

TRANSCRIPT

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the Rental and Housing Affordability Crisis in Victoria

Melbourne – Tuesday 8 August 2023

MEMBERS

Trung Luu – Chair

Ryan Batchelor – Deputy Chair

Matthew Bach

Michael Galea

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Rachel Payne

Aiv Puglielli

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Melina Bath

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David Ettershank

Wendy Lovell

Sarah Mansfield

WITNESSES (*via videoconference*)

Mr Mark Jenkins, Interim General Manager, Strategy and Growth, and

Mr Vincent Wilson, Chief Executive Officer, Mallee Accommodation and Support Program, Mildura City Council;

Ms Heather Green, Director of Development and Planning, Swan Hill Rural City Council; and

Mr Bradley Thomas, Chief Executive Officer, Hepburn Shire Council.

The CHAIR: Thank you all for joining us with this Inquiry into the Rental and Housing Affordability Crisis in Victoria. I would just like to welcome our new witnesses. We will ask you to introduce yourselves shortly.

I would just like to quickly introduce our committee panel: myself, Chair, Trung Luu, Member for Western Metropolitan; Deputy Chair, Mr Ryan Batchelor, Member for Southern Metropolitan; Ms Rachel Payne, Member for South-Eastern Metropolitan; Dr Matthew Bach, Member for North Eastern Metropolitan Region; Mr Michael Galea, Member for South-Eastern Metropolitan; Mr Aiv Puglielli, Member for North-Eastern Metropolitan; Mr Joe McCracken, Member for Western Victoria; Mr Lee Tarlamis, Member for South-Eastern Metropolitan; and Dr Sarah Mansfield, Member for Western Victoria.

Welcome to the new witnesses. I would like to welcome you all: from Mildura Rural City Council, Mr Mark Jenkins, Interim General Manager, Strategy and Growth; from Swan Hill Rural City Council, Ms Heather Green, Director of Development and Planning; and from Hepburn Shire Council, Mr Bradley Thomas, CEO. Thank you most kindly for your time this morning.

Witnesses, please note: all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during this hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same thing, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered as a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record can you please state your name and any organisation you are appearing on behalf of. I now invite the witness panellists to make their opening statement, but please keep in mind it is limited to 5 minutes to ensure that there is time for discussion afterwards. I would like to invite the panellists to please state their name and continue. Is Mr Mark Jenkins about? Please state your name and begin your statement.

Mark JENKINS: My name is Mark Jenkins. I am Interim General Manager, Strategy and Growth with Mildura Rural City Council.

The CHAIR: Good morning, Mark. Please continue with your statement.

Mark JENKINS: Thank you. Mildura Rural City Council welcomes this inquiry into Victoria's rental and housing affordability crisis, and we would like to provide a bit of supporting information to our submission around the terms of reference. We focused on two areas in particular: the low availability and high cost of rental properties in the Mildura Rural City Council and options to address the insecurity, availability and affordability issues facing Victorian renters. And we have a bit of a story around a local person who was affected by the rental crisis. A bit about Mildura: obviously Mildura has very poor social indicator levels and limited community capacity to pay for services and infrastructure and engage effectively with one another, and in the council the average household income for Mildura is \$1341 per week, compared to the Victorian average of \$1759 per week. It represents a figure of \$408 less per week than most Victorian households. Over 21 per cent of our households make do with less than \$1000 gross weekly income. This is over 5 per cent more than the Australian average of 16 per cent. Other important points about Mildura [Zoom dropout].

The CHAIR: I think we might have some technical difficulties. My apologies. We will come back to Mark shortly. We might move on. If Heather is available, we will move on to Heather. We will move back to Mark a bit later on.

Heather GREEN: Not a problem. Heather Green, Director of Development and Planning at Swan Hill Rural City Council. Such is life for us living in rural areas when this sort of thing happens all the time, hey, Mark? Usually we just turn the video off and then the sound works.

Members have already received council's submission in relation to this inquiry. I do not propose to read that out, but I will just make a few key points in relation to Swan Hill and the impact lack of housing, and in particular the lack of rental housing, has on our community. Some of you members that are from Melbourne in particular might not know too much about Swan Hill and the whole municipality, which extends all the way to Robinvale, which is closer to Mildura than it is to Swan Hill. It is a municipality on the Murray River. We share a lot with southern New South Wales in terms of the provision of services. We have a very large horticultural and agricultural sector. We grow a quarter of Australia's carrots, so next time you have a carrot you are probably eating one from Swan Hill municipality. Seventy per cent of the almonds in Australia are grown in the region. We have a strong manufacturing sector as well. We have a company that builds doors and prefab houses that are exported all around Australia. We have got a thriving tourism industry, a growing mining industry in terms of mineral sands and a growing renewable energy sector in terms of solar and, across the border in New South Wales, wind as well. What that means is we have a lot of jobs. We have a lot of jobs and very low unemployment, but what we do not have is enough houses to serve those growing numbers of jobs to provide things like food to the state and to Australia. We also have the highest percentage of First Nations population in Victoria, which means we have got a strong cultural sector for our Aboriginal community.

Our population is officially about 22,000 according to the census, but we know it is closer to 30,000 with the number of migrants and seasonal workers that work in the municipality that are not collected. And we also know how many of those people live in not very great conditions. The going rate for a mattress on the floor in a house for a seasonal agricultural worker is about \$150 a week. There could be 10 people living in a standard three-bedroom house – not ideal circumstances for our workers.

So we have this catch 22 situation: lots of jobs and lots of opportunity but not enough dwellings – and we mean dwellings of any sort, from seasonal worker shared accommodation through to four-bedroom houses for large families. Council is the main developer of land in Swan Hill, because the private sector failed some 20 years ago. Council has now produced 450 lots for residential development, and we are looking at selling some other council-owned land for accommodation. We have built four houses in Robinvale and plan to build another four to try and stimulate the private sector market. We also continually advocate to both state and federal government about our housing needs. We have a strong view that more houses means more rental houses, which obviously meets the terms of reference for this inquiry.

On the last page of our submission there are some initiatives that we consider the state government should consider or consider doing more of – and that is a willingness to release additional government surplus land. We have been working in Robinvale with the Department of Education. They own 14 houses in Robinvale in various states of disrepair, and many of them are not being used. They could be redeveloped for unit development for teachers but then also for social or affordable housing for government workers or other professionals. Provision of incentives or legislation to construct affordable housing as a percentage of overall housing development – and we need that to apply not just to Melbourne, where there are large numbers of unit developments or dwellings but even to small-scale rural developments. One of our large suggestions is the creation of a multiministerial task force to bring together all departments who have a role in the provision of housing. This needs to be led by a senior cabinet minister or the Deputy Premier to develop a comprehensive strategy to address the housing shortage and then to implement the plan.

Council needs more support – and it will not just be us; I am sure Mildura will say the same – through incentives for local government willing to develop council-owned land. We are doing that, and we have had support through RDV for the development of the eight houses that we are building in Robinvale, so certainly RDV has been very supportive of a number of projects that council has worked on. We are suggesting incentives through additional public-private partnerships and incentives for increasing the workforce capacity of housing construction companies, particularly in rural areas. There are just not enough trades and builders,

and for local government, we do not have a building surveyor at the moment and we do not have any town planners because we cannot get them.

The CHAIR: Thank you.

Heather GREEN: I will finish off there, because that is probably 5 minutes. Thank you.

The CHAIR: Thank you, Heather. Thank you very much for that. I would now like to invite Mr Bradley Thomas from Hepburn Shire Council, if you could please state your name and continue your statement.

Bradley THOMAS: Thank you, Chair. Bradley Thomas, Chief Executive Officer at Hepburn Shire Council. It is a pleasure to be here today. Thank you for taking that opportunity. Housing is arguably one of our shire's greatest challenges at the moment. Hepburn Shire Council is an inclusive rural community located in Dja Dja Wurrung country about an hour north of Melbourne. We are classified as a small rural council, and I say that to make it really clear that rural is different to regional and metro. The housing challenges are slightly different but nevertheless really being felt by our community.

Tourism is a major contributor to our economy, with nearly 1.2 million visitors pre COVID, and that comes with some challenges. In the 2021 census we showed a high proportion of unoccupied dwellings in the shire. There were nearly 9500 private dwellings across our shire, but 23 per cent of them were unoccupied, which is twice the rate for Victoria. Many of these are used for short-stay accommodation or holiday homes by owners. Obviously that tourism comes with some fantastic opportunities for our community but certainly some really challenging items with regard to housing.

The shire is also ageing; 18 per cent of our population is greater than 70 years of age, compared to the state at 12 per cent. Incredibly, 50.1 per cent of applicable households in our shire are experiencing rental stress. Rents have doubled over the last 10 years, and it is really difficult to actually get rental accommodation. We have had a number of examples recently, particularly of businesses not being able to open seven days a week. They can get the staff – they did have some troubles in that – but cannot find housing for staff, so we have got multiple businesses in our community that have decided to only trade four or five days a week to reduce the number of staff that they need. I have got a number of business operators that have actually purchased houses and are renting those houses to their staff directly just so they can remain open across the seven days a week.

We believe we have got an unmet affordable housing need of over 300 dwellings and a really low provision of social housing at 1.7 per cent, compared to 2.6 per cent for Victoria. We understand that local government needs to play a role in housing, and particularly we have taken that on in the last few years. We are undertaking a lot of community engagement to develop a draft affordable housing strategy and action plan, and I have provided that as part of our submission. This is new space for council; it is an area that we have not been in before. We have done really significant community consultation and engagement, and we have got 25 draft actions that will be considered by council to be adopted at the September council meeting. Those actions range from a whole range of things, particularly around advocacy to state and federal government. We are really looking to state and federal government to assist us with an effective regulation framework for short-term rental accommodation which promotes more long-term rental accommodation but supports the local economy and allows choice for the property owners. We really need to strengthen planning scheme provisions to facilitate affordable housing, and we need to grow the ability for access of housing across our shire. We believe there are a whole range of things that we could work with the tiers of government on, particularly around the planning space.

Rural councils are very limited in that strategic planning work that we can undertake. This council has undertaken very little in the past. We are now entering a process of nearly \$3 million in strategic planning work. We need to redo our structure plans. What has been hardest has been to get government funding to support that, because our growth, though it may be large to us, is not large when you are talking around statewide. We need to have better access to planners, gross funding, incentives for housing stock and diversity. We are looking at that regulation of the short-term market and working together, particularly on that planning – how we quicken up the planning process, not just statutory planning in terms of the decision-making, but particularly the strategic planning framework, which often takes years and is very costly and is outside the gamut really of small, rural councils' ability to fund. But I am happy to present that to the committee. Thank you.

The CHAIR: Thank you, Mr Thomas. If Mark is back online, I would like to invite him. Mr Jenkins from Mildura Rural City Council – are you back online, Mark?

Mark JENKINS: I am back online. Can you hear me?

The CHAIR: Yes. I will restart the clock. Please continue.

Mark JENKINS: Okay. I have got Vincent Wilson here with me as well from MASP, the local housing provider in Mildura. I will just touch on a few things. I am not too sure what you missed in the first round, but I have heard the other presentations. Median rent in Mildura is rising as in most places. It has risen significantly here since 2019. Also, mental stress in Mildura is very high as well. Mildura is a community with difficulty to pay, particularly with the cost of general living expenses. Rental stress is experienced by 25.4 per cent of renters across our council. Obviously with increased rents, these figures are probably a little bit old. That is probably increasing all the time. Some recent numbers around affordability of properties in Mildura – there are only really 146 affordable properties in Mildura when there are probably over 2000 people experiencing paying out more than 30 per cent of their income on rent. So that tells a bit of a story about where Mildura is at.

Also on homelessness in Mildura, that is on the rise. The most recent numbers show there are probably over 500 people in Mildura classed as homeless, so either being on the street, couch surfing et cetera. So that is one big issue in our municipality as well.

I will just touch on the land use part of Mildura. Mildura is probably a different situation. The council has a significant amount of land planned that is either zoned or can be rezoned. Our council has done a lot of work in the past – strategic work – around developing strategic plans, development plans, that allow development to occur. In Mildura we are probably in a reasonably good position in terms of planning ahead for potential developments. We have got an active development community as well, which is another benefit. Council is another developer. Most development in Mildura is done by private enterprise.

One thing I want to touch on is council's Mildura social and affordable housing task force. We recently formed one this year. We had our first meeting in May this year. That is a collaborative approach across Mallee Accommodation and Support Program, which is MASP; Mallee District Aboriginal services; Aboriginal Housing Victoria; Mallee Family Care; SMECC; the Department of Families, Fairness and Housing; and Homes Victoria. We are working as a collaborative group to progress the form of housing in our council. It is focused on Mildura Rural City Council. We really are seeking to attract funding from the government for the organisations in that group to try and deliver increased levels of affordable housing across the municipality. That group has met three times, and we are working on an action plan at the moment, focused on that group and what the council can do to increase affordable housing and what opportunities exist in Mildura, particularly on government-owned, council-owned and other housing land opportunities in Mildura, being aware that Mildura has a lot of zoned land already and how we can interact with developers and increase development interaction in this space, which is I think is a key thing for us. I think that might cover it off. Thank you.

The CHAIR: Thank you, Mark. I also welcome Vincent to our panel. Now I would like to open up to the committee to start asking questions. Deputy Chair, would you like to start, please?

Ryan BATCHELOR: Thanks, Chair. Thanks to all the councils and their officers for their contributions. It seems to me the biggest message you are giving us is about supply – that we need to boost the amount of supply that we have got in terms of housing both on the home purchase affordability side but also to assist on the rental side. So I am interested in how you think councils in general – yours in particular but councils in general – are responding to the need to increase supply, what the attitude of councils and councillors is to new developments and what you think might be currently preventing greater facilitation of additional housing supply coming into your municipalities. I do not mind who goes first.

Heather GREEN: I will go first – Heather from Swan Hill. I think I broached some of those issues in my presentation earlier. Look, I can only speak for our council; I do not want to speak for any other municipalities. But we have just completed a housing strategy for the 10 Mallee councils, from Mildura to Mount Macedon – so that document is available for reading as well – where there are some similarities. Our council, I think I said, is actually the lead developer in Swan Hill of land – 450 lots over the last 20 years or 18 years. We do not want to be doing that. We are not developers, but we have had to. We have built four houses in Robinvale. We do not want to be building houses either, but clearly there is private sector failure. So why is the private sector failing?

I think Brad talked about it being low prices in comparison to Melbourne and regional centres of Bendigo and Ballarat – low prices for the sale of land and high costs of infrastructure. To put in infrastructure in regional and rural areas can be twice as much as Melbourne, which just makes it financially not viable for the private sector to develop land. Now, having said that, we have at least got a couple of minor developments happening in Swan Hill at the moment – so land development. We are lucky we have got adequately zoned land. Certainly other councils will not have enough land zoned. We have got plenty of residentially zoned land. It is just the private sector to deliver it. And the same with housing – we have got builders but probably not enough.

Ryan BATCHELOR: What is council's attitude towards increased density then?

Heather GREEN: Our council is fairly open to it, but an increase in density here would be significantly different to an increase in density in Melbourne. What our council is very keen on is that housing choice: everything from quite high density multistorey unit developments close to our CBDs to four-bedroom houses in rural living style development. We want all the choice. So my council is quite open to all of that in the right places, I suppose.

Ryan BATCHELOR: Bradley, what about Hepburn?

Bradley THOMAS: I think what I would say is it is probably mixed. There is certainly a feeling around heritage and keeping a little bit of the look and feel. What the concern I think for community and councillors when we do get those increased density applications coming through is then: what services are around? We do not have the transport links, so how do you have increased density if you do not have the other support services around? So certainly there is still some conflict in that. That is why I touched on that – we have probably been struggling over the past to do that strategic planning to really embed it in the planning schemes, and we are looking at ways to try and be a bit more creative at that and looking to be on the front foot of around: do we put some minimum requirements for developers in providing affordable housing actually into the planning schemes so that it is not a conversation per development, it is just as of right? We would be very interested in some discussions on that.

Ryan BATCHELOR: And has that progressed? Have those requirements progressed?

Bradley THOMAS: That specifically is probably not so progressed at the moment. There are certainly some discussions. Where we are starting is effectively: where are our five township boundaries, and what does growth look like in those? That is a five-year project for us, and that is what I am saying. I think there needs to be a way, particularly with this housing crisis, of how do we quicken that up? We still want really good outcomes. We still want to engage with community, but it is taking too long. It is really costly. How do we quicken up that process both for a local government and state government sign-off process? We would be really interested in further conversations around that.

Ryan BATCHELOR: Last one probably, because my time is about to run out. You have mentioned quite a lot about social housing. Two parts to the question: do you think the state government's recent announcement of 1300 new social and affordable homes is going to help, and do you think that the \$10 billion Housing Australia Future Fund would help solve the housing crisis in your communities?

Bradley THOMAS: It certainly cannot hurt. I think we would take every dollar and every house. What I would say is that, particularly with the Big Housing Build and the extra housing, it needs to also be outside of metro and regional, and they are different to rural. I think asking the government to consider different streams that really relate to rural councils as well is important in that space.

Ryan BATCHELOR: Anyone else? Heather? Mark?

Heather GREEN: Just agreeing with what Brad said, rural Victoria is not Geelong, Bendigo and Ballarat. They are suburbs of Melbourne. That is how we see them. Rural Victoria has got to be seen differently to those places.

Mark JENKINS: I just want to touch on, from a Mildura perspective maybe, the mention of inclusionary zoning. I think that is a really important thing that could be progressed in the planning scheme in general. I think that is currently voluntary, and if that could transition to some arrangement where that was part of developments, it would be an improvement and a step forward.

I think people have covered densities. In a rural context density in traditional residential zones probably is not that popular in rural centres, but certainly I think there is a growing popularity with it in inner-city Mildura, for example. Inner-city living is much more popular than it would have been, say, 10 or 20 years ago. So there is certainly growth – nothing like what we are talking about in Melbourne of course, just an increased density in terms of increased access to services being close to the centre of town.

The other thing is about developers. I think there needs to be a bit of incentive to attract developers into the space to fund social and affordable housing. There are good examples of this elsewhere. There need to be ways where developers see the benefit or incentive to bring this type of housing online and integrate it with normal residential development, so they are not seen as different, they are not special, but they are part of the urban fabric and they are part of what gets provided as a new neighbourhood or new township. But it needs to be done in a way that people are not singled out – they are not special; it is just another form of housing that is in the street in the suburbs. I think in our case one of our proposals is to work with developers more closely to see what we can do through a voluntary arrangement. But if it became more part of the scheme or there were incentives to do it, I think that would be an improvement.

The CHAIR: Thank you, Mark. Thank you. I would just like to ask Ms Rachel Payne to start a question.

Rachel PAYNE: Hello, and I just want to thank everyone for coming today as well as for your submissions, which have actually created a lot of thought-provoking questions for me. In particular, it seems that the strengthening of planning laws has been mentioned across all respective regional city councils. Have you had much conversation or has there been much development with the state government around the need for a planning overhaul? Is that something where you have got lines of communication there?

Bradley THOMAS: I am happy to take that one first.

Rachel PAYNE: Thanks, Bradley.

Bradley THOMAS: Obviously we are aware of the government's position around a change. Following on the last couple of weeks with Operation Sandon, what I would say is we would be very keen to have more engagement and put more of a local lens on some of the planning decisions. I think we have acknowledged that some things need to change, certainly, and are very keen to have those discussions, but we need to make sure that some of the planning decisions are nuanced for rural and local decision-makers as well. I am trying to speak on behalf of the sector; I think the sector is keen to have those discussions and certainly be involved.

Rachel PAYNE: Yes. Heather, I would love to hear your thoughts.

Heather GREEN: Look, I agree with Brad entirely. Just to give you an example, a couple of years ago the state introduced a new definition in the planning scheme for 'seasonal worker accommodation' to allow that on farming properties in the farming zone. Along with Mildura, I am sure, and I am pretty sure Shepparton – probably the three councils most impacted by on-farm accommodation – we spent a lot of time making submissions and suggestions for how we could make that work and how it would help make that work. Were we ignored? Not quite ignored, but certainly we did not get some of the key things that we wanted to make that easier to work. We were continually at VCAT with people querying the clauses in the scheme. I agree with Bradley, more cooperation with the department officers would be very useful and helpful.

Rachel PAYNE: Vincent or Mark, do you have anything to add?

Mark JENKINS: Only to agree with what has been said before. I think too that we do have a lot of discussions with the department on a range of issues. I think the worker accommodation is a challenging space. I think the current provisions – as Heather said, it is important one, because if done properly, it would help alleviate a lot of housing stress in these rural-type communities. Some of the restrictions, I understand, are designed to prevent unintended outcomes. It is important that in genuine cases where there is the need and it can be demonstrated, it should be supported. I think it is probably a frustration for some people in that space providing accommodation on property to how they make it work. Any improvements there would be of benefit, I would suggest.

Rachel PAYNE: Yes, it seems like the common position is very much around: is it fit for purpose? Things have changed. Our population growth has changed. Needs have changed of community. Are the planning laws currently fit for purpose?

Vincent WILSON: Just in terms of planning in general, one of the conversations we have had at our task force in our meetings so far has been around the planning scheme and things like inclusionary zoning and developer contributions and so forth. Probably the reflection from the task force – so the providers as well as council members in the room – has been that whilst there are things that council could do, they would be very long-term things about changing local planning schemes et cetera. I think the general view – and, Mark, correct me if I am wrong – would be that if state government was able to make broader decisions around some of those things that then apply to all councils, that would be a much easier path rather than rural councils, and metropolitan councils for that matter, all needing to do their own thing around developer contributions and inclusionary zoning and so forth. Certainly, a desired outcome from our point of view would be to see government take the lead on some of that reform.

Rachel PAYNE: Great. And if I may, I have just one last question. In regard to short-stay accommodation – I think, Bradley, you raised this point that you have seen a dramatic change over the last few years in that space – do you feel that council have the ability to have any sort of regulation around that? It has been flagged around rates and looking at property as commercial property if they are used as an Airbnb. I just wanted to know your thoughts on that.

Bradley THOMAS: Yeah-no, happy to. The rates is a really interesting one. We do charge our short-term accommodation providers commercial rates where we can identify that they are short-term rentals. That is really hard without a regulation system. It is a bit like jumping on the likes of Airbnb and Wotif and finding out, so it is not a perfect science. What that does do, though, is it changes the total rates for that property, but it does not actually help us with any increased revenue. It just reduces someone else's rates, which is obviously important, but it does not help us reinvest in initiatives that could actually help housing. We funded a project this year, about to kick off, to look at what local government or what Hepburn can do for that regulation of short-term accommodation. So we have seen some examples in two or three other local governments, and we are starting to get some information coming out from those. So we are live doing a project now around how we regulate a bit more our short-term accommodation providers.

Rachel PAYNE: Thank you so much.

The CHAIR: Thank you, Ms Payne. Thanks for that. I would like to invite Dr Bach to continue with the questions, please.

Matthew BACH: Thanks, Chair, and thank you, all. I might stick on planning. I think, Bradley, you said that, around planning, some things need to change. I think that is what you said, and obviously we have sort of started a broader conversation. Would you mind just fleshing out that statement a little bit for us, Bradley, around what you think could change ultimately then to lead to some better outcomes in the key areas that we as a committee are particularly interested in looking at?

Bradley THOMAS: Yes, happy to. I think, like a lot of things, it is not probably going to be one solution. I think there are going to be a whole range of parts within the planning project. There are a few that really stick out for me right at the moment. One is access to high-quality and enough planners. There is a massive shortage not just in Victoria but nationwide, so whatever we can do as a government to actually support planners into the marketplace and as a career will have some really long-term improvements.

I think there needs to be some fast-tracking of some of the growth strategies. Our population has changed, particularly in the last few years post COVID. We have seen them move out. What does that actually mean for our population? And actually getting real-life growth data would help our planning and tee that up. The process for going through major strategic planning changes, so talking township structure plans, needs to be really detailed, and it is. But we are talking, as I said, probably a four- to five-year process, and often then rezonings can sit around in government for quite some period of time. So what we would say is: are there ways – I do not know, maybe there is a triage system – they could be fast-tracked? We can play at the edges with some of the incentives and a whole range of other items, but supply is a critical bit. It is also supply of the right type of

housing, so we think the planning scheme should really consider the types of housing and encourage some more high density but in the right format and with the right support as well.

They are certainly some of the items that we are really considering as part of our planning work that we are doing. It is also tough. We are, as I said, doing our structure planning. You are trying to balance heritage with biodiversity with bushfire, so it is certainly not easy, particularly with different township characters as well. But how do we work closer with local government and our community, with the department and state government, to fast-track some of those where they just seem like really good, sensible decisions?

Matthew BACH: Yes. Thank you, Bradley. That is all from me, Chair.

The CHAIR: Thank you, Dr Bach. I would just like to move on to Mr Galea. Michael?

Michael GALEA: Thank you, Chair, and thank you, all, for joining us as well. Probably more directed for Bradley for Hepburn, because it is more in your backyard, but I guess for any of you to chip in an answer as well, in the Hepburn submission you have said that there is a real need for one- and two-bedroom lower middle class dwellings. And I note, and we briefly discussed this in the earlier session this morning too, one of your neighbouring councils Mount Alexander has recently relaxed some of its regulations around temporary, tiny houses, caravans and those sorts of structures. I am curious, particularly given your geographic proximity: have you seen from their experience any lessons or anything that you would like to adapt with Hepburn as well, and do you think it is a model that could be applied more broadly across the state?

Bradley THOMAS: Yes, we are certainly aware of their project and, fair to say, keeping a very close eye on how it goes. It is probably early in those stages. I have certainly got questions from my councillor group and community around: can we do that? What I then question is: why do we need to do that 79 different times across local governments, and can some of that be picked up at the state government level? I think there has certainly been a call for that. I am really mindful about still getting good-quality housing. What we do not want is people ending up in poorly designed caravans and tents in backyards and creating other risks. So we are really mindful of that, but yes, it is certainly a live project. And I think there is a fair bit of interest in councils working together as a group. I might have said earlier that this is probably a new space that we are going into. I do not have a housing officer to run with some of these projects and ideas. At the moment we are doing it by fitting it in with all the other resources as well. But it is certainly becoming a greater concern, and we are looking at how we might fund a position that can actually take some of these good ideas to real life.

Michael GALEA: Thank you, and a very good point too about, yes, rather than 79 councils doing it, perhaps one statewide approach. Hopefully that will be all taken into the mix. In terms of that – I know this is specifically related to those temporary homes – do you think there is scope for smaller permanent structures, whether it is a granny flat or it is a slightly larger small dwelling, for those multigenerational families or for indeed mixed-use private rental? Do you think there is scope for that, and is there a community appetite for that in your area?

Bradley THOMAS: Yes, it is interesting. We have certainly got a real community appetite, and we are seeing people that have grown up and are now in a large three- or four-bedroom house and do not need a three- or four-bedroom house at the moment. But because we do not have that stock of really nice one- or two-bedroom units they really feel like, ‘If I sell my three- or four-bedroom family home, I’m going to have to move out of the area,’ and that is not what we want. So we have got to get the system and the process and those lovely two-bedroom units so that some families could actually downsize. Now, whether that in the short term is your granny flat option – I think it is more your high-quality one- and two-bedroom units tied up with community, tied up with really good footpaths, connections and accessibility into our town squares to really activate them.

Michael GALEA: Sure. Still on you, Bradley, sorry, just very quickly: what does the process for applying this additional rate for short-term rentals look like? What is the rate level, how do you apply it and how long has it been in place for?

Bradley THOMAS: I suppose it is a definition to say short-term accommodation is a form of commercial enterprise no different to running a newsagent or anything like that. Most councils have rating differentials where they charge commercial and industrial more, so we just do that through the rates notice. As I said, there are probably two concerns. One is it is really difficult to know which house on which street is a short-term

accommodation, so it does rely on that, and (b) it does not give us any increased revenue. So we have got over 1000 short-term accommodations – and do not get me wrong, in the community we rely on those 1.2 million visitors, but it comes with an extra cost on infrastructure and we do not get an extra cent through that. So that is why we are looking at what the other options are in terms of regulation, in terms of maybe a fee per year or something like that that we can actually then invest back into the community, in housing or in planning or in other infrastructure.

Michael GALEA: Very interesting. I would love to dive deeper, but I do want to get across some of the others as well. Mark, in your submission you referred to the correlation between gambling harm and housing and rental stress. Can you just expand a little bit on what that has looked like in the Rural City of Mildura?

Mark JENKINS: Yes, sure. I suppose gambling is always a bit of a hot topic, because in a community where people have a low capacity to pay, gambling is obviously impacting those people's lives and family lives even more. So gambling is probably an interesting take on it. I admit that we are sort of seeing that the gambling in our case does have an impact, particularly in a community where, as I said, there is low capacity to pay.

Michael GALEA: That is very interesting. As you are probably aware, there are other inquiries looking into that at the moment too, so it is quite an interesting crossover point there. I am not sure how much time I have, Chair. Have I got time for one more question?

The CHAIR: Thirty seconds.

Michael GALEA: I might quickly go to you, Heather. You mentioned there is a burgeoning prefab construction industry going on in Swan Hill. Do you see that as a particular growth opportunity as we try and find new ways to get more houses and more supply quicker?

Heather GREEN: Absolutely. This company in Swan Hill is quite an old, established company, but they have certainly boomed the last few years, and they have actually set up another factory in Bendigo as well as Swan Hill. They are very high quality dwellings and buildings, but of course they can be shipped on site relatively quickly, so they are a good opportunity.

Michael GALEA: An interesting part of the equation. Thank you very much. Thanks, Chair.

The CHAIR: Thank you, Michael. Thank you. Mr Puglielli, please continue with your questions.

Aiv PUGLIELLI: Thanks, Chair. Aiv, Zooming in from Wurundjeri land. I will be quite quick, because I know we have got short time. I will start with Bradley, if that is cool. In your contribution you spoke about vacant properties in the area. My understanding here in Victoria is that we currently have a vacancy tax of about 1 per cent, where property owners currently self-declare in order to pay. Given the issue that you are noticing in your area, would you potentially support a strengthening of that policy, that vacancy tax, both the policy itself but also maybe how it is applied?

Bradley THOMAS: Sorry, I am not really aware of the vacancy tax. Obviously we have the land tax around, I suppose, multiple dwellings. I would say most of our housing that is vacant provides that short-term accommodation for tourism, and I cannot lose that tourism at all – our town is vibrant because of that – but it does need to support the town as well. So certainly I would be interested in regard to: how does that short-term accommodation be a bit more regulated? How does it have some sort of licensing? How do we actually know how many there are? And I think we could come up with some sort of financial contribution as well. So I am certainly happy to look at that, and I will do the googling on the vacant tax.

Aiv PUGLIELLI: Yes, that is all right. And look, I absolutely hear where you are coming from. Another thing that you did mention – and this I relate to personally as a renter – but you spoke about renting households in your area, and if I heard correctly you said 15.1 per cent of renting households in your area are experiencing rental stress, which is a huge number. Given that immediate rental stress – effectively crisis – is going on in your neck of the world, do you think that some immediate relief, like say a limit on rent increases, would assist those renters with the current rental stress they are facing?

Bradley THOMAS: I think some actions for rentals certainly have. I am not sure the increase will directly help. Ours is that supply in terms of housing – we need to get more housing in to open up. And it is also the catch 22 of having so many on the short-term. Landlords are earning more from the short-term market. A lot of landlords I talk to would say some of the legislative changes have gone too far – I take that as a turn of the table; there will be different thoughts on that – and so they have moved away from those long-term rentals because the cost benefit that they have got, they can make more money on the short-term rental and not have some of the complications of the long-term rental. So I think we need to look at the legislation of rights and responsibilities, the costing and that supply chute to solve our crisis in terms of rentals at the moment.

Aiv PUGLIELLI: Okay. I am definitely, from both of those responses, hearing this trend of the impact that Airbnbs are having on your part of the world, and so I think there is surely a conversation to be had there. Given supply was brought up, I might actually to go to Heather for this next question. Heather, you spoke about, in your area, the current scenario that, if I understood correctly, council is having to build housing rather than other providers. Do you feel that councils should be having to provide housing?

Heather GREEN: Our council would say no. We are doing it out of necessity and trying to improve the lives of our residents, I suppose. Just on your vacant land tax, we do charge a special rate for vacant residential land, so a higher rate on the dollar for people that own property if they have not built on it – I think it is within four years of purchase. So that might stimulate development.

Aiv PUGLIELLI: Yes, okay. It is good to have that context. In relation to the building of houses that is being undertaken by council in your area, were there interactions with state government before those builds were undertaken?

Heather GREEN: Yes. So we certainly have a really good relationship with RDV and certainly talked to them about us building houses in Robinvale. Robinvale is particularly short of dwellings of all sorts. Yes. So yes is the answer. We talk to RDV all the time.

Aiv PUGLIELLI: Okay. And in terms of the resourcing of those builds, you are describing it as the council being the provider of that housing. Given that, generally speaking, housing provision is a state government responsibility, how many houses has the state government built in the Swan Hill area?

Heather GREEN: Do you mean in terms of Homes Victoria?

Aiv PUGLIELLI: Yes, particularly public and affordable homes that would be in relation to it.

Heather GREEN: I do not know how many. I cannot tell you that.

Aiv PUGLIELLI: That is okay.

Heather GREEN: We certainly have significant numbers of social housing through Homes Victoria, and we did get some funding through RDV for the eight houses that we are building in Robinvale.

Aiv PUGLIELLI: Do you feel that that resourcing via Homes Victoria and RDV is sufficient, with current demand in your area?

Heather GREEN: No. It will never be enough. We have got huge demands for social housing, particularly as we have mentioned already, one- and two-bedroom units. We have got single people living in three- and four-bedroom houses that would happily move to a one- or two-bedroom unit, all forms of social housing.

Aiv PUGLIELLI: Okay. For renters in your part of the world, what do you think would make renting more affordable, fairer, for your LGA?

Heather GREEN: Our rents would be far more reasonable than other parts of the state, but they have certainly gone up significantly in the last four years. It is the availability. So we are creating this demand. The demand increases the price. Four years ago you could get a nice unit for probably \$200, \$250 a week, but now you are paying \$400 for that. So it is the demand that is driving up the price.

Aiv PUGLIELLI: Okay. If I have any time remaining, I might go to our pair from Mildura for my last question. It was mentioned the property developers – and as we have just heard, the demand for affordable

housing and obviously also public and social housing – and you spoke about incentivising, that social and affordable homes would be provided as part of those developments. Given the profits that property developers do make as part of their industry, do you think it would be appropriate to simply require a larger provision of social and affordable housing as part of those developments?

Mark JENKINS: I think there is probably scope for a bit of all those things together. I think a bit of voluntary through negotiation and their involvement in discussions and also some inclusion in rezoning that requires a certain percentage of social and affordable housing in each development. I think there is scope for all these things, because I do think it is worth being tested even locally to see what they are prepared to do, even on a voluntary basis. I think maybe we have never really gone there in terms of testing it out, because in Mildura the construction rate in Mildura is pretty constant, you know; the number of new dwellings in particular in greenfield in Mildura is pretty constant in terms of development. We see about, I would say, 250 to 350 dwellings a year constructed in Mildura. You see that much coming online, so the capacity to build is probably fairly constant. So in terms of the developer, it is just a matter of what they are developing, I suppose, in terms of the typology of the house, what sort of house. But, generally speaking, they try and sell to a certain market, so you have really got to try and get them interested in different markets, like medium density. I have noticed in greenfield sites in Mildura, they are quite sceptical about medium density and prefer to have a traditional layout for a house, so you have got to get them into the mode of what are the benefits of higher densities and how you would locate them near services. So that is a challenge, particularly, in all these communities with poor public transport and access where we have not got that sort of connection. But I do think this is doable. You can work on both ends there with developers, voluntarily and certainly changing the scheme to lock in a minimum amount that gets developed in a new subdivision.

Aiv PUGLIELLI: Thank you, Mark.

The CHAIR: Mr McCracken, would you like to start your questions?

Joe McCracken: Yes. Thanks very much for your contributions – very much appreciated. For my sins I spent six years in local government as well, so I understand the pressures that everyone is under – particularly trying to get staff is a big challenge. I was in a large regional council – or large rural, as it is classified – so I really do understand the pressures that you guys are under. I agree that one of the biggest issues is supply, and I know that nearly everyone talked about some sort of incentives as well. I think the taxation arrangements in Victoria can be quite prohibitive to new developments, particularly the windfall gains tax, land tax and stamp duty. Do you guys have any thoughts on how those could be changed or altered – perhaps rural areas get a different classification to metro areas? I will probably go to Brad first, I reckon, then see if anyone else wants to chip in.

Bradley THOMAS: Thanks for that. It might be challenging, but it is the best sector to work in, no doubt about it. There is probably a whole range of [Zoom dropout]. The windfall tax – I will take that as an example. What we particularly at Hepburn – and I know a number of other councils surrounding us – would be keen to see is that if there is tax taken from Hepburn shire, it is reinvested in and around the shire as well. We will all have our own individual thoughts on the tax structure and whether it should be in there or not. What I would say is: if it is there, can we have that invested back into the area that it has come from, particularly in that rural space? I am not going to have millions and millions and millions, but it would be good for our local communities to know that when there are changes made and there is that tax taken, there is actually a way of reinvesting it back into our community. I would be keen to see how that is done. I would also say, in terms of the whole distribution of funding, I think it is just really important for government to [Zoom dropout] be really aware of the challenges of metro programs that actually [Zoom dropout].

Joe McCracken: Did Heather or Vincent or Mark want to have a crack at that one as well?

Heather GREEN: I think Brad has probably handled it pretty well. Certainly in terms of the windfall gains tax, we have the same view that whatever money is collected should be invested back into the municipality, or even if not the municipality, if it is going towards a hospital or something that serves the region – something, whatever, but it has got to be shown to be spent locally.

Joe McCracken: Yes, that is a very decent point, and I have experienced those sorts of thoughts as well. One of the other things that I know local government experiences quite a lot is big delays in getting planning

amendments over the line. Sometimes it can take 12 to 18 months just to get a simple amendment through. My thoughts are that it needs to be sped up quite a lot and there needs to be some sort of fast-tracking or whatever the case might be. I would be interested in your thoughts on that as well – just to improve housing supply.

Mark JENKINS: Around housing, I think there is a lot of provision in the scheme for the department to take action in certain circumstances. I am wary of the word ‘fast-tracking’. Fast-tracking I think is appropriate if it is appropriate to be used for that purpose. I think you need to be careful, because you do not want to do anything faster just for the sake of it because someone wants to develop land. I think they have got to be used appropriately, those powers. I do think the department for some reason errs on the side of caution, I find, in a lot of spaces that they do not need to. With these provisions, they can put things through the scheme faster, but it always amazes me that they would spend so much time on some matters that you would think were more straightforward – you probably would have seen this, Joe – and then for other matters someone can fast-track something maybe without going through a proper process. You need to have a process that is long and may be seen to be extended, but it is important to go through that process because people are impacted et cetera. But I do find that sometimes, when it could be quicker, I do not really understand often why it is not.

Joe McCRACKEN: Yes, that is fair enough. I have seen some of the most simple, basic planning amendments take sometimes even up to two years, and that is not unheard of across the sector. That obviously limits the ability of private developers or, in the case of Swan Hill, those that develop as local government to be able to develop land and bring supply on to the market whether it is for your traditional housing block or for a denser housing option there, so I 100 per cent agree that it is a big issue.

Noting that local government does not really have that many levers to pull – I mean you can use the rating scheme to play around the edges of housing supply and that sort of thing, but it is really more of a state-led thing. It is just that local government has to deal with a lot of the impacts of it, which is a big challenge. I guess there are options around working with housing associations to have developments managed and that sort of thing, but of course out in regional areas they are few and far to come by. What would the one thing be that would make a difference to each of your municipalities? If you just changed one thing – waved a magic wand – what would it be?

Heather GREEN: I will start. I do not think there is just one thing that is going to make a difference. I think we have all talked about – Brad, Mark and I have all talked about – it has got to be a multipronged approach. It has got to be the state doing a bit, the federal government doing a bit, council doing a bit, the private sector doing a bit and social housing groups doing their bit. It is everyone doing their bit. We are about to try and get our community involved in housing later this year to try and get the private sector lifting their game. We have had success with our horticultural industry now – from four years ago saying ‘We are not landlords’ to being landlords, so we have had a shift there. There has got to be a bit of everything.

Bradley THOMAS: For me it would be around triaging the process so the right developments, the right structural plans, can get through quickly and with certainty. That is what developers and the community talk to me about in terms of when it is unexpected what decision is going to be made that makes it tough to invest. If there is uncertainty that this will go through, it might take some time – so creating that certainty and triage system within the planning.

The CHAIR: Thank you. Thanks, Brad. Thank you, Joe. Would you like to continue, Mr Tarlamis? Would you like to start your questions?

Lee TARLAMIS: Thank you, Chair. And can I thank you all for your submissions, for coming along today and for sharing your insights with us. I just wanted to follow up on something that Heather had said firstly. She mentioned work with Homes Vic, and I was just wondering if you could tell us more about that experience and how that has helped deliver social and affordable housing,

Heather GREEN: I cannot quite remember what I said in terms of Homes Vic. We certainly have a relationship with Homes Vic, and they provide us with data and information in terms of the demand for what types of housing. That is probably the extent of the relationship, and we do have a lot of Homes Vic dwellings in the municipality. I think I talked about three- and four-bedroom houses being lived in by five persons, hence the need for the redevelopment of sites for one- and two-bedroom units to free up houses for families or larger groups. That is the extent of the relationship with Homes Vic.

Lee TARLAMIS: Mark and Bradley or Vincent, have you had experiences with Homes Vic?

Mark JENKINS: I think overall ours has been pretty positive. They are on our task force and we have done some work with them recently, but I think they do most of their work with housing providers really. Our council has done a bit of work with them, but I think Vincent might be better –

Vincent WILSON: Certainly I could sit here for the next 2 or 3 hours and talk to you about the pros and cons and ins and outs of working with Homes Vic as a housing provider, but from a local government perspective, as the chair of our task force, I have been really pleased by the level of engagement from Homes Vic. They turn up to every meeting with a senior level of representation and get involved in a collaborative way in the conversation. That has been really pleasing. To be quite honest, when Mark and I started canvassing people to be part of the task force 12 months or so ago, I had thought that getting Homes Vic to directly engage in a different way with us at a local level could have been one of the more challenging things of establishing that task force, but they have actually been incredibly receptive to it and provided valuable contributions to those task force discussions.

Bradley THOMAS: And similar for us – positive relationship. What I would say is being an LGA that did not have a guaranteed build as a part of the first announcement we probably struggled to get some traction on some projects. I am keen to see the billion dollars coming out of the Commonwealth Games decision, particularly as Creswick was going to be home of the mountain biking – that we can get some elements of build into our shire as well.

What I would say is there is still probably a focus on capital build, and that is important. We need the houses. A lot of councils are also at the other end in terms of ‘I need some help with the planning of the project or identification of some sites’ and they would be pieces of work that I would love to work more closely with Homes Vic on or have some funding to say, ‘I can go and find these places. I just need some resources to help us on that.’ There often is a desire to go, ‘What’s the shovel-ready project? Oh, you don’t have shovel-ready project. We’ll move on to the next sort of town or area.’ Some help in that planning so that we do have shovel-ready projects, and particularly noting that for us six social houses or six affordable houses will be as important as maybe 50 in a Ballarat or 100 in metro – working with us on some of those smaller ones and that planning around getting a project shovel ready I would really encourage.

Lee TARLAMIS: Thank you. Coming back to Heather again, one of the other points you made was that you are currently the largest developer in your area, having sort of directly got involved in building houses, and that you were looking later this year to engage with the community and private sectors about getting them more engaged. Can you tell us a little bit more about that?

Heather GREEN: Council has declared that housing is our biggest issue for the next few years at least to try and get more housing of all types. We are having a summit, if you like, later this year with the private sector to look at ways we can work together better – not just the private sector by the way; it will be Homes Victoria and Haven Homes and those sorts of organisations as well – as part of our economic development strategy as well. It is a key component in that. How that looks and how that moves forward I am not quite sure, but we need to do something more overt and take the lead because it is not happening otherwise. People are doing bits and pieces. We just need a bit of the united front for our two major towns in particular, Swan Hill and Robinvale.

Lee TARLAMIS: Thank you. I guess, noting the time, my last question is: there have been a number of course for rent freezes. I would be interested to know whether you think that rent freezes would exacerbate the flight of landlords with rentals to the short-stay market.

Bradley THOMAS: I will just make the comment that I think we need to be really clear on the problem that we are trying to solve – short, medium and long term – and any unintended consequences. I have got no doubt there will be some unintended consequences, and I just ask that they are reviewed properly and then ultimately the decisions are made. That would be the comment I would make.

Vincent WILSON: Just on that, I think the other potentially unintended consequence of rent freezes would be a reduction in supply. It might not even be going to the short-term market, but what one can anticipate – you know, Mildura and other parts of the Mallee have got high levels of landlords that do not live here, that own properties here as investments, and what we would anticipate to see is a potential flood of investors trying to get

out and to put properties on the market and stop making them available for rent, period. That is an extreme end, but there is certainly some danger there of reduced supply as an unintended consequence of rent freezes.

Lee TARLAMIS: Thank you.

The CHAIR: Thank you, Lee. Thank you. Dr Mansfield, would you like to start your questions, please?

Sarah MANSFIELD: Thank you, and thanks again for the evidence you have presented. I too am a former councillor, so I have some insight into these issues. Just on the issue of public housing, do you have any idea how many people in your municipalities are currently waiting for public housing?

Vincent WILSON: I can certainly answer that for the Mildura area. Just looking at the Mildura district – which is Mildura and surrounding towns, not necessarily the whole local government area because it is an enormous area – the latest data we have got, which is from the March 2023 Victorian Housing Register data, shows 1067 people on the waitlist in the Mildura district for social housing. Heather may have the data for Swan Hill at her fingertips as well, but Swan Hill and surrounding area was 416 people on the waitlist at that same period of time. I mean, up here in the Mallee it is extremely challenging. With that, there is a decent supply of social housing, but overall for the Mallee as a region there were 2838 people on the waitlist in March 2023 for social housing.

Sarah MANSFIELD: Wow. And how much of the big build have you seen in your municipalities?

Vincent WILSON: Some. Thinking of Mildura, I know there was a \$40 million minimum investment guarantee in Mildura and \$15 million in Swan Hill. Homes Vic has reported that those numbers have been met, those investments have been made. I think the challenge of that is we have not seen that yet. For example, our organisation is the recipient of some of that money, not much – there are others that have got larger chunks of it – but none of those developments that I am aware of that had been funded through the regional round of the Social Housing Growth Fund, for example, have yet come to completion; most of them are in various stages of the planning system at the moment. I think that is part of the challenge.

The other part of it is, you know, again to look at the Mildura area, between ourselves as a housing provider, CatholicCare, who are building here, Haven Home Safe, who are building here – all of that is wonderful, but between all of us we might be building 100 new homes as a result of the big build money, and as I say, that is in the Mildura district. We might be building 100; well, there are 1067 people on the waitlist and growing. So, you know, unfortunately, the significant investments, as significant as they are, remain a drop in the ocean in terms of addressing the real need in these rural areas.

Sarah MANSFIELD: Yes. And Bradley, how about Hepburn shire?

Bradley THOMAS: When we look at it to date, I know there are a couple that have been funded but same thing – not built yet – and a couple of other projects that are sort of in the wind and being discussed about. And that is the comment that I would reiterate from before that probably working with us on the planning of those projects would be really helpful.

Sarah MANSFIELD: And then I guess in terms of existing supply, short-stay rentals have been mentioned by a few of you, and we know that they often have a disproportionate impact in smaller rural areas. Do you think a limit on the number of days, for example, a short-stay rental could be leased for in that capacity – what do you think that measure would do in your areas?

Bradley THOMAS: For ours, some of the conversations I have had – a cap of days is not going to have an impact because it will be on short-term accommodation and they will still make enough money from that and justify that. I think what does go with it is the ad hoc short-stay accommodations, install that supply of the type of housing that we have got, some increased regulation and funding, so once again I am not sure that there is one solution to short-stay accommodation. And I have got to be really clear: we need it. The majority of our workforce is tourism based, so if I do not have short-stay accommodation, then we do not have jobs and I do not have a community that is really being active as well. It is a really tough conundrum, and so once again I would be careful around those unintended consequences. I think what we are craving is something, and I am keen to work with the providers and government on what that might be.

Sarah MANSFIELD: Mark, did you have any thoughts about that, or Heather?

Heather GREEN: I will just quickly jump in. We do not have a major issue with short-term accommodation here, but what you have got to be careful of is who is enforcing it. If it is 30 days a year, who is enforcing that? Not local government, I am assuming, so I am not sure who is going to run around and check that people are only renting properties out for 30 days a year. And the other issue is then what happens to the other 11 months or 10 months? Do they actually get lived in or do they lay vacant? I most recently, before I came to Swan Hill, worked in Alpine Shire Council where short-term accommodation is huge, and if the accommodation is not available for tourists 12 months of the year, then the other businesses, all the other allied businesses in town, struggle. Beware of the consequences. I think the better idea would be to limit the number of short-term accommodations in an area in some way. I am a town planner by profession. I am not quite sure how you go about doing that and regulating it, though.

Mark JENKINS: I think the Mildura case is a bit like the other two. It is a tourist destination. I do not know much about short-stay accommodation, although there is a large provision in Mildura of accommodation – you know, with motels, hotels and caravan parks, so we are in a situation where there is a high level of availability in that space anyway, so I do not have all the discussion locally about housing going to the short-term market.

Sarah MANSFIELD: Sure. And just lastly, you spoke before about, I guess, this idea of investor flight: if we introduced certain measures, people might sell up their properties. What are you concerned might happen if that were the case? I mean, we heard from some renters earlier this morning who all expressed they would love to buy a house, so if people did sell up their properties for other reasons, what might happen, do you think, in your areas?

Bradley THOMAS: I think for me I would be worried given some of our median house prices and changes over the last three years. We have had a 55 per cent increase in the median house price. Daylesford and Trentham are now a million dollars. Clunes is probably our cheapest area, and it is over \$600,000. If there was a movement away from that, I worry about who could pick some of those houses up in terms of affordability in rural areas anyway and then what might happen.

The CHAIR: Thank you, Bradley. Thank you, Dr Mansfield. Just before we continue with my questions I would just like to say thank you all for tuning in. As you can see, there are quite a few ex-councillors on this committee. As with all we do, and as we heard in the submission, quality housing is important, and I think as councillors – and I understand that councils and councillors, especially with housing, we want the demand, but quality of housing is important. As I said, all councillors have all different challenges and for everyone here with your submissions the housing demand is there, but you have different challenges with regard to workforce, tourism and social. And in relation to addressing the demand with the growing population with relation to the government's social housing, I think Heather mentioned the private sector, so my question is, basically, for the councils here: what can the government do to assist councils in relation to providing assistance and in relation to promoting the private sector to invest in your shire or your municipality to construct the housing? It is understandable that price and the cost are always the issues – and it is the private sector, low price and high cost is always on their mind – but what can you see the government can do to assist local councils to promote and encourage the private sector to invest in your municipality?

Bradley THOMAS: I think, for me, work with us and really have local government as a genuine partner. And as part of that, I would look at consideration of, through HomesVic, funding housing brokers in each LGA that can actually work with council, the private developers in the area, the housing providers and HomesVic to actually look at those on-the-ground solutions. I think if HomesVic provided that support and funded some of those roles, we could actually work with the state government and put more projects and more changes and more things that have got a bit of a local element up as well. We just find it really tough to go from knowing we have got a crisis and knowing we have all these good ideas – how do we actually do them? So, work with us and have us as a genuine partner.

The CHAIR: Thank you, Heather, any comments?

Heather GREEN: I think I have said this more than once, so I generally agree with Brad. We just struggle to get arms and legs to do the work, to do that advocacy or work with the private sector or work with HomesVic. And trying to get staff with experience is really difficult as well. I have got people that are not town

planners doing town planning; I have got staff struggling to do some of that liaison work. I am not sure where we pull these people from, but housing brokers are absolutely what we need in each local government, or at least shared between some smaller ones, perhaps.

The CHAIR: Thank you. Mark or Vincent?

Mark JENKINS: I think Brad covered it pretty well there. I think that there needs to be a new model developed where the private sector is engaged and works on the issue with councils and state government. It makes sense, because I think at the moment it is very much throwing it to the wind a bit in terms of taking a chance: it might happen, or it might not happen. With a bit more of a planned approach to it with developers, it would be worthwhile, I think; that would actually engage them and everyone would benefit if that was the case.

The CHAIR: And just for my other question, that was in relation to just the private sector. What happens to social housing with the government investment; what incentive or what do you think needs to be improved for social housing to be invested in or developed in your shire or municipality? Because I know there is social housing – every time we approached a council, there was always an issue in the planning or in objections in relation to the location of the development.

Mark JENKINS: I do think location and adjacent development et cetera is always going to be an issue in planning in general. If it is well designed and well planned out and well thought through, I think those problems can be overcome. I think sometimes if people are seeing it as a lower quality of housing or a lower quality outcome, that is really all it is, and it is just about designing it so it is fit for purpose in terms of what you are trying to achieve. I think some of the shorter term solutions, like different types of housing that appear to be different or have a smaller form or whatever it might be – it does seem to single these things out. You need to be looking at integrating into the community so it looks like it belongs rather than it does not belong.

Vincent WILSON: I agree. I think if it is done right, if it is tenure blind and built into the community as Mark is outlining, certainly these communities in this part of the world are ready for that. This is a problem that the community is asking to be solved. Certainly we have tested it lately ourselves with some developments we are doing, and we have not encountered any of that ‘not in my backyard’ feedback with regards to social housing developments in existing neighbourhoods. I think that has potentially shifted, at least in some communities, because the communities are really invested in seeing this housing affordability issue solved as well. But certainly it has got to be right in terms of what is delivered for the long term.

The CHAIR: Any comments, Brad or Heather, on that?

Heather GREEN: I would just add it is very similar in our municipality. We have a strong social licence for social housing. We rarely get objections to unit development that is for social housing or affordable housing. It is because of the same reason that Vincent just talked about. People know and understand the need for housing.

Bradley THOMAS: I echo that and just say that the housing needs to be one part of it and needs to be considered with access to services and access to transport as well. Probably where we have come up against issues with social housing, it is because of that lack of access to those support services – so making sure that is part of the thinking as well.

The CHAIR: Well, the time is perfect. Thank you. Thank you, all, again. This brings our session to a close. Again, I will give a thankyou to the panellists for giving us your time today and giving us all that information, which will definitely help in relation to our gathering of evidence and to our recommendation to the Parliament down the track. Again, thank you very much for your time. This hearing now will suspend and recommence at 2 pm.

Witnesses withdrew.