# MUNICIPAL ASSOCIATION OF VICTORIA

**Victoria's Draft 30-Year**

**Infrastructure Strategy**

**Submission**

**February 2021**

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# Executive summary

The Municipal Association of Victoria (MAV) welcomes the opportunity to provide a submission in response to Victoria's Draft 30-Year Infrastructure Strategy.

The MAV is the peak representative and advocacy body for Victoria's 79 councils. The MAV was formed in 1879, with the Municipal Association Act 1907 appointing the MAV the official voice of local government in Victoria.

Today, the MAV is a driving and influential force behind a strong and strategically positioned local government sector. Our role is to represent and advocate the interests of local government; raise the sector's profile and ensure its long-term security; facilitate effective networks; support councillors; and provide policy and strategic advice, capacity building programs and insurance services to local government.

The MAV strongly supports the ten objectives, and commends IV's broad and integrated approach, as outlined in the following table which summarises the MAV's support for a majority of the recommendations and where additional commentary has been provided in our submission.

**MAV supports this recommendation** ✓

**See additional comments in the relevant section** 💬

| Section 01 Confront long-term challenges | | |
|---|---|---|
| **1.1 Navigate the energy transition** | | |
| 1. Accelerate the uptake of zero emissions vehicles | ✓ | 💬 |
| 2. Augment electricity transmission for renewable energy and resilience | ✓ | |
| 3. Identify and coordinate priority Renewable Energy Zones | ✓ | |
| 4. Require 7-star energy-rated new homes in 2022, increasing towards 8 stars by 2025 | ✓ | |
| 5. Mandate a home energy rating disclosure scheme | ✓ | |
| 6. Make Victorian Government buildings more energy efficient | ✓ | |
| 7. Reduce peak electricity use with demand management pricing | ✓ | |
| 8. Allow new gas-free housing estates and review current gas policies | ✓ | |
| **1.2 Respond to a changing climate** | | |
| 9. Specify climate scenarios and carbon value in assessing infrastructure | ✓ | 💬 |
| 10. Strategically review climate consequences for infrastructure | ✓ | |
| 11. Consider all water supply sources | ✓ | 💬 |
| 12. Progress integrated water cycle management | ✓ | 💬 |
| 13. Improve decision-making for urban water investment | ✓ | |
| 14. Strengthen agricultural water security by modernising irrigation | ✓ | |
| 15. Upgrade Victoria's emergency water network | ✓ | 💬 |
| 16. Invest in protecting Victoria's coasts | ✓ | 💬 |

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|---|---|---|
| **1.3 Embrace technological opportunities** | | |
| 17. Prepare for increasingly automated vehicle fleets | ✓ | 💬 |
| 18. Facilitate integration of public transport with new mobility services | ✓ | |
| 19. Incorporate nationally consistent rules for personal mobility devices in regulation | ✓ | 💬 |
| 20. Transform road network operations for all current and future modes | ✓ | |
| 21. Use innovation to deliver better models of health care | ✓ | |
| 22. Modernise courts through digitisation and contemporary shared facilities | ✓ | |
| 23. Improve technology and infrastructure for a responsive police service | ✓ | |
| **1.4 Stay connected to global markets** | | |
| 24. Optimise capacity at the Port of Melbourne | ✓ | |
| 25. Act now to protect the future Bay West Port option | | 💬 |
| 26. Purchase land for Melbourne's future freight terminals | ✓ | |
| 27. Construct an outer metropolitan road and rail corridor | ✓ | |
| **1.5 Build a circular economy** | | |
| 28. Facilitate improved recycling infrastructure for priority materials | ✓ | 💬 |
| 29. Strengthen end markets for recycled materials | ✓ | 💬 |
| 30. Address barriers to recycling and reducing waste | ✓ | 💬 |
| 31. Minimise waste and improve residual waste infrastructure planning | ✓ | 💬 |
| **Section 02 Manage urban change** | | |
| **2.1. Integrate land use and infrastructure planning** | | |
| 32. Produce public plans for priority infrastructure sectors | ✓ | 💬 |
| 33. Publish Victoria's transport plan | ✓ | 💬 |
| 34. Review Victoria's infrastructure contribution system to cover gaps | ✓ | 💬 |

| 2.2 Create thriving urban places | |
|---|---|
| 35. Support more homes in priority established places | 💬 |
| 36. Deliver very low income housing with inclusionary zoning | ✓ 💬 |
| 37. Develop an interconnected open space network | ✓ |
| 38. Partner with local governments to fund pedestrian infrastructure | ✓ 💬 |
| 39. Transform cycling in Melbourne, Ballarat, Bendigo and Geelong | ✓ 💬 |
| 40. Improve walking and cycling data to better estimate travel impacts and benefits | ✓ |
| 41. Reallocate road space to priority transport modes | ✓ 💬 |
| 42. Redesign tram routes | ✓ |
| 43. Activate urban renewal with new tram links | ✓ |
| 44. Plan for public transport accessibility, including tram stop upgrades | ✓ |
| 2.3 Steer changes in travel behaviour | |
| 45. Adopt peak and off-peak public transport fares | 💬 |
| 46. Price each public transport mode differently | 💬 |
| 47. Abolish the free tram zone | 💬 |
| 48. Remove annual charges and introduce distance-based pricing for electric vehicles | 💬 |
| 49. Appoint an independent transport pricing adviser | 💬 |
| 50. Increase and extend the Melbourne Congestion Levy on parking | 💬 |
| 51. Incorporate congestion pricing for all new metropolitan freeways | 💬 |
| 52. Trial full-scale congestion pricing in inner Melbourne | 💬 |
| 53. Trial demand-responsive pricing on parking in inner Melbourne | 💬 |
| 54. Price parking at major public transport hubs, all train stations and park-and-rides | 💬 |

| Item | Support | Comment |
|---|---|---|
| 55. Phase out fixed road user charges and introduce user pays charging | | 💬 |
| **2.4 Adapt infrastructure for modern needs** | | |
| 56. Require accessible buildings for public services | ✓ | 💬 |
| 57. Rapidly renew old public housing | ✓ | 💬 |
| 58. Upgrade and rebuild public hospital infrastructure | ✓ | |
| 59. Build back better after emergencies | ✓ | 💬 |
| 60. Expand the legislated definition of critical infrastructure and improve information flows | ✓ | 💬 |
| 61. Incorporate lessons of emergency reviews | ✓ | 💬 |
| **Section 03 Harness infrastructure for productivity and growth** | | |
| **3.1 Shape the transport network for better access** | | |
| 62. Reshape the metropolitan bus network | ✓ | 💬 |
| 63. Connect suburban jobs through premium buses and road upgrades | ✓ | 💬 |
| 64. Increase suburban rail corridor services and capacity | ✓ | |
| 65. Reconfigure the city loop for cross-city train services | ✓ | |
| 66. Prepare for Melbourne Metro Two | ✓ | |
| 67. Protect a future option for a new cross-city motorway | | 💬 |
| **3.2 Plan for growth areas** | | |
| 68. Prioritise and oversee infrastructure delivery in growing communities | ✓ | 💬 |
| 69. Expand rail access in outer suburbs | ✓ | |
| 70. Expand and upgrade Melbourne's outer suburban road network | ✓ | |
| 71. Target 30% tree canopy coverage in new growth areas | ✓ | |
| **3.3 Align social infrastructure with better service delivery** | | |
| 72. Co-design an Aboriginal Community-Controlled Infrastructure Plan | ✓ | |

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|---|---|
| 73. Set targets to grow social housing | ✓ |
| 74. Build new hospital capacity | ✓ |
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| **Section 04 Develop regional Victoria** | |
| **4.1 Enhance market access and productivity** | |
| 77. Deliver funding certainty for regional road maintenance and upgrades | ✓ 💬 |
| 78. Revise the Murray Basin Rail project plan | ✓ |
| 79. Fund an ongoing regional rail freight maintenance program | ✓ |
| 80. Co-invest to bring faster broadband to regional business precincts | ✓ |
| **4.2 Unlock regional economic growth opportunities** | |
| 81. Upgrade power supply for agriculture and regional manufacturing | ✓ |
| 82. Invest in regional nature-based tourism infrastructure | ✓ |
| 83. Develop a Victorian Aboriginal tourism strategy | ✓ |
| 84. Boost tourism infrastructure by allowing more national parks to grant long leases | 💬 |
| **4.3 Connect the regions to help strengthen wellbeing** | |
| 85. Reform regional public transport to meet local needs | ✓ |
| 86. Improve resilience of regional telecommunications infrastructure | ✓ |
| 87. Fund regional libraries to provide better internet access | ✓ 💬 |
| 88. Use rural schools for children's specialist and allied telehealth services Retrofit or better use selected rural school infrastructure for children's specialist and allied telehealth services to improve children's health and development. Immediately begin with a trial in Wimmera Southern Mallee. | ✓ 💬 |
| **4.4 Foster regional Victorians' health, safety and inclusion** | |
| 89. Deliver multipurpose shared social service facilities in the regions | ✓ 💬 |

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|---|---|
| 90. Support regional councils to update, repurpose or retire outdated community infrastructure | ✓ 💬 |
| 91. Create climate-adapted facilities for rural communities | 💬 |
| 92. Build regional residential alcohol and drug rehabilitation facilities | ✓ |
| 93. Fund more Youth Foyers in regional Victoria | ✓ |
| 94. Expand social housing in regional centres, in locations with good access | ✓ 💬 |
| 95. Make social housing suitable for changing local climates | ✓ 💬 |

## Introduction

The Municipal Association of Victoria (MAV) welcomes the opportunity to respond to Infrastructure Victoria's (IV's) second 30-year strategy and its draft recommendations.

The MAV strongly supports the ten objectives.  We commend IV's broad and integrated approach, recognising that smart infrastructure investment is about more than boosting productivity and reducing congestion.  It must also seek to improve social equity and connectedness, and protect our natural resources.

As IV acknowledges, we are yet to understand the extent of the behavioural change resulting from the impacts of the COVID-19 pandemic.  This includes future travel patterns and the level of acceptance of work from home arrangements. There are also emerging changes to our assumptions around population growth due to the surge in sea / tree changers and potentially, a reduction in overseas migration.  This uncertainty also presents a unique opportunity to trial and test new initiatives that may previously have faced resistance.

The MAV welcomes the engagement with councils in the development of the strategy and the recognition of some of the constraints on local government capacity to adequately fund new or maintain existing infrastructure. It is the view of the MAV that the strategy could go further in its investigation and commentary on the effects of rate capping on the capacity of councils to serve their community's aspirations. Rate capping has severely restricted councils' ability to maintain and renew their significant asset base and at the same time, invest in new infrastructure.  For rural and regional councils experiencing increasing migration from Melbourne, there will be additional pressure on local service and infrastructure delivery over the coming decade.

There is also a need for greater emphasis on local decision-making to reverse the trend in recent years of centralised decision-making and lack of consultation with local government on key projects. An effective state strategy should recognise the benefits of local democracy and subsidiarity as a principle. Greater transparency and genuine consultation on state transport and infrastructure planning will result in greater efficiencies, and provide councils with an opportunity to invest in complementary infrastructure that aligns with local needs and priorities.

This submission aims to broadly reflect the views of Victorian councils. It does not purport to reflect the view of every individual council. A number of the recommendations are specific to small numbers 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. Councils have been encouraged to make individual submissions. 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.

We look forward to working closely with IV as the strategy is finalised and assisting to coordinate further local government input as necessary.

# 1. Confront long-term challenges

## 1.1. Navigate the energy transition

<u>Draft recommendation 1: Accelerate the uptake of zero emissions vehicles</u>

The MAV recognises that Victoria is in a climate emergency. We support accelerating the uptake of zero emissions vehicles and the various elements of this draft recommendation including:

- requiring all new public transport buses and coaches, and government vehicle fleets, to transition to appropriate zero emissions vehicles
- incentivising zero emissions freight vehicles
- developing design standards and payment principles for charging infrastructure.

Australia is a laggard in terms of zero emissions vehicle uptake with electric vehicles only making up 0.6 per cent of Australia's vehicle fleet, compared to 3.8 per cent in Europe and 2.3 percent in New Zealand[1].

Experience overseas shows that regulatory and economic incentives are essential in order to realise the benefits that widespread uptake of zero emissions vehicles bring. Both the Victorian and Australian Governments have critical roles to play in this regard.

Transport emissions already comprise a significant proportion of Victoria's total emissions. The Victorian Government's 2020-21 Budget decision to introduce a distance-based charging regime for all Victorian registered zero and low emission vehicles appears unsound. We call on IV to address this in its final recommendations.

**Discussion questions**

*What other action should the Victorian Government take to coordinate priority Renewable Energy Zones?*

It is vital that effective land-use planning controls are in place for renewable energy. Decision makers and stakeholders must have clarity on the relevant matters and how to assess them. This includes interaction with competing and complementary land uses (such as agriculture). Where councils need expertise beyond their own resources, this should be made available to them to assist timely and comprehensive decision making.

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[1] ClimateWorks Australia, Moving to Zero – Accelerating the Transition to Zero Emissions Transport

**1.2. Respond to a changing climate**

Draft recommendation 9: Immediately update and expand practical instructions on integrating climate-related risks into infrastructure assessment, including on future climate scenarios and valuing emission reductions

The MAV supports this recommendation. We note that the *Climate Change Act 2017* currently only requires decision makers under a limited number of Acts (specified in a schedule) to have regard to climate change.  Other government decision makers must only "endeavour" to take climate change into consideration. Key pieces of legislation that govern emissions-intensive sectors including transport, energy and agriculture are not listed in the schedule. This is a significant weakness of the *Climate Change Act* that should be addressed as a matter of priority.

Draft Recommendation 11: Consider all water supply sources
Draft Recommendation 12: Progress integrated water cycle management
Draft Recommendation 15: Upgrade Victoria's emergency water network

Better utilising stormwater and recycled water as water supply sources makes sense, as do the recommendations 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. Setting a five-year period for the proposals to be achieved is useful in generating actions earlier rather than later.

We encourage IV to include a specific recommendation that a five-year local government audit and asset improvement program be funded by the Victorian Government to enable councils to review their drainage and stormwater management infrastructure from a water sensitive urban design (WSUD) and catchment lens. 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.

We welcome IV identifying the need for ongoing responsibility for maintenance and funding of Victoria's emergency water supply point network to be reviewed to ensure there are sustainable and practical funding arrangements in place.

Further, it continues to make no sense that councils are responsible for paying for the maintenance of fire plugs.  These are water authority assets providing water to the Victorian Government's fire agencies. Currently there is a huge variation in the cost of fire plugs from year to year for councils, making budgeting difficult and generating imposts on rate-payers over which they have little say or input to their installation.

Draft recommendation 16: In the next eight years, invest in coastal protection upgrades and maintenance, including beach and dune protection and rehabilitation, and storm surge protection, particularly for coastal tourism assets in Barwon, Great South Coast and Gippsland regions

The MAV supports this recommendation. It appears that IV is proposing an extra $30 million funding over eight years for coastal adaptation. This is too little and, in our view, should be at least $30 million per year over eight years. In its *Protecting Victoria's Coastal Assets* report, the Victorian Auditor-General's Office noted a 2013 Victorian Coastal Council (VCC) cost estimate of $24–$56 million annually to replace the natural protection offered by coastal assets like beaches and dunes.

### 1.3. Embrace technological opportunities

Draft Recommendation 17. Prepare for increasingly automated vehicle fleets

New laws and regulations will have a big influence on the introduction of electric vehicles (EV) and autonomous vehicles (AV).  There is a clear opportunity for the Victorian Government to work with councils in the development of these laws and regulations to benefit all local communities.

IV should note the potential for significant infrastructure costs for local councils. The rates and levels of adoption will vary as will the type of technology.  This is something that councils may be able to influence through the services they provide, their purchasing power and through their community and economic leadership roles. Councils are well-positioned to play a significant role in fostering community acceptance and mitigating public concern towards the introduction of these technologies across Victoria.

Councils will also have to take a view on whether to encourage the adoption of new technology through their decisions on infrastructure. Regardless of the decisions councils make, they will need to be confident that there is strong safety assurance in place for automated driving systems to protect both their communities and road infrastructure investments.

Draft Recommendation 19 – Establish rules for personal mobility devices in Victorian legislation

Personal mobility devices provide a great opportunity to increase transport choice and mobility but also pose some complex management risks.  It will be important for legislative development to follow on from sound policy development and engagement to ensure risks and potential unintended consequences are appropriately considered and managed.

**1.4. Stay connected to global markets**

Draft Recommendation 25. Act now to protect the future Bay West Port option

The MAV supports the identification and preservation of land and access routes and staged development of a future port to support Victorian and Australian freight.

**1.5. Build a circular economy**

Draft Recommendation 28: Facilitate improved recycling infrastructure for priority materials

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 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.

Draft Recommendation 29: Strengthen end markets for recycled materials

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. This is expanded upon in the discussion questions.

Draft Recommendation 30: Address barriers to recycling and reducing waste

Consistent messaging around which material goes into each recycling stream is important. The delivery of services, such as kerbside collections or centralised drop-off, must be left to councils to determine with their communities. Four kerbside collections are not practical or desirable in all contexts and councils are best placed to design services that fit their communities' needs.

Draft Recommendation 31: Minimise waste and improve residual waste infrastructure planning

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.

The MAV supports well-regulated waste to energy, but only as an alternative to landfill. The Victorian Government must seriously consider the risk of introducing incentives for otherwise recoverable material to be used as feedstock for energy.

**Discussion questions**

*What other cost-effective actions can the Victorian Government take towards a circular economy?*

Waste minimisation should be the highest priority of the Victorian Government's approach to waste and resource recovery. This must be implemented as far upstream in the product lifecycle as possible.

We need a legislative environment that ensures the cost of processing or disposal of products and materials is passed on to their manufacturers or importers. Producers currently have little incentive to reduce the waste impacts of their products, as those costs are borne by councils and ratepayers.

Product stewardship requires producers and importers to contribute to the end-of-lifecycle impacts of their products. In addition to implementing a fairer distribution of costs, this can introduce a competitive advantage for less wasteful products by reducing their cost under product stewardship.

We believe that Victoria should provide the leadership on product stewardship that has been acutely absent from the Australian Government. The commitment to introduce a container deposit scheme is welcome. It is finally putting Victoria on the same footing as other States. We believe there is far more that the Victorian Government could and should do. Ultimately, all waste-producing products should be subject to some form of product stewardship.

It is concerning and disappointing that product stewardship does not get a single mention in the draft strategy.  This is especially the case when IV has research from its report on waste and resource recovery infrastructure that clearly highlighted the critical role product stewardship schemes play in countries with leading resource recovery systems.

## 2. Manage urban change

### 2.1. Integrate land use and infrastructure planning

Draft Recommendation 32. Produce public plans for priority infrastructure sectors

A key activity that governments can undertake to promote orderly and efficient planning is to prepare and publish priority infrastructure plans. Councils are required to produce and actively update a number of significant long-term plans for their communities. 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.

Draft Recommendation 33. Publish Victoria's transport plan

Making Victoria's transport plan public is critical to giving local government and private entities confidence to plan and invest in supporting or complementary infrastructure. In requiring the transport plan and other plans to align with each other, the Victorian Government must take care not to invalidate existing strategic work undertaken by councils. This work represents significant investment of ratepayers money. Many councils do not have the resources to review and revisit strategic plans out of schedule.

Draft recommendation 34 - Review Victoria's infrastructure contribution system to cover gaps

The MAV supports reform of Victoria's infrastructure contributions system. The current system results in variable outcomes for a range of councils in levying for the timely provision of infrastructure. We note that the Minister for Planning has convened an advisory committee to examine infrastructure contributions reform. The MAV will be responding in greater detail through that process.

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.

Infrastructure funding could also be complemented by a 'windfall' tax. Windfall taxes recognise that the largest portion of added value in many developments is a result of the granting of

development rights (through re-zoning), and not any betterment undertaken by landowners or developers. As such, some portion of the value created through those rights is reserved for a public good such as the provision of infrastructure.

Reform of infrastructure contributions should also address social and affordable housing. Affordable housing is a form of infrastructure and has benefits more broadly to society rather than just those residing in it. The MAV proposes that some of the funding needed for affordable housing should be realised through broad developer contributions schemes similar to other infrastructure. Through including affordable housing in the contributions system, longer-term ongoing funding will be secured beyond the most recent significant investment by the Victorian Government.

### 2.2. Create thriving urban places

<u>Draft recommendation 35. Support more homes in priority established places</u>

The MAV supports-in-principle guiding development to identified priority areas. This should adopt a polycentric approach supported by the proposed suburban rail loop.

We note that while evidence is presented for the statement that Melburnians are decreasingly wanting standalone homes, this may no longer be current. The experience of long periods of home isolation due to the COVID-19 pandemic, increased desire and support for remote working, and ongoing concerns over building faults in major residential buildings may see a decrease or reversal of this trend.

We agree that if higher density living remains a popular choice, it must be underpinned by convenient and quality local community infrastructure.

Any proposal to loosen protections in planning controls must be scrutinised rigorously. The development industry frequently calls for the planning system to accommodate increased flexibility of design and increased certainty of approvals at the same time. These are contradictory goals, and largely code for giving developers carte blanche to do as they please.

Both identifying priority areas and implementing the planning controls to facilitate them must be done in partnership with councils and the communities they represent. Recent "streamlining" processes that have removed council and community involvement, or made it entirely subject to the whim of the Minister, are of great concern.

<u>Draft recommendation 36. Deliver very low income housing with inclusionary zoning</u>

The MAV and local government have long advocated for increasing the supply of social and affordable housing. The impact of decreasing housing affordability, and the growing need for affordable housing, are both significant issues for local government – the level of government closest to the community. The MAV is therefore is supportive of inclusive zoning approaches to speed up the delivery of social and affordable housing but must be done in a way that ensures quality, well designed homes.

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.

Recent planning scheme amendments (VC187 and VC190) include several provisions intended to expedite Victoria's Big Housing Build. However, the MAV is concerned that this is a wholesale departure from standard planning processes which provide for careful consideration of new development. In the push for faster or more streamlined decisions, there is a risk of delivering poorer outcomes for both the community and future residents. Further, the few requirements to consult with councils and communities can be varied or waived by the Minister. This undercuts the principles of local decision making and community input that have been at the heart of Victoria's planning system.

It is also important to consider the monitoring and enforcement of any requirements imposed through inclusionary zoning or other planning tools. The planning system can relatively effectively deliver upon conditions such as vesting a certain number of units in a registered housing provider. However, the planning system, and councils as responsible authorities within it, should not be expected to enforce ongoing conditions on tenancy such as rent control.

<u>Draft Recommendation 38. Partner with local governments to fund pedestrian infrastructure</u>
<u>Draft Recommendation 39. Transform cycling in Melbourne, Ballarat, Bendigo and Geelong</u>

Modest and 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 recent 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.

Draft Recommendation 41. Reallocate road space to priority transport modes

This recommendation is supported noting that local context will be crucial to consider in a nuanced implementation of such a strategy. Local councils and communities need to be engaged and their issues of concern identified, documented and considered.  This does not mean the loudest voice should monopolise the debate and drown out other valid views.  It may mean a broader view of movement and place objectives and a staged implementation should be considered.

### 2.3. Steer changes in travel behaviour

The MAV has not undertaken sufficient research to determine its position on many of the specific recommendations contained within this section.  Support for some of the recommendations will be dependent on State investment in some of the recommendations from other sections of the strategy to ensure that people have enough transport options available to them.

Influencing travel behaviour to better manage demand for new transport infrastructure is supported. Providing improved information and greater choice for the community to access goods and services and move around is also supported.

A process of trial and adjustment with engagement is supported, including the use of technology to support travel mode decision-making and nudge theory.

Draft recommendation 55. Phase out fixed road user charges and introduce user pays charging

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 as long as rural and regional councils are not disadvantaged by the funding model.

### 2.4. Adapt infrastructure for modern needs

Draft Recommendation 56:  Require accessible buildings for public services

The MAV supports the immediate 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.

Draft recommendation 57. Rapidly renew old public housing

The MAV supports renewal of public housing with a focus on accessibility, design quality and diversity of housing stock.

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 or age, as well as reduced financial capacity to fund their own adaptation actions.

The MAV will continue to seek reassurance from the government that the renewal and construction of new public housing will prioritise ESD in all social and affordable housing constructed and renewed under the Big Build.

Draft recommendation 59. Build back better after emergencies

The MAV strongly supports the need to urgently reform policy and funding mechanisms to ensure critical public infrastructure damaged or destroyed by emergencies can be built to a more resilient standard or in less vulnerable locations.

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 the municipal council is the owner or manager of that building or asset.

Excellent outcomes as a result of community-led planning and council-supported resilience building initiatives are well documented in communities recovering from a major emergency. Unfortunately, council support for these projects is often heavily reliant on temporary, grant or recovery funding and few councils would have the resources to support this level of resilience and recovery planning without external funding.

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

Another pertinent issue for councils is their inability to restore assets to more disaster-resilient standards (betterment) under the Disaster Recovery Funding Arrangements (DRFA). These arrangements, whereby the Australian Government funds up to 75 per cent of the assistance determined to be required by the Victorian Government, need reform to ensure they are meeting the needs of affected communities and enhancing the resilience of critical public infrastructure post-emergency. 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.

Draft recommendation 60. Expand the legislated definition of critical infrastructure and improve information flows

This recommendation is supported. Its implementation will help to ensure all critical infrastructure will continue to function in emergencies, or at least have the capacity to be rapidly repaired.

The MAV notes that Victoria's Critical Infrastructure Resilience Strategy reflects the broader range of infrastructure that is important in emergencies by establishing eight critical

infrastructure sectors: banking and finance, communications, energy, food supply, government, health, transport and water. There is an opportunity to include these sectors in the definition of an essential service in the Emergency Management Act.

The MAV also supports the need to enhance the availability of critical infrastructure information across a broader stakeholder group.  This could include Municipal Emergency Management Planning Committees (MEMPCs) and other key stakeholders. Providing non-sensitive information in an appropriate manner would help MEMPCs and other key stakeholders to plan for risks and impacts associated with infrastructure loss in an emergency.  At the same time, it ensures councils are well-prepared to deliver their relief and recovery responsibilities.

We also believe other critical infrastructure such as local community assets, or community gathering places where people are likely to go for information and support should be included on the Victorian Critical Infrastructure Register. This will help to ensure state and federal support in an emergency is provided at the most appropriate locations. Any work to consolidate this information on the register should occur in partnership with councils, with appropriate resourcing provided.

Draft recommendation 61. Incorporate and act on emergency management and infrastructure resilience recommendations from current bushfire and pandemic inquiries and other reviews underway

The MAV supports the need to incorporate and act on emergency management and resilience recommendations from relevant inquiries and reviews. We also propose incorporating and acting upon any relevant lessons and recommendations identified in broader emergency management improvement initiatives delivered in Victoria.

As it pertains to the work of councils, this support is subject to an independent assessment of each lesson or recommendation identified, to determine the level of appropriateness in light of local community needs and resourcing requirements.

# 3. Harness infrastructure for productivity and growth

## 3.1. Shape the transport network for better access

<u>Draft Recommendation 62. Reshape the metropolitan bus network</u>
<u>Draft Recommendation 63. Connect suburban jobs though premium buses and road upgrades</u>

These recommendations are 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.

<u>Draft recommendation 67. Protect a future option for a new cross-city motorway</u>

MAV does not have a specific policy position on this matter but would encourage consideration of this issue to 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.

## 3.2. Plan for growth areas

<u>Draft recommendation 68. Prioritise and oversee infrastructure delivery in growing communities</u>

The MAV is concerned about "empowering an appropriate government body" to monitor infrastructure delivery and to advise on delivery sequencing and funding. The MAV's support for such a body would be conditional upon the manner and scope of authority of any such body.

While councils and the MAV are always proactively seeking advice as needed in this space, we would not support the establishment of an advisory service if it has determining statutory weight or authority. The final decision on the appropriate delivery of local infrastructure rests with councils because they have the local knowledge and understand best the needs of their growing communities.

The MAV and growth area councils would welcome working together with IV, the VPA and relevant Victorian Government departments to develop a timing and sequencing program for infrastructure. Such a program must also compliment and influence the approval for PSPs to ensure consistency for councils and developers and a transparent process for new communities and growth area councils.

### 3.3. Align social infrastructure with better service delivery

**Discussion questions**

*What other opportunities are there to better align social infrastructure with service delivery?*

Council's investment in social infrastructure presents an enormous opportunity for the Victorian Government to work in partnership with local government to ensure a place-based approach to more effective alignment of council owned social infrastructure and community required service delivery.

# 4. Develop regional Victoria

## 4.1. Enhance market access and productivity

Draft Recommendation 77. Deliver funding certainty for regional road maintenance and upgrades

Regional road maintenance and upgrades are issues of great significance to rural and regional communities and councils. The provision of increased certainty, and more importantly adequacy of funding, would be welcomed.  This would facilitate improved capability for regional councils to manage their assets efficiently and effectively.

A crucial issue for councils is the capacity to assess roads, bridges and culvert infrastructure, particularly for identified strategic freight routes. A federally-funded pilot program being run by the National Heavy Vehicle Regulator, supporting assessment of bridges and culverts has the potential to inform permits decisions, capital works programs and planning for maintenance and renewal. A recent survey of councils saw 90% of respondents identify improved funding as the most effective mechanicm to improve freight outcomes. Linking this funding to a published transport strategy would be even more effective.

## 4.2. Unlock regional economic growth opportunities

Draft Recommendation 84: Boost tourism infrastructure by allowing more national parks to grant long leases

Victoria's natural assets provide opportunities to increase nature-based tourism and generate increased visitation and opportunities for local employment. Extending leases for up to 49 years to aid private sector investment may be appropriate in limited circumstances.   The MAV is concerned that this period could easily become the new expected norm for all leases. We suggest that this recommendation be stronger in requiring a robust process for assessing suitable developments.

Councils, committees of management and Aboriginal traditional owners also need to be involved closely in the development of the criteria and processes that must be worked through before longer-term leases are approved. We recommend that IV provides more information to support the assertion that 29 years is an insufficient length of time to provide certainty for private investment. Disalignment of leasing practices with those of other states does not necessarily mean that Victoria's settings are inappropriate.

### 4.3. Connect the regions to help strengthen wellbeing.

<u>Draft Recommendation 87: Fund regional libraries to provide better internet access</u>

MAV supports this recommendation being prioritised in the short-term to aid local community recovery from COVID-19 and strengthen Victoria's regions to provide free services and access to knowledge. Public libraries offer a universal service that is available free to all in the community, with critical skill and community-building services that aid resilient communities. As well as providing safe and welcoming indoor public spaces, libraries provide access to free Wi-Fi and other supports that help all Victorians to access the digital world.

Growth areas around Melbourne and the regional cities also need to be explicitly included in this strategy to cater for the expected continued increases in population and urban centres during the next 30 years. Continued Victorian Government funding for the Living Libraries program will remain important through the life of this strategy to ensure libraries continue to innovate, provide places for people to meet, and keep Victorians skilled and connected.

<u>Draft recommendation 88. Use rural schools for children's specialist and allied telehealth services</u>

The MAV supports this recommendation but encourages its implementation to build upon current projects in the early years. An example is the By Five project in the Wimmera Southern Mallee that aims to improve children's outcomes across the five Australian Early Development Census (AEDC) developmental domains by the time children turn five-years-old and start school.

By Five is a place-based initiative spanning six local government areas (LGAs): Horsham, Northern Grampians, Buloke, Yarriambiack, Hindmarsh and West Wimmera. The project incorporates health, education and social services. This includes early years, education and community health services and Child First and Integrated Family Services, which were aided by the introduction of specialised paediatric telehealth service from the RCH in 2020. By Five is guided by three project priorities and the Working Together in Place Policy Framework (Victorian Government, 2020).

### 4.4. Foster regional Victorians' health, safety and inclusion

<u>Draft recommendation 89. Deliver multipurpose shared social service facilities in the regions</u>

MAV has always advocated for place based localised responses. Working in partnership with councils and community organisations will ensure social infrastructure can deliver integrated and co-located services in order to meet community needs.

<u>Draft recommendation 90. Support regional councils to update, repurpose or retire outdated community infrastructure</u>

The MAV welcomes the recommendation of financial support to regional councils to update, repurpose or retire community infrastructure.

Local government currently invests heavily in community facilities development and/or refurbishment and maintenance of existing infrastructure. Maintenance of existing assets is a priority for all levels of government due to large amount of infrastructure in Victoria that is either reaching the end of its useful life or experiencing demand beyond design capacity.

Draft Recommendation 91. In the next five years, fund local governments to plan and help deliver a network of designated, accessible climate-adapted community facilities, to manage the health impacts of extreme heat and bushfire smoke

The MAV has some concerns about this recommendation from a community safety and council liability perspective. Advice from the Department of Health to councils on the matter has been that encouraging people to stay safe and cool within their own home is the preferred approach. There are risks associated with travelling to designated centres including travelling through high-risk bushfire areas, over-crowding, and power outages.

Draft recommendation 94. Expand social housing in regional centres, in locations with good access

The MAV supports further an ongoing investment in social housing in rural and regional centres. Lack of access to quality affordable housing is felt acutely in rural and regional areas. Increased targets, funding and planning interventions will be required in these areas to meet desired goals.

Similar to large metropolitan areas, the most accessible and well-serviced locations in regional centres also often carry the highest property values. Planning and infrastructure provision for more social and affordable housing in regional centres needs to be undertaken in a way in which community and council voices are heard. An approach that encourages the use of collaboration with local government is the best way.

Planning reforms should complement, rather than replace, the existing system that emphasises local decision making and community input. This is especially so in rural and regional centres that have complex social connections to place, as well as higher levels of disadvantage.

Draft recommendation 95. Make social housing suitable for changing local climates

As discussed under draft recommendation 57, the MAV strongly supports efforts to improve the resilience and cost of running social and affordable housing. We encourage a speedy rollout of such initiatives because all areas of Victoria are already experiencing the impacts of climate change. The MAV seeks reassurance from DELWP that the Big Housing Build will prioritise Environmentally Sustainable Design (ESD) in all new social and affordable housing constricted under that program. This is critical to ensure that ongoing costs of housing remain affordable and also better protect the health of residents.