

**Submission
No 65**

**INQUIRY INTO VICTORIA PLANNING PROVISIONS AMENDMENTS
VC257, VC267 AND VC274**

Organisation: Royal Historical Society of Victoria inc.

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ROYAL HISTORICAL SOCIETY OF VICTORIA INC.

Submission to Select Committee Inquiry into Victoria Planning Provisions Amendments VC257, VC267 and VC274

I Executive Summary

- 1. Refocusing the problem:** The proposed Amendments aim to increase the number of permits. But the present processes are delivering more than enough permits to satisfy demand for housing. The problem is that the permits are not being used sufficiently. These Amendments miss the point.
- 2. VC257: Housing Choice and Transport Zone (HCTZ):** The HCTZ would prioritise development over heritage and neighbourhood character. It should not apply where a Heritage Overlay applies. The government's *Standing Advisory Committee Reports*, submitted in November 2024 but not released until now, recommended removing 'areas within the Heritage Overlay or a Neighbourhood Character Overlay' from the HCTZ so that the HCTZ would not apply in these cases, leaving them protected by the existing zonage). The government ignored their experts.
- 3. VC257: Size of the 'catchment' areas:** The 'Walkable Catchment Zone' was renamed 'Housing Choice and Transport Zone (HCTZ)' to reflect the fact that the zone is too big to be walkable: it would extend 800 metres from the *perimeter* of Major Activity Centres (MAC). The Reports recommended the reduction of the zone to truly walkable size.
- 4. VC257: Built Form Overlay and VC267: ResCode:** The proposed Built Form Overlay for core activity centres and the proposed changes to ResCode would effectively exempt applications from the usual provisions concerning notice, rights of objection and appeal, thereby excluding the community from engagement in the process. This would result in poor planning decisions.
- 5. VC274: Precinct Zone:** VC274 would result in more soulless development owing to the priority to development and the lack of community consultation.
- 6. A Better Approach:** Under announced plans for Melbourne and Yarra, the planning department will work with councils to identify underutilised sites to be earmarked for development, with growth being achieved on specific sites rather than the more arbitrary approach of the Amendments. This should enable the HCTZ to be restricted to the identified development sites and allow the current zones, including the NRZ, to continue doing their good work. We commend this approach.
- 7. Conclusion:** The three proposed amendments would undermine and/or are contrary to the following objectives set forth in Section 4 of the Planning And Environment Act 1987 Victoria.



II Submission

Introduction

The Royal Historical Society of Victoria is the peak body for 340 local historical societies across Victoria and the historical society for the area of central Melbourne covered by the Hoddle Grid. Since its founding in 1909, it has worked for the dissemination of historical knowledge, the commemoration of historical events and the preservation of past cultural and architectural sites. It worked for the legislated protection of historical sites and since the creation of the Historic Buildings Council in 1975, it has worked through the Act to save Victoria's past, in the hope that future generations will benefit from a richer environment. In 2013, the RHSV created the Heritage Committee to speak for it in matters relating to built heritage. This submission was prepared by Charles Sowerwine and Ian Wight, with input from Ray Tonkin, all members of the RHSV Heritage Committee. We thank Dr James Lesh for sharing his work on the Standing Committee Advisory Panels with us.

The RHSV fully supports efforts to build more housing and in particular to build more housing in neighbourhoods close to jobs and transport. For these efforts to succeed, however, they must produce neighbourhoods that can attract people to live there. As we move to accommodate more people, heritage becomes even more important in providing an anchor, a focus and an attractive character for new neighbourhoods. It is in this spirit that the RHSV welcomes the Select Committee Inquiry and makes this submission.

Our submission argues that, while the three Amendments VC257, VC267, and VC274, which give effect to the Victorian Government's planning changes contain promising elements, their negative effects outweigh these and therefore the Amendments in their current form should be rejected until they are revised so as to protect heritage and ensure vibrant neighbourhoods with character that attract residents, particularly families. We submit that this will require greater attention to the protection of heritage and its incorporation in development.

Amendment VC257 introduces the Housing Choices and Transport Zone (HCTZ) and the Built Form Overlay into the Victoria Planning Provisions. The Built Form Overlay for the core activity centres exempts applications from the usual provisions concerning notice, rights of objection and appeal, thereby excluding residents and third parties from engagement. Amendment VC267 gives effect to Government changes to ResCode. If a development meets the new deemed-to-comply standards, then the responsible authority must issue a permit. Amendment VC274 introduces a new Precinct Zone to the Victoria Planning Provisions and all planning schemes in Victoria. The new zone is particularly related to Suburban Rail Loop precincts. It promotes virtually unchecked development.

We have given special attention to VC257 because it poses the greatest threat to heritage and to the future of attractive neighbourhoods in that the new Housing Choices and Transport Zone (HCTZ) it introduces would extend over large areas of Melbourne and regional Victoria and devastate heritage in these areas. We note particularly that the government's own Activity Centres Standing Advisory Committee Reports, dated 12 November 2024 but not released until now (presumably because the

government took no notice of them),, found serious incompatibilities between the HCTZ and the Heritage Overlay.

1. Refocusing the problem.

The RHSV strongly supports increased housing. We have long argued that heritage can be the key—stone for development. We need vibrant urban neighbourhoods where increasing density is supported by good design that fits in with existing heritage to create neighbourhoods with focus and character. As we move to intensify development, maintaining heritage becomes more important. New building can be more intense, but it needs to respect existing heritage fabric. Discredited neo-liberal ideas of doing away with planning and heritage favour short-term profit with disastrous results for quality, safety, and neighbourhood character. Such policies would not increase actual housing. Planning for new neighbourhoods should start on the basis of existing heritage, showing how it will be incorporated into and shape the renewal. And there must be community engagement and transparency in the planning process.

Some of us are old enough to remember the poor urban planning of the 1960s and 70s when perfectly good houses were demolished to make way for ‘six pack’ blocks of apartments, which overlooked adjacent houses and had negative impacts on neighbourhoods. Yes, they provided additional housing but without regard for the value of neighbourhoods and the residents within them. Ironically, it was this poor planning that directly led to the introduction of heritage controls and subsequently urban character controls.

Plan for Victoria is presented as a matter of urgency on the grounds that the blockage in housing is a result of insufficient approvals for new development. We submit that there are plenty of approvals. Under the existing planning system, a record 127,792 building permits were issued in 2021, though permits fell during the pandemic.¹ The problem rather is that developers are not using permits.

The biggest impediment to development is developers’ land banking, holding onto land without building, waiting for prices to rise, and then on-selling. In the Melbourne CBD alone, there were in 2023 ‘active permits for almost 100 sites that have not been acted on—118 residential buildings and 22,000 apartments where work has not begun’.² And beyond that, in the Melbourne local government area alone, 4,449 existing dwellings—5 per cent of the total—are not in use.³ We submit therefore that we need not move with undue haste to reduce local input and consultation.

Heritage is sometimes blamed for standing in the way of development, but in fact heritage prevents very few developments. For buildings on the Victorian Heritage Register, Heritage Victoria approves over 95 per cent of applications to modify or demolish. For buildings, Councils approve 90 per cent of applications and VCAT approves 70 per cent of those that developers appeal after Councils reject them.⁴ The problem isn’t getting permits.

¹ Anneke de Boer, ‘Victorian building permits hit record figures’, *The Property Tribune*, 2 February 2022.

² Royce Millar and Rachael Dexter, ‘The housing crisis is caused by more than local councils and activists’, *The Age*, 24 June 2023.

³ Rafqa Touma and Nick Evershed, ‘Up to 136,000 houses are empty in Australia’, *The Guardian Australia*, 2 September 2023.

⁴ Anneke de Boer, ‘Victorian building permits hit record figures’, *The Property Tribune*, 2 February 2022.

Nor is heritage the problem. Indeed, heritage is part of the solution. Heritage Victoria spends a significant part of its time working with owners to convert buildings to residential. In that regard we call the committee's attention to the regrettable decision to cut a quarter of Heritage Victoria's positions, amidst frequent calls for more enforcement and more support for owners.

Heritage is also part of the solution in a broader sense. Preserving heritage and using it as the anchor and focus of redeveloped neighbourhoods is the key to making those neighbourhoods attractive. The danger of open slather policies is illustrated by Docklands, Southbank, and most recently St Joseph's Road, Footscray: 'the streets are windswept and devoid of trees. Some roads remain unsealed and footpaths unfinished, the ground levels are largely lifeless, and several blocks still sit idle'.⁵ That is where the government's plans will lead if they are not revised to take account of heritage.



We conclude that the proposed Amendments are irrelevant in that they address the wrong problem and are counterproductive in that they are likely to produce poorly designed housing.

2. VC257: Housing Choice and Transport Zone

Some of our best heritage precincts are around railway stations and Activity Centres. Historically, it was access to the railway that made the land attractive and locations for development. The development and shopping centres followed the trains. Thus it is in these areas that there is the most older buildings. These precincts thus contribute significantly to what makes Melbourne and Victoria's regional towns and cities distinctive and liveable, giving them unique character and appeal. The proposed Housing Choice and Transport Zone (HCTZ) would replace the

⁵ Sophie Aubrey, 'Quiet, windswept, devoid of trees: The 'disaster' neighbourhood created by too much housing', *The Age*, 25 September 2024.

Neighbourhood Residential Zone (NRZ) on very substantial portions of Melbourne and regional centres, which up to now have been subject to the NRZ. The HCTZ calls for six-storey development. That is potentially in conflict with the Heritage Overlay, in part because six-storey development is likely to be aesthetically hostile to nearby lower-scale heritage and in part because the explicit aim of VC257 is to foster much higher density housing, while heritage is entirely missing from the aims of the HCTZ. This means effectively that in a decision involving the Heritage Overlay, the responsible authority would be obliged to prioritise development over heritage.

The HCTZ is explicitly and overwhelmingly designed to prioritise and facilitate apartment development. In contrast with the NRZ, it has no provisions to ensure the successful integration of heritage assets. The NRZ, on the other hand, effectively supports heritage preservation and neighbourhood character. Its strict height controls accord with the conservation objectives of the HO, and, as it explicitly includes aims of ‘neighbourhood character’ and ‘heritage’, the responsible authorities—councils, VCAT and Planning Department officials—take account of the HO, though not always sufficiently.

The HCTZ lacks any Purpose or Objectives related to neighbourhood character and heritage conservation. This would greatly reduce the weight given to conservation values in planning decisions. Thus, if VC257 were gazetted in its current state, the responsible authority, faced with planning decisions affecting sites under the HO, would be obliged to prioritise the purposes of the HCTZ to favour development, given that heritage and neighbourhood character are not included as explicit purposes of the HCTZ.

The Plan for Victoria website attempts to reassure us that ‘there will be no changes to heritage overlays or amendments to local or state planning policies’ and ‘new buildings will still have to follow existing heritage controls, as well as relevant state and local policy’. But, given our submission above, the government’s assurances are hollow.

It is at the core of Activity Centres that preservation is most important, particularly of local shopping centres (often around railway stations and along tram routes). This is key to the viability of new development being walkable and attractive. Many if not most of the shopping strips around rail stations are historic and are covered, in whole or in extensive parts, by the Heritage Overlay. This is an example where preservation is particularly important if the attractiveness and hence the viability of these strips is to be maintained and provide the focus of an Activity Centre.

We submit that the solution would be to retain the NRZ wherever the Heritage Overlay applies, or in other words, to exclude areas covered by the HO and/or by a neighbourhood character overlay from the HCTZ.

The government’s own expert committee reports came to the same conclusions, both in regard to the size of the HCTZ and to the need to exclude the areas covered by the HO and/or by a neighbourhood character overlay from the HCTZ. The *Standing Advisory Committee Report* on the *Camberwell Junction Activity Centre* called on the government to reduce the size of the walkable catchment zone (now called the HCTZ) to be truly walkable:

Redraw the Camberwell Junction walkable catchment boundary so that it reflects an 800 metre ‘real time’ walkable distance from:

a) the areas identified in the City of Centres Report as Heritage Main Street Core or Non-Heritage Main Street Core

b) the entrances to Camberwell Train Station.

[Emphasis added.] Planning Panels Victoria, Referral 4: *Camberwell Junction Activity Centre: Activity Centres Standing Advisory Committee Report*, 12 November 2024, p. 11. See https://www.planning.vic.gov.au/_data/assets/pdf_file/0031/745492/Activity-Centres-SAC-Referral-Report-Camberwell.pdf

The committee noted that other referrals had recommended reducing the size of the HCTZ and then recommended further ‘refinement’ to remove ‘areas within the Heritage Overlay or a Neighbourhood Character Overlay’ from the HCTZ (or in other words to leave them protected by the existing zonage):

The catchment boundary needs to be redrawn in accordance with the principles outlined by the Referral 2 Committee.

*Consistent with the findings of the Referral 1 Committee, the redefined catchment area should then be further refined **to remove areas within the Heritage Overlay or a Neighbourhood Character Overlay.***

These refinements are likely to include removal of the grey areas in Figure 2 from the walkable catchment. However there are many other parts of the current catchment that will also need to be removed.

[Emphasis added.] Planning Panels Victoria, Referral 4: *Camberwell Junction Activity Centre: Activity Centres Standing Advisory Committee Report*, 12 November 2024, p. 10. See https://www.planning.vic.gov.au/_data/assets/pdf_file/0031/745492/Activity-Centres-SAC-Referral-Report-Camberwell.pdf

The reports on Preston and Chadstone similarly recommend that the Heritage Overlay be excluded from the new zone and the reports on Essendon, Moorabbin, Broadmeadows, and Epping express broadly similar concerns. So, of the government’s nine expert panels, seven have recommended reductions to the HCTZ as proposed in VC257, while the remaining two have noted the incompatibility of the HCTZ with the HO! The government is nevertheless putting forward the HCTZ without taking notice of its experts. Planning Panels Victoria members are chosen from the leading town planners. To reject out of hand the recommendations of nine reports is a telling indictment and adds to the case for rejecting VC257.

We therefore submit that VC257 should be rejected.

3. VC257: size of the ‘catchment’ areas

The new ‘Housing Choice and Transport Zone (HCTZ) is a renamed version of what was previously announced as the ‘Walkable Catchment Zone’ (WCZ). The name change reflects the realisation that the zone is too big and too far from the core of Activity Centres to be walkable: it will extend 800 metres from the *perimeter* of Major Activity Centres (MAC), which in extreme cases can double the walking distance to the actual centre to 1600 metres but is not unusual for the walk to be extended to 1200 metres.

The argument for increased densities around Activity Centres and railway stations was based on the maximum distance most people are prepared to walk, which is generally accepted as 10 minutes or 800 metres. Extending the boundaries for intense development by an additional 800 metres from the outer boundary of the Activity Centre would greatly increase the distances to the central attractions, to well past what is truly ‘walkable’. It seems that the designers have realised the problem, but far from reducing the area, they have simply changed the name. We believe that in recognising that the planned catchment areas of the HCTZ are not in fact ‘walkable’, they have entirely lost the justification for the new zone.

We submit that the idea of a truly walkable catchment zone is a good one, but the HCTZ as currently proposed in VC257 is not walkable. We submit the zone boundaries should be reduced to reflect real walkability and that, unless VC257 is substantially revised to ensure that the zone is walkable, it should be rejected.

4. VC257: Built Form Overlay and VC267: ResCode

VC257 proposes a new Built Form Overlay for the core activity centre, which would exempt applications from the usual provisions concerning notice, rights of objection, and appeal, thereby excluding residents and third parties from engagement in the process. VC267 gives effect to Government changes to ResCode. Under the proposed changes to ResCode, the responsible authority (usually Council) must issue a permit if a development meets the new deemed-to-comply standards.

We submitted in Section 1 above that the problem is not a failure to issue sufficient building permits. On the contrary, the existing planning system has issued more permits than developers can use and have used. Thus, to curtail third party and local input into planning decisions is harmful. For local communities to feel railroaded can only invite backlash. Local communities excluded from planning decisions have a habit of rising up and making their views known in other ways. And community input improves planning decisions in general. We can point again to areas such as Docklands, Southgate and St Joseph’s Road, Footscray, where there was little if any community input. The result has been poor development in unappealing and unsafe neighbourhoods. That is not a recipe to provide quality housing for Victoria’s families.

Community input is also helpful in protecting against such planning failures. We agree, as *Charter 29* argue, that state planning strategy since 1996 has been deregulated, leaving developers free to make the key decisions. ‘Market forces have largely determined spatial decision-making about development, notably in housing, retailing and tourism’. Community and third-party input is crucial in redressing the balance.

Open and transparent planning decisions with visible input from others is particularly important in ensuring that the heritage of our communities is not trashed. As we have argued, the very omission of heritage as an aim in the HCTZ and (as already the case) in the MAC means that outside input from the community, independent planning professionals, and local government is crucial if heritage is not to be completely overridden in favour of the stated aims of development in these zones.

We therefore submit that VC257 and VC267 should be rejected until the Built Form Overlay proposed is revised to maintain transparent planning decisions with visible input open from communities and third parties.

5. VC274: Precinct Zone

We are concerned that, in its present form, VC274 will result in more soulless development. In building new neighbourhoods around new stations, in particular, it will be important to ensure good design by more open and transparent planning decisions. And, as with the other Amendments, VC274 Precinct Zone provides no integration of the Heritage Overlay.

We therefore urge that VC274 be rejected in favour of encouraging community planning for development in the new precincts.

6. A Better Approach

We have been pleased to learn that a different approach is to be adopted for the cities of Melbourne and Yarra. According to *The Age* of 28 February, the government says that although these areas are fully built, they have the best accessibility and so the department will work with the councils to identify underutilised sites to be earmarked for development. This sounds like a much better approach, with the growth being achieved on specific sites rather than the more arbitrary approach in the other suburbs. This should enable the HCTZ to be restricted to the identified development sites and allow the current zones, including the NRZ, to continue doing their good work.

7. Conclusion

For the reasons set out above we believe that the three proposed amendments would undermine and/or are contrary to the following objectives set forth in Section 4 of the Planning And Environment Act 1987 Victoria:

a) to provide for the fair, orderly, economic and sustainable use, and development of land;

The amendments fail at the first hurdle as they have not been through a proper amendment process so have not been subject to public exhibition and submissions. Therefore, regardless of the content of the amendments, the process has not been fair and orderly.

(b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;

The amendments will encourage new builds instead of recycling existing housing stock in the form of heritage. Demolishing and rebuilding housing in Australia carries significant environmental

costs, including wasted embodied energy, landfill waste as well as the loss of the cultural value of heritage. Moreover, a significant portion of Australia's greenhouse gas emissions comes from concrete, which will undoubtedly be the dominant material of new builds (See Weijie Hu. 2025. "Transforming Public Housing in Australia: Embracing Sustainable Refurbishment over Demolition." Urban Research & Practice, January, 1–11. doi:10.1080/17535069.2025.2450478).

(c) to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;

The loss of heritage will have a negative impact on the quality of the environment.

(d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;

As we have detailed, the three Amendments, especially VC257, would have a major adverse impact on the maintenance of heritage under the Heritage Overlay. As the Activity Centres Standing Advisory Committee Reports showed, the HCTZ would be incompatible with the proper functioning of the HO. Moreover, the tendency throughout the three Amendments is to curtail community, neighbourhood and third-party participation in planning discussion, and obliging the responsible authority to issue permits without regard for the impact of the proposal on the community.

The Royal Historical Society of Victoria therefore submits that the Committee should recommend rejection of VC257, VC267 and VC274.

