



## Nillumbik Draft Housing Strategy 2024

April 2024 Draft

# Draft Nillumbik Housing Strategy 2024

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## **Draft Nillumbik Housing Strategy 2024**

### **Acknowledgement of Country**

Nillumbik Shire Council respectfully acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the Country on which Nillumbik is located, and we value the significance of the Wurundjeri people's history as essential to the unique character of the Shire. We pay tribute to all First Nations People living in Nillumbik, give respect to Elders past, present and future, and extend that respect to all First Nations People.

We respect the enduring strength of the Wurundjeri Woi-wurrung and acknowledge the ongoing impacts of past trauma and injustices from European invasion, massacres and genocide committed against First Nations People. We acknowledge that sovereignty was never ceded.

Wurundjeri Woi-wurrung people hold a deep and ongoing connection to this place. We value the distinctive place of our First Nations People in both Nillumbik and Australia's identity; from their cultural heritage and care of the land and waterways, to their ongoing contributions in many fields including academia, agriculture, art, economics, law, sport and politics.



### **Inclusion statement**

Nillumbik Shire Council is committed to creating a fair, equitable and inclusive community where human rights are respected, participation is facilitated, barriers are addressed and diversity is celebrated. We support the rights of all people regardless of age, gender, ability or background. We value the diverse and changing nature of our community and understand that some groups and individuals experience more barriers than others.

If you require this document in another format, email [nillumbik@nillumbik.vic.gov.au](mailto:nillumbik@nillumbik.vic.gov.au) or phone 9433 3111.



## **Acronyms**

<b>ABS</b>	Australian Bureau of Statistics
<b>ACZ</b>	Activity Centre Zone
<b>BMO</b>	Bushfire Management Overlay
<b>C1Z</b>	Commercial 1 Zone
<b>DCPO</b>	Development Contributions Plan Overlay
<b>DDO</b>	Design and Development Overlay.
<b>DPO</b>	Development Plan Overlay
<b>DTP and DELWP</b>	Department of Transport and Planning (formerly the Department of Environment, Land, Water and Planning)
<b>EAO</b>	Environmental Audit Overlay
<b>ESO</b>	Environmental Significance Overlay
<b>GRZ</b>	General Residential Zone.
<b>HO</b>	Heritage Overlay
<b>GWZ</b>	Green Wedge Zone
<b>IN3Z</b>	Industrial 3 Zone
<b>LDRZ</b>	Low Density Residential Zone
<b>LGA</b>	Local Government Area
<b>LSIO</b>	Land Subject to Inundation Overlay
<b>MAC</b>	Major Activity Centre
<b>MPS</b>	Municipal Planning Strategy
<b>NAC</b>	Neighbourhood Activity Centre (small local commercial centre)
<b>NRZ</b>	Neighbourhood Residential Zone.
<b>MUZ</b>	Mixed Use Zone
<b>PAO</b>	Public Acquisition Overlay
<b>PCRZ</b>	Public Conservation and Resource Zone

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<b>PPF</b>	Planning Policy Framework
<b>PUZ</b>	Public Use Zone - followed by type of public land use number:  PUZ1 – Service & Utility  PUZ2 – Education  PUZ3 – Health & Community  PUZ4 – (was for ‘Transport’; superseded by TRZ1 & TRZ4 under VC205)  PUZ5 – Cemetery/Crematorium  PUZ6 – Local Government  PUZ7 – Other public use
<b>PPRZ</b>	Public Park and Recreation Zone
<b>PO</b>	Parking Overlay
<b>RO</b>	Restructure Overlay
<b>SBO</b>	Special Building Overlay
<b>SCO</b>	Specific Controls Overlay
<b>SLO</b>	Significant Landscape Overlay.
<b>SUZ</b>	Special Use Zone
<b>SSIP</b>	State Significant Industrial Precinct.
<b>TZ</b>	Township Zone
<b>TRZ</b>	Transport Zone - followed by type of transport use number:  TRZ1 – State transport infrastructure, e.g. rail (supersedes PUZ4)  TRZ2 – Principal road network, e.g. arterial road (supersedes RDZ1)  TRZ3 – Significant municipal road (supersedes RDZ2)  TRZ4 – Other transport use (supersedes PUZ4)
<b>UGB</b>	Urban Growth Boundary
<b>UFZ</b>	Urban Floodway Zone

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<b>VIF</b>	Victoria In Future
<b>VPP</b>	Victoria Planning Provisions
<b>VPO</b>	Vegetation Protection Overlay.
<b>HO</b>	Heritage Overlay

# Part 1: Introduction

Housing is shaped by various factors spanning demographics, environment, physical attributes, social dynamics, and economics. These encompass population growth, evolving household structures, environmental and built landscapes, land use, infrastructure access, social and cultural values, housing costs, job prospects, personal preferences, and lifestyle preferences. In preparing for anticipated population and housing changes, Councils need to address these factors by balancing environmental, social, and economic concerns with net community benefit and sustainable development.

## 1.1 What does a Housing Strategy do?

The Housing Strategy will:

- Provide a link between the Council Vision and metropolitan and State planning policy.
- Provide evidence on how Council will support the provision of adequate land for housing to meet our forecast population change, changing needs of our community, and identify housing policy in the Nillumbik Planning Scheme.
- Provide greater housing opportunities by improving housing diversity.
- Provide policy support for affordable housing.
- Provide strategic support for sustainable residential development and policy that respects Nillumbik's unique neighbourhood character.
- Provide certainty for our community and stakeholders about where change is likely to occur and at what scale.
- Identify suitable locations for housing growth including those areas close to services, jobs, public transport and activity centres.
- Establish a Residential Development Framework that supports objectives and preferred neighbourhood character statements evidenced through Nillumbik's adopted Neighbourhood Character Strategy 2023 (NCS), and on projected housing diversity needs to 2041 and beyond.
- Provide a series of goals, objectives and actions to guide the development of updated planning scheme policy relating to housing and neighbourhood character.

The Housing Strategy aims to balance growth and change by pinpointing areas for housing growth and those where minimal changes are preferred. It also strives to maintain our distinctive neighbourhood character, which is highly valued by our community, as evidenced by Council's adopted Neighbourhood Character Strategy (NCS). Additionally, it seeks to weigh the environmental costs and benefits of new housing in line with Council's adopted Climate Action Plan.

**By integrating demographic data analysis with the strategic recommendations of our NCS, the Housing Strategy navigates the unique "tensions" specific to the Shire of Nillumbik in planning for housing, such as bushfire risk, the highly**

constrained Urban Growth Boundary (UGB), steep topography and environmental and neighbourhood character settings. It identifies the most suitable areas for housing density and those where minimal change is preferred.

The Housing Strategy, in conjunction with the recommendations of the adopted NCS, will guide a future planning scheme amendment to update our local housing policy and the Residential Development Framework plan in the Nillumbik Planning Scheme, as well as update the residential zone schedules.

## 1.2 Why does Nillumbik need to prepare a Housing Strategy?

Housing is influenced by a range of demographic, environmental, physical, social and economic influences. Many of the changes occurring in the Victorian housing market are due to population changes. The demographic changes in Nillumbik (like Victoria) identify broadly a population which is ageing, having fewer children, forming smaller households and preferring different lifestyles. These changes have impacted the demand, type and location of housing.

Lifestyle and preference changes have affected the housing market in several ways, creating demand for new and diverse housing. Victoria is experiencing unprecedented population growth predominantly driven by migration, and Melbourne is projected to become Australia's largest city.

Albeit a low growth municipality comparatively, and this is due to many constraints including the high cost of housing in the Shire which is exacerbated by a constrained Urban Growth Boundary (UGB), when planning to accommodate projected population and housing change, local governments are required by State planning policy to effectively plan for this change. This is achieved by considering relevant environmental, social and economic factors, and where conflict arises, balance competing objectives in favour of alignment to State Planning Policy objectives, net community benefit and sustainable development.

Nillumbik Shire Council is a Planning Authority under the *Planning and Environment Act (1987)* and has obligations to align its future planning with the directions set out in *Plan Melbourne 2017-2050* (currently under review). Plan Melbourne is a metropolitan strategy that has been incorporated into all Metropolitan Melbourne planning schemes, including Nillumbik's.

State planning policy in our planning scheme requires Councils to plan to accommodate the projected population growth **over at least a 15-year period** and provide clear direction on locations where growth should occur. Figure 1 identifies matters a Housing Strategy must have regard to including policy, 'rules' (e.g. Planning Practice Notes) and the Housing Strategy's interrelationship with the Neighbourhood Character Strategy in planning for housing in the Shire's residential areas.

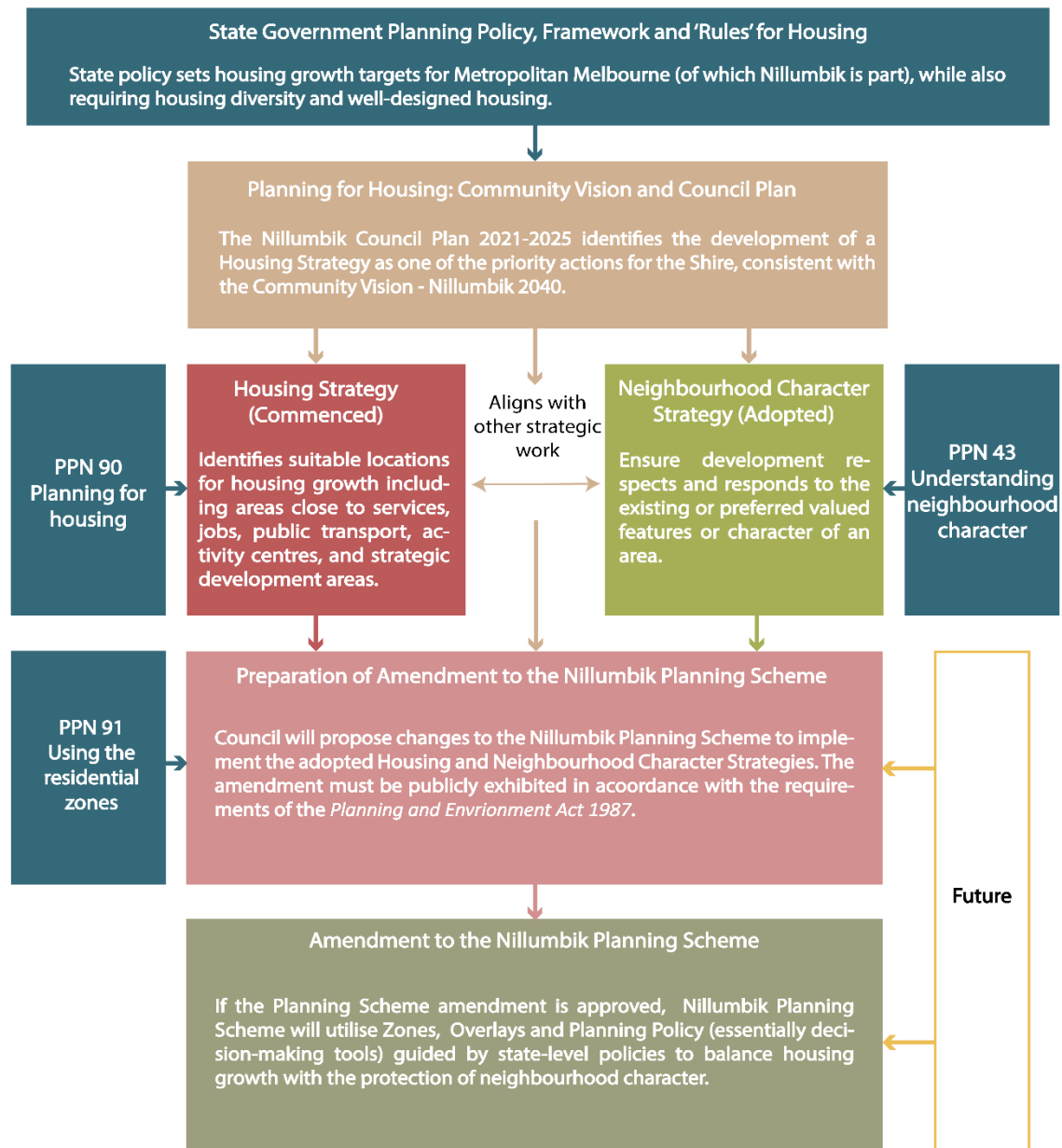


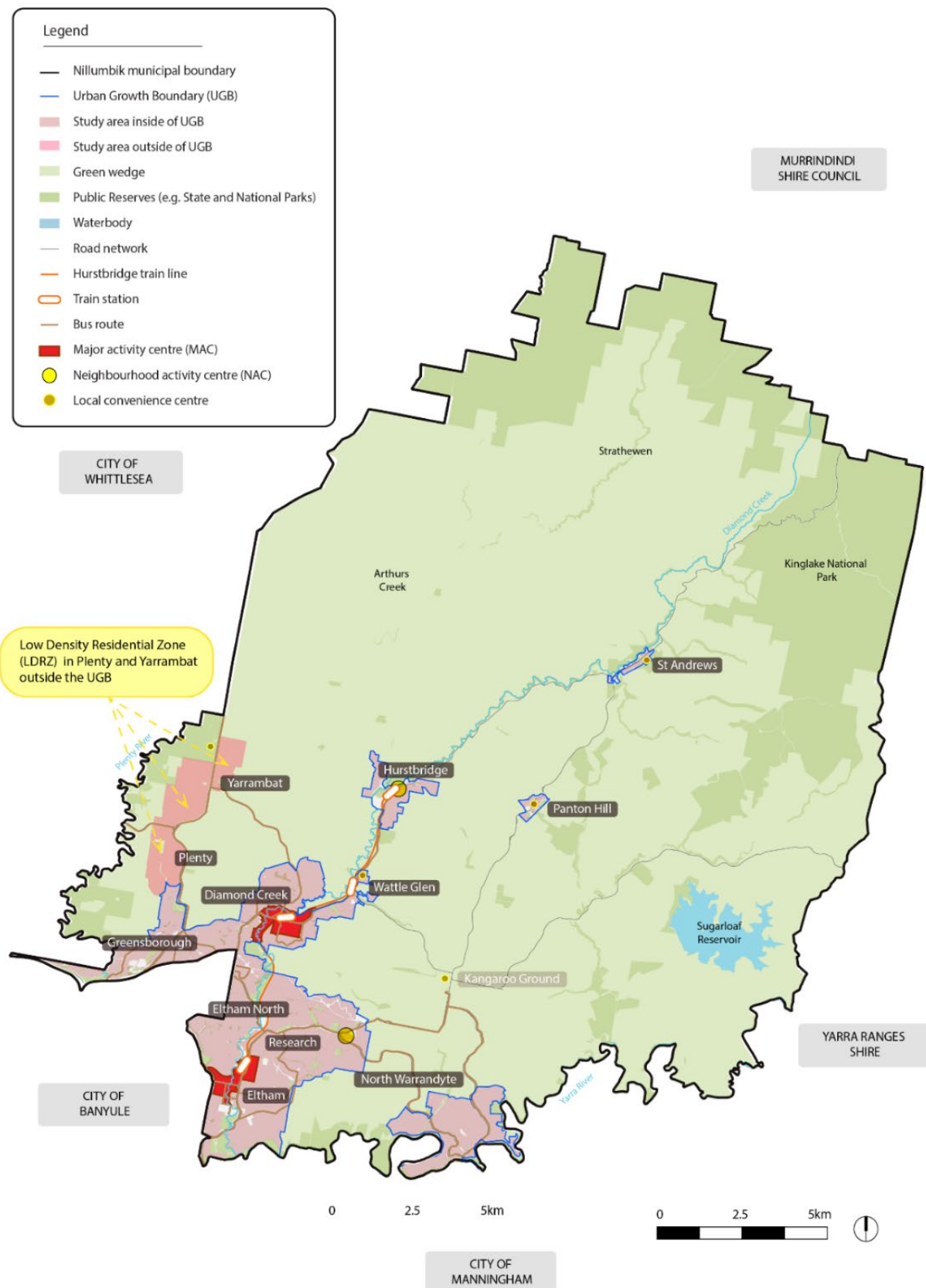
Figure 1: Interrelationships of the Nillumbik Housing Strategy

### 1.3 Where does the Housing Strategy apply (Study Area)?

The study area for the Housing Strategy includes all areas with underlying land use zones where the purpose of the zone is to allow for residential use (among other uses). This does not include any zones located in the Green Wedge (e.g. Rural Conservation Zone or Green Wedge Zone). Localities that are covered by the Housing Strategy include:

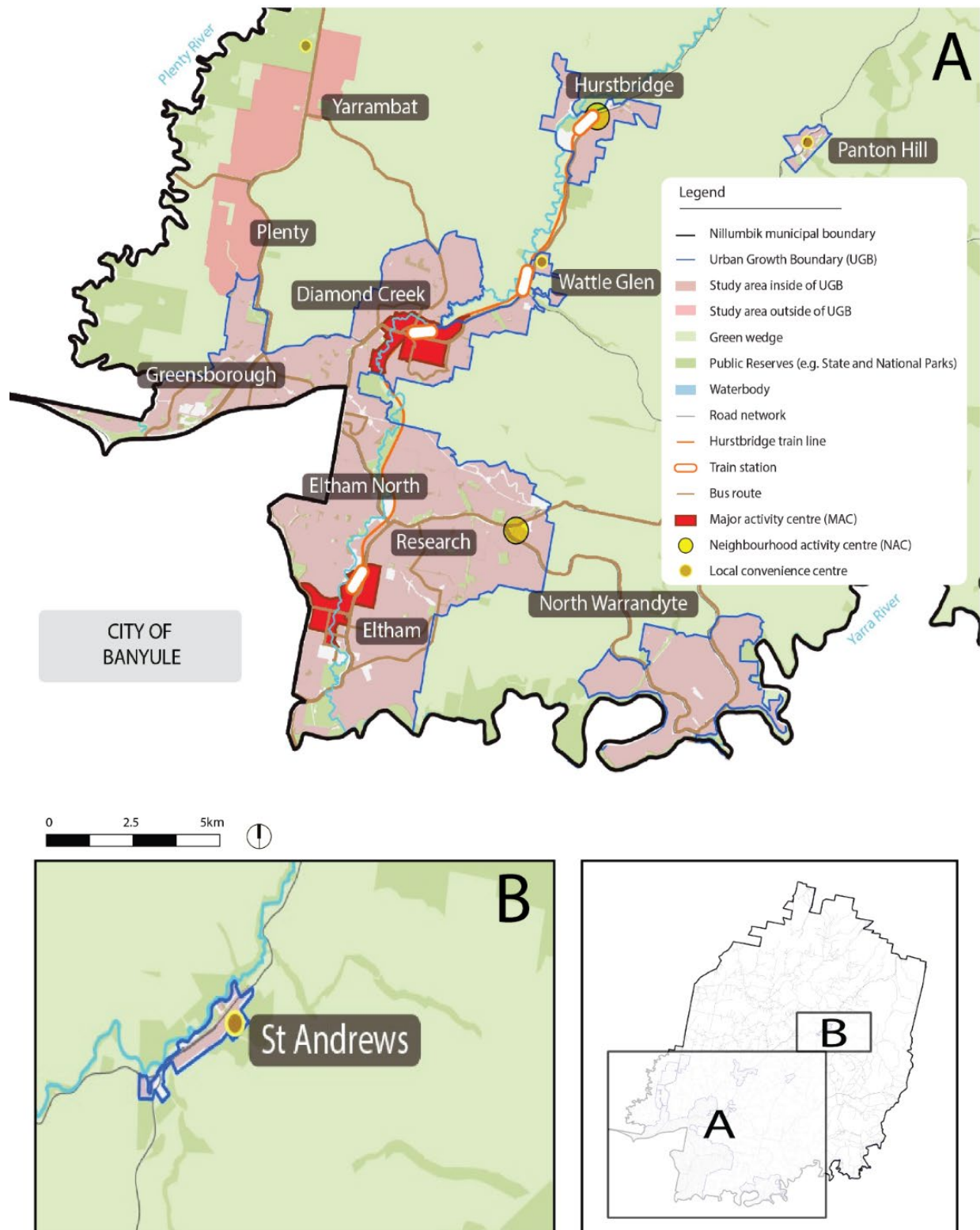
- Diamond Creek
- Eltham
- Eltham North
- Greensborough
- Hurstbridge
- North Warrandyte
- Panton Hill
- Plenty
- Research
- St Andrews
- Wattle Glen
- Yarrambat

Some localities are split across the Urban Growth Boundary (UGB) and Green Wedge, including Wattle Glen, Panton Hill, St Andrews, Hurstbridge, North Warrandyte, Diamond Creek, Plenty, Research and Yarrambat, but as noted only zones that allow for residential development within these localities are included within the Housing Strategy study areas. However, the Shire's only residential zoned areas that are outside the UGB occur in the Low Density Residential Zone (LDRZ) in Plenty and Yarrambat. The following maps identify the study area:



Map 1 - Housing Strategy study area



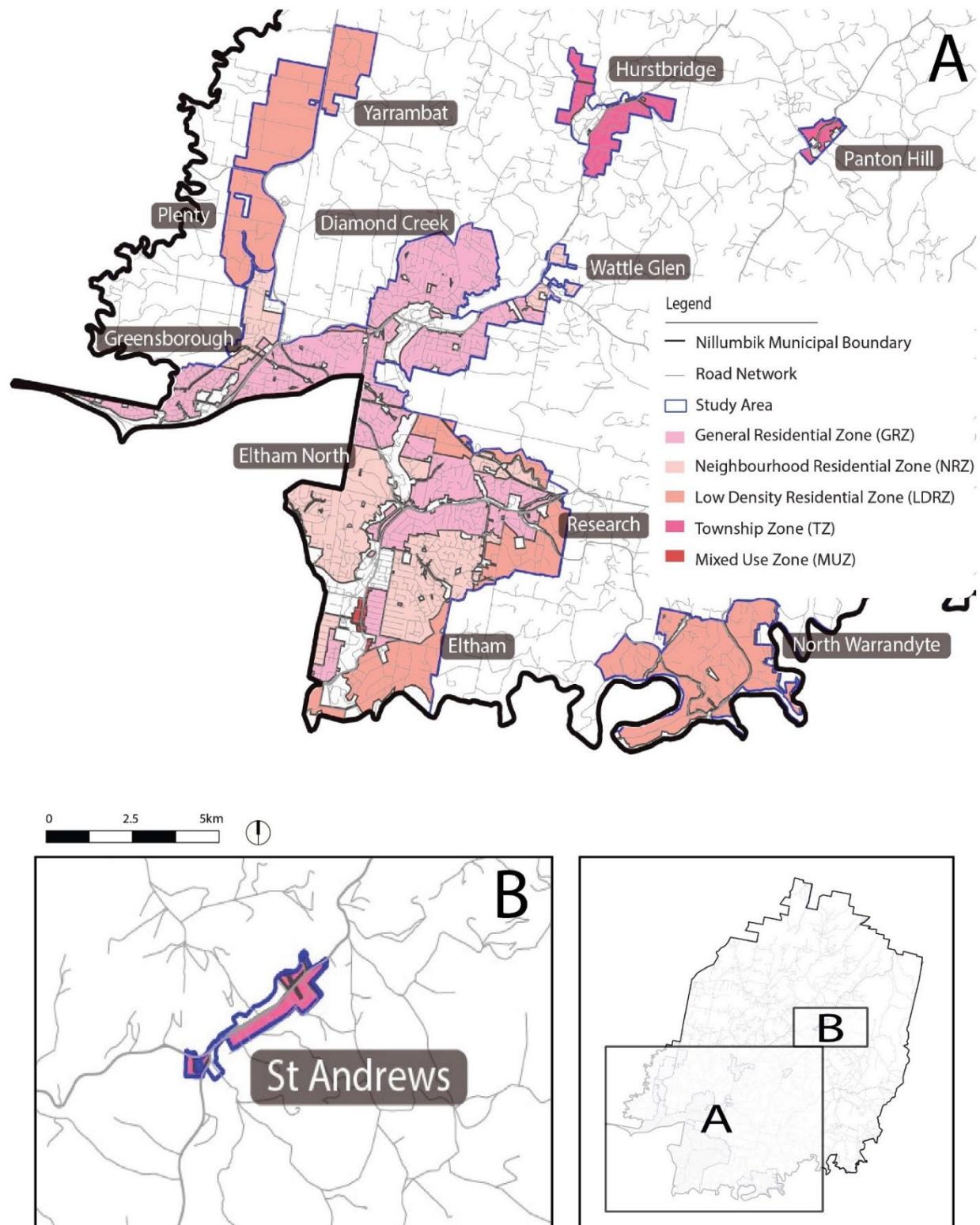


Map 2: Enlarged image of Housing Strategy study area

The study area for the Housing Strategy includes residential land across land use zones (shown in *Table 1*) noting the study area is also affected by a number of planning overlays (environmental, heritage and neighbourhood character) refer to *Appendix A* for details:

Zone	Purpose
<b>General Residential Zone (GRZ)</b>	<p>The GRZ applies to Diamond Creek, Eltham, Eltham North, Research and Greensborough.</p> <p>The purpose of the GRZ is "to encourage a diversity of housing types and housing growth particularly in locations offering good access to services and transport".</p> <p>The GRZ allows for building heights of up to 11 metres and must not exceed 3 storeys at any point.</p>
<b>Neighbourhood Residential Zone (NRZ)</b>	<p>The NRZ applies to pockets of residential development in Diamond Creek, Eltham, Eltham North, Wattle Glen, Plenty and Research.</p> <p>The purpose of the NRZ is to "recognise areas of predominantly single and double storey residential development".</p> <p>The NRZ allows for building heights of up to 9 metres and must not exceed 2 storeys at any point. The zone schedule does not specify local controls for Nillumbik Shire</p>
<b>Mixed Use Zone (MUZ)</b>	<p>The MUZ applies to a portion of land in Eltham along Main Road.</p> <p>The purpose of the MUZ is to "provide for a range of residential, commercial, industrial and other uses which complement the mixed-use function of the locality".</p> <p>The MUZ does not regulate building heights.</p>
<b>Low Density Residential Zone (LDRZ)</b>	<p>The LDRZ applies to residential land in Research, Diamond Creek, North Warrandyte, Eltham, Eltham North, Plenty and Yarrambat.</p> <p>The purpose of the LDRZ is to provide for low-density residential development on lots which, in the absence of reticulated sewerage, can treat and retain all wastewater.</p> <p>The LDRZ does not regulate building heights.</p>
<b>Activity Centre Zone (ACZ)</b>	<p>The ACZ applies to land in Diamond Creek and Eltham.</p> <p>The purpose of the ACZ is to "encourage a mixture of uses and the intensive development of the activity centre" and to "deliver a diversity of housing at higher densities to make optimum use of the facilities and services."</p> <p>The ACZ allows for building height controls that are specified within the local controls to the zone between 3 and 5 storeys.</p>
<b>Township Zone (TZ)</b>	<p>The TZ applies to land in Hurstbridge, Panton Hill and St Andrews.</p> <p>The purpose of the TZ is to "provide for residential development and a range of commercial, industrial and other uses in small towns".</p> <p>The TZ allows for building heights that comply with the requirements set out in Clause 54 and Clause 55. The zone schedule does not specify local controls.</p>

*Table 1: Definition of Residential Zones*



Map 3 – Residential Zones in Nillumbik (excluding Major Activity Centres)

## 1.4 What informs a Housing Strategy?

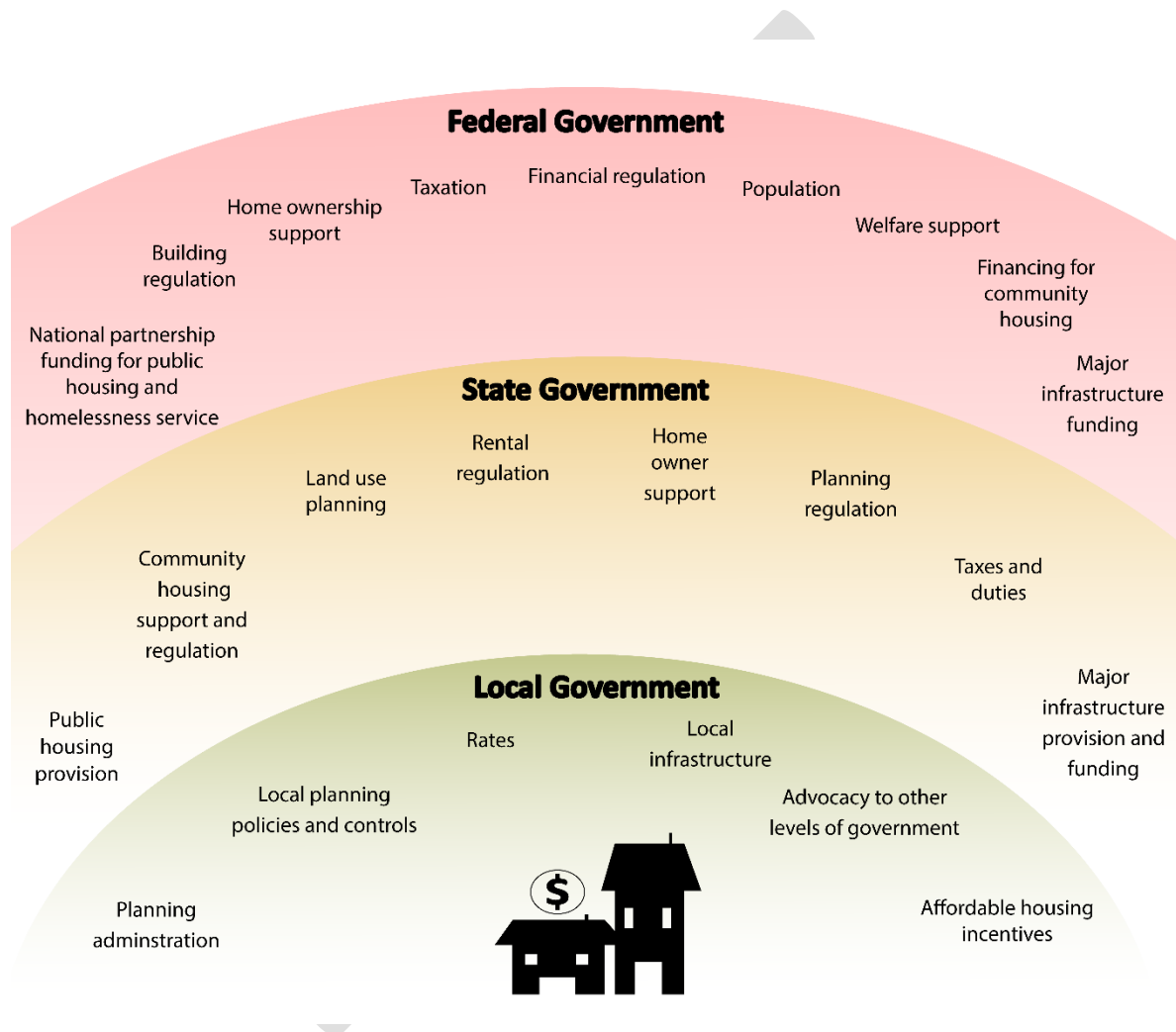
Aside from data and trends analysis, and Federal/State level policies, directions, and strategies, from a local perspective Council's existing strategies and plans have been considered in the context of future housing needs and aspirations in Nillumbik (*Figure 2*).



Figure 2: Local considerations and inputs of the Housing Strategy

## Part 2: Strategic context

The various levels of government — federal, state, and local — each have distinct roles in addressing housing issues. While local government is often the closest to our communities, its influence on key housing drivers is limited or in some areas non-existent. Factors such as immigration policy, housing-related taxation, social housing investment, welfare support, rental assistance, and major infrastructure funding largely fall under the jurisdiction of higher levels of government. *Figure 3* identifies key areas of influence at each level of government:



*Figure 3: Government planning responsibilities for housing policy*



## 2.1 State Government Planning Policy

*Plan Melbourne 2017–2050* (Plan Melbourne, 2019; currently under review), is the State Government's metropolitan planning strategy. It sets the vision and policy direction for the growth of metropolitan Melbourne to 2050.

To manage the supply of housing, Plan Melbourne requires that established areas such as Nillumbik accommodate housing growth, particularly in consolidating the growth of Greater Melbourne, limiting urban sprawl, providing for housing diversity and making housing more sustainable. Plan Melbourne directs new housing predominantly to activity centres and other places that offer good access to jobs, services and public transport.

Planning schemes are the primary tool used to implement state and local government land use planning policies. The objectives of Plan Melbourne are articulated through the Victorian Planning Policy Framework (PPF) into all Victorian Planning schemes.

The PPF provides context for planning decision making. Planning objectives are fostered through appropriate land use and development policies and practices, which integrate relevant environmental, social and economic factors. The PPF includes both the Victorian Planning Provisions (VPPs) which are State level policy, and Local Planning Provisions (LPPs) which provide general objectives and specific local directions respectively. Note that local government policy must adhere to State policy directives, and local policy cannot duplicate or be contrary to State policy.

The VPPs relevant to the Strategy include:

- **11.01-1S Settlement:** Seeks to deliver housing that facilitates access to jobs, services, and infrastructure and community facilities. A key component of this Clause is to promote and capitalise on opportunities for urban renewal and infill redevelopment. New residential development should be planned around existing or future activity centres to maximise accessibility to facilities and services.
- **11.02 -1S Supply of urban land:** Seeks to ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses. A key strategy of this Clause is to plan accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur.
- **11.03-3S Peri-urban areas:** Seeks to identify and protect areas that are strategically important for the environment, biodiversity, landscape, open space, water, agriculture, energy, recreation, tourism, environment, cultural heritage, infrastructure, extractive and other natural resources. Development should be directed to established settlements that have capacity for growth having regard to complex ecosystems and landscapes. This Clause seeks to

avoid urban sprawl by establishing and maintaining growth boundaries (the UGB) for peri-urban areas.

- **12.01-2S Native Vegetation Management:** Seeks to ensure that native vegetation is not unnecessarily removed or destroyed.
- **12.05-2S Landscapes:** Seeks to protect and enhance significant landscapes and open spaces that contribute to character, identity and sustainable environments.
- **13.02-1S Bushfire Planning:** Seeks to strengthen the resilience of human settlements and communities. Importantly, this policy outlines the need to give priority to the protection of human life over all other policy considerations.
- **15.01-1S Urban design:** Seeks to create urban environments that are safe, healthy, functional and enjoyable and that contribute to a sense of place and cultural identity. Design responses should respond to local contextual features including character, cultural identity, natural features, surrounding landscape and climate.
- **15.01-5S Neighbourhood character:** Seeks to support development that respects the existing neighbourhood character or contributes to a preferred neighbourhood character. Ensure the preferred neighbourhood character is consistent with medium density housing outcomes in areas identified for increased housing.
- **16.01-1S Housing supply:** Seeks to provide well-located, integrated and diverse housing that meets community needs. Design responses for new housing in established urban areas should focus on providing higher density housing development on sites that are proximal to jobs, services and public transport.
- **16.01-2S Housing affordability:** Seeks to ensure land supply continues to be sufficient to meet demand and to Increase choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities.
- **16.02-3S Rural residential development:** Seeks to encourage the consolidation of new housing in existing settlements where investment in physical and community infrastructure and services has already been made.

## Planning Practice Notes

Planning Practice Notes (PPNs) are drafted by the State government and provide advice to Responsible Authorities on planning matters. They cover various planning processes and topics, encompassing the preparation of planning scheme content, assessment of permit applications, and the provision of ongoing planning guidance. They offer insights into the functioning of the VPPs, planning schemes, and various planning processes and topics. Below is a list of PPNs relevant to the development of this Housing Strategy, noting they must be considered in the context of drafting the Housing Strategy.

### Practice Note 90 – Planning for Housing (DTP, 2023a)

PPN 90 provides information and guidance about how to plan for housing growth and protect neighbourhood character.

Key points relevant to this strategy include:

- Housing change is an inevitable and ongoing process. Local Councils must respond to state and regional planning policies about where housing growth should occur. This is done via strategic planning work – a housing strategy, and a local NCS (adopted in 2023).
- **Respecting character does not mean preventing change. In simple terms, respect for the character of a neighbourhood means that development should be designed in response to its context.**
- Identifying housing change areas provides a means for prioritising competing housing and neighbourhood character objectives arising out of local strategic work. It also provides the basis for the application of requirements through zones and overlays to give effect to desired planning outcomes.

### Practice Note 91 – Using Residential Zones (DTP, 2023c)

PPN 91 provides information and guidance about the use of residential zones in addition to the local policies and overlays to implement strategic work and how best to make use of the key features of the residential zones.

Key points relevant to this strategy include:

- Housing and neighbourhood character plans need to be consistent and align with one another when specifying preferred future housing and neighbourhood character outcomes for an area.
- All residential zones support and allow increased housing, unless special neighbourhood character, heritage, environmental or landscape attributes, or other constraints and hazards exist.
- Rather than specifying preferred neighbourhood character statements in local planning policy, objectives can be specified in a schedule to a residential zone to implement the preferred neighbourhood character.

Key findings of this strategy will consider how the existing zone schedules can be better utilised to protect and enhance neighbourhood character in Nillumbik Shire.

### Planning Practice Note 43 — Understanding Neighbourhood Character (DTP, 2023b)

PPN 43 provides guidance on the design and siting of new dwellings to respect neighbourhood character. It also provides a definition of neighbourhood character: **Neighbourhood character is essentially the combination of the public and private realms. Every property, public place or piece of infrastructure makes a contribution, whether great or small. It is the cumulative impact of all these contributions that establishes neighbourhood character.**



Key points relevant to this strategy include:

- Residential development proposals need to respect the existing or preferred neighbourhood character and satisfy all the neighbourhood character requirements of the residential development provisions in planning schemes.
- One element of neighbourhood character cannot be singled out from another, because the relationships that appear physically on the ground are an important aspect of establishing character.
- Neighbourhood character does not mean 'attractiveness'. Every area has character. Its attractiveness is subjective. It also does not mean heritage – heritage relates to history.
- Pattern of development, built form, scale, architectural and roof styles are all key considerations of neighbourhood character. Other notable features and characteristics, such as vegetation, are also considered.
- Respecting neighbourhood character does not mean replication of existing building stock, the prevention of change, or limiting design interpretation and innovation. It means that development should try to 'fit in' by scale and form or by architectural style of surrounding development.

## 2.2 Changing Housing Policy Context

Nillumbik's Housing Strategy is being drafted at a time of unprecedented planning policy change specific to housing, not only in Victoria, but Australia-wide, predominantly driven by the decline of supply and housing affordability.

Announced in October 2022, the National Housing Accord was a landmark agreement designed by the Federal government and signed by all State governments to tackle housing supply and affordability right across Australia.

In 2023, in response to the Accord and its own need to plan for housing, the Victorian government announced an array of policy changes aimed at increasing the supply of housing and to provide for more affordable homes in Victoria. This policy setting was not unique to Victoria with access to affordable and fit for purpose housing increasingly having become an issue across Australia. Given these policy settings are very new, the impact of such is not yet known. These policy changes include:



Image 1: Victoria's Housing Statement banner

A plan that aims to build 800,000 homes from 2024-2034. Victoria's Housing Statement, along with policy reforms aimed at tackling housing supply and affordability issues, were incorporated into all Victorian planning schemes through amendments VC242 and VC243. These reforms came into effect on September 20th, 2023. These amendments included:

- Amendment VC242 which introduces two new controls into Planning Schemes: Clause 53.22 (Significant Economic Development) and Clause 53.23 (Significant Residential Development with Affordable Housing).
  - In summary, these changes seek to provide a facilitated assessment process for significant development which can have an immediate and meaningful effect on addressing current housing and economic issues. The Minister for Planning is the Responsible Authority for decision making with regard to these proposals.
- Removing the need for planning permission for a single dwelling on a lot exceeding 300 square meters. Specifically, it removed the provision in the zone schedule that previously mandated planning permission for constructing or extending a single dwelling or erecting or extending a fence within 3 meters of a street on such lots. This change applies across General Residential Zones (GRZ), Neighbourhood Residential Zones (NRZ), and Township Zones (TZ). Consequently, there is no longer a requirement to secure a planning permit for constructing a single dwelling on a lot over 300 square meters, unless otherwise specified by additional provisions of the scheme, such as a planning scheme overlay - noting however, this is consistent with Nillumbik's current Planning Scheme controls where the permit trigger 'threshold' is 300 square metres.
- Introduction of VicSmart permits for applications to construct or extend a single dwelling on a lot of less than 300 square metres where this is appropriate to pursue via the VicSmart pathway.

## Future Homes



## FUTURE HOMES

Image 2: Future Homes banner

Future Homes comprises a series of three-storey apartment building designs that can be adapted across GRZs provided they are within 800m of a train station, an activity centre in Metropolitan Melbourne, or an identified regional activity centre. The designs are accompanied by a purpose-built planning process, led by the State government. The changes aim to facilitate development in and around activity centres or public transport. Further exemplar designs are under preparation by the State government.

## Small Second Homes

A small second home up to 60 square metres, also known traditionally as a granny flat, secondary dwelling or a dependent person's unit, no longer requires a planning permit in most cases where there are no flooding, bushfire, environmental or other overlays. A small second home still requires a building permit in order to meet siting, amenity, design and safety requirements, and cannot be subdivided or separately sold off from the main home.

## Plan Victoria

A new plan that replaces *Plan Melbourne 2017-2050* and focuses on delivering more homes near transport, job opportunities and essential services in vibrant, liveable, and sustainable neighbourhoods, is currently being developed by the State government. This plan will be expanded to cover the whole State. [Plan Victoria](#) will be drafted to facilitate 70 per cent of new homes to be built in established areas, while making sure growth areas deliver 30 per cent of new homes. The government's mandate also

includes housing targets, and a review and re-write of the *Planning and Environment Act 1987*.

## 2.3 Local Government Housing Policy

Objectives, strategies and guidelines that are specific only to Nillumbik Shire are included within our local planning policies. These local policies specifically target and provide support to the unique characteristics and challenges that Nillumbik faces. Relevant local policies within the planning scheme include:

### 2.03-1 Municipal Planning Strategy (MPS) - Settlement: Council seeks to:

- Maintain non-urban breaks between existing urban areas and non-urban areas, and between rural townships.
- Focus development in the established township and urban areas to take advantage of existing infrastructure and maintain the viability of these areas.
- Protect the green wedge from incompatible use and development.
- Limit subdivision in rural areas to minimise fragmentation of rural land and maintain vistas.

### 2.03-6 MPS – Housing: Council seeks to:

- Facilitate the provision and diversification of housing to meet the projected increase in the number and type of households, while respecting the neighbourhood character, and protecting the natural and cultural heritage values of the locality.
- Facilitate medium density housing development that is compatible with the character of the area in identified locations that are close to infrastructure
- Discourage residential development in rural areas that disrupt the natural environment, landscape or the productiveness of agricultural land.

*11.01-1L-01 Settlement in Nillumbik Shire:* Includes strategies that aim to contain residential use and development within existing urban areas, townships and low density residential areas.

*13.02-1L Bushfire Management in Nillumbik Shire:* Applies to land affected by the Bushfire Management Overlay or located in a Bushfire Prone Area, and limits sensitive uses such as dwellings. The Clause also ensures that building siting and landscaping is designed to minimise fire risk.

*15.01-2L-01 Building Design in Nillumbik Shire:* Includes strategies to maintain township entrances, encourage accessibility in building design and to encourage muted tones and alternative building materials in developments.

*15.01-2L-02 Medium Density Housing Design:* Applies to land in the General Residential and Neighbourhood Residential Zones and encourages development that is designed to enhance amenity, environmental significance and heritage places.

*15.01-5L Neighbourhood Character - Nillumbik Shire:* Provides a localised approach to implementing neighbourhood character objectives in Nillumbik Shire, currently identified in 'The Neighbourhood Character Study: Residential Design Guidelines



2001 (Planisphere and John Curtis Pty Ltd, amended 2003)'. However, with the adoption of the Neighbourhood Character Strategy (NSC, 2023a), this localised policy would be updated with a future planning scheme amendment to implement the objectives and identified neighbourhood character profiles.

*16.01-1L Location of medium density residential development:* includes strategies to direct medium density housing to the areas identified on the major activity centre structure plans and in areas with convenient access to a public transport stop on a route with frequent services, public open space, community facilities, and commercial centres.

## 2.4 Planning for Housing and the role of Neighbourhood Character



Image 3: Neighbourhood Character Strategy 2023 cover

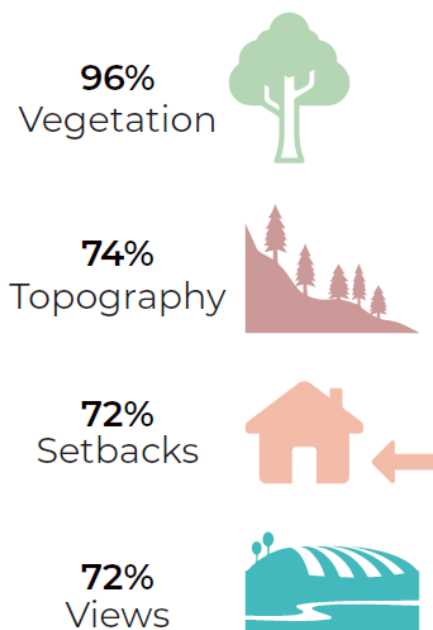
After three robust rounds of community engagement, Council adopted its Neighbourhood Character Strategy (NCS) in December 2023.

**The Strategy updates and accurately reflects Nillumbik Shire's existing and preferred neighbourhood character and outlines how new development should appropriately respond and contribute to the valued characteristics of the Shire's established residential areas.**

The NCS provides, for each character area, a statement of preferred character and character attributes, threats to the character, and design guidelines for future development of residential areas in Nillumbik.

When analysing community feedback concerning neighbourhood character throughout the Shire (*Figure 4*), several distinct themes emerged regarding the character attributes most valued by the community, including:

- protection of trees;
- canopy trees;
- biodiversity corridors and vegetation;
- integration of new development into the landscape;
- building setbacks and a sense of openness;
- low density and low heights;
- heritage, historical, older look and feel of buildings and houses;
- use of natural materials so dwellings blend into the natural environment;
- rural, country, township, village feel.



*Figure 4: Neighbourhood Character engagement analysis*

Incorporating this feedback, the NCS outlines key objectives and initiatives aimed at safeguarding and enhancing the distinctive character of residential areas in Nillumbik. These include the introduction of specific definitions for canopy and amenity trees, tailored to the unique context of Nillumbik where indigenous and native canopy trees

typically exceed those found in Metropolitan Melbourne. Additionally, the strategy proposes the introduction of clear definitions to enhance understanding of development outcomes and recommends expanding neighbourhood character protections in the planning scheme to areas currently lacking such provisions.

Moreover, the NCS advocates for the formulation of tree planting guidelines to ensure the successful integration of vegetation amidst development activities. These proposed changes are integral to fostering sustainable neighbourhood character outcomes in Nillumbik while providing much-needed clarity for applicants and the Victorian Civil and Administrative Tribunal (VCAT) in the future.

**The Neighbourhood Character Strategy and the Housing Strategy complement each other and are essential components in the development of an overarching Residential Development Framework for the Shire.**

The NCS, which has been adopted, will be implemented through a future amendment to the Nillumbik Shire Planning Scheme along with recommendations of this Housing Strategy.

## **2.5 Activity Centres and their Role in Planning for Housing**

State planning policy directs residential development to be located in and around activity centres. In Nillumbik, we have two Major Activity Centres (MACs) – Eltham MAC and Diamond Creek MAC. This is because they are well serviced with shops, public transport and are connected to services and well positioned to accommodate more residents. The context of these activity centres is important to note, because despite the classification of ‘Major’ activity centre, they are nowhere near as established as, say, Greensborough, Carnegie or Brunswick MACs. This is largely due to the relative remoteness of Nillumbik’s MACs and the unique settings of the Shire discussed earlier. Albeit, Nillumbik’s MACs still provide essential services to Nillumbik residents and have their own adopted Structure Plans that talk to their future direction, including housing. Plan Melbourne and the Planning Scheme (consistent with Plan Melbourne) identify a hierarchy of activity centres in Nillumbik (*Table 2*), noting each centre has a different but important role:



Centre type	Location in Nillumbik	Role
Major Activity Centre	Eltham Diamond Creek	Residential density, entertainment, supermarkets, hospitality, specialty retail, health and education facilities, some restricted retail, commercial uses, accessible by public transport (train and bus)
Neighbourhood Activity Centre	Hurstbridge Research	Day to day retail and service needs, small line supermarkets, hospitality, some health services, accessible by Public Transport (train and bus for Hurstbridge); (bus only for Research)
Local Convenience Centre	St Andrews Panton Hill <i>Outside UGB: Kangaroo Ground, Christmas Hills, Yarrambat</i>	Day to day needs at a local level, convenience shops (general store), some hospitality, accessible by public transport (bus only) and disconnected from urban areas.

Table 2: Hierarchy of Activity Centres, as in Plan Melbourne (2019).

State planning policy for Activity Centres in Metropolitan Melbourne, aims to create highly accessible activity centres with diverse employment uses supported by medium density housing. It refers to the importance of ‘building up’ activity centres as a focus of high-quality development, activity, and living for the whole community by developing a network of activity centres. It discusses undertaking strategic planning for the use and development of land in, and around activity centres, focusing on increasing housing diversity and affordability, improving access by walking, cycling, public transport, and encouraging economic activity and business synergies. This policy is binding on local governments and therefore we are expected to support and plan for the development of our centres accordance with the policies listed.

Consistent with these State policy directions to manage change and growth in centres a structure plan or township plan sets a vision over typically a 10 to 15 year timeframe. These plans are strongly focused on sustainability and planning for change that is environmentally, socially and economically sound.

After a rigorous community engagement process, each of the Diamond Creek and Eltham MAC Structure Plans were adopted by Council in 2020 and are currently being implemented into the Nillumbik Planning Scheme via a planning scheme amendment process.

The adopted Structure Plans for Eltham and Diamond Creek MACs aim to guide future planning and development in the Major Activity Centres.



## Housing and the Eltham MAC Structure Plan (NSC, 2020b)



Image 4: Eltham Major Activity Centre precincts

On housing, the Eltham Major Activity Structure Plan identifies:

- More dwellings in and around the activity centre will support a lively and functioning centre. Precinct 2 has experienced the most development activity, with some new apartment and townhouse developments varying in height from 3 to 4 storeys.
- Future medium density housing in mixed use developments within Precinct 1 will energise the centre, support the viability of the traders and improve the vitality of the public realm. The challenge will be accommodating more intensive development whilst responding to the preferred character.
- The land use and economic analysis prepared by Geografia in support of the structure plan, demonstrated that the land within the ACZ1 has significant capacity to accommodate residential densification. A strategy is included that encourages redevelopment at increased residential densities to get more people living in the activity centre. Precinct 2 residential Interface should predominantly provide residential development, but residential development can also be accommodated in other precincts such as Precincts 1, 3 and 5.

Objectives:

- To promote an increase in the amount and diversity of housing by providing medium density housing, to energise the centre.
- To encourage the redevelopment of land to the west of Main Road for a public transport hub and complementary office, retail and housing uses.
- To improve access to and integrate commercial and housing development with the railway station and its surrounds.
- To encourage mixed-use developments through-out much of the activity centre particularly mixed use residential and office buildings.

- Deliver a vertical mix of land uses through facilitating the use of shop tops for office, residential and other commercial uses within the main streets of the activity centre.



*Image 5: Eltham Major Activity Centre*



Image 6: Diamond Creek Major Activity Centre precincts

On housing, the Diamond Creek Structure Plan identifies:

- More dwellings in and around the activity centre will support a lively and functioning centre. The activity centre has seen almost no residential intensification from 2006 to present. This is due in part to a lack of available vacant land, limited demand for housing, difficult topography, sensitive landscapes and community opposition.
- A strategy is included that encourages redevelopment at increased residential densities to get more people living in the activity centre. Residential development should be predominantly located in Precincts 4 and 6.

Objectives:

- To develop additional medium density housing in the centre to meet projected needs and increase dwelling type diversity and energise the centre.
- To provide accessible and affordable housing options close to public transport.
- To improve access to and integrate retail, commercial and housing development with the railway station and its surrounds.

Strategies:

- Provide the opportunity for a transit-oriented development on land to the west of the railway line (Precinct 4) including uses such as commercial and residential.
- Encourage redevelopment at increased residential densities to provide additional dwellings within walking distance of the town centre.
- Deliver a vertical mix of land uses through facilitating the use of shop tops for office, residential and other commercial uses within the main streets of the activity centre





*Image 7: Diamond Creek Major Activity Centre*

The role of our Neighbourhood Activity Centres and Township ‘centres’ is explored in more detail at Section 3.6 Priority Areas and Local Government Role, particularly with regard to planning for our centres.

## Part 3: What are we planning for?

### 3.1 Housing and First Nations People

For thousands of years, Nillumbik Shire has been inhabited by the Wurundjeri-willam clan of the Woi-wurrung speaking people, and this land remains their home and contributes to their cultural identity to this day. The Woi-wurrung people are a part of the Kulin Nation, who are the traditional owners of the land surrounding the northern parts of Melbourne.

Nillumbik Shire is situated within the clan boundary of the Wurundjeri-willam. The Wurundjeri people call the region 'Nillumbik', which is known to mean the shallow earth. It was later used by the Europeans who settled in the area.

The colonisation process which resulted in brutal land dispossession has largely determined a legacy of adverse housing outcomes for Aboriginal people. The Victorian Aboriginal Housing and Homelessness Framework identifies housing factors that disproportionately impact Aboriginal people (see *Figure 5*).

*“Aboriginal people are disproportionately impacted by:*

- housing market failure in Victoria (housing which is unaffordable for people on middle incomes to buy; rental properties that are unaffordable for people on income support and the minimum wage to rent; and a social housing market that continues to shrink relative to the population);*
- stressors which compound the fracturing effects of major life transitions (family violence and breakdown, leaving home and transitioning in and out of institutional settings);*
- poverty of household material resources; and*
- a mainstream housing and homeless assistance system that lacks cultural accreditation and is frequently experienced by Aboriginal people as a series of closed doors and waiting rooms.*

*These factors are overlaid by an historical legacy which continues to resonate in contemporary housing poverty. We are witnessing the continuing impact of past policies, which saw the deliberate exclusion of Aboriginal people from the economy, systematic dispossession of land, and the disorientation of forced relocation.”*

*(AHV, 2020. P 9).*

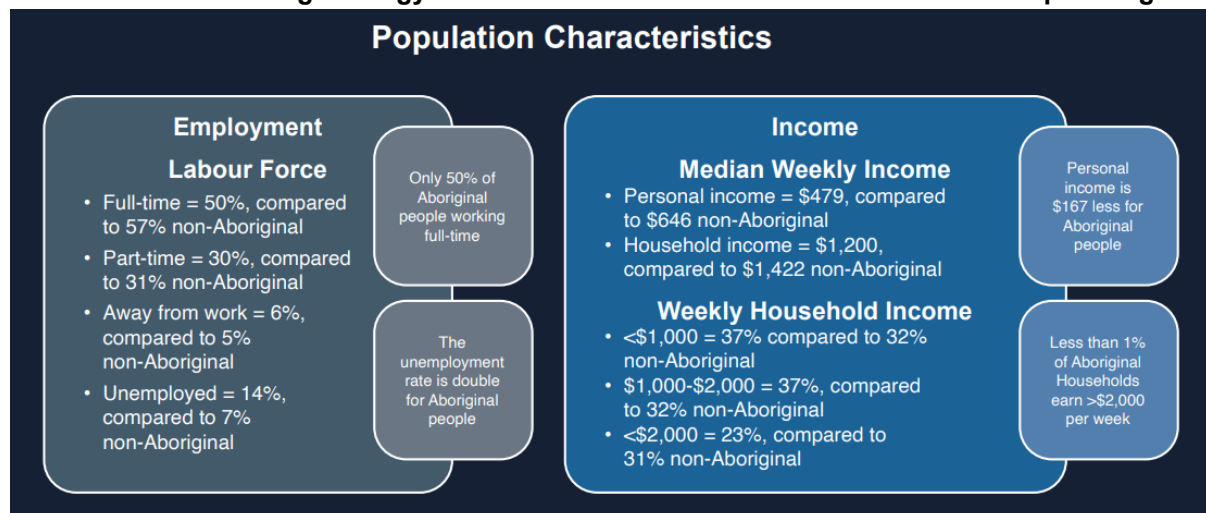


Figure 5: Population characteristics of Aboriginal and non-Aboriginal people

The proportion of Nillumbik's population that identified as being of Aboriginal or Torres Strait Islander descent in 2021 was 0.6 per cent, which is an approximately 50 per cent increase from 2016, compared to Victoria's 37.4 per cent. This change could be largely due to non-demographic factors such as changing identification in the Census and throughout life or changes in Census coverage and response (see Figure 6).

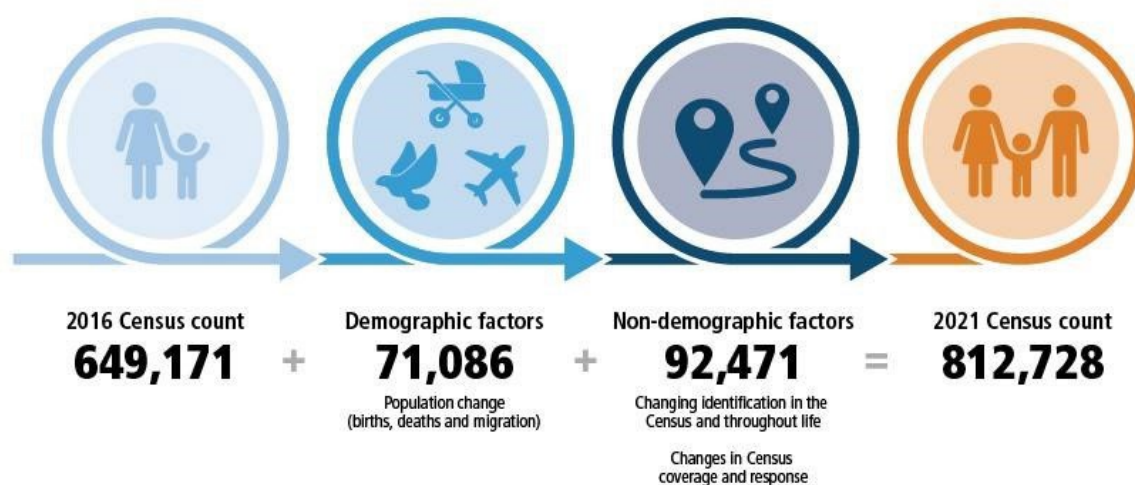


Figure 6: Change in Census count for Aboriginal and Torres Strait Islanders (ABS, 2021)

The Victorian Aboriginal Housing and Homelessness Framework also notes Aboriginal household structures often mean that caring for elders or being kinship carers requires careful thought when considering housing requirements. Catering for larger and mobile families is also a key consideration.

*“The evolution of Aboriginal housing deprivation in Australia makes it distinctive. The solutions must also be different. They will not be realised without a determined commitment by Governments to support self-determination; the wresting back of agency and control by Aboriginal people”*

(AHV, 2020. p 10).

The health of the environment is also a fundamental part of First Nation people's attachment and relationship to Country. This relationship is a reciprocal one where looking after Country means that Country will look after you. Colonisation has impeded the ability for First Nation peoples to continue managing and looking after Country. But more recently, greater recognition for traditional knowledge has proven to be a powerful resource for caring for the environment and enhancing biodiversity outcomes (Janke et al., 2021). Given the environment forms a core part of Nillumbik's highly valued character, traditional knowledge is integral to our environment and biodiversity

Nillumbik Shire is committed to actively working towards reconciliation and the process of healing with the Wurundjeri Woi-wurrung people and recognise them as the Traditional Owners of the land and waterways of Nillumbik. Nillumbik Shire Council is currently in development of its' first Reflect Reconciliation Action Plan which is a formal commitment to support First Nations people's rights, culture, heritage, needs and aspirations. It will outline the shared approach Council will take to progress reconciliation and work alongside all Aboriginal people in Council's services.

DRAFT

## 3.2 Nillumbik Today

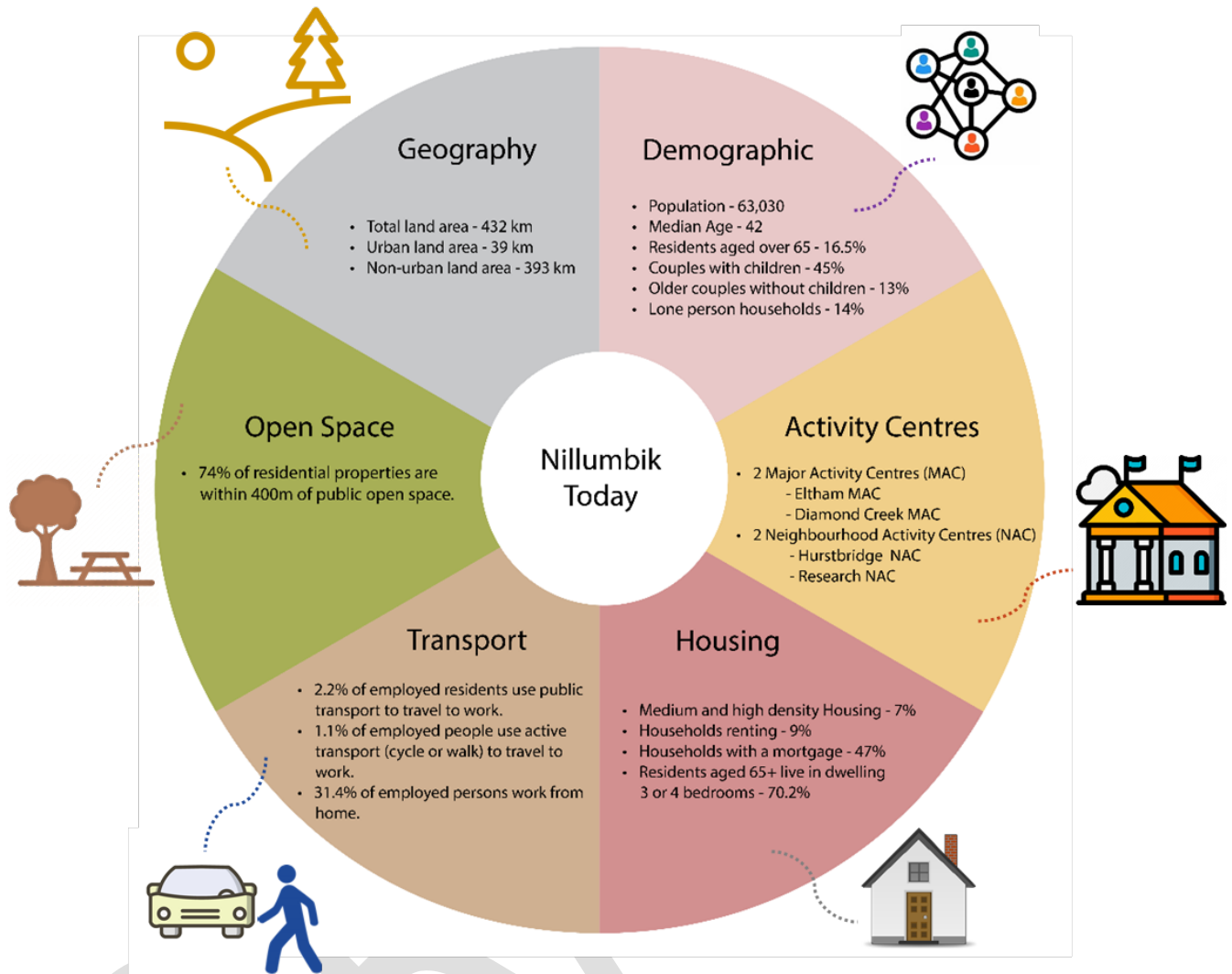


Figure 7: Nillumbik profile (NSC, 2021; Profile .id, 2021)



### 3.3 What Our Community Has Told Us

We have heard a lot from our community about their housing needs and aspirations.

The development of the Housing Strategy has been informed via many deliberative engagements with our community, on not only strategies and discussion papers directly related to Housing, but also on other Council strategies that are intertwined with housing. The insights gathered from these interactions have been synthesized in the *Nillumbik Draft Housing Strategy What We've Heard Summary Paper*, accessible through Participate Nillumbik.

Community feedback on housing has been directly provided to the strategies in *Table 3*:

Strategy	Purpose of Engagement	Dates
Housing Strategy Discussion Paper	Background to inform preparation of 2020 Housing Strategy	2020
Housing Strategy 2020	Consultation on draft however abandoned subject to preparation of a new Neighbourhood Character Strategy	2020
Municipal Planning Strategy	Phase 1 – Our People, Our Place, Our Future (OPOPOF) community engagement program involving a Shire-wide survey used to inform the themes within the MPS.	February to April 2021
	Phase 2 – MPS themes community engagement involving a review of the existing MPS and planning themes that influence the MPS.	August to October 2021
	Phase 3 – Draft MPS community engagement involving a review of the new draft MPS including specific clause ordinances and maps.	June to July 2022
Neighbourhood Character Strategy	Phase 1 – Championing the Strategy - to inform the community about the project, educate the community about neighbourhood character, the Strategy and the process and engage on what people value about their neighbourhoods.	March to May 2022

	Phase 2 – Consultation on the draft Neighbourhood Character Strategy - to seek feedback on the draft Strategy, particularly the proposed Neighbourhood Character Precincts (using the find your address tool) and the attributable Neighbourhood Character objectives and design guidelines.	August to October 2022
	Phase 3 – Close the loop - to ensure all community feedback relevant to the draft strategy has been considered and Council provide clarity as to how feedback has been considered, where changes have been made accordingly and if not why.	June to July 2023
Draft Housing Strategy 2024	Community Reference Group Expression of Interest August to September 2023	Appointed September 2023
<b>Draft Housing Strategy 2024</b>	<b>Consultation on the draft Housing Strategy - to seek feedback on the draft Strategy.</b>	<b>Programmed May 2024</b>

Table 3: List of strategic where feedback on housing was collected

Key sentiments expressed by our community regarding housing generally focus on the areas in *Figure 8*, supported by the Community Reference Group (CRG; refer to Appendix B for information regarding the CRG).



Figure 8: Emerging themes from community engagement, tested with the CRG

## Housing affordability

Key sentiments from our community:

- Demand for **additional** affordable housing.
- Increased financial pressures from Council rates on existing and long-term residents, creating a local economy of those that are **asset rich, but cash restricted**.
- Limited availability of rental accommodation.
- First time buyers are often priced out by increasing housing costs.
- Cost of living crisis is more impactful on **essential workers** in the Shire.



Source: NSC, 2023b

## Ageing in place and housing diversity

Key sentiments from our community:

- Demand for **adaptable** housing.
- Demand for downsizing.
- Older people want to live in their own house instead of aged care facility.
- Housing **diversity**, **affordability**, and **accessibility** were identified as the top priorities.
- Demand for a wider **variety** of housing options.
- Older people and people with disabilities prefer **smaller houses easy to manage** over multi-storey homes.
- **Lack of supply** of appropriate housing for intergenerational communities.
- Council should **work with communities**, rather than let developers dictate.
- Topography is a concern for older people due to **accessibility**, creates reliance on cars.

- Units or 'tiny houses' would address lack of options for single people or those wanting to downsize and allow for **people to age in place**.



Source: NSC, 2023b

## Supporting Nillumbik's unique character and environment

Key sentiments from our community:

- **Balance** development and the natural environment.
- **Protect** natural environment (Biodiversity, vegetation, trees, etc.).
- Protect areas remote from neighbourhood centres from more intensive development.
- Consider the deterioration of the natural environment: too many trees are being removed to make room for development, focus on **regenerative development**.
- Subdivision with considerations of the environment at the fore front. **Protecting the Green Wedge** important for all of Melbourne and the Housing Strategy must recognise that its benefits reach beyond the Shire.
- **Low-medium density** options are more appropriate to the Neighbourhood Character Strategy.
- **Long-term living** in the Shire is part of the Nillumbik 'brand'.
- Align strategy with Neighbourhood Character Strategy and support Nillumbik's unique personality and values.
- Consider needs for different demographics and the **topography**.

<p>"Housing should reflect the Nillumbik character and heritage. I have chosen to live in Hurstbridge for its beauty and semi-rural character, like MOST residents, I do NOT want Hurstbridge to be destroyed with massive housing overdevelopment that is TOTALLY uncalled for here, and which will destroy the character of the village."</p>	<p>"The protection of our neighbourhood character should be very clear and enforceable in particular to deter overdevelopment of Eltham. "</p>	<p>"Consideration of minimum subdivision size controls in areas that are heavily vegetated. "</p>
	<p>"Balance housing development and protect 'green feel' of the area. "</p>	<p>"Developments should not be prioritised over the retention of vegetation. "</p>
	<p>"A balance needs to be struck between subdivision of existing large blocks, which should be allowed within reason to help with housing shortages, and retaining neighbourhood character. "</p>	<p>"Encourage a balanced approach to any residential development and the maintenance of biodiversity. Humans are also a part of the biodiversity. "</p>

Source: NSC, 2023b

## Supporting the townships

Key sentiments from our community:

- Encourage more accessible homes for people of all abilities.
- Demand for housing **near** public transportation.
- Demand for housing **near** essential infrastructure.
- Demand for housing **near** job opportunities.
- Demand for **increased density** - low to medium density - near major and neighbourhood activity centres.
- Concerns about excessive and higher density development in Nillumbik.
- Demand for more options for housing with **low-density**.
- Concerns with surpassing transportation, infrastructure, and service capacity.
- Focusing the population growth on activity centres is not necessarily the most effective or holistic approach and the Strategy should focus growth/development on **smaller more remote communities**.

"Access to transport and facilities need to be considered."

"I want to ensure that unnecessary subdivision is avoided. Ensuring that the medium density goal is maintained."

"Need to implement plans to help reduce car usage... Need more for kids i.e. basketball stadium, BMX, indoor, netball, tennis courts. Need more diverse housing i.e. close to public transport. A review of the bus routes is needed to enable the opening of future areas that are suitable for modest residential subdivisions but currently do not have appropriate public transport options."

"With north east link to be built consideration needs to be given to greater housing diversity in appropriate areas. Look to create appropriate rezoning of land close to infrastructure to support greater number of residents."

"I think there should be more medium-density housing, which should be close to main roads, school/s, bus or train stops and shops (preferably supermarket/s), with close access to open spaces and sports facilities."

"Ensure new developments are in keeping with the natural environment, and avoid multi storey developments as much as possible. These not only negatively impact the aesthetic appeal of an area, but place further strain on already overloaded roads and public transport infrastructures."

"Higher density developments in MACs discouraged."

"Low density living.....keeping that country feel."

"I would like to see eco villages - low environment impact houses sited in areas which are still close to transport, schools and infrastructure."

"Allow subdivision around townships that have infrastructure in place and on the train line. Hurstbridge, Wattle Glen and Diamond Creek. Other townships are too far out and would create isolation and problems with lack of services and transport. Look at a variety of housing models that are out of the norm. Maybe tiny houses which set up for little impact of the environment. Small villages which are nestled in the environment."

Source: NSC, 2023b

## Support innovative and sustainable housing design

Key sentiments from our community:

- Demand for a **sustainable** built environment and eco-friendly design.
- Concerns regarding **inadequate housing design quality**, specifically town housing.
- Concerns with **climate change**.
- Reconsider existing subdivision of land - increasing housing stock but building standards need to be considered for longevity.
- Reduce reliance on townhouse models to allow for wider demographic use and increased accessibility.
- Housing should be **sustainable** to enhance the **resilient** community and reflect the Neighbourhood Character Strategy.
- Need to increase housing that is accessible to those requiring mobility aids.
- **Community-led housing** creates a multitude of social benefits but currently has been a difficult initiative to introduce to the Shire.

“Bushfire and other climate change related threats included in design considerations.”

“More innovative, sustainable, biodiverse urban design. “

“Encourage sustainable housing design and other buildings. “

“Ecologically Sustainability Development (ESD) consultants/principles should be applied to all developments. “

“More bushfire and other climate change related risks considered in housing developments. “

Source: NSC, 2023b



### **3.4 What are the challenges facing Nillumbik in the provision of Housing?**

#### **3.4.1 Our unique environmental settings and constrained Urban Growth Boundary (UGB)**

The entire Nillumbik Shire green wedge comprises 91 per cent of the total land area in the Shire and supports use of land for conservation, farmland and other appropriate non-urban uses. The Shire also has an impressive range of plants, animals and habitats. Nillumbik has over 1,000 Indigenous flora species (plants), 64 of which are listed as significant. Many of these are delicate terrestrial orchids, including some not found anywhere else. Supporting and often relying upon these plants is an impressive array of over 300 Indigenous fauna species, 63 of which are listed significant species including the Brush-tailed Phascogale, Lace Monitor, Common Dunnart, Sugar Glider, Wedge-tailed Eagle, Eltham Copper Butterfly and Platypus. The Shire also supports resident populations of several threatened bird species such as the Powerful Owl and Barking Owl.

There are substantial areas of State and National parkland within the Shire, particularly within its periphery, such as Kinglake National Park, Warrandyte State Park and One Tree Hill Reserve.

The UGB clearly delineates urban areas and townships from rural areas and the boundary has an interface with many localities in the study area of this strategy.

Nillumbik Shire contains high levels of vegetation in the private and public realms. Additionally, residential and rural areas throughout Nillumbik are situated within various and unique landscape settings. These landscape settings are typically characterised by dry forests and woodlands, wet and damp forests, cleared rural land, scattered trees, and waterways.

The majority of Nillumbik Shire's population is located within the urbanised and rural township areas inside the UGB. These localities include Greensborough, Diamond Creek, Wattle Glen, Hurstbridge, Panton Hill, Plenty, St Andrews, Eltham North, Eltham, Research and North Warrandyte.

As a result, available land for urban development within the Shire is heavily concentrated in the south of the Shire, and the rural townships are relatively disconnected from broader Metropolitan Melbourne.

**Given the unique environmental settings of our urban areas, ensuring development that respects and responds to these unique characteristics is challenging.**



### 3.4.2 Bushfire Risk



*Image 8: Fire in the Nillumbik landscape*

The peri-urban characteristics that make Nillumbik liveable also contribute to it being one of the most bushfire prone areas in the world. Fire has been part of the landscape for millennia and is a complex issue that is exacerbated by climate change.

The majority of Nillumbik Shire is a Designated Bushfire Prone Area (BPA) under section 192A of the Building Act 1993. Also, a large proportion of land within the Shire is subject to the Bushfire Management Overlay (BMO; see Appendix A for mapping). While allowing residents to mitigate bushfire risk on their properties is integral to the protection of human life, anecdotal evidence suggests that an unfortunate consequence is the impact on neighbourhood character. The cumulative impact of vegetation removal from individual properties poses a threat to the highly valued 'leafy green' character of Nillumbik. Additionally, Nillumbik residents report the astronomical cost of insurance premiums that comes with living in these areas.

Planning scheme exemptions are in place in all Victorian planning schemes to reduce the threat of fire to human life and property; and they include the right to remove native vegetation, including trees in specified bushfire prone and bushfire management locations for bushfire preparedness purposes.

These are unique and significant threats to particularly trees that present complex challenges when planning for retention and protection of tree canopy that most Metropolitan Melbourne local government areas do not face.

**Council acknowledges the tension between protecting, maintaining and enhancing urban tree canopy, and the challenges of our high bushfire risk environs.**

### 3.4.3 Flooding



*Image 9: Flooded Diamond Creek near Eltham*

Climate change is making rainfall less predictable – with lower rainfall overall, yet more frequent heavy downpours. Areas of Nillumbik may experience higher incidence of riverine and flash flooding during periods of heavy rain, and consequent polluted runoff into our waterways and on to Port Phillip Bay. These unpredictable events place the community at risk, particularly around the Diamond Creek. The Diamond Creek has a history of flooding, particularly during years of above average rainfall. Map 4 shows the impact of a 1% flood in Diamond Creek. A 1% flood means there is a 1% chance of a flood this size happening in any given year (SES, 2020).





Map 4: Extent of 1% flood (SES, 2020)

These at risk areas generally have a Land Subject to Inundation Overlay (LSIO), or are zoned as an Urban Floodway Zone (UFZ; see Appendix A for mapping).

Major storm events place unpredictable pressure on local stormwater infrastructure, which is often ill-equipped to handle significant rainfall. Therefore, housing development in these areas needs careful consideration, with a primary focus on prioritising human health and safety during extreme weather events.



Image 10: Impact of flooding on infrastructure (left) and impact of flooding on Diamond Creek Activity Centre (right)

Council's commitment to flood risk management is evident in the Climate Action Plan, Objective 8.2, which aims to adapt the drainage network to effectively respond to both current and future flood risks. By minimising potential damage to the community and environment, this proactive approach seeks to enhance resilience and safeguard against the impacts of severe weather events.

#### 3.4.4 Topography, walkability and infrastructure



Image 11: Topography and vegetation in Nillumbik

Topography is a distinguishing characteristic of Nillumbik Shire, ranging from gentle undulating slopes to very steep areas along waterways and ridgelines. As a result, dwellings are often built to take advantage of the landscape and to enable views of ranges, valleys and Metropolitan Melbourne (e.g. split-level designs). Notably, dwellings in the northern residential areas are typically sited on steep hills or below street level.

Nillumbik's steep topography creates unique challenges in the provision of infrastructure, transportation planning, and access to essential services. The steep gradients and tight curves of the landscape require significant engineering efforts. For example, design and provision of road and footpath infrastructure where challenges such as established trees and increased costs of construction (e.g. cut/fill and retaining) need to be considered.

Topography and cul-de-sac environments around townships also generally restrict residents from walking as far as they could in, for example, a typical flat urban grid layout around more urban areas of Melbourne. Pedestrians and cyclists may find it difficult to navigate the steep inclines and declines, impacting their mobility. Consequently, access to essential services such as healthcare facilities, schools, and shopping centres may also be affected.

Despite these challenges, Nillumbik possesses many aspects that create a high amenity streetscape such as extensive tree cover, natural creeks, and flora that foster comfortable and positive walkable connections. In advancing walkability and accessibility within the Shire, the significant concentration of population, employment and services means heavy reliance on road infrastructure.



Local road networks in Nillumbik are constrained by topography and the heavily vegetated character in some areas. This influences the type, width, and engineering of many roads (e.g. windy, unmade, naturally drained / swales, narrow).

Communities throughout Nillumbik are also heavily dispersed, particularly in our rural townships. There is a lack of connection which exacerbates the need to use private vehicles to complete daily tasks such as commuting to work, shopping, social and recreational activities. This is highlighted further by private motor vehicle ownership of two or more vehicles being higher in Nillumbik compared to surrounding councils and Greater Melbourne. Further compounding these challenges are relatively scarce public transport choices, accessibility, and low use within the Shire; outside of the MACs.

Public transport networks, encompassing both bus and rail services, pass through Nillumbik along the Hurstbridge train line, serving key locations such as Eltham, Diamond Creek, Wattle Glen, and Hurstbridge. While these services contribute significantly to the overall public transport system, the remaining parts of the Shire are predominantly serviced by buses, which often operate on lengthy and indirect routes. This presents accessibility challenges for several townships within the Shire, particularly those with an aging population.

#### **3.4.5 Council owned land**

Many growth area councils and inner Metropolitan councils in Melbourne own and manage land within their local government boundaries that are either vacant or could be repurposed for community benefit. These opportunities can be realised often through partnerships with the private sector for community benefit (e.g. affordable housing or community facilities). Given Nillumbik has such a constrained UGB, and therefore relatively small amounts of available urban land, there is very limited opportunity for Council to create these 'value-add' opportunities.

**Given Nillumbik's' unique environmental context, the majority of land that Council does own and/or manage is environmentally significant. Nillumbik Shire Council manages around 500 hectares of land, across 101 bushland reserves and 17 wetlands.**

These reserves support 63 listed significant plant species and 64 listed significant animal species. All reserves experience escalating threats such as weed invasion, predation by and competition with pest animals, climate change, altered fire regimes and habitat destruction.

Council also manages 1,200 km of rural roadsides across the Shire. Significant lengths of these roadsides contain native vegetation that has high biodiversity/habitat values, and significant lengths contain problematic exotic/weed vegetation. In many instances, both occur at the same locations. These challenges are unique to Nillumbik in the context of Metropolitan Melbourne.

With regard to Nillumbik's MACs, Eltham and Diamond Creek's size and scope is considerably smaller than other centres within the region such as Doncaster and

Greensborough (both of the latter being located outside of Nillumbik). There is significant under-utilisation of land within the Activity Centres, demonstrated by the large areas of at-grade car parking and the predominance of 1 to 2 storey buildings; despite the previous structure plans (and current planning controls within the Nillumbik Planning Scheme) allowing for development between 3 and 5 storeys in the MACs. This underutilisation suggests that factors beyond the availability of developable land are hindering the uptake of development opportunities within the MACs.

### 3.5 Demographic Trends and our Future Housing Needs

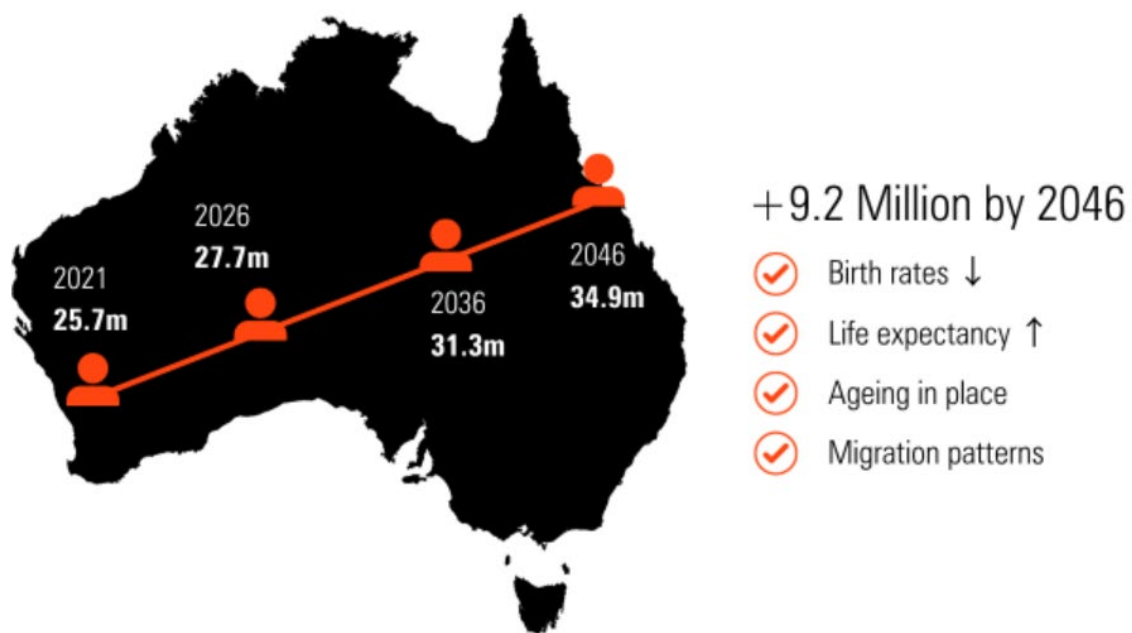


Figure 9: Population forecast for Australia (Source: Blog.id, 2023)

Australia is growing rapidly and is expected to reach nearly 35 million people by 2046 (Figure 9). This growth is primarily due to:

- Natural increase (the difference between births and deaths)
- Net overseas migration (the difference between people migrating to and from Australia)

In planning for housing, it is necessary to understand both current and emerging needs of our community by examining existing and future projected demographic profiles. An understanding of existing housing stock is also required to determine whether the Shire can meet current and future community needs.

Population forecasts are produced by a range of organisations, including the Department of Transport and Planning (DTP) who produces the Victoria in Future (VIF) estimates, the Australian Bureau of Statistics (ABS) who undertake the



Australian census every five years, and private consulting firms such as Id Consulting who Council uses to augment this information to the local level.

Datasets from both the VIF (DTP, 2023c) and Forecast.id (2021) have been used in this Strategy.

Data is explored somewhat further in Section 3.4 Priority Areas and Local Government's Role, however higher-level data is expressed here.

The VIF 2023 (DTP, 2023c) population projections estimate that between 2021 and 2036, the population of Nillumbik will increase by 3,970 (6.3 per cent) people from 63,450 to 67,420 (*Figure 10*). This means an additional 2,540 new homes will be required (approximately 169.3 new homes per year). Between 2001-02 and 2021-22, there was an average annual increase of around 172.2 dwellings per annum in Nillumbik (Profile .id, 2021).

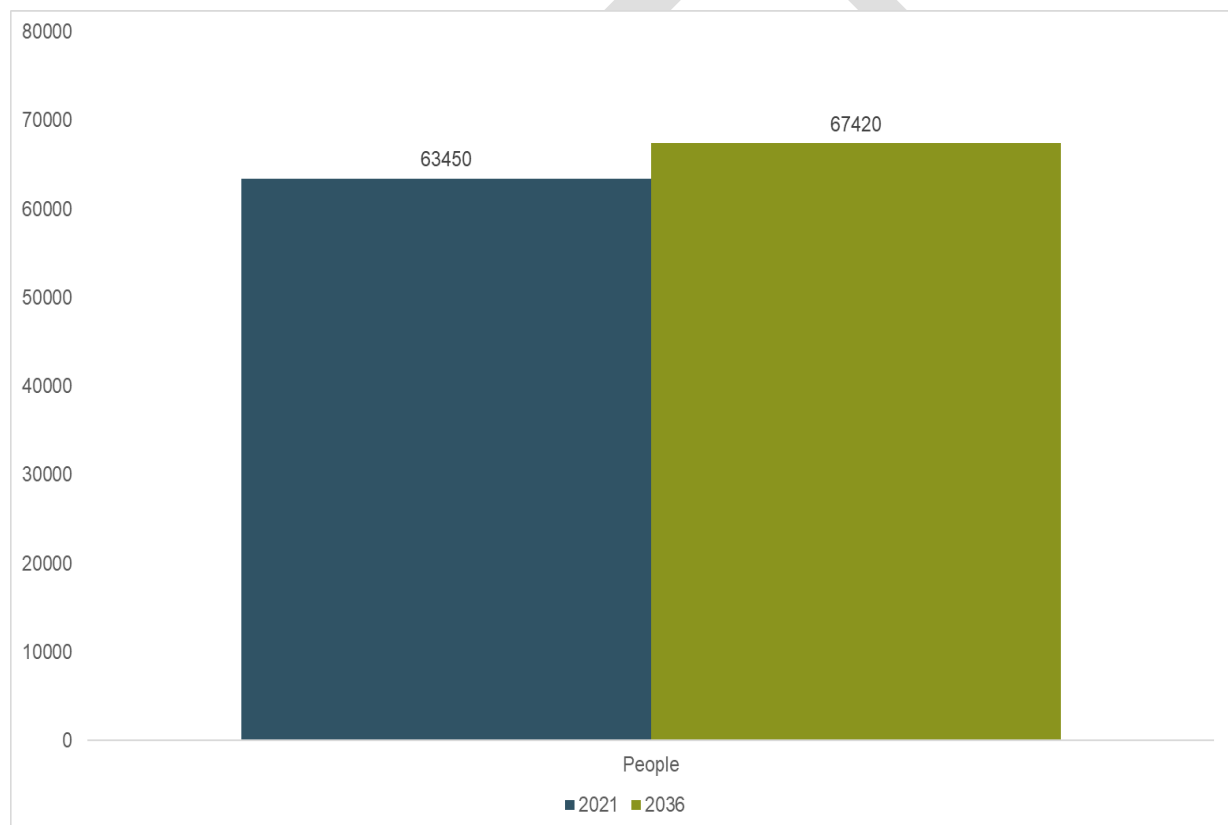


Figure 10: VIF population projections 2021-2036 (DTP, 2023c)

## Our household types are changing and our population is ageing

Nillumbik residents are generally older than Metropolitan Melbourne residents (*Figure 11*). In 2021, the median age was 42 years old compared to 37 across Metropolitan Melbourne (Profile .id, 2021). The population is expected to continue ageing.



Figure 11: Forecast age breakdown in Nillumbik (Forecast.id, 2023)

## Household types

## Household types in Nillumbik

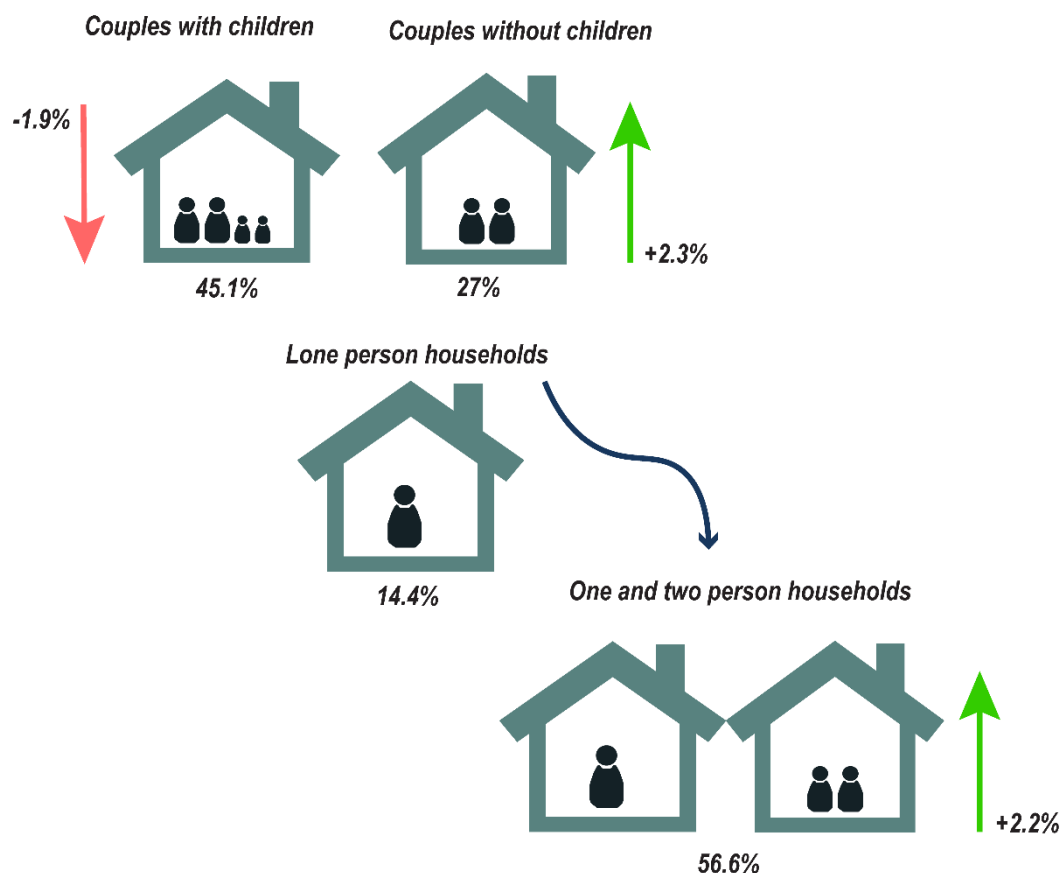


Figure 127: Household types in Nillumbik (Profile .id, 2021)

According to Profile .id (2021), the most dominant household type in Nillumbik is couples with children (45.1 per cent of the total population). However, as a proportion of the total population, couple households with children are declining in favour of couples without children (+2.3 per cent increase to 27 per cent) and lone persons (+0.6 per cent increase to 14.4 per cent). This may be due to Nillumbik residents being in a later life stage and older children leaving home (Figure 12).

Household sizes are also getting smaller with a 2.2 per cent increase in one and two person households and an equal decline in four or more person households.

### Dwelling types

Development in Nillumbik has been heavily skewed towards provision of detached dwellings - 93.5 per cent in 2021 (*Figure 13*). The proportion of semi-detached dwellings, 3.5 per cent in 2021, had not changed since 2016; however, the proportion of apartments and units had slightly increased from 2.6 per cent to 2.9 per cent.

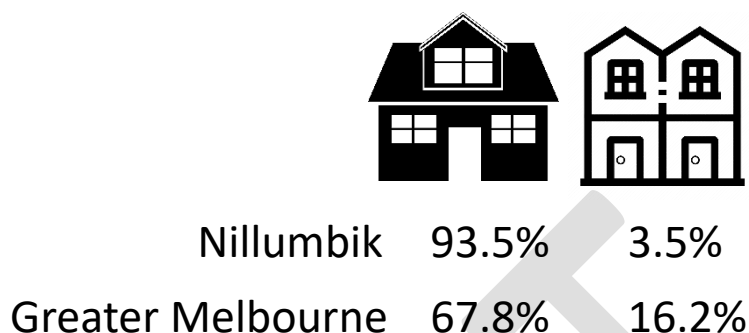


Figure 13: Dwelling types in Nillumbik compared to Greater Melbourne (DTP, 2021)

In 2021, there were 22,338 private dwellings in Nillumbik (Profile .id, 2021). This is a modest increase of 2.9 per cent (+637) from 2016, compared to an increase of 12.3 per cent across greater Melbourne.

LGA / Region	Proportion of separate dwellings		Proportion of semi-detached dwellings		Proportion of apartments & units	
	2016	2021	2016	2021	2016	2021
Nillumbik	93.5%	93.5%	3.5%	3.5%	2.6%	2.9%
Banyule	77.7%	75.9%	15.7%	16.3%	6.2%	7.6%
Yarra Ranges	93.5%	93.7%	5.1%	5.2%	0.5%	0.6%
Manningham	77.0%	72.1%	15.8%	16.7%	6.7%	11.1%
Whittlesea	83.8%	86.4%	12.7%	10.7%	3.2%	2.8%
Greater Melbourne	67.8%	67.8%	16.8%	16.2%	14.7%	15.6%
Regional Victoria	89.1%	89.9%	6.8%	7.2%	2.7%	1.9%
Australia	72.9%	72.3%	12.7%	12.6%	13.1%	14.2%

Table 4 - Comparison of proportion of dwelling types in Australia 2016-2021

### Number of bedrooms

- 1.5 per cent of dwellings in Nillumbik are 0 or 1 bedrooms
- 7.2 per cent of dwellings in Nillumbik are 2 bedrooms
- 37.8 per cent of dwellings in Nillumbik are 3 bedrooms
- (51 per cent) half of all homes in Nillumbik have 4 or more bedrooms

It should be noted that following the pandemic in 2020, the way residents use their homes has changed, with many people temporarily working from home. This trend has evidently carried forward post pandemic, where many residents are still working from home on a part time basis. The type of dwellings residents live in and the number of rooms they need may continue to change.

### 3.6 Priority Areas and Local Government's Role

Aligned to our community's needs and aspirations, and with consideration of the influence local government can have within the context and parameters of State and Federal government policy and market realities, the following themes informing areas of priority actions for the Housing Strategy have been identified. Many of these themes are interrelated which is understandable given the complexity of planning for housing. Notably some of these priorities are most appropriately addressed at higher levels of government e.g. State governments provide social housing, where local government does not. However, every level of government has a role and responsibility in each of the priority areas. Under each priority area it is identified where the Housing Strategy as delivered by Nillumbik Shire Council can implement actions to address these priority areas.

#### 3.6.1 Priority Area 1: Housing diversity and accessibility

There has been longstanding concern regarding the inadequacy of new housing supply in meeting the evolving requirements of our diverse population. The goal of diversifying housing options has gained prominence in metropolitan planning efforts, spurred by demographic shifts, heightened obstacles to home ownership, the rising prevalence of long-term private renting, and apprehensions regarding the environmental and social sustainability of homes and communities.

**Housing diversity encompasses various dimensions beyond just physical structure, including tenure, the mode of development and financing, and affordability. This broader perspective acknowledges that housing adequacy is not solely determined by the size and design of dwellings but also by factors such as accessibility, sustainability, and social inclusivity. The imperative for diverse housing supply is driven not only by disparities in financial capabilities but also by the diverse housing needs and lifestyle preferences prevalent among different age groups and household compositions.**

In Nillumbik, close to half of all households consist of couples with children, a trend expected to persist through to 2041. Nevertheless, there's a noticeable increase in the proportion of one and two-person households, predominantly comprised of empty nesters and retirees. As communities age, there's an inclination among residents to remain in their homes for as long as possible, maintaining proximity to their social circles and loved ones. Anticipating this demographic shift, future housing developments in Nillumbik must adapt to accommodate the evolving needs of these diverse household compositions. Advocating for greater housing diversity is crucial to afford older individuals the flexibility to select housing options that align with their

requirements. Moreover, such advocacy fosters a wider spectrum of housing choices for all residents, irrespective of their life stage, promoting inclusivity and enhancing overall community well-being.

Current policy settings facilitated by appropriate land use zoning within the Nillumbik planning scheme currently allow for development of diverse housing products (e.g. units, villas, dual occupancies, and townhouses). However, there are other factors that impede the delivery of these forms of housing. In Nillumbik, these may include cost of land and cost of development (e.g. building within areas of steep topography requires cut/fill/battering/access during construction, all adding to the cost of housing product). In many areas of Nillumbik's urban areas, in preservation of Nillumbik's distinctive neighbourhood character attributes, some planning controls within the planning scheme seek levels of vegetation retention and/or deep planting capability to ensure neighbourhood character values are not eroded. This too may limit the extent of building footprints that can in development-terms, limit the yield/capacity of some land in contrast to more urban settings throughout Greater Metropolitan Melbourne.

**Downsizing is also an issue within Nillumbik, particularly given our current surplus of single detached dwellings in the Shire, where 45 per cent of residents aged 65+ in Nillumbik live in dwellings with four or more bedrooms. With an aging population, incentivising existing households to 'downsize' is important.**

Downsizing is explored further under Priority Area 3: Aging in Place.

#### **Our existing housing types**

The current dwelling stock in Nillumbik is dominated by detached dwellings. Detached dwellings represent **93.5 per cent** of total dwelling stock, compared with 67.8 per cent across Greater Melbourne. The supply of medium-density housing has remained at a steady 3.5 per cent over the last 5 years, significantly lower than Greater Melbourne's average of 16.2 per cent. The supply of apartment-style developments is very limited in the Shire at 2.9 per cent compared to 12.8 per cent across Greater Melbourne (Figure 14).



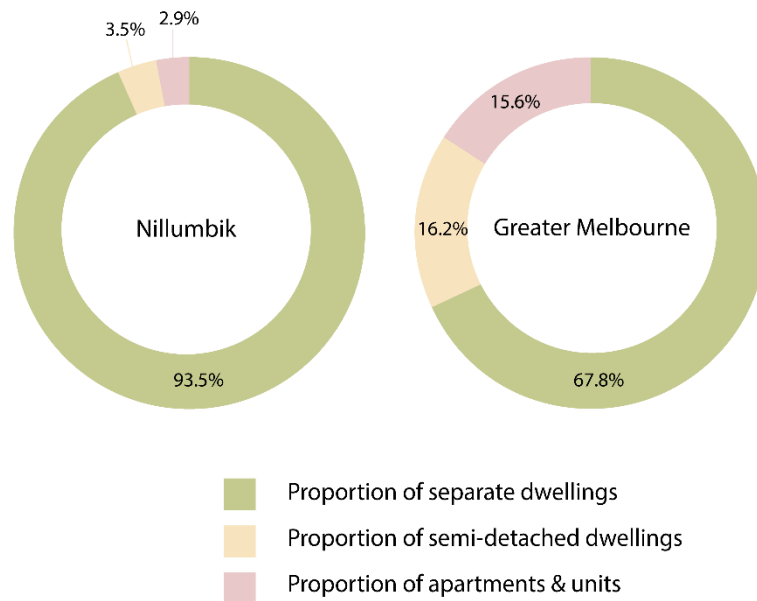


Figure 14: – Dwelling types in Nillumbik compared to Greater Melbourne (DTP, 2021)

Consistent with the current form of housing, the size of dwellings in the Shire, in terms of number of bedrooms, is dominated by three and four bedroom dwellings. Only 1.5 per cent of the housing stock consists of single bedroom dwellings, compared with 6 per cent in Greater Melbourne. Further, 7.2 per cent of the housing stock consists of 2 bedrooms compared with 19.7 per cent in Greater Melbourne.

**These figures indicate that decreases in household size are not necessarily reflected in the composition of current dwelling stock, and smaller households do not necessarily seek smaller dwellings.**

### *Housing diversity example: Co-housing*

*Cohousing is a sustainable and affordable approach to living in community. Cohousing communities are **intentional communities**, with people seeking out a community feel to their home lives. They are created and run by their residents cooperating to create better lives. Each household has a self-contained, private home as well as shared community space. Residents come together to manage their community, share activities, and regularly eat together. As lives become more stressful, Cohousing is a way of resolving the **isolation many people experience today and providing for a sense of community**. Cohousing communities can be intergenerational, welcoming anyone of any age and any family structure, or specifically cater for people who are older or are communities of common interest or needs.*



#### *Benefits:*

- **More affordable** – shared pool of resources, smaller more efficient homes
- Improved **sustainability** – shared laundries and equipment, passive housing design, minimise car usage
- Improved quality of life – connection with other residents, working together on shared interests, greater engagement with health and wellbeing ultimately **reducing loneliness**, depression and social isolation
- Greater feelings of safety – shared walkways and communal spaces, in addition to private residences
- Independent community – no external management, develop sense of place and ownership custom to needs

Source: [Co-housing Australia](https://cohousing.org.au/)

### Small Second Dwellings

In the context of Nillumbik and the breadth of single detached dwelling stock available, take up of the State government's small second dwellings (introduced through changes as part of its Housing Statement) may result in an increase in intergenerational living. In 2023, [Amendment VC253](#) introduced modifications to the Victorian Planning Provisions and all planning schemes, while the Building Amendment (Small Second Dwellings) Regulations 2023 amended the Building Regulations 2018 to streamline the approval processes for constructing small secondary dwellings. These dwellings, also known as granny flats, secondary dwellings, or (previously) dependant persons units, can be occupied or rented out by anyone, including family members, dependents, or unrelated individuals.

Under these changes, a small second dwelling of up to 60 square meters typically no longer requires a planning permit, unless specific flooding, bushfire, environmental, or other planning controls apply. However, obtaining a building permit remains necessary to ensure compliance with siting, amenity, design, and safety standards. It's important to note that these dwellings cannot be subdivided or independently sold from the main residence.

Analysis by the Department of Transport and Planning (DTP) found there are around 700,000 lots of 300 square metres or larger eligible to have a small second home in residential zones (with no overlays) across Victoria.

Nillumbik has 6,945 developed residential zoned lots that may provide potential for small second homes (unless there is an existing small second dwelling on the lot).

Local government plays a crucial role in disseminating information about these changes to the community and offering support and guidance. To facilitate this, Council has scheduled its inaugural Seniors Housing Forum in August 2024. This forum will feature a diverse program covering various topics, speakers, and agencies aimed at informing, educating, and empowering our older residents to proactively plan for their future housing needs.

Topics will include:

- Services Australia speaking on housing options, finances, government benefits and programs.
- Senior Rights Victoria - Money, Ageing & Family considerations in moving in with family or adult children moving in, intergenerational living, importance of Power of Attorney.
- Nillumbik Shire Council Environmental and Sustainability Team - saving money and the environment by making your home more sustainable and environmentally friendly.
- Planning changes to State Government legislation e.g. 'Small Second Dwellings' (granny flats).

### The 'missing middle'

The 'missing middle' is a common term used in housing analysis that refers to the gap between traditional detached dwellings and high-density housing. It is housing that adopts the same low-scale style as traditional housing but is provided as a semi-attached product and enables more homes to be built close to public transport, services, shops and facilities. In Nillumbik, 93.5 per cent of housing is traditional detached housing, only 3.5 per cent is medium density housing, and 2.9 per cent of housing is apartments. Nillumbik Shire's current tree canopy is extensive and highly valued by the community. Retention and restoration of canopy trees is considered to be a high priority objective. While higher density apartments are not consistent with Nillumbik's neighbourhood character, particularly with regard to recess of built form within the local environment, there is opportunity (particularly within and around the MAC's) for well-designed and high-quality medium density development that provides improved housing diversity and choice, especially in the missing middle. The key is identifying clearly the expectations of medium density in the context of Nillumbik.

### What is medium density development in Nillumbik?

In Nillumbik Shire, it is critical that new development respects our unique topographic and environmental conditions by limiting development located on ridgelines and the penetration of built form above tree canopy coverage. Existing local planning policy and objectives are very clear on this. The scale and siting of dwellings on a residential lot has a significant influence on the character of a streetscape. In areas with a consistent neighbourhood character, dwellings will generally follow a typical pattern with the rest of the streetscape and conforming to similar building envelopes.

The provision of medium density dwellings can help facilitate more affordable housing and housing diversity. In the context of Nillumbik, we are not a growth Council, and we do not have Metropolitan Centres, rather, our highest hierarchy of centres are the Major Activity Centres (MACs) of Diamond Creek and Eltham. Given our unique and constrained planning settings, the maximum height allowable across our MACs is 5 storeys (in parts). Generally, the MACs allow for heights between 3 and 5 storeys. By Metropolitan Melbourne standards these heights are very conservative. This is inherent to Nillumbik's unique characteristics.

**In the context of Nillumbik, medium density development can be described as residential development between 2 and 5 storeys in a variety of typologies (for example units, townhouses, low-rise apartments, or dual occupancies). Height must respond to prevailing neighbourhood characteristics noting the MAC's (consistent with long-standing policy within the planning scheme) are most suitable for 3 – 5 storey typologies, rather than Neighbourhood Centres and the areas surrounding the MAC's.**

The consistent neighbourhood characteristics of medium density development in Nillumbik (as identified in the adopted NCS) respects and responds to its context and this is expressed through effectively considering siting, setbacks, materiality, slope

and importantly vegetation, particularly canopy trees. Examples of these medium density typologies are identified in *Figure 15*.



Figure 15: Medium density typologies specific to Nillumbik

### Accessible and liveable dwellings

Encouraging universal access in the design of new homes is a priority outlined in the planning scheme for new apartments (Clause 58.05). While the National Construction Code sets minimum standards for design and construction across all dwelling types, it was updated in 2022 to incorporate new standards aligned with the Liveable Housing Design Guidelines (LHDG). These updated standards enhance accessibility features such as access and entry, internal doors and corridors, bathrooms, toilets, and showers, benefiting a wide range of households including families with young children, individuals with temporary injuries, residents with disabilities, and aging populations. Nillumbik's Disability Action Plan 2020-2024 also emphasises the importance of supporting the delivery of affordable and accessible housing for people with disabilities.

For many residents, their family home represents their primary asset and may serve as a vital resource for funding housing, health, and related needs as they age. The challenge of being "asset-rich and income-poor" is a common concern among older community members. Housing in Nillumbik goes beyond mere shelter; it embodies notions of liveability, family, and community. As life circumstances evolve, so too does the perception of liveability and connection to others, particularly for older individuals.



It's crucial to maintain housing options and empower individuals, particularly older adults and those with disabilities, to retain autonomy in their living arrangements. Access to information and guidance regarding housing choices, services, and home modifications is essential. Housing should be flexible to accommodate evolving needs and facilitate necessary adjustments, ensuring residents can comfortably age in place.

Some key features of LHDG include:

- Direct access
- Space for car parking
- Wide front door
- Wide internal doors
- Wide corridors

Main facilities on the ground level:

- Circulation space in the living room
- Space in the bedroom
- Bathroom designed for easy and independent access
- Enough space in the kitchen Enough space in the laundry
- Low window sills

#### **Council's influence on housing diversity**

- Ensure local policy and the planning scheme enable diverse housing products in residential areas and activity centres
- Develop and implement activity centre plans that support diverse housing typologies, beyond detached dwellings
- Provide guidance and information to the community on new housing models and initiatives
- Ensure medium density housing is appropriately designed and respects neighbourhood character

#### **Influence of State and Federal governments**

- Provide financial incentives to downsize
- Reform planning policy to make it easier to develop smaller housing products
- Reform accessibility and liveability requirements of diverse housing products



### 3.6.2 Priority Area 2: Housing affordability

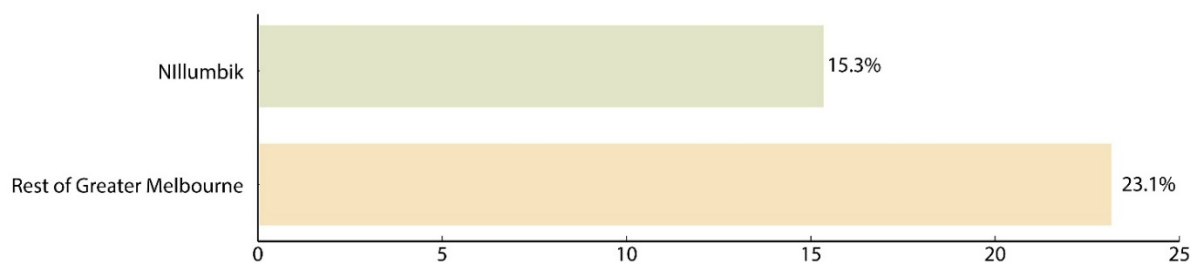
Housing affordability refers to the ratio of housing costs to gross household income. Housing is considered affordable when households spend 30 per cent or less of their income on housing expenses, which allows the remaining income to be used for basic living expenses. When housing costs exceed 30 per cent of gross household income, it is referred to as 'Housing Stress' (ABS, 2022). It is important that policy and mechanisms are used to minimise housing stress as it places people at risk of overcrowding, poor living conditions and in some cases, homelessness.

Households that require access to affordable housing within Nillumbik:

- People with disabilities, and the elderly
- First-time buyers
- Older people with a low income, in particular, older women
- Singles and young people who are staying at home longer
- Single parents
- People escaping family violence
- Key workers (e.g. teachers, healthcare workers, police, hospitality workers) People on a low incomes

Housing stress is increasing across Greater Melbourne and to a lesser extent in Nillumbik. The financial pressure on households from housing expenses and cost of living means that some families are likely to be pushed out of Nillumbik altogether in search of more affordable housing. This has an impact on people with lower levels of income including people on fixed incomes such as older people (particularly women), people with disabilities, young people, single parents, and key workers (e.g. teachers, healthcare workers, police, hospitality workers), and first home buyers.

In 2021, 15.3 per cent of Nillumbik households renting or with a mortgage were experiencing housing stress, compared to 23.1 per cent across Greater Melbourne – see *Figure 16* (Profile.id, 2021).



*Figure 16: Percentage of households renting or with a mortgage were experiencing housing stress*

Nillumbik residents generally earn more than the rest of Greater Melbourne, which can explain the lower levels of housing stress experienced in the Shire. Incomes in Nillumbik have been increasing over time, as has the median house price (*Table 5*).

Detached home	Unit/apartment/attached townhouse
\$1,130,000	\$781,000

Table 5: Median price of homes in Nillumbik, (Land.Vic, 2022)

While Nillumbik residents experience slightly lower levels of housing stress, one of the core issues impacting affordability is the lack of smaller housing product available at an affordable price – smaller homes with lower rent/mortgage costs and lower running expenses.

Given the significant gap between the availability of detached housing and smaller townhouses or units, there is an obvious need for additional medium-density dwellings.

### Increasing house prices

There has been an ongoing trend where cost of housing is occurring at a faster rate than incomes in Australia. This reduces affordability and leaves residents financially vulnerable during economic downturns, interest rate rises, and periods of high unemployment. Data from the RBA in 2024 suggested the average dwelling price in Australia is now close to 6 times the average household income (RBA, 2024). In 1980, this ratio was around 2 times the average household income. The low rates of rentals in Nillumbik are also contributing to low levels of rental affordability. The long-term increase in housing prices across Australia, particularly the capital cities is due to complex and interrelated factors including, but not limited to:

- Overseas migration intake. Australia has relatively high immigration compared with similar countries, and about half of the growth in households in Melbourne is attributable to overseas migration;
- Location and investment in 'higher level' infrastructure by State and Federal governments;
- Higher incomes;
- Availability of well-located land;
- Inflation and interest rates and macro-economic policy;
- Credit availability;
- Government taxes and policy setting around housing;
- Residential zoning – prescribed densities limiting additional supply;
- Cost of inputs to housing e.g. land and construction materials.
- Supply chain interruption/disruption.

**Housing affordability issues cannot be solved by one simple mechanism or policy change given the breadth of influences that drive the price of housing, it requires all level of government and market support.**

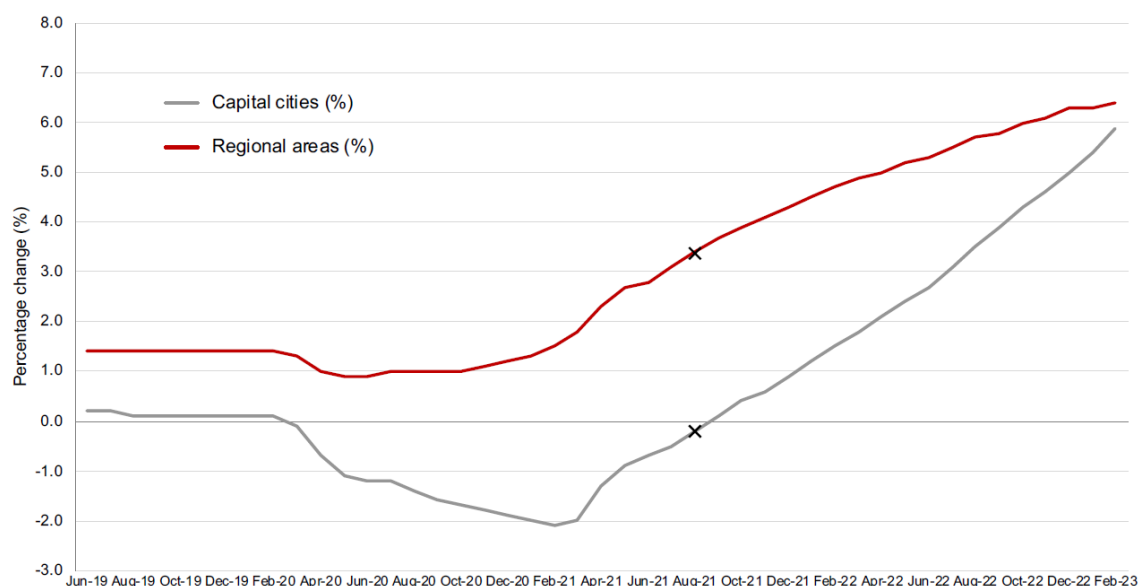
## Rental affordability

In Nillumbik there are only 9 per cent households renting (compared to 29 per cent across Greater Melbourne). Similarly, accumulating evidence suggests that the housing sector does not provide an adequate supply of affordable rentals for lower income and vulnerable households, and this is closely linked with precarious living conditions (Reynolds et al., 2024).

In Nillumbik, almost half (45.6 per cent) of renting households were paying \$450 or more per week compared to 30.3 per cent across Metropolitan Melbourne per week (2021 costs, these have increased since – refer to figure 17). In 2021, the median cost of rent in the Shire was \$440, compared to \$390 across Greater Melbourne.

Covid-19 exacerbated this stress, particularly for young people who have higher rates of casual employment and insecure jobs. In a bid to stimulate the economy, interest rates dropped which led to inflation and ultimately raised house and rental prices. A 'rental crisis' emerged with the term being used to describe the unsustainable stock of affordable rentals. As migration returned and rent freezing concluded following the pandemic, the price of rentals increased substantially at a rate not seen for the past 15 years (*Figure 17*; Reynolds et al., 2024).

Figure 2: Annual rent inflation (%), capital cities and regional areas, Australia



NB: Crosses mark the point of the August 2021 Census.

Source: Hanmer and Marquardt (2023), derived from ABS Monthly Consumer Price Index Indicator, percentage change from corresponding month of previous year.

Figure 17: Annual rent inflation, capital cities and regional areas, Australia

### Housing affordability vs Affordable housing

As mentioned, housing affordability is more about the relationship between income and the costs involved in running a household. On the other hand, **affordable housing is housing, including social housing that is appropriate for the needs of very low-income households, low-income households or moderate-income households**. The recent policy changes by the State government noted earlier (i.e. small second dwellings, future homes etc.) are expected to improve the availability of affordable housing, which will positively impact the Shire. While we are yet to see the uptake of these changes to determine the real impact, there is an opportunity within Nillumbik's MACs to increase affordable housing supply, and to a lesser extent, in the Shire's residential areas.

#### *What are the forms of affordable housing?*

- Social housing – a broad term that includes public housing and community housing (recent Housing Statement by the state government has committed to building 800,000 new social housing dwellings).
  - Public housing – long-term rental housing owned and managed by state governments.
  - Community housing – long-term rental housing owned and/or managed by community housing organisations.
- Subsidised market housing – housing that is provided by the private market through a number of possible subsidy arrangements. Subsidies may support rental or ownership models.

In some instances, private market housing may qualify as affordable housing if it is affordable for very low to moderate income households. This is largely dependent on price, property type, location and size. However, for a number of reasons discussed earlier, the private market is increasingly unable to provide affordable housing in many neighbourhoods.

#### *Specification of very low, low and moderate income ranges*

	Very low income	Low income	Moderate income
Single adult	<\$29,770	\$29,771 to \$47,630	\$47,631 to \$71,450
Couple, no dependant	<\$44,650	\$44,651 to \$71,450	\$71,451 to \$107,170
Family (with one or two parents) and dependants	<\$62,510	\$62,511 to \$100,030	\$100,031 to \$150,030

Table 6: Victorian Government Gazette, June 2023 (annual area median income ABS. 2021)

*Cost of affordable home for very low, low and moderate income ranges*

Household type	Affordable repayments per week @30 per cent of income with 6.00 per cent interest rate, 25 years	Cost of affordable home (must have 10-20 per cent deposit) needs to be:
Single adult	Very low income: \$171	\$113,550
	Low income: \$171 - \$274	\$113,550 – \$182,881
	Moderate income: \$274 - \$414	\$182,881 - \$277,118
Couple, no dependant	Very low income: \$257	\$171,438
	Low income: \$257 - \$412	\$171,438 - \$275,772
	Moderate income: \$412 - \$617	\$275,772 - \$413,762
Family (with one or two parents) and dependants	Very low income: \$360	\$240,770
	Low income: \$360 – \$1,346	\$240,770 – \$904,446
	Moderate income: \$1,346 - \$2,019	\$904,446 - \$1,357,476

Table 7: Based on modelling - Moneysmart.gov.au <https://moneysmart.gov.au/home-loans/mortgage-calculator>.

### Council's influence on housing affordability

- Local policies in the planning scheme (including affordable housing policies)
- Advocacy to State government for policy change, funding, social housing
- Understanding local needs for affordable housing
- Build relationships with Registered Housing Organisations and developers
- Request voluntary contributions

### Influence of State and Federal governments

- Interest rates, taxation
- Affordable housing policy reform (inclusionary zoning, mandatory contributions)
- Social housing provision
- Major infrastructure provision (public transport, arterial roads etc.)

### 3.6.3 Priority Area 3: Aging in place

By 2041, individuals aged 55 years and above are expected to grow from a quarter to a third of Nillumbik's population. Consequently, there will be a heightened demand for housing options that cater to the needs of this aging demographic. This includes a surge in the need for low-maintenance, accessible, and age-friendly dwellings strategically located within our established communities.

Furthermore, as the aging population grows, there will be a corresponding increase in the demand for in-home support services. Additionally, there will be a greater need for retirement villages and aged care facilities to accommodate the evolving requirements of seniors. It's crucial to acknowledge that aging households will have diverse needs influenced by factors such as financial resources and health conditions. Therefore, ensuring a broad spectrum of housing choices is imperative to adequately address the varying needs within our community.

We have heard from our community that as people age, they prefer to stay in their homes for as long as possible, close to their friends and family and especially in Nillumbik, close to the unique neighbourhood character and the natural environment they have always highly valued as residents (the reason they live here). We have also heard that older people would like smaller homes within the Shire that they can maintain and modify more easily, walkable to public transport, services and amenity.

Council policy such as the *Ageing Well in Nillumbik Action Plan 2019-2022* identifies housing as one of its seven priorities and highlights that the growth in the Shire's ageing population means that issues faced by older people will increase including:

- Limited transportation options
- Social and geographic isolation
- Limited housing options
- Access to services and facilities

A core part of this priority area is the availability of diverse housing types that allow all residents, especially older residents, to choose the type of housing they need without leaving the Shire; from 2-bedroom homes to four+ bedroom homes, with different living arrangements and on different lot sizes.



**Research: Effective downsizing options for older Australians**

- Downsizing, or '**rightsizing**' as it is often termed, is an integral part of the current and future housing preferences of older Australians.
- Older Australians perceive downsizing as more than just a reduction in dwelling size. Rather, it refers to **internal and external spaces becoming more manageable**, and a reduction in belongings.
  - It also includes a financial benefit to the household. Downsizers are mobile, with only 22 per cent staying in their original neighbourhood. One of the policy rationales for downsizing is to reduce the underutilisation of dwellings.
  - However, this is at odds with the attitude of many older Australians who consider spare bedrooms necessary, using them as permanent guest rooms (58per cent), studies (50per cent), or dedicated rooms for children or grandchildren (31per cent).
- Older Australians who had downsized did so to achieve a particular lifestyle (27per cent); for financial outcomes (27per cent); because their garden or property required too much maintenance (18per cent); or because they were forced to do so (15per cent).
- Perceived benefits of downsizing for those who had not yet downsized included a **reduction in property maintenance and household running costs**.
- Among survey respondents who informed the research, who had considered downsizing, a change in health circumstances, either for themselves or their partner, was considered most likely to prompt a move—and the importance of this as a catalyst increased with age.
- Across the local government areas (LGAs) studied, there was a large variation in the availability of established dwellings that suit the size and tenure aspirations of older Australians.
- Forty per cent of potential downsizers said they would be likely to move if there were suitable housing in their preferred locations. Thus, policy that seeks to enable effective downsizing for older Australians should focus on **delivering diverse and affordable housing options**, in both metropolitan and regional locations and across **tenures**.
  - Policy settings should also ensure new dwellings adopt design principles that will enable households to age in place for longer; and better availability of information around downsizing options.
  - **As more and more households rent into retirement, there will be an increasing need for secure, stable, affordable and appropriate housing options in the social and private rental sectors.**

[Australian Housing and Urban Research Institute](#) (AHURI) into Effective downsizing options for older Australians February 2020

### Incentivising Downsizing

In 2022, the Federal government enacted legislation aimed at alleviating the financial burden on pensioners considering downsizing their primary residence, thereby opening up housing opportunities for younger families. [The Social Services and Other Legislation Amendment \(Incentivising Pensioners to Downsize\) Act 2022](#) is designed to benefit numerous pensioners, including eligible Veteran entitlement recipients, by mitigating the impact of selling and purchasing a new family home on income support payment rates.

Starting from January 1, 2023, the asset test exemption period for pensioners will be extended from the current 12 months to 24 months. This exemption applies to the proceeds generated from the sale of the principal home, provided the individual intends to use the proceeds for acquiring a new home. Additionally, only the lower deeming rate of 0.25 per cent will be applied when calculating deemed income on the exempt proceeds. These adjustments are intended to offer recipients an extended window to purchase, construct, rebuild, repair, or renovate a new primary residence, without risking a significant reduction in their pension payment rates while residing in temporary accommodation. Furthermore, these changes seek to liberate larger housing units for younger families in need.

Another incentive introduced by the Federal government in 2017 is the [Downsizer Superannuation Contributions](#) measure, further facilitating the downsizing process for retirees. This downsizing measure removed a financial obstacle from older Australians who are considering moving to homes that better suit their needs. From 1 July 2018, when Australians aged 65 and over have sold a home they have owned for at least 10 years they may contribute up to \$300,000 from the proceeds into their superannuation accounts, over and above existing contribution restrictions. Both members of a couple may take advantage of this measure, together, contributing up to \$600,000 from the proceeds of the sale into superannuation. This was another support by the Federal government to encourage older Australians, where appropriate, to free up homes that no longer meet their needs.

Local government can play a crucial role in assisting residents who wish to downsize, particularly by providing access to information and resources to navigate what can often be a complex and emotionally charged process.

**Council's influence on aging in place**

- Support community with information and available options
- Provide social connection opportunities
- Support diverse housing models to establish in the Shire
- Support delivery of small second dwellings
- Advocate for policy reform to enable housing diversity
- Investigate future need for aged care facilities and retirement villages
- Implement Nillumbik MAC structure plans to enable diverse housing

**Influence of State and Federal governments**

- Incentivise downsizing
- Regulate provision of diverse housing
- Remove barriers for older people to access cash assets
- Research and policy reform on housing for older people
- Provide funding to develop demonstration projects within the Shire

**3.6.4 Priority Area 4: Nillumbik's unique character and environment**

Nillumbik Shire, often referred to as the Green Wedge Shire, stands out for its rich tapestry of natural landscapes and environmental treasures. Its townships are distinguished by dramatic features such as steep ridges, sloping hills, meandering rivers, and tranquil creeks. Residential areas are seamlessly integrated within lush bush vegetation and picturesque semi-rural vistas.

Preserving the vitality of this unique environment is paramount, not only for ecological sustainability but also for its profound significance to the community. Maintaining the health of Nillumbik's natural surroundings is essential to safeguarding its diverse ecosystems and ensuring the continued enjoyment and well-being of its residents.

As identified in Section 2.4, Council's adopted Neighbourhood Character Strategy 2023 outlines key objectives and initiatives aimed at safeguarding and enhancing the distinctive character of residential areas in Nillumbik. These include the introduction of specific definitions for canopy and amenity trees, tailored to the unique context of Nillumbik where indigenous and native canopy trees typically exceed those found in Metropolitan Melbourne. Additionally, the strategy proposes the introduction of clear definitions to enhance understanding of development outcomes and recommends expanding neighbourhood character protections in the planning scheme to areas currently lacking such provisions.

Moreover, the NCS advocates for the formulation of tree planting guidelines to ensure the successful integration of vegetation amidst development activities. These proposed changes are integral to fostering sustainable neighbourhood character

outcomes in Nillumbik while providing much-needed clarity for applicants and the Victorian Civil and Administrative Tribunal (VCAT) in the future.

**The Neighbourhood Character Strategy and the Housing Strategy complement each other and are essential components in the development of an overarching Residential Development Framework for the Shire.**

The NCS and Design Guidelines contained within the NCS, which have been adopted by Council, will be implemented through a future amendment to the Nillumbik Shire Planning Scheme along with recommendations of this Housing Strategy.

#### **Council's influence on unique neighbourhood character**

- Implementing appropriate land use zoning and planning scheme controls to balance neighbourhood character with provision of required housing capacities
- Development of local policies and guidelines to protect and enhance neighbourhood character
- Provide information and guidance to the community about responding to neighbourhood character as part of future planning applications

#### **Influence of State and Federal governments**

- Introduction of State-wide housing policy
- Define neighbourhood character
- Ensuring future policy is not in conflict with preserving neighbourhood character

### 3.6.5 Priority area 5: Supporting the townships and our activity centres

#### Planning for Major Activity Centres (MACs)

See section 2.5 for a discussion on the significance of activity centres in planning for housing. State planning policy emphasises directing residential development towards these centres due to their proximity to public transport, amenities, and services. A key aspect of planning for activity centres involves ensuring they are easily accessible and support diverse employment opportunities alongside medium-density housing. As such, Council actively supports these centres by strategically planning for each one, establishing a clear vision, objectives, and actionable steps to enhance their role. This proactive approach is vital in bolstering and advancing the role of major activity centres while addressing housing demand effectively.

#### Planning for our Neighbourhood Activity Centres and Townships

As identified at Section 2.5 Nillumbik contains Neighbourhood Centres of varying context that support our community. These centres have an underlying land use zone that supports a range of land uses consistent with their role (e.g. commercial uses such as shops). The role of each of these centres is informed by their proximity to public transport and services. For example, Hurstbridge is identified as a Neighbourhood Activity Centre in Plan Melbourne. Its proximity to the Hurstbridge train station means it meets the criteria for 20-minute walking neighbourhood, as set out in Plan Melbourne. Unlike other rural townships in the Shire, such as Panton Hill and St Andrews, which are confined by the Urban Growth Boundary (UGB) in the north of the Shire and primarily rely on bus services for public transport, Hurstbridge stands out due to its rail connectivity and distance from the Shire's urbanised areas concentrated in the south.

Despite these distinctions, the neighbourhood character typologies identified in the adopted NCS 2023 for Hurstbridge, mainly Bush Residential 1 and 2, coupled with existing Built form (DDOs) and Heritage Overlays predominantly affecting the commercial core, will restrict changes in Hurstbridge. These controls will impose a higher standard, necessitating responsiveness to neighbourhood character and heritage attributes.

The physical distribution of residential development throughout the Shire (through the centres and townships) is unsustainable in consideration of additional infrastructure that would be required to support an increased dispersed population and the 'tensions' this creates in eroding Nillumbik's highly valued natural environment and neighbourhood character. There is however a role within the townships that are already serviced, albeit not to a high order level, to accommodate a modest increase in local population growth, particularly for surrounding rural community members to allow them to age in place where their current dwellings may be unsustainable to manage at their current stage of life.

These townships are planned for through their own strategies and plans and are updated as further strategic work takes place (e.g. Hurstbridge Township Strategy

2002, Hurstbridge Design Guidelines - Heidelberg-Kinglake Road (Main Road) Precinct, 2013, and the St Andrews Township Plan 2013). Council can effectively support its townships by regularly reviewing and updating these strategies and making sure that infrastructure and capital works plans are aligned to such.

**Council's influence on supporting the townships and activity centres**

- Direct medium density housing within and around activity centres with good access to public transport, services and amenity
- Support modest medium density development within township boundaries in support of their role, particularly for aging in place for our older rural community members
- Advocate for improved public transport, cycling, e-mobility and pedestrian infrastructure in centres and townships
- Advocate for greater funding to maintain and improve roads
- Review and update local township plans and structure plans as appropriate



### 3.6.6 Priority area 6: Innovative and sustainable housing design

As Nillumbik's population increases over time, there is greater demand on the earth's resources. We are using these resources at a faster rate than we can replenish.

As a Green Wedge Shire, Nillumbik Council is acutely aware of the multiple threats facing all communities and ecosystems as a result of climate change. This requires urgent action by all levels of government, including local government. Council therefore declared a Climate Emergency in 2022 in adoption of its Climate Action Plan 2022-2032, committing to a climate emergency response, and proactively integrating climate change mitigation and adaptation into all Council actions. This includes Nillumbik's Housing Strategy.

In Australia, most people live in relatively low-density urban and suburban areas with large homes and multiple cars per household to travel to and from their commitments. This is true for Nillumbik, where 93.5 per cent of homes are detached dwellings and the majority of households own two or more cars. Further, 31.6 per cent of households own three or more cars compared to 16.3 per cent across Greater Melbourne (Profile .id, 2021). This prevalence means that Nillumbik residents rely on fossil fuels to run their vehicles, or rely on electricity generated by fossil fuels, contributing to the depletion of our natural resources. As the environment changes and climate change continues to worsen, the way we live our lives will need to change to adapt.

#### Climate change and ESD

Climate change has been testing the resilience of our natural assets, manifesting in extreme weather events, habitat loss, biodiversity decline, rising temperatures, diminished rainfall, overuse of natural resources, and increased pollution. For millennia, Aboriginal peoples have depended on the natural environment and have adhered to traditional land care principles to minimise environmental impact.

The longevity and sustainability of natural assets in Nillumbik depend heavily on the daily choices we make. Plan Melbourne emphasises the need to "[improve] the energy, water, and waste performance of buildings through environmentally sustainable development and energy efficiency upgrades" (pp. 111). Councils play a crucial role in promoting innovative and sustainable development, including housing. Incorporating ecological sustainable design (ESD) into planning and housing will help to design healthy buildings and communities with reduced living costs, lower emissions, and improved health and comfort. ESD is defined by the [Council Alliance for a Sustainable Built Environment](#) (CASBE; an independent alliance operating under the Municipal Association of Victoria) "as using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased."

For instance, fostering adaptive capacity within the community can help lower ongoing household expenses. Simple measures like installing ceiling fans, external blinds, strategically planting trees, or utilising a combination of windows for cross-ventilation are all cost-effective ways to enhance adaptive capacity.

Proximity to activity centres and amenities not only fosters convenience but also minimises the need for frequent short trips to shops or schools, consequently lowering reliance on vehicles. Moreover, this approach aids in minimising the expansion of urban sprawl into the Green Wedge, preserving precious land and resources.

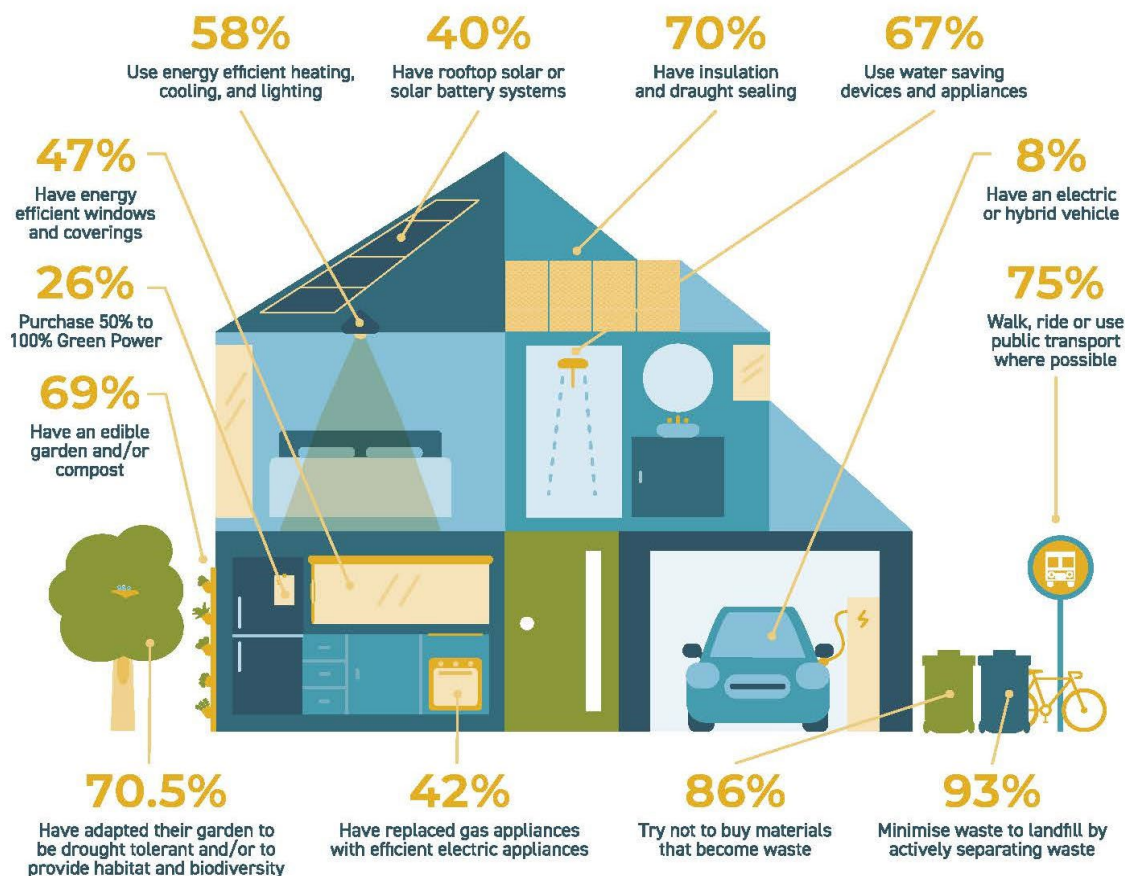


Figure 18: Efficient home (NSC, 2022)

### The ESD Roadmap

Planning Scheme Amendment VC216 (gazetted 10 June 2022) made changes to all planning schemes to support ESD. Amendment VC216 forms part of stage one implementation of ecologically sustainable development of buildings and subdivisions - a roadmap for Victoria's planning system (Department of Environment, Land, Water and Planning, 2020) (Roadmap).

According to the most recent updates (January 2024) from DTP, implementation of the ESD Roadmap will support development of revised and new planning standards including:

- ensure homes are sited and orientated to optimise energy efficiency and support renewable energy uptake by updating residential development standards
- improve guidance on stormwater management for small developments and encourage recycled and stormwater water use to support tree health

- reduce waste sent to landfill by applying design standards to make it easier and more convenient for households and businesses to divert materials for reuse or recycling
- facilitate active and sustainable transport choices and reduce private vehicle reliance by updating car and bicycle parking and facility standards
- reduce urban heat impacts and support urban biodiversity through new tree planting and retention standards and other cooling landscape and design measures
- reduce exposure to air and noise pollution through siting and design guidance for new homes and sensitive uses near busy transport corridors.

While the introduction of the State policy marks a significant development, it does not eliminate the necessity for local ESD policy. Instead, it underscores the importance of aligning future local policies with the updated guidelines outlined in the Roadmap policy. Any local initiatives regarding ESD must align with the proposed Roadmap implementation and new planning standards.

In light of this, and to avoid duplication, it is prudent to await the finalisation of the Roadmap provisions and identify any potential gaps in local policy preparation. **Subsequently, Council can consider initiating a planning scheme amendment to address these gaps and effectively implement the necessary policies.**

Notably, Victorian planning schemes that currently have local ESD policies will need to amend (via planning scheme amendment) their existing policies to reflect the State policy and guidance in place at the time.

Although the Nillumbik Planning Scheme currently lacks a specific ESD policy, some zones and overlays require consideration of sustainability aspects. The Building Code of Australia sets minimum environmental design standards for various residential building types. State-wide design standards for subdivisions, medium-density housing, and apartments also offer guidance on environmental design features such as energy efficiency, solar access, and stormwater management. The CASBE has also been advocating to the State government for policy changes to improve the sustainability assessment process for developments.

### ESD in the context of Neighbourhood Character

Implementing ESD in new developments or when retrofitting can be challenging in the Shire when certain materials or colours are preferred to respect and uphold neighbourhood character. Further work needs to be undertaken to identify materials and surface colours that are appropriate within the identified neighbourhood character settings while also responding to relevant ESD principles, such as Light Reflectance Value, or provision of solar panels which may be impacted by canopy coverage.

Sustainability objectives can often be at odds with the application of earthen and bushy tones, building materials and roofing. Councils must also consider that sustainable design features can lead to lower ongoing costs but higher upfront costs.

**Given that Nillumbik is a low-growth municipality with only modest dwelling growth expected, equal attention may need to be paid to retrofitting existing dwellings with sustainability features.** For example, these can include:

- Enhanced passive design and building orientation to deliver an energy efficient home;
- Incorporate high energy efficiency standards for appliances, systems and lighting;
- Eliminated on-site fossil fuel consumption, including natural gas or LPG.
- Renewable energy generation;
- Materials with low embodied energy;
- Offset of emissions onsite or through a verified carbon offset scheme;
- Design contains future proofing to allow easy modification;
- Balanced on-site emissions through verified carbon offsetting or a certified carbon offset scheme.

#### **Council's influence on innovative and sustainable housing**

- Implementation of adopted Climate Action Plan objectives into all Council strategies including the Housing Strategy
- Support community to incorporate ESD in retrofits
- Provide information and guidance to community on incorporating ESD to reduce carbon footprint and lower ongoing housing costs
- Provide guidance to community on incorporating ESD and respecting neighbourhood character simultaneously
- Support diverse housing close to amenities to minimise car trips

#### **Influence of State and Federal governments**

- Develop mandatory ESD policy that applies to all new builds

## Part 4: A Draft Housing Vision for Nillumbik

With the help of the Community Reference Group (CRG), the draft proposed vision for housing in Nillumbik is:

**In 2040, Nillumbik's natural environment is thriving, and our unique neighbourhood character is in harmony with our Shire's nature-based setting and history. By planning our housing around the needs and values of the community, we are able to manage housing demand while celebrating the spirit, values and the connection residents have to the area.**

Nillumbik has improved housing affordability and strategically diverse types of housing, in low-to-medium densities, to allow for housing to support people throughout their lifecycles, from younger generations to older residents wishing to age in place. Carefully planning infrastructure, facilities and working within the topography of Nillumbik, the Shire's liveability supports our resilient communities and enhances the wellbeing of those in activity centres and rural areas. Housing in Nillumbik features exemplar ecologically sustainable design, nestled within the nature-based settings of the Shire.

Exemplified by our housing strategy, Nillumbik is not just a group of suburbs, but a Shire that grows, thrives and facilitates connecting with one another.



## Part 5: Residential Development Framework

A residential development framework provides a means to balance the outputs of a housing strategy and neighbourhood character strategy by enabling Council to holistically plan for housing change over 15 years and meet our obligations under clause 11.02-1S of the PPF (DTP, 2023a). One of the key actions associated with developing a residential development framework is the identification of housing change areas. Change is relative to its context. The existing built form of an area should always be the starting point when planning for change. This should inform strategic planning work for identifying housing change areas of minimal, incremental and substantial change through a residential development framework. Identifying housing change areas provides a means for prioritising competing housing and neighbourhood character objectives arising out of local strategic work (e.g. the adopted Neighbourhood Character Strategy 2023 and its recommendations). It also provides the basis for the application of requirements through zones and overlays. These change areas are developed in consideration of analysis of matters such as location of activity centres, walkable catchments and location of public transport and services. Maps that show this analysis for the Shire are located in Appendix C.

### 5.1 Incorporating Neighbourhood Character Strategy 2023 recommendations

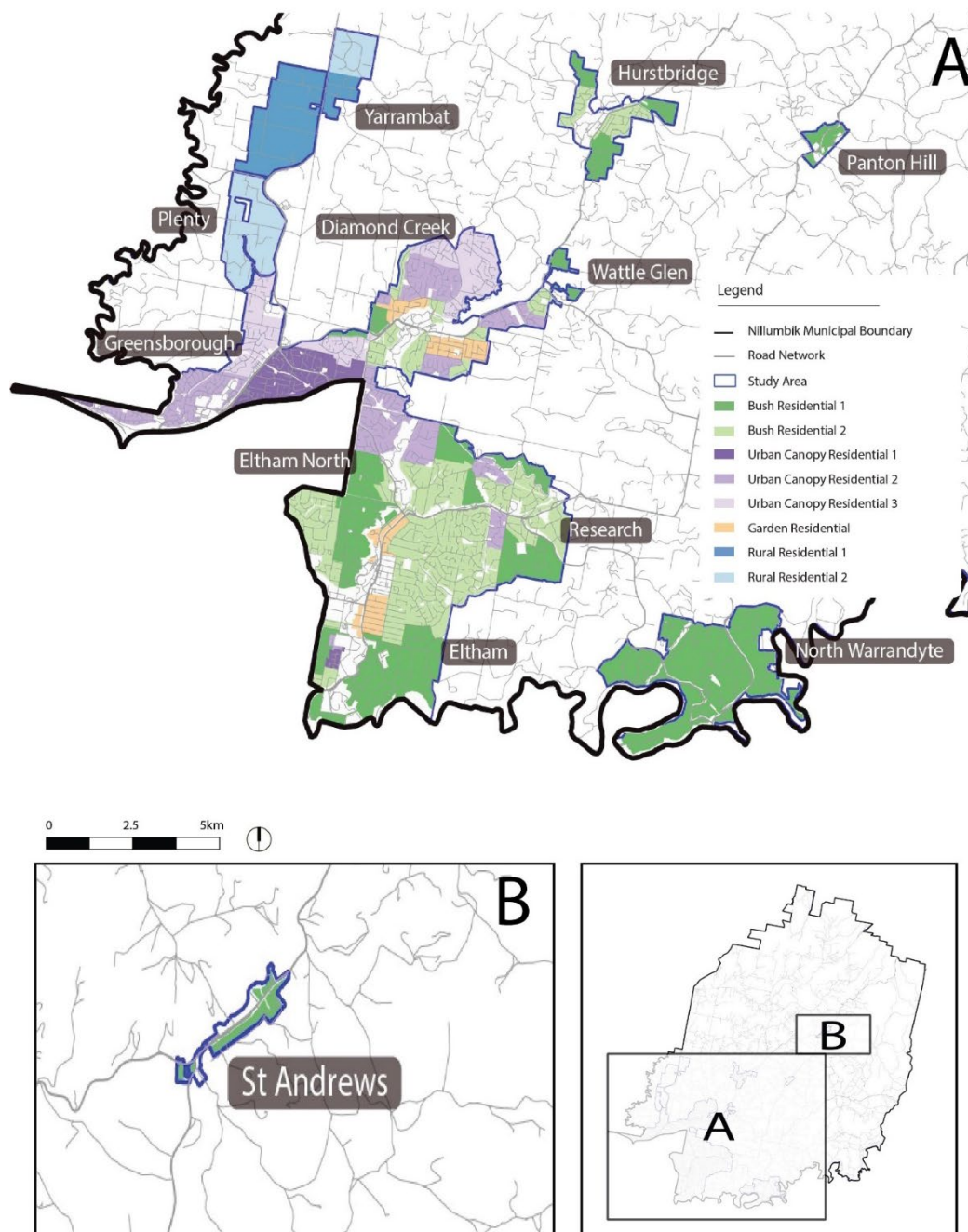
The Neighbourhood Character Strategy (NCS; NSC, 2023a), which has been adopted, includes specific recommendations for policy changes to the Nillumbik Planning Scheme. These recommendations, combined with the existing planning context (such as neighbourhood character and environmental overlays), serve as the basis for identifying areas of recommended change in the Residential Development Framework. These recommendations align with Planning Practice Notes where applicable.

#### Changes recommended in the adopted NCS

The NCS delineates five distinct objectives for each of the identified neighbourhood character areas. These objectives will be outlined in a schedule to a residential zone within the Nillumbik Planning Scheme. The designated areas include:

- Bush Residential 1;
- Bush Residential 2;
- Urban Canopy Residential 1;
- Urban Canopy Residential 2;
- Urban Canopy Residential 3;
- Garden Residential;
- Rural Residential 1; and,
- Rural Residential 2.

The Character Area Map (Map 5; from the adopted NCS) shows the identified Neighbourhood Character Areas within Nillumbik Shire, noting this map forms part of the 'non-statutory' process of updating the Nillumbik Planning Scheme. This will assist in protecting and enhancing the character of the Shire's residential areas.



Map 5: Character area map (NSC, 2023a)

Proposed design requirements have been developed for each Neighbourhood Character Type in the NCS (see page 122 of NCS). The addition of schedules to the Residential Zones serves as a mechanism for implementing numerous design requirements and guidelines aimed at achieving the preferred character for each neighbourhood character precinct. The schedules can contain different design

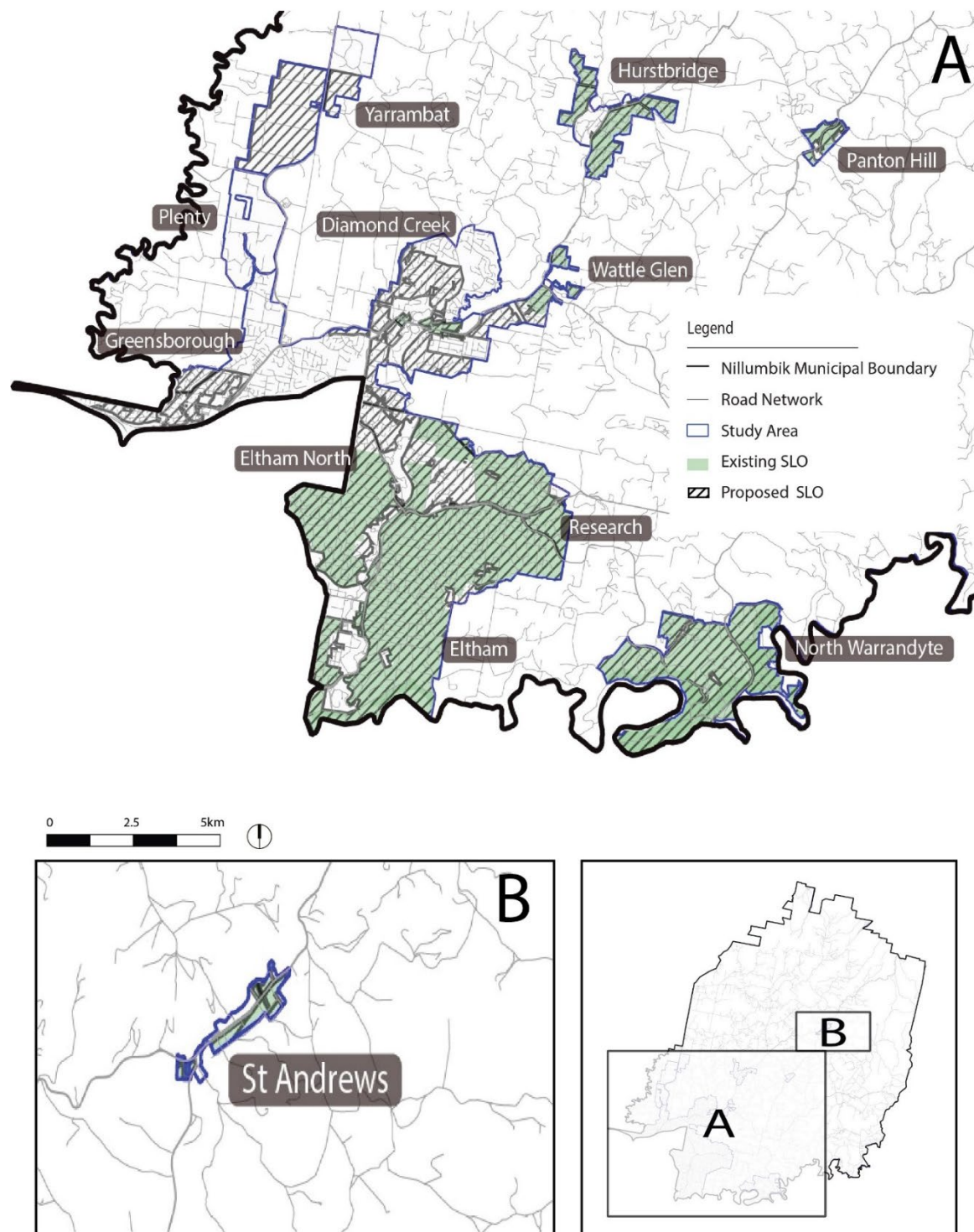
standards than those that would otherwise apply through the ResCode standards at Clauses 54 and 55 of the planning scheme.

The new zone schedule provisions will also need to consider (and apply variations in standards) where there is an existing Design and Development Overlay (DDO) or Significant Landscape Overlay (SLO) provision that might also apply to the area.

Proposed Significant Landscape Overlay (SLO) expansion

*Map 6* identifies the proposed SLO for Character Areas within Nillumbik Shire. The SLO is proposed for heavily vegetated character areas that are not currently covered by an existing SLO. This includes Bush Residential 1, Bush Residential 2, Urban Canopy Residential 2, and Rural Residential 1. Vegetation and landscaping in these Character Areas are significant and a defining neighbourhood character element.

The SLO will require a planning permit for the removal of indigenous and native vegetation and trees identified in the design guidelines, supported by the planting guidelines. The SLO will also reflect the minimum site coverage and permeability requirements of the zone schedule. To ensure consistency, the existing SLO which currently applies to certain areas will also be updated.



Map 6: Proposed SLO areas (NSC, 2023a)

## 5.2 Housing Change Areas

The planning scheme changes suggested earlier, based on the adopted NCS, help pinpoint areas for change within the Shire's proposed Residential Development Framework. This framework mainly reaffirms the current level of change in residential zones and identifies:

- Capacity of sufficient land to uptake medium density dwellings, particularly in and to a lesser degree, surrounding the MACs and Neighbourhood Activity Centres (with walkable access to train service);
- Confirms the extent of the GRZ around the MACs and proposes the NRZ where appropriate (consistent with the recommendations of the adopted NCS) to protect unique neighbourhood characteristics and acknowledge other constraints, while also providing sufficient capacity for growth projections and required diversification of dwellings; and
- Balancing housing needs with the policy objectives and key community priorities of retaining Nillumbik's unique landscape and neighbourhood character.

Planning Practice Note 90 (Planning for Housing) identifies three categories of housing change, being Minimal Change, Incremental Change and Substantial Change Areas. These categories form the basis for the housing change classifications for Nillumbik's Residential Development Framework (refer to *Figure 19*).



*Figure 198: Housing change areas – Residential Development Framework (DTP, 2023a)*

Refer to Appendix D for more detail on criteria in determining the Housing Change Areas.

### Substantial Change Area

Substantial Change Areas are where housing intensification will occur that results in a substantially different scale and intensity of housing compared to other areas of a municipality. This may include areas in and around activity centres, along public transport corridors and strategic development areas. They are areas that:



- Are close to jobs, services, facilities or public transport and can facilitate housing growth that takes advantage of their proximity to these facilities;
- Make the most of strategic development areas or opportunity sites that either exist or are identified in the future;
- Promote housing diversity; and,
- Result in a new built form and neighbourhood character.

The following locations in Nillumbik have been identified as meeting the above criteria:

- Sites within the Eltham and Diamond Creek Major Activity Centres.

**Preferred built form outcomes (Figure 20): Townhouses, villa units, dual occupancy, duplexes and low rise apartments (3 to 5 storeys in height).**

**Applied zone: Activity Centre Zone**




Density	Housing typology	Minimal Change Area	Rural Incremental Change Area	Incremental Change Area	Substantial Change Area
Medium density	Dual occupancy and duplexes 	✓ (occasional)	✓ (occasional)	✓	✓
	Villa units and townhouses 	X	✓ (occasional)	✓	✓
	Low-rise apartments 	X	X	X	✓

Figure 20: Example housing typologies for Nillumbik change areas (substantial)

**Note: medium rise and high-density apartments are not considered appropriate in Nillumbik given the planning settings expressed throughout the strategy.**

### Incremental Change Area

The Incremental Change Area is located between the Substantial Change Area and Minimal Change Area. The area applies a spatial approach to the existing Medium Density Dwelling Policy in the planning scheme, augmented with other planning and social policy considerations. It seeks to provide a transition from the Substantial Change Areas by providing a mix of medium and low-density dwellings.

In other municipalities it is likely that areas around activity centres would be classified as Substantial Change Areas. However as explored through this Housing Strategy, Nillumbik's unique challenges and planning settings in the context of the broader Metropolitan Melbourne region (e.g. bushfire, canopy vegetation and topography),

mean that substantial change is only being sought within the MACs themselves. The term Incremental Change is more appropriate for the areas located in vicinity around the centres. These areas will see housing intensification, but not at a scale that would be considered substantial.

Incremental change areas have 20 minute walkable catchments from activity centres and train stations (800m) or occur within the ambit of the State Government's mapping for the exemplar designs under the Future Homes Project (refer to Clause 53.24 of the Nillumbik Planning Scheme).

It is recognised that Hurstbridge is affected by the Bushfire Management Overlay, Heritage Overlay (commercial heart) and existing and recommended neighbourhood character overlays. However, Council's social planning policies seek to provide some more diverse housing options in the township given its walkable proximity to the train station, particularly for the Shire's aging community. The existing township plan for Hurstbridge however requires review to provide better clarity around particular land use outcomes sought for the centre whilst still maintaining the unique heritage elements and neighbourhood character that give Hurstbridge its rural village 'feel'.

The following locations in Nillumbik have been identified as meeting the above criteria:

- Areas located in walkable proximity to Eltham and Diamond Creek MACs;
- Areas located in walkable proximity to Hurstbridge & Research NACs; and
- More broadly, residential zones beyond 800 metres walking distance of train station and activity centres in Diamond Creek, Greensborough, Eltham, Research and Hurstbridge that have relatively fewer environmental constraints, e.g. compared to areas with predominantly bush character that is reinforced by the coverage of ESOs and SLOs.

**Land may have neighbourhood character constraints that will mean they are not suitable for medium density development or outcomes for medium density development will be constrained.**

**Preferred built form outcomes (*Figure 21*): Detached houses, townhouses, villa units, dual occupancy and duplexes (1 - 2 storeys in height).**

**Applied zone: General Residential Zone, Township Zone, Mixed Use Zone**





Density	Housing typology	Minimal Change Area	Rural Incremental Change Area	Incremental Change Area	Substantial Change Area
Low density	Detached houses 	✓ (predom-lant)	✓ (predom-lant)	✓	X
Medium density	Dual occupancy and duplexes 	✓ (occasional)	✓ (occasional)	✓	✓
	Villa units and townhouses 	X	✓ (occasional)	✓	✓
	Low-rise apartments 	X	X	X	✓

Figure 21: Example housing typologies for Nillumbik change areas (incremental)

### Rural Incremental Change Area

The Rural Incremental Change Area pertains to regions with potential for diverse housing, provided it aligns with the existing character and reflects the rural township setting in the desired built form outcomes. Given the absence of reticulated sewerage and the distance from urban areas within the Shire, any housing expansion in these areas is expected to be modest. Such growth primarily caters to rural residents seeking to stay connected with their communities. The rural township character of these locations necessitates careful design considerations for any new housing to blend seamlessly with their surroundings. For housing targeted at older residents, single-level dwellings and clusters of independent units with shared facilities should be considered.

The following locations in Nillumbik's rural townships have been identified as meeting the Rural Incremental Change Area criteria:

- Smaller townships with community, education and open space facilities, but without a railway station at St Andrews and Panton Hill.

It is recognised that St Andrews and Panton Hill are affected by the Bushfire Management Overlay, Significant Landscape Overlay and Design and Development Overlay. However, Council's social planning policies seek to provide some more diverse housing options in these locations.

**Preferred built form outcomes (Figure 22): Detached dwellings with limited and preferably single storey dual occupancies, townhouses and villa units where these are consistent with neighbourhood character objectives.**

**Applied zone: Township Zone**




Density	Housing typology	Minimal Change Area	Rural Incremental Change Area	Incremental Change Area	Substantial Change Area
Low density	Detached houses 	✓ (predom-lant)	✓ (predom-lant)	✓	X
Medium density	Dual occupancy and duplexes 	✓ (occasional)	✓ (occasional)	✓	✓
	Villa units and townhouses 	X	✓ (occasional)	✓	✓

Figure 22: Example housing typologies for Nillumbik change areas (rural incremental)

### Minimal Change Areas

Planning Practice Note 90 highlights Minimal Change Areas with unique characteristics that set them apart from the rest of the municipality or surrounding regions. These areas feature special neighbourhood, heritage, environmental, or landscape traits as specified in the planning scheme. Additionally, they typically have overlays reflecting these characteristics or other physical constraints affecting their potential for change.

Minimal Change Areas have the following characteristics:

- Generally align with existing NRZ1 areas and all LDRZ areas.
- Generally beyond 800m walking distance of train station & activity centres.
- Lot size pattern in ranges above 1,000m<sup>2</sup> tends to be more dominant.
- Also applied to GRZ1 areas that meet the above criteria and:
  - Where NCS Bush Residential character is prevalent, frequently reinforced by SLOs
  - in areas that are constrained by ESOs or surrounding ESO context.

Additional considerations area:

- Areas affected by the BMO
  - While the overlay allows for some building activity, it is a constraint for urban intensification;

- Areas affected by SLO Schedules 2, 3 and 4
  - Consideration of the recommendations of the adopted NCS which identifies expansion of the SLO where Neighbourhood Character outcomes are sought;
- Areas affected by DDO Schedule 2
  - Encourages the development of larger rural residential lots;
- Areas affected by DDO Schedule 3
  - Encourages the development of lots between 1,000sqm and 2,000sqm;
- Residential lots in the UGB that do not have access to reticulated sewage services; and,
- Land within the LDRZ.

The following locations in Nillumbik have been identified as meeting the above criteria:

- Areas around Eltham, Research, Warrandyte, Plenty, Yarrambat, Wattle Glen;
- Outer parts of Diamond Creek that do not have access to reticulated sewage services; and,
- The outer parts of Hurstbridge and Diamond Creek.

**Preferred built form outcomes (Figure 23): Detached dwellings with *occasional* single storey dual occupancies, townhouses and villa units where these are consistent with neighbourhood character objectives.**

**Applied zones: General Residential Zone, Neighbourhood Residential Zone, Township Zone, and Low Density Residential Zone.**



Density	Housing typology	Minimal Change Area	Rural Incremental Change Area	Incremental Change Area	Substantial Change Area
Low density	Detached houses 	✓ (predom-lant)	✓ (predom-lant)	✓	X
	Dual occupancy and duplexes 	✓ (occasional)	✓ (occasional)	✓	✓

Figure 23: Example housing typologies for Nillumbik change areas (minimal)

### Proposed change areas

The proposed housing change areas generally correlate with Nillumbik's residential zones in the manner illustrated in *Table 8* to support the levels of change sought.

**It is very important to note that no residential area is entirely free from change and that the underlying zone currently permits development to varying degrees and will continue to do so.**

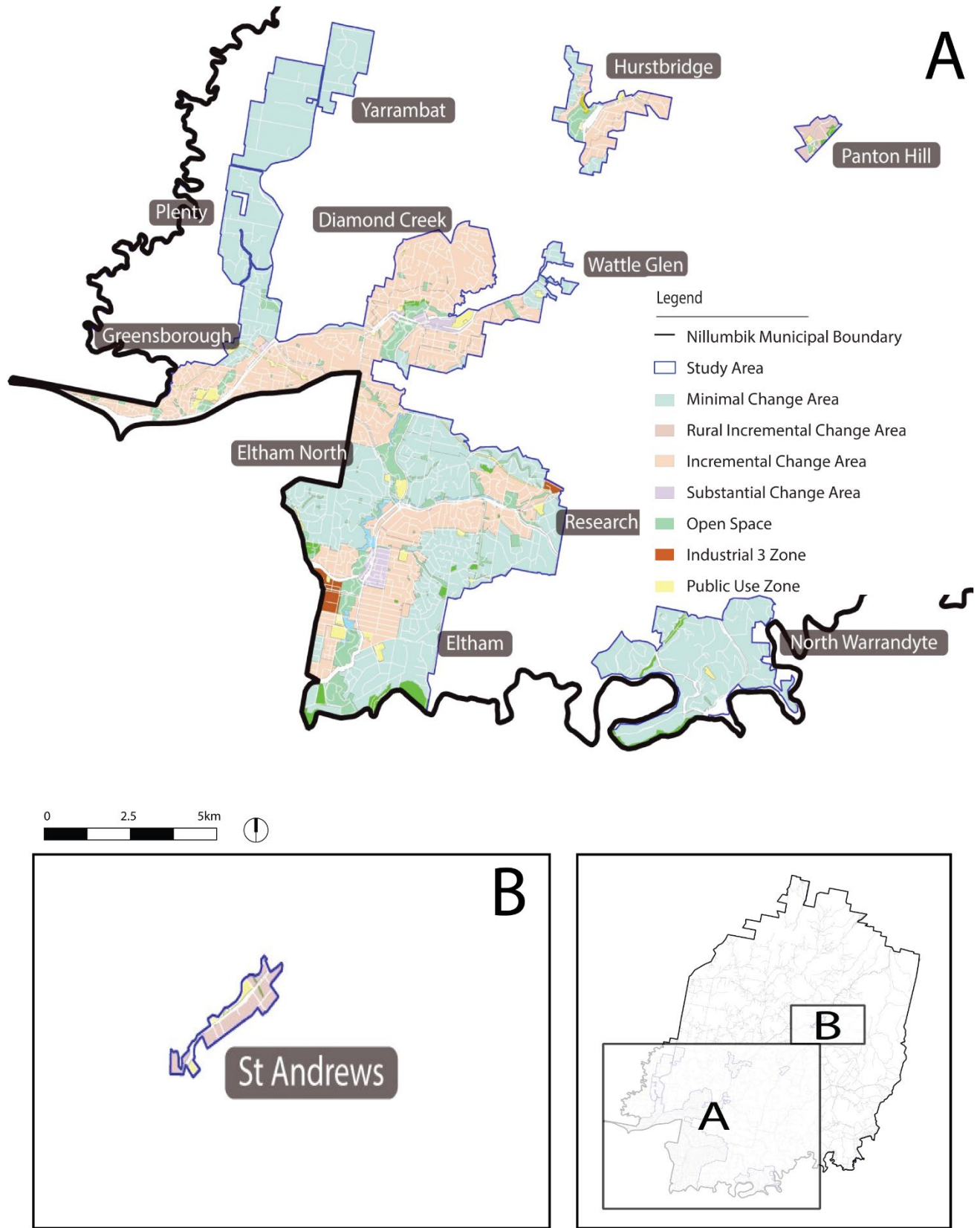


Substantial Change Areas	Incremental Change Areas & Rural Incremental Change	Minimal Change Areas
<p><b>Activity Centre Zone</b></p> <ul style="list-style-type: none"> <li>Applied to Major Activity Centres in Eltham and Diamond Creek</li> <li>Could potentially support 3-5 storey apartment buildings in accordance with adopted structure plans</li> <li>Preferred character is specified in the land use and development objectives of the zone schedules</li> </ul>	<p><b>General Residential Zone</b></p> <ul style="list-style-type: none"> <li>Residential areas with good access to public transport and services</li> <li>Could potentially support 3-storey apartment buildings within 800 metres of a passenger train station or an activity centre</li> <li>Zone purpose includes encouraging development that respects neighbourhood character</li> </ul>	<p><b>General Residential Zone</b></p> <ul style="list-style-type: none"> <li>Residential areas with good access to public transport and services</li> <li>Could potentially support 3-storey apartment buildings within 800 metres of a passenger train station or an activity centre</li> <li>Zone purpose includes encouraging development that respects neighbourhood character</li> </ul> <p><b>Neighbourhood Residential Zone</b></p> <ul style="list-style-type: none"> <li>Residential areas with restricted access to public transport or services, or with identified environmental, infrastructure and neighbourhood character constraints</li> <li>Development limited to 2-storeys</li> <li>Zone purpose includes to manage and ensure that development respects identified neighbourhood character, heritage, environmental or landscape characteristics</li> </ul> <p>(Above includes any areas included in the Heritage Overlay, Environmental Significance Overlay or Significant Landscape Overlay)</p>
	<p><b>Township Zone</b></p> <p>Incremental</p> <ul style="list-style-type: none"> <li>Township areas with good access to public transport and services, e.g. in close proximity to Hurstbridge railway station &amp; NAC</li> </ul> <p>Rural Incremental</p> <ul style="list-style-type: none"> <li>Remote rural townships that can support more moderate growth in the absence of public transport connections such as passenger rail, e.g. St Andrews and Panton Hill</li> </ul>	<p><b>Township Zone</b></p> <ul style="list-style-type: none"> <li>Township areas with restricted access to public transport or services, or with identified environmental, neighbourhood character or infrastructure constraints</li> <li>Zone purpose includes encouraging development that respects neighbourhood character</li> </ul>

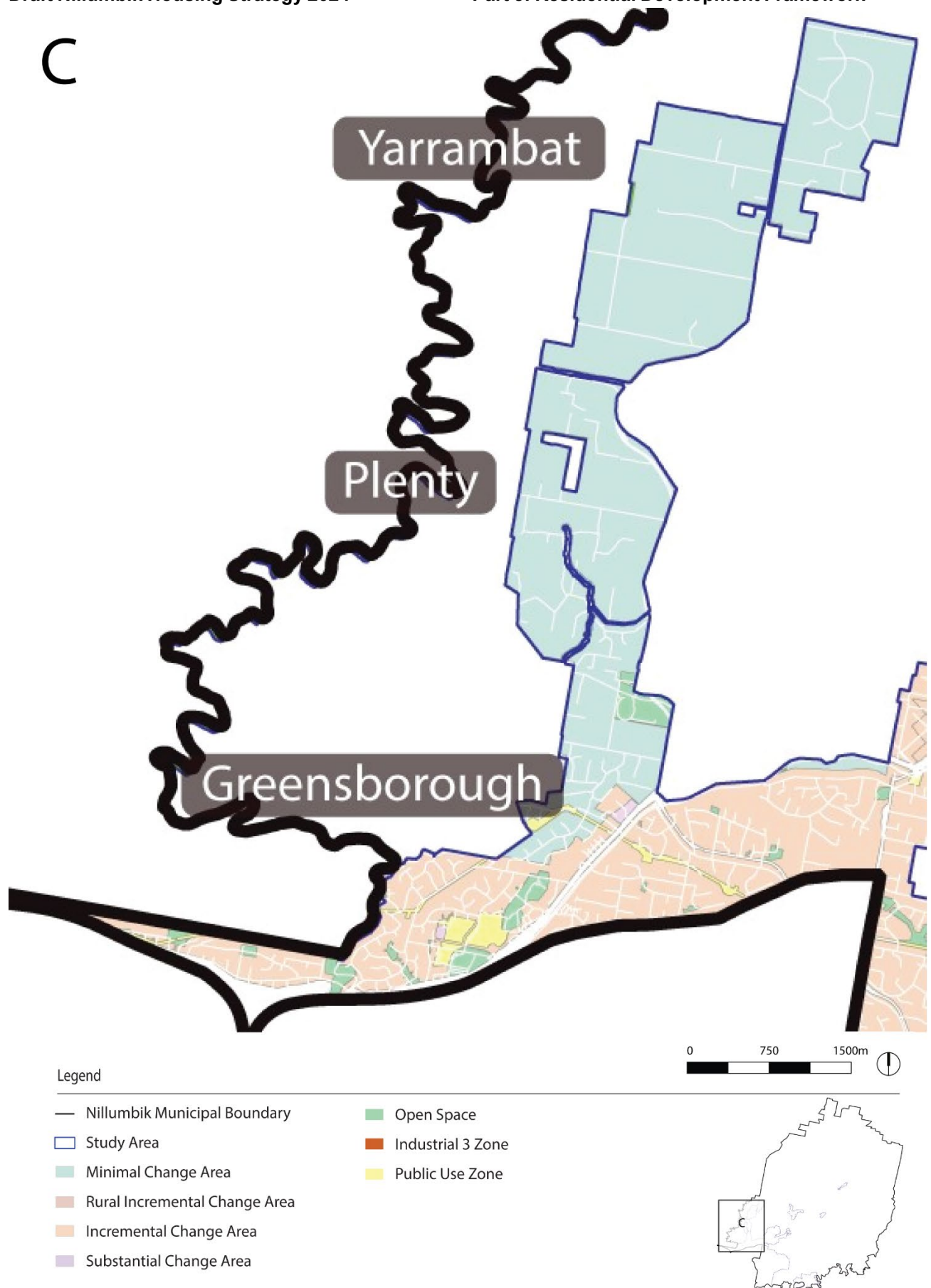
	<ul style="list-style-type: none"> <li>Zone purpose includes encouraging development that respects neighbourhood character</li> </ul>	
	<p><b>Mixed Use Zone</b></p> <ul style="list-style-type: none"> <li>Supports mixture of residential, commercial, industrial and other uses in close proximity to Eltham Major Activity Centre</li> <li>Zone purpose includes encouraging development that responds to existing or preferred neighbourhood character</li> </ul>	<p><b>Low Density Residential Zone</b></p> <ul style="list-style-type: none"> <li>More remote urban areas identified for low density living, primarily in detached dwellings on larger lots</li> <li>Any preferred character for an area that is outlined in the Nillumbik Planning Scheme's Municipal Planning Strategy (MPS) or Planning Policy Framework (PPF)</li> <li>Any preferred character specified in the Design and Development Overlay that has been applied to some areas</li> </ul>

Table 8: Relationship between housing change areas and Nillumbik Zones

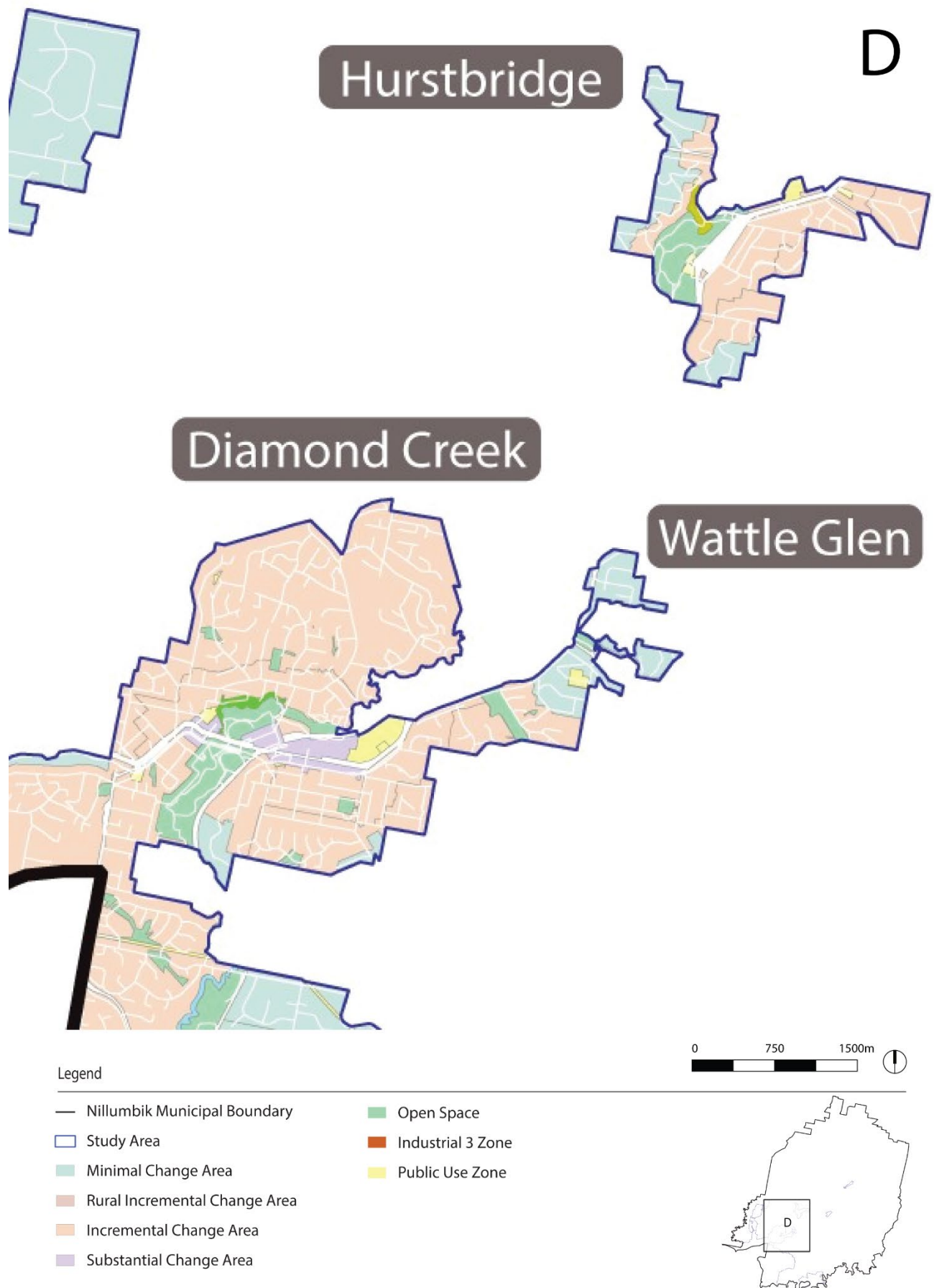
However, the Residential Development Framework needs to provide an indication of the underlying zoning and the implied residential densities that are appropriate or needed to accommodate change. **Note, change areas are available on Council's Participate Nillumbik webpage where an address can be typed in and the commensurate change area will be identified. This allows for clarity regarding the mapping rather than relying on maps within this strategy at a scale where it is difficult to see the lot level.**



Map 7: Change area map – Nillumbik Shire

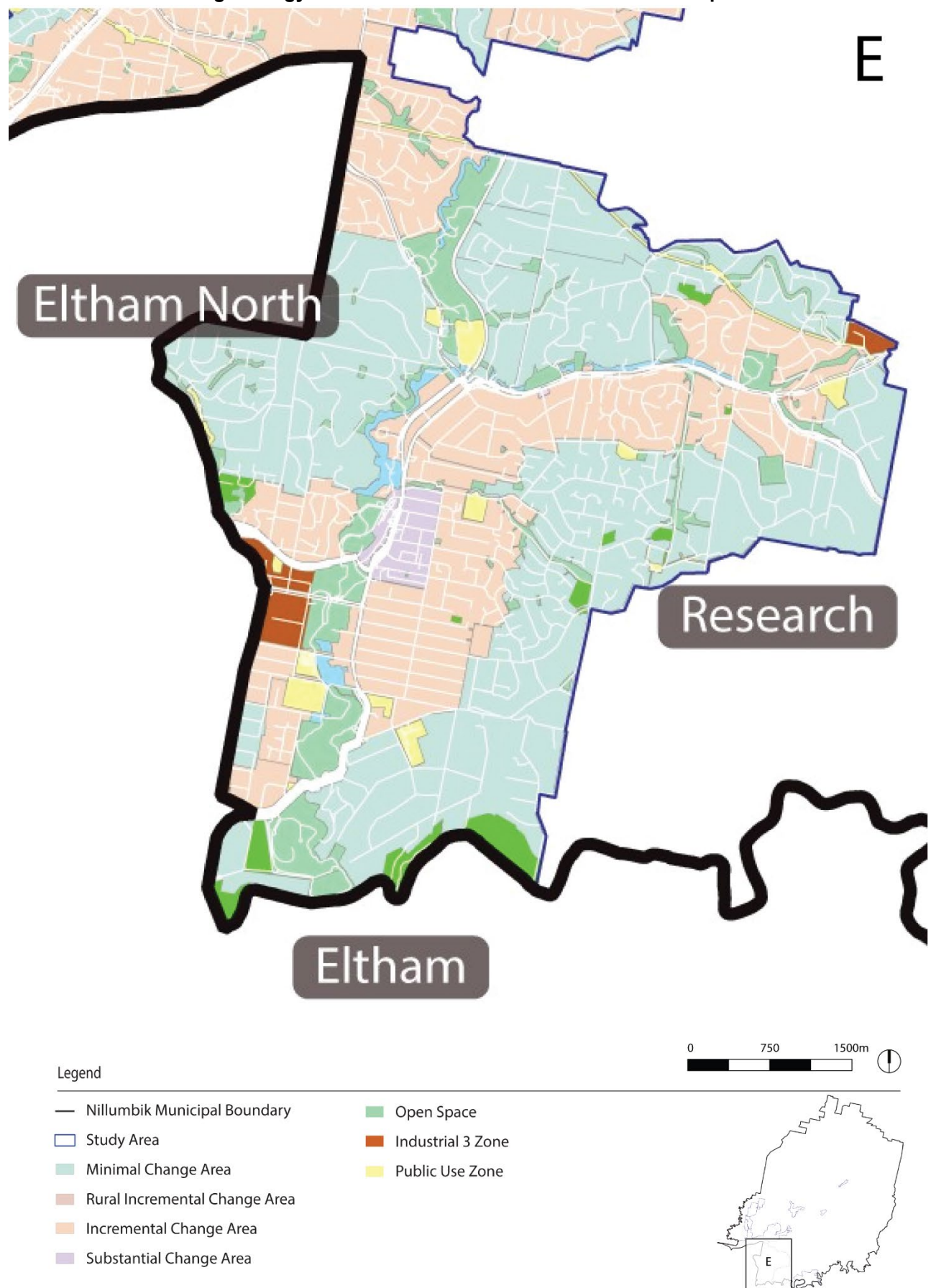


Map 8: Change area map – Yarrambat, Plenty, Greensborough



Map 9: Change area map – Hurstbridge, Diamond Creek, Wattle Glen

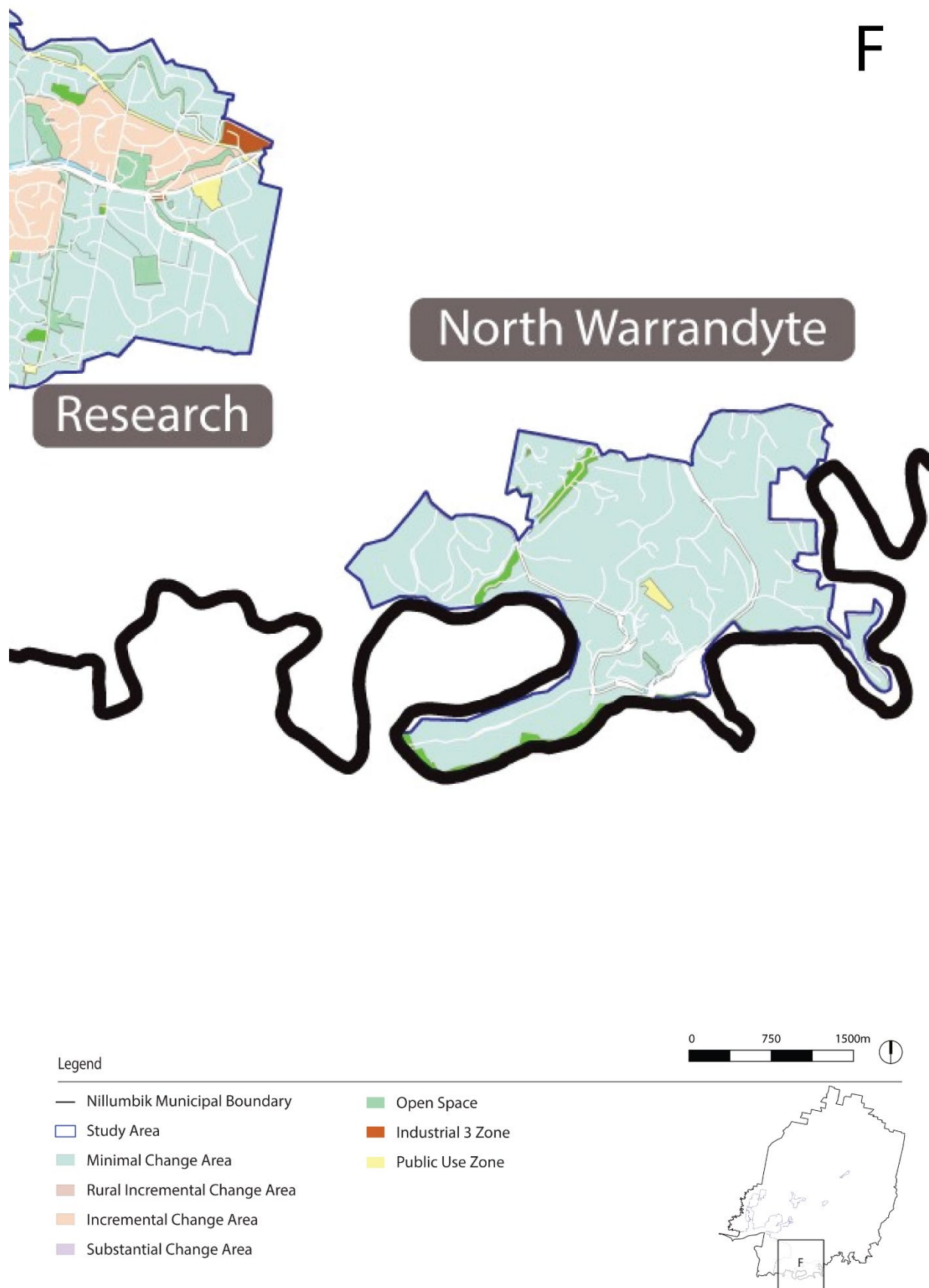




Map 10: Change area map – Eltham North, Research, Eltham



F



G

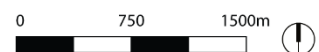
St Andrews



Panton Hill

Legend

- |                                 |                     |
|---------------------------------|---------------------|
| — Nillumbik Municipal Boundary  | ■ Open Space        |
| □ Study Area                    | ■ Industrial 3 Zone |
| ■ Minimal Change Area           | ■ Public Use Zone   |
| ■ Rural Incremental Change Area |                     |
| ■ Incremental Change Area       |                     |
| ■ Substantial Change Area       |                     |



Map 12: Change area map – St Andrews, Panton Hill

### 5.3 Estimating Growth Capacity

A key component of a Housing Strategy is to identify whether the Housing Framework Plan can deliver the dwellings needed to meet population and dwelling projections for a municipality. The key steps being as follows:

- Identify the demand for dwellings over the next 15 years using the State government's estimate;
- Identify the theoretical housing capacity if every developable site was to be developed (which would not occur – this is about identifying and demonstrating there is adequately zoned residential land to not only allow for development within the life of the Housing Strategy, but also to account for any 'minimisation' of development that may result from applying recommended planning scheme controls as presented in the adopted Neighbourhood Character Strategy 2023). In other words, by applying neighbourhood character controls in an expanded way will we still be able to meet our growth projections;
- Identify the likely number of dwellings that will be constructed within 15 years.

**Importantly the capacity is theoretical** as assumptions have had to be made about average development yields, as it is not possible to undertake a site-by-site analysis of physical constraints.

The theoretical development capacity is calculated on 100 per cent of the developable (i.e. larger) lots being developed. **As noted, this would not occur by 2041, as the dwelling demand does not require this to occur, nor would many landowners be interested in doing so.** Having a high theoretical capacity is a positive outcome as it means there is no need to develop every site within a change area to achieve the future housing outcomes. The development of sites will instead be guided by the planning policies and controls (e.g. neighbourhood character and environment overlay requirements).

Consistent with State and local planning policy, the Housing Framework seeks to concentrate development in and around the activity centres (i.e. within the Substantial Change Area and Incremental Change Area) with only modest growth elsewhere e.g. there is still change in Minimal Change Areas, but given direction in the Housing Strategy, modest growth is generally re-development of single detached dwellings with newer single detached dwellings (replacement rather than increased yield).

Notably, the capacity figures do not account for the new changes to planning schemes introduced for Small Second Dwellings. The uptake is yet unknown given the changes are very new and unprecedented in Victoria, and the tenure will only allow for occupiers to rent, not own given they cannot be subdivided. As identified in Section 3.6 of the Housing Strategy, Nillumbik has 6,945 developed residential zoned lots that may provide potential for small second homes (unless there is an existing small second dwelling on that lot). Small Second Dwellings are considered a lever which may assist particularly with affordability.

The population in Nillumbik Shire's residential areas are forecast to increase from 60,118 persons in 2021 to 66,257 persons by 2041, an increase of 6,139 persons (10.2 per cent; Forecast .id, 2023), and modest in the context of Metropolitan Melbourne.

Our forecasts suggest that we will need an additional **3,233 new dwellings by 2041** to accommodate our modest forecast growth (see *Table 9*).

		2021	2041	Increase total	Increase per cent
<b>Dwellings</b>	(residential suburbs & townships)	<b>21,143</b>	<b>24,376</b>	<b>3,233</b>	<b>15.3%</b>
<b>Persons</b>	(residential suburbs & townships)	<b>60,118</b>	<b>66,257</b>	<b>6,139</b>	<b>10.2%</b>

*Table 9: Forecast dwellings and persons (Forecast .id, 2023)*

The Shire's capacity to house this growth is based on estimates of growth capacity and redevelopment potential within the two MACs in Eltham and Diamond Creek, and within the residential zoned land in Nillumbik's suburbs and townships. The methodology includes such matters as:

- Identifying area of vacant land (in hectares) within the residential zones and estimating dwelling density based on latest data from the Department of Transport and Planning (DTP, 2023).
- Calculations of potential subdivision (consolidation) of existing urban areas to facilitate medium density (e.g. two or three on a lot).
- Applying known housing building rates unique to Nillumbik as a municipality (2016-2021) to estimate how much of the existing capacity is likely to be developed.

An estimate of growth capacity within the Shire's two MACs in Eltham and Diamond Creek was undertaken by consultants Geografia in 2019 in informing preparation of the MAC Structure Plans for each activity centre. Data identified that once fully developed, the MACs combined have the potential to house an additional 2,729 people, which is around 44.1 per cent of the forecast population growth by 2041. In terms of dwellings, this is a capacity of 1,011 new dwellings in the MACs, which would account for 31.3 per cent of the forecast 3,233 new dwellings required by 2041.

As per *Table 10* and *Table 11*, the theoretical housing capacity for Nillumbik is well in excess of the 3,233 dwellings identified as being needed by 2041 (the life of the Housing Strategy) and based on the assumptions about the likely development rates, the Shire has capacity to house projected growth whilst still protecting our unique neighbourhood character attributes and environment.

Area Type	Number of existing lots	Number of vacant lots	Additional lots based on theoretical subdivision potential	Additional lots modified by accounting for ESOs	Potential population capacity
Low Density Residential Zone (LDRZ) within UGB	101	28	175	153	413
Low Density Residential Zone (LDRZ) outside UGB	275	68	837	735	1,984
Bush Residential 1 (excl. LDRZ & MUZ)	546	45	1,107	973	2,627
Bush Residential 2 (excl. LDRZ)	644	82	1,588	1,395	3,766
Urban Canopy Residential 1-3 & Garden Residential (excl. LDRZ & MUZ)	824	241	3,456	3,037	8,199
Mixed Use Zone (MUZ)	37	2	106	93	251
<b>Sub-totals</b>				<b>6,386</b>	<b>17,240</b>
Activity Centre Zone 1 & 2 (ACZ1 - Eltham MAC & ACZ2 - Diamond Creek MAC)	<b>Potential additional dwellings if built to capacity</b>			<b>1,011</b>	<b>2,729</b>
<b>Total</b>				<b>7,397</b>	<b>19,969</b>

\*based on forecast average of 2.7 persons per household in Nillumbik by 2041

Table 10: Potential additional lots and population growth capacity in Nillumbik's residential and activity centre zones. Source: Nillumbik Shire Council GIS Mapping and Forecast.id, 2023

### Dwelling demand and capacity to accommodate

Table 11 illustrates the Shire's surplus capacity to meet future housing demand up to 2041, even with the current building rates. It is anticipated that building rates will likely increase in the future, supported by recent State government initiatives aimed at boosting housing provision across Victoria, and as the impact of Covid-19 on development diminishes. As a local government, our responsibility in housing provision entails ensuring the Shire possesses sufficient capacity to accommodate any required housing growth in the future. While Table 11 indicates that Nillumbik has ample capacity for housing, our demand for housing remains relatively low compared to other areas in Greater Melbourne. Ultimately, if the current building rates were to continue, the Shire can comfortably meet housing demand, with a modest surplus.



## Assumptions:

- The proportion of dwelling types is assumed to remain consistent from 2021 to 2041 (actual proportions may vary).
- An average building rate of 214.1 dwellings per year has been applied until 2001-02 to 2021-22, based on the last 20 years of development within the Shire. This average is across all dwelling types and is not broken down by average of each dwelling type. See Appendix D for residential building rates.

Limitations to the building rates include:

- Impacts of Covid-19, resulting in slowed development in the Shire (Victoria and Australia).
- Construction industry issues e.g. building material/labour shortages and supply chain issues.
- Changes to Federal/State policies on housing, potentially driving up building rates (e.g., future homes).
- Commonwealth migration policy influencing demand and, consequently, building rates.
- Macroeconomic, political events/influence such as international conflicts impacting supply chains.

Dwelling Type	Forecast dwelling demand to 2041	Estimated capacity based on theoretical subdivision within residential zones + redevelopment potential within MACs	Potential uptake of capacity based on building rates between 2001-02 and 2021-22 (yearly average is 214.1)	Difference between forecast demand & potential uptake of capacity to 2041
Separate dwellings (93.5%)	3024	6,916	4003	+979
Semi-detached dwellings (3.5%)	114	258	149	+35
Apartments & units (2.9%)	95	214	124	+29
Total*	3,233	7,397	4,282	+1,043

\*numbers total 99.99 per cent of forecasts

Table 11: Nillumbik Shire capacity to house projected residential growth to 2041

## **Part 6: Goals, objectives and actions**

These following goals, objectives and actions aim to address housing provision in Nillumbik into the future, while effectively balancing retention of, and impacts on, the local environment and neighbourhood character - unique to Nillumbik and so highly regarded by our community.

These goals, objectives and actions balance what Council can feasibly influence, with a commitment to advocating on behalf of our community where direct facilitation is not possible.

Recognising the complexity of housing issues, it's understood that a comprehensive, whole-of-government approach is necessary. The objectives and actions outlined in this plan have been crafted with this principle in mind. Collaboration across various departments in Council (a whole of Council approach) will be essential to effectively implement these actions.

**Goal 1****Supporting housing affordability, aging in place and housing diversity**

*The right type of housing in the right location to meet our communities' changing needs.*

**Objectives**

1.1 Support the location of medium-density development and the highest levels of change in and around our Major Activity Centres, whilst still ensuring Nillumbik's unique neighbourhood character is respected.

1.3 Support modest increases in residential development within township boundaries and in locations that are well connected to transport, amenity and services, whilst still ensuring Nillumbik's unique neighbourhood character is respected.

1.4 Encourage affordable housing (particularly in multi-dwelling developments) and support the community to understand their housing options.

1.5 Support alignment of capital works and infrastructure with planned locations of housing in the Shire.

1.6 Reduce car-dependency by supporting increased densities close to activity centres and require all apartment developments to adequately provide for bicycle parking and storage onsite.

1.7 Support older people to age in place

**Actions**

Action	Action Description	Priority	Objective Ref.
1.1.1	Implement the Diamond Creek and Eltham Major Activity Centre Structure Plans by incorporating them into the Nillumbik Planning Scheme via a planning scheme amendment. This amendment will provide guidance for development initiatives within the retail, commercial, and service sectors, including the promotion of medium-density development.	Very High	1.1, 1.2, 1.6
1.1.2	Prepare a local Planning Scheme Policy for affordable housing - including the investigation of community need for aged care and retirement villages.	Medium	1.4
1.1.3	Prepare a Planning Scheme Amendment to: <ul style="list-style-type: none"> <li>Update local policy in accordance with the Residential Development Framework and the goals and objectives of the Housing Strategy, including review (and update as appropriate) of Council's existing medium density local policy.</li> </ul>	High	1.1, 1.2, 1.6

	<ul style="list-style-type: none"> <li>Include the Nillumbik Shire Housing Strategy as a reference document in the Nillumbik Planning Scheme.</li> </ul>		
1.1.4	Advocate in collaboration with other local governments and the Metropolitan Association of Victoria (MAV) for more social and affordable housing in Metropolitan Melbourne (and Nillumbik) through membership of the Northern Councils Alliance and the Inter-Council Affordable Housing Forum (ICAHF).	Ongoing	1.4
1.1.5	Support housing associations seeking to develop social and affordable housing projects in Nillumbik.	Ongoing	1.4
1.1.6	Develop information as part of Council's Planning and Business Concierge and Service to assist the community with information on building a small second dwelling.	Very High	1.4
1.1.7	Advocate to relevant State agencies for improved public transport throughout the Shire.	Ongoing	1.1, 1.2, 1.6
1.1.8	Identify and determine the prioritisation of strategic planning required for the update of Nillumbik's Township, Neighbourhood and Local Activity Centre plans.	Ongoing	1.3
1.1.9	<p>Review and update the Hurstbridge Township Plan to clarify and align its role as a Neighbourhood Activity Centre.</p> <ul style="list-style-type: none"> <li>Prepare a planning scheme amendment to implement, as necessary.</li> </ul>	High	1.3
1.1.10	Review alignment of the capital works program with newly adopted Structure Plans and Township Plans to address local infrastructure and public realm needs.	Ongoing	1.1, 1.2, 1.3, 1.4
1.1.11	Advocate and collaborate with infrastructure and utility providers to assist modelling of future infrastructure.	Ongoing	1.1, 1.2, 1.3, 1.4
1.1.12	Advocate (where appropriate) for funding to upgrade State owned infrastructure or grant funding from the State government for identified upgrades to public realm infrastructure as identified in adopted plans/strategies.	Ongoing	1.3
1.1.13	Facilitate the Seniors Housing Forum to provide information about downsizing, accessing services, finances etc.	Very High	1.7

**Goal 2****Supporting Nillumbik's unique neighbourhood character and environment**

*Housing and environs that meet our communities needs and preserve the reasons we live here.*

**Objectives**

2.1 Ensure new development responds to the Preferred Character Statements in the adopted Neighbourhood Character Strategy (2023) in relation to siting, scale, form and materials for buildings, and proposed canopy tree retention and landscaping.

2.2 Ensure applied residential zones are appropriate to enable development to meet neighbourhood character objectives.

2.3 Minimise loss of vegetation and support Nillumbik's valued tree canopy to survive and thrive in the private realm.

**Actions**

Action	Action Description	Priority	Objective ref
2.1.1	Prepare a Planning Scheme Amendment to: <ul style="list-style-type: none"> <li>Update local policy in accordance with Nillumbik Neighbourhood Character Strategy (2023) including introduction of definitions for canopy and amenity trees in Nillumbik.</li> <li>Introduce new residential zone schedules as appropriate to ensure neighbourhood character objectives are appropriately advanced.</li> <li>Include the Nillumbik Neighbourhood Character Strategy (2023) as a reference document in the Nillumbik Planning Scheme.</li> </ul>	Very High	2.1, 2.2
2.1.2	Prepare planting guidelines to support tree canopy objectives (e.g. soil capacity and setbacks) as identified in the adopted Neighbourhood Character Strategy (2023).	Very High	2.1, 2.3
2.1.3	Develop information as part of Council's Planning and Business Concierge Service to assist the community with information on respecting and upholding neighbourhood character	High	2.1, 2.3

**Goal 3****Facilitating innovative and sustainable housing design**

*Housing that employs high quality materials, maximises efficiencies and enables residents to live sustainably.*

**Objectives**

3.1 Ensure new housing is well designed, incorporates materiality and ESD measures while being respectful of local neighbourhood character.

3.2 Support the retrofitting of older and less efficient housing in the Shire with ESD measures to reduce energy and water consumption.

3.3 Ensure sustainability provisions feature within the Nillumbik Planning Scheme, appropriate to Nillumbik's needs.

**Actions**

Action	Action Description	Priority	Objective ref
3.1.1	Investigate materials and surface colours that are appropriate within identified neighbourhood character settings while also responding to relevant ESD principles, such as Light Reflectance Value (LRV).	Medium	3.1, 3.3
3.1.2	Conduct a gap analysis of ESD Planning Policy and mechanisms subject to State government strategic work and prepare a local ESD policy as appropriate.	Medium High	3.1, 3.3
3.1.3	Advocate with other Councils to the State government to advance mechanisms within all planning schemes that support State policy seeking more sustainable built environments.	Ongoing	3.1, 3.3
3.1.4	Provide community education and raise awareness about programs and initiatives that reduce energy and water consumption in the home, including State grant information.	Very High	3.2
3.1.5	Prepare Medium Density Housing Design Guidelines showcasing exemplary design for higher densities, such as two or three dwellings on a single lot, while remaining sensitive to Nillumbik's distinctive neighbourhood character and priorities for Ecologically Sustainable Development (ESD).  Amend local policy content as appropriate.	Medium	3.1, 3.3
3.1.6	Advocate to the State government for homes to have mandatory disclosure of energy and water efficiency rating.	Very high	3.1



## Monitoring progress

### Prioritisation timeline

Low	Medium	High	Very High
7+ years	3-4 years	2-3 years	1-2 years

### Indicators of progress

Goal	Measures
Supporting housing affordability, ageing in place and housing diversity	Inclusion of Activity Centre Structure plans in the Nillumbik planning scheme.
	Inclusion of the objectives of the Housing Strategy and relevant planning scheme mechanisms into the Nillumbik planning scheme as part of an amendment.
	Preparation of a Local Planning Scheme Policy for Affordable Housing.
	Ongoing membership of MAV Inter-Council Affordable Housing Forum (ICAHF) and Northern Council Alliance.
	Completed review of medium density housing policy.
	Completed information updates (website) on Small Second Dwellings, downsizing and respecting neighbourhood character available on Council's website.
	Complete at least one submission per financial year (or more if opportunities arise) advocating to the State government on: <ul style="list-style-type: none"> <li>• More affordable housing mechanisms</li> <li>• Improved public transport</li> </ul>
	Identification of strategic work for townships, neighbourhood and local activity centres reported to Council through annual reporting.
	Completed review of the Hurstbridge Township Plan and associated planning scheme amendment.
	Identify and apply for appropriate grants for public realm upgrades throughout the Shire.
Supporting Nillumbik's unique neighbourhood character and environment	Completed Seniors Housing Forum
	Inclusion of Nillumbik Neighbourhood Character Strategy (2023) and Tree Planting Guidelines in the Nillumbik planning scheme.
	Introduction of definition for canopy and amenity trees into the Nillumbik planning scheme.

	Introduction of new residential zone schedules into the Nillumbik planning scheme.
Facilitating innovative and sustainable housing design	Completed ESD policy gap analysis and preparation of local ESD policy if appropriate.
	Completed Medium Density Housing Design Guidelines.
	Complete at least one submission per financial year (or more if opportunities arise) advocating to the State government to advance sustainability and ESD mechanisms.
	Yearly events and education opportunities are provided and reported on to Council through annual reporting.

## Definitions

Add inclusionary zoning to list of definitions

20-Minute Neighbourhood	The concept of a 20-minute neighbourhood is about giving Melburnians the ability to 'live locally' — meeting most of their everyday needs within a 20-minute walk, cycle or local public transport trip of their home.
Affordable Housing	Housing, including social housing, that is appropriate for the needs of any of the following: (a) very low income households; (b) low income households; (c) moderate income households.
Amenity	Amenity is about the pleasantness and good functioning of an area. Basic amenity standards include overlooking, overshadowing and solar access.
Amenities	Services, facilities and infrastructure available in a local area including shops, services, recreation facilities, health care and public transport
Apartment	A dwelling located above the ceiling level or below the floor level of another dwelling and is part of a building containing two or more dwellings.
Attached Dwellings	Dwellings which share walls with other dwellings. This typically includes townhouses, terraces, villas and semi-detached dwellings. These dwellings are generally larger than apartments, but smaller than separate houses.
Developability	The likelihood of land to be redeveloped.
Dwellings	A dwelling is a structure which is intended to have people live in it, and which is habitable on Census Night (ABS).
Estimated Resident Population (ERP)	The official measure of the Australian population, based on the concept of usual place of residence (ABS)
Household	One or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling. For census purposes, the total number of households is equal to the total number of occupied private dwellings (ABS).
In-Centre	Development within existing activity centres.
Built Form	The combination of features of a building, including its style, façade treatment, height and site coverage.
Brownfield Development	The subdivision and residential development of previously developed land (e.g. a former school site, or a petrol station).
Garden Area (From Garden Area Requirement)	Any area on a lot with a minimum dimension of 1 metre that does not include: a) a dwelling or residential building, except for: - an eave, fascia or gutter that does not exceed a total width of 600mm; - a pergola; - unroofed terraces, patios, decks, steps or landings less than 800mm in height; - a basement that does not project above ground level - any outbuilding that does not project above ground level: - domestic services normal to a dwelling or residential building: b) a driveway; or

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	c) an area set aside for car parking.
Greenfield	Undeveloped land identified for residential or industrial/commercial development, generally on the fringe of metropolitan Melbourne.
Greening And Cooling	Buildings and landscaping designed to reduce the heat island effect. This may include retaining existing canopy trees and encouraging tree planting and other landscaping.
Heat Island Effect	The microclimate in urban areas which becomes significantly warmer than surrounding areas where there is less green cover and more hard surfaces which absorb, store and radiate heat.
Housing Capacity	The theoretical (modelled) number of dwellings that could be built under certain planning policy settings. The number of total dwellings that could be built on all sites which are available for development. Properties are available if they are not specifically prohibited from development and not reasonably unlikely to be redeveloped.
Housing Density	The number of dwellings in an urban area divided by the area of the residential land they occupy, expressed as dwellings per hectare.
Infill Development	The further development or re-development of sites that have previously been developed for housing, usually at a higher intensity than currently in place.
Infrastructure	Basic facilities and networks (e.g. buildings, roads, and utilities) needed for the functioning of a local community or broader society. Infrastructure can be provided by the private sector (local roads, childcare, shopping centres), or by Government (Kindergartens, schools, railways).
Liveability	A measure of a city's residents' quality of life, used to benchmark cities around the world. It includes socioeconomic, environmental, transport and recreational measures.
Local Government Area	A geographic area for which census data is collected (ABS) and frequently synonymous with a municipal area.
Victoria In Future	Demographic and development projections produced by the State Government.
Victoria Planning Provisions	State-wide planning controls that form the basis of all municipal planning schemes.
Neighbourhood Character	<p>Neighbourhood character is essentially the combination of the public and private realms. Every property, public place or piece of infrastructure makes a contribution, whether great or small.</p> <p>It is the cumulative impact of all these contributions that establishes neighbourhood character.</p> <p>The following matters are considered: pattern of development, built form/scale, architectural and roof styles, other notable features or characteristics.</p>
Neighbourhood Activity Centres	Local centres that provide access to local goods, services and employment opportunities and serve the needs of the surrounding community.
Net Take-Up (Or Uptake)	Sites developed as a proportion of the identified capacity. Take-up is influenced by a number of factors, including the spatial requirements in the zone, the number of properties being sold and the institutional capacity of the development market.
Occupancy Rate	The proportion of dwellings which are occupied
Overlay	An overlay is a state-standard provision, forming part of a suite of provisions in the Victoria Planning Provisions. Each overlay addresses a single issue or related set of issues (such as heritage, bushfire or flooding). Not all land is affected by an overlay, but where more than one issue applies to a parcel of land, multiple overlays can be used. Overlays must have a strategic justification and be linked to the Municipal Planning Strategy and local planning policy. Many overlays have

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	schedules to specify local objectives and requirements. Many overlays set out requirements about development, not use. These requirements apply in addition to the requirements of the zone.
Plan Melbourne 2017-2050	The State Government's planning strategy for metropolitan Melbourne.
Planning Policy Framework	<p>A policy framework that groups different levels of planning policies (state, regional and local) together by theme (e.g. Housing).</p> <p>The PPF replaces the former division of policy into the State Planning Policy Framework (SPPF) and Local Planning Policy Framework (LPPF), with the latter formerly containing the municipality's strategic directions in the Municipal Strategic Statement (MSS).</p> <p>The strategic directions are now summarised in the Municipal Planning Strategy (MPS) that sits before the PPF in all the Victorian planning schemes that have been translated into the new policy format (only two planning schemes remain to be translated as of January 2024).</p>
Planning Permit	<p>A Planning Permit is a legal document that gives a landowner permission to use or develop land in a certain way. It usually includes conditions and approved plans which must be complied with. The applicable Council is responsible for deciding on Planning Permit applications, unless the Minister for Planning appoints himself or herself as responsible authority.</p> <p>A planning permit is issued under the Planning and Environment Act 1987.</p>
Planning Scheme	A planning scheme is a legal document prepared by the local council or the Minister for Planning, and approved by the Minister. It contains policies and provisions that control land use and development.
Planning Scheme Amendment	Changes to the planning scheme are called amendments and the process is set out in the Planning and Environment Act 1987 (the Act). An amendment may involve a change to a planning scheme map (for example: a rezoning), a change to the written part of the scheme, or both.
Private Open Space	An outdoor area of a dwelling or residential building or land for the exclusive use of the occupants.
Private Realm	Incorporates all areas on privately-owned land.
Social Or Public Housing	Housing owned and managed by the state. The government provides public housing to eligible Victorians including people who are unemployed, on low incomes, live with a disability or a mental illness or who are at risk of homelessness.
Public Realm	Incorporates all areas freely accessible to the public, including parks, plazas, streets and laneways.
Residential Zones	Land that is suitable primarily for residential purposes.
S173 Agreement	A Responsible Authority can negotiate an agreement with an owner of land to set out conditions or restrictions on the use or development of the land, or to achieve other planning objectives in relation to the land. These agreements are commonly known as section 173 agreements and is a legal contract. An s173 agreement can be recorded on the title to the land so that the owner's obligations under the agreement bind future owners and occupiers of the land. An s173 agreement can also be enforced in the same way as a permit condition or planning scheme.
Structure Plan	A shared vision for an activity centre identifying the type and scope of change projected within the activity centre over time. Structure plans should be a tool to help manage, influence and facilitate change within individual activity centres, in accordance with the directions of State planning policy.
Urban Growth Boundary	The metropolitan strategy release in 2002 known as <b><i>Melbourne 2030: Planning for sustainable growth</i></b> established an Urban Growth Boundary (UGB) around Melbourne to better manage outward expansion in a coordinated manner.

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	The purpose of the UGB is to direct urban growth to areas best able to be supplied with appropriate infrastructure and services and protect other valuable peri-urban land (and environmental features) from urban development pressures.
Walkable Catchment	An area mapped around a pedestrian destination usually within a range of 400m (5-minute walk) to 800m (10-minute walk).
Walkability	The degree to which an environment supports walking as a transport mode, for instance by providing frequent, safe and attractive paths that connect common trip origins and destinations.
Zone	A planning scheme uses zones to designate land for particular uses, such as residential, industrial or business. A zone has its own purpose and set of requirements. It will identify if a planning permit is required and the matters that must be considered before deciding to grant a permit.



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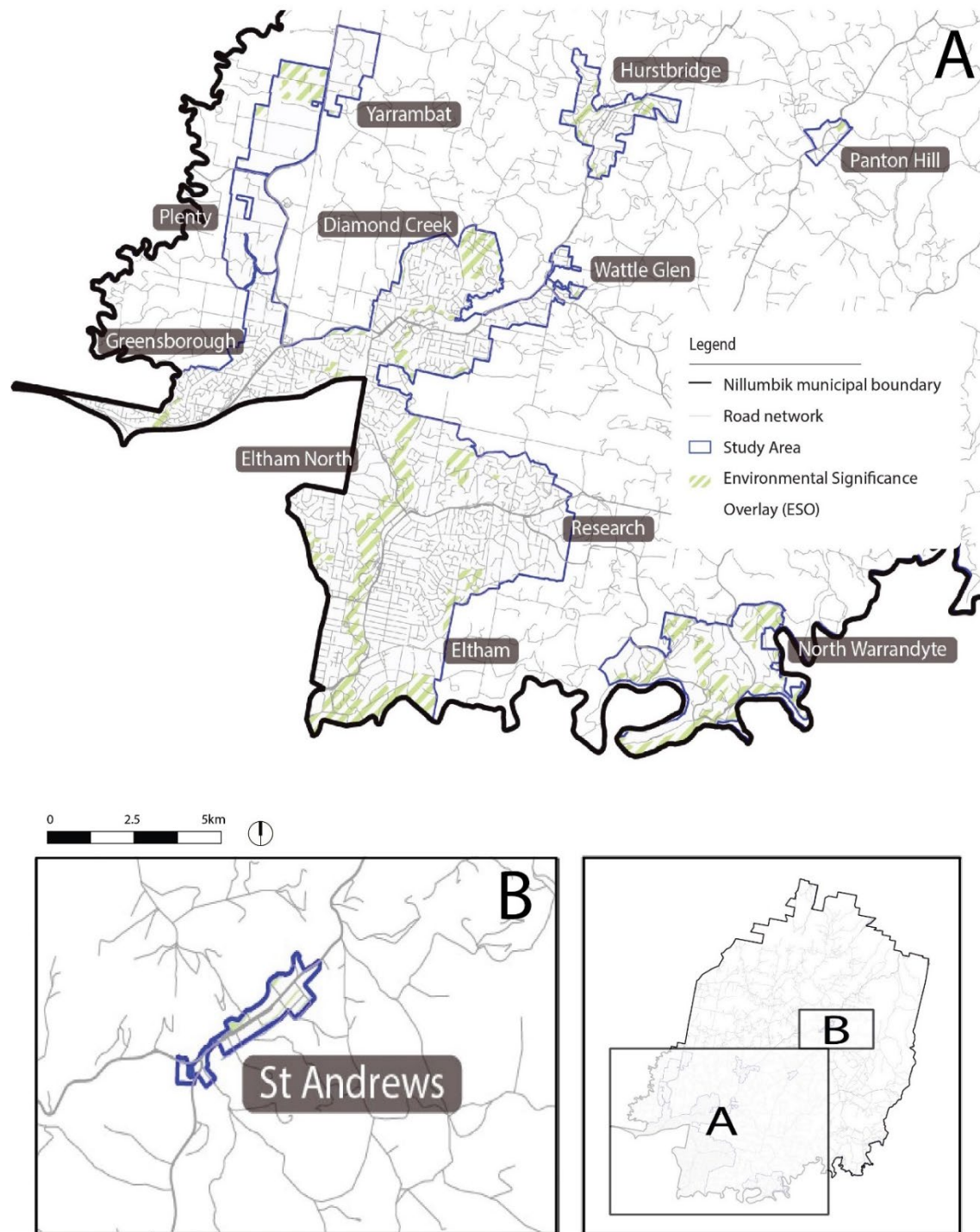


# Appendix A

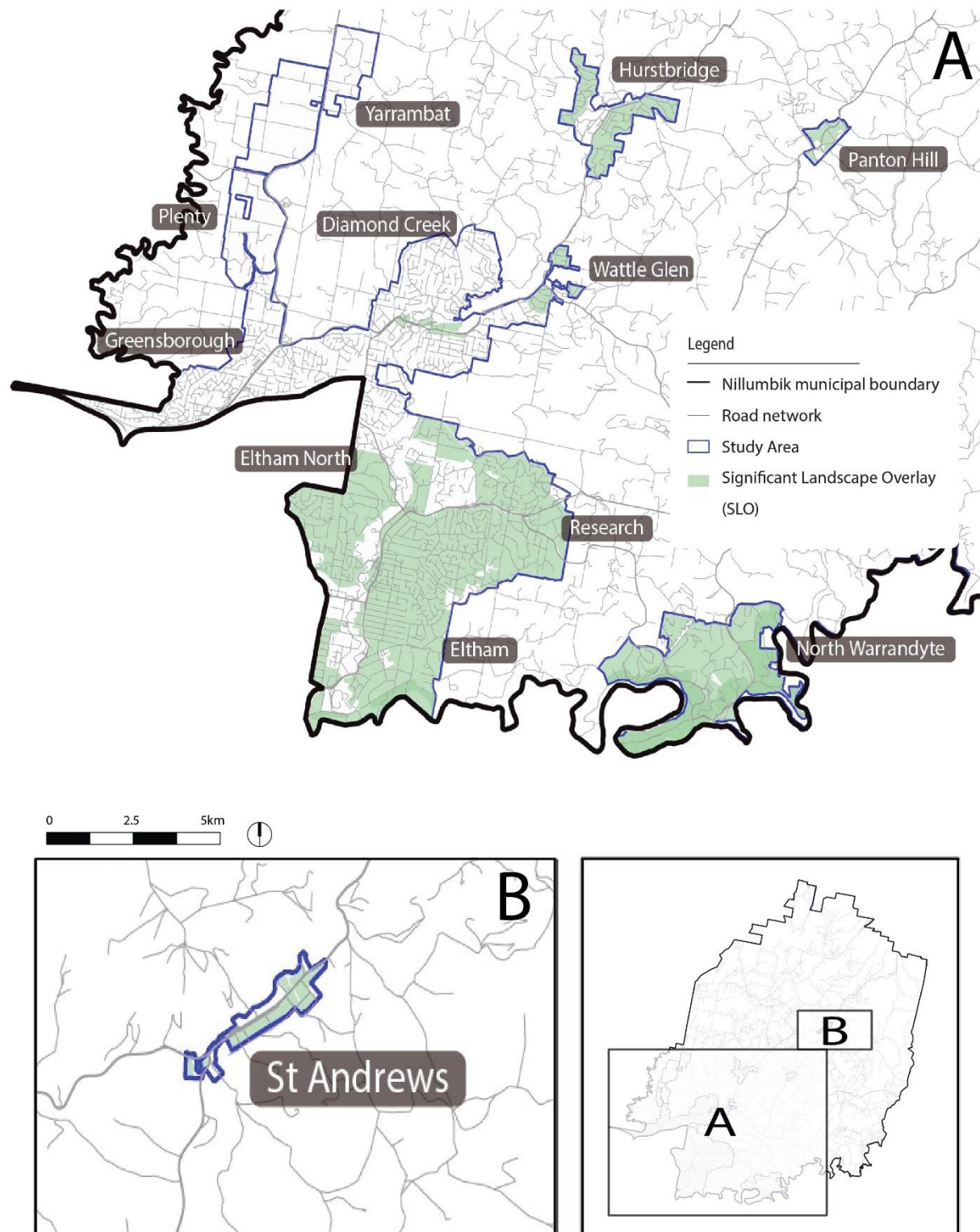
## Overlays

A number of planning scheme overlays apply across Nillumbik's residential areas. Overlays have different objectives and aim to meet those objectives (e.g. heritage, neighbourhood character, bushfire or environmental) predominantly through design objectives and decision guidelines.

These overlays contain specific objectives and requirements, which must be considered by Council during an application process. It's important to note that having an overlay does not imply that an identified change area is restricted. Instead, it means that specific controls must be followed for the use and development of the land.

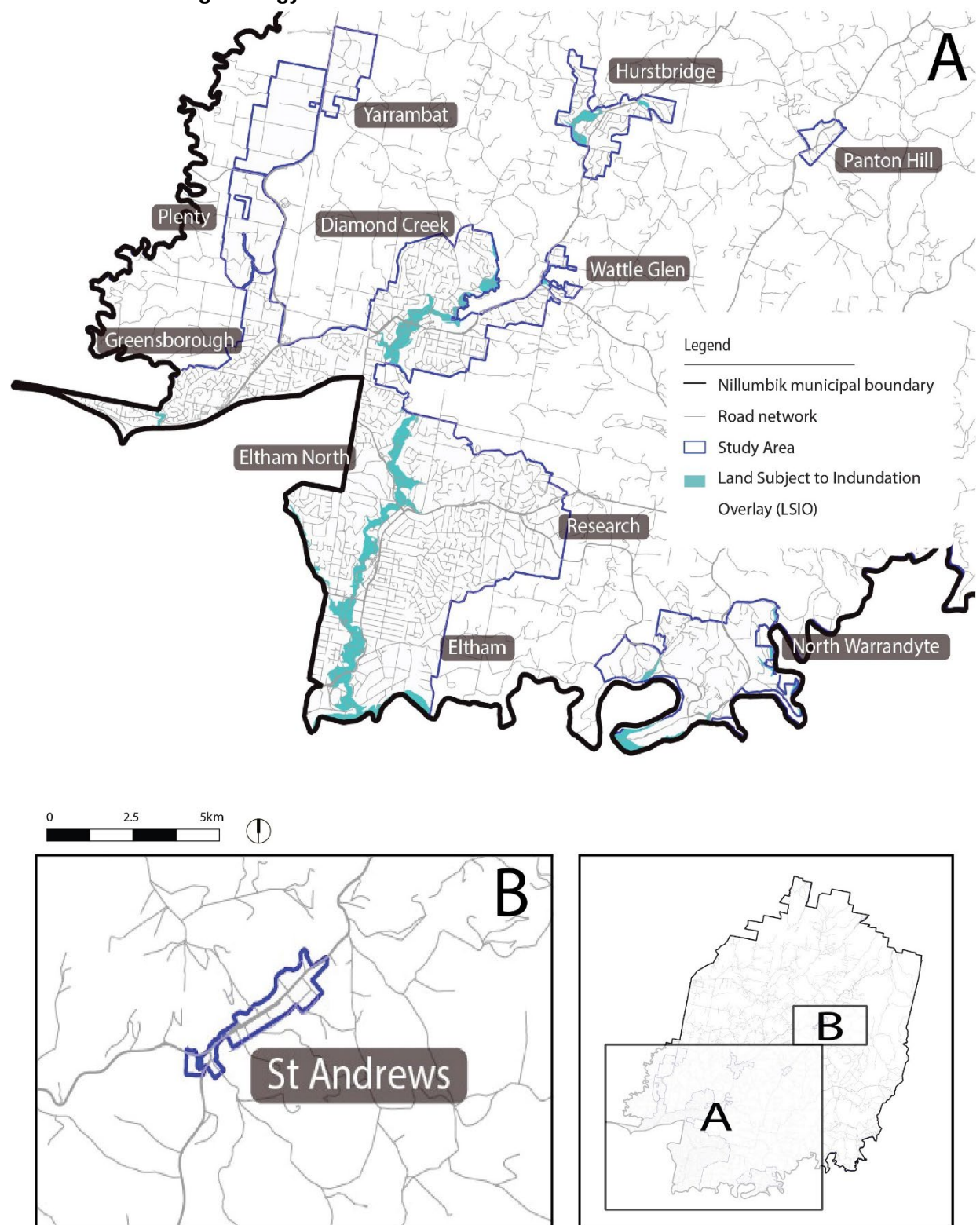


Map 13: Environmental Significance Overlay (ESO)

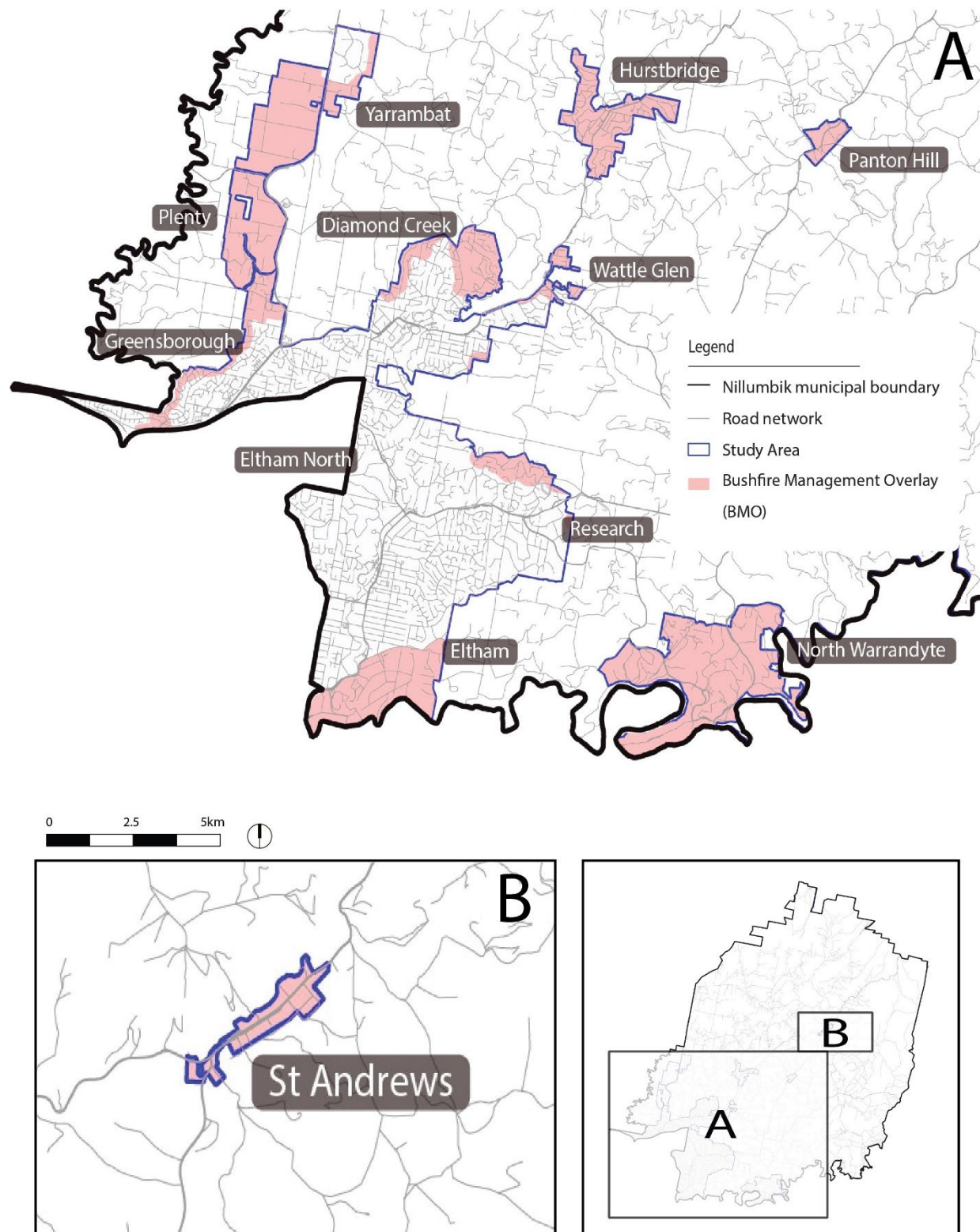


Map 14: Significant Landscape Overlay (SLO)

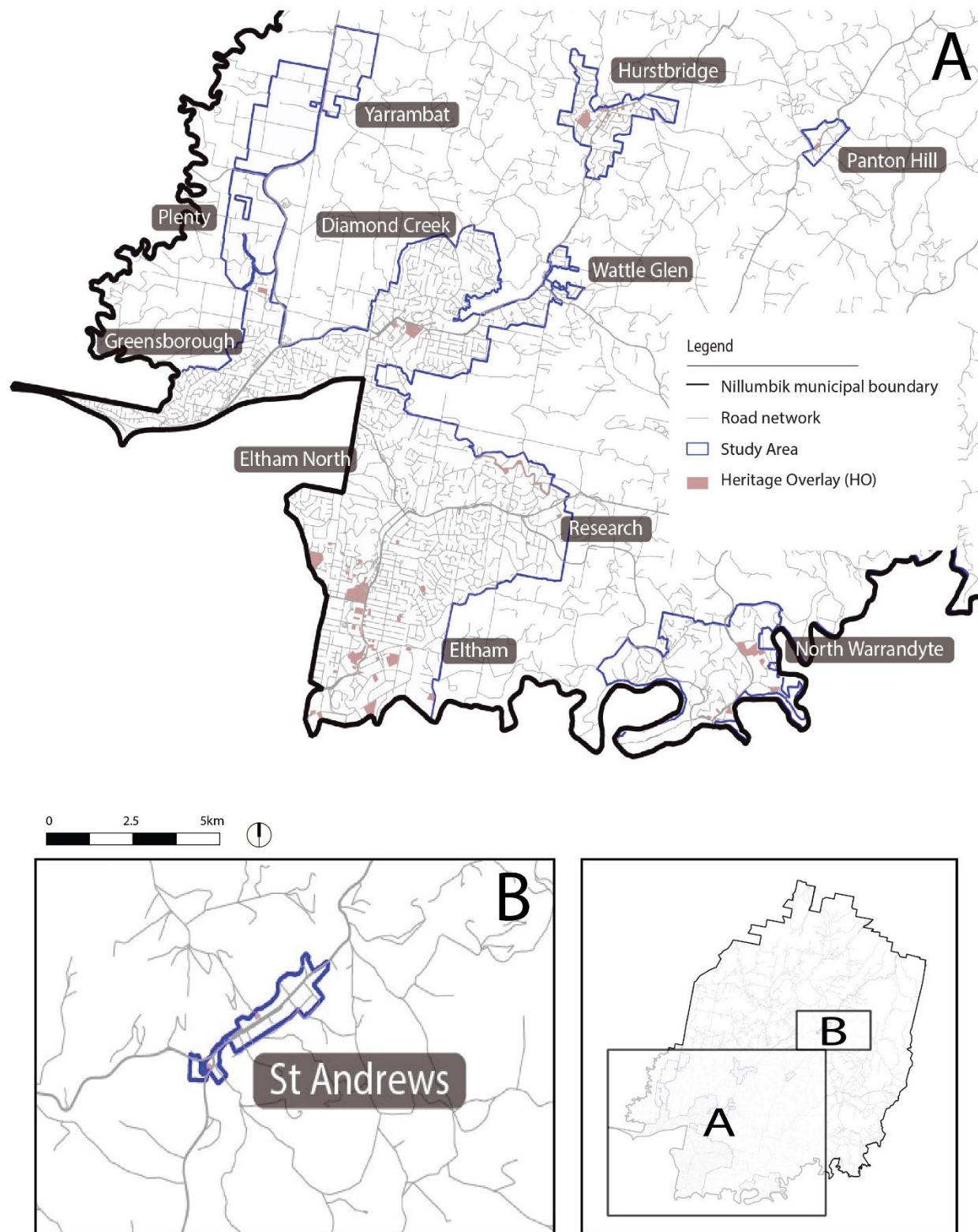




Map 15: Land Subject to Inundation Overlay (LSIO)

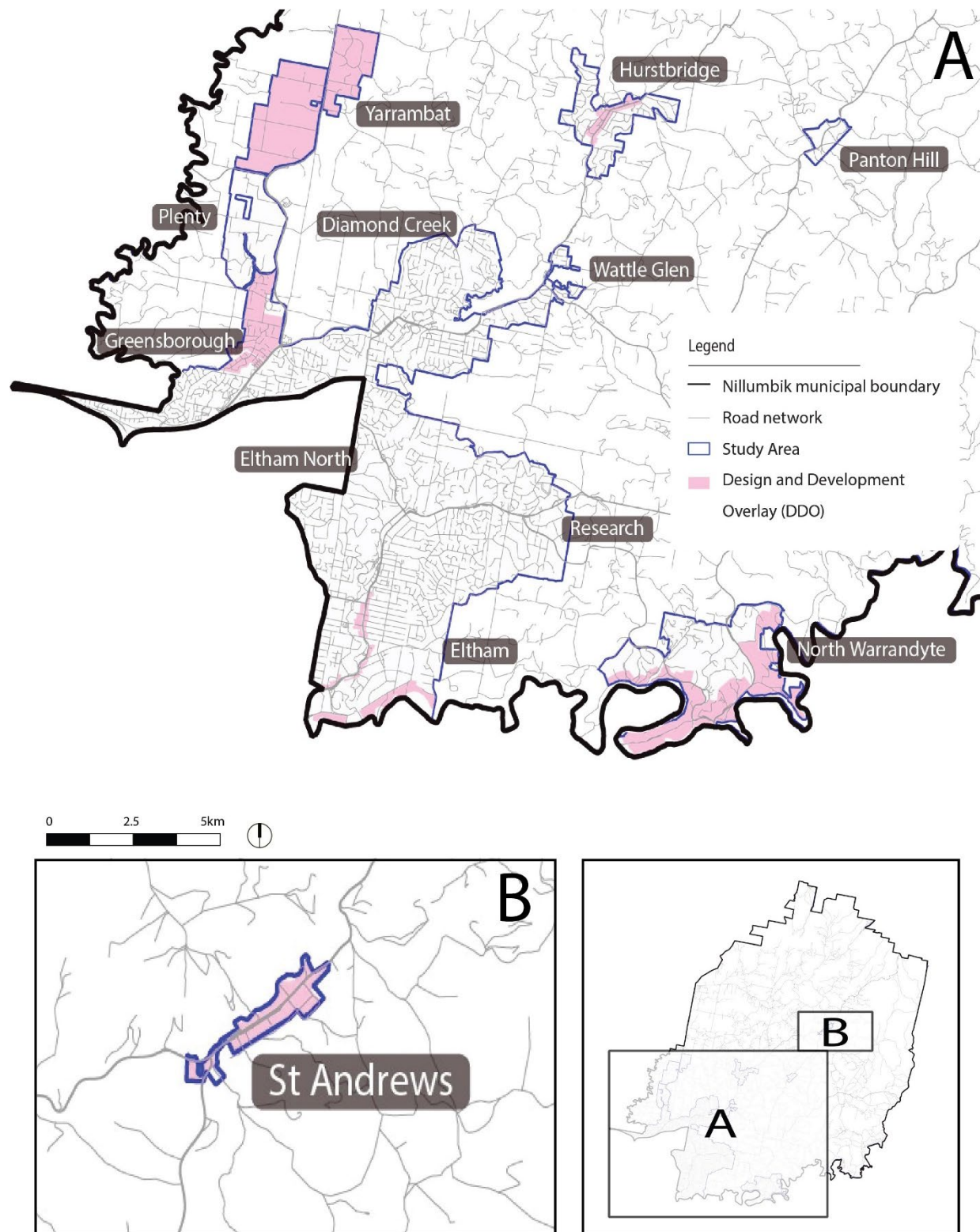


Map 16: Bushfire Management Overlay (BMO)

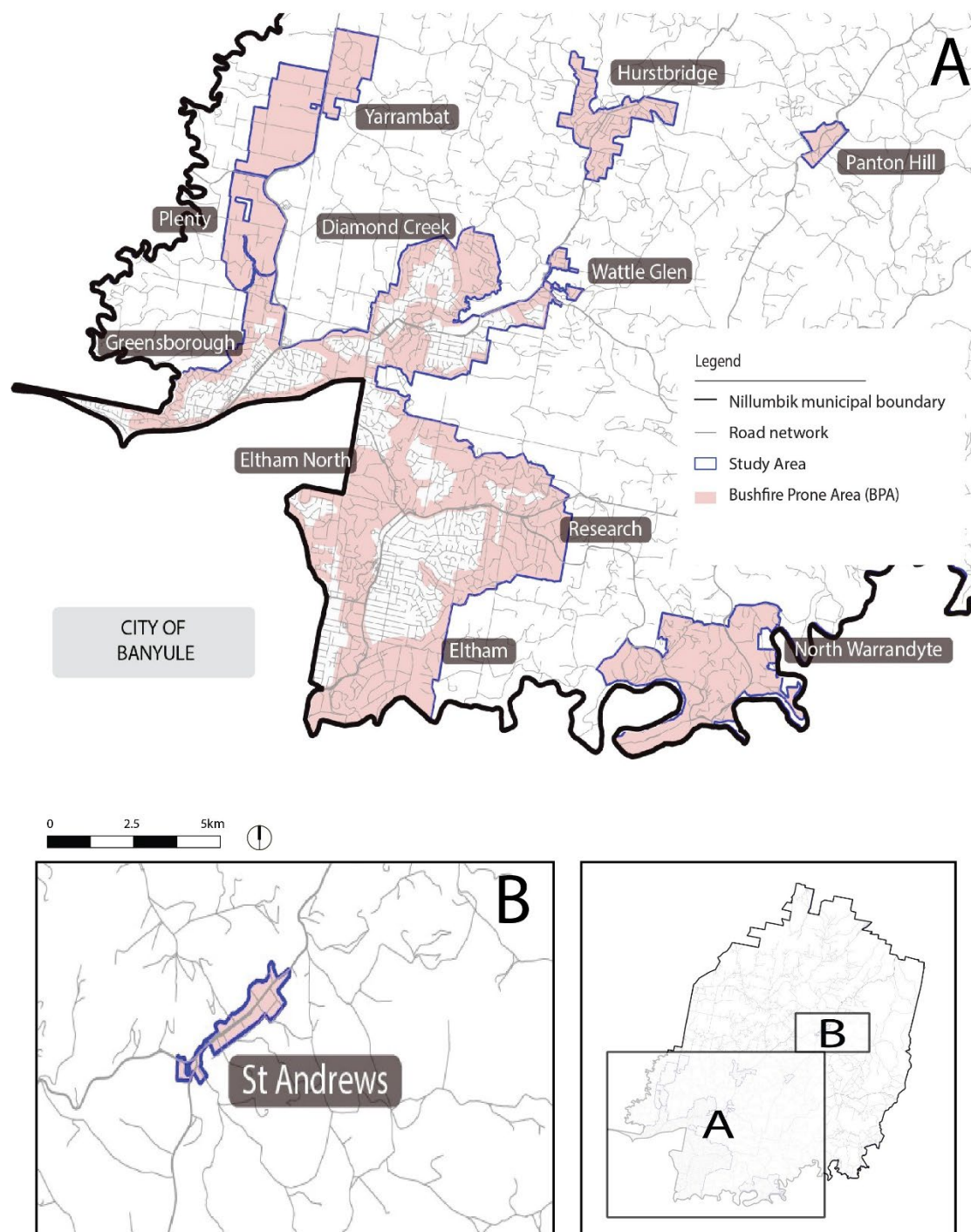


Map 17: Heritage Overlay (HO)

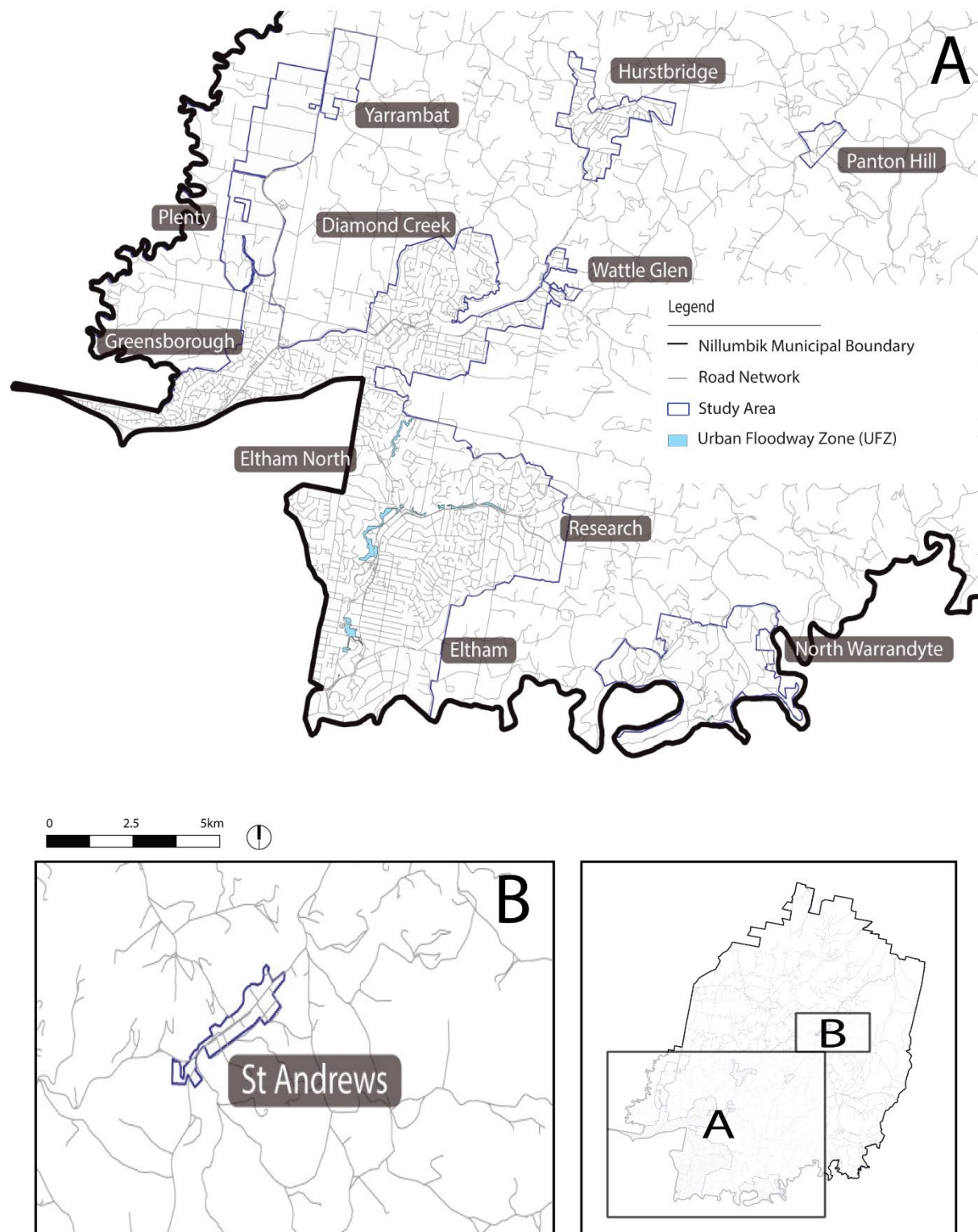




Map 18: Design and Development Overlay (DDO)



Map 19: Bushfire Prone Area (BPA)



Map 20: Urban Flood Zone (UFZ)



## Appendix B

Nillumbik residents were invited to submit expressions of interest for Community Reference Group (CRG) membership from August to September 2023. Expressions of Interest were submitted by completing an application form that responded to comprehensive CRG Terms of Reference (ToR). A total of 31 applications were received and provided to WSP (appointed consultants to facilitate a neutral process) to assess suitability for the CRG. To establish a diverse CRG that addressed all ToR criteria, WSP conducted a quantitative and qualitative analysis of the applications received, including age range, living situation and employment status. In line with the ToR, WSP developed a shortlist of 15 applicants (including reserves) to be reviewed and confirmed by Council. Twelve community members were appointed to the CRG in September 2023 and informed the development of the Strategy between October 2023 and June 2024. WSP was engaged by Council to inform the CRG member selection, chair the six CRG meetings and present CRG feedback in a summary report.

### Community Reference Group

**Gender:** Female (6), Male (6)

**Age:** 25-34 (2), 35-49 (4), 50-59 (3), 60-69 (2), 70-84 (1)

**Dwelling type:** house (10), unit or apartment building (2),

**Living situation:** own home (12), owners of investment properties (3 of 12)

**Living status:** Parents/carers of children (6), large household with 3 or more children (2), living alone (2), other (multigenerational home) (2)

**Employment status:** full-time (7), casual (1), retired (4)

**Suburbs/Townships:** Eltham, Eltham North (6), Diamond Creek (1), Plenty (2), Yarrambat (1), Hurstbridge (1), Wattle Glen (1).

**Residential zones:** TZ (1), LDRZ (2) GRZ1 (4) NRZ1 (2), ACZ1 (1), Outside UGB (2)



The purpose and function of the Housing Strategy CRG was to provide critical input into the development of the new Strategy, with a focus on the vision, themes and objectives. The CRG's purpose was to consider a wide range of background information needed to develop the Draft Nillumbik Housing Strategy 2024 and provide local knowledge, ideas and feedback to the Housing Strategy project team about the provision of housing within Nillumbik with a net community benefit lens. The diversity of the CRG ensured contributions from a range of lived experiences and local knowledge of housing needs. Specifically, the role of the CRG was to:

- To consider a wide range of information needed to support the development of the municipal housing strategy for Nillumbik Shire Council and to provide views at various stages of the project.

#### **Draft Nillumbik Housing Strategy 2024**

- Contribute ideas and feedback based on lived experience and local knowledge of housing needs in Nillumbik.
- Engage in discussions about the planning policy and planning scheme context of the Housing Strategy 2024 and how to meet the State Government's requirements
- Understand what Council has previously heard from the Nillumbik community on housing in relation to other strategic work that Council has undertaken to date.
- Explore data and information about housing and discuss what this means for the Housing Strategy 2024.
- Assist with identifying the themes, vision and objectives that the Strategy will address.
- Provide feedback on the first draft of the Housing Strategy that is prepared for wider public consultation.
- Provide advice about how to promote the draft Housing Strategy to the public and to encourage their feedback.

(CRG Terms of Reference, Nillumbik Shire Council, 2023).

The CRG is not a decision-making body and did not require voting protocols or similar mechanisms. It provided a view in a structured environment about housing that is representative of the Shire's housing 'net community'.

The main themes that emerged from the CRG to be considered as part of the Housing Strategy included:

Theme 1: Affordability

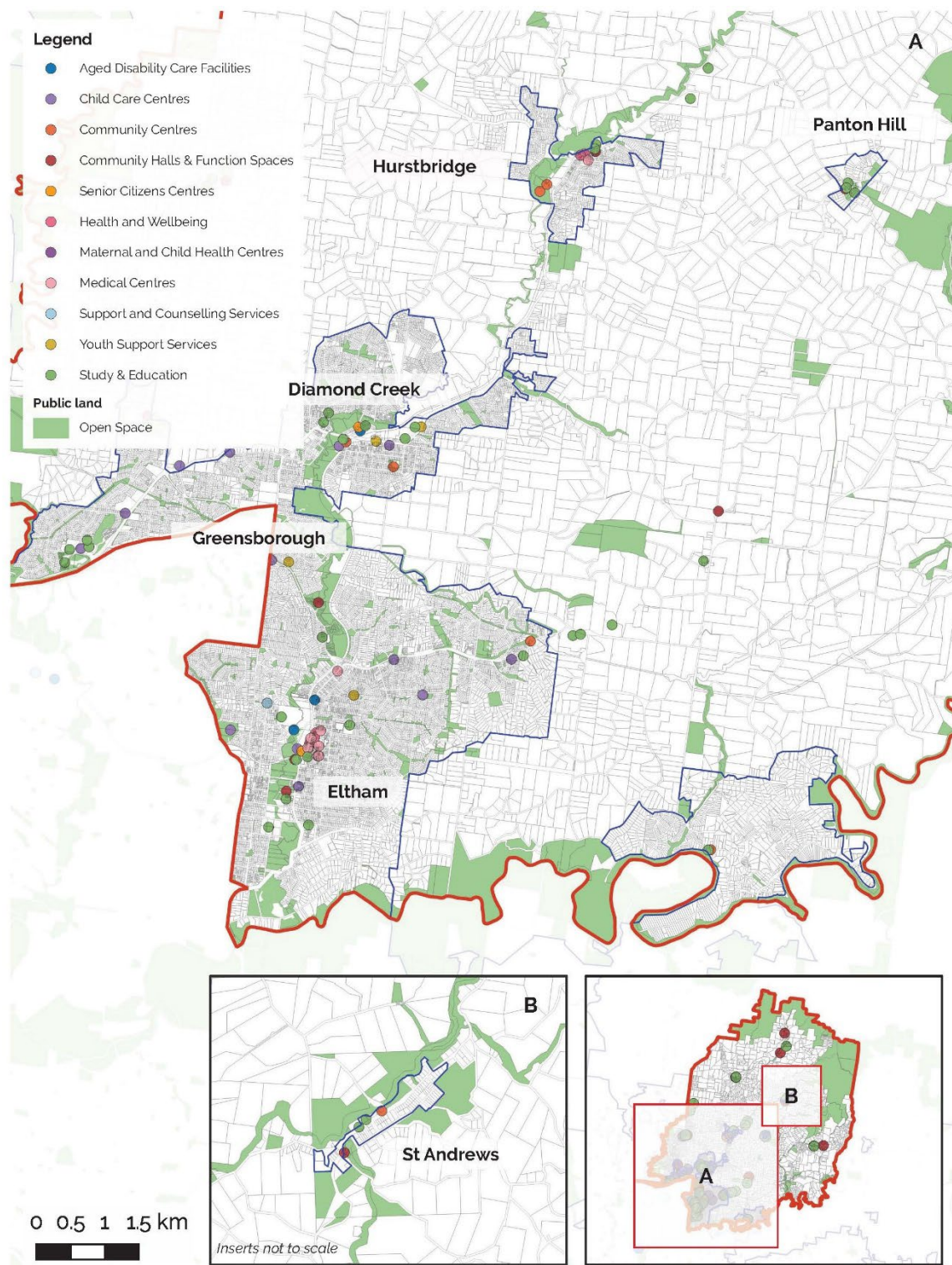
Theme 2: Ageing in place, repopulation and population growth

Theme 3: Natural environment and sustainable housing

Theme 4: Nillumbik's unique character and values

Theme 5: Diverse and innovative housing design

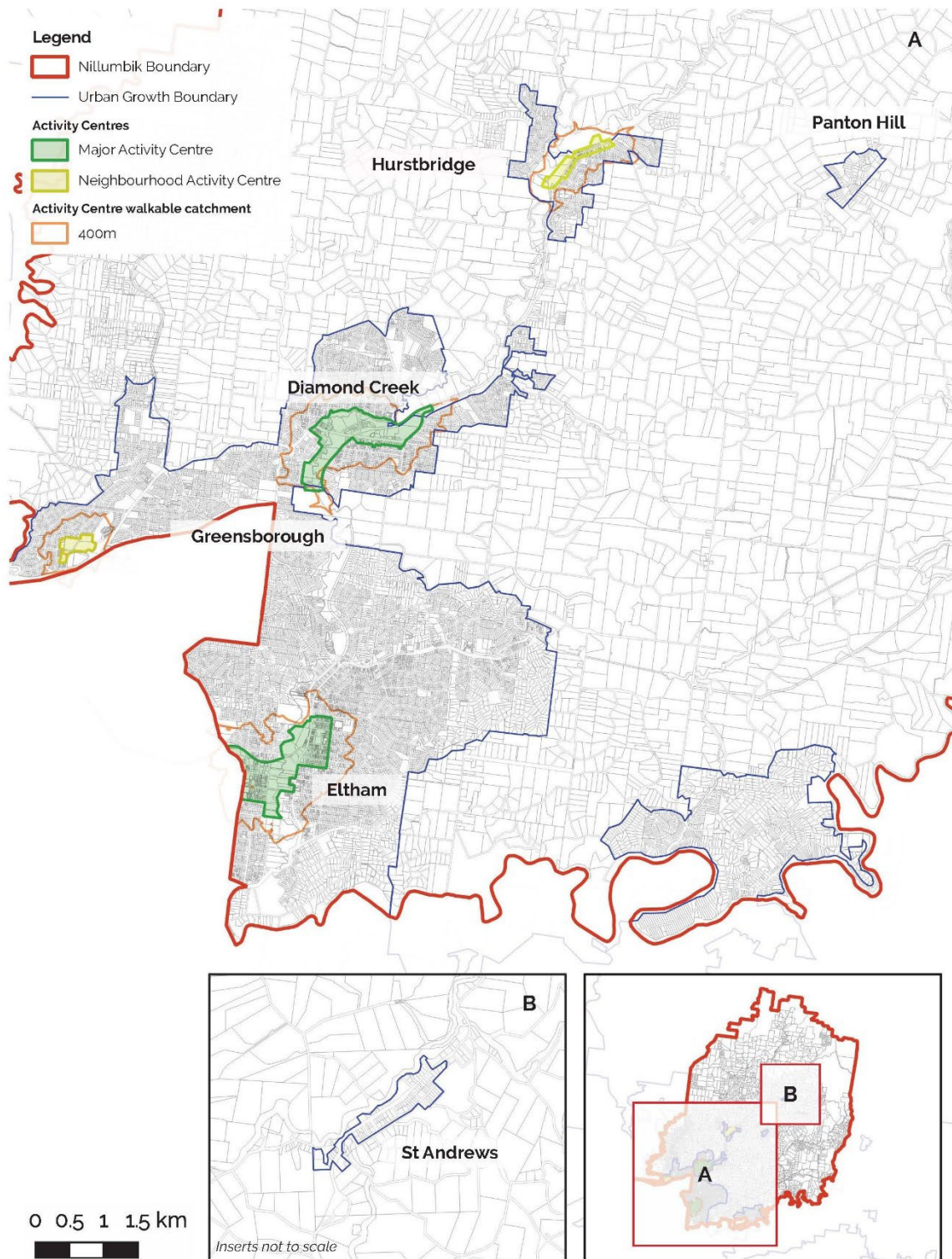
# Appendix C



Map 21: Distribution of services and facilities in Nillumbik

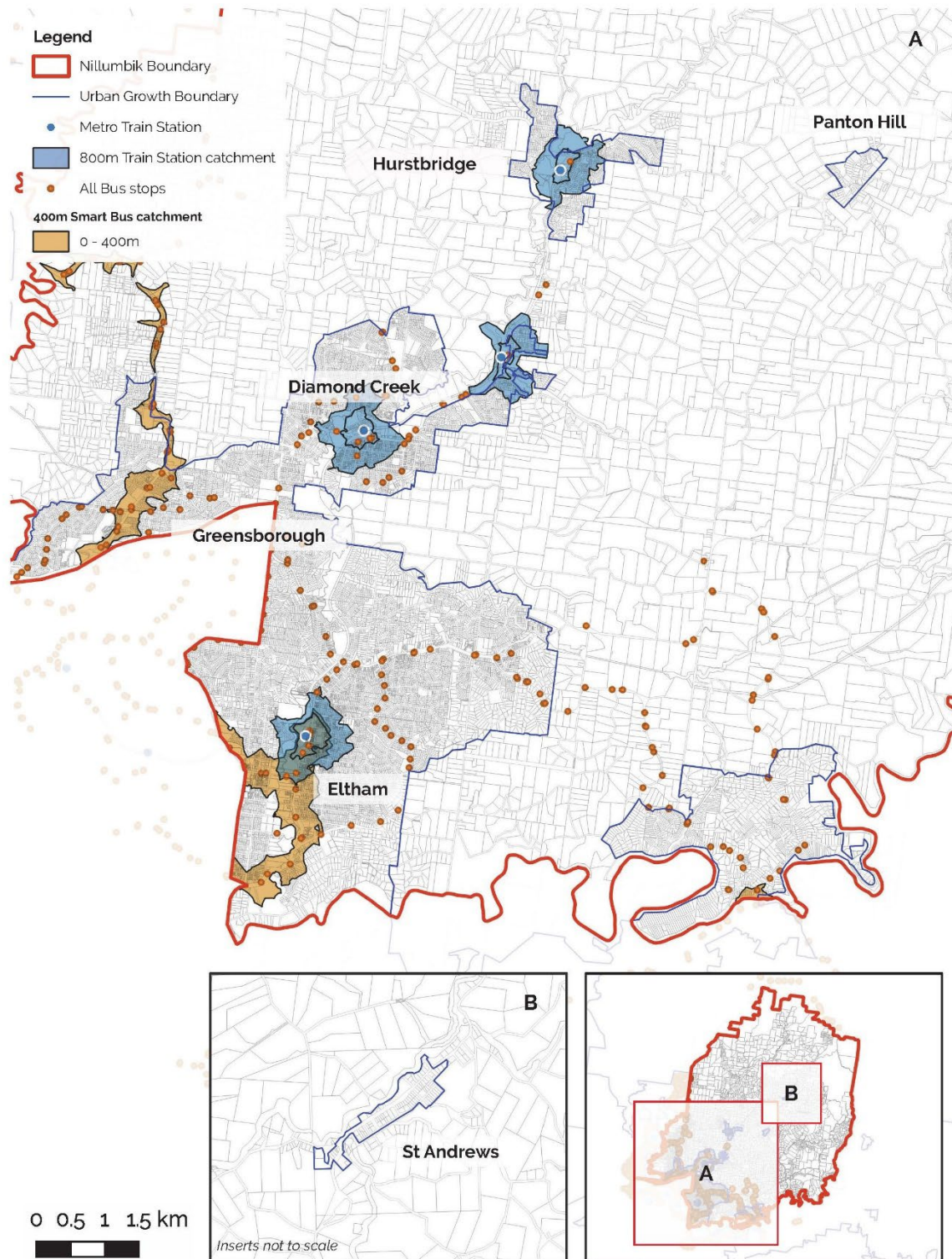


## Draft Nillumbik Housing Strategy 2024



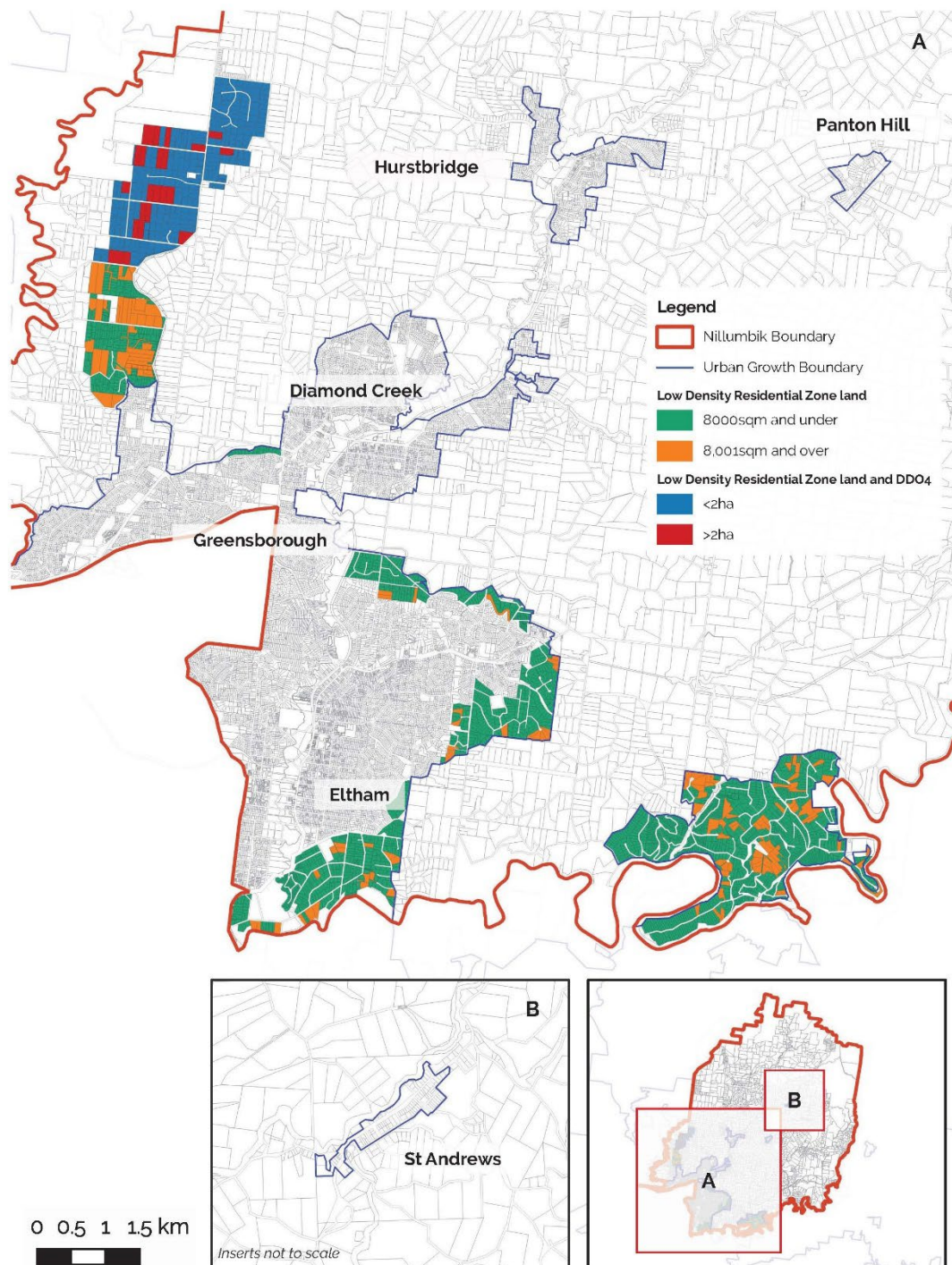
Map 22: Distribution of Major and Neighbourhood Activity Centres in Nillumbik

## Draft Nillumbik Housing Strategy 2024



Map 23: Distribution of public transport in Nillumbik





Map 24: Low Density Residential Zone land in Nillumbik



## Appendix D

### Criteria for identifying the four Change Areas

The draft 2024 Housing Strategy proposes to apply the following four different categories of Change Areas:

- Substantial
- Incremental
- Rural Incremental
- Minimal

#### Substantial Change Area

The Substantial Change Area has been applied to the Eltham and Diamond Creek Major Activity Centres (MACs) and aligns with the boundaries of the Activity Centre Zone Schedules 1 and 2 (ACZ1 – Eltham and ACZ2 – Diamond Creek).

#### Incremental Change Area

The Incremental Change Area has been generally applied between the Eltham and Diamond Creek MACs and the Minimal Change Areas, and around the Neighbourhood Activity Centres (NACs) at Research and the Hurstbridge Township. Incremental Areas have the following characteristics:

- Generally align with land in the General Residential Zone Schedule 1 (GRZ1).
- Generally occur within 800 metres distance of train stations and Major or Neighbourhood Activity Centres as indicated by either:
  - Walking distance shown on Council's pedshed mapping; or
  - Radius shown by the State Government's mapping for the Future Homes project for exemplar apartment designs – refer to Clause 53.24 of the Nillumbik Planning Scheme).
- Lots with areas in the range 651-999m<sup>2</sup> tend to be dominant.
- Also applied to land in the Neighbourhood Residential Zone Schedule 1 (NRZ1) that meets the above criteria provided that those areas aren't generally constrained by the application of the Environmental Significance Overlay (ESO).

#### Rural Incremental Change Area

The Rural Incremental Change Area has been applied to land in the Township Zone in the smaller rural townships (St Andrews and Panton Hill) where, pending the provision of reticulated services, there is justification for increased housing diversity, but not at the same scale that would be expected in the Incremental Change Areas.

#### Minimal Change Area

The Minimal Change Area has been generally applied beyond 800 metres distance of activity centres and/or generally aligns with land in the Neighbourhood Residential

## **Draft Nillumbik Housing Strategy 2024**

Zone Schedule 1 (NRZ1); although there are exceptions. Minimal Change Areas have the following characteristics:

- Generally align with existing NRZ1 areas and all LDRZ areas.
- Generally beyond ambit of train station & AC 800m concentric rings or pedsheds.
- Lot size pattern in ranges above 1,000m<sup>2</sup> tends to be more dominant.
- Also applied to GRZ1 areas that meet the above criteria and:
  - Where NCS Bush Residential character is prevalent, frequently reinforced by SLOs
  - in areas that are constrained by ESOs or surrounding ESO context.

## **Principles for altering Incremental and Minimal Change Areas**

The currently proposed housing change areas take into account the adopted NCS (2023). The NCS helps to inform modifications to the draft 2020 housing change areas where relevant and to reflect the following criteria, which also help to inform the key ways the proposed new zone schedules will be prepared to support both:

- Remote and/or low density residential areas; and
- for areas contiguous with Melbourne's urban areas, the implementation of the NRZ and continue to support medium density development within the MACs and surrounding GRZ. Incremental Change Areas:
  - Generally align with existing GRZ1 areas
  - Generally occur within the ambit of train station & AC 800m concentric rings & pedsheds
  - Lot size pattern in the range 651-999m<sup>2</sup> tends to be dominant;
  - Also applied to NRZ1 areas that meet the above criteria and provided those areas aren't widely constrained by ESOs.

## **Criteria for identifying Minimal and Incremental Change Areas in remote residential areas and townships and low density residential areas**

### **St Andrews and Panton Hill**

- Apply Incremental Rural Change to relatively compact Township Zone areas such as in St Andrews and Panton Hill, which also recognises their remoteness from Nillumbik's other urban residential areas and their comparative lack of public transport connections, e.g. no rail.
- Applying Incremental Rural Change will help to support moderate growth in these townships, subject to new development meeting the design guidelines and preferred character outcomes of the Bush Residential 1 typology applied to these two townships under Council's adopted Neighbourhood Character Strategy (2023).

### **Hurstbridge**

- In a larger township such as Hurstbridge, apply Incremental Change to Township Zone areas that are within 800 metres walking distance of either:
  - The Hurstbridge railway station, or

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- The Neighbourhood Activity Centre (NAC) or as indicated by the boundaries of the Design and Development Overlay - Schedule 5 (DDO5 – 'Hurstbridge Township'), which contains design objectives for the Main Road corridor.
- Apply Minimal Change to the Hurstbridge Township Zone areas that are:
  - Generally beyond 800 metres walking distance of the Hurstbridge NAC or railway station; and
  - Identified as Bush Residential 1 or Bush Residential 2 typologies under the NCS; and
  - Affected by an Environmental Significance Overlay (e.g. ESO1 that protects sites of faunal habitat or significance), or a Significant Landscape Overlay (SLO) that reinforces the bush character (e.g. SLO2 or SLO3), and where the SLO area is generally set within a surrounding ESO or other conservation context such as the Rural Conservation Zone (RCZ) or a bushland reserve.

#### **Low Density Residential Zone areas**

(Eltham, Research, North Warrandyte, Plenty, Yarrambat and Diamond Creek)

- Apply Minimal Change to all Low Density Residential Zone (LDRZ) areas that are also identified as:
  - Low density on the Municipal Planning Strategy (MPS) Strategic Framework Plan; and
  - Bush Residential 1 or Bush Residential 2 typologies (e.g. Eltham, Research, North Warrandyte and Diamond Creek), or Rural Residential 1 or Rural Residential 2 typologies (Plenty and Yarrambat) under the NCS; or
  - The LDRZ area in Eltham-Edendale that is bound by the Diamond Creek Trail (west), Aqueduct Trail (north) and Zig Zag Road North (east) that is recognised as having a natural bush setting under SLO2.
- Additional considerations for applying Minimal Change to the LDRZ areas include:
  - LDRZ land is predominantly beyond 800 metres walking distance of train stations and activity centres.
  - A small portion of LDRZ land in Eltham-East is within 800 metres radius of the Research NAC. Around half of the LDRZ areas in Research (Research NAC) and Diamond Creek (Diamond Creek MAC) occur within the Future Homes concentric circles showing 800 metres radius in relation to activity centres. However, applying Minimal Change to these areas is consistent with their being identified as low density on the Municipal Planning Strategy (MPS) Strategic Framework Plan.
  - The bush character of all LDRZ land, except in Plenty and Yarrambat, is reinforced by the coverage of SLO2.
  - Parts of the LDRZ areas in Eltham-Edendale and Eltham-South and all of the LDRZ land in Diamond Creek are also covered by ESO1 that protects sites of faunal habitat or significance.

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- The LDRZ land in North Warrandyte is set within a context of ESO1 that protects sites of faunal habitat or significance, or SLO2 that reinforces the bush character, or SLO15 that protects the metropolitan significance of the Yarra (Birrarung) River Corridor Environs, which also affects the southern portion of the LDRZ land at Eltham-South.
- The LDRZ land in Plenty and Yarrambat is part of the Green Wedge and outside of the Urban Growth Boundary (UGB). This LDRZ land is set within a predominantly rural context that includes ESO1, RCZ, parklands and other recreation areas.
- Most of the LDRZ land is affected by the Bushfire Management Overlay (BMO), except in Eltham-East, south-east corner of Eltham-Central, Research, Diamond Creek and the northern portion of Yarrambat.

#### **Criteria for identifying Minimal Change Areas in GRZ that are suitable for application of NRZ**

The criteria for identifying GRZ areas as Minimal Change and potentially suitable for rezoning to NRZ include a combination of the following factors that constrain further development:

- The land is predominantly identified with Bush Residential 1 or Bush Residential 2 typologies under the NCS; and
- The land is predominantly beyond 800 metres walking distance of train stations and activity centres; and
- Areas that are constrained by neighbourhood character; and
- The land is predominantly identified as having environmental constraints, e.g. affected or surrounded by ESO1.
- Generally aligns with existing NRZ1 areas
- Generally beyond ambit of train station & Activity Centre (800m)
- Lot size pattern in ranges above 1,000m<sup>2</sup> tends to be more dominant;
- Also applied to GRZ1 areas that meet the above criteria and:
- Where NCS Bush Residential character is prevalent, frequently reinforced by SLOs
- in areas that are constrained by ESOs or surrounding ESO context

#### **Additional considerations for rezoning GRZ areas to NRZ**

Further strategic work is required to identify GRZ areas where further development, e.g. for medium density housing, may be constrained by inadequate infrastructure such as:

- Narrow road pavement that prevents 2-way passing for vehicles.
- Constrained ability for road widening and provision of footpaths.
- Areas that are constrained by lack of infrastructure, including:
  - Narrow road pavement that prevents 2-way passing for vehicles
  - Constrained ability for road widening and footpaths.
  - Constrained ability to provide on-street parking bays.

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A confluence of the above constraining infrastructure factors combined with any limitations arising from preferred neighbourhood character outcomes for the area under the adopted NCS, or environmental constraints, would be relevant in considering GRZ land being more suited for rezoning to NRZ.

**Corrections to draft 2020 housing change areas**

All land in non-residential zones within the UGB that were previously identified in 2020 as part of a housing change area are now shown with the underlying zone colours that are consistent with the Nillumbik Planning Scheme maps.

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Density	Housing typology	Minimal Change Area	Rural Incremental Change Area	Incremental Change Area	Substantial Change Area
Low density	Detached houses 	✓ (predom-lant)	✓ (predom-lant)	✓	X
Medium density	Dual occupancy and duplexes 	✓ (occasional)	✓ (occasional)	✓	✓
	Villa units and townhouses 	X	✓ (occasional)	✓	✓
	Low-rise apartments 	X	X	X	✓
High density	Medium-rise apartments 	X	X	X	X
	High-rise apartments 	X	X	X	X

Figure 24: Change area example housing typologies

## Residential building approvals

Nillumbik Shire	Number			Annual change		
Year (ending June 30)	Houses	Other	Total	Houses	Other	Total
2023-24 FYTD (January)	51	28	79			
2022-23	96	34	130	-66	-24	-90
2021-22	162	58	220	+31	+22	+53
2020-21	131	36	167	+17	-6	+11
2019-20	114	42	156	-3	-71	-74
2018-19	117	113	230	+4	+82	+86
2017-18	113	31	144	-58	-59	-117
2016-17	171	90	261	+20	+42	+62
2015-16	151	48	199	+7	-3	+4



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2014-15	144	51	195	0	+4	+4
2013-14	144	47	191	+13	+19	+32
2012-13	131	28	159	+1	-8	-7
2011-12	130	36	166	-59	-40	-99
2010-11	189	76	265	-9	+49	+40
2009-10	198	27	225	+36	-8	+28
2008-09	162	35	197	-22	-23	-45
2007-08	184	58	242	-22	+26	+4
2006-07	206	32	238	-17	+9	-8
2005-06	223	23	246	-8	+2	-6
2004-05	231	21	252	-15	+12	-3
2003-04	246	9	255	+10	-11	-1
2002-03	236	20	256	+3	+15	+18
2001-02	233	5	238			

Figure 25: Residential building approvals 2001-02 to 2023-24 (Profile.id, 2021)

## **List of maps**

*Map 1: Housing Strategy study area*

*Map 2: Enlarged image of Housing Strategy study area*

*Map 3: Residential Zones in Nillumbik (excluding Major Activity Centres)*

*Map 4: Extent of 1% flood (SES, 2020)*

*Map 5: Character area map (NSC, 2023a)*

*Map 6: Proposed SLO areas (NSC, 2023a)*

*Map 7: Change area map – Nillumbik Shire*

*Map 8: Change area map – Yarrambat, Plenty, Greensborough*

*Map 9: Change area map – Hurstbridge, Diamond Creek, Wattle Glen*

*Map 10: Change area map – Eltham North, Research, Eltham*

*Map 11: Change area map – North Warrandyte*

*Map 12: Change area map – St Andrews, Panton Hill*

*Map 13: Environmental Significance Overlay (ESO)*

*Map 14: Significant Landscape Overlay (SLO)*

*Map 15: Land Subject to Inundation (LSIO)*

*Map 16: Bushfire Management Overlay (BMO)*

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