

More Homes More Opportunity



The Hon Jacinta Allan MP
Premier of Victoria

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ALL SUBURBS THAT BUILD MORE HOMES DESERVE MORE FUNDING

More homes mean more opportunities and better communities – that’s why the Allan Labor Government will create a fairer system for property developers to contribute to funding for local infrastructure, parks and services in the suburbs where they build more homes.

Premier Jacinta Allan visited Edgars Creek Secondary College in Wollert to announce the Labor Government will:

- Embark on a landmark project with developers to change the way local infrastructure funding in Victoria is raised and spent – so it is simpler and applies to new home developments everywhere.
- Implement a new pilot developer contribution system in the first 10 pilot Activity Centres across Melbourne, where more homes will be delivered near transport, jobs and services over the coming years.
- Give seven growth areas in Melbourne’s urban fringe access to \$150 million in infrastructure funding paid for with existing developer contributions – with submissions for grants to open this year.
- Continue to deliver the infrastructure Victoria needs – with more level crossings going, more schools and hospitals getting built, the Metro Tunnel and West Gate Tunnel opening next year, and much more.

Through these short-term and long-term changes, suburbs that build more homes will get more funding for the things they need, like roads, paths, and public transport services, new and upgraded schools, upgrades to health and community facilities, plus parks, playgrounds, sport and recreation, open space – and more.

Statewide developer contributions for local infrastructure, parks and services

Developers already contribute something very important: more homes and more opportunity for young people and families to rent or buy.

They also contribute to the community through a system of developer contributions, sometimes paid to councils and sometimes paid to the state. Currently, some 43 of 79 councils collect developer contributions in different ways, and there are 133 separate developer contribution plans in place across the state.

This system has delivered a lot of local benefits, but:

- It’s unfair – too many communities are missing out on funding, even growing ones
- It’s not in the right areas – like all the inner-suburbs where more houses are going near public transport
- It’s a mishmash, where one area or side of the street might charge it while the other doesn’t
- It’s an administrative nightmare, with some schemes adding delays and holding costs

A Ministerial Advisory Committee found that the system is inequitable, complex, uncertain – and just isn’t doing what it says on the tin: providing more infrastructure funding in all the areas where more homes are getting built.

That’s why the Victorian Government will work with key members of its Housing Affordability Partnership –the Property Council of Australia, Urban Development Institute of Australia, Housing Industry Association, Master Builders Victoria and Assemble – to deliver long-term change that links more infrastructure with more homes.

This working group will meet from November 2024 to look at models for change and find a potential system that works for industry, councils, Government, and communities. It will report back in March 2025 with options that help Victoria’s suburbs grow sustainably, with community infrastructure delivered alongside new housing projects.

Councils should have a voice – and Government will be able to confirm how local councils participate in the working group when the council election caretaker period ends.

No decision will be made on the statewide model until the industry working group reports back to Government, and fees applying in existing programs won’t necessarily be considered a benchmark in the design of that model.

Activity centre developer contributions for local infrastructure, parks and services

While the long-term statewide reform is being designed and implemented over time, the Government will introduce a simple developer contribution pilot in 10 busy areas close to jobs, transport and services where more homes are coming under the Government’s Activity Centre program.

These 10 initial activity centres are in Broadmeadows, Camberwell, Chadstone, Epping, Frankston, Moorabbin, Niddrie, North Essendon, Preston and Ringwood – and include a walkable 800 metre catchment area that surrounds the commercial core of each precinct that supports gentler, scaled growth appropriate for each community.

Though this scheme, every home in every housing project in these communities will directly result in more funding for things like roads, paths, and public transport services, new and upgraded schools, upgrades to health and community facilities, plus parks, playgrounds, sport and recreation, open space – and more.

The Department of Transport and Planning will advise on lists of infrastructure needs in each of these communities, where 60,000 additional homes can be delivered through the Activity Centre program by 2051.

The move will kickstart more funding for local infrastructure in activity centres while Government and industry work on and implement longer-term reform for a statewide system.

Depending on the proposed model for statewide developer contributions, the system focusing in on these 10 centres could change – but no decisions will be made until an industry working group report back to Government.

This contributions system in 10 Activity Centres will commence on 1 January 2027 to give industry time to prepare. Government will engage with industry before announcing fees, and these fees should not necessarily be considered a benchmark for a proposed statewide reform.

More funding for better roads, parks, services in outer-suburban growth areas

The Labor Government is providing growth areas on Melbourne’s urban fringe an additional \$150 million in infrastructure funding paid for with existing developer contributions. See more at premier.vic.gov.au/growing-outer-suburban-communities-get-more-funding.

These are just some of the announcements the Government will make this week about more homes, more support for industry, infrastructure and parks, and more opportunity for renters, owners and buyers.

For more information about the existing 10 Activity Centres, visit engage.vic.gov.au/activitycentres. To read more about the Government’s plans for more homes and more opportunity, visit vic.gov.au/more-homes.

Quotes attributable to Premier Jacinta Allan

“Here are our principles: Communities that build more homes should get more funding for things they need. Everyone can contribute, including property developers. It should apply everywhere.”

“Developers already build homes and opportunity, and many already contribute to a system like this – now we’ll work together to make the funding fairer, so growing areas get more support for schools, parks and transport.”

Quote attributable to Minister for Planning Sonya Kilkenny

“We’ve heard from the community through our consultation on Activity Centres that vibrant places with green spaces and local community facilities are needed – and that’s exactly the kind of thing this new system can fund.”