

5 July 2024

Legislative Assembly Environment and Planning Committee
Parliament House, Spring Street
EAST MELBOURNE VIC 3002
Email: climateresilience@parliament.vic.gov.au

Dear Committee

Submission to Inquiry into Climate resilience

This submission is made by the Victorian Division of the Planning Institute Australia (PIA). We have drawn on member feedback, existing position papers, previous submissions and other work on the issue of climate resilience. We represent the interests of planning across the State, working in a range of public and private sectors. We use our expertise to advocate for outcomes that are in the long-public interest.

Key messages

The planning system has the capacity to play a pivotal role in mitigating and adapting to the impacts of climate change. Failure to leverage the opportunities presented by the planning system will undermine the achievement of objectives for both adaptation and mitigation.

The planning system needs to establish some clear baseline requirements with relation to climate change and for its role as a 'coordinator' between varying other systems to be recognised. There are some key first steps needed:

Adaptation (planning for and adjusting to the impacts of climate change)

- Get the climate hazard data right and make sure the right data are used for the right purposes.
- Agree on an acceptable level of risk from climate hazards, taking into account the view of both the current community and the risk to future communities.
- Update settlement plans / spatial strategies to reflect risk noting that many fail to adequately address climate change (e.g. current Regional Growth Plans).
- Recognise the need for a more 'dynamic' response to risks, rather than a 'static' response.
- Update VPP tools to provide direction on how to make decisions and design to respond to risks.
- Use the planning system to more effectively support other systems (e.g stronger protection for agricultural land that will remain viable under climate change).

Mitigation (reducing the contribution of the built environment to emissions)

- Recognise that the built environment needs to act faster on mitigation to offset more areas more challenging to mitigate.
- Require all new precincts to be designed as 'zero carbon' precincts.
- Integrate standards into planning controls to reflect legislated net zero targets, including requirements to support cost effective improvements in energy efficiency, net zero emissions, ESD features, EV readiness, green infrastructure, and sustainable transport modes.
- Provide clear policy direction on renewable energy infrastructure (e.g. Victorian Transmission Plan).
- Provide clear spatial directions to delineate where trade-offs need to occur, e.g. where has delivery of renewables been prioritised or de-prioritised relative to environmental values, food supply, landscape values.

Scope of inquiry (for reference)

We understand that the Environment and Planning Committee will inquire into the main risks facing Victoria's built environment and infrastructure from climate change and the impact these will have on the people of Victoria. This includes how the government is preparing for these impacts, the barriers in upgrading infrastructure to become more resilient to the impacts, and the preparedness for future climate disaster events.

On 4 October 2023, the Legislative Assembly Environment and Planning Committee agreed to inquire into, consider and report on the following by 30 June 2025:

(a) the main risks facing Victoria's built environment and infrastructure from climate change and the impact these will have on the people of Victoria;

(b) how the Victorian Government is preparing for and mitigating the impacts of climate change on our built environment and infrastructure;

(c) the barriers facing Victoria in upgrading infrastructure to become more resilient to the impacts of climate change, including barriers in rebuilding or retrofitting infrastructure, including but not limited to, issues relating to insurance and barriers faced by local government;

(d) the adequacy of the current Victorian planning system as it relates to its adaptation to, preparation for, and mitigation of climate change impacts;

(e) what more could be done to better prepare Victoria's built environment and infrastructure, and therefore the community, for future climate disaster events; and

(f) whether further inquiries or investigation may be needed into other aspects of climate change adaptation and climate disaster preparedness in Victoria, noting that climate change will have far-reaching impacts on all aspects of Victorian life, including but not limited to biodiversity, human health, primary production, industry, emergency services and more, and that while these areas may overlap with the matters covered in this inquiry, they may also warrant further investigation in their own inquiries.

We believe the committee will be adequately informed by other submitters as to the range of risks facing the state as a result of climate change. PIA has focussed its submission on matters related to the planning system, as underlined above.

PIA Existing position papers on climate resilience

PIA has published several position papers and submissions on climate resilience, and these are outlined below:

Victoria

- June 2024 – Submission into Federal parliamentary inquiry into flood preparedness
- June 2024 – Correspondence to Ministers regarding approach to housing and climate change
- 1 December 2023 – Media release on PIA VIC Climate change advocacy <https://www.planning.org.au/documents/item/12746>
- 7 December 2022 – Climate Change Joint statement www.planning.org.au/documents/item/12201
- 28 October 2021 – Policy position paper – Planning for Climate Change www.planning.org.au/documents/item/11582
- August 2021 – Draft built environment adaptation action plan submission <https://www.planning.org.au/documents/item/1146>
- February 2021 – ESD road map submission www.planning.org.au/documents/item/11192

National

- 11 April 2024 – Submission on the National Adaptation Plan Issues Paper and Climate Risk Assessment (First Pass) www.planning.org.au/documents/item/12905
- August 2023 – Achieving net zero emissions: an enabling role for planning - www.planning.org.au/documents/item/12553
- <https://insurancecouncil.com.au/resource/planners-builders-and-insurers-unite-to-call-for-urgent-planning-reform/>
Some of the recommendations from this previous (and ongoing) work have been integrated into this submission.

RESPONSE TO TERMS OF REFERENCE

The planning system can play a pivotal role in mitigating and adapting to the impacts of climate change. To date it has not been used effectively to drive mitigation and current approaches to adaptation are failing to align with the rate and scale of impacts likely to affect our State in the coming decades.

PIA has been calling for a comprehensive review of how our planning system is equipped to address climate change for a number of years.

How the Victorian Government is preparing for and mitigating the impacts of climate change on our built environment and infrastructure

The planning system is future focused. As such, the impacts of climate change need to be accounted for, as buildings and infrastructure planned for or approved today need to be climate resilient in 50 -100 years' time. Science clearly informs us that conditions in 50-100 years' time will be very different from those we experience today, yet today's conditions continue to be the focus for many outcomes supported by current approaches.

The planning system can be used to:

- Mitigate climate change – i.e. reduce emissions from the built environment and infrastructure that contributes to climate change. The built environment contributes directly or indirectly to a significant percentage of Victoria's emissions.
- Adapt to climate change – i.e. ensure that we future-proof our built environment and infrastructure from the predicted changes in our climate.

PIA Victoria does not believe that the steps being taken with the planning system (which is the key determinant of built environment outcomes) represent an appropriate level of adaptation and mitigation. The current approach to climate mitigation and adaption is haphazard and uncoordinated at a State-wide level. In particular, mitigation remains largely viewed as only relating to the delivery of renewable infrastructure, despite state policy acknowledging that broader systemic change is needed to support Victoria's energy transition. Examples of this haphazard approach include:

Adaptation

- Flood mapping is applied in an ad hoc manner and does not reflect the latest climate science. There is no consistent dataset which identifies flood hazard across the State, or updated benchmarks to reflect the latest science on sea level rise. This means that strategic planning decisions (such as a Plan for Victoria and rezoning decisions) are being made on the basis of out-of-date or non-existing data. Where data is updated, it is not done so consistently and so the cumulative or other impacts can often be overlooked. This is a critical concern, especially in locations where insurance costs are already reflecting that risk and new land is still being rezoned.
- The tools in place to manage adaptation are not fit-for-purpose, with incremental adjustments being made to VPPs which do not reflect on-the-ground issues.
- A failure to consistently and transparently identify hazards through Victoria's planning schemes means that conversations with the community around responses to these hazards are compromised, and it is difficult to understand relative risk across the state.
- Adaptation responses remain 'static', being a response to a predetermined level of risk which is unlikely to be suitable in delivering meaningful adaptation. Design responses are also siloed and lack the integrated response needed to support meaningful adaptation.

Mitigation

- While 'policy' changes have been made as part of the State ESD Roadmap, the failure to progress any meaningful requirements for new development means the policy has no 'teeth' in implementation. Council is implementing their own policies, creating

inconsistency and uncertainty around expectations for proponents. ESD is still seen as a 'luxury' with design requirements critical to delivering 'climate safe' homes being viewed as 'extras' rather than core components of the design of new dwellings in the state.

- While the critical importance of modal shift is acknowledged in Government policy, there has been a failure to actually implement any review of car parking provisions. The Public Transport Accessibility Level (PTAL) approach which PIA supported has not progressed and our focus on minimum car parking rates, fails to incentive more active forms of transport, despite policy statements.

There has already been significant work undertaken in this regard, but not yet completed. We recommend the completion of existing work and some new actions.

Recommended actions:

- A State-led approach to climate hazard mapping. Adopting the same model which was used for bushfire for other climate hazards, such as sea level rise, coastal erosion and riverine inundation. The updates should reflect the updated benchmarks from the IPCC report.
- Set up a publicly accessible dataset that allows for mapping of various hazards to be looked at holistically.
- Deliver meaningful state level ESD standards for both residential and non-residential buildings. Previous standards proposed have been insufficient to deliver climate resilient housing in the state or to support stated emissions reduction targets.
- Reform car parking provisions and bicycle parking rates aligned with the implementation of the proposed PTAL system.
- Investment in active and public transport as a viable alternative to car use. This would require commensurate changes to infrastructure standards (e.g. such as the Infrastructure Design Manual (IDM) design guidelines, precinct guidelines etc) to make sure that active modes of transport are built in and funded, as well as significant investment in public transport beyond 'headline' projects.
- Deliver meaningful urban greening, including a green infrastructure framework for metropolitan Melbourne, reform of public open space contributions, an increased focus on urban biodiversity, implementation of tools such as the Green Factor Tool and meaningful consequences for the removal of protected canopy vegetation.

The barriers facing Victoria in upgrading infrastructure to become more resilient to the impacts of climate change, including barriers in rebuilding or retrofitting infrastructure, including but not limited to, issues relating to insurance and barriers faced by local government

The key ways the planning system interacts or influences infrastructure upgrades include:

- Combining hazard mapping with settlement plans to identify where infrastructure upgrades should be prioritised.
- Updating hazard mapping in response to infrastructure upgrades once it has been completed.
- Approvals processes for infrastructure upgrades.

Planning and prioritisation of upgrades

Infrastructure upgrades are generally led by agencies with broader responsibilities under other legislation (e.g. by water and road authorities). The infrastructure planning, prioritisation and funding process is not closely coordinated with settlement planning undertaken by State and local government. Often the legislated objectives which guide those authorities differ from those that guide planning. This process should be revisited.

Firstly, infrastructure agencies and planners should all be using the same data to make decisions. We need comprehensive information and mapping of all climate hazards that can be used by everyone. This dataset needs to not only be comprehensive enough to support the different decisions that need to be made (when is consideration of a 1% Annual Exceedance Probability (AEP) event the right metric? or 2%, or MPFL?). Different decisions will carry different levels of risk and should be informed by different considerations i.e. where to site a major new hospital would be different from where to support a two-lot subdivision. Importantly, the chosen 'metric' i.e. 1% AEP must be reflected in Victoria's planning schemes so that the hazard is a consideration in any planning permit. This data should also have a clear line of sight to the latest science.

Victoria's planning schemes still reference a Sea Level Rise benchmark of 'not less than 0.8' (most frequently interpreted as 0.8m – see recent flood modelling and Panel reports) despite the State's Marine & Coastal Strategy identifying that the benchmark would be reviewed and updated in 2022-23. Victoria's planning system is also very 'static' – content in the schemes is updated only periodically and often in an ad hoc manner. This approach does not align well with the dynamic nature of the challenge climate change presents. PIA has advocated strongly for all areas of hazards (including flooding and coastal erosion) to be identified by the State and updated regularly (as occurs for bushfire hazard). This means the role of Local Government and communities can be focused on important conversations about what level of risk is appropriate, how to adapt, what infrastructure is required, how that will be funded etc. Importantly, it also ensures a consistent approach to how hazards are identified in the State.

Secondly, hazard data needs to be considered in conjunction with an agreed risk benchmark or threshold. These benchmarks need to be both future and legacy focused. For example, the State needs to identify what level of risk is acceptable in existing settlements in flood prone areas (e.g. probability of catastrophic flooding must not exceed 1 in 10 years timeframe). If the modelling suggests that the risk criteria will be exceeded, infrastructure upgrades should be prioritised and funded in that location to protect that community. Important conversations about long term outlooks (given planning's role) and honesty about the level of 'protection' offered by infrastructure – including how that 'protection' aligns with planning controls – are also needed. The approach taken in areas of Queensland could serve as a model for this more dynamic approach.

Finally, we note that any risk threshold for new settlements or growth areas should be higher. Victoria will have large enough numbers of housing in 'at risk' areas without approving additional development in new areas of risk. For example, it would not be good planning to allow an expansion of a settlement if it was contingent on the upgrade of a flood barrier or if there was some uncertainty or compounding risk factors (i.e. estuarine locations). In such circumstances, the settlement planning boundary should remain as it is. There should not be any approval of

rezoning of land which is flood affected – and in particular in areas affected by coastal flooding which will increase over time. Once established it is a challenging exercise to relocate communities and the planning system should avoid adding to this burden at all costs.

Responsive hazard mapping

Hazard mapping needs to be updated in response to changes in infrastructure. For example, if a flood barrier is reconstructed and will alter the overland flow paths, this should be reflected in the flood hazard mapping.

This would require a more responsive hazard mapping process than currently exists for more climate hazards.

We do have one example, which is the mapping of the designated Bushfire Prone Areas (BPA). The Department leads this mapping process across all municipalities and reviews the mapping every 6 months. While this is technically a building system map, it is a good example of how mapping can be more responsive.

It is expected that AI and other technologies could be used to aid this review process for all climate hazards. The key will be coordinating datasets and ensuring the assumptions underpinning hazard mapping is consistent and reflects the latest science (e.g. coastal flood studies should reflect the latest benchmarks for sea level rise).

Importantly, there also needs to be clearer guidance about what adaptation infrastructure means for areas which would otherwise be impacted (i.e. by flood). Because State guidance is unclear, and responses are inconsistent. Given the risk of failure and the ‘static’ nature of protection for most ‘hard’ infrastructure responses, authorities are requiring measures such as increased floor levels – but this is not occurring consistently and there is little guidance about matters such as increasing density where the safety of an area is based on infrastructure. The differing responses that may be suitable for nature-based adaptation vs hard infrastructure should also be recognised.

Proportionate approvals process for upgrade works

While the planning system regulates the construction of infrastructure, there are several exemptions that allow public authorities to undertake upgrades without a planning permit. In some locations exemptions may not apply (e.g. in areas of environmental sensitivity).

We recommend the controls should be proportionate to the urgency or priority of the upgrade required (e.g. emergency works can occur without permission, however proactive upgrades may need a more careful assessment against environmental standards if significant earthworks are required). Sufficient ‘pathways’ have been created via recent changes to the VPPs to allow for approvals to be expedited.

The adequacy of the current Victorian planning system as it relates to its adaptation to, preparation for, and mitigation of climate change impacts

PIA Victoria’s view is that the current planning system is not adequately supporting the State’s emission reduction targets, nor is it functioning in a way which will support adaptation to climate change. There is significant scope for improvement in both areas.

In adaptation planning pathways, land use planning is a core component and one of the first steps in any adaptation pathway. Getting the land use planning right – where we support growth, how we design our environments – should be the first piece of any response to climate change adaptation.

We note, the failure at State level to meaningfully progress any action regarding specific requirements for environmentally sustainable design, and for any meaningful progress on responses to the Urban Heat Island effect via the planning system. Importantly, many of the opportunities for both mitigation and adaptation are being addressed in a ‘siloed’ manner within the planning system which is not fit-for-purpose’ in responding to climate change, increasing the risk of maladaptation. Previous planning system responses such as expediting reconstruction in areas that have been devastated by bushfires should be considered in a more nuanced way where these areas are likely to be subject to more frequent and intense hazards over the coming decades. Resettlement and retreat from increasing hazards are a very complex and long-term proposition, and a challenge that has yet to be addressed in this state.

While important steps have been taken in terms of sustainable growth patterns recently (i.e. the reaffirmation of the 70/30 split) it is important that this growth, wherever it occurs, considers mitigation and adaptation outcomes. This is not occurring in a manner PIA Victoria believes to be aligned with best practice. For example, significant investment and renewal is likely to occur at precinct scale across metropolitan Melbourne, yet there is no requirement that these are designed to be ‘net zero’ or ‘zero carbon’ despite the timing of their development meaning they will be functioning well beyond Victoria’s net zero target date. Similarly, there is no requirement that these precincts undertake an assessment and deliver a meaningful response to adaptation – a ‘climate change response plan’ remains an ‘optional extra’ under Victoria’s recently updated Precinct Structure Planning Guidelines.

PIA Victoria is also concerned that the current focus on housing affordability is being considered through a very narrow, development industry-led lens. Housing is not affordable if you cannot pay your insurance costs or if you require multiple vehicles to access basic services and facilities. Housing is not affordable if you do not have energy security or if your health is at risk in times of extreme temperature fluctuations. Housing crisis responses and climate change responses must be integrated – it is not a case of prioritising one or the other.

What more could be done to better prepare Victoria’s built environment and infrastructure, and therefore the community, for future climate disaster events

PIA believes there are key steps that would support a more resilient built environment for communities across the state. These are addressed in more detail in the submissions noted above and in previous sections of this submission. Important overarching steps include:

- Undertaking a comprehensive (external) audit of the Planning System with a focus on maximizing the value it can bring in delivering both mitigation and adaptation. Currently different parts of the planning system work against each other and do not integrate with other Acts.
- Appointing an expert advisory Panel comprising appropriate representation to review all recommended responses in a transparent manner.

- Including ESD standards which support both emissions reduction and the future climate safety of Victorians in requirements for new buildings which trigger a planning permit.
- Developing a publicly accessible database of all hazard mapping, including differing parameters to allow decision-makers and the community to understand different impacts over different time periods and for different levels of impact.
- Undertake a range of updates to the tools (VPPs) that planners use to manage hazards (and support appropriate land use planning outcomes).

Next steps

We look forward to the opportunity to present to the committee to explain our submission in more detail.

[Redacted signature line]

Yours sincerely

[Redacted signature]

Patrick Fensham
President,
Planning Institute Australia (Victoria)