

Yarra Ranges Planning Scheme

Amendment C218

Explanatory Report

Overview

The amendment implements the *Lilydale Major Activity Centre Structure Plan, 2022*, and the *Yarra Ranges Neighbourhood Character Study, 2024* by introducing a new planning framework for the Activity Centre. It does this by rezoning land in the central commercial area of Lilydale and nearby residential land to an Activity Centre Zone, and by applying a General Residential Zone to residential land surrounding the activity centre, and other consequential changes.

Where you may inspect this amendment

The amendment can be inspected free of charge at the Yarra Ranges Community Link Centres:

- Lilydale – 15 Anderson Street, Lilydale
- Monbulk – 21 Main Road, Monbulk
- Healesville – 110 River Street, Healesville
- Upwey – 40 Main Street, Upwey
- Yarra Junction – 2442-2444 Warburton Hwy, Yarra Junction

The Monbulk, Healesville, Upwey and Yarra Junction Community Links are open from 9.00am to 5.00pm Monday to Friday.

The Lilydale Community Link is open from 8.30am to 5.00pm Monday to Friday and from 9.00am to 12 midday on Saturday.

The amendment can also be inspected free of charge at the Department of Transport and Planning website at <http://www.planning.vic.gov.au/public-inspection> or by contacting the office on 1800 789 386 to arrange a time to view the amendment documentation.

Details of the amendment

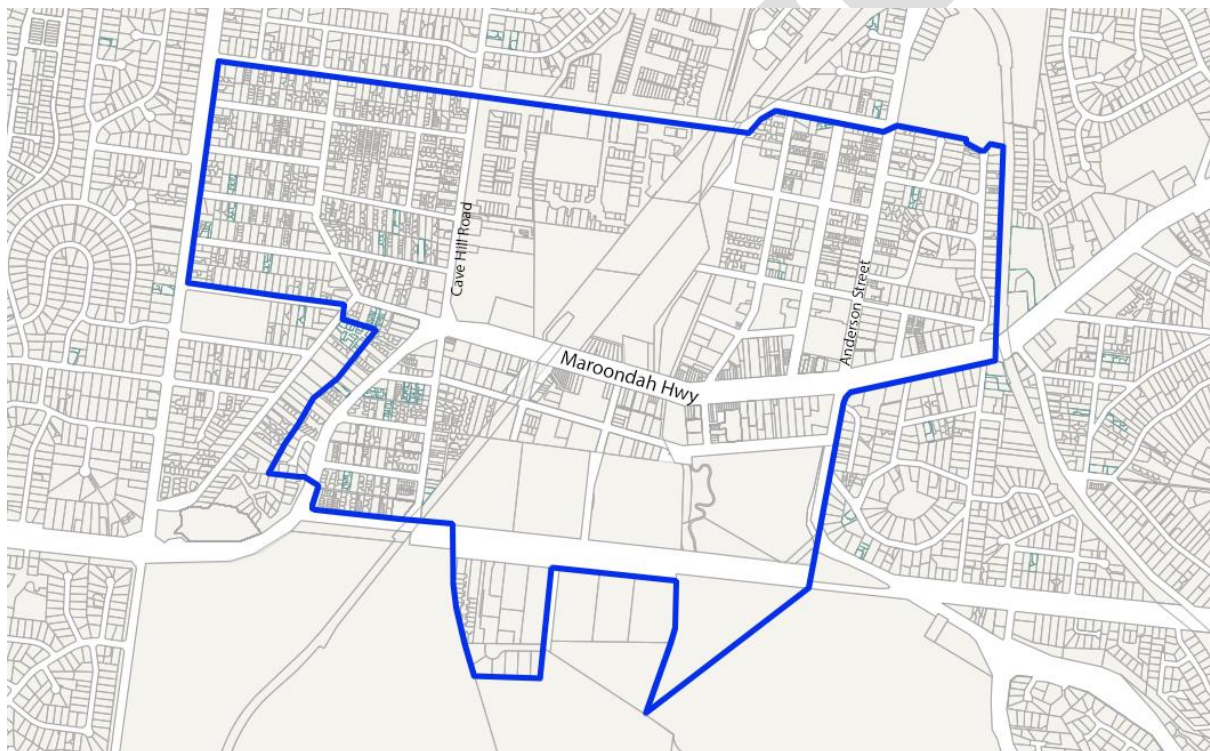
Who is the planning authority?

This amendment has been prepared by the Yarra Ranges Council, which is the planning authority for this amendment.

Land affected by the amendment

The amendment applies to land within the Lilydale MAC shown in Map 1 within the blue line.

Map 1. Land affected by the Amendment



What the amendment does

The Amendment implements the *Lilydale Major Activity Centre Structure Plan, 2022* and the *Yarra Ranges Neighbourhood Character Study, 2024* by introducing a new planning framework for the Activity Centre. It does this by rezoning land in the central commercial area of Lilydale and nearby residential land to an Activity Centre Zone, and by applying a General Residential Zone to residential land surrounding the activity centre, and other consequential changes.

Specifically, the amendment:

Zoning Maps:

1. Amends planning scheme map No. 40ZN to apply the Activity Centre Zone Schedule 1;

2. Amends planning scheme map No. 40ZN to apply the General Residential Zone Schedules 4, 5, and 6.
3. Amends planning scheme map No.40ZN to delete the Residential Growth Zone.

Overlay Maps:

1. Amends planning scheme map No.40EAO to apply an Environmental Audit Overlay to identified land.
2. Amends planning scheme map No.40DDO to delete the Design and Development Overlay Schedule 4.
3. Amends planning scheme map No.40DDO to delete the Design and Development Overlay Schedule 7.

Planning Scheme Ordinance:

1. Inserts a new local planning policy at Clause 11.03-1L-02 (Lilydale Major Activity Centre);
2. Insert the Activity Centre Zone at Clause 37.08 into the Planning Scheme.
3. Inserts a new Schedule 1 to Clause 37.08 (Activity Centre Zone) to implement the recommendations of the *Lilydale Major Activity Centre Structure Plan, 2022*;
4. Inserts new Schedules 4, 5 and 6 to Clause 32.08 (General Residential Zone) to apply to residential land in Lilydale now zoned Residential Growth Zone, in order to achieve improved neighbourhood character outcomes based on the recommendations of the *Lilydale Major Activity Centre Structure Plan, 2022* and the *Yarra Ranges Neighbourhood Character Study, 2024*;
5. Deletes Schedules 4 and 7 to Clause 43.02 (Design and Development Overlay) from the Scheme;
6. Amends the Schedule to Clause 72.08 (Background Documents) to introduce the *Lilydale Major Activity Centre Structure Plan, 2022* and the *Yarra Ranges Neighbourhood Character Study, 2024* as background documents.
7. Amends the Schedule to Clause 74.01 (Application of Zones, Overlays, and Provisions), to update the application of zones, overlays, and provisions relating to the Lilydale Major Activity Centre.

Strategic assessment of the amendment

Why is the amendment required?

Amendment C218 implements the land use and development directions of the *Lilydale Major Activity Centre Structure Plan, 2022*, approved by Yarra Ranges Council in August 2022. The Amendment will provide Lilydale with a contemporary land use and development framework.

Lilydale is identified as a Major Activity Centre (MAC) in *Plan Melbourne 2017-2050: Metropolitan Planning Strategy*.

The Lilydale MAC Structure Plan identified that Lilydale is undergoing a high degree of change, with major initiatives including:

- The Kinley (former Lilydale Quarry) development
- The level crossing removal and new, relocated train station
- The expansion of Box Hill Institute

The activity centre framework for Lilydale MAC has been revised through the Lilydale MAC Structure Plan based on the following studies:

- *Yarra Ranges Neighbourhood Character Study* (Hansen, 2024)
- *Lilydale Activity Centre Height and Built Form Analysis* (Kinetica, 2023)

Rezoning of Land

Amendment C218 proposes to rezone commercial land in the town centre and some well-located residential land to an Activity Centre Zone Schedule 1 (ACZ1), which is the Victorian Government's preferred zone to be applied to large activity centres which have approved Structure Plans. This will enable a tailored approach to future land use and development in this area that reflects the recommendations of the Lilydale Structure Plan for a vibrant, pedestrian-oriented town centre, surrounded by walkable residential neighbourhoods with medium density housing opportunities.

Some key land adjoining the train station is proposed for rezoning from Commercial 2 Zone to the ACZ1, which will enable residential and mixed uses on large development sites in locations adjoining the town centre. Due to the potential for previous contaminating uses of these sites, this proposed change of zone will require the application of an Environmental Audit Overlay (EAO) for the majority of this land.

Some well located residential land is proposed for rezoning from a Residential Growth Zone (RGZ) to a General Residential Zone (GRZ). The Structure Plan identified inconsistencies with the planning controls in the RGZ area of Lilydale, which has resulted in a lack of clarity over planning decision making. The proposed rezoning is intended to rectify this and create a clear planning framework.

Local Planning Policy

A local planning policy is proposed at Clause 11.03-1L to set the new policy context for Lilydale, preview the major objectives and issues, and guide the exercise of discretion in planning decision making. The local policy addresses broad policy issues and does not duplicate policy statements of the ACZ1.

How does the amendment implement the objectives of planning in Victoria?

The Amendment implements the objectives set out in Section 4(1) of the *Planning*

and Environment Act 1987. In particular, it supports the following objectives:

(a) *To provide for the fair, orderly, economic and sustainable use and development of land.*

The Amendment will result in the fair, orderly, economic and sustainable use and development of land by implementing a well-planned, holistic strategy that addresses the needs of the existing and future community of Lilydale.

(b) *To provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity.*

The Amendment retains the environmentally sensitive public land in the vicinity of the Olinda Creek within appropriate zones, such as the Public Park and Recreation Zone.

The Amendment supports expanded use of public transport, walking and cycling to reduce the environmental impacts of private vehicle use and also supports maintaining treed streetscapes that protect the community's resilience to heatwave events.

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

The Amendment introduces new strategic directions to support Council's vision that the Lilydale MAC be a centre that is a vibrant, prosperous and attractive place where people can live, work, learn and play in a connected and inclusive community.

(d) *To conserve and enhance those building, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.*

The amendment respects and responds to identified heritage sites, through setback controls for those sites and adjoining buildings to ensure future development will not visually overwhelm heritage places.

(e) *To facilitate the provision of affordable housing in Victoria.*

The Amendment sets in place a framework to support considerable housing growth in the Lilydale MAC, such as apartment buildings where negotiation can occur with developers over affordable housing outcomes, consistent with the *Planning and Environment Act 1987*.

(f) *To balance the present and future interests of all Victorians.*

The proposed provisions in the Planning Policy Framework and the various zone schedules have been drafted to ensure development occurs in a logical manner consistent with the objectives set out above.

How does the amendment address any environmental, social and economic effects?

The Amendment will address environmental, social and economic effects for the Lilydale community by ensuring that land use and development policies and provisions are consistent with the environmental, social and economic land use objectives of planning in Yarra Ranges and Victoria. Specifically, this will be achieved through:

Environmental

The amendment aims to have positive environmental effects by:

- Guiding growth to locations where existing infrastructure can be leveraged, resulting in a lower environmental impact;
- Providing a more sustainable urban form in new development;
- Protecting existing street trees;
- Facilitating sustainable transport alternatives such as walking and cycling, and encouraging public transport usage.

Social and Economic

The amendment aims to have positive social and economic impacts for the municipality by:

- Providing the community with greater certainty and clarity of controls for the Lilydale MAC;
- Providing a framework for decision making, which the Council will use to strategically accommodate growth in the activity centre;
- Enhancing commercial and community opportunities in the activity centre;
- Improving the quality of built form, the attractiveness of streetscapes and overall safety and amenity in the public realm;
- Seeking to provide the potential for more affordable housing options;
- Supporting the economic role of the businesses in the activity centre to provide employment and a range of services;

Does the amendment address relevant bushfire risk?

The Amendment will not expected result in any increase to the risk of life, property, community infrastructure and the natural environment from bushfire.

The land affected by the amendment is not substantially located within an area of bushfire risk, as identified by the application of the Bushfire Management Overlay and the Bushfire Prone Area.

The Amendment meets bushfire policy in Clause 13.02 of the Planning Scheme because:

- It directs population growth and development solely to central, commercial

areas of Lilydale, which are low risk locations, being those locations assessed as having a radiant heat flux of less than 12.5 kilowatts/square metre under *AS3959-2018 Construction of Buildings in Bushfire Prone Areas* (Standards Australia, 2018);

- It ensures the availability of, and safe access to, areas assessed as BAL-LOW rating under *AS3959-2018 Construction of Buildings in Bushfire Prone Areas* (Standards Australia, 2018) where human life can be better protected from the effects of bushfire. Lilydale MAC has excellent access to other urban parts of metropolitan Melbourne with low bushfire risk;
- It ensures that the bushfire risk to existing and future residents, property and community infrastructure will not increase as a result of future land use and development;
- It achieves no net increase in risk to existing and future residents, property and community infrastructure, through the implementation of bushfire protection measures and where possible reduces bushfire risk overall;
- It assesses and addresses the bushfire hazard posed to the settlement and the likely bushfire behaviour it will produce at a landscape, settlement, local, neighbourhood and site scale, including the potential for neighbourhood scale destruction. A preliminary assessment has been undertaken and confirms this;
- It finds no need to assess alternative low risk locations for settlement growth on a regional, municipal, settlement, local and neighbourhood basis, due to the subject areas being within a low risk location;
- It does not propose planning scheme changes that will result in the introduction or intensification of development in an area that has, of will on completion have, more than a BAL-12.5 rating under *AS3959-2018 Construction of Buildings in Bushfire-prone Areas* (Standards Australia, 2018).

Does the amendment comply with the requirements of any other Minister's Direction applicable to the amendment?

The Amendment complies with the Ministerial Direction – The Form and Content of Planning Schemes as under Section 7(5) of the *Planning and Environment Act 1987* (the Act).

Ministerial Direction No.9 Metropolitan Planning Strategy

The Amendment is consistent with the Ministerial Direction No.9. The objective of the Amendment is to implement the planning recommendations of the *Lilydale Major Activity Centre Structure Plan (2022)*. The objective and content of the Amendment provides significant and broad support for Policy 1.2.1 (Support the development of a network of activity centres linked by transport) of the Metropolitan Planning Strategy (Plan Melbourne 2017-2050). In addition, the Amendment supports the following directions of Plan Melbourne:

- Direction 1.1 – Create a city structure that strengthens Melbourne’s competitiveness for jobs and investment.
- Direction 1.2 – Improve access to jobs and across Melbourne and closer to where people live.
- Direction 2.1 – Manage the supply of new housing in the right locations to meet population growth and create a sustainable city.
- Direction 2.2 – Deliver more housing closer to jobs and public transport.
- Direction 2.5 – Provide greater choice and diversity of housing.
- Direction 4.3 – Achieve and promote design excellence.
- Direction 4.4 – Respect Melbourne’s heritage as we build for the future.
- Direction 5.1 – Create a city of 20-minute neighbourhoods.
- Direction 6.1 – Transition to a low-carbon city to enable Victoria to achieve its target of zero greenhouse gas emissions by 2050.
- Direction 6.4 – Make Melbourne cooler and greener.

Ministerial Direction No. 11: Strategic Assessment of Amendments

The Amendment complies with Ministerial Direction No. 11 under Section 12 of the Act. The Amendment is consistent with this direction which ensures a comprehensive strategic evaluation of a planning scheme amendment and the outcomes it produces.

Ministerial Direction No. 19: The preparation and content of amendments that may significantly impact the environment, amenity and human health

The Amendment complies with this direction. The Amendment includes the proposed application of the Environmental Audit Overlay (EAO) on land currently zoned Commercial 2 Zone (C2Z) adjoining the Lilydale Railway Station, which is proposed to be rezoned to Activity Centre Zone (ACZ1), allowing residential land use and development for the first time.

A preliminary discussion has occurred with the Environmental Protection Agency (EPA), which has supported the approach taken to apply the EAO. Further direction will be sought from the EPA as part of public notification of the Amendment.

How does the amendment support or implement the Planning Policy Framework and any adopted State policy?

The Amendment complies with the following clauses of the Planning Policy Framework and will assist in achieving objectives of the following clauses:

Clause 11.01-1S Settlement

The Amendment is consistent with the objective to facilitate the sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements.

Specifically, by supporting continued development of the Lilydale MAC, the Amendment is consistent with the following strategies of this Clause:

- Promote and capitalise on opportunities for urban renewal and infill development;
- Encourage a form and density of settlements that supports healthy, active and sustainable transport;
- Ensure retail, office-based employment, community facilities and services are concentrated in central locations.

Clause 11.01-1R – Settlement – Metropolitan Melbourne

By facilitating the continued development of the Lilydale MAC, the Amendment is consistent with the following strategies of this Clause:

- Focus investment and growth in places of state significance, including (amongst others) Metropolitan Activity Centres;
- Develop a network of vibrant major and neighbourhood activity centres of varying size, role and function.

Clause 11.02-1S – Supply of urban land

The Amendment is consistent with the objective to ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.

The Amendment seeks to provide for significant growth in residential, commercial, retail, institutional and other community uses. By doing so, the Amendment particularly supports the following strategies of this Clause:

- Ensure the ongoing provision of land and supporting infrastructure to support sustainable urban development;
- Ensure that sufficient land is available to meet forecast demand;
- Plan to accommodate projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis.

Clause 11.0202S – Structure Planning

The Amendment is consistent with the objective to facilitate the fair, orderly, economic and sustainable use and development of urban areas.

By significantly supporting the implementation of the *Lilydale Major Activity Centre Structure Plan, 2022*, the Amendment is particularly consistent with the strategies of the clause, such as to ensure effective planning and management of the land use and development of an areas through the preparation of relevant plans.

Clause 11.03-1S – Activity Centres

The Amendment is consistent with the objective to encourage the concentration of

major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres that are highly accessible to the community.

In support of this objective, a key rationale for the Amendment is to further concentrate uses typical to a major activity centre into the Lilydale MAC. For example:

- To further concentrate retail and commercial uses into Precinct 1 (Central Commercial West), Precinct 2 (Central Commercial East), Precinct 3 (Lilydale Village), and Precinct 4 (Lilydale Marketplace);
- To concentrate a mix of residential, commercial, and other uses into Precinct 5 (Train Station Mixed Use) and Precinct 6 (Market Street Mixed Use);
- To enable marginally higher residential densities (than currently allowable) in Precinct 7 (Cave Hill Road South), Precinct 8 (Cave Hill Road North), and Precinct 9 (Clarke Street Residential).

Clause 15.01-1S Urban Design

The Amendment is consistent with the objective of this Clause to create urban environments that are safe, healthy, functional and enjoyable and that contribute to a sense of place and cultural identity.

A key focus of the *Lilydale Major Activity Centre Structure Plan, 2022* is to provide for additional growth in the centre to service the community, whilst providing development that positively contributes to the character, safety, enjoyability and functionality of the Lilydale MAC. The Amendment supports a variety of urban design objectives and requirements to encourage good design for the Lilydale MAC. For example, to:

- Apply a suite of building heights that will allow growth, but will still protect key views and provide a suitable transition in scale of development between the valley floor area of the Lilydale MAC where up to six storey heights are proposed to be allowable, and more sensitive residential areas on the periphery and outside the MAC.
- To encourage development in the higher-intensity areas, such as key commercial and retail areas, to support the quality, safety and vibrancy of the public realm by respecting existing public laneways, encouraging creation of new mid-block laneways, controlling the extent of overshadowing, and providing active frontages.

For the same reasons, the Amendment is also consistent with the objectives and strategies of other clauses of the PPF pertaining to urban design, such as Clause 15.01-1L *Urban design in activity centres*, Clause 15.01-2S *Building design*, Clause 15.01-4S *Healthy neighbourhoods*, and Clause 15.01-4R *Healthy neighbourhoods – Metropolitan Melbourne*.

How does the amendment support or implement the Municipal Planning Strategy?

Clause 02.03-1 Settlement

The Amendment is consistent with the strategic directions to:

- Contain urban development and urban renewal within the urban growth boundary;
- Support additional and more diverse residential development on land within and adjoining Major Activity Centres;
- Locate retail, commercial, entertainment, community services and facilities and other intensive employment generating activities within established activity centres;
- Accommodate additional retail and office floor space within larger activity centres;
- Discourage activity centre functions in out of centre locations;
- Support housing within and adjoining activity centres;
- Support well designed and integrated activity centres that service the needs of local residents and visitors and contribute to a sense of local identity.

Clause 02.03-5 Built Environment and Heritage

The Amendment is consistent with the strategic direction to encourage development that contributes to a sense of place and adds to the character and identity of the distinct localities in Yarra Ranges. The Amendment does this by limited building heights to maintain long-range views across the Lilydale valley, and through requirements to set back and design large buildings to sensitively respond to streetscapes and the public realm.

Clause 02.03-6 Housing

The Amendment is consistent with the strategic directions to:

- Support residential growth, increased densities and housing diversity in the consolidation areas of the major activity centres; and
- Support diverse housing on key redevelopment sites and combined lots that are close to community services, local employment and public transport.

Clause 02.03-7 Economic Development

The Amendment is consistent with the strategic directions to:

- Consolidate retail and office-based businesses in activity centres; and
- Provide for new businesses in accessible locations that broadens the

economic base and range of employment opportunities in Yarra Ranges.

Clause 02.03-8 Transport

The Amendment is consistent with the strategic direction to facilitate a range of transport options and increased public transport use, by encouraging a higher density, vibrant town centre that encourages alternative modes of travel to cars.

Does the amendment make proper use of the Victoria Planning Provisions?

The Amendment makes proper use of the Victorian Planning Provisions by updating and amending the Planning Policy Framework to implement objectives and strategies to achieve the strategic directions set by the Structure Plan.

The Activity Centre Zone is the Victorian Government's preferred zone to be applied to large activity centres which have approved Structure Plans.

The General Residential Zone is the appropriate zone to be applied to residential areas where a three-storey height limit is proposed.

The Environmental Audit Overlay is the appropriate planning control to apply to potentially contaminated land.

How does the amendment address the views of any relevant agency?

Public Exhibition of the Amendment will seek the views of prescribed Ministers under the *Planning and Environment Act 1987*, in addition to:

- The Environmental Protection Agency
- The Country Fire Authority
- Melbourne Water
- Yarra Valley Water
- The Department of Transport and Planning

Does the amendment address relevant requirements of the Transport Integration Act 2010?

The vision of the *Transport Integration Act 2010* is for an integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible State. The *Transport Integration Act 2010* has a range of inter-related objectives to support this vision, such as to:

- Reduce barriers to accessing the transport system so that it is available to as many persons as wish to use it;
- Enable efficient and effective access for persons and goods to places of employment, markets and services;
- Facilitate investment in Victoria;
- Provide for the effective integration of transport and land use and facilitate access to social and economic opportunities.

The *Lilydale Major Activity Structure Plan 2022* and the proposed Amendment are consistent with the vision and objectives of the *Transport Integration Act 2010*, particularly by:

- Proposing significant rezonings to promote economic development and a higher density of residential development around Lilydale's major transport hub, as created by the 2021-23 level crossing removal project.
- Proposing new planning provisions, such as the ACZ1, which will apply planning objectives and requirements that will promote an urban structure that better supports access to transport and active transport. For example, by protecting solar access to the public realm, adding to mid-block laneways and connections, and increasing passive surveillance of public thoroughfares.

Resource and administrative costs

What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?

The proposed Amendment is not expected to impose additional resource or administrative costs on the responsible authority. The Amendment will provide a planning framework that will give greater certainty and clarity to the community and other stakeholders regarding land use and development in the Lilydale MAC. This will be achieved through a single planning control for the central area of the activity centre and the rezoning of nearby residential land to a General Residential Zone. The proposed new zones are not expected to result in additional planning applications. The planning application workload will be resourced by the council through the usual budgetary processes and staffing resources allocated for planning permit applications.