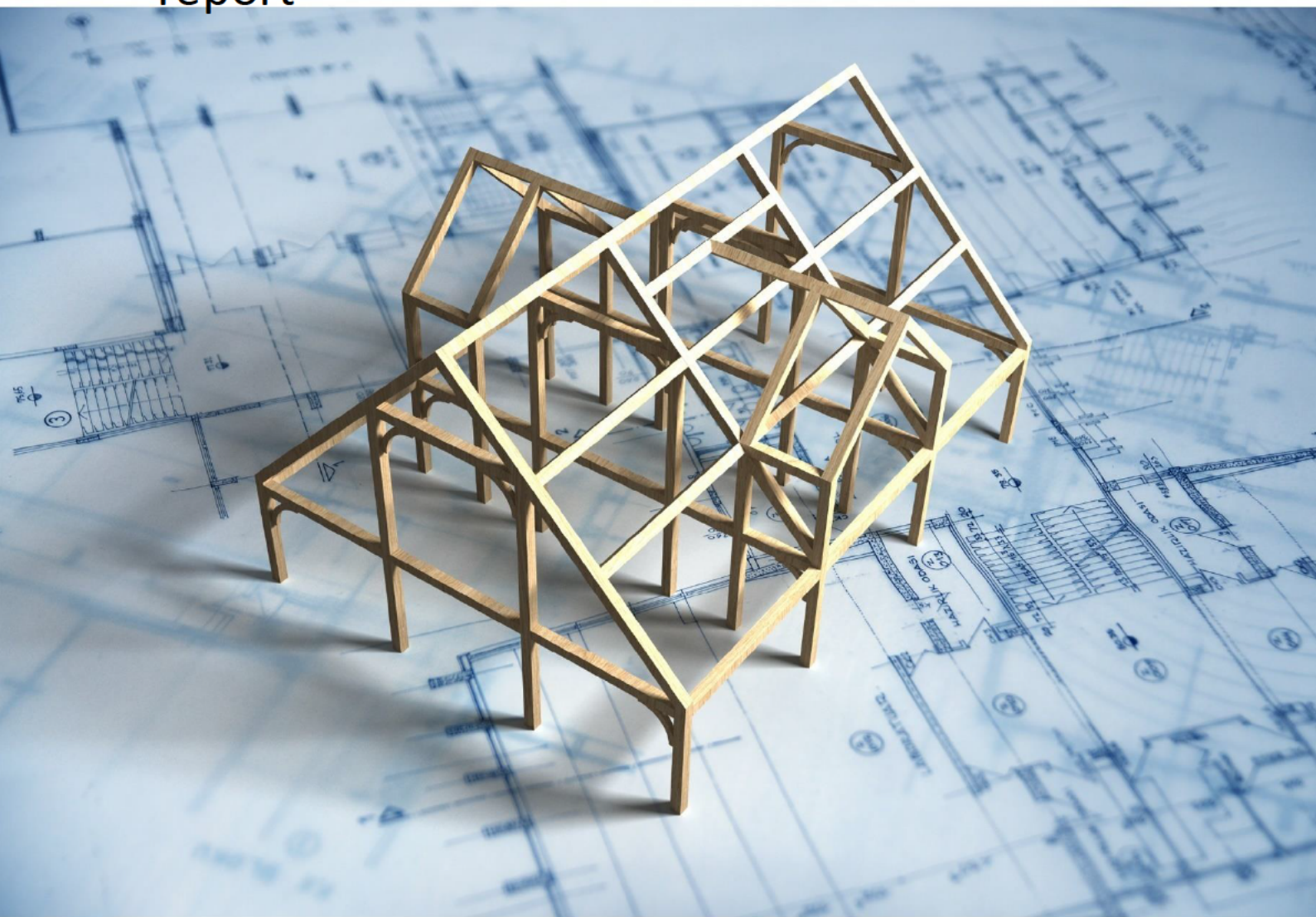




National Planning Reform Blueprint

Victoria March 2025 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.

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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 was to replace the current metropolitan planning strategy, Plan Melbourne, and regional growth plans, with a new plan for Victoria that will cover the whole state.

Plan for Victoria (PfV) was released by the Victorian Government on 28 February 2025 and is the state's 30-year blueprint for how Victoria will grow over time and is structured around five pillars: housing for all Victorians, accessible jobs and services, great places, sustainable environments, and self-determination and caring for Country.

PfV 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 the Metro Tunnel and the Suburban Rail Loop, which will take 600,000 cars off the road and open up new job and housing opportunities for Victorians whilst enhancing Melbourne's productivity and liveability.

PfV sets out housing capacity targets for every Victorian local government area, specifying their share of the extra 2.24 million homes from the Housing Statement. PfV also acknowledges the role regional cities play in building more homes for all Victorians, and acknowledges 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.

As part of implementing PfV regional growth boundaries will be developed to manage outward sprawl of regional towns and settlements and encourage more homes in the centre of town.

In total, 22 actions are identified in PfV. Key actions include:

- Implementing housing targets for every Victorian local government area

- Implementing new controls to streamline planning in activity centres
- Incentivising more social and affordable homes across the state
- Designing and building better quality homes and apartments
- Protecting tree canopies and introducing minimum open space requirements in planning

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: Progressing / First reported in March 2024

As part of Victoria's Housing Statement, the Victorian Government is planning for more homes in activity centres across Melbourne so more Victorians can access homes in the places they want to live - closer to jobs, services, public transport and green, open space.

In 2024, work began on planning and consulting with the community on the first 10 pilot activity centres, estimated to deliver an additional 60,000 homes in and around the activity centres. Extensive consultation was undertaken on these activity centres and nearly 10,000 responses were received from the local communities, councils and stakeholders across two stages of consultation.

In February 2025, the Victorian Government finalised plans for the 10 pilot activity centres, which include Broadmeadows, Camberwell Junction, Chadstone, Epping, Frankston, Moorabbin, Niddrie (Keilor Road), North Essendon, Preston (High Street) and Ringwood.

The plans identify the best locations for more homes within each activity centre, and the most appropriate types of homes for each place. Along with associated planning scheme amendments, the plans propose new rules for building heights, setbacks, and other planning controls to allow more homes to be built there (Further details on the new planning controls for activity centres are reported under Measure 5).

In 2025, the Activity Centres Program is being expanded to include another 50 train and tram zones where there is good access to public transport, jobs and services.

The locations of these centres have been chosen based on an analysis of transport capacity, market viability, access to jobs and services, and environmental considerations.

The Activity Centre Program will provide capacity for more than 300,000 additional homes by 2051, delivering more homes close to public transport.

Throughout 2025 and 2026, work will be undertaken with local communities, councils and stakeholders to better understand how these activity centres can improve access to housing while enhancing the things that make these centres great places to live.

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.

Making it easier to subdivide blocks and build new homes

New Program: Announced October 2025

The Victorian Government is reviewing how to fix the current system, where subdivisions take too long and often discourage home building.

The review will examine how our planning and building systems can be streamlined, enabling more Victorians to add a second home, build two new homes, or subdivide a block into two lots.

As part of the review, the Department of Transport and Planning will look at how approvals can be fast-tracked – while maintaining standards to ensure Victorians can rely on a good quality home.

Clear limits will remain in place when it comes to things important to the community like trees and car parking, and overlays that introduce additional permit requirements (such as in flood or heritage overlays) will still apply.

The Victorian Government has consulted with industry on the changes to inform final options with the aim of implementing the reforms by the end of April 2025.

The move follows the government's change to regulations introduced in 2023, allowing homeowners to build small second homes, such as granny flats, without a planning permit.

Priority Precincts

Update: Progressed | First reported in March 2024

The Victorian Government is delivering Priority Precincts, where we're planning transformational change to the delivery of new homes and jobs. These precincts include Arden, Docklands, Fishermans Bend, Footscray, East Werribee, Parkville, Sunshine, Richmond to Flinders Street, La Trobe and the first six Suburban Rail Loop (SRL) precincts (Box Hill, Burwood, Glen Waverley, Monash, Clayton, Cheltenham).

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 Program 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.

On 25 February 2025 Amendment VC257 introduced a new Built Form Overlay (BFO) and on 28 February 2025, Amendment VC274 introduced a new Precinct Zone (PRZ) into the Victoria Planning Provisions. The BFO is a streamlined Overlay facilitating higher density development and the PRZ is a special purpose zone that provides a framework for the implementation of strategic work (such as structure plans and implementation plans) in priority precincts.

When applied to land, the PRZ and BFO and accompanying schedules will:

- facilitate substantial change in use and development in line with the defined role of that precinct; and
- support a streamlined assessment process for applications that will contribute to addressing Victoria's current and urgent housing supply, housing affordability needs, and stimulate economic growth.

The new PRZ has not been applied to any land at this time, however, they are proposed to be used to help facilitate the development of 70,000 new homes across the six Suburban Rail Loop (SRL) East Precincts. Consultation commenced on draft Planning Scheme Amendments (utilising the PRZ and the BFO) on 17 March 2025. It is anticipated that the PRZ (and the BFO) will become the preferred zoning and built form control tools for state significant priority precincts going forward, including potential application to upcoming structure plans (e.g. Albion Quarter) and implementation plans (e.g. Fishermans Bend Employment and Innovation Area).

Progress on planning for the first six SRL East Precincts is reported separately under Measure 3 'Suburban Rail Loop (SRL)'.

In May 2024 an Opportunity Statement was released for the East Werribee Precinct outlining the Victorian Government's vision for East Werribee as a new centre for jobs and housing in Melbourne's growing western corridor. A Development Strategy was approved by the Victorian Government in November 2024. It is anticipated that Development Victoria, as the State's development agency, will lead the long term delivery of housing and jobs in the precinct. Early development opportunities, including housing and jobs, have been identified and early work on land release for these opportunities is underway. Investment in community infrastructure to support the growth of this

new community is also underway, with the State investing in a new secondary school and specialist school, both due to open in the precinct for Term 1, 2026.

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 is being used to develop a Structure Plan. The Albion Quarter will unlock capacity for up to 10,000 new homes adjacent to an existing railway station and services such as Victoria University.

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). A public Advisory Committee process took place in late 2024. The Advisory Committee report is due in March 2025.

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. The project has now entered its next phase, with the release of draft structure plans and draft planning scheme amendments showing how neighbourhoods around the six SRL stations can grow.

Community consultation will be undertaken during March and April 2025. Following the consultation period, an advisory committee will be established, with public hearings expected later this year. Planning scheme amendments will be finalised in 2026.

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

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. Recent activity is outlined below.

A Small Sites Pilot Program was launched in July 2024 to accelerate the delivery of much-needed housing on four underutilised sites in Alphington, Coburg, Preston and Malvern.

Building on the success of the pilot program, which saw strong market interest from developers for the four sites, the Victorian Government is unlocking more surplus land as part of a second tranche of the Small Sites program.

A further six sites with the potential to deliver up to 350 homes, including a minimum 10 per cent affordable housing component, were announced in March 2025. This next stage of the program will commence with an Expression of Interest (EOI) campaign in April 2025, seeking interest from

developers with experience in delivering apartment and townhouse developments. More sites will be added to the second tranche of the Small Sites program in the first half of 2025.

Two additional government land sites near Oakleigh and Footscray stations – along the Metro Tunnel’s train line – were released to market in November 2024 as part of a separate procurement process. VicTrack is overseeing the EOI and Request for Proposal (RFP) process for these two sites on behalf of the Victorian Government. The process will explore commercial partnerships that will boost the number of homes on these surplus sites, which are well suited for mid-rise living and have the potential to deliver around 240 homes with a minimum of 10 per cent affordable homes.

In October 2024, the Victorian Government rezoned a surplus government land site located at Denmark Street, Kew (formerly home to VicRoads’ offices). The rezoning from Transport Zone to a mix of Commercial and General Residential zones allows for the future redevelopment of the site, unlocking the potential for approximately 500 homes to help meet the area’s growing housing demand. The site is located close to Kew Junction, which is one of the 50 new ‘train and tram zone’ Activity Centres identified for more housing growth.

While the Victorian Government continues to unlock smaller surplus land for more homes across Victoria, work to develop the massive government-owned Arden Precinct into a home for 20,000 Victorians is progressing. This is reported separately under Measure 3 (below) – See ‘Activate the Arden Precinct’.

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. 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.

Following a EOI process that closed in August 2024, the Victorian Government has moved to the next phase of the multi-staged tender process. A short-list of bidders have been selected to proceed to the RFP stage. The RFP process provides short-listed bidders the opportunity to present their masterplans for Arden Central to be a community-focused and sustainable mixed-use precinct, with proposals due in 2025.

A 10-year plan for Melbourne's greenfields

New Program: Announced October 2024

In October 2024, the Victorian Government released *a 10-year plan for Melbourne's greenfields* – a decade-long plan for the commencement of 27 new greenfield areas across Melbourne's outer south-east, north, and west. The 10-year plan will provide a framework for industry to plan for 180,000 homes.

The plan represents a pipeline of new land in greenfield areas and reinforces the Victorian Government's commitment to achieving its target of 30 per cent of new housing growth in greenfield areas.

The Victorian Government is planning for future housing in the newest suburbs with 27 new Precinct Structure Plans (PSPs) that will be better sequenced and coordinated with infrastructure delivery. This means 22 PSPs will be completed by 2034-35, and the remaining PSPs will be under preparation.

Through the unlocking program, the Victorian Government will also work with councils and industry to unlock constrained zoned land, identifying and addressing issues preventing high yield zoned land from being developed.

Government will also review existing PSPs that are not yet fully developed to understand opportunities for increasing the number and types of homes where there is sufficient planned infrastructure (transport, schools and community facilities) to support them.

Staging provisions will be included in future PSPs as required to ensure infrastructure delivery keeps pace with development and land can be adequately serviced when it is released. Government will regularly review the future pipeline of greenfield land supply to make sure it is delivering housing choice in the right areas.

On 1 January 2025, the Victorian Planning Authority (VPA) was integrated into the Victorian Department of Transport and Planning. This will ensure that strategic, transport, statutory and spatial planning are integrated to cut delays and duplication and deliver faster and better structure planning.

The Victorian Government is unlocking more capacity for new homes and jobs on regional greenfield sites in Shepparton South East, Bannackburn South East, East of Aberline, Ballarat North and Merrimu.

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 stocktake¹

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.

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.

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.

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

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 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 either the General Residential Zone or Housing Choice and Transport Zone, and within 800 metres of an activity centre or passenger railway station.

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). To date, 20 sets of plans have been sold and there have been three Future Homes applications supported by the Department of Transport and Planning, one in regional Victoria and two in metropolitan Melbourne.

Great Design Fast Track pathway

New Program: Announced October 2024

In October 2024, the Victorian Government announced it would introduce a new fast-tracked pathway to promote, reward and expedite the construction of high quality, sustainable and innovative townhouses and apartment buildings.

The Great Design Fast Track pathway will be focused on eligible applications of two to eight storeys in height. It is intended to apply statewide and operate similarly to the existing DFP (reported under measure 6). Like the current DFP, applications will be subject to the same level of assessment and opportunity for consultation as per the standard assessment process.

The Great Design Fast Track will encourage developers to create high-quality, innovative, and sustainable projects that enhance the visual appeal and long-term value of neighbourhoods. The pathway will be supported by design principles to ensure high standards of design, sustainability, and liveability in the final builds.

The new state design book complements the new pathway by showcasing pre-existing examples of well-designed developments that demonstrate the Pathway's guiding design principles. The state design book will provide confidence to both developers and communities about the kinds of high-quality townhouses and apartments they can expect to see delivered through the Great Design Fast Track.

State Design Book

New Program: Announced October 2024

In October 2024, the Victorian Government announced the new state design book with examples of high-quality developments that are already built, and best practice principles for well-designed apartments and townhouses. The state design book will provide confidence to both developers and communities about the kind of high-quality townhouses and apartments they can expect to see delivered.

The Victorian Government will also help to get these well-designed buildings off the ground by securing government-owned land for innovative 'demonstration' developments.

The developments will have to demonstrate high quality design, liveability and sustainability, including modern methods of construction – and be made open to the Victorian public to experience.

These demonstration buildings will then be made available to become homes for Victorians to buy or rent.

Clearer planning controls for Activity Centres and surrounding catchments

Update: Enacted | First reported in March 2024

As part of delivering the Activity Centre Program (reported under Measure 3), two new planning controls have been created to support the faster delivery of more homes in and around activity centres. They include:

- A new **Built Form Overlay** (BFO) and accompanying local schedules will set out specific design and built form requirements to facilitate the preferred scale of development in identified activity centres and priority precincts.
- A new **Housing Choice and Transport Zone** (HCTZ) will facilitate a diversity of housing at increased densities in locations around identified activity centres and other well-served locations with convenient access to jobs, public transport and services.

These new tools have been developed specifically to support housing growth in and around activity centres and other well-serviced locations in line with Victoria's Housing Statement. In general terms, the vision is for taller buildings in the immediate 'core' of the activity centre where the train station and built-up commercial centre is located, and gentler, scaled height limits and more low-rise apartments in the walkable 'catchments' up to 800 metres surrounding the core.

These planning tools are also available for councils and other planning authorities to use. The creation of these new planning tools will make it easier for councils and planning authorities to encourage more homes to be built close to public transport, jobs and services in their own municipalities, helping all levels of government to play their part in delivering more homes for Victorians.

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.

The Consumer and Planning Legislation Amendment (Housing Statement Reform) Bill 2024 passed through the Victorian Parliament that will implement Red Tape Commissioner recommendations to improve planning permit and amendment processes. The benefits of these 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.

Work is also underway 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 being undertaken in early 2025.

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.

As part of the rewrite, the Victorian Government has confirmed it will look at:

- The time and costs associated with structure plans and rezoning, with possible legislative change to replace the current one-size-fits-all planning scheme amendment process.
- Further reducing planning permit delays and blockages, including different assessment and approval processes for projects that have a lesser impact.

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.

In March 2025, the Victorian Government announced plans to transform the former VicRoads State Government office building in Kew into a new residential community, delivering around 500 homes, including a minimum 10 per cent affordable housing component.

The site is no longer in use and has been declared surplus by the Department of Transport and Planning. In October 2024, it was rezoned from a Transport Zone to Commercial and General Residential Zones, unlocking the potential to help meet the area's growing housing demand.

Development Victoria are currently exploring development options, including the potential adaptive re-use of the southern building, with early land preparation expected to begin in mid-2025, subject to viability and approvals. Development Victoria are also investigating partnerships with the private sector to help deliver aspects of the development, ensuring a diverse mix of housing options across the site.

New Infrastructure Contribution System

New Program: Announced October 2024

In October 2024, the Victoria Government announced its intention to create a better, fairer system for property developers to contribute to funding for local infrastructure and services in the areas where they build more homes.

Under the plan, funding will be invested back into communities where more homes are built for the things they need, including:

- roads, paths and public transport
- new and upgraded schools
- upgraded health and community facilities
- parks, playgrounds, sport and recreation spaces, and more.

The Victorian Government is working with key members of its industry working to develop the new statewide developer contributions model. The group is due to report back in March 2025 with options that will help Victoria grow sustainably, by delivering community infrastructure alongside new home projects.

While this long-term statewide reform is being designed and implemented, the Victorian Government is introducing a new pilot developer contribution system in the first 10 Pilot Activity Centres across Melbourne (reported under Measure 3), where more homes will be delivered near transport, jobs and services.

Developers building new homes in the Pilot Activity Centres will be required to make a contribution from 1 January 2027. Contributions will go towards new and upgraded infrastructure including public transport, roads, upgrades to parks and community facilities.

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.

On 19 December 2024, Amendment VC273 expanded the operation of clause 52.20 to include projects funded by the Victorian or Commonwealth governments. In addition, housing development carried out by or on behalf of Homes Victoria will no longer be required to be funded by the Big Housing Build program to access the facilitated planning pathway.

The amendment facilitates the development of social and affordable housing by allowing projects funded by the Commonwealth Government's Social Housing Accelerator to utilise clause 52.20.

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, 69 development applications have been approved by the Minister for Planning under the streamlined pathway of Clause 52.20. This includes the approvals for approximately 4,256 dwellings, including approximately 3,032 social housing dwellings and 1,025 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.

The Victorian Government is looking at further ways in which the DFP can be used to unlock opportunities on strategic redevelopment sites that are underutilised.

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 which at that time had been lodged with councils for more than six months without a decision.

The new team works 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 the release of the housing statement, over 80 per cent of planning permit applications for townhouses or apartments on the initial backlog list that had been pending a decision for more than six months have now been processed. In total, these approved developments account for approximately 8,400 new dwellings, largely clearing the initial backlog.

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.

Rural and Regional Planning Cadet Program

New Program: Announced October 2024

The Victorian Government has announced a new Rural and Regional Planning Cadet Program, jointly funded by the Commonwealth Government, to support new planners to enter the rural and regional local government workforce. This program will directly address a state shortage of planners that is slowing planning processes – and slowing down approval of new homes.

The Rural and Regional Planning Cadet Program will provide funding to rural and regional councils to subsidise the accredited tertiary institution tuition fees of a planning cadet they employ. This will help build land use planning capability and capacity across the 48 rural and regional councils, ensuring councils are sufficiently resourced to meet their statutory and strategic planning obligations and support the delivery of the local government housing targets specified in PfV.

In March 2025, the Victorian Government sent formal letters to 11 rural and regional councils to support the participation of 14 cadets in the program.

The Victorian Government's Regional Planning Hub program further supports rural and regional councils plan and develop their municipalities and shires by providing statutory and strategic planning support and resources that can:

- assist councils with peak workloads and priority developments
- build land use planning capacity and capability within councils
- improve planning schemes to simplify processes and approvals
- help with significant regional planning projects.

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 developments²

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 DFP 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 expanded the 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.

² 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 – ‘Townhouse and Low-Rise Code’ and ‘4 Storey Apartment Standards’

Update: Enacted | 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.

In February 2025, the Victorian Government announced the introduction of two new sets of planning rules, the ‘Townhouse and Low-Rise Code’ (the Code) and the ‘4 Storey Apartment Standards’.

The new Code and standards build on the 14 ‘deemed to comply’ standards introduced in late 2023 and finalise the codification of these standards into Victoria’s planning system.

The new Code will implement new rules, called ‘deemed to comply’ standards, for assessing multi-residential developments of three storeys or less. If a planning application is ‘deemed to comply’ with these standards, it will benefit from a faster and more certain permit process.

The new rules set basic but important standards for good development, like setbacks, tree coverage, bedroom size, sunlight, overshadowing and overlooking.

The changes mean that council planners can quickly approve permits for townhouses and apartment buildings up to three storeys, so long as they meet the new 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.

The new Code and standards were gazetted on 6 March 2025 (Amendment VC267) and commenced operation on 31 March 2025.

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-spatial-and-insights/discover-and-access-planning-open-data/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>