

### This practice note explains:

- **the purpose and provisions of the Urban Growth Zone (UGZ)**
- **the role of precinct structure plans in the UGZ**

### What is the Urban Growth Zone?

The UGZ applies to land that has been identified for future urban development.

The UGZ operates to:

- manage the transition of non-urban land into urban land
- encourage the development of well-planned and well-serviced new urban communities, generally in accordance with a precinct structure plan
- reduce the number of development approvals needed in areas where a precinct structure plan is approved
- safeguard non-urban land from use and development that could prejudice its future urban development.

### Applying the UGZ

The UGZ has been applied to land within the Urban Growth Boundary in Melbourne's designated growth areas. The zone can also be applied to land within regional cities and towns where a strategy identifies that the land is suitable for future urban development.

### Precinct structure plans and the UGZ

A precinct structure plan is a long-term strategic plan that describes how a precinct will be developed. A precinct structure plan must be prepared before non-urban land can be developed for urban purposes using the UGZ. It is designed to:

- ensure that the key strategic planning issues in a precinct are considered when planning for urban development
- ensure communities in new urban areas have good access to services, transport, jobs, shops, schools, open space and recreation facilities
- identify infrastructure required to service the new community
- identify and address any opportunities and constraints that will affect future urban development
- give developers, investors and local communities greater certainty and confidence about future development in growth areas.



An approved precinct structure plan works in conjunction with Part B of the UGZ to:

- facilitate the transition of non-urban land to urban land
- articulate the vision for how land should be developed and the desired use and development outcomes to be achieved
- set a framework for future land use and development
- identify infrastructure requirements for future communities
- respond to interface issues within the site and with surrounding areas (such as conservation areas)
- detail the form and conditions that must be met by future land use and development
- determine the use and development controls that will apply in the schedule to the zone
- determine what permits may be granted under the zone.

*The application of the UGZ does not, by itself, allow urban use and development to proceed. A precinct structure plan must be prepared and applied to the land before this can occur.*

Before a precinct structure plan is in place, the UGZ applies provisions under Part A of the schedule that are designed to safeguard the land from use or development, such as farming or rural-related activities, that could restrict its long-term urban development potential. Once a precinct structure plan is in place, the zone applies provisions to facilitate urban development in line with the plan. The zone provisions can be tailored to minimise the number of approvals required over the life of a project.

### Preparing a precinct structure plan

*Precinct Structure Planning Guidelines* prepared by the Victorian Planning Authority provide guidance to councils, state agencies, developers, service providers and other affected parties on how to prepare a plan.

The guidelines require new precinct structure plans to implement the relevant objectives for residential

subdivision in clause 56 of planning schemes.

They also set out a process for precinct structure planning, a standard format for precinct structure plans, and advice about the key strategic issues to be addressed.

While the *Precinct Structure Planning Guidelines* contain advice relating specifically to the preparation of precinct structure plans for land in Melbourne's growth areas, they are to be used wherever the UGZ is applied. Part 3 of the *Precinct Structure Planning Guidelines* includes regional adaptation advice.

### Implementing a precinct structure plan in the planning scheme

The UGZ requires a precinct structure plan to be incorporated in the planning scheme before urban development generally in accordance with the plan can commence. The detailed use and development provisions required to implement the precinct structure plan must be set out in the schedule to the zone.

It may also be appropriate for parts of the precinct structure plan to be included in the planning scheme as objectives or strategies in the Municipal Planning Strategy, local planning policy or UGZ schedule decision guidelines.

As an incorporated document, a precinct structure plan must be listed in the schedule to clause 72.04.

These actions require a planning scheme amendment, and the exhibition, submission, adoption and approval requirements of the *Planning and Environment Act 1987* will apply.

Implementation provisions will typically set out:

- use and development provisions (including permit requirements, permit exemptions, conditions and requirements for granting permits, sign requirements and decision guidelines)
- requirements for public open space contributions to be included in the schedule to Clause 53.01 of the planning scheme (if applicable)
- requirements to implement a native vegetation precinct plan (if applicable)
- requirements to manage places of Aboriginal cultural heritage significance.



### Native vegetation conservation

*If there is native vegetation within the precinct, a **native vegetation precinct plan** will also need to be prepared. A native vegetation precinct plan sets out requirements for the protection and removal of native vegetation for a precinct. A native vegetation precinct plan:*

- *allows all the native vegetation issues in a precinct to be considered when planning for new development*
- *helps guide the form of future development in a precinct by identifying the native vegetation to be retained and removed*
- *gives greater certainty to the council, service agencies, developers and the community about the future form of development and native vegetation management*
- *allows planning objectives for native vegetation to be integrated with recreation, urban design, and open space objectives, leading to more sustainable biodiversity and urban development outcomes*
- *streamlines the approval of appropriate native vegetation removal.*

*A native vegetation precinct plan must meet the content requirements set out in clause 52.16 of the planning scheme. It must also be an incorporated document under the schedule to clause 72.04.*

### Preparing an amendment

*Ministerial Direction No. 12: Urban Growth Areas* applies to any amendment to:

- rezone land to the UGZ
- incorporate a precinct structure plan, or change an incorporated plan, applying to land in the UGZ
- introduce or change a provision in a schedule to the UGZ.

The direction does not apply to an amendment to make corrections.

The direction requires a planning authority to evaluate and include in the explanatory report a discussion about how an amendment implements any Growth Area Framework Plan that applies to the land. If the amendment proposes to incorporate or change a precinct structure plan, the planning authority must also demonstrate that the plan or any changes to it are in accordance with any applicable precinct structure plan guidelines approved by the Minister for Planning.

Any other Ministerial Directions that apply to the amendment must also be met.

Several publications provide guidance for preparing a precinct structure plan or a planning scheme amendment. These are listed below and should be considered where relevant.

### How does the Urban Growth Zone operate?

The UGZ applies different use and development provisions to land depending on whether a precinct structure plan applies.

- Part A of the zone applies when no precinct structure plan applies to the land.
- Part B of the zone applies when a precinct structure plan applies to the land.

A precinct structure plan applies to land when it is incorporated in the planning scheme.



Diagram 1 below illustrates how the UGZ operates at different phases in the precinct structure planning process.

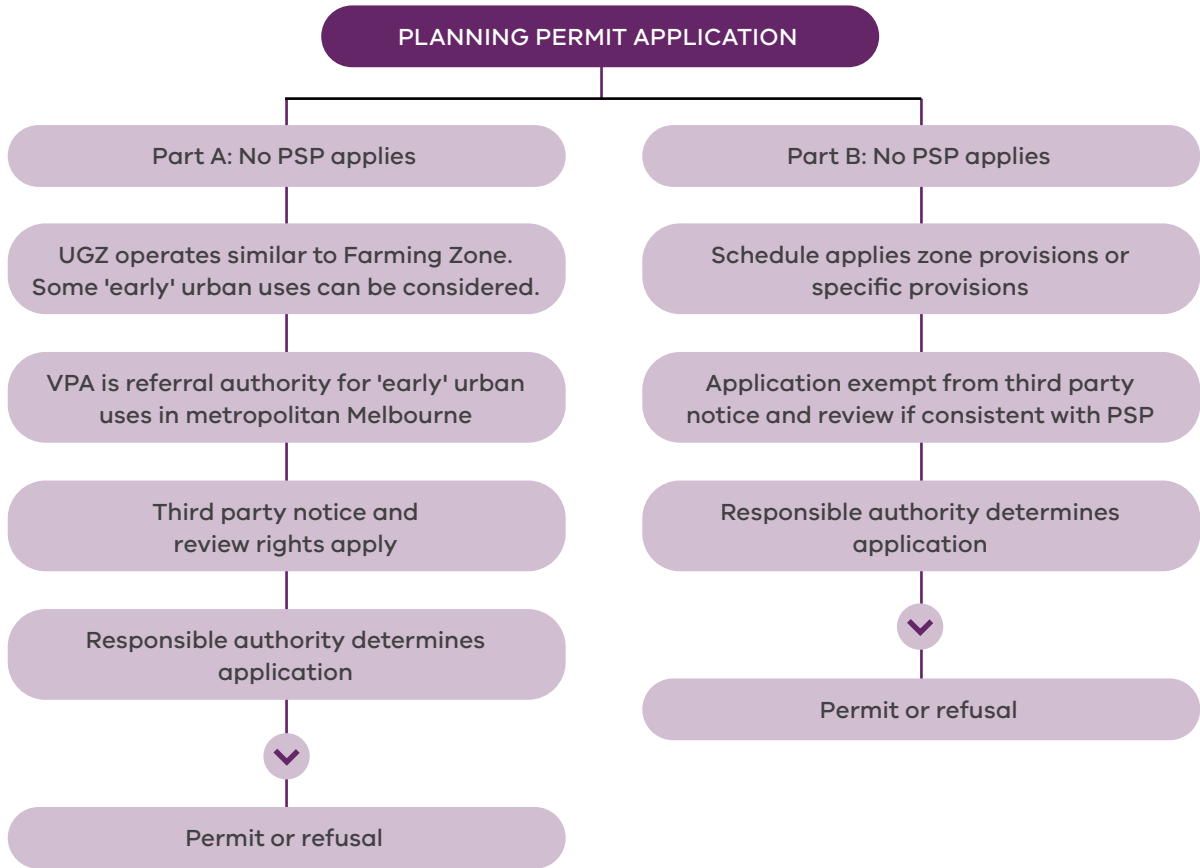
**Diagram 1: Zone operation at different phases in the planning process**





Diagram 2 below shows the different zone provisions that apply to a planning permit application depending on whether a precinct structure plan applies.

**Diagram 2: Permit process under Parts A and B of the zone**



**Part A – No precinct structure plan applies**

Land is predominantly used for farming and other rural activities. Planning for its transition to urban development may have commenced, but a precinct structure plan does not yet apply. The controls that apply in this case are set out in clauses 37.07-1 to 37.07-8.

**Use of land**

The zone allows existing farming and other rural activities to continue, and new farming uses to establish, other than new saleyards and intensive animal industries.

The zone also provides for permit applications for certain 'early' urban uses to be considered before a precinct structure plan is incorporated into the planning scheme. This is to facilitate the early provision of essential facilities and services to new residents in the precinct (for example, schools and

health services), and developments essential to the marketing and construction of new urban areas (such as display homes and land sales offices).

The appropriateness of any proposal should be carefully considered to ensure that it does not prejudice the logical, efficient and orderly future urban development of the land. Before granting a permit, a responsible authority should consider:

- whether the preparation of a precinct structure plan for the land is sufficiently advanced
- the extent to which the precinct structure plan could change, and how this might impact on the proposal
- the amount of public scrutiny the precinct structure plan has been subject to
- whether it is satisfied that any conditions and requirements that would apply to the proposal once the plan applies can be met



- the infrastructure needs of the proposal, and how this infrastructure would be delivered and funded
- whether the proposal will produce acceptable outcomes in terms of the Planning Policy Framework and Municipal Planning Strategy
- the decision guidelines of the zone, and any other decision guidelines in clause 65 of the planning scheme.

### Development

A permit is required to subdivide land, and a minimum lot size of 40 hectares applies. Similar to the rural zones, a permit may also be granted to create smaller lots if specific requirements are met. One of these requirements is that a section 173 agreement be entered into to constrain the further subdivision of the land. Given that the long-term purpose of the UGZ is to facilitate urban development, the responsible authority should ensure that the agreement does not restrict development necessary to implement a precinct structure plan at a later date. One option is to include a provision in the agreement for its termination once a precinct structure plan applies to the land.

Buildings and works controls similar to those in the Farming Zone apply.

### Notice and review

Standard notice and review provisions apply.

### Referral requirement

To safeguard against the granting of permits that could compromise the future urban development of Melbourne's growth areas, the following permit applications must be referred to the Victorian Planning Authority under section 55 of the *Planning and Environment Act 1987*:

- an application to use or develop land for any of the following:
  - display home
  - education centre
  - hospital
  - medical centre
  - nursing home
  - place of worship
  - real estate agency
- an application to subdivide land to create a lot smaller than 40 hectares in area.

These referral requirements only apply if the land is within the UGZ in metropolitan Melbourne. If the zone is to be applied to land outside metropolitan Melbourne, the planning authority should contact the relevant regional office of the department to discuss whether a section 55 referral requirement is needed.

*Planning Practice Note 54: Referral and Notice Provisions* provides guidance on introducing new referral requirements in a planning scheme.

### Signs

Category 4 of the sign controls in clause 52.05 applies. However, a permit may be granted, for a period of not more than five years, to display a sign that promotes the sale of land or dwellings.



## Part B – A precinct structure plan applies

Once a precinct structure plan applies to the land, the provisions of Part B of the UGZ apply. These are set out in clauses 37.07-9 to 37.07-16 and are designed to:

- provide certainty about the nature of future development
- reduce the number of development approvals needed once a precinct structure plan applies
- remove notice requirements and third-party review rights from planning permit applications for proposals that are generally in accordance with the plan
- ensure that permits granted for urban development are generally in accordance with the plan.

Part B allows detailed requirements to be specified in a schedule to the zone, allowing the zone to be tailored to suit the precinct structure plan.

A schedule is required for each precinct structure plan. If there is more than one schedule, each schedule must be given a number.

### Drafting the zone schedule

The 'parent provisions' of the UGZ (the state-standard provisions of the Victoria Planning Provisions) establish the scope of the schedule provisions. The schedule can provide for the following:

- requirements for land use – these can be the requirements of a zone, specific requirements, or both
- requirements for subdivision
- requirements for buildings and works – these can be the requirements of a zone, specific requirements, or both
- application requirements
- conditions and requirements that must be applied to all permits or defined classes of permit
- adjustments to the exemption from notice and review
- decision guidelines
- sign requirements.

When drafting a schedule, it is important that:

- only the implementation provisions relevant to

the UGZ are included in the schedule to the zone

- the schedule is clear about where different provisions apply, and in what circumstances (a map should be included in the schedule that shows where particular zones or provisions apply)
- the principles of plain English writing are used when drafting provisions
- the land use terms and nesting concepts in clauses 73 of the planning scheme are used
- the requirements of the *Ministerial Direction: The Form and Content of Planning Schemes are met*.

See the example schedule below. See also the UGZ template instructions in the *Ministerial Direction: The Form and Content of Planning Schemes*.

### Applying use and development controls

A precinct structure plan can consist of a mix of land uses, for example, housing, industry and open space. Different controls may need to apply to different parts of the precinct structure plan. This can be dealt with in three ways:

- Option 1: The schedule can apply zones to the land, such as the General Residential Zone or Industrial 1 Zone.
- Option 2: The schedule can apply specific provisions to the land.
- Option 3: The schedule can apply zones and specific provisions to the land.

#### Option 1 – Apply zones

This option involves assigning zones to specific parts of the precinct structure plan. Land must be used and developed in accordance with the provisions of the zone that applies to it. This approach has the following advantages:

- Planning scheme users are familiar with the requirements of the zones.
- It promotes consistency in the way that planning authorities deal with particular land use issues.
- The zones include provisions that implement the Planning Policy Framework. For example, the General Residential Zone ensures that maximum use is made of clause 56 to plan residential subdivisions.
- The zones include provisions necessary to manage potentially conflicting land uses. For example, the Industrial 1 Zone contains specific provisions to control industrial development close



to housing, schools, hospitals and other sensitive uses.

- Once development is underway, it is a straightforward task to translate the UGZ to standard zones.

Remember, all of the zones to be applied must be included in the planning scheme as part of the amendment.

### Option 2 – Apply specific provisions

This option may be necessary where the desired outcomes will not be achieved by applying a zone.

If this approach is used, a table of uses will need to be constructed. Part 6.5.6 of the *Practitioner's Guide to Victoria's Planning Schemes* provides advice on constructing a table of uses and deciding when a use should be made 'as of right', require a permit, or be prohibited.

The UGZ will eventually need to be translated to 'standard' zones. If the schedule contains complex or unusual specific provisions, this will make the translation task more difficult.

Specific provisions will usually not be needed once development anticipated by the precinct structure plan is substantially complete. However, if this is not the case, the planning authority needs to consider how it will translate these provisions at the time it is drafting the UGZ schedule.

### Option 3 – Apply zones with specific provisions

This option is commonly used where additional provisions beyond those available through applied zones are needed to ensure that development conforms to the precinct structure plan.

#### Providing flexibility in the precinct structure plan and UGZ schedule

*The precinct structure plan and UGZ schedule should be written in a way that gives the responsible authority flexibility to consider proposals that achieve the outcomes sought by the plan without being vague or ambiguous. The UGZ schedule should also be clear about how any doubts relating to the application of provisions will be resolved. One option is to include a specific provision in the schedule that allows the responsible authority to resolve these issues through a planning permit application. An example of this is provided in the example schedule below.*

### Translation to standard zones

Once development in a precinct structure plan is substantially completed, the UGZ will need to be translated into an appropriate standard zone.

The responsible authority should discuss the appropriate timing for zone translation with the department.

### Planning publications

The following publications provide guidance on planning for new urban communities, statutory planning processes and drafting statutory documents (as relevant):

- *Precinct Structure Planning Guidelines: New Communities in Victoria* (Victorian Planning Authority, 2021) – Part 4 of this guideline includes a practitioner's toolbox that provides a range of guidance notes intended to inform precinct structure plan preparation.
- *Marine and Coastal Policy* (Department of Environment, Land, Water and Planning, 2020)
- *Development Contributions Guidelines* (Department of Sustainability and Environment, 2007)
- *Infrastructure Contributions Plan Guidelines* (Department of Environment, Land, Water and Planning, 2021)
- *Urban Design Guidelines* (Department of Environment, Land, Water and Planning, 2017)
- *Using Victoria's Planning System* (Department of Environment, Land, Water and Planning, 2022)
- *Practitioner's Guide to Victoria's Planning Schemes* (Department of Environment, Land, Water and Planning, 2022)
- *Planning Practice Note 46: Strategic Assessment Guidelines*
- *Planning Practice Note 58: Structure Planning for Activities Areas*
- *Planning Practice Note 60: Height and Setback Controls for Activities Areas*
- *Planning Practice Note 40: Using the Residential Subdivision Provisions Clause 56 – Residential Subdivision*
- *Planning Practice Note 94: Land Use and Transport Integration*





## Example schedule

### SCHEDULE 1 TO THE URBAN GROWTH ZONE

*A schedule number should be inserted if more than one schedule is included in the zone.*

Shown on the planning scheme map as **UGZ1**.

#### GUMNUT VALLEY PRECINCT STRUCTURE PLAN

*The precinct structure plan is an incorporated document – also include reference to the plan in the schedule to Clause 72.04.*

##### 1.0 The plan

*A plan showing the future overall layout of land use and development should be inserted in the schedule.*

Map 1 shows the future urban structure proposed in the *Gumnut Valley Precinct Structure Plan*.

##### 2.0 Use and development

###### 2.1 The land

The use and development provisions specified in this schedule apply to land as shown in Map 1 of this schedule.

###### 2.2 Applied zone provisions

*The zone requires the schedule to specify requirements for land use and buildings and works. If a planning authority applies zones, these must be specified here.*

The provisions of the following zones in this scheme apply to the use and subdivision of land, construction of a building, and construction and carrying out of works, by reference to Map 1 of this schedule.

**TABLE 1: APPLIED ZONE PROVISIONS**

LAND SHOWN ON MAP 1 OF THIS SCHEDULE	APPLIED ZONE PROVISIONS
<b>Residential</b>	Clause 32.08 – General Residential 1 Zone
<b>Mixed use</b>	Clause 32.04 – Mixed Use Zone
<b>Industrial</b>	Clause 33.01 – Industrial 1 Zone
<b>Business 1</b>	Clause 34.01 – Commercial 1 Zone
<b>Business 2</b>	Clause 34.02 – Commercial 2 Zone

**Continued on Page 10**



## 2.3 Specific provisions – Use of land

*If a planning authority decides not to apply the use provisions of a zone, but apply specific requirements instead, the specific requirements should be presented in a table of uses in the format used for state standard zones and should follow the drafting conventions set out in Chapter 6.5 of the Practitioner's Guide to Victoria's Planning Schemes.*

*The table of uses can specify conditions that a Section 1 use or Section 2 use must comply with. If the planning authority requires a use to be generally in accordance with the precinct structure plan, a condition to this effect will need to be included in the table (opposite the relevant use).*

*If a planning authority decides to apply the use provisions of a zone, but needs to specify additional use requirements, these requirements could also be presented in a table, as shown in the example below.*

The following provisions apply to the use of land.

**TABLE 2: USE**

USE	REQUIREMENT
<b>Shop (other than an Adult sex bookshop)</b>	If the land is shown as Commercial 1 on Map 1 of this schedule, a permit is required to use land for a Shop if the combined leasable floor area for all shops exceeds 20,000 square metres.

## 2.4 Specific provisions – Subdivision

*A permit is required to subdivide land under the parent provisions of the zone. The schedule cannot alter this. However, the schedule can specify requirements that a subdivision must meet.*

None specified.

## 2.5 Specific provisions – Buildings and works

*Any requirements for buildings and works must be specified in the schedule. The schedule may specify that a permit is not required to construct a building or construct or carry out works (subject to any conditions), or that a permit is required.*

A permit is not required to construct or extend one dwelling on a lot with an area less than 300 square metres where a site is identified as a lot to be assessed against the Small Lot Housing Code via a restriction on title, and it complies with the Small Lot Housing Code incorporated in accordance with Clause 72.04 of the Gumnut Planning Scheme.

## 3.0 Application requirements

*The schedule can include information requirements for applications. If the requirements relate only to a certain class of application, the schedule should be drafted to make this clear.*

None specified.

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#### 4.0 Conditions and requirements for permits

*The zone enables the schedule to specify conditions or requirements that must be included on any permit granted. If the conditions or requirements relate only to a certain part of the precinct or a certain type of use, building or works, the schedule should be drafted to make this clear.*

All permits to construct a building or construct or carry out works on land adjacent to Gumnut Road must provide for a setback of 20 metres from the front boundary of the lot to enable the future widening of Gumnut Road.

#### 5.0 Exemption from notice and review

*An application is exempt from most notice requirements and third-party review rights if it generally conforms with the precinct structure plan. The zone enables the schedule to change or remove such exemptions, if warranted.*

None specified.

#### 6.0 Decision guidelines

*The zone enables the schedule to introduce additional decision guidelines as necessary to address any unique local circumstances. Any decision guidelines specified here should not duplicate the decision guidelines in Clause 37.07-14.*

None specified.

#### 7.0 Signs

*The schedule can vary the sign requirements in Clause 37.07-16.*

All land shown on Map 1 is in Category 2.

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