, shared equity and key worker housing.

The Arden Precinct will accommodate up to 34,000 workers and will be home to around 20,000 people by 2051.

Victoria's Housing Statement includes a commitment to commence a market search for proposals to activate the landmark Arden precinct. An Expression of Interest was released in June 2024, closing on 20 August 2024.

The Department of Transport and Planning is working with Development Victoria to secure a market partner to deliver Precinct objectives on government owned land in Arden.

## Suburban Rail Loop (SRL)

*Update: Progressed | First reported in March 2024*

Suburban Rail Loop (SRL) is an integrated transport and place-making project, designed to help address the challenges of Melbourne's continuing population growth, including increasing housing supply.

It is a 90km orbital rail loop that will link every major railway line from the Frankston line in Melbourne's south-east to the Werribee line in the west.

By adding a wheel to the city's 'hub and spoke' rail network, with convenient passenger interchanges at existing stations, it will slash travel times, ease pressure on public transport and cut road congestion.

In addition, the new SRL stations will become anchor points for precinct activity and investment, helping to shape Melbourne's unprecedented growth, connecting people to jobs and services closer to where they live, and delivering more affordable and quality housing choices in Melbourne's middle suburbs.

As part of SRL East (Cheltenham to Box Hill), Planning Areas have been declared around the six SRL East stations and the Suburban Rail Loop Authority (SRLA) is undertaking structure planning to consider how the benefits of the new rail infrastructure can be optimised by increasing more affordable housing options in these established areas.

The *Planning and Environment Act 1987* and *Suburban Rail Loop Act 2021* enable the SRLA to function as a planning authority in declared areas around the SRL East stations, alongside local councils. This legislation enables SRLA to undertake structure planning, in consultation with the community, local government and other key stakeholders, to consider land use and requirements for services and amenity outcomes such as open space.

SRL will support the Victorian Government's new plan for Victoria by creating a city of centres, with investment, new housing to reduce the reliance on a central business centre and to reshape how Melbourne grows in the decades ahead.

SRLA has been capturing community and stakeholder feedback since 2019 and is continuing to consult with residents, businesses and stakeholders on both the rail infrastructure works as well as its structure planning program for the future of the areas around the new SRL stations.

On 29 August 2023 an SRL Precincts Discussion Paper was released to report on feedback to date and this was followed by the release in early December 2023 of six Draft SRL Precinct Visions – supported by an awareness campaign to encourage people to get involved and provide their feedback on how SRL East Precincts around the new stations should evolve. Feedback closed on 3 March 2024.

The need for greater housing choice and affordable options in established suburbs will underpin the structure planning process.

## Measure 4

Planning Ministers will identify well-located ‘development ready’ land before 1 March 2024, having appropriate regard to the protection of land with key attributes e.g. environmental or economic.

### Key findings from a development ready land stocktake<sup>1</sup>

The Victorian Government undertakes a regular stocktake of development ready land via the Urban Development Program (UDP). The UDP tracks the pipeline of residential development across metropolitan and regional greenfields and redevelopment sites. By focusing on key sections of the development pipeline the stock of development ready land can be identified.

Development ready land is land with infrastructure that is ready to sell and/or construct. The table below highlights and quantifies the following relevant sections of the development pipelines as reported in the UDP which meet these criteria.

In the Metropolitan Greenfields pipeline, the UDP reports quarterly on lots with a title and proposed lots:

- Lots with a title represents land that has been subdivided and titled in the relevant/previous calendar year. It has services connected and is ready for dwellings to be built.
- Proposed lots are lots that are part of a proposed subdivision plan but have not yet been titled.

In the Metropolitan Major Redevelopment sites pipeline the UDP reports annually on sites where there is a firm expectation sites will progress to development in the near future:

- Projects that have been approved and/or taking sales enquires and registrations.

---

<sup>1</sup> For the purpose of this report it is assumed that development ready means land with infrastructure that is ready to sell and/or construct.

In the Regional development pipeline the UDP reports annually on greenfield land supply in the major urban centres, providing the same short-term development information as the metropolitan equivalent:

- Lots with a title represents land that has been subdivided and titled in the relevant/previous calendar year. It has services connected and is ready for dwellings to be built.
- Proposed lots are lots that are part of a proposed subdivision plan but have not yet been titled.

UDP stream	Development ready
Metropolitan Greenfields	Lots titled in 2022 (19,512 lots); Lots currently in subdivision process as at end 2022 (54,758 lots)
Metropolitan Major Redevelopment	Upcoming redevelopment sites classified as 'firm', with planning permit or undertaking sales (potential yield of 56,662 dwellings)
Regional Greenfields and Infill Note: Regional UDP published with data up to June 2022, covering Ballarat, Baw Baw (Warragul and Drouin), Bendigo, Geelong, Horsham, Latrobe (Moe, Morwell, Traralgon), Macedon Ranges (Gisborne, Kyneton), Mildura, Surf Coast (Winchelsea).	Lots titled in 2022 (5,360 lots titled in calendar year 2021, 2,116 lots titled in first half of 2022); Lots currently in greenfield subdivision process as at June 2022 (11,911 lots)

## Measure 5

Planning Ministers will streamline approval pathways and prioritise planning control amendments to support diverse housing across a range of areas, including promoting medium and high-density housing in well-located areas close to existing public transport infrastructure connections, amenities and employment.

## Zoning, planning and other amendments to support dense, well-located housing

### Future Homes program

*Update: Progressed | First reported in March 2024*

On the 22 September 2023 the Victoria Planning Provisions were updated, as part of delivering Victoria's Housing Statement, to expand the Future Homes program from a single pilot location in the City of Maribyrnong, to state-wide implementation across all metropolitan and regional councils.

Future Homes provides four sets of readymade architectural designs for 3-storey apartment developments which can be purchased by developers and adapted to a site through a streamlined planning process.

The development must be located in the General Residential Zone and within 800 metres of an activity centre or passenger railway station.

In addition, Victoria's Housing Statement also commits to the creation of new Future Homes typologies. This will see the creation of four and five storey apartment design templates.

Future Homes exemplar designs incentivise developers to build better homes for occupants, better developments for neighbours, and better performing buildings for the environment.

The reforms provide support to the development sector through ready-to-use plans and streamlined planning processes, designed to create planning certainty and halve typical planning timeframes.

Amendment VC243 was gazetted on 22 September 2023. It expanded the Future Homes program across Victoria through the insertion of a new clause in the Victoria Planning Provisions – clause 53.24 (Future Homes). Seven sets of plans have been sold to date and the first planning application was approved by the Greater Shepparton City Council on 12 July 2024. A second application is in progress for a site in Rosanna. The creation of new design typologies is currently underway.

## Clearer planning controls for Activity Centres and surrounding catchments

*Update: Progressed | First reported in March 2024*

As part of delivering the Activity Centre Program (reported under Measure 3), clear planning controls and streamlined planning approval pathways around an initial 10 activity centres across Melbourne will be introduced to support the faster delivery of more homes close to services, jobs and transport.

The initiative will provide for an additional 60,000 homes to be built across ten centres, with clearer planning controls to be in place by early 2025. The new controls will provide clearer direction, greater certainty for developers and communities and will speed up the planning permit approval process.

Where development meets certain standards, streamlined planning approval pathways are being considered to improve investment conditions and get more homes built faster via:

- Faster application processing
- Greater certainty about application outcomes
- Time and money saved in holding costs
- Reducing costly VCAT hearings

10 activity centres have been selected:

Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood.

## Legislative reforms to strengthen Victoria's planning system

*Update: Progressed | First reported in March 2024*

Victoria's Housing Statement committed to implementing priority legislative reforms that include implementing Red Tape Commissioner recommendations in the shorter-term and undertaking a full review and rewrite of the *Planning and Environment Act 1987* in the longer-term. Proposed legislative reforms will build a modern, fit-for-purpose planning system, establish and clarify timeframes for decisions, as well as looking at the roles and responsibilities of everyone involved in Victoria's planning system – including councils, the Minister for Planning, the Victorian Planning Authority and the Department of Transport and Planning.

The initiative will help achieve faster approvals of housing and rezoning of land for residential development, reducing associated time and costs to enable Victoria to grow and prosper in a sustainable way.

Work has commenced on the review and rewrite of the *Planning and Environment Act 1987*. An initial round of targeted consultation has been undertaken to assist in identifying priority areas for reform, including in relation to areas identified in the National Planning Reform Blueprint. Further targeted consultation is planned in the second half of 2024 and early 2025.

The benefits of the Red Tape Commissioner reforms are likely to be minor for each relevant application, but when multiplied over the large number of permit applications and other activities the amendments relate to, they are expected to deliver significant benefits.

Significant reforms are expected to be developed as part of the review and rewrite of the *Planning and Environment Act 1987* to ensure it provides a modern, fit for purpose planning system.

## Reforms to non-planning barriers preventing a diversity of housing

### Commercial to Residential

*Update: Progressed | First reported in March 2024*

The Victorian Government is working with peak bodies and building surveyors to promote the conversion of office space in the City of Melbourne to residential uses.

The Property Council of Australia (PCA), Hassell and the City of Melbourne have identified approximately 80 commercial office buildings that are currently under-used because of changing work patterns and demand for flexible floor space increasing.

The initiative will consider opportunities to promote the conversion of office buildings into around 10,000-12,000 apartments and mixed-use properties.

The Victorian Department of Transport and Planning is working with Hassell on a pilot that tests all aspects of converting a commercial office building into a residential apartment building to provide a showcase to industry on how it can be done, using a real building.

## New Infrastructure Contribution System

*Update: Under consideration | First reported in March 2024*

The Victorian Government is currently considering the recommendations of the Infrastructure Contributions Ministerial Advisory Committee.

### Measure 6

Planning Ministers will create accelerated development pathways and streamline approval processes for eligible development types, particularly in well-located areas, including to support the rapid delivery of social and affordable housing.

## Reforms to development approvals

### Reforms to social and affordable housing approval pathways

#### Streamlined planning pathway for developments with 10 per cent affordable housing

*Update: Enacted | First reported in March 2024*

On 22 September 2023, as part of delivering Victoria's Housing Statement, new provisions were implemented in the Victoria Planning Provisions (clause 53.23) that expand the Development Facilitation Program (DFP) to streamline the planning process for medium to high density residential developments. To be eligible for this streamlined planning pathway, all residential development must include at least 10 per cent of the total number of dwellings to be affordable housing.

Victoria's DFP is a dedicated planning pathway and one-stop shop for institutional investors – larger entities like superannuation funds or insurance companies, which can play a critical role in housing supply. These entities have already shown their appetite to invest in long-term, stable rental properties and build-to-sell developments.

The reforms will facilitate the delivery of social and affordable housing by requiring proposals seeking to use the new pathway to deliver 10 per cent affordable housing. Developments will likely be large in scale and will help boost affordable housing stock for very low, low to moderate income households, possibly in partnership with Registered Housing Agencies or other affordable housing providers.

The changes will attract more investment at scale in social, affordable, key worker and market homes. The clear policy settings and streamlined approval pathway for significant residential development projects provide greater certainty to major development sector applicants and

institutional investors around how these types of developments will be facilitated, which will help increase investment confidence and certainty.

## Further use of the Development Facilitation Program (DFP)

Opportunities for further reforms are being investigated including the use of the DFP for the assessment of social and affordable housing projects in the future. This would support the delivery of the Commonwealth's \$10 billion Housing Australia Future Fund which is anticipated to support further social and affordable housing growth in Victoria.

The planning system in Victoria has a proven track record of providing planning approval pathways in the Victoria Planning Provisions dedicated to streamlining the assessment of projects that deliver social and affordable housing. In 2021 approval pathways with bespoke design standards for social housing funded under Victoria's Big Housing Build (e.g. Clause 52.20) and housing by or on behalf of Homes Victoria (Clause 53.20) were implemented. Eligible developments to be assessed under Clause 52.20 are exempt from the need to comply with other requirements of the local planning scheme and proposals are determined by the Minister for Planning instead of the local council. To date, 63 development applications have been approved by the Minister for Planning under the streamlined pathway of Clause 52.20. This includes the approvals for approximately 4,100 dwellings, including approximately 2,800 social housing dwellings and 833 affordable housing dwellings. The streamlined approval pathways have shortened approval timeframes and have facilitated consistent decision making, which has resulted in more homes being delivered and occupied faster, while maintaining a high level of design standard.

Victoria's Big Housing Build, a \$5.3 billion investment, has now completed or started works on more than 9,600 homes and is on track to deliver more than 12,000 social and affordable homes across Victoria, including 25 per cent of homes to be delivered in regional Victoria and a commitment to providing 10 per cent of housing for Aboriginal Victorians. 1,000 homes will support victim survivors of family violence and 2,000 supported homes will be provided for people experiencing mental illness.

## Establishment of the Land Coordinator General

*Update: Enacted | First reported in March 2024*

The establishment of a new Land Coordinator General (LCG) function within the Department of Transport and Planning, ensures a 'front-door', clear and single-entry point into government, to coordinate significant projects across departments which meet the Victorian Government's housing and growth policy objectives.

The LCG function enables the streamlined coordination of land, planning and precincts outcomes across government, creating a land policy environment that simplifies practices, reduces the costs and administrative burdens of land transactions, and improves priority infrastructure timeframes.

The LCG is working closely with other government departments and agencies to unlock surplus government land to deliver 9,000 dwellings over the next ten years, across a minimum 45 sites in metropolitan Melbourne and regional Victoria.

In addition to the 45 sites, the LCG will continue to work with a range of government agencies to unlock underutilised and surplus land for housing. The unlocking of government land will increase

clarity and investment certainty for private developers and institutional investors, while ensuring the provision of affordable housing targeted at very low, low and moderate income households occurs in partnership with Registered Housing Agencies or other affordable housing providers

## Reforms addressing barriers to the timely issuing of development approvals

### Speeding up approvals

*Update: Progressed | First reported in March 2024 under the heading 'Clear the backlog'*

Victoria's Housing Statement announced on 20 September 2023, includes an initiative to establish a new dedicated case management team to clear the backlog of 1,400 housing permit applications that were lodged over six months ago with councils.

The new team is working with project proponents, local councils, and referral agencies to resolve issues delaying council decision-making – to avoid projects ending up in the Victorian Civil and Administrative Tribunal (VCAT) and to get homes built.

If decisions keep lagging they may be recommended for call-in if deemed appropriate by the Minister for Planning.

Since release of Victoria's Housing Statement, more than 75 per cent of the 1,400 planning permit applications for townhouses or apartments that had been sitting for more than six months waiting for a decision have been cleared. In total, the approved developments cleared from the initial backlog represents approximately 6,970 new dwellings.

The case management team is currently monitoring and actively working with stakeholders to speed up approvals associated with permit applications which have a development cost greater than \$10 million and have been in the planning assessment process for more than six months.

### Planning reforms to address existing development approvals which have not been acted upon

Acting on and delivering approved housing under the planning system relies on the private sector as the main provider and they may withhold progressing development if they consider a project unviable. This may be due to a range of reasons such as increased building costs, rising interest rates or difficulty securing labour. Anecdotal evidence has identified land banking practices among developers as a key barrier. This occurs when developers hold onto vacant land or permit-approved developments to await more ideal market conditions.

To discourage long-term land banking and encourage new housing developments, from 1 January 2026, Victoria's Vacant Residential Land Tax will be expanded to include undeveloped residential land in metropolitan Melbourne that has not been developed for five years.

## Victoria's position on planning and inclusionary zoning reforms to support permanent affordable, social and other specialist housing in developments<sup>2</sup>

Social and affordable housing outcomes are secured through negotiated agreements under the *Planning and Environment Act 1987*. These can require the provision of affordable housing as part of private developments and are negotiated with private landowners during the planning approvals process. To support the negotiation of affordable housing outcomes planning incentives can be provided through a variety of tools, including uplift (such as density bonuses), value capture (based on an agreement to provide affordable housing when the land was rezoned), and precinct or area targets set by local government to signal to landowners the council's objectives to secure affordable housing. Additionally, reforms made to the Victoria Planning Provisions now ensure that all residential development applications that opt into the streamlined Development Facilitation Program approvals pathways, must provide at least 10 per cent of total dwellings to be affordable housing or an equivalent measure to the satisfaction of the Minister for Planning. On the 45 sites of surplus government land that are set to be unlocked, as announced in the Housing Statement, a target of 10 per cent affordable housing has also been set.

The Victorian Government is focussing on immediate social and affordable housing outcomes that can be secured using tools within the existing planning framework. The Victorian Housing Statement includes a commitment to review and rewrite the *Planning and Environment Act 1987* to build a modern, fit-for-purpose planning system. As part of this review, there may be an opportunity to consider and explore options for longer term legislative changes to further grow the supply of social and affordable housing.

### Other reforms to development approval pathways

#### Expansion of the Development Facilitation Program (DFP)

*Update: Enacted | First reported in March 2024*

On 22 September 2023, as part of Victoria's Housing Statement, new provisions were implemented in the Victoria Planning Provisions (clause 53.23) that expand the Development Facilitation Program (DFP) to streamline the planning process for medium to high density residential developments. The changes mean that the Minister for Planning is the decision maker for significant residential developments that include affordable housing.

To qualify for accelerated assessment and determination through the DFP, applications must meet the eligibility criteria or be declared by the Minister for Planning as a priority project. A project must also demonstrate it's feasible and shovel ready.

---

<sup>2</sup> Where appropriate and where such zoning and planning does not add to construction costs e.g., through the use of incentives such as density bonuses.

Residential development with affordable housing is eligible where the cost of the development is \$50 million in Metropolitan Melbourne and \$15 million in regional Victoria and at least 10 per cent of the dwellings are provided as affordable housing.

An expanded DFP team is in place and operational.

The reforms will mean around 13,200 additional homes will be brought to market that would otherwise be delayed – and it will cut application timeframes for these types of projects from more than 12 months down to four.

The reforms will facilitate the delivery of social and affordable housing by requiring proposals seeking to use the new pathway to deliver 10 per cent affordable housing. This will encourage a significant proportion of new development to provide accommodation that is affordable for households on very low to moderate incomes.

Major development sector applicants will benefit from a clearer pathway for significant residential development projects that provides greater certainty, cost-effectiveness and faster assessments and decisions.

Requiring proponents to demonstrate project feasibility for eligibility also means only assessment resources are being used for shovel ready projects.

## Deemed to comply residential development standards

*Update: Progressed | First reported in March 2024*

Victoria's Housing Statement includes an initiative to streamline planning permits for housing by establishing 'deemed to comply' standards that will speed up decisions.

On 22 September 2023, planning schemes were changed to codify 14 of the residential development standards. The Department of Transport and Planning is currently progressing work to codify the remaining 39 residential development standards.

The changes mean that council planners can quickly approve permits for houses that meet the residential standards and they'll only assess aspects of a permit that don't comply with those standards.

The new assessment pathway will boost housing supply and affordability by making assessment processes efficient and straightforward, with an anticipated reduction in residential planning permit approval timeframes by up to 3 months.

The reform will provide more certainty for developers and clear community expectations.

## Reduce the need for planning permits for single dwellings

*Update: Enacted | First reported in March 2024*

As part of delivering Victoria's Housing Statement, Amendment VC243 amended the Victoria Planning Provisions and all planning schemes to:

- Remove the need for a planning permit for a single dwelling on a lot of 300 square metres or more.
- Allow single dwellings on lots less than 300 square metres to qualify for the VicSmart permit process – meaning permit applications will be decided in 10-days.

The reforms will reduce the number of single dwelling residential developments that need a planning permit, and speed up decision-making for single dwellings where a permit is required.

The reforms will result in fewer planning permits in the system and reduced administrative burden.

Developers and families seeking to build a new home or extend an existing home will benefit from more timely and efficient planning outcomes.

## Making it easier to build a small second home

*Update: Enacted | First reported in March 2024*

Reported as part of Measure 3.

On 14 December 2023, as part of delivering Victoria's Housing Statement, Victoria's planning and building systems were amended to make it easier to build a small second home.

Amendment VC253 made changes to the Victoria Planning Provisions and all planning schemes, and the Building Amendment (Small Second Dwellings) Regulations 2023 made changes to the Building Regulations 2018 to coordinate the approval processes to build a small second home.

The reforms facilitate the delivery of housing in Victoria by making a small second dwelling with a gross floor area of 60 square metres or less, exempt from requiring a planning permit in most residential and rural zones if specified requirements are met.

Analysis by the Department of Transport and Planning found there are around 700,000 lots of 300 square metres or larger eligible to have a small second home in residential zones across the state, and roughly 2,450 in rural zones – all of which have no overlays.

Research undertaken by the University of Sydney indicates this type of approach has increased the supply of secondary dwellings representing approximately 5,000 dwellings or 10 per cent of all dwelling approvals per annum.

The changes mean families and communities can stay together and connected. More people will have access to affordable housing choices in the areas they want to live, close to jobs, services, public transport, education, and healthcare. It also means we're better equipped to adapt to the changing way we live, with smaller families and single person households becoming more common.

## Initiatives to share planning data and improve visibility of factors affecting housing delivery

The Department of Transport and Planning monitors the housing supply pipeline of development-ready land in metropolitan Melbourne's growth areas and major infill projects through the Urban Development Program (UDP). The UDP has been produced annually since 2003.

Publicly available data and insights about the results are available on the Planning website: <https://www.planning.vic.gov.au/guides-and-resources/data-and-insights/urban-development-program>

The Planning Permit Activity Reporting system (PPARs) has been in operation for almost 20 years. It provides monthly, quarterly and annual reporting of planning application data. The Victorian government has recently made the data more accessible through the creation of a user-friendly public facing [Planning permit activity reporting dashboard](#). It allows the user to filter information about a particular type of planning application across either a Local Government Area (LGA) or the state, to monitor change over time.

### Measure 10

All levels of government will ensure the efficient use of government land, including the identification of surplus land suitable for housing and the delivery of best practice projects to support housing supply, diversity and affordability.

### Well located government land suitable for housing

Victoria's Housing Statement sets a target to unlock and rezone surplus government land to deliver around 9,000 homes across 45 sites in both metropolitan Melbourne and regional Victoria, with at least 10 per cent of affordable homes to be built across these sites. Implementing this commitment includes programs to progressively identify and assess land owned by the Victorian Government potentially suitable for housing and progress suitable sites for housing construction as a priority, including working with departments and agencies to proactively consider their future land needs and identify future surplus land. The Victorian Government is also undertaking a review of land related policies with the aim of improving utilisation of land and making it easier to repurpose land for priority outcomes such as housing.

# Best practice examples of developing government land

## Case Study – Jewell Station Precinct



The Jewell Station precinct in Brunswick has been transformed into a vibrant local hub through the redevelopment of formerly underused government land.

The redevelopment was led by VicTrack, and involved developing transport land around the station to deliver a new mixed-use development, as well as landscaping and station access improvements.

The project has improved facilities for not only commuters but also the community, by introducing new retail spaces and areas to relax and socialise. The project embodies the idea that good design can improve wellbeing, diversity, and connection in the community, while also increasing housing supply in the inner suburbs of Melbourne.

The project included:

- constructing two eight story mixed-use buildings, with ground floor retail and 121 one, two and three bedroom apartments
- building new bike parking facilities
- upgrading the Upfield shared user path within the precinct
- restoring the heritage station building to make it the centrepiece of the revamped station forecourt
- building new ramps and stairs to improve access to the station.



Following the redevelopment, the community can also now enjoy a garden area, outdoor performance areas, and artistic and cultural spaces within the station precinct. Residents can find a strong sense of community connection in this very dynamic urban milieu with the benefit of being close to public transport.

The improvements to the station precinct were funded by VicTrack with part-proceeds from the developments delivered by Neometro.

With this example set by VicTrack, there are more opportunities for development to support the increase of housing supply, particularly affordable housing.

Further information:

<https://www.victrack.com.au/projects/completed/jewell-station-precinct>