VICTORIAN ombudsman

INVESTIGATION SUMMARY

# When the water rises: Flood risk at two housing estates

A parliamentary complaint referred by the Legislative Council

November 2025

# Summary

> *As we now have the threat of a flood hanging over us forever, we would love to sell and move out. But who would buy our property and at what price?*
>
> **Rivervue resident**

## What we investigated

The Legislative Council required the Ombudsman to investigate flood planning decisions for two housing developments in inner-Melbourne, beside the Maribyrnong River:

- Rivervue Retirement Village ('Rivervue')
- Kensington Banks.

Rivervue unexpectedly flooded, badly damaging 45 homes, when the Maribyrnong River burst its banks in October 2022. Homes at Kensington Banks did not flood, but modelling done since shows about 850 are at risk of future flooding.

The Legislative Council required us to look at past and current flood models for the Maribyrnong catchment, and planning decisions for both developments. We were also asked to consider potential policy changes, and whether affected residents should receive compensation or other support.

## Why it matters

Though built at different times and with different levels of government involvement, Rivervue and Kensington Banks have much in common. Both involved flood protection works promising to protect homes; and yet both are now considered flood prone.

Together, they tell a broader story about how flood risk is assessed and managed in Victoria, and highlight serious gaps in existing systems.

These have implications for people across the state. *Victoria's Climate Science Report 2024* predicts that, based on current trends, flood risk will double by 2100. Climate change, urban creep, and housing pressures, among other things, mean the way we all live with flood risk must evolve.

## What we found

In relation to Rivervue:

- **Two early design problems explain the flooding at Rivervue.** Melbourne Water's rushed and flawed flood modelling used during early site development underpredicted flooding. This meant homes were set too low from the start. Mistakes in approved building plans saw some homes built lower still, without a full safety buffer.
- **The removal of a key flood planning control had no impact on home design.** The two problems existed well before a flood overlay was lifted from Rivervue in late 2016. Looking back now, the removal decision was clearly incorrect. It was understandable though, as Melbourne Water gave advice – based on its flawed modelling – that protective works had effectively lifted homes from the floodplain. We found no evidence of improper influence.
- **Vulnerable retirees are left living in a known flood hazard area.** Melbourne Water is exploring flood mitigation options for the Maribyrnong catchment, but these could take years to enact. We have recommended a support program to assist affected Rivervue residents who wish to leave in the meantime, and to cover direct financial losses they have already suffered.

In relation to Kensington Banks:

- **No red flags stood out in the estate's original design.** Flood protection works at the site in the 1990s were based on good quality modelling and should have been enough to withstand flooding at levels predicted back then. But estimated flood levels are now higher than when the development was planned.
- **Multiple factors contributed to the estate's new flood risk status.** The impacts of climate change and urban creep across the catchment are important drivers. Long gaps between flood model updates likely cost early chances to spot looming trouble. And a flood protection levee around the estate appears to have sunk in some places.
- **Residents can have confidence in the latest Maribyrnong catchment model.** Melbourne Water's hasty release of results from its 2024 flood model fuelled community concern, but the model is modern, well designed and extensively tested. We have recommended some levee height checks to reinforce trust in the model's results.

## What needs to change

The experiences at Rivervue and Kensington Banks point to a need for broader reforms. We identified three key focus areas:

- **Keeping the public informed with accurate and easy to find information.** Flood models should be reviewed and updated regularly, with resulting flood maps promptly added to planning schemes. Creating a one-stop, statewide flood information portal will give people easy access to the latest modelling so they can make informed decisions about their safety and property.
- **Planning for the impacts of climate shifts.** Climate change threatens to upend traditional planning approaches. Catchments are changing, and homes built today must be designed to withstand tomorrow's conditions. Planning decisions should consider longer-term flood projections, where available.
- **Helping people living with flood risk.** Major floods are projected to get larger in Victoria, and in coming years many other households will suddenly learn they are at increased risk of flooding. The situations at Rivervue and Kensington Banks are an opportunity to pilot new approaches to supporting people facing an uncertain future.

## How Melbourne Water responded

Melbourne Water said it was committed to supporting our investigation, and engaged constructively throughout.

Before our work started, and amid other inquiries, it began overhauling its approach to flood modelling, including clear timeframes for reviewing and updating models, and incorporating climate change projections.

Melbourne Water told us it had learnt from community feedback around the release of the 2024 Maribyrnong catchment flood model, and would allow this to shape the rollout of its broader flood modelling program.

It also said it would work closely with the Victorian Government to address our recommendations.

# Recommendations

**It is recommended that:**

## Planning based on the best information

### Recommendation 1

The Victorian Government designate a central point of responsibility for modelling riverine flood risk.

***Department of Transport and Planning response:***

*Accepted in principle*

***Department of Energy, Environment and Climate Action response:***

*Supported in principle*

[We note the Victorian Government announced reforms in October 2025 assigning responsibility for modelling riverine flood risk to catchment management authorities.]

### Recommendation 2

The Department of Transport and Planning and Minister for Planning assume responsibility for inserting new and updated riverine flood maps into planning schemes as they become available, adopting a similar approach to that taken when updating Bushfire Management Overlays.

***Department of Transport and Planning response:***

*Accepted in principle*

[We note the Victorian Government announced reforms in October 2025 to this effect.]

## Planning for a changed climate

### Recommendation 3

The Department of Energy, Environment and Climate Action:

a. recommend the most appropriate emissions pathway(s) for flood modelling; and
b. specify the interval at which this decision will be reviewed.

***Department of Energy, Environment and Climate Action response:***

*Accepted in principle*

### Recommendation 4

The Department of Transport and Planning and Minister for Planning amend the Victoria Planning Provisions to:

a. provide that, going forward, and where practical, planning schemes should identify land subject to flooding based on climate change projections (eg adopting a 2100 planning horizon); and
b. require planning authorities to consider this information, where available, when assessing the potential risk to life, health and safety associated with a proposed development.

***Department of Transport and Planning response:***

*Accepted in principle*

## Living with flood risk

### Recommendation 5

The Department of Transport and Planning and Minister for Planning support Melbourne Water's proposed amendments to the Melbourne, Maribyrnong, Moonee Valley, and Brimbank planning schemes introducing updated planning controls, overlays, and zones incorporating flood hazard categories.

***Department of Transport and Planning response:***

*Accepted in principle*

### Recommendation 6

The Department of Transport and Planning and the Minister for Planning add retirement villages to the list of 'emergency and community facilities' in Clause 13.03-1S of the Victoria Planning Provisions that are required to be located outside the 1% AEP floodplain, and consider whether any further additions should be made.

***Department of Transport and Planning response:***

*Accepted in principle*

## Supporting informed decisions

### Recommendation 7

The Department of Energy, Environment and Climate Action, in collaboration with Melbourne Water, local councils and catchment management authorities, develop and make available to the public a statewide flood information portal. This should allow searches at the property level, showing, where practical:

a. the extent and depth of estimated flooding
b. when the catchment was last modelled; and
c. when the model is next expected to be reviewed.

Climate change projections should also be included, where available.

***Department of Energy, Environment and Climate Action response:***

*Accepted in principle*

### Recommendation 8

The Department of Transport and Planning amend the information available in planning property reports to:

a. include general information about potential flood risk; and
b. when established, encourage users to consult the statewide flood information portal for further information.

***Department of Transport and Planning response:***

*Accepted*

### Recommendation 9

The Victorian Government amend regulation 16 of the *Residential Tenancies Regulations 2021* to require rental providers to disclose to renters before entering into a residential rental agreement whether the rented premises are subject to risk of flooding.

***Department of Government Services response:***

*Accepted in principle*

## Supporting people impacted by flood risk

### Rivervue

#### Recommendation 10

The Victorian Government establish a support fund for flood-affected Rivervue residents within 12 months. The support fund should offer compensation for:

a. direct economic loss reasonably attributable to the October 2022 flood

b. realised capital loss reasonably incurred by residents who choose to sell their homes during a fixed eligibility period, less any reduction in exit fees arising from the loss.

***Department of Transport and Planning response:***

*Not supported.*

[The Department, after consulting on our draft report with the Department of Premier and Cabinet, the Department of Treasury and Finance and the Department of Energy, Environment and Climate Action, said setting up a support fund would require a Cabinet decision. It said the Victorian Government would 'carefully consider' the findings and recommendations in our final report.]

### Kensington Banks

#### Recommendation 11

Melbourne Water, in collaboration with the City of Melbourne, investigate the height of the Kensington Banks flood protection levee, and:

a. consider, as part of the Maribyrnong River Catchment Flood Mitigation Study, whether flood risk can be mitigated by repairs or improvements to the levee

b. consider whether relevant inputs to the 2024 flood model should be updated.

***Melbourne Water response:***

*Accepted*

***City of Melbourne response:***

*Supported*

#### Recommendation 12

The Victorian Government, in collaboration with Melbourne Water and the City of Melbourne, prepare and deliver a pilot information package for Kensington Banks residents impacted by reassessed flood risk. The information package should be launched within six months.

***Department of Transport and Planning response:***

*Accepted in principle*

***Department of Energy, Environment and Climate Action response:***

*Supported in principle*

***City of Melbourne response:***

*Supported*

**In the event that Melbourne Water's Maribyrnong River Catchment Flood Mitigation Study does not identify a supported flood mitigation option for Kensington Banks, it is recommended that:**

#### Recommendation 13

The Victorian Government establish a resilience program for residents. The resilience program should be means-tested, and offer subsidies for property-level flood resilience assessments and flood resilience upgrades.

***Department of Transport and Planning response:***

*Not supported.*

[The Department noted a similar recommendation was made by the Legislative Council Environment and Planning Committee's *Inquiry into the 2022 Flood Event in Victoria*. That recommendation was not supported by the Victorian Government.]

To download a copy of the full report go to
**ombudsman.vic.gov.au**