



Victorian
Government
response to the
Parliamentary
Inquiry into the
supply of homes in
regional Victoria

 May 2026

Final

VICTORIA
State
Government

Department
of Transport
and Planning



Acknowledgement of Country

We proudly acknowledge Victoria's Traditional Owners and their ongoing strength in practising the world's oldest living culture.

We recognise the diversity of Victoria's Traditional Owners in being distinctive communities with their own set of laws, customs and processes built upon tens of thousands of years of knowledge. We acknowledge the Traditional Owners' lands and waters on which we live and work and pay our respects to their Elders, past and present.

Authorised by the Victorian Government

1 Treasury Place, Melbourne 3002

© Copyright State of Victoria Department of Transport and Planning 2026

You are free to reuse this work under a Creative Commons Attribution 4.0 International Licence provided you credit the State of Victoria as author, indicate if changes were made and comply with the other licence terms. The licence does not apply to any third-party material, images or branding, including the Victorian Coat of Arms and government logos.

Disclaimer

This publication may be of assistance to you, but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence that may arise from you relying on any information in this publication.

Accessibility

If you would like to receive this publication in an alternative format, please telephone our Customer Contact Centre on 136 186, email customer.service@delwp.vic.gov.au or via the National Relay Service on 133 677 www.relayservice.com.au. This document is also available on the internet at www.dtp.vic.gov.au.



Contents

Acknowledgement of Country	1
Abbreviations	4
Introduction	5
Response to recommendations	6
Social consequences of housing shortages	6
Recommendation 1	6
Recommendation 2	6
Recommendation 3	7
Collaborative housing solutions	8
Recommendation 4	8
Recommendation 5	8
Recommendation 6	9
Recommendation 7	10
Recommendation 8	10
Recommendation 9	11
Recommendation 10	11
Recommendation 11	12
Recommendation 12	12
Stimulating residential development	13
Recommendation 13	13
Recommendation 14	13
Recommendation 15	13
Recommendation 16	14
Recommendation 17	15
Recommendation 18	16
Recommendation 19	17
Recommendation 20	17
Recommendation 21	18
Recommendation 22	19
Recommendation 23	19
Delivering affordable and diverse housing	20
Recommendation 24	20



Recommendation 25	20
Recommendation 26	21
Recommendation 27	22
Recommendation 28	23
Recommendation 29	23
Recommendation 30	24
Recommendation 31	24
Recommendation 32	24
Recommendation 33	25
Recommendation 34	25



Abbreviations

APRAP	Aboriginal Private Rental Assistance Program
DFFH	Department of Families, Fairness and Housing
DFP	Development Facilitation Program
DJSIR	Department of Jobs, Skills, Industry and Regions
DTP	Department of Transport and Planning
FROR	First Right of Refusal
HCAP	Housing Capacity Assessment Platform
ICP	Infrastructure Contribution Plans
Housing Statement	<i>Victoria's Housing Statement: The decade ahead 2024–2034</i>
LAP	Local Area Plan
MMC	Modern Methods of Construction
PRAP	Private Rental Assistance Program
PSP	Precinct Structure Plan
RDV	Regional Development Victoria
RPH	Regional Planning Hub Program
RWAF	Regional Worker Accommodation Fund
TAFE	Technical and Further Education
UDP	Urban Development Program
VCAT	Victorian Civil and Administrative Tribunal
VPA	Victorian Planning Authority



Introduction

The Victorian Government has demonstrated a strong and ongoing commitment to improving housing supply and affordability across regional Victoria, supporting communities to access housing close to jobs, transport, education and essential services.

Through the Department of Transport and Planning (DTP), this commitment has been advanced by the implementation of a coordinated suite of planning reforms that give effect to **Victoria's Housing Statement: The Decade Ahead 2024–2034** (the *Housing Statement*) and **Plan for Victoria**.

Key initiatives implemented across the Victorian Government for regional Victoria include:

- **New residential development standards** for single dwellings, townhouses and low-rise apartment buildings to enable increased housing diversity and more efficient use of serviced land.
- **Streamlined planning approval pathways** to reduce assessment timeframes and provide greater certainty for housing development.
- **New approaches to Precinct Structure Planning** supporting the delivery of zoned land for housing in regional growth areas, with active pipelines contributing to new homes.
- **Regional Worker Accommodation Fund** delivering fit-for-purpose, affordable accommodation for key workers in regional communities.
- **Regional Housing Fund** supporting the delivery of new social and affordable housing in rural and regional Victoria through Homes Victoria and delivery partners.
- **Investment in apprenticeships, TAFE facilities and its relevant programs** continue to be a vital part of the Victorian Government agenda for regional Victoria.
- **Enabling faster delivery of housing on small lots** through the *Small Lot Housing Code*, increasing land efficiency and housing supply in regional areas.
- **Modern Methods of Construction (MMC) Programs** are increasing the speed, affordability and scalability of housing delivery in regional Victoria through prefabrication and innovative construction techniques.
- **Reforms to enable affordable housing contributions**, including a new head of power to support inclusion, with enabling regulations.

The *Inquiry into the supply of homes in regional Victoria* examined barriers to the construction of new homes and opportunities to bolster supply. Through 118 submissions, five days of public hearings and numerous regional site visits throughout 2025, the inquiry learned that residential development in rural and regional Victoria can be constrained by land supply, infrastructure delivery, regional skill shortages and high construction costs. The Committee's final report contained 34 recommendations.

The Victorian Government supports 28 of the Committee's recommendations either in full, part or principle and has advanced several actions since the report's release in November 2025. Four recommendations remain under review, including matters requiring alignment with broader processes.

Implementation of recommendations within the *Inquiry* will require investment from the Victorian Government to fully implement, additional funding is required to be considered as part of future budget processes or will be funded within existing Departmental resources.



Response to recommendations

Social consequences of housing shortages

Recommendation	Victorian Government Response
<p>Recommendation 1</p> <p>That the Victorian Government set new targets for social housing that reflect the projected need for specialist youth housing, crisis accommodation for victim-survivors of family violence, accessible properties for older residents and supported living arrangements for Victorians living with mental illness or disability.</p>	<p>RESPONSE: SUPPORTED IN PART</p> <p>Action 4 of <i>Plan for Victoria</i> includes the short-term milestone to consider setting policy targets for new social and affordable homes and to review the legislative framework that supports the delivery of social and affordable housing.</p> <p>The implementation of this action is underway. DTP and DFFH have commenced work on setting appropriate targets for social and affordable housing which will capture system wide demand across the State, including regional Victoria. Recent amendments to the <i>Planning and Environment Act 1987</i> would allow for collection of mandatory social and affordable housing contributions and will shape the implementation of this action.</p> <p>While social housing is designed to address long-term housing needs, the Victorian Government also invests in cohort specific housing such as Mental Health Supported Housing, funded through the Big Housing Build, crisis and transitional housing and Youth Foyers that deliver wrap around housing, education and health and human services supports.</p>
<p>Recommendation 2</p> <p>That the Victorian Government align its investment in social housing to fully implement <i>Mana-na woorn-tyeen maar-takoort: the Victorian Aboriginal housing and homelessness framework (2020)</i>. This should encompass ongoing funding for Aboriginal Community Controlled Organisations to deliver culturally safe housing in line with projected demand, and to deliver wraparound social support to tenants.</p>	<p>RESPONSE: UNDER REVIEW</p> <p>This recommendation aligns with the Yoorrook Justice Commission Yoorrook for Transformation recommendation 86. The Victorian Government will provide a public response to the Yoorrook for Transformation recommendations in early 2026. Following this, a final response can be provided for Recommendation 2 for the Inquiry into the supply of homes in Regional Victoria.</p> <p>The Victorian Government has progressed key deliverables in alignment with the strategic objectives of the Victorian Aboriginal Housing and Homelessness Framework since 2020. This work is guided by the Aboriginal Housing and Homelessness Forum, in line with the Victorian Government's commitment to establishing transparent, Aboriginal-led accountability of government consistent with self-determination.</p> <p>Further work is required to determine the scope and level of funding required to enable full implementation, noting the scale and complexity of objectives within <i>Mana-na woorn-tyeen maar-takoort</i>.</p>



Recommendation	Victorian Government Response
<p>Recommendation 3</p> <p>That the Victorian Government advocate for the Australian Government to increase income support, particularly Youth Allowance and Jobseeker payments, to levels commensurate with the cost of living.</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The Victorian Government recognises that financial insecurity is a key contributor to housing insecurity, and that setting income support payments at an adequate level could improve access to appropriate housing for Victorian households. The Victorian Government will continue to work with, and advocate to, the Commonwealth Government on income support payments, with a view to achieving the best outcomes for Victorians.</p>



Collaborative housing solutions

Recommendation	Victorian Government Response
<p>Recommendation 4</p> <ul style="list-style-type: none"> – retain, update and expand existing regional growth plans to support the implementation of <i>Plan for Victoria</i>. The updated plans must identify well-serviced locations in existing urban areas and new greenfield growth areas suitable for housing development. They must address regional constraints and leverage economic development to support housing supply. 	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The <i>Planning Amendment (Better Decisions Made Faster) Act 2026</i> introduced a statutory mechanism for the Minister for Planning to prepare regional planning strategies, replacing previous regional growth plans with a consistent framework which sets out the State’s overarching goals, land use and development directions for each region.</p> <p>The Victorian Government does not support the retention, update or expansion of the eight regional growth plans which were published in 2014.</p> <p>The Government supports the preparation of regional strategies which align to the statutory directions of the amended Act. Regional planning strategies in accordance with the amended Act will build on the existing identification of well-serviced locations suitable for housing development identified in a <i>Plan for Victoria</i> to deliver an integrated approach to regional planning with clear directions for housing and land use. <i>Plan for Victoria</i> identifies regional housing targets and prioritises housing growth within existing settlement boundaries and established urban areas, supporting more compact, efficient and sustainable regional communities while maximising existing infrastructure.</p>
<ul style="list-style-type: none"> – establish regional taskforces to review, update and expand regional growth plans, and drive their implementation. The Department of Transport and Planning should facilitate the taskforces, with membership including local governments, telecommunication companies, utility and essential services, developers, local industries, community housing organisations and others involved in housing supply. 	<p>The Government supports in principle the establishment of regional task forces to support the preparation of regional planning strategies. The Government supports regional development, through Regional Development Victoria, including Regional Partnerships and the Regional Development Advisory Committee, and funds projects progressed through the Australian Government’s Regional Development Australia network. Collectively, these arrangements maintain strong, cross-portfolio relationships with local communities, local government and industry.</p>
<p>Recommendation 5</p> <p>That the Victorian Government require updated regional growth plans to integrate settlement and infrastructure planning to support</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The <i>Planning Amendment (Better Decisions Made Faster) Act 2026</i> introduced a statutory mechanism for the Minister of Planning to prepare regional planning strategies, replacing previous regional growth plans with a consistent framework which sets out the State’s overarching goals, land use and development directions for each</p>



Recommendation	Victorian Government Response
<p>the implementation of <i>Plan for Victoria</i>. They should clearly prioritise, sequence and build community and service infrastructure to unlock new housing supply and support developing communities.</p>	<p>region. As outlined in the response to Recommendation 4, the Victorian Government does not support the retention, update or expansion of the regional growth plans.</p> <p>The Government recognises the need for closer integration of settlement and infrastructure planning to support the implementation of <i>Plan for Victoria</i>. Regional planning strategies are a new mechanism to more explicitly integrate settlement and infrastructure planning, including the prioritisation and sequencing of housing growth alongside the delivery of community, service and enabling infrastructure.</p> <p>Through the implementation of <i>Plan for Victoria</i>, the Victorian Government is supporting regional councils plan for more housing through implementation of housing targets, which will ensure more homes are provided in locations with access to opportunities and services. Settlement boundaries will also be established throughout regional Victoria encouraging more compact and efficient settlements that make the most of existing infrastructure and services.</p>

<p>Recommendation 6</p> <p>That the Victorian Government incorporate consideration of infrastructure funding in rural and regional contexts as part of its review and pilot program for community infrastructure developer contributions under Action 9 of the <i>Plan for Victoria</i>.</p>	<p>RESPONSE: SUPPORTED IN PART</p> <p>Consideration of infrastructure funding in rural and regional contexts is included in the statewide review of infrastructure contribution schemes.</p> <p>The review was announced in October 2024 and a working group was established. The working group met numerous times between October 2024 and April 2025 culminating in the provision of a report to the Treasurer and Minister for Planning. The Victorian Government is considering options for long-term reform based on the advice of the working group. In the interim, the Victorian Government has:</p> <ul style="list-style-type: none"> – issued an updated Ministerial Direction to facilitate a new infrastructure contribution mechanism in the 10 pilot activity centres – announced an expansion of the infrastructure contributions approach to a total of 58 Train and Tram Zone Activity Centres – announced the introduction of Infrastructure Contribution Plans across the six Suburban Rail Loop station precincts from 1 January 2027 as part of a broader value capture framework – used the <i>Planning Amendment (Better Decisions Made Faster) Act 2026</i> to make changes to the legislative provisions governing Infrastructure Contribution Plans (ICP) so that the ICP approach can be adopted and applied to obtain community infrastructure developer contributions in a broader range of circumstances, including in rural and regional locations.
---	--



Recommendation

Victorian Government Response

Recommendation 7

That the Victorian Government provide ongoing strategic investment in rural and regional infrastructure and advocate for the Australian Government to match this investment. Investment should align with the priorities identified in updated regional growth plans, fill the gaps arising from inadequate or late developer contributions, and maximise the delivery of new homes to achieve housing targets across regional Victoria.

RESPONSE: SUPPORTED IN PRINCIPLE

The Victorian Government recognises that ongoing strategic investment in rural and regional infrastructure is critical to supporting sustainable growth and housing delivery across regional Victoria.

The Victorian Government will continue to advocate for increased and coordinated investment in regional Victoria, including through partnership with the Australian Government. This includes advocacy for funding of vital infrastructure that supports commercial, industrial and residential development, recognising that timely infrastructure provision is fundamental to unlocking land for development and supporting economic and housing growth in regional communities.

The Victorian Government will seek to align future investment and federal advocacy with regional planning strategies developed by state government.

Recommendation 8

That the Victorian Government mitigate the impact of major government infrastructure projects on regional property markets. This should include prioritising local recruitment and supporting projects that create housing to accommodate workers travelling into a region throughout a project. It should consider opportunities to use innovative construction methods, recoup the cost of housing at the conclusion of the project or repurpose it for social housing.

RESPONSE: SUPPORTED IN PART

Recognising that many regional labour markets are limited by the capacity of local construction sectors, the Victorian Government acknowledges the potential need for surge workforce capacity and additional housing during the delivery phases of major regional infrastructure projects.

The Victorian Government is committed to strategically aligning infrastructure projects across its portfolios to enhance the coordination of workforce, materials, and housing needs. This approach aims to reduce pressure on regional property markets while optimising resource allocation and ensuring efficient project delivery.

Through the Regional Worker Accommodation Fund (RWF), the Victorian Government is increasing the supply of appropriate and affordable accommodation for key workers and their families in regional areas. The program uses both traditional and Modern Methods of Construction (MMC) to help address the current and future demand for workers needed to meet the needs of regional businesses, while also stimulating investment across various sectors of regional economies.

The RWF has facilitated greater adoption of MMC in regional areas, introducing innovative construction techniques well-suited to remote infrastructure projects. MMC also enable pre-fabricated construction elements to be reused or repurposed, offering additional long-term benefits, such as potential conversion to social housing or other community uses.



Recommendation

Victorian Government Response

Recommendation 9

That the Victorian Government help boost the supply of qualified statutory planners in rural and regional Victoria by addressing barriers to education, training and retention and by promoting pathways from training into work in rural and regional communities. This should include subsidised fees for students studying planning who go on to work in a rural or regional setting.

RESPONSE: SUPPORTED IN FULL

The Victorian Government is delivering Recommendation 9 through the Cadet program, under the auspice of the Regional Planning Hub (RPH) program within DTP:

- In 2021 the Victorian Government established the RPH program to support the 48 rural and regional councils to effectively deliver planning services.
- The RPH program was developed in response to the Planning and Building Approvals Process Review (2019), which highlighted the need to build land use planning capability and capacity across rural and regional councils.

In 2024, the Victorian Government received \$1.2M through the Australian Government's Housing Support Program to deliver the Cadet Program:

- The Cadet program provides funding to rural and regional councils to subsidise tuition fees of a planning cadet they employ or for an existing staff member to transition into a planning role as a cadet.
- The objective of the Cadet program is to build land use planning capability and capacity across the rural and regional councils, ensuring they are sufficiently resourced to meet their planning obligations.
- Round 1 was completed in June 2025, supporting 15 cadets across 11 councils.
- Round 2 is currently underway, supporting 26 cadets across 13 councils.

All cadets are participating in a targeted training and mentoring program (CadetConnect), to further support their learning/development.

Recommendation 10

That the Victorian Government broaden the scope of the Regional Planning Hub to include local governments seeking to increase the supply and/ or diversity of affordable housing and support the Regional Planning Hub to expand the services it provides to rural and regional local governments.

RESPONSE: SUPPORTED IN PRINCIPLE

The Victorian Government, through DTP has programs that support rural and regional councils to increase supply of regional housing.

- Regional Planning Hub program supports councils to prepare planning scheme reviews to ensure planning schemes provide policy direction to meet housing targets.
- The Regional Planning Hub program supports councils to prepare settlement strategies and structure/growth plans to identify suitable land for residential growth.
- The Development Facilitation Program provides an expedited planning pathway and facilitation service for eligible projects that create homes for people in regional Victoria.



Recommendation	Victorian Government Response
	<ul style="list-style-type: none"> The Unlocking Strategic Sites Program under the Victorian Economic Growth Statement provides an expedited planning pathway for surplus sites that are considered suitable for rezoning.

Recommendation 11

That the Victorian Government consider introducing mandatory timeframes across planning processes to strengthen housing supply in rural and regional Victoria. It should also consider options for incorporating default outcomes such as 'deemed to comply' or 'deemed refusal' into planning application processes to facilitate timely decisions.

RESPONSE: SUPPORTED IN FULL

Following the recent review of the *Planning and Environment Act 1987* the Victorian Government decided to implement mandatory timeframes for planning processes and deemed to comply and deemed approval mechanisms through the *Planning Amendment (Better Decisions Made Faster) Act 2026*.

Mandatory timeframes will be set through regulations made under the amended *Planning and Environment Act 1987*, subject to consultation with stakeholders and the community over the next 12 to 18 months.

Recommendation 12

That the Victorian Government support community-led initiatives aimed at increasing, diversifying and improving the affordability of homes to address unmet need in rural and regional communities.

RESPONSE: SUPPORTED IN PRINCIPLE

The Victorian Government recognises the importance of addressing unmet housing needs in rural and regional communities to support their continued success and sustainability.

The Victorian Government, through Homes Victoria and the Department of Treasury and Finance, is working with delivery partners, councils and communities to increase housing supply in rural and regional areas by programs such as the Regional Housing Fund and Social Housing Growth Fund. Communities can also partner with community housing organisations to access funding for social and affordable housing for those most in need.

The Victorian Government acknowledges the importance of community-led initiatives in delivering diverse housing solutions that improve affordability and meet the specific needs of rural and regional populations. To ensure their success, these initiatives need to align with existing funding streams, policy priorities, and regulatory frameworks.



Stimulating residential development

Recommendation	Victorian Government Response
<p>Recommendation 13</p> <p>That the City of Ballarat, the City of Greater Geelong and the City of Greater Bendigo (in consultation with the residential development industry) revise the zoning of land around transport and activity centres to enable a greater diversity of higher density housing.</p>	<p>RESPONSE: MATTER FOR THE CITIES OF BALLARAT, GREATER GEELONG AND GREATER BENDIGO</p> <p>The Victorian Government supports revising zoning in areas with good access to opportunities and services in the Cities of Ballarat, Greater Geelong and Greater Bendigo to enable a greater diversity of higher density housing.</p> <p>The Victorian Government notes that this recommendation is a matter for the City of Ballarat, the City of Greater Geelong and the City of Greater Bendigo.</p> <p>The Government will support in the implementation of this recommendation as required.</p>
<p>Recommendation 14</p> <p>That the Victorian Government expand the definition of an activity centre for regional residential development under the Future Homes Program to include important employment precincts and areas with strong access to essential services and make proximity to an activity centre flexible.</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The Victorian Government recognises the importance of regional Victoria in addressing the state's housing demand and has developed a range of planning initiatives including the Future Homes program, which aims to improve the quality, liveability and sustainability of new homes through a streamlined planning pathway.</p> <p>The Future Homes program includes four competition-winning, apartment design templates that can be adapted and replicated to various sites across the state. The program is underpinned by mandatory planning requirements aimed at making apartments better for residents, better for neighbours and better for the environment.</p> <p>The Victorian Government supports expanding the Future Homes program into more regional towns and cities which are well-connected to transport, jobs and services. Over the past 8-months, DTP has engaged with metropolitan and regional council representatives, industry stakeholders and peak bodies to develop a suite of options to evolve the program enabling more sites, towns and centres to be eligible for the participation in the program.</p>
<p>Recommendation 15</p> <p>That the Victorian Government lower the thresholds for regional residential development to be eligible for the Development Facilitation Program by waiving the requirement for regional projects to</p>	<p>RESPONSE: NOT SUPPORTED</p> <p>The Victorian Government recognises the importance of regional Victoria in addressing the state's housing demand and has developed a range of planning initiatives including the Development Facilitation Program (DFP).</p> <p>The DFP has threshold criteria that a development must meet to be eligible for the program. To incentivise regional development the</p>



Recommendation	Victorian Government Response
<p>be in areas with less than five years' land supply and connectable to existing infrastructure, as well as reducing the monetary threshold for participation.</p>	<p>development cost thresholds are lower than that in metropolitan Melbourne.</p> <p>The current threshold criteria to be eligible for the DFP in regional areas states that:</p> <p>Projects must have a development cost of \$15 million and must deliver at least 10 per cent of the total number of dwellings in the development as affordable housing.</p> <p>If the application has a rezoning component the following must be met:</p> <ul style="list-style-type: none"> - The general locality has less than five years of residential supply. - The land is within a defined settlement boundary and is supported by state, regional and local policy. - The provision of civil infrastructure and services is demonstrated as being readily achievable and supported by servicing agencies. <p>Waiving the requirement for regional projects to be in areas with less than five years' land supply and connectable to existing infrastructure is not supported. This criteria ensures that future development is aligned with planning policy and can be delivered. Without development being connectable to existing infrastructure residential development becomes unachievable and cost prohibitive which will discourage future residential development.</p> <p>A change to the monetary threshold for participation in the Development Facilitation Program in regional or rural areas is not supported because there is already a lower threshold (\$15 million) than the metropolitan threshold (\$50 million) and this is considered appropriate in the context of the program.</p>
<p>Recommendation 16</p> <p>That the Victorian Government explore opportunities to incentivise and improve the economic viability of higher density residential development in regional cities.</p>	<p>RESPONSE: SUPPORTED IN FULL</p> <p>The Victorian Government supports incentivising and improving the economic viability of higher density residential development in regional cities.</p> <p>Housing targets for each of Victoria's municipalities were released as part of <i>Plan for Victoria</i> in February 2025. The targets represent the capacity required in each council's planning scheme to deliver their share of the 2.24 million new homes by 2051 identified in the <i>Housing Statement</i>. Increased housing needs to be provided in established urban areas of regional cities, through higher density-built form such as low to mid-rise apartments and townhouses.</p> <p>Through the implementation of housing targets the Victorian Government is investigating incentives and other measures to support councils and promote housing delivery.</p>



Recommendation	Victorian Government Response
	<p>The Victorian Government already incentivises higher density residential development, including the following initiatives:</p> <ul style="list-style-type: none"> – Great Design Fast Track: a new planning approval pathway in Victoria that rewards well-designed housing. Proposals which meet specified principles of good design can access an accelerated approval pathway. – Future Homes: a program that offers a streamlined planning pathway for three storey apartment developments. It applies to developments that use the adaptable Future Homes exemplar designs in eligible locations. – Townhouse and Low-Rise Code: A planning pathway which introduces a deemed to comply assessment pathway to support faster decisions and greater certainty for townhouses and apartment buildings up to three storeys. – Mid-Rise Code: A streamlined ‘deemed to comply’ planning pathway for developments between four and six storeys, supporting better design outcomes, and delivering improved liveability, sustainability, and tree planting for Victorian communities. – Development Facilitation Program: an expedited planning pathway for developments which provide significant economic benefit, affordable housing or exemplary design standards. Developments which meet these criteria are assessed by the Minister for Planning in place of local council, may waive restrictive planning requirements and cannot be appealed to VCAT.

Recommendation 17

1. improve the accuracy of Urban Development Program data collection and reporting by moving away from monitoring theoretical land supply to actual land supply, based on development readiness, market feasibility and realistic delivery timeframes

RESPONSE: SUPPORTED IN PART

The Urban Development Program is the authoritative source on greenfield land supply. By combining data from administrative sources, planning documents, and local council knowledge, it is an accurate assessment of land supply at a point in time and is a dataset that underpins decision making on housing growth in greenfield locations.

The Victorian Government acknowledges that development readiness, market feasibility, and delivery timeframes are important to understanding the timing of growth but does not support adding these additional components to the Urban Development Program.

As an authoritative source of information, the Urban Development Program maintains an independence from negotiated planning processes, fluctuating market conditions and inconsistent localised knowledge. As these factors become more defined over time, they are integrated as appropriate. For instance, incorporating land uses from Precinct Structure Plans and densities of recent development to inform future yields.



Recommendation	Victorian Government Response
<p>2. establish a 10-year plan for the release and development of regional Victoria's greenfield growth areas.</p>	<p>The Victorian Government supports continual improvement and the release of the Urban Development Program publicly. Detailed spatial data and methodology are provided so that Victorian Government Departments, councils, businesses, and individuals can use this information as a foundation for their own assessments, adding specific data relevant to their needs.</p> <p>The Victorian Government support-in-principle the establishment of a 10-year plan for the release and development of regional Victoria's greenfield growth areas, however, is dependent on the availability of additional funding and resources.</p>

Recommendation 18

That the Victorian Government simplify and expedite the planning scheme amendment process as part of its review of the Planning and Environment Act 1987 (Vic) to support residential development in regional areas.

RESPONSE: SUPPORTED IN FULL

Through the *Planning Amendment (Better Decisions Made Faster) Act 2026* the Victorian Government has provided for the simplification, accelerated consideration and approval of planning scheme amendments.

Amendments to the Act establish three pathways for planning scheme amendments that are proportionate to complexity, risk and the potential impact of the amendment. This will deliver significant time and cost savings, and importantly, will provide greater certainty and predictability to development proponents and to the community regarding the process to be followed.

For low impact amendments, the Planning Authority is required to consult with affected landowners, occupiers and prescribed authorities. The Planning Authority must then deliver a report to the Minister for Planning to inform the Minister's decision making on the amendment.

For medium impact amendments, public notice and exhibition would occur but there would be no independent review by a planning panel and no public hearing. The Minister would make a decision when the proposed amendment is adopted by the Planning Authority and provided to the Minister for approval.

For high impact amendment, there would be public notice and exhibition and independent review by a planning panel, but this does not necessarily mean that a public hearing would be conducted. Planning panels have been provided with discretion to undertake their independent review functions 'on the papers', either in full, or in part, using public hearings to supplement and support their considerations as the panel sees fit.

Regulations specifying the types of amendments that will be considered through low, medium and high impact processes will be developed on behalf of the Minister by DTP. In accordance with the commitments the Victorian Government has made in the Parliament, DTP will be guided and advised by a Planning Regulations Advisory



Recommendation

Victorian Government Response

Committee to be established by the Minister for Planning in early 2026. Reforms will be brought into effect by proclamation no later than 29 October 2027.

Recommendation 19

That the Victorian Government review the process for developing Precinct Structure Plans, and the support provided to local governments undertaking this process, as part of its review of the Planning and Environment Act 1987 (Vic).

RESPONSE: SUPPORTED IN PART

The existing Precinct Structure Planning (PSP) 2.0 process supports the delivery of regional housing. The current pipeline of PSPs will contribute around 24,300 new homes across regional Victoria.

The recommendation is supported in part because systemic issues continue to impact the delivery of zoned land and there is an opportunity to identify PSP streamlining measures through the Act review.

A PSP review has commenced and a 'progressive improvement' approach to reduce timeframes is being introduced throughout 2026. This aligns with the Victorian Government target to reduce timeframes by a third in the 10-Year Plan for Melbourne's Greenfields and will unlock greenfield housing more quickly across Victoria, including regional areas. This builds on new approaches piloted in recent regional PSPs.

The specific reference to reviewing the support provided to local governments undertaking PSPs is not supported. The approach to working with local government will be considered as part of the review, but it is not the focus.

In Regional Victoria, councils may request that the Victorian Planning Authority (VPA) prepares a PSP via the Minister for Planning. The VPA collaborates closely with councils in delivering PSPs and, where possible, provides training and upskilling to councils.

Recommendation 20

That the Victorian Government encourage more regional Victorians to commence and complete an apprenticeship in a construction trade through financial support for both students and the businesses employing apprentices, greater promotion of construction careers, and targeted efforts to increase the gender diversity of the sector.

RESPONSE: SUPPORTED IN PRINCIPLE

The Victorian Government supports the intent of the recommendation to provide more financial incentives for regional apprentices and hiring businesses.

Apprenticeship financial incentives are primarily the responsibility of the Australian Government, but the Victorian Government has advocated for additional Australian Government financial assistance for apprentices including an increase to apprentice wages and employer and industry incentives.

The Victorian Government provided \$22.8 million through the 2025-26 State Budget for Backing Apprenticeships Boosting Skills; as well as \$9 million to make apprenticeships safer and fairer by implementing the Victorian Government's Response to the Victorian-led Apprenticeships Taskforce.



Recommendation

Victorian Government Response

All of the Apprenticeships Taskforce's 16 recommendations were accepted by the Victorian Government, with seven recommendations supported in full and the remaining recommendations supported in principle. This funding also included an apprentice employment assistance program, a mental health support package for apprentices and continuation of the Apprenticeship Support Officer program.

The Victorian Government is also committed to enhancing support for women to undertake apprenticeships and traineeships. It has agreed in principle to implement a voluntary employer pledge in response to a recommendation by the Apprenticeships Taskforce. Implementation of a voluntary pledge will assist women apprentices and trainees to find suitable, supportive employers and to support cultural change across employers of apprentices and trainees.

The Victorian Government has also established Victoria's Building Equity Policy which sets targets for female apprentices, trainees or cadets on publicly funded construction projects.

Recommendation 21

That the Victorian Government investigate options for supporting regional Victorian TAFEs to expand enrolments in construction apprenticeship programs and ensure graduates' skills are industry ready.

RESPONSE: SUPPORTED IN FULL

The Victorian Government is continuing to invest in regional TAFE facilities to boost the capacity of regional TAFEs to deliver construction and other trades apprenticeship programs. Apprenticeships are funded by employers and industry.

The Victorian Government has increased support to apprentices in regional areas in particular by placing foundation studies in numeracy, literacy and digital skills on the Free TAFE list. This provides support for the apprentice to gain the skills they need to complete their apprenticeships and enter the workforce or run their own business.

We have also invested \$2.7 billion in total investment (operating and capital) in regional TAFEs over the last ten years. This ensures cutting edge facilities for apprentices in regional areas to complete their studies.

Pre-apprenticeships in priority areas are also available to provide through Free TAFE, entry-level training for new students to test out a trade. Pre-apprenticeship qualifications such as the Certificate II in Building and Construction offer an introduction to trades like bricklaying, carpentry, painting, tiling, and plastering.

The Victorian Government also accepted all the recommendations from the Apprenticeship Taskforce report and is delivering a \$9 million package to make apprenticeships safer and fairer. This includes an apprentice helpline and the Apprenticeship Support Officer program.



Recommendation

Victorian Government Response

Recommendation 22

That the Victorian Government use future funding rounds of the Regional Worker Accommodation Fund to encourage private investment in key worker housing. For projects involving private investment, the Victorian Government should negotiate the retention of affordable housing or accommodation for key workers for a period that is commensurate with the funding amount.

RESPONSE: SUPPORTED IN PRINCIPLE

The Regional Worker Accommodation Fund (RWF) expands affordable key worker housing in regional communities, and is currently delivering additional, fit-for-purpose accommodation aligned with local needs and demand. Program Guidelines mandate a minimum retention period of five years for affordable key worker housing, covering at least 70 per cent of annual demand periods. Housing typologies are tailored to place-based needs, incorporating input from local employers, data on worker demand, and local rental benchmarks.

The RWF has also been designed to incentivise private sector investment in affordable key worker housing across rural and regional areas. So far, the program has successfully attracted over \$290 million in private sector investment, demonstrating its potential to strengthen public-private partnerships and support regional communities.

Recommendation 23

That the Victorian Government consider refining the Windfall Gains Tax to ensure it incentivises residential development in regional Victoria. This could include:

- introducing exemptions for higher density development within existing urban areas of regional cities or for social housing
- requiring the proceeds to be invested back into the communities where they were collected
- reducing the Windfall Gains Tax interest rate/payments in line with the proportion of social or affordable housing to be developed.

RESPONSE: UNDER REVIEW

Windfall Gains Tax is designed to capture a fair share for the community of value uplifts where property values increase due to the actions of Victorian Government. Through the state's budget, funds collected are reinvested across Victoria, including in regional areas. The Victorian Government will continue to review taxation settings as part of the State budget process each year, with a view to achieving the best outcomes for Victorians.



Delivering affordable and diverse housing

Recommendation	Victorian Government Response
<p>Recommendation 24</p> <p>That the Victorian Government establish inclusionary zoning mandating the inclusion of affordable or social housing as part of new residential development in locations where it is financially viable to do so. Mandates should be paired with incentives to minimise the cost impost on developers.</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The <i>Planning Amendment (Better Decisions Made Faster) Act 2026</i> included amendments that establish a new head of power that enables planning schemes to make any use or development of land conditional on the provision of an affordable housing contribution.</p> <p>The amendments provide that:</p> <ul style="list-style-type: none"> – affordable housing contributions may be imposed as a condition on a permit if: <ul style="list-style-type: none"> – the relevant planning scheme identifies a need for affordable housing in the area (potentially through zones or overlays); and – the application exceeds a threshold prescribed in the regulations. – an affordable housing contribution is to be in the prescribed form, which may include a monetary contribution in lieu of providing affordable housing. – regulations may prescribe the maximum affordable housing contributions that can be required under a planning scheme. – monetary contributions made instead of providing affordable housing must be collected by the responsible authority. – monetary contribution collected by a responsible authority must be spent on new affordable housing in the municipal district in which it is collected. – responsible authorities must keep proper and separate accounts and records of monetary contribution collected and how those monies are spent. <p>Regulations are needed to specify thresholds for when an affordable housing contribution may be required, for example, when an application proposes a development of more than a specified number of dwellings or over a specified value. These regulations will be developed on behalf of the Minister by DTP. In accordance with the commitments the Victorian Government has made in the Parliament, DTP will be guided and advised by a Planning Regulations Advisory Committee to be established by the Minister for Planning in early 2026. The regulations and changes to planning schemes that are needed to enliven the capability to mandate affordable housing will be a priority.</p>
<p>Recommendation 25</p> <p>That the Victorian Government work with local governments and the development industry to develop a</p>	<p>RESPONSE: UNDER REVIEW</p> <p>The Small Lot Housing Code as first introduced in 2011 allows homes to be built on blocks less than 300 square metres without a planning</p>



Recommendation	Victorian Government Response
Small Lot Housing Code for the whole of Victoria.	<p>permit if the set of design and siting standards are met, saving Victorians time and money. It has been updated several times since.</p> <p>The standards allow new homes to be built with high levels of amenity including outlook, private open spaces, trees and excellent urban design, while maximising the available land in the growth areas for new communities.</p> <p>The Victorian Government will review the application of the Small Lot Housing Code to appropriate residential development settings throughout Victoria.</p>

Recommendation 26

That the Victorian Government:

1. establish a streamlined process for local governments to request the release of surplus government land in support of affordable and social housing development in regional Victoria

RESPONSE: SUPPORTED IN PART

The Victorian Government supports initiatives that increase housing supply and encourages greater partnership between local and state government.

There are existing mechanisms and policies for Local Government Authorities to express interest in surplus government sites.

Under the existing First Right of Refusal Process (FROR) triggered when Victorian Government Agencies declare land surplus to requirements, agencies must give notice of the surplus land to the local council, along with other Victorian Government and Australian Government Agencies, and Registered Aboriginal Parties.

The Victorian Government recently revised its Landholding Policy and Guidelines, requiring Victorian Government Agencies to annually assess, report and attest to their landholdings, including current utilisation. As part of the revised guidelines, Agencies must notify the Land Coordinator General, of any land they hold that is currently (or is expected to become) surplus or under-utilised.

The sale of surplus government sites to council's or other relevant parties is subject to requirements listed in the Victorian Government Land Transactions Policy, and other government approvals may apply.

Should councils identify State land they deem to be underutilised, Victorian Government encourages councils to raise this with the Office of the Land Coordinator General or with the relevant State landholding agency, as appropriate.

Since the release of the *Housing Statement*, the Land Coordinator General has continued to engage across government to identify and 'un-lock' surplus government land for housing and other priority initiatives.

2. increase the proportion of social and affordable housing required to be delivered as part of

the Victorian Government has committed to ensure the redevelopment of surplus government land provides at least 10 per cent of new homes as affordable housing. The government will



Recommendation	Victorian Government Response
<p>residential development on surplus government land to at least 30 per cent.</p>	<p>consider a greater proportion of social and affordable housing on a site-by-site basis where the land is appropriately located for affordable housing and delivery of affordable housing is economically feasible.</p> <p>While sites may be deemed surplus, there are often challenges, particularly in regional areas; in converting surplus government land into land that could support housing, such as zoning, contamination and traditional owner considerations. In some cases, these factors can make development cost prohibitive and can take significant periods of time to rectify.</p> <p>The Victorian Government recognises the importance of providing affordable housing and provides multiple approval pathways in the Victorian Planning Provisions to facilitate provision of affordable housing, not just on surplus government land.</p> <p>For example, <i>Victoria's Housing Statement</i> announced the expansion of the Development Facilitation Program to provide a process to streamline significant residential developments that deliver at least 10 per cent affordable housing (implemented through Clause 53.23 - Significant Residential Development with Affordable Housing) into the Victoria Planning Provisions.</p> <p>Recent legislative reforms passed by the Victorian Parliament will contribute to increasing the overall supply of affordable housing across the state. The <i>Planning Amendment (Better Decisions Made Faster) Act 2026</i> provides power to municipal councils to require a contribution of affordable housing when they issue a planning permit for new development.</p> <p>Refer to the response provided at Recommendation 24 for affordable housing work underway by the Victorian Government.</p>

Recommendation 27

That the Victorian Government drive the broader adoption and innovation of modern methods of construction by leveraging public procurement to support a stable pipeline of work and partnering with TAFEs to expand training in modern methods of construction.

RESPONSE: SUPPORTED IN FULL

The Victorian Government has leveraged Modern Methods of Construction (MMC) for many years in projects spanning health and transport infrastructure, housing, schools and kindergartens. The Department of Jobs, Skills, Industry and Regions (DJSIR) Regional Worker Accommodation Fund is supporting several shovel-ready MMC projects, and Homes Victoria is delivering 250 regional MMC dwellings through the Regional Housing Fund.

As outlined in the Victorian Government's recently released statement *Shaping the future of construction in Victoria*, the Victorian Government is committed to using its purchasing power to foster innovation in the construction industry, including through application of the Local Jobs First Policy. Through the Future of Housing Construction Centre of Excellence, the Victorian Government is also delivering a suite of initiatives to embed



Recommendation	Victorian Government Response
	<p>innovative techniques into and expand TAFE offerings in residential construction, working with industry to address skills needs.</p> <p>While government procurement can catalyse industry development, private sector adoption is necessary for sustainable industry transformation and economies of scale in MMC. The Victorian Government is actively working to enable mainstream residential market adoption of MMC, including through:</p> <ul style="list-style-type: none"> - Modernising building regulations to achieve regulatory parity between modern and traditional methods of construction, to better enable the use of MMC - Boosting industry connectivity to support private sector partnerships, including through the Prefabricated Construction Directory - Investing in a \$50 million Future of Housing Construction Centre of Excellence to facilitate industry development and expand TAFE offerings - Expanding specialist industry training offerings including through the Digital Jobs program and Skills Solutions Partnerships.
<p>Recommendation 28</p> <p>That the Victorian Government work with the Commissioner for Residential Tenancies to enshrine the right of long-term residents of caravan and residential parks to fair and secure lease terms and conditions.</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The Victorian Government is working with the Commissioner for Residential Tenancies to ensure residents of caravan and residential parks enjoy fair and secure lease terms and conditions.</p> <p>The Victorian Government is considering recommendations of the <i>Life in Residential Parks</i> Report released by the Commissioner for Residential Tenancies in August 2025.</p> <p>Some reforms recommended in the Report have already been delivered, including improving pre-contractual disclosure for prospective residents and introducing a standard form site agreement. The Victorian Government is considering the remaining findings and recommendations of the Report to further support the sector and residents of residential parks.</p>
<p>Recommendation 29</p> <p>That the Victorian Government review the operation and effectiveness of the Short Stay Levy by 2027 and enact any recommendations to strengthen its operation promptly.</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>The Victorian Government carefully considers the taxation mix to balance many competing priorities, including community views, and looks for opportunities for reform where possible. Any adjustments are made on their merits, considering the Victorian Government's aim of building a better future for all Victorians.</p>



Recommendation	Victorian Government Response
<p>Recommendation 30</p> <p>That the Victorian Government support the formation of a statewide framework for homeshare programs and the establishment of regional pilot programs requiring partnerships with local governments, health services or other community organisations.</p>	<p>RESPONSE: UNDER REVIEW</p> <p>This recommendation is not within existing government policy and would require further consideration of any proposed framework, including identifying alignment with existing residential tenancies legislation and associated regulations. The Victorian Government acknowledges that successful home share programs rely on skilled coordination, appropriate safeguards and strong local partnerships. Any statewide framework would need to consider local capability and demand.</p>
<p>Recommendation 31</p> <p>That the Victorian Government increase funding for rental assistance programs in regional communities, including social services, legal assistance and financial counselling. In particular, the Aboriginal Private Rental Assistance Program should be expanded to include culturally safe support services and anti-racism training for landlords, real estate agents and accommodation providers.</p>	<p>RESPONSE: SUPPORTED IN PART</p> <p>The 2025-26 State Budget provides \$22.8 million for the 2025-26 financial year to the Private Rental Assistance Program (PRAP). The PRAP is designed to support more than 7,000 households annually, helping them establish or maintain private rental tenancies.</p> <p>The recommendation to expand the Aboriginal Private Rental Assistance Program (APRAP) is supported in full with a recent investment of an additional \$2.97 million in 2026 to expand the program to a total of 12 DFFH local areas. This is in addition to the wider Private Rental Assistance Program (PRAP) which delivered support services statewide. Any broader expansion of rental assistance programs including any further expansion of the APRAP is dependent on the availability of additional funding and resources.</p> <p>The Victorian Government has also introduced changes to rental laws to strengthen renters' rights and protections including banning no fault evictions and extending notice periods for rent increases. In January 2026, the Victorian Government introduced the Victorian Renter Rights Program with \$98.74 million allocated over 5 years to increase support for Victorians experiencing rental issues across the State.</p> <p>The Aboriginal and Torres Strait Islander Cultural Awareness course aims to create awareness and understanding of Australia's First Nations communities. Training to Real Estate agency staff has been developed and is currently available to property managers as a voluntary module through the Real Estate Institute of Victoria learning hub.</p>
<p>Recommendation 32</p> <p>That the Victorian Government collaborate with local governments, the community housing sector, social services and communities to establish targets for the</p>	<p>RESPONSE: SUPPORTED IN PRINCIPLE</p> <p>As part of Action 4 of <i>Plan for Victoria</i>, DTP and DFFH have commenced work on considering how to set housing targets for new social and affordable homes. Targets would be informed by Homes Victoria's method for forecasting demand for social and affordable housing in consultation with relevant external stakeholders. <i>Plan for</i></p>



Recommendation	Victorian Government Response
<p>construction of new social housing. Targets should accurately reflect projected demand across the state, including in rural and regional areas.</p>	<p><i>Victoria</i> was informed by 15,000 items of feedback from the community. In successfully implementing the Plan's actions, including Action 4, the knowledge, experience and observations of targeted stakeholders from the community will be a valuable resource and input.</p> <p>In addressing future social and affordable housing needs, Homes Victoria utilises modelling which integrates data from the Victorian Housing Register, Homes Victoria's asset register and the Australian Bureau of Statistics, to project future demand of households eligible for housing assistance, as well as projecting the future social housing supply and the projected bedroom mix needed in each Victorian municipality.</p> <p>The commitment to address demand for social and affordable homes in rural and regional areas is reflected in recent government policy, as demonstrated by the 25 per cent commitment of Big Housing Build funding to regional Victoria.</p>

Recommendation 33

That the Victorian Government develop a 10-year investment plan for increasing social housing across regional Victoria. Investment must deliver both public and community housing and support the realisation of social housing targets. It should include dedicated funding streams for rural and regional communities.

RESPONSE: SUPPORTED IN PRINCIPLE

The Victorian Government already has dedicated funding streams for rural and regional communities. There is the \$1.25 billion investment in regional Victoria through the Big Housing Build and an additional \$1 billion through the Regional Housing Fund.

The Big Housing Build set investment targets for regional Victoria, with 25 per cent of the total program committed to regional Victoria and a Minimum Investment Guarantee to 18 regional councils.

Homes Victoria uses statewide service demand data and insights from DFFH local service areas to inform investment in social and affordable housing supply. This means that investment in social and affordable housing better reflects the lived experience and unique local conditions in communities across Victoria, including in regional Victoria.

Recommendation 34

That the Victorian Government increase funding for community housing organisations and social services providers to deliver wraparound support to social housing tenants and programs for homelessness prevention and early intervention.

RESPONSE: SUPPORTED IN PRINCIPLE

Since 2020-21, the Victorian Government has invested \$445 million into programs based on Housing First principles assisting over 3,500 households. Prior to the COVID-19 pandemic, the Victorian Government was assisting around 180 households each year with a Housing First response, that number will grow to almost 1,000 in 2025-26 when more assistance funding comes online. Housing First programs support people with access to programs that help break the cycle of homelessness, with services like mental health, drug and alcohol and financial counselling, and family violence services.

In 2024-25, individuals could receive Housing First support through:

Recommendation

Victorian Government Response

- Homes First
- Journey to Social Inclusion
- Aboriginal Homes First
- in supportive housing facilities.

Across regional Victoria Housing First programs are operating in Barwon, Central Highlands, Goulburn, Inner Gippsland, Loddon, Mallee, Ovens Murray, and Wimmera South-West. Ten percent of Homes First program funding was provided to progress the self-determined Aboriginal Homes First initiative which commenced service delivery in July 2025.

Victorian renters will also soon have access to more support services under the new Victorian Renter Rights Program.

The new program introduces 4 dedicated services to strengthen advice, advocacy and frontline support:

- The Renter Rights Service
- The Older Persons Housing Rights Service
- The Victorian Renters Helpline
- The Renter Central Service.

Under the new program, the Victorian Government will nearly double its annual funding for renter assistance, providing \$98.74 million over 5 years to boost renting support services.

Once fully operational, the program is expected to assist around 25,500 clients each year, up from the 12,663 renters who received support in 2024–25.

Any expansion of wraparound supports would be dependent on the availability of additional funding and resources.