

Infrastructure Victoria's draft 30-year Victorian infrastructure strategy: 2025 - 2055

MAV sector submission – April 2025



No one understands the challenges and opportunities facing Victoria in the 21st century better than local councils. From rapidly evolving technology to social changes, shifting economies to environmental pressures, our local communities and the governments that represent them—are at the forefront of multiple transformations happening simultaneously.

As the peak body for the Victorian local government sector, the Municipal Association of Victoria (MAV) offers councils a one-stop shop of services and support to help them serve their communities.



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the land on which we live. We recognise their continuing connection to land, waters and culture and pay our respects to their Elders past, present and emerging.

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1. Executive Summary

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a submission to Victoria’s Draft 30-Year Infrastructure Strategy: 2025 - 2055.

The MAV broadly supports the Six Objectives of the draft strategy and commends Infrastructure Victoria’s integrated approach to meet the State’s growing infrastructure challenges.

This MAV sector submission reflects the MAVs evidence base and deep networks within local government. Councils have been encouraged to make individual submissions, and we understand many have done so. Other local government alliances and associations have also made their own submissions. We commend their research and submissions to Infrastructure Victoria’s policy and research teams to inform the final strategy.

Several of the draft recommendations are specific to select groups of councils or regional clusters of councils. In these cases, the relevant councils are best placed to make submissions, and the MAV has limited its commentary. There are also recommendations that are sound in principle but must be considered in more depth at a local level to determine the best approach. This submission does not purport to reflect the view of every individual council.

We look forward to working closely with Infrastructure Victoria as the strategy is finalised. We would be glad to assist to coordinate further local government input as necessary.

Recommendations and MAV position table

Objective: Victorians have good access to housing, jobs, services and opportunities		
#	Recommendation:	MAV position
1	Build more social housing	Strong support
2	Facilitate markets and invest in kindergarten infrastructure	In-principle support – see discussion
3	Plan and deliver expanded and new schools	In-principle support
4	Expand TAFE in Melbourne’s growth areas and some large regional centres	In-principle support

5	Build libraries and aquatic centres for Melbourne's growing communities	In-principle support
6	Make government infrastructure more accessible	Supported
7	Rezone locations near existing infrastructure for more home choices	Supported – see discussion
	FUTURE OPTION: Mandate more affordable homes near existing infrastructure	Strong support for immediate action
	FUTURE OPTION: Phase out residential stamp duties	No position
8	Extend Melbourne's trams to encourage more new homes nearby	In-principle support
9	Run faster bus services, more often, in Victoria's largest cities	Supported
10	Build a new bus rapid transit network	Supported
11	Extend metropolitan trains and run more services in Melbourne's west	Supported
12	Run more bus and coach services in regional Victoria	Supported
13	Make off-peak public transport cheaper and simplify regional fare zones	Supported
Objective: Victorians are healthy and safe		
#	Recommendation:	MAV position
14	Make local streets safer for children and communities	Supported
15	Build safe cycling networks in Melbourne and regional cities	Supported
16	Help government schools share their grounds	In-principle support
17	Invest in maintenance, upgrades and expansions of community health facilities	In-principle support
18	Build more residential alcohol and other drug treatment facilities	In-principle support
19	Invest in digital healthcare	In-principle support
20	Upgrade critical public hospital infrastructure	In-principle support
21	Better use prisons and invest more in health facilities and transition housing	No position

Objective: Aboriginal people have self-determination and equal outcomes to other Victorians		MAV position
#	Recommendation:	
22	Invest in secure homes for Aboriginal Victorians	Supported
23	Fund better health and wellbeing infrastructure for Aboriginal Victorians	Supported
Objective: Victoria has a thriving natural environment		MAV position
#	Recommendation:	
24	Reduce greenhouse gas emissions from infrastructure	Supported
25	Advance integrated water management and use more recycled water	Supported
	FUTURE OPTION: Plan for and invest in manufactured water	In-principle support
26	Better use government land for open space and greenery <i>Proposed new recommendation: Develop a monitoring, evaluation and reporting framework for open space delivery</i>	Supported – see discussion and proposed new recommendation
Objective: Victoria is resilient to climate change and other future risks		
#	Recommendation:	
27	Better prepare infrastructure for climate change	Strong support for immediate action
28	Use new flood maps to revise planning schemes	Strong support for immediate action
29	Coordinate faster delivery of key energy infrastructure	Supported – see discussion
30	Improve environmental assessments and site selection for energy projects	Supported – see discussion
31	Invest in home, neighbourhood and big batteries for more energy storage	Supported
32	Determine long duration energy storage needs	Supported
33	Develop regional energy plans, guide transition from fossil gas and maintain reliable gas supply	Supported
34	Speed up household energy efficiency and electrification	Supported

Objective: Victoria has a high productivity and circular economy		MAV position
#	Recommendation:	
35	Prepare and publish infrastructure sector plans to shape Victoria's cities	Strong support for immediate action
36	Reform infrastructure contributions	In-principle support – see discussion
37	Improve asset management of all government infrastructure	In-principle support
38	Prepare for more recycling and waste infrastructure	Support – see discussion
39	Use digital technologies to better design, build, operate and maintain government infrastructure	In-principle support
40	Use modern traffic control technology for efficient and safe journeys	In-principle support
	FUTURE OPTION: Charge people fairly to use roads	In-principle support
41	Make rail freight competitive, reliable and efficient	Supported
42	Encourage off-peak freight delivery in urban areas	In-principle support
	FUTURE OPTION: Plan for more efficient and sustainable urban freight	In-principle support – see discussion
43	Create and preserve opportunities for future major infrastructure projects	In-principle support
	FUTURE OPTION: Reconfigure the City Loop for more frequent and reliable trains	No position
	FUTURE OPTION: Extend metropolitan trains to growth areas in Melbourne's north and south-east	In-principle support

2. Introduction – MAV's Sector Submission to the draft 30 year infrastructure strategy

The MAV is the legislated peak body for Victoria's 79 councils. Our policy and advocacy agenda are informed by councils working together, drawing on research and thought leadership from across the sector, academia and civil society.

The release of this draft infrastructure plan is timely. The plan, if implemented, will bring together significant reforms underway across the planning, building, infrastructure and consumer affairs sectors to meet Victoria's most urgent housing and related growth needs. This draft strategy seeks to coordinate the community, transport and economic infrastructure that builds connected communities and places. It is urgently needed.

This submission demonstrates the breadth of local government's front line infrastructure delivery role. Local government's responsibilities span planning, funding, construction, operation, and maintenance of essential physical and social infrastructure, from early childhood centres to parks, bike lanes, roads and all that goes into connecting places. Much of this work already happens in partnership with other levels of government.

In a rate capped context and a financially constrained environment, local government still invests in local infrastructure, while experiencing significant pressure to expand the range and community access to services across Victoria.

We recognise that the draft 30-year strategy identifies the growing financial constraints on all levels of government to deliver infrastructure. We know that the revenue structures for local governments in Victoria are not sustainable and alternative funding models are urgently required. For every dollar of revenue they collect, Victorian councils manage \$10 of physical assets like parks, and roads and kindergartens. For the Victorian Government this figure is \$4, and for the Commonwealth \$0.40.¹ Accordingly, councils have large, fixed costs to maintain essential community building assets, that impose a major constraint on their budgets. We submit that the final strategy must highlight that local government delivers essential services and infrastructure to meet local, state and national priorities.

The MAV has recently submitted to both Federal and State Inquiries into the financial sustainability of local government. Our submissions go into extensive, evidence-based detail as to the financial situation of our sector. We recommend that Infrastructure Victoria review our submissions in the context of this draft strategy and local government's ability to meet local infrastructure needs:

- [Submission to the Federal Parliamentary inquiry into local government sustainability](#) (June 2024)
- [Submission to parliamentary inquiry local government funding and service delivery](#) (June 2024)

¹ MAV analysis of ABS Government Finance Statistics series - <https://www.abs.gov.au/statistics/economy/government/government-finance-statisticsannual/latest-release>

The strategy could also go further in emphasising the importance of local decision-making to reverse the trend of centralised decision-making and lack of consultation with local government and communities on key infrastructure projects.

An effective state strategy should recognise the real benefits of local democracy and subsidiarity as a principle. The direct connection between councils and the communities they serve means they are best placed to understand, anticipate, and respond to the needs of those communities. Federal and State governments lean on local government to efficiently deliver on local, state, and national priorities. Unfortunately, this often occurs with little or even no funding. However, local government is best placed to identify and plan for the needs of local communities.

In the context of significant reform, the Victorian government is also leading a review of the state's infrastructure contributions system. We are cautiously supportive a simpler contributions system, on the promise that any change must ensure contributions are adequately hypothecated to councils on behalf of growing communities – that is, no community is left behind. The MAV is advocating to ensure communities benefit from a new developer contributions system, and that council financial sustainability is assured. Unfortunately, the lack of information being shared by government is undermining local government's ability to meaningfully engage and ensure a fair and reasonable infrastructure contributions. This submission goes into further detail on the MAVs current policy position at Recommendation 36.

The MAV is also concerned that Infrastructure Victoria's Draft 30-Year Strategy lacks sufficient focus on the needs and aspirations of rural and regional communities. Regional Victoria faces distinct and pressing challenges—particularly regarding housing supply, transport and infrastructure provision, and health outcomes—that require dedicated attention within long-term strategic planning.

The MAV's detailed response to each recommendation follows. On some recommendations we provided no response or our response lacks details. On these, the MAV does not have a policy position on behalf of the sector.



3. Six Objectives of the Draft 30 Year Victorian Infrastructure Strategy

The MAV provided a response against each recommendation, and future recommendation, under the Six Objectives of the strategy.

We have also provided access to relevant research and submissions prepared in-house by the MAV or done for on behalf of the MAV by others.

Objective: Victorians have good access to housing, jobs, services and opportunities

Recommendation 1: Build more social housing

Consistently invest in new social housing to provide more Victorians on low incomes with access to a secure affordable home.

The MAV has consistently called for increased provision of social housing, and we support this recommendation. A clear plan for how Victoria will reach the national thresholds will be critical to ensure this recommendation is accepted and acted on immediately.

Safe and secure housing options for all Victorians is a shared area of concern at all levels of government. The current crisis of access to secure and affordable housing options across the spectrum of housing levels is of paramount concern for all levels of government.

In Victoria, a severe social housing shortage is occurring. The demand for social housing significantly exceeds the supply, despite the welcome investment of the Victorian Government's Big Housing Build. The waiting list for social housing in Victoria remains over 65,000 and wait times have increased considerably. A 2021 report prepared by SGS Economics and Planning for Rural Councils Victoria identified that that rural Victoria will need 87,400 new dwellings over the next 15 years to meet current market-rate housing demand².

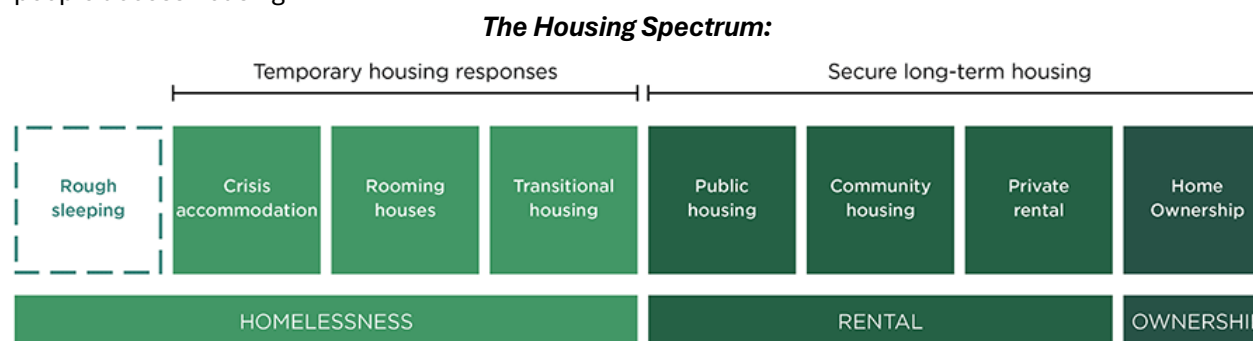
It is timely for Victoria's provision of social housing to be seen in the national context - currently social housing represents only 2.8% of all homes in Victoria, compared with a national average of 4.0%. This is particularly concerning given that over 53,000 households are currently waiting for social housing, and 36,000 people on the priority waitlist are waiting an average of 19.5 months before they can access a home.

² SGS Economics and Planning (2021) Rural Victoria Housing Blueprint, accessed 12 April 2025, <https://sgsep.com.au/projects/rural-victoria-housing-blueprint>

Victorian local government has long raised concerns about the function and delivery mechanisms of the state’s homelessness and housing systems. As recently as 2024, the MAV’s State Council—comprised of representatives from all 79 Victorian councils—formally resolved to advocate for improvements to the homelessness service system. The State Council has for years called for stronger planning provisions to mandate social and affordable homes in major developments and precincts.

The coordination between all levels of government plays a critical role in shaping what types of housing are delivered, and where. Limited availability of secure, long-term housing increases the number of people seeking crisis accommodation or, in the worst cases, resorting to rough sleeping. Further, increasing access to affordable rental homes or home ownership reduces demand for government-funded social housing.

This diversity in both the causes of housing insecurity, unaffordability and homelessness and the communities affected reinforces the importance of tailored, place-based responses. How local and state service systems, and systems of housing and wrap-around infrastructure coordinate and respond can significantly influence how people access housing.



Source: City of Melbourne’s Homelessness Strategy 2024-30, p22

Renewing older public housing

The MAV supports the renovation and adaptive reuse of existing public housing, to produce higher quality, energy efficient, accessible and diverse dwellings.

Where the adaptive reuse of existing buildings cannot efficiently deliver higher quality dwellings, the evidence to justify more significant renewal – demolition and reconstruction – must be disclosed and explained. The most important consideration is the wellbeing and stability of residents of existing dwellings, and the communities they have established.

The Victorian Government's existing public housing renewal program emphasised minimising total cost to government by selling off large portions of estates to private developers. Many of these estates were in central locations, and support networks had grown around them over time. This made them prime candidates for providing large amounts of new high quality public housing instead of the small net unit yields that were realised.

Similar to the leveraging of existing infrastructure to support increased private residential development, existing social infrastructure justifies prioritising public housing development on these sites rather than privatising the land.

Public housing renewal also needs to take into account climate resilience and Environmentally Sustainable Design (ESD) principles, particularly as the government moves forward with the rollout of ESD into all planning schemes in Victoria. As we have noted in our response to recommendation 95, the MAV has the view that renewal with climate and sustainable design in mind is critical to reducing operational costs and improving health outcomes in social and affordable housing residents. Public housing residents are overall more vulnerable to climate change both due to underlying issues such as health and age, as well as reduced financial capacity to fund their own adaptation actions.

MAV's local government and homelessness insight report

In late 2024, the MAV conducted a statewide survey of Victorian councils to better understand local homelessness issues. 71 out of 79 councils (90%) responded, highlighting just how pressing this issue is at the local level. This strong response underscores the critical role councils can play in informing future policy responses that support Victorians in need of safe and secure housing.

When this report is complete, the MAV will be glad to share the findings with Infrastructure Victoria.

The survey identified that councils across Victoria are experiencing the impacts of the growing shortage of affordable housing and rising levels of homelessness in their communities. Homelessness and unaffordable housing affect not only those directly experiencing it, but also the broader community in significant ways. These challenges are particularly acute in rural and regional areas. While homelessness is often associated with dense inner-city areas, the local government areas of Swan Hill, Mildura, and Greater Shepparton report some of the highest rates of homelessness and overcrowded housing in Victoria.

The issues councils face are complex. Councils are often the first point of contact for community members seeking help, especially when people are rough sleeping in public spaces. Local governments are also among the first to identify emerging at-risk groups. Many councils are now seeing more individuals and families living in cars, camping in public spaces, or occupying vacant buildings – all signs of worsening housing stress.

While responsibility for homelessness and the bulk of service funding sits with federal and state governments, the delivery of new homes through planning and infrastructure investment is shared between all levels of government.

Recommendation 2. Facilitate markets and invest in kindergarten infrastructure

Facilitate markets for private and not-for-profit investment in kindergarten infrastructure. Share regularly updated information about the demand for and supply of kindergarten places. Publish priorities for government investment to deliver kindergartens in communities that will have the greatest need.

To meet demand, councils have invested heavily in early years infrastructure in their communities. This includes stepping into the space of underserved kindergarten markets where community need is at its greatest and the private market is not responding. The market would benefit from all levels of government providing joined up stewardship and planning to create durable change for more responsive, inclusive and resilient market systems.

The Victorian State Government Pre-Prep Reform, along with the 2026 priority cohort roll-out will further exacerbate the pressure on existing and future kindergarten infrastructure. Significant investment has and continues to be made in infrastructure for more kindergarten places by local government and the Department of Education (DE) through Building Blocks Partnerships, grants, and Kindergartens on School Sites (KOSS), however this may not meet the [Best Start Best Life \(BSBL\)](#) reform growth estimates.

The MAV wants to see the State Government commit to regular ongoing resourcing and review of Kindergarten Infrastructure Service Plans (KISPs) for the duration of the implementation of the Best Start Best Life (BSBL) reforms.

Local government partners with and is a recipient for many of these KISP grants, however there is a state government expectation that local government and not-for-profit operators will fund the gaps. Local government is financially constrained and already significantly invests in kindergarten infrastructure; and not-for-profit operators do not generally have funds for infrastructure investment.

It is important to note that private operators are not recipients of these grants and do not typically invest in kindergarten infrastructure – they focus on childcare centre investment. The MAV calls for adequate, sustainable, and longer-term funding and resources to be made available to councils to assist their efforts in supporting reform in this space. This includes enabling services such as the Kindergarten Central Registration and Enrollment (CRES) and cultural and linguistically diverse (CALD) support access for children.

We also call for the State Government to commit to a stronger, integrated approach for improved data sharing. Data needs to be regularly updated and agreed upon, while including the intimate knowledge of the councils in their local context. Using consistent data sources ensures accuracy of unmet demand that supports the location of new infrastructure in areas of greatest need.

MAVs Early Childhood Education and Care Survey

In June 2024, the MAV surveyed Victoria's 79 Councils regarding the [Best Start Best Life \(BSBL\)](#) Kindergarten Reform with a particular focus on the Early Years Reform Agenda including but not limited to; Infrastructure, Workforce Planning, and Change Management. MAV received 70 responses (a response rate of 89%), providing a rich data source to validate what members have been telling us over the 2024 calendar year. It is important to note that this survey was initially sent out before the DE adjusted the BSBL reform [timelines](#).

The ECEC Survey Summary Report (Summary Report – see attachment) was prepared for Victorian councils. It will be of particular interest to councils that support and deliver ECEC services including in the context of BSBL.

These latest survey findings reflect the picture of the local government early years sector for the period June to September 2024. In addition, our MAV-led Advisory Groups for Workforce and Infrastructure reinforce the importance of the local government's role in supporting the State's reforms.

The commencement of the increased pre prep hours for four-year-olds begins this year rolling out in six local government areas (LGA). Along with providing snapshot data, this summary discusses the status of the change management required by our members, along with the associated infrastructure, workforce, and operational challenges and opportunities.

The MAV will support advocacy for improved long-term planning and funding stability for councils, while recognising the early years workforce as vital to the BSBL reform agenda. These objectives are consistent with the Australian Competition & Consumer Commission (ACCC) Childcare Inquiry final report, and the recent council Workforce Plans developed with the support of funding from the DE. The MAV will continue to support and work with councils and the DE to ensure that Victorian children have access to the early childhood education and care services they are entitled to.

Recommendations 3, 4 & 5: new schools, expanding TAFE and building new libraries and pools in growing communities

Recommendation 3. Plan and deliver expanded and new schools

Identify schools to expand and confirm areas that will need new schools. Fund expansions of existing schools and begin delivery of new schools.

Minimise costs by expanding the built capacity of existing schools and building larger new schools.

Recommendation 4. Expand TAFE in Melbourne's growth areas and some large regional centres

Expand TAFE campuses in Melbourne's west, north and south-east growth areas, and some large regional centres, to train more students to fill skills gaps, especially in construction, energy and health.

Recommendation 5. Build libraries and aquatic centres for Melbourne's growing communities

Fund councils to plan and build libraries and aquatic recreation centres in Melbourne's growth areas.

The MAV in principle supports recommendations 3, 4 and 5.

We would like to see recommendations 3, 4 and 5 be broadened to encompass the new activity centres identified in the Victorian Government's Activity Centres program. While many of these activity centres have benefited from local, state and federal investment into infrastructure and community facilities (most often coordinated and advocated for by the local council), these areas will need to be 'scaled up' where housing will be significantly increased.

On TAFE, we understand that councils, particularly rural, regional and peri-urban councils, actively pursue partnerships with vocational education providers to deliver in-person training within their region. This is driven by the need to retain skilled professionals locally, and reverse young people moving to the metropolitan regions for higher education did not return for employment. We would suggest that Infrastructure Victoria broadens its criteria to identify "key regional centres," to ensure equitable considerations.

We would also suggest that state contributions for public libraries also need to be increased in line with housing and population growth demands. Keeping the same annual budgeted amounts are not sufficient to retain existing per capita contributions.

Recognition that funding up to one third of capital costs but no operational costs being included in the recommendations will not be sufficient to enable these facilities to be built and run.

Acknowledging the need for councils to have funding to plan and build libraries and aquatic recreation centres is very welcome. It's also immensely practical, given that lags in local recreation and community facilities such as libraries delays new growth areas being good places to live, and where developers are likely to see demand for increased density and dwelling types beyond detached dwellings.



Recommendation 6: Make government infrastructure more accessible

Complete priority public transport stop upgrades to meet legal accessibility requirements and fund further upgrades. Provide better public information on accessibility in government buildings.

The MAV supports the establishment of an accessibility upgrade fund to enable priority buildings to meet contemporary accessibility standards. This will be particularly relevant for community services provided from buildings created before the Disability (Access to Premises – Buildings Standards 2010) were introduced. Continued development of universal design principles will also be useful, to assist organisations to consider how their services can be accessible to all.

Engaging with local government disability and access networks in the development of these principles will generate practical insights that enable people with a disability to have the same opportunities as other members of the community.

Recommendation 7: Rezone locations near existing infrastructure for more home choices

Change all relevant planning schemes to rezone for more homes in Victoria's cities and reach housing targets. More homes should be close to public transport and open space, with good access to services.

The MAV supports the policy goal to locate more housing in areas with great access to services, public transport and high levels of green spaces.

However, any proposal to loosen local environment and planning protections must be scrutinised rigorously to ensure new housing is well built and well located.

Both identifying priority areas and implementing the planning controls to facilitate them must be done in partnership with councils. Recent “streamlining” processes that have removed council and community involvement, or made it entirely subject to the decision making of the Planning Minister, are of great concern to local government.

Rural and regional housing supply

The draft strategy is rather silent on rural and regional housing supply. The MAV's [Submission to the Inquiry into the Supply of Homes in Regional Victoria \(2025\)](#) highlights some ways forward.

The submission identified that housing availability in rural and regional Victoria remains critically constrained. Many communities are experiencing acute housing shortages due to a combination of factors, including:

- limited enabling infrastructure (such as water, sewerage, and transport connections)
- ageing and poor-quality housing stock
- land supply bottlenecks
- a lack of competitive private development markets.

In many areas, the costs of bringing new developments to market are prohibitive without government intervention.

In response, councils have demonstrated leadership and innovation. Initiatives include partnerships with community housing providers, strategic land swaps, direct facilitation of housing developments, and in some cases, councils stepping into the role of developer. However, these approaches are resource-intensive, and it is not feasible nor appropriate to expect small and rural councils with limited financial capacity to shoulder the burden of market failure.

MAV has consistently advocated for stronger state government partnerships with councils to unlock regional housing opportunities. This includes investing in critical enabling infrastructure, providing funding certainty for local government-led initiatives, and reforming regulatory frameworks to make regional housing development more viable.



MAV's policy & advocacy to the Plan for Victoria and reform to the Planning & Environment Act

The Victorian Government has embarked a significant, once-in-a-generation program of planning reform. This has been undertaken to implement the priorities of the government's [Victoria's Housing Statement, The Decade Ahead 2024-2034](#). The Statement announced the development of a Plan for Victoria, as well as a review and rewrite of the *Planning and Environment Act 1987*.

The MAV has provided advice to the government underpinned by extensive consultation with the local government sector to help shape a Plan for Victoria as well as how the review of the Planning and Environment Act could help shape critical decision-making into the future. While government is seeking to work with stakeholders on some elements of planning reform, the MAV advocates for a 'joined up' approach to rolling out the tools necessary to deliver affordable homes and plan for thriving regions, activity centres and neighbourhoods.

The most significant change to the planning system put forward by the Plan for Victoria is aligning the new housing targets with the overarching settlement strategy for the state – 70% of new homes to be built within existing established areas with some locally variable rates. The plan includes a high-level description of the approach taken to choose preferred locations of new homes, and some discussion about how the targets will be implemented.

MAV has called for aspirational housing capacity targets, while the Plan makes it clear that all planning authorities and all responsible authorities “must implement” the housing targets.

The state has also made further announcements from the state as to the methodology and data used to arrive at the housing targets, and how councils are to implement them. The detail of the process to first change the Victoria Planning Provisions, and to then make any necessary amendments to individual planning schemes to facilitate the proposed housing capacity, is all still to come.

The impost on councils' strategic planning teams to undertake this work could be significant. The MAV will advocate strongly for a transparent, accountable and adequately resourced process.

Five papers commissioned or published recently by the MAV are directly relevant to the work of Infrastructure Victoria:

- **MAV Sector Submission: Reforming Victoria's Planning System (2025)**

The MAV has published a local government sector submission: [Reforming Victoria's Planning System](#). While the barriers to housing supply go well beyond planning rules and processes, to the extent that planning is relevant to questions of supply and affordability, the sector submission makes recommendations about how to overcome them.

- **MAV submission to Legislative Council Select Committee Inquiry into Victorian Planning Provisions amendments VC257, VC267 and VC274 (2025)**

The MAV provided this [submission](#) to the Legislative Council Select Committee Inquiry into Victorian Planning Provisions amendments VC257, VC267 and VC274. We also presented to the inquiry.

The MAV did not oppose, in principle, planning reforms to increase density and improve planning outcomes in the Activity Centres (VC257), in townhouse and low rise development (VC267) and the SRL precincts (VC274), but rather highlighting the cost-shift and potential unexpected consequences of the current approach to planning reform.

The MAV submission placed the three amendments in the context of other recent significant changes to the Victoria Planning Provisions and the planning system as a whole. These changes have caused significant regulatory impact.

We also made suggestions about a better way to go about planning system reform to reduce the instance of changes to the Victoria Planning Provisions that aim to deliver more housing supply, but are administratively inefficient in practice.

- **MAV Housing Taskforce Submission to a Plan for Victoria (2024)**

Following the release of the Victorian Government's Housing Statement in September 2023, the MAV formed a Housing Taskforce consisting of CEOs from across a diverse range of Victorian councils as well as industry thought leaders.

The Taskforce commissioned research and made [a submission](#) to the *Plan for Victoria* process. This commissioned research – attached to that submission – considers questions of housing affordability and supply in Victoria, the role of housing capacity targets, the mismatch between infrastructure delivery, services and housing growth, the role of local government planning in delivering housing supply, housing diversity and quality.

- **MAV & SGS discussion papers (2023)**

In December 2023, SGS Economics & Planning published two discussion papers commissioned by the MAV: [Shaping Metropolitan Melbourne Discussion Paper](#) and [Shaping regional and rural Victoria: A Discussion Paper](#). The papers sought to influence the development of *Plan for Victoria*. They identified metropolitan and regional planning challenges and proposes planning and infrastructure reforms to ensure that housing growth occurs within a clearly understood strategy, produces housing diversity, affordability and sustainable neighbourhoods, and matches infrastructure with growth.

The MAV has prepared and presented to government on a number of other related inquiries and consultations that we consider interact with the above:

- [MAV submission to the National Housing and Homelessness Plan Issues Paper \(2023\)](#)
- [MAV submission to the Inquiry into the rental and housing affordability crisis in Victoria \(2023\)](#)
- [MAV submission to the Parliamentary inquiry into housing affordability and supply \(2021\)](#)



FUTURE OPTION: Mandate more affordable homes near existing infrastructure

Choose a mechanism to mandate more housing that is affordable for low-income households and close to public transport, open space and services.

The MAV calls for this recommendation being brought forward for immediate action.

A mandated Social and Affordable Housing Contribution would be desirable to generate revenue for this specific form of housing, particularly where government funding is contributing to housing developments. Expanding affordable housing consistent with state and national goals is also needed to reduce pressure on social housing demand.

Important considerations for using the planning system to deliver affordable housing include ensuring that:

- provisions contain mandatory (rather than discretionary) requirements so that there is certainty and clarity for landowners, developers and planners
- provisions provide for land, dwelling, and / or cash affordable housing contributions and allow councils to specify the preferred form the contribution will take
- provisions clearly set out who will pay for the affordable housing (and at what discount) to provide certainty about the quantum of the affordable housing contribution, if the affordable housing contribution is to be delivered through the sale of dwellings
- any requirements in new provisions set out the time for which a property will remain affordable housing, taking into account the financial impact on the end owner of the affordable housing so that it does not create a burden on the community housing sector
- the Victorian Government seeks to maximise the delivery of affordable housing when renewing their existing housing assets, and in the disposal of surplus government land where appropriate.

Reviewing the definition of affordable housing at Section 3AA and the income ranges at Section 3AB of the Planning and Environment Act 1987 could be undertaken now to better reflect the housing needs of those on low incomes.

FUTURE OPTION: Phase out residential stamp duties

Over the long term, phase out residential stamp duties and phase in residential land tax.

No position.

Recommendation 8: Extend Melbourne's trams to encourage more new homes nearby

Increase services on key tram routes in activity centres that have been designated for additional housing development. Complete a detailed assessment of tram extensions in Melbourne's established suburbs. Start building extensions in areas that can support more new homes. Rezone land around the extended tram lines so more homes are built.

Councils are committed to a collaborative approach to transport planning. To achieve the best possible outcomes, communities require early and meaningful engagement from State and Federal governments. Victoria's growing population and economy requires a properly planned transport network.

Utilising councils' local knowledge of priorities and conditions leads to more effective project sequencing, targeted funding and realistic timelines for delivery.

A clear, prioritised and sequenced transport plan – as required by law and recommended by Infrastructure Victoria – is critical to ensure smaller, effective local projects are properly addressed. Better integration of land use and infrastructure planning is essential to manage congestion, increase accessibility to critical services, and improve community connection.

Recommendations 9, 10, 11, 12 and 13: more bus services, expanding train services, cheaper fares

Recommendation 9: Run faster bus services, more often, in Victoria's largest cities

Run buses more often, for longer hours, and give buses priority on the road. In stages, straighten out existing bus routes so they are fast and direct.

Recommendation 10: Build a new bus rapid transit network

Complete a detailed assessment, reserve the required land, and build a new bus rapid transit network. Start with routes that connect train stations and busy destinations in Melbourne's north, west, and south-east, and extend the new Eastern Busway along Hoddle Street.

Recommendation 11: Extend metropolitan trains and run more services in Melbourne's west

Extend and electrify metropolitan trains to Melton. Reallocate trains that serve Melton to other areas in Melbourne's west and regional Victoria. Assess delivery of a new train station at Altona North accompanied by land rezoning.

Recommendation 12: Run more bus and coach services in regional Victoria

Deliver more bus services in regional cities. Run more V/Line coach services to better connect small towns to regional cities. Start with routes that improve access to jobs, education and healthcare.

Recommendation 13. Make off-peak public transport cheaper and simplify regional fare zones

After upgrading the myki ticketing system, charge lower fares for off-peak travel on Victoria's buses, trains and trams. Simplify fares and reduce the number of regional fare zones.

These recommendations are all generally supported.

We would highlight the importance of engagement with local communities and authorities. Local knowledge, experience and engagement around unmet demands will generate a richer data source and more intelligent input into the redesign process. Existing travel patterns and demands are likely to be influenced by existing transport supply, so a broad engagement program should be at the heart of any redesign process. Local government is well placed to participate and contribute to this, as well as provide advice and guidance on how to connect with various communities.

Further, the transport sector is Victoria's second biggest source of emissions, and as the energy grid decarbonises, will soon overtake energy as our biggest source of emissions. We welcome the focus on public and active transport in the Strategy. A mode shift away from cars is needed if Victoria is to reach its emissions reduction targets and will deliver a range of health, economic and environmental benefits for communities. Provision of safe, affordable, accessible, fast, and reliable public transport, and active transport infrastructure, is critical to enable this shift.

MAV does not have a specific policy position on specific infrastructure projects, however recommends that consideration of new infrastructure projects be properly informed by independent analysis as part of an overall transport and infrastructure strategy, including consideration of the needs of local communities and authorities.

Objective: Victorians are healthy and safe

Recommendation 14 Make local streets safer for children and communities

Reduce speed limits to 30km/h on local streets, starting in places that children often visit including around schools, playgrounds, childcare centres and kindergartens

The MAV has been advocating for several years for a less rigid approach to speed zone policy and a faster approval process. We are supportive of a policy that allows for safer speeds such as 30km/h can be considered and implemented where appropriate, particularly in precincts where children frequent – a group who are at highest risk

Giving councils more autonomy – such as a flexible speed zoning policy – will allow tailored solutions to suit local conditions, leading to better protection of vulnerable road users, and reducing fatalities and injuries.

Recommendation 15. Build safe cycling networks in Melbourne and regional cities

Continue building protected and connected cycle corridors across Victoria. Publish updates to the strategic cycling corridor network.

We know that increasing bike trips creates multiple benefits including improved health outcomes, reduced carbon emissions, and reduced congestion. However, the lack of bicycle infrastructure, such as separated on-road bike lanes and off-road paths, is a significant barrier for potential cyclists, whether they're riding to school, work, or for fun.

The MAV supports more investment in the strategic cycling network will help shift to the state's goal of 25% mode share by 2030. State and Federal funding is required to provide strategic cycling corridors and support the delivery of local bike paths, trails, and links.

Ongoing funding is required from the Victorian Government to deliver the substantial economic, social, health and wellbeing benefits of increased walking and bike riding facilities and programs.

Everyone should be able to safely walk and ride whether for leisure, completing errands or commuting. Many people don't yet have access to adequate footpaths and bike lanes that make walking and riding easy, safer and enjoyable.

In a 2021 MAV survey of councils, more than 80 per cent identified funding as the main barrier to delivering more walking and riding facilities. Many councils are ready to deliver improvements if access to greater levels of funding are made available.

Benefits will include:

- construction job creation - stronger employment outcomes than road or rail construction
- support for local economic development, including local shopping and regional tourism
- dispersed benefits across both metropolitan and regional areas – low cost and local
- reduced overcrowding on public transport in urban areas
- significant physical and mental health benefits
- strong community support - VicHealth research indicates 67 per cent support for increased walking funding.

There has been an increase in walking and riding and a strengthened focus on local communities through the pandemic. Now is a great opportunity to build on that change in community behaviour and strengthen Victoria's recovery through strategic investment and leadership in walking and bike riding.



Recommendation 16: Help government schools share their grounds

Prioritise which government school sports fields and facilities could deliver the greatest benefits if they were shared with local communities outside school hours. Give these schools extra help for maintenance if they voluntarily share their grounds outside school hours. Offer funding for upgrades to incentivise shared access outside school hours.

The MAV supports in principle the development of policy to guide the sharing of open space and sports facilities in schools.

Recommendation 17: Invest in maintenance, upgrades and expansions of community health facilities

Develop and fund 5-year priorities for Victorian Government investment in community health facilities.

The MAV provides its in-principle support to this recommendation.

The MAV also suggests that the final strategy also incorporates recommendations regarding funding for councils to plan for how local infrastructure accommodates and responds to the expected rise from the phenomenon loosely described as "healthy bodies/cognitive decline" as a growing aging population sees more people experience earlier onset dementia. There will be a big push for an increasing number of people continuing to participate in community life while also needing significant carer support.

Recommendation 18: Build more residential alcohol and other drug treatment facilities

Plan and start building residential rehabilitation and withdrawal facilities to meet the demand for alcohol and other drug treatment. •

Support in principle. MAV does not comment on specific locations for such facilities.

Recommendation 19: Invest in digital healthcare

Expand digital healthcare to improve the quality of care and ease demand on public hospitals. Deliver a statewide medical image sharing system and a statewide virtual care service that remotely monitors suitable patients at home.

Digital connectivity is crucial to the effectiveness of this approach. This recommendation needs to be aligned with digital infrastructure maintenance and investment keeping pace with demand.

Recommendation 20: Upgrade critical public hospital infrastructure

Define the scope and timeframes to upgrade the Royal Melbourne Hospital and begin the first stage of construction. Continue with upgrades at the Alfred and Austin hospitals.

The MAV does not provide comment on specific infrastructure projects.

We will draw attention to, however, an obvious gap in these recommendations is the absence of regional hospital infrastructure and networks being framed in a recommendation. This is despite the significant geographic distances and diverse populations of varied socio-economic status rural and regional Victorian health services cover. [The Victorian Healthcare Association](#) has explored these matters in more detail.

Recommendation 21: Better use prisons and invest more in health facilities and transition housing

Use prison capacity to move people to facilities that meet their needs. Invest more in prison health facilities and post-release transition housing. Close old prisons that are underused and expensive to keep.

The MAV will not comment on the location or use of specific infrastructure projects of this nature.

Objective: Aboriginal people have self-determination and equal outcomes to other Victorians

Recommendation 22: Invest in secure homes for Aboriginal Victorians

Fund a 10-year program to build social homes for Aboriginal Victorians and provide secure and sustainable tenancies. Work with Aboriginal housing providers and Traditional Owner corporations to develop capacity across the Aboriginal housing and homelessness sector.

The MAV supports the recommendation for investing in secure homes for Victorian First Peoples. The program needs to provide sufficient housing with security of tenure that meets the diversity of needs identified by First Peoples and needs to be designed and located with guidance and determination from Aboriginal Housing providers and Traditional Owner Corporations.

Victorian First Peoples access to safe and secure and culturally appropriate housing, designed and located according to their needs and self-determination is crucial to achieving national Closing the Gap outcomes. Secure and safe housing underpins the health, education, employment and community wellbeing for all Victorians.

The draft strategy would be strengthened by clarifying the intent of Recommendation 22 — 'Work with Aboriginal housing providers and Traditional Owner corporations to develop capacity across the Aboriginal housing and homelessness sector' — as its purpose is currently unclear.

Recommendation 23: Fund better health and wellbeing infrastructure for Aboriginal Victorians

Fund and start health and wellbeing infrastructure projects for Aboriginal Community Controlled Organisations (ACCOs). Provide additional annual funding to further develop the skills and capacity of health and wellbeing ACCOs to plan, develop and deliver new and upgraded infrastructure in a self-determined way. Establish an interim fund for minor works and repairs until a self-determined perpetual infrastructure fund is introduced.

The MAV supports the recommendation for investment in ACCO health infrastructure through sustainable funding for new builds, upgrades, minor works, while supporting ACCO led planning, delivery and capacity building through an ongoing infrastructure fund.

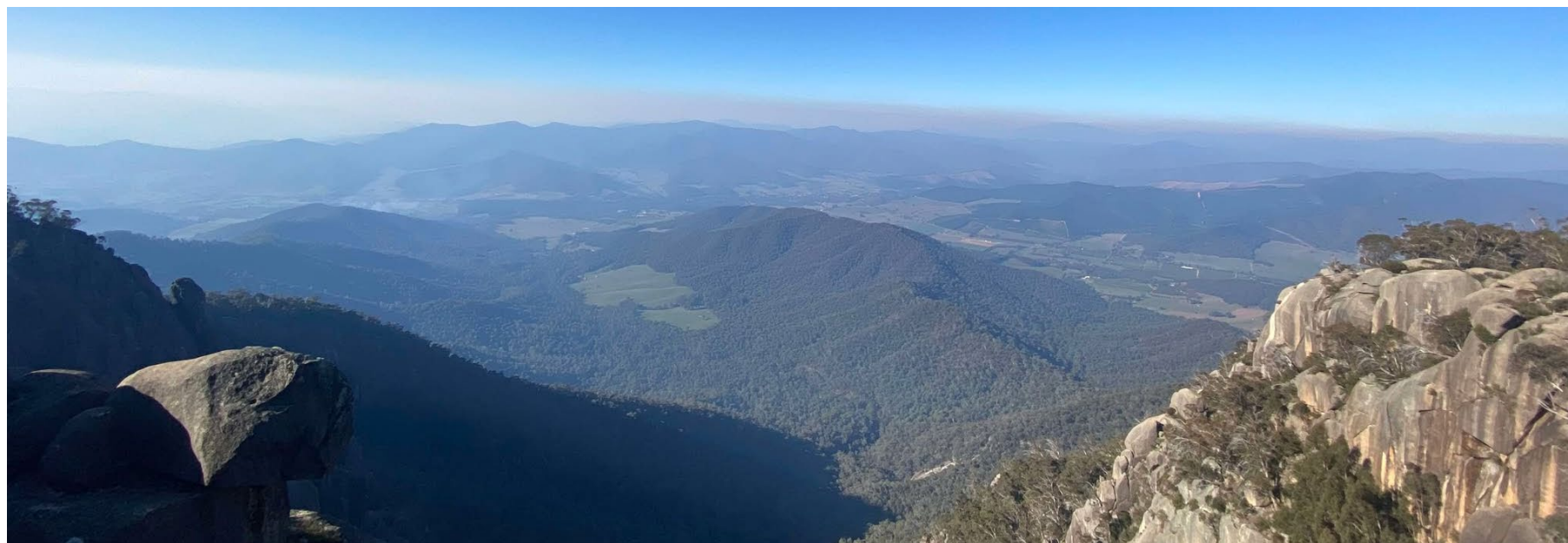
Through the provision of additional annual funding to further develop the skills and capacity of ACCO's this will provide the resources and autonomy for ACCO's to plan, develop, and deliver new and upgraded infrastructure in alignment with self-determination. Local governments have a key role to play by collaborating with ACCOs, supporting initiatives, and helping to identify and invest in infrastructure that meets the needs of First Peoples. In addition, infrastructure developed because of this Strategy will complement other funded health and wellbeing facilities, ultimately leading to better outcomes for the wider community.

MAV's First Peoples Expert Advisory Panel

The MAV is in the process of establishing the inaugural MAV First Peoples Expert Advisory Panel, a significant step in ensuring that First Peoples' voices, leadership, and knowledge guide MAV's work.

MAV acknowledges the deep and enduring connections that First Peoples have to Country, culture, and community. As the peak body for local government, MAV is committed to strengthening relationships between First Peoples and councils, grounded in respect, truth-telling, and meaningful collaboration. This new governance model will ensure that First Peoples guide and MAV's advocacy, strategies, and programs that impact their communities and will.

The Advisory Panel aims to also provide a model for both councils and key organisations on ensuring cultural appropriateness and self determination is being upheld. The Advisory Panel will also serve as a model for councils and sector organisations in upholding cultural integrity and self-determination, including what has been included in Recommendation 23.



Objective: Victoria has a thriving natural environment

Recommendation 24: Reduce greenhouse gas emissions from infrastructure

Adopt carbon values and measure carbon in infrastructure projects to reduce emissions.

The MAV supports national leadership to establish standards on data collection, measurement and reporting of embodied emissions. This would enable a fair comparison and assessment of emissions from transport infrastructure. This recommendation could be strengthened by setting targets and articulating clearer pathways for reducing emissions government infrastructures and the across the development and construction sector more broadly. Given the high percentage of emissions from infrastructure projects, this would serve to set a strong policy ambition and signal Victoria's overarching leadership in reducing emissions.

Along with the Victorian Greenhouse Alliances and CASBE, the MAV also calls for the strategy to recognise the importance and opportunities of government procurement practices to increase the adoption of low-carbon materials. We support the recommendations for work to be undertaken to prioritise and value emissions within procurement guidelines and specifications. Specific targets and timelines for the adoption of low- carbon materials within government procurement should also be recommended.

We strongly support a national approach to the collection, measurement and reporting of embodied carbon in materials.

This strategy should also highlight in more detail the available opportunities for reducing emissions across a range of infrastructure such as roads and buildings.

Recommendation 25: Advance integrated water management and use more recycled water

Work with partners to fund and deliver integrated water management projects. Determine the costs and benefits of introducing recycled drinking water in Melbourne and Geelong and build a pilot recycled drinking water facility. Deliver a community education campaign on the need for more water sources.

The MAV generally supports this recommendation.

Better utilising stormwater and recycled water as water supply sources is supported, and we also call for supporting better integration of local and system-wide water planning. With nearly the same amount of stormwater being 'lost' to waterways as there is water consumption in the greater Melbourne area,

urgent focus is required for how stormwater is currently managed in urban centres across the state. Councils are particularly interested in the issues around utilisation of stormwater collected through their drainage systems that can be utilised for greening and cooling of public communal spaces.

Continuing with business as usual will miss opportunities for increased integrated water management approaches and management efficiencies being generated by capturing stormwater where it falls. A funded program would accelerate and embed the prospects of significant water supply augmentation not being required in the 30-year period of this strategy.

FUTURE OPTION: Plan for and invest in manufactured water

Plan for and invest in manufactured water. Return more water to Traditional Owners and the environment.

Support in principle.

Recommendation 26: Better use government land for open space and greenery

Fund actions to better connect open spaces to each other and plant more trees and shrubs in urban areas. Give Victorians access to more public land in fast growing suburbs. Target at least 30% tree canopy and shrub cover on public land.

The MAV supports this recommendation in principle while encouraging a new and separate recommendation relating to open space planning.

In relation to recommendation 26 as proposed:

The MAV agrees that liveable and green neighbourhoods are critical to individual and community health and wellbeing. VicHealth's Know your postcode research highlights the risks of not factoring in sufficient open space and good access to services, and how their lack has been shown to result in much poorer life expectancy and chronic ill-health outcomes.

The MAV notes that, since the release of the draft strategy, further detail has emerged about open space planning around the first 10 of 60 Activity Centres (especially through planning scheme amendment GC252) and the Suburban Rail Loop East station precincts (through draft structure plans). In many cases, the government has either identified open space opportunities (and other infrastructure) but without a clear understanding about how the open space will be funded, delivered and connected, or not adequately identified that new open space is needed.

In the case of the Suburban Rail Loop East station precincts, the government has nominated the local Council as the delivery agency for new local infrastructure, including some new public open spaces. These nominations come without any understanding of the Councils' capital works commitments and constraints, or consideration of the difficulty of acquiring land at inflated prices (with the increase in value caused by the state government's proposed rezoning and expansion of development rights). Councils should not be expected to forgo broader capital works across the municipality to subsidise infrastructure shortfalls—often at inflated costs—resulting from state government planning decisions. Responsibility for securing adequate land for new public open space should rest with the level of government generating the demand.

The MAV also holds concerns about the outcomes that are likely to be produced under the new Townhouse and Low-Rise Code, introduced by amendment VC267. The MAV argued to the Legislative Council Select Committee inquiry into amendments VC257, VC267 and VC274 that the Code is likely to produce an incentive to remove trees on private land, especially where existing canopy cover is more than the 'deemed-to-comply' standard of 10% or 20% (depending on the size of the lot).³ The greater the canopy cover loss on private land, the greater the need to compensate on public land – but this land is finite and we are not confident that the public plus private canopy cover target in *Plan for Victoria* has been adequately modelled. The feasibility of achieving the government's proposed canopy targets – especially for metropolitan Melbourne – is unlikely to be achieved under these circumstances.

In relation to an opportunity for a new recommendation:

The MAV proposes that 'Enabling Action 7' in the Government's *Open Space Strategy for Metropolitan Melbourne 2021* be repeated in the Infrastructure Victoria recommendations: **"Develop a monitoring, evaluation and reporting framework" for open space delivery.**

While open space contributions revenue is well understood, with contribution rates transparently reported and built into the statutory planning framework, the expenditure of open space contributions (as well as expenditure on open space by local and state governments using funds *outside* local open space reserves) is less clear.

If the overarching settlement strategy in *Plan for Victoria* is to be achieved, including the target of 70% of new homes being constructed within established urban areas, and open space commensurate and proximate to that growth is also to be achieved, government will need to establish a much clearer picture of current and forecast open space supply shortfalls, and a clearer policy about the minimum open space required to achieve desired public health outcomes.

Action 13 in *Plan for Victoria* (to "introduce minimum standards and guidance for open space in established urban areas", in order that "new homes in your suburbs have great parks and squares"), while of course welcome, will not be enough.

³ [MAV submission to Legislative Council select committee inquiry into amendments VC257, VC267 and VC274](#)

The starting point in this exercise must be accurate data. State and council open space contribution, acquisition, conversion and upgrade reporting, both in terms of financial value and geographical location, should be presented in a way that creates an accurate picture of open space provision and need at the metropolitan or regional city levels. Any new approaches to open space planning by government will be enabled by first improving open space monitoring, evaluation and reporting frameworks.





Objective: Victoria is resilient to climate change and other future risks

Recommendation 27: Better prepare infrastructure for climate change

Fund high-priority, cost-effective infrastructure adaptation actions when climate adaptation action plans are updated in 2026. Produce an energy sector adaptation plan.

The MAV strongly supports recommendations to adequately fund adaptation of local infrastructure to the worsening impacts of climate change.

Victorian councils are responsible for managing \$140 billion of community assets and infrastructure including roads, community buildings and parks, all of which are impacted by climate events and have a high cost for repair and maintenance. Councils are the lead agency at the local level for undertaking the assessment, clearing, restoration and rehabilitation of public buildings and assets (such as roads, bridges, sporting facilities and public amenities) where council is the owner or manager of that building or asset.

Significant adaptation progress requires long-term, flexible funding arrangements. Councils are well-equipped to deliver place-based infrastructure adaptation action but require a significant uplift in funding to do so. Unfortunately lack of State Government funding to implement the existing Victorian Adaptation Action Plans (AAPs) has constrained the ability of councils to initiate innovative or simply new adaptation projects. Implementing this recommendation, including specific measures such as funding proposals for high-risk assets and promoting nature-based approaches to adaptation, would provide a much-needed boost to local government's own local and regional adaptation initiatives. This recommendation could be strengthened by specifically acknowledging the role of local government in delivering infrastructure adaptation action.

A more sustainable and consistent form of adaptation funding would enable councils to plan more effectively to enhance infrastructure resilience as part of infrastructure upgrades and rebuilding following disasters. This would mitigate risks associated with an 'urgency to rebuild', which can sometimes overwhelm careful consideration of future needs.

The draft Strategy would be further strengthened by recommending that the State Government shift the paradigm towards funding resilient infrastructure that can withstand storms, bushfires and floods, and avoid the need for costly and repeated rebuilding. A 'Build to Withstand' approach would allow Victorian councils to conduct priority pre-disaster investigation work to identify and address the highest priority infrastructure for resilience upgrades across the state.

Under the current Federal Government Disaster Recovery Funding Arrangements (DRFA), administered through the State government, councils are unable to restore assets to a more disaster-resilient standard. As the climate changes, betterment must be built into recovery funding arrangements with resilience embedded as a core principle. This reform to policy and funding mechanisms would ensure critical public infrastructure damaged or destroyed by emergencies can be built to a more resilient standard or in less vulnerable locations. Councils should also be able to repair assets to a more resilient standard without the need to seek funding from multiple streams which lengthens recovery timeframes.

Councils can provide recent examples of essential public assets that have been rebuilt to pre-disaster standards, only to be damaged again in subsequent disasters because the DRFA program does not allow betterment. Additionally, critical public infrastructure such as sport and recreation reserves, and walking trails are currently ineligible for funding through the DRFA and should be included in revised arrangements.

Councils currently need to make trade-offs related to infrastructure repair. There is growing concern for roads management across the country, especially at the local government level, where maintenance costs and needs are increasing at a rate that far outpaces funding from higher levels of government and revenue raising capabilities. This is particularly the case for regional and remote councils.

Calculating insurance risk in planning. In the electorate of Nicholls, one in four (26%) properties will be uninsurable by 2030. The proportion of properties at medium-to-high risk of vulnerability to climate change impacts is more significant outside Metropolitan Melbourne, with the exception the Yarra and Dandenong Ranges and some coastal suburbs around Port Phillip Bay. Infrastructure planning will need to factor in these short- and medium-term insurability costs.

Insurance reform and new forms of risk infrastructure: The global insurance sector is responding to escalating and new insurance risk with strategies like parametric insurance triggering payouts based on predefined event parameters (rather than damage assessments) and enhanced climate adaptation measures. Meanwhile, investment in risk-modelling technologies is expanding as policymakers are exploring national and cross-border risk-sharing schemes.

Recommendation 28: Use new flood maps to revise planning schemes

Produce a common set of flood projections based on the latest climate data. Use this information to update flood studies and maps and apply them in planning schemes. Minimise building in areas at high risk of flooding.

The MAV has long advocated for implementation of a consistent state-wide planning approach to flooding and coastal inundation with the Minister for Planning made responsible for implementing best-available hazard data into planning schemes

We support recommendations that the Victorian Government should coordinate flood studies and maps for all councils and work with councils to update planning schemes to reflect the most up to date flood information.

Noting that "Flood Risk" is no longer just about being in vicinity of overflowing rivers/dams - much of our critical water infrastructure is no longer fit for purpose when combined with new weather patterns - e.g. short extremely heavy rain bursts - resulting in serious flooding from backed up drains in urban areas never before considered at risk of flooding.

By 2050, the Greater Melbourne area could experience declines in water availability between 30 to 49%. Flash flooding is still a risk, with infrastructure rarely built to cope with more – and more intense – short rain bursts. Recent flood modelling for the City of Yarra demonstrated more than a third of all homes are now at risk of flooding from overflowing drains.

Recommendation 29: Coordinate faster delivery of key energy infrastructure

Fast-track key energy projects and coordinate enabling infrastructure. Establish a unified energy transition project pipeline and conduct annual progress assessments. Create a central energy transition coordinator to align priorities, improve transparency and manage risks.

Achieving Victoria's net zero emissions targets will require a real acceleration in renewable energy generation, transmission and storage. Local governments, in partnership with their communities, are in a unique position to deliver an equitable and just transition. Councils can be valuable partners in information sharing, education and engagement to support their communities prepare for the transition. As the closest connection point to community, local government can help to build the social license for the energy transition at this critical juncture.

Many Victorian councils are grappling with the role they can play in brokering community benefit sharing arrangements and supporting communities to engage with the transition. Some councils are more advanced in their journey, navigating positive relationships with developers and playing a pivotal role in securing tangible legacy benefits. Others are supporting their communities to understand the opportunities available through readiness studies and advocacy positions.

We observe that councils face multiple barriers when attempting to support their communities to navigate the energy transition. This includes a lack of legislated requirements for council consultation, poor information provision from government agencies and developers, consultation fatigue and limited technical experience. On top of this, councils are navigating a complex and ever-changing regulatory environment.

Given the critical role local government plays in the energy transition, we support measures that will provide councils and communities with clear, consistent and up-to-date information on renewable energy projects and enabling infrastructure. A live pipeline of key energy transition projects and enabling

infrastructure will help to provide communities impacted by the transition with certainty. These recommendations will help to build the social licence for the energy transition. They could be further strengthened by calling on the State Government to outline a consistent approach to supporting hosting councils and communities to realise meaningful, inter-generational benefit sharing investments for regional and rural communities.

We also welcome the creation of an energy adaptation plan which would provide clarity on the responsibilities of different levels of government in the energy transition.

Recommendation 30: Improve environmental assessments and site selection for energy projects

Reform environmental assessments and help energy project proponents select good sites.

Councils need to spend additional resources interpreting environmental assessments undertaken by developers. Any changes to environmental approvals and regulations should meet local expectations and ensure that environmental impacts are minimised.

Recommendation 31: Invest in home, neighbourhood and big batteries for more energy storage

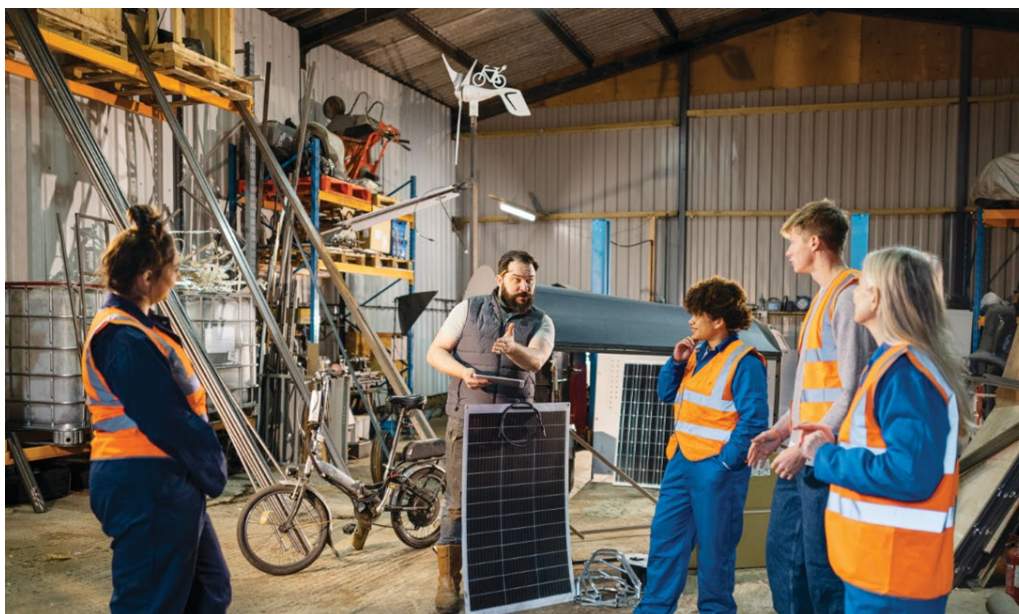
Create new support for home batteries and provide incentives to encourage people to join a virtual power plant. Expand the neighbourhood batteries program, or similar. Facilitate more investment in big batteries for the transmission network.

Councils are already making investments in batteries for council and community owned facilities. We support non-competitive grant funding that will enable councils and communities to further invest in energy storage. Facilitating investment in bigger batteries that supports a well-coordinated transmission network is essential.

Recommendation 32: Determine long duration energy storage needs

Determine the most efficient policy or investment options to provide enough long duration energy storage to meet Victoria's needs.

We support investigating energy storage investment options to build the resilience of Victoria's energy supply.



Recommendation 33: Develop regional energy plans, guide transition from fossil gas and maintain reliable gas supply

Develop an energy plan for electrification and gas use that meets each region's needs and prepare gas infrastructure decommissioning for homes and some businesses. Secure gas supplies to meet demand. Set a renewable gas target and support renewable gas production.

Many councils are already playing an important role in facilitating the transition to renewables, but more resources are required to ensure there is a fair transition with community benefits provided to host councils and communities.

The development of regional energy plans should clarify roles and responsibilities for each level of government in the transition. They should also acknowledge the role councils can play in building social license and securing legacy community benefits.

Recommendation 34: Speed up household energy efficiency and electrification

Require efficient electric space heating and hot water when people replace their heaters at end-of-life and support low-income households to go all-electric. Complete social housing energy upgrades, including electrification. Require Victorian homeowners to disclose the energy efficiency of their homes at the time of sale or lease.

The MAV recently gave feedback to the Building Electrification Regulatory Impact Statement supporting a requirement for new residential and commercial buildings to be all electric, supplemented by appropriate support for those households requiring financial assistance with the transition. We also support mandatory disclosure.

Objective: Victoria has a high productivity and circular economy

Recommendation 35: Prepare and publish infrastructure sector plans to shape Victoria's cities

Agree a set of assumptions for future population, jobs and land use for more compact cities. Require each department that owns infrastructure to develop an infrastructure sector plan as soon as possible, based on these assumptions, and publish strategic-level plans. Use the finished sector plans to decide infrastructure project funding.

The MAV strongly supports this recommendation, subject to genuine local government participation in the creation of the plans.

Councils are required to produce and actively update significant long-term plans for their communities which plan beyond election cycles. It is a reasonable expectation that the state should do likewise. This provides certainty for planning and investment and avoids potential conflicts to be identified and addressed earlier.

Agreeing to a set of assumptions for future population, jobs and land use for more compact cities is supported by the MAV. We submit that each government department that owns infrastructure must develop infrastructure sector plans and publish strategic-level plans. These plans will then decide infrastructure project funding.

Recommendation 36: Reform infrastructure contributions

Simplify Victoria's infrastructure contribution schemes to cover all types of housing developments and reflect the cost of infrastructure in different development settings.

The MAV has long called for reform to Victoria's infrastructure contributions system.

The Victorian government is working through policy proposals to reform the way and amount councils and the state collect and distribute contributions made by developers towards community and growth-supporting infrastructure. On behalf of the local government sector, the MAV wants to ensure communities are not short changed, and council financial sustainability is assured. While we cautiously support a simpler contributions system, any change must ensure developer contributions are adequately hypothecated to councils on behalf of growing communities

The MAV has engaged expert consultants to understand the issues presented by the reforms. This work is ongoing. The MAV would welcome the opportunity to share the project findings with Infrastructure Victoria (expected completion date late-May 2025).

The state's proposed infrastructure contribution reforms have been largely undertaken behind closed doors. A lack of clarity on the level of the charge, how money raised will be hypothecated to councils, as well as indexation, are driving uncertainty in the local government sector. The lack of information being shared by government is diluting the principles and details of reform, restricting local government's ability to advocate for fair and reasonable infrastructure contributions.

There would be great benefit to simplifying the various infrastructure contributions schemes (ICPs, DCPs, GAICs and OSCs) in place, if transparency is maintained in the interests of developer certainty and government's ability to plan to meet demand with confidence. We support the Victorian Auditor-General's call for a development contributions framework with clear strategic goals, accountability and governance, and would like to see the final recommendation recognise that achieving such a scheme will only be possible if its creation is informed by local government data and expertise.

Any revised infrastructure contribution system will need to account for the following key issues in the Victorian system:

- Contribution systems can be complex and time-consuming to implement and then administer. The ability to meaningfully engage in the system is therefore limited for less-resourced councils and smaller developers.
- Financial risks predominantly relate to costing and caps on how much contribution can be levied and can leave a council with cashflow problems when there is a time-lag between contribution payment and the provision of infrastructure on the ground.
- Infrastructure contributions should not move towards a one size fits all model. Having different tools available for different settings is vital. Those tools must each have a clear purpose and be fit for it.
- Councils must retain their ability to negotiate Works in Kind (WIK) agreements with developers. WIKs unlock opportunities for development sequencing, as well as help fund key community and sport infrastructure that enable healthy and socially connected communities
- Any infrastructure contributions reform must account for different development contexts and community needs across Victoria – a 'one size fits all' approach in a flat-rate will not work for councils nor local developers
- The ability to provide a consistent and transparent system for the development industry is critical to ensure confidence in future investment

We request that the final state-wide contributions model make it explicit that any new scheme must be adequate to supply councils with the revenue necessary to build local infrastructure commensurate with current and forecast need; councils do not have access to alternative revenue sources that could fill any funding gaps created by an inequitable scheme.

Recommendation 37: Improve asset management of all government infrastructure

Fund asset managers to better understand the condition, use and performance standards of all government infrastructure. Use this information to develop asset management strategies and prioritise funding.

The MAV provides in-principle support for this recommendation.

At a national level, Infrastructure Australia has identified ‘digital by default’ as the desired infrastructure norm, with clear actions and programmatic intent to enable Digital Twins as a core opportunity for the infrastructure sector.

Three core areas could be addressed to realise maximum value: the need for greater leadership and coordination, comprehensive information sharing and exchange, and guidance on best practice to support future capability.

Recommendation 38: Prepare for more recycling and waste infrastructure

Identify places for new recycling and waste infrastructure and publish them in the next update to the Victorian recycling infrastructure plan. Plan for waste and recycling sites together with other commercial and industrial land. Make changes to planning controls to allow for facilities where they are needed.

Market development is critical to a sustainable recycling system. Councils and ratepayers cannot afford to pay for material to be separated and processed if there is no productive use for it. This undermines the economics of recycling, the environmental objectives of the Victorian Government, and the community's enthusiasm and trust.

The MAV and councils are keen to work with the Victorian Government to increase public sector procurement of recycled material. This must be accompanied by reform of standards and specifications. This ensures councils can buy with confidence of both fitness for purpose and regulatory status. This will also help enable private sector procurement of those same products.

Whole-of-lifecycle product costs should be reflected in the costs to produce them (and thus cost to consumers). Currently, wasteful products enjoy a competitive advantage due to their whole-of-lifecycle costs being subsidised by councils through the waste and resource recovery system.

Regional processing is critical for some of the priority materials identified in the draft strategy. The market value of the recycled product does not make it cost effective to transport material large distances.

Fire and other incidents, as well as commercial disruptions, are likely to continue to affect Victoria's recycling system to some degree. Victoria should plan for spare capacity and remove single points of failure in its recycling system to be able to appropriately respond to disruptions.

There are also potential problems in Victoria's capacity to recycle or make safe solvents and other chemicals. Large stockpiles of potentially hazardous waste materials have been discovered throughout Victoria. Limited state-wide capacity to process the materials found has added to the difficulty of managing and responding to these stockpiles.

Minimising waste is the most cost-effective and environmentally sustainable approach to waste and resource recovery. While minimising waste to landfill is a component of this, the approach should consider upstream waste minimisation as the highest priority as addressed in the discussion questions below.

Recommendation 39: Use digital technologies to better design, build, operate and maintain government infrastructure

Pilot digital technologies on government infrastructure projects and report on their progress. Use building information modelling on major infrastructure and housing projects. Improve capabilities in government agencies and review procurement processes to promote greater use of digital technologies.

Support in principle – see MAV response to Action 37

The MAV supports additional funding be directed to the establishment and maintenance of geospatial and asset data management in councils to better understand opportunities for process improvement and efficiencies

Recommendation 40: Use modern traffic control technology for efficient and safe journeys

Further extend modern traffic control technology like sensors and cameras along arterial roads in Victoria's largest cities. Begin expanding smart motorways into Melbourne's growth area freeways.

Support in principle

FUTURE OPTION: Charge people fairly to use roads

Introduce road charges that help manage congestion and improve productivity. Consider options such as car parking levies, off-peak freeway tolls, congestion pricing trials, or road user charging for all motorists with lowered fixed road charges. Work with the Australian Government on road pricing options.

MAV would support a review of road pricing options in consultation with local government.

We recognise that transport network pricing has the capacity to dramatically change the way in which transport infrastructure users travel across the network, and to increase the use of public transport, walking and cycling infrastructure.

A gradual move towards user pays charging, including a trial to test its influence on behaviour, is supported only if rural and regional councils are not disadvantaged by the funding model.

Recommendation 41: Make rail freight competitive, reliable and efficient

Develop and publish a 30-year integrated rail freight network plan and fund a 10-year rail freight maintenance program. Develop a freight network coordination policy.

Victorian councils are strong supporters of efficient freight services that deliver local and broader economic benefits, jobs, and sustainable business growth.

In Victoria, councils manage 87 per cent of the road network which is in excess of 130,000 kilometres. Councils also own and manage supporting infrastructure such as bridges, culverts and drains. In rural and regional areas, limited council revenue and large road network responsibilities mean road maintenance takes up a large proportion of council budgets.

Local infrastructure contributes to national productivity by providing the ‘first and last kilometre’ for our freight network. While the national and state and territory road networks provide important movement functions, it is the local road network that provides access.

Support an integrated rail freight network plan and investment to shift freight from road to rail. We also advocate for a network approach to investment in the freight routes that recognises the increased wear and tear on local roads and infrastructure.

Recommendation 42: Encourage off-peak freight delivery in urban areas

Prepare for growing freight volumes in urban areas by piloting an off-peak freight delivery program in a high-density area of Melbourne. If successful, expand off-peak delivery for more productive and sustainable freight movement.

In-principle support. Any pilot must be developed in consultation with the affected councils.

FUTURE OPTION: Plan for more efficient and sustainable urban freight

Develop a network of urban freight delivery precincts in Melbourne to improve freight productivity and reduce emissions.

Support in principle

The transport sector is responsible for 25 per cent of Victoria's carbon emissions. The decarbonisation of freight transport will play an essential role in meeting the Victorian Government's target of net zero emissions by 2045.

One of the emerging issues is the impact of zero emissions heavy vehicles on our road networks. We understand that electric and hydrogen fuel cell heavy vehicles will be heavier compared to diesel vehicles. It is anticipated that councils will need to make upgrades to road infrastructure to accommodate zero emissions heavy vehicles on our roads.

While the MAV and councils are strong supporters of climate change action, this shift to zero emissions heavy vehicles will place added pressure on councils that are already struggling to maintain existing road infrastructure. Road maintenance takes up close to 10 per cent of Victorian council revenue with costs increasing rapidly. Councils have large assets to manage, yet significant constraints on revenue. Given these constraints, councils will need the right fiscal, technical and regulatory support to ensure our roads can cope with zero emissions heavy vehicles.

Low and zero emission delivery and freight zones are another way of encouraging decarbonisation of the freight industry. Such zones are associated with reduced emissions, improved air quality and better public health outcomes. There are over 250 low emission zones in operation across Europe. Although there are no emissions-controlled zones in Australia, councils are already investing in zero emission vehicles and associated charging infrastructure.

Recommendation 43: Create and preserve opportunities for future major infrastructure projects

Create and preserve opportunities to build major infrastructure projects which might be required in the long term. This includes expanding desalination capacity, City Loop reconfiguration, extending and electrifying metropolitan trains to growth areas in Melbourne's north and south-east, Melbourne Metro 2, the Bay West port, the outer metropolitan road and rail corridor and connecting western intermodal freight terminal.

Support in principle

FUTURE OPTION: Reconfigure the City Loop for more frequent and reliable trains

Reconfigure the City Loop by splitting 2 City Loop tunnels into 2 separate cross-city train lines. Build around 3 kilometres of new train tunnels and upgrade related power and signalling. Increase service frequency on the Craigieburn, Upfield and Frankston lines.

No position

FUTURE OPTION: Extend metropolitan trains to growth areas in Melbourne's north and south-east

Extend and electrify metropolitan trains to Clyde and towards Kalkallo to support growth in new suburbs.

In principle support

MAV would be pleased to provide clarification on any information in this submission.
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