



Victoria's 2026-30 Climate Change Strategy

**City of Melbourne submission to
Department of Energy, Environment and
Climate Action**

April 2025

8 April 2025

Department of Energy, Environment, and Climate Action (DEECA)
PO Box 500 East Melbourne, VIC, 8002

To: Department of Energy, Environment and Climate Action

Re: Victoria's 2026-2030 Climate Change Strategy

Introduction

The City of Melbourne welcomes the opportunity to provide input into the Victorian Government's 2026-30 Climate Change Strategy.

The City of Melbourne commends the Victorian Government for the comprehensive suite of policies and programs it has already introduced in the areas of energy, transport, waste, adaptation, resilience, planning and the built environment; in particular its Gas Substitution Roadmap, support for large scale renewable energy generation through the Victorian Renewable Energy Target scheme, and the development of Adaptation Action Plans.

This submission is provided on behalf of the management of the City of Melbourne and is based on endorsed Council policy, including Council's [Response to the Climate and Biodiversity Emergency \(2020\)](#), [Climate Change Mitigation Strategy \(2018\)](#), [Climate Change Adaptation Strategy \(2017\)](#), and proposed [Amendment C376 – Sustainable Building Design](#).

The City of Melbourne's submission is founded on the following key principles:

1. **Urgent action is required** – Rapid action must be taken to build community resilience and avoid climate change impacts becoming more extreme and irreversible. Adapting public infrastructure needs to happen sooner rather than later to reduce risk and avoid future retrofitting costs in the face of more frequent extreme weather events.
2. **Tackling climate change is an economic opportunity** – transitioning to a climate-safe future presents enormous opportunities to develop the clean economy, generate jobs, boost productivity, and position Victoria as a leader in renewable technologies and clean production. Cost effective solutions are available today. The economic costs of inaction are far greater than the cost of action.
3. **Responses to climate change must be socially inclusive and equitable** – the transition to a net zero, climate resilient community and economy needs to be managed to ensure that the benefits are shared equitably and that the costs are not unduly borne by vulnerable communities and those least able to afford it.
4. **Aboriginal knowledge and self-determination must be prioritised** – responses to climate change mitigation and adaptation should be informed by First Nations communities' deep cultural knowledge and experience in caring for Country, while centering self-determination.

The City of Melbourne has long been committed to addressing the impacts of climate change, with Council unanimously declaring a Climate and Biodiversity Emergency in July 2019. We recognise that urban, rural and regional communities will bear the brunt of climate change impacts due to increasingly severe heatwaves, droughts, bushfires, flooding and sea-level rise. Bolder action is needed to address and prepare for the interdependencies of climate change impacts and the environmental, social and economic disruption that will result as businesses and markets respond to climate risk and stranded assets.

The impacts of climate change are already having a significant impact on our communities and businesses which operate within the City of Melbourne. The Intergovernmental Panel on Climate Change ([IPCC, 2023](#)) has reported to the world community that average global temperatures have already increased by 1.1° Celsius. Some of the most concerning impacts of climate change that need to be urgently addressed include:

- the health, resilience and social disruption of our communities
- rising inequity of vulnerable communities who may be disproportionately affected
- disruption to the delivery of critical council services
- economic impacts of disruption on households, businesses and public assets
- water and food supply, water catchments and coastlines
- increased costs and maintenance of energy, transport, and building infrastructure
- transition risks in the insurance, finance, primary production, energy, transport and property sectors
- loss of ecosystems and biodiversity affecting urban forests, parks and gardens.
- cost of climate adaptation and mitigation measures placing strain on budgets.

If Melbourne is to remain a liveable city for future generations, stronger action is needed to reduce emissions and adapt to the impacts of climate change.

We recognise that the health, liveability and prosperity of our municipality is dependent on the wellbeing and environmental sustainability of all Victorian communities and ecosystems. Responding to climate change means transitioning Victoria's energy, food and water systems whilst facilitating a circular economy.

Local governments can be key partners in the just transition from fossil fuel powered cities to renewable and climate resilient communities, but we need supporting policy changes and action by the Victorian and Australian Governments. Communities rely heavily on the services and assets provided by local government, many of which are already being impacted by climate change. We urge the Victorian Government to increase its ambition to address the climate emergency in partnership with local governments and communities.

The City of Melbourne encourages the Victorian Government to partner with local governments to accelerate the transition towards a zero-emissions, climate resilient future for all Victorians, and makes the following recommendations:

1. Demonstrate leadership on climate change

Rapid emissions cuts in this decade are necessary to prevent more severe climate and economic impacts. The development of the Victorian Government's 2026-30 Climate Change

Strategy provides an important opportunity for the Victorian Government to lead the way, by setting a more ambitious pathway for reducing emissions and strengthening climate resilience over the next five years, in partnership with local government.

- Recommendation 1.1 Set science-based emissions reduction targets for Victoria to achieve net zero emissions by 2040.
- Recommendation 1.2 Develop sector pledges under the *Climate Change Act 2017* that commit to accelerated emissions reductions.
- Recommendation 1.3 Publicly report progress towards zero emissions on an annual basis.
- Recommendation 1.4 Embed multilevel governance approaches to climate change by engaging with local governments as trusted partners to deliver place-based solutions to climate change.
- Recommendation 1.5 Advocate to the Australian Government to implement a national, integrated governance climate policy and investment framework that recognises the roles of state and local governments.
- Recommendation 1.6 Amend the Climate Change Act to enable local governments to take legislative action and deliver on their climate change pledges and commitments.

2. Accelerate renewable energy generation and supply

The Victorian Government's legislated target for electricity to be generated from 95 per cent renewable energy by 2035 is commendable and provides clear policy direction for the state. However, further enabling policies are required to ensure that local governments, businesses and communities are empowered to play a role and share in the benefits of this transition.

Based on the City of Melbourne's experience, facilitating pathways for businesses and apartment communities to source renewable energy supply through power purchase agreements would be an effective approach. The City of Melbourne has demonstrated the feasibility of transitioning to 100 per cent renewable energy with the [Melbourne Renewable Energy Project](#) as a proven approach for collaborative procurement of clean energy, that could be expanded to business and residential communities.

- Recommendation 2.1 Establish a clear roadmap to phase out coal and gas-fired electricity generation in Victoria by 2030, including industry and place-based urban and regional transition plans.
- Recommendation 2.2 Recommend the Victorian Government's 2021 proposal to establish a Market Facilitation Platform to support medium-large energy users, including apartment buildings, to benefit from direct contracting with renewable generators.
- Recommendation 2.3 Commit to a third Victorian Renewable Energy Target auction to support the implementation of a Market Facilitation Platform and uptake of Power Purchase Agreements for Victorian businesses.
- Recommendation 2.4 Support community energy and storage projects to ensure widespread access to clean power.

- Recommendation 2.5 Clarify fire safety requirements under the Building Code, with explicit provisions related to connecting mid-scale battery energy storage systems and electric vehicle charging infrastructure.
- Recommendation 2.6 Increase support available to apartment residents and strata communities through the Solar for Apartments Program by providing additional funding for solar and electrification opportunity assessments.

3. Deliver low embodied carbon, gas-free, all electric, climate-ready buildings and precincts

To ensure buildings and precincts are net-zero ready and future-proofed for a changing climate, urgent action is needed to improve planning and building performance standards. Furthermore, communities require greater support from the Victorian Government to electrify their homes, improve thermal comfort, and save on energy costs.

In the City of Melbourne, where commercial buildings account for over 50 per cent of community-wide emissions, more than 80 mid-tier office buildings will need to undergo a deep electrification retrofit every year to ensure we achieve our net zero emissions target by 2040. Facilitating climate-ready building upgrades and the adaptive re-purposing of existing buildings must be a priority in the Victorian Climate Change Strategy to ensure that the capital city and regions remain viable to accommodate a sustainable and vibrant economy of the future.

It is equally important for the Victorian Climate Change Strategy to consider the sustainability and climate resilience standards that will apply to new development—whether through the Building Code, the Victoria Planning Provisions or other mechanisms. New buildings should be constructed with low embodied carbon materials and designed to operate sustainably, provide multiple functions over their lifespan and provide for adaptive re-use at their end of life.

The City of Melbourne has been doing all it can to address the climate impacts of new buildings and developments. With regard to sustainability standards in the Planning Scheme, the City of Melbourne has developed Amendment C376, which proposes to introduce new sustainable building design standards for new buildings as well as substantial alterations and additions that meet a specified size threshold. The standards address environmentally sustainable design, energy efficiency and renewables, waste and resource recovery, urban heat island response, urban ecology, integrated water management and, for the Central City and Docklands, sustainable transport. They draw on established and industry accepted rating tools (Green Star, NatHERS, NABERS and BESS) as well as the Green Factor Tool developed by the City of Melbourne. Council is currently reviewing the Panel Report for the amendment, in preparation of making a final decision on its adoption.

If C376 is approved by the Minister for Planning, the City of Melbourne will have leading sustainability standards for new development. The State Government, as part of the development of the Climate Change Strategy, should consider whether a similar amendment applying State-wide could be introduced. This could serve to implement several of the recommendations listed below.

- Recommendation 3.1 Require that new commercial building developments and alterations to existing buildings are all-electric, achieve high environmental

building performance with zero carbon operation and are climate resilient.

- Recommendation 3.2 Complete the implementation of the ESD Roadmap to deliver revised and new planning standards in the Victoria Planning Provisions
- Recommendation 3.3 Advocate to the Australian Government to increase the required Nationwide Housing Energy Rating Scheme (NatHERS) performance rating for new homes from 7 to 7.5 stars in the next National Construction Code update.
- Recommendation 3.4 Introduce minimum energy performance and electrification requirements and interim targets for existing commercial and residential buildings.
- Recommendation 3.5 Partner with local governments and expand incentives for building retrofits through programs such as Retrofit Melbourne.
- Recommendation 3.6 Ensure precincts and activity centres leverage their capacity to efficiently deliver precinct-wide waste systems, stormwater management and consolidated parking structures.
- Recommendation 3.7 Develop a new sector pledge under the Climate Change Act 2017 specific to the building sector, establishing reduction targets and actions that transform energy demand and drive electrification upgrades in Victoria's existing commercial and residential building stock.
- Recommendation 3.8 Introduce minimum energy performance standards for rental properties, ensuring renters benefit from lower energy costs.
- Recommendation 3.9 Increase support for communities to transition from gas by establishing partnerships with trusted intermediaries (e.g. councils, community energy groups) who provide facilitation and outreach services that bridge the gap between households and Victorian Government programs such as Victorian Energy Upgrades scheme and Solar Homes.
- Recommendation 3.10 Transition the Victorian Energy Upgrade scheme from a greenhouse metric to an energy metric to better support electrification activities. Reform the Project Based Activity method to facilitate more fuel switching activities in commercial buildings.
- Recommendation 3.11 Introduce an ambitious sub-target to the Victorian Energy Upgrade scheme that incentivises additional upgrades for eligible low-income and vulnerable households, and activities that aid management of peak demand.
- Recommendation 3.12 Deploy grant programs specifically targeting the private and community sectors to cover the uplift costs of switching to electric alternatives at end of life.
- Recommendation 3.13 Review the Victorian Owners Corporation Act 2006 to better support energy efficiency and broader sustainability upgrades in apartment

buildings by lowering voting thresholds for sustainability investments (to 50% simple majority) and mandating sustainability considerations in owner corporation decision-making.

- Recommendation 3.14 Establish a government-led support program for Owners Corporations that provides financial incentives or low-interest loans to support energy retrofits, renewables and storage in apartment buildings. Expand the role of Consumer Affairs Victoria to provide guidance and support.
- Recommendation 3.15 Require maximum allowable embodied carbon limits for all building types.

4. Drive uptake of zero emissions vehicles, cycling, walking and public transport

Emissions from on-road transport are the fastest growing source of emissions in the City of Melbourne, and across the state. The City of Melbourne's Transport and Climate Change Mitigation Strategies call for urgent investment in public transport, active transport, and low-emission transport infrastructure to achieve net zero mobility by 2040.

- Recommendation 4.1 Introduce specific provisions in the Victoria Planning Provisions for electric vehicle charging in buildings, and advocate to ensure provisions are complementary in the National Construction Code for applicable building types.
- Recommendation 4.2 Support the build-out of public electric vehicle chargers, including off-street and pole-mounted charges, through regulatory reform and funding support programs.
- Recommendation 4.3 Increase the frequency and reliability of public transport to reduce car dependency.
- Recommendation 4.4 Expand safe cycling and pedestrian infrastructure, building protected and connected cycling corridors, and prioritizing active transport over road expansions.
- Recommendation 4.5 Electrify all public transport buses and ensure they are powered by 100% renewable electricity.
- Recommendation 4.6 Require the Port of Melbourne to provide ship-to-shore power supply for container ships in port, ensuring power supply is from renewable sources.
- Recommendation 4.7 Advocate to the Australian Government for stronger emissions standards for freight and commercial transport.
- Recommendation 4.8 Electrify the core V/Line network, starting with lines to Melton and Geelong. Reduce idling of diesel trains in the central city.
- Recommendation 4.9 Support local government projects that reallocate road space to higher performing modes and uses, including converting traffic lanes to footpaths, bike lanes, bus lanes, tram lanes and greening.

- Recommendation 4.10 Remove requirements for mandatory car parking provisions in metropolitan areas.
- Recommendation 4.11 Measure metropolitan and state-wide vehicle kilometres travelled (VKT) to assist with future policymaking.
- Recommendation 4.12 Support the City of Melbourne's mode share target of 70% of all journeys to be made by walking, cycling, and public transport within the municipality.
- Recommendation 4.13 Reaffirm, strengthen, and measure the Victorian Government's prior commitment to a 25% walking and cycling mode share.

5. Create a circular economy

Victoria must transition to a circular economy to reduce emissions and waste while creating economic opportunities. To drive this transition, the City of Melbourne supports stronger resource recovery policies, expanded recycling programs, sustainable procurement policies and reducing embodied carbon in building and infrastructure projects.

- Recommendation 5.1 Create a circular economy, designing out waste and reusing materials to extend their lifespan. Set clear waste reduction targets, including phasing out of single-use plastics and mandating recycled content in new products.
- Recommendation 5.2 Lead the transition to low embodied carbon development, investing in material recovery and product development and mandating low embodied carbon products for all major infrastructure projects in Victoria.
- Recommendation 5.3 Prioritise recycled content in Victorian Government procurement and create strategic partnerships to stimulate end markets.
- Recommendation 5.4 Support businesses in adopting circular economy models, ensuring materials are reused and repurposed for as long as possible.
- Recommendation 5.5 Provide support to local governments to enable apartment residents to access fit-for-purpose food and garden organics and glass recycling options.
- Recommendation 5.6 Increase investment in local recycling and remanufacturing infrastructure.
- Recommendation 5.7 Pilot innovative solutions to waste management including waste dehydrators in high density urban environments.

6. Increase investment in climate resilience

The City of Melbourne plays a critical role in protecting the community from the impacts of climate change through the delivery of roads, buildings, open spaces, drains and other local assets. Our modelling shows that the cumulative costs of climate change hazards and damage to City of Melbourne assets are projected to increase from \$2 million annually today to between

\$22-37 million by 2100 in a 'do nothing' base case scenario. Local governments must manage the risks to infrastructure and to community as part of their requirements under the Local Government Act 2020 and the Climate Change Act 2020. Whilst grants-based funding initiatives are appreciated, they provide no steady stream of investment security for the longer-term iterative work that is critical to building climate-ready infrastructure.

Further efforts are also needed to enhance emergency management capability and community preparedness. This point is underscored by the recent City of Melbourne Community Resilience Assessments which reveal that most of the participants were not confident they would know what to do before, during and after disasters.

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| Recommendation 6.1 | Provide local governments with access to secure long-term funding for climate resilience and better prepare infrastructure for climate change by funding high-priority, cost-effective infrastructure adaptation actions. |
| Recommendation 6.2 | Lead improvements to the process for Victoria Planning Provisions, enabling more timely updates as new data and information on climate change hazards is released. |
| Recommendation 6.3 | Advocate for the Essential Services Commission to consider future climate change impacts when assessing business cases for water corporations noting the financial barriers for local governments to independently deliver water security projects. |
| Recommendation 6.4 | Provide up-to-date climate change data and information. Ensure that representative terminology is used when describing climate change impacts. For example, referring to a 100-year flood is misleading and instead Government should refer to the annual exceedance probabilities for flood events. |
| Recommendation 6.5 | Reinforce the urgent need for climate change action through emphasising the impact that climate change is having on both global and local populations, particularly on vulnerable populations. The Victorian Government's recent guidance, <i>Tackling climate change and its impact on health through municipal health and wellbeing plans</i> , provides relevant context. |
| Recommendation 6.6 | Clarify insurance arrangements to support private sector adaptation and assist the insurance industry to develop appropriate products for the future. |
| Recommendation 6.7 | Fund programs to foster community resilience that support those most vulnerable to the impacts of climate change. |

7. Create more spaces for greening and biodiversity

The City of Melbourne's Open Space Strategy, Urban Forest Strategy and Nature in the City Strategy call for urgent investment and prioritisation in the provision of land for a diverse open space network, designed to integrate sustainable water reuse, whilst improving biodiversity and nature conservation values.

- Recommendation 7.1 Strengthen biodiversity and nature conservation values across the open space network, through improvements to existing habitats and the creation of additional habitat, including along waterway corridors and linear reserves.
- Recommendation 7.2 Provide land and funding provision to create an open space network in urban renewal areas and areas in the process of change, providing a diverse range of open space hierarchy types applicable to the size and extent of the area.
- Recommendation 7.3 Unlock land and funding to create an open space network linked system via the local street network or other suitable method - for example linear connectivity along waterway corridors.
- Recommendation 7.4 Provide integrated sustainable water reuse into the future design and management of the open space network, including the treatment of urban stormwater runoff to improve the quality of receiving waters.
- Recommendation 7.5 Allocate new large open space for sport, recreation, tree planting, biodiverse planting, cool refuge and social connections in state-owned urban renewal areas, that is unencumbered by other uses such as drainage.
- Recommendation 7.6 Fund additional local government open space and urban greening initiatives, such as tree planting to achieve greater canopy cover and urban cooling.
- Recommendation 7.7 Create space for urban tree canopy growth by advocating for utility companies to plan for new and upgraded services to be placed in existing service trenches; create service banks to allow for underground spaces to be kept for tree planting purposes; or for above ground electrical infrastructure to be upgraded to bundle cables or away from existing tree canopies.
- Recommendation 7.8 Protect and enhance urban waterways and waterway corridors and environs, including the Moonee Ponds Creek and Maribyrnong River, as places of cultural, social and environmental significance; recognising the *Wilip-gin Birrarung murron Act 2017* and Burndap Birrarung burndap umarkoo, Yarra Strategic Plan as useful templates.

Conclusion

The City of Melbourne urges the Victorian Government to develop and adopt a highly ambitious and comprehensive Victorian Climate Change Strategy that accelerates emissions reductions, supports a clean energy transition, enhances greening and biodiversity, and strengthens the climate resilience of our cities and communities.

Victorian Government policy settings are critical to the delivery of City of Melbourne's emissions reduction targets, greening, planning and climate resilience goals. Policy changes are needed to

accelerate the transition away from fossil fuels, and towards 100 per cent renewable energy, zero emissions buildings, precincts and transport, and create circular economies. Funding mechanisms to increase the climate resilience of public infrastructure will be essential especially in high-risk areas.

Increasingly severe and frequent heatwaves, storms and floods will continue to disrupt communities and businesses and impact health, buildings and infrastructure. Bolder and more aspirational updates to the Victoria Planning Provisions and other relevant legislative requirements are urgently needed to reduce emissions and prepare Victorian communities for the impacts of climate change.

We welcome the opportunity to contribute to this consultation and we stand ready to collaborate with the Victorian Government to help develop and implement these recommendations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Libby Phillips', written in a cursive style.

Libby Phillips

Director, Climate Change and City Resilience (Acting)