

T R A N S C R I P T

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into the Supply of Homes in Regional Victoria

Melbourne – Friday 20 June 2025

MEMBERS

Juliana Addison – Chair
Martin Cameron – Deputy Chair
Jordan Crugnale
Daniela De Martino

Wayne Farnham
Martha Haylett
David Hodgett

WITNESSES (*via videoconference*)

Cr Rob Amos, Chair,

Tammy Smith, Treasurer, and

Cr Stuart King, Committee Member, Rural North-West Region, Rural Councils Victoria.

The CHAIR: Welcome back to the Environment and Planning Committee hearing into the supply of homes in regional Victoria. A special welcome back to Stuart King, who gets double points for a second appearance in one day. A very warm welcome to Tammy Smith and Cr Rob Amos. Fantastic. Thank you so much for joining us today. I will just run through some formalities – Stuart King is all over this, but for the others I will just run through this.

All evidence taken today will be recorded by Hansard, and it is protected by parliamentary privilege. This means you can speak freely without fear of legal action in relation to the evidence you give. However, it is important to remember that parliamentary privilege does not apply to comments made outside the hearing, even if you are restating what you said during the hearing.

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Thank you for making the time to meet with the committee today. I am Juliana Addison. I am the Member for Wendouree and I am the Chair of this committee. I would also like to say we have got three apologies – Martha Haylett, the Member for Richmond –

Martin CAMERON: Ripon.

The CHAIR: Ripon. It has been a long day. Martha Haylett, the Member for Ripon, David Hodgett, the Member for Croydon, and Wayne Farnham, the Member for Narracan, are not joining us, but we do have a terrific line-up for you, including –

Martin CAMERON: We certainly do. Martin Cameron, the Deputy Chair and Member for Morwell, down in the Latrobe Valley.

Daniela DE MARTINO: Daniela De Martino. I am the Member for Monbulk, covering the Dandenong Ranges.

Jordan CRUGNALE: I think I am the Member for Bass, down in the Casey, Cardinia and Bass Coast shire area – happy Friday.

Daniela DE MARTINO: And your name?

Jordan CRUGNALE: My name is Jordan.

The CHAIR: Am I right to understand you would like to make an opening statement and presentation?

Rob AMOS: If that is okay, we will make a quick opening statement.

The CHAIR: Of course. We would love you to. We do apologise for our late start. We always have so much to talk about.

Rob AMOS: No worries. I would like to acknowledge Stuart King, who is the hardest working man in local government, and Tammy Smith, who is our CEO representative on Rural Councils Victoria, and me, Rob Amos, Campaspe shire councillor and Chair of rural councils. Thank you very much for your time this afternoon.

The CHAIR: And could I say, Rob, because that is on Hansard that is officially going down in the history of Victoria, so congratulations, Cr Stuart King.

Rob AMOS: Okay. Good afternoon, Chair and committee members. Thank you for the opportunity to speak on behalf of Rural Councils Victoria, representing 33 rural councils across the state. Our communities are diverse, often isolated and face unique housing challenges, and they differ significantly from regional cities and metropolitan areas.

Let me begin by making a critical distinction: rural is not regional. This is not just a semantic difference; it reflects real disparities in policy, funding and service delivery. Rural communities are often overlooked in broader regional strategies, and this has real consequences for housing outcomes. In Victoria 38 of the 79 councils are classified as rural, including a number on the urban fringe. Victoria's rural councils are responsible for 79 per cent of the land area of Victoria and have a combined population of over 830,000, accounting for 12.5 per cent of Victoria's population. We also look after 62 per cent of Victoria's local road network.

Housing is a significant concern across rural Victoria, and housing availability and affordability have been a problem that rural communities and our members have been grappling with for years. Rural Councils Victoria surveyed our members about their housing issues and opportunities, and our research has identified a range of barriers, with the main barrier identified as land availability. Our research identified three key categories of barriers: as we said, land – 85.8 per cent of councils cited issues with land release and development readiness, nearly half cited lack of council planning staff and skilled tradespeople and the remainder were talking about state policy, planning schemes and windfall gains tax. But the number one blocker identified by our members was certainly the release of new land for development. Nearly half of our respondents – 48.6 per cent – nominated this as one of the main blockers to getting more housing in their communities. Making land ready for development was also a high-ranking blocker, with 39.2 per cent of respondents nominating this issue. This makes land-related blockers a significant issue, at 85.8 per cent. So the most urgent and foundational action the government can take to improve housing supply in rural communities is to invest in enabling infrastructure – roads, sewerage, water and power.

Many rural towns have land zoned for housing, but it is not developable due to lack of infrastructure. The cost of installing trunk infrastructure is often prohibitive for councils and developers, especially in low-return rural markets. Councils face the chicken and egg dilemma: they cannot attract developers without infrastructure, but they cannot fund infrastructure without development.

Rural Councils Victoria has a five-point plan to address these challenges. One, as I said, is the rural enabling infrastructure initiative – subsidised infrastructure and low-interest loans to make that land ready for development. Council developer support and risk mitigation – bridging funds to help councils develop land and attract investors. Three is rural housing expertise and capacity building – funding for skilled staff to manage housing projects. Four is rural housing policy reform – streamlining planning approvals tailored to rural realities. And five is targeted rural housing – specific funding for key workers, seniors, low-income families and women.

We urge the committee to recommend the establishment of a dedicated rural enabling infrastructure fund subsidised with low-interest facilities to build trunk infrastructure to unlock housing supply in rural Victoria. Rural Victoria is a vital part of the state's economy and identity. With the right support, our communities can grow, thrive and continue to contribute to the prosperity of all Victorians. But we need action now, because without housing there is no workforce, and without workforce the future looks bleak for rural Victoria. Thank you.

The CHAIR: Thank you, Cr Rob. Questions – Deputy Chair.

Martin CAMERON: Yes, I can go first. Thank you, Rob and Tammy, and welcome back again, Stuart. Rob, to you, you were talking about – and it seems to be a great concern with every council that we talk to – that trunk infrastructure that needs to be put in place. When there is development to unlock the land and we are looking at the trunk infrastructure to get it in, a lot of people just tend to think that it is just the trunk infrastructure into the new development. Are there issues downstream of that at existing infrastructure that is not big enough that has got to be taken into account as well? It is further than just what is going to be going into the new estate, but it is right back to ground zero where it has got to get to the sewerage insulation or the water or power.

Rob AMOS: Yes, a very good point, and we have that example in Echuca right as we speak. Echuca, which is Campaspe shire, where I am from, is over 150 years old. A lot of the drainage when it was built – Echuca is very flat, so drainage is a hard thing anyway – is very small. You know, it might be 100-mil pipes, which back in the day when we had dirt roads and all that sort of thing was absolutely fine. We are now having to go through the process of replacing that with pipes that are a metre, to cope with today's water that we are trying to get away as we put in bitumen roads, and obviously more houses mean we have got more roofs collecting water to get that water away. So that absolutely needs to happen as well, and I would argue that our rural councils are doing that on an ongoing basis as renewals happen. When those renewals happen it is being upgraded to where it needs to be.

Martin CAMERON: Is it prevalent also – we talk about new greenfield site developments – if we are going to infill in the town CBD? I know down in the Latrobe Valley the infrastructure, particularly for stormwater, is just inadequate. If it rains, it floods, because we are putting so much water into these 100-year-old assets. Does it put pressure on some infill developments that may be going forward that there is just so much work that has got to be done in the CBD itself?

Rob AMOS: Yes, absolutely. I am going to pop over to my colleagues in a moment, but again, in Echuca we have an example with water, just potable water for drinking for normal households. Over on the west side there has been quite a lot of development over the last, say, 10 years, and the water pressure has dropped over there. What happened was Coliban Water, which is obviously a state government-owned entity, did invest, and invested in some new water tanks over there, and pumps. That was game changing for our community, because it allowed people to actually have acceptable water pressure in those areas over there. So we know, when the government does invest in this infrastructure, that it really makes a difference to these communities, and we need that to happen in our smaller towns as well.

Martin CAMERON: Thank you.

The CHAIR: Daniela.

Stuart KING: Can I just add to that too. In our experience – in Swan Hill and Robinvale as well – new housing estates now often have retention basins, because the existing stormwater systems, as the member asked about, just cannot cope. We finish up where developers lose land that has got to be reserved for retention basins so that there is somewhere for the stormwater inflow to go, and then that can be either let go periodically or pumped out down the track. That is also a problem. We have actually had to do it in Swan Hill and a couple of places for infill development, where we have actually gone back and dug out parks, so now a park is a couple of metres lower than the surrounding area just so that we have got somewhere to store stormwater when we get these big summer storms that come along. I think too there is an opportunity to integrate stormwater development, stormwater funding, trunk infrastructure funding with water retention projects and reuse that water on sporting fields, on nature strips and on beautification as well. I know there is some work done in that area and some funding available, but it sort of sits in isolation; it is not actually brought into the whole housing equation.

The CHAIR: Stuart, I know we are doing that with Central Highlands Water. We are capturing a whole lot of that for our large Victoria Park and Lake Wendouree as well. It is really important work that is being done by our water authorities. Jordan, do you have a question?

Jordan CRUGNALE: Yes. I would like to hear from Tammy, the CEO, in terms of what is happening in your local area – obviously they are similar – as a rural council.

Tammy SMITH: Yes.

Jordan CRUGNALE: Do you want to just talk about your area specifically?

Tammy SMITH: Great. Thank you. Probably I am slightly different in the sense that Yarriambiack shire is much smaller – large in land size, 7.5 thousand square kilometres, but with only 6.5 thousand people. We have similar challenges but more unique challenges, and I am going to use Murtoa as an example. Murtoa is a satellite town to Horsham, and it is probably one of those towns that is high in the development framework, in the sense that it is close to Horsham but also we are going to have renewable energy and mineral sands mining. There is also a large manufacturing company looking to set up in Horsham. So we are going to start to see

demand for housing in our smaller satellite-type towns around Horsham. Similarly, Hindmarsh would be facing this type of issue.

In Murtoa is a declared sewer district, and part of the town has got a sewer. We actually have more than 25 lots of land that are vacant on the west side of the lake in Murtoa, and they class that as a stage 2 declared sewer district. They have never actually put the connecting infrastructure in – so they have never put the sewer or the water in through those blocks. There are roads there, it is subdivided, it is township and it is available, and our community has actually put in inquiries to council. They have said, ‘We want to be able to build a house on these parcels of land, but the cost to get the sewer main to the block is \$60,000 to \$70,000 alone and yet the block is only worth \$80,000.’ So they have asked if they can put in septic systems. Obviously council needs to approve that, but we actually then have to go and negotiate with GWM Water around that. Now, it is a declared sewer district, so therefore it is really unlikely that they will approve or want us to approve septic tanks in those areas, because they want to see the sewer main extended, it being a declared sewer district, and so that becomes a real barrier to development.

Considering we have got 25 blocks of land there, we actually tried under the Commonwealth funding, the recent enabling infrastructure funding. We needed \$1.3 million to be able to extend power, water and sewerage through that area. Unfortunately we were not successful, because when they look at economies of scale and 25 blocks in a small rural town, I think they see it as – when I say ‘they’, the Commonwealth government when they are going through the approval process. I do not think that they see they are getting the greatest bang for their buck with that, and unfortunately we just keep missing out. This is a real barrier for us, and it is really common across small rural councils where we can unlock land. It is ready, it is available. We are really having a go. We are putting in funding applications. We just cannot seem to get that enabling infrastructure funding. So to Rob’s point before, that is really crucial for our small rural councils to be able to unlock land and make it available.

Rob AMOS: Can I just follow up with a comment there. That is a perfect example of where, as Tammy was saying, we get to. People look at it and go, ‘Oh, it’s probably not worth it. I mean, why are we going out to Murtoa to build 25 houses. That’s crazy talk.’ But there is so much going on in rural Victoria. We always say, ‘We want to be part of the solution. We want to be part of the cost-of-living crisis and the growing of the economy. We’ve got so much going on.’

I watched the federal Treasurer on Tuesday at the National Press Club talking about recognising that they are not meeting their goal of the 1.2 million. Minister Clare O’Neil, he has tasked her with relooking at things and how we can look at things. What we want to see is when the feds or the state is doing this, that they actually ring-lock funds specifically for rural Victoria so that it just does not get lost in the whole package. We think that that is important an important part, that when the policies are being written we specifically ring-lock particular funds that can only be spent in rural Victoria, so that when money comes from the feds, or however it works, we know that there will be a portion that will be set aside. It will not look like it is hugely economically viable, but it does allow our smaller Murtoas of the world to be able to grow, which means we can house miners. And when all these renewable energy projects are being built and need to be looked after, we have got places to put our workers.

The CHAIR: Rob, could I just ask you, under the Big Housing Build and regional carve out with \$1.25 billion for the regions as well as the additional \$1 billion for the Regional Housing Fund, what are we seeing on the ground in rural councils?

Rob AMOS: I can give you an example actually.

The CHAIR: That would be great. Because that is that real reserved money that we are talking about, aren’t we? We are saying that is that \$2.25 billion for regional Victoria, not to be spent on the metro area. Is that flowing on or flowing through?

Rob AMOS: See, it sort of is and it sort of is not, and that is the point. The example I am going to give you is the Pyrenees shire. Pyrenees shire did a development down there, and they put 100 new homes in, which is absolutely fantastic. You look at that and go, ‘That’s a rural shire. Why is that working?’ It is because of its vicinity to Ballarat that it becomes affordable to do that. Again, what we are seeing is when the policies are written, they are saying, ‘Right, we are going to put X number of funds for regional Victoria.’ And we go, ‘Oh,

that's cool.' But then what happens is people look at it and the rural councils are missing out because it is viable in Ballarat, it is viable in Shepparton, it is viable in Warragul, but it is not viable in Murtoa or Warracknabeal or Swan Hill and these smaller places, the Robinvalles of the world, the Tongalas. So in Tongala, which again is in my shire, we have Greenham, which is a large abattoir. And I am talking very large; they are part of the PALM project, where they are bringing Pacific Islanders across and so on. They ended up buying the caravan park in Tongala to house their workers. That is great that they have got somewhere for that, but then that kills our tourism, because there is nowhere for the tourists to stay.

Again, I just want to get back to the fact that we are different to regional, and we need to keep getting that message across that rural is different. In regional Victoria it is still viable to do these developments for developers to come in. It is when we get into the smaller shires that it becomes harder.

The CHAIR: I absolutely agree that rural is not regional, and I really think that is a great way of really drawing our attention to the matters of significance to the councils that you represent. Do you have any examples of some really small places actually seeing the flow-on effects?

Rob AMOS: I might pass that to Tammy, actually, because she has got some great stuff there I think.

Tammy SMITH: Well, from an approvals process, we are finding that the money is going to more larger centres, in a regional perspective, so it might be going to the Horshams or the Ararats. We are not seeing it in the rural communities. From the big build we have had a number of applications put in and submitted, and we are not seeing those applications approved out into the smaller rural shires, so the Yarriambiacks or the Hindmarshs. I think this is because the cost to build in rural Victoria is much higher to that of regional Victoria. A really good example of that is that we built four affordable homes. We got regional infrastructure funding to build seven with \$2.8 million from the state government. We loved it; it was well received. At the time when we were trying to build, we had an issue where we could not secure a contractor and went to relocatable, the transportable home model. They were wonderful, but they cost – so in Murtoa a two-bedroom unit with a carport cost around \$526,000. Now we are building a JG King one at the moment in Rupanyup, and it is costing around \$300,000. This is the difficulty we are facing, but to be able to get a bulk builder is really, really difficult. We got that funding back in early 2022 and we had to go back to market and we are now only building that home in 2024–25. These are the challenges we are facing. Whereas you can deliver with the transportables quicker, it costs so much more.

Jordan CRUGNALE: Thanks, Tammy, Rob and Stuart. Tammy, back to the federal grant that you spoke of, the enabling infrastructure one, was there a contribution and ratio that council had to put in? Was it like one to four?

Tammy SMITH: No, so that Commonwealth enabling infrastructure stream was really welcomed because there was no requirement of a co-contribution, and it was specific to local government, so that is why welcomed it. We partnered with GWMWater to be able to put the application in for Murtoa, but we actually put four applications in. We put in an application for Warracknabeal for a 14-lot subdivision to get the enabling infrastructure. That was effectively for aged care housing, independent living, and the aim was to free up housing stock within our community. What we are seeing across our rural communities is we predominantly have ageing members of our community, and they are looking to downsize, but they cannot downsize in their own community. They do not want to move away from their community, so they are staying in three- and four-bedroom homes, and they are not downsizing, because the next option for them is to go to a nursing home. There is nothing in between. We have actually got a company that is quite interested, a not-for-profit. If we had the enabling infrastructure all in, they would step in and build. Unfortunately the cost to get all of that in was \$2.6 million, to be able to get the drainage, the power and the water. These are the barriers we have got in rural communities. We put one in for Hopetoun as well – similarly, that was a 10-lot subdivision – and also one in Rupanyup, and not one of them got up. We put in a lot of effort. This is probably the other key thing: rural councils are putting a lot of time and effort into submissions and reallocating funds that are already quite tight to put in housing submissions and enabling infrastructure submissions, and we are just not getting anywhere; we are not getting them up. To Rob's point before, I think that is where we really need funds that are specific for rural councils, because rural is not regional, and these are some of the challenges that we are facing.

Jordan CRUGNALE: Thank you.

Martin CAMERON: Heading back to talking about workers accommodation and taking over motels, with companies buying them and caravan parks, has it stopped your local councils being able to attract big-ticket items, as in tennis tournaments or Lions clubs, from all rolling into town, because you have not got that accommodation available because companies have come in and bought workers accommodation and nailed your caravan parks and motels? If it is a big function, and it might be something – I know down in Traralgon we have the junior tennis tournament down there, where everything is booked out for the tennis tournament. But if we had motels and our accommodation for caravan parks unavailable, it just would not be viable, it would not stack up, and they would not come here. Is finding that an issue – and I will ask all three of you – in your particular councils and shires?

Rob AMOS: I might pass that one on to Stu, because I know that they have a lot of workers coming in to do work up in his area. So I might pass that to Stu.

Stuart KING: Yes. Obviously I touched on that earlier, and it is a really good question in regard to the events space and tourism and those sorts of things. As we outlined earlier, we are a pretty innovative council, so we take it upon ourselves to help coordinate homestay accommodations. For example, Country Week tennis, council assists the local tennis club to host that event and opens it up to the public to host people in spare bedrooms or if they have got a granny flat out the back, that sort of thing. There are also quite a few people who will vacate their homes for the week. They will go and stay with friends or relatives for the week. Obviously it is a bit of a cash cow for them, but it also helps and enables those events to go ahead. The same thing can be said for our June racing carnival that we have just recently held as well. It is a problem, but we try and find ways around it, but obviously it is not an ideal scenario. Obviously there is a lot of accommodation now that is Airbnb-type accommodation, so that sort of eats into that accommodation stock as well. Regardless of intent or taxes and whatnot that have been put on short-stay accommodation, I am not sure that that is really solving the problem. The underlying problem is just lack of accommodation full stop.

Rob AMOS: I think that is an interesting point that Stu made. It is often the flow-on effects that we do not see. When there is a lack of accommodation, caravan parks or motels or whatever the case might be, and there are events and so on – again, I will use Echuca, as we are a very high tourism economy – what that does is then drive the price of the Airbnb market, and so therefore more people will take their property off the rental market, if they have got an investment property, and put it into the Airbnb market. It is a flow-on effect that happens. It is hard to measure.

Daniela DE MARTINO: If I can ask a question of the three of you across your councils respectively and broader across Rural Councils Victoria: are any councils owning and operating their own caravan parks for short- and long-term accommodation, or is there an appetite for councils to do this at all going forward?

Tammy SMITH: If you are happy, Rob, I can answer that. Our neighbouring shire Hindmarsh operates all four of their caravan parks, predominantly for tourism, but obviously it also works for short-stay as well. Being in a rural community, we often see that agricultural community, the primary producers especially around harvest, taking up a lot of the accommodation or taking up caravan sites as well. We have two caravan parks in Yarriambiack which we manage, and the rest of them are actually managed by committees of management. So pretty much volunteers run all of our remaining caravan parks across our –

Daniela DE MARTINO: Oh, wow.

Tammy SMITH: Yes, they do a wonderful job. But the majority of our caravan parks through the summer months predominantly when it is tourism season are actually taken up by workers coming to work for farmers. They are travelling through the region or they are working at the bunkers, at the grain receivals, so we see all of our caravan parks quite full, and it is purely with workers, which then limits the ability for people to come and stay from a tourism perspective.

Daniela DE MARTINO: I understand. Yes. Thank you.

The CHAIR: Excellent. I am just looking at the clock. Are there any other outstanding issues? I think we have covered a lot. Was there anything else, Tammy, that you would like to add, or Rob, or hardest working man in Victoria Stuart King?

Tammy SMITH: Rob, if it is okay, I would actually just like to commend the state government for introducing the regional planning hub. That is a really welcomed, well-utilised service. At Yarriambiack we love it, and it has enabled us to do our structure planning that then looks at future growth and it enables us to really plan ahead for housing and development. But I know there are many other rural councils that have welcomed this and are utilising it, and it also assists with helping us work through planning schemes. As you all would be aware, there is a real difficulty in attracting qualified planners to rural councils. The regional planning hub is a really wonderful, well-received initiative and I would just really hope that the government continues to fund that hub going forward.

The CHAIR: Tammy, that is great feedback. I have actually just got a letter from Jeroen Weimar as secretary of the department providing us with further information of it, because we were interested after other people had raised how beneficial it is. It is great to have your endorsement as well, so thank you very much for that.

Stuart KING: Before you close, Rob, I will just chip in my two bob's worth. I will note that I am here this afternoon as a committee member on RCV for the north-west region of Victoria. Happy to take the tag as the hardest working man – look, I will take that anytime. Just on the back of Tammy's comments there about the planning hubs and stuff. Rural councils are pretty innovative and there is a lot of bureaucracy above us, but we work together. The beauty of rural councils is that we are typically working with our neighbours to create solutions. On top of the planning hub, we have got a project with Yarriambiack where we are working on a municipal building surveyor project, because obviously those types of skills are really difficult – so shared resources. We work with Gannawarra down the road in sharing some services as well – common systems, asset management, all that sort of stuff. I know it is not directly housing, but I guess I just wanted to put the message across that we are here. Rob has given you the stats on how big we are, but how few people we represent. But our economy is huge, we are extremely valuable contributors to the state and to the national economy, and we are country people – we work together to get things done. Please do not underestimate the ability of rural councils to work together to create solutions. We have all outlined that money is hard to get, but we can make a little bit of money go a hell of a long way to creating solutions for problems.

The CHAIR: Thank you very much, Cr King – heard loud and clear. Any other final remarks?

Rob AMOS: Yes, I will just wrap up and say thanks a lot. I just wanted to give one example in Echuca where it works. About six or seven years ago we started a precinct structure plan, and this is where Tammy talked about the planning hubs; I wish we had that back then. It took us six years to get this through, but we have now a 5000-house development there which is going to be filled in over the next 15 or 20 years. It is quite a long time but will double the size of Echuca, and it is a fabulous outcome for rural Victoria. We have a thriving economy up here, whether it is agriculture – our biggest employer is health. Most rural economies are good; agriculture is good; there is mining, there is renewable energy, there is tourism. Everyone talked about critical worker shortages – we are well and truly part of that – but it can work if we can get the right supports to be part of it.

I will just finish with this. As I said earlier, we want to be part of the solution for the cost-of-living crisis, for the housing crisis, for the economic growth of Victoria. We can be part of that if we can get some help to be part of that solution. If we can get more people moving out of Melbourne to come and fill our jobs, it means that is one less house or one less apartment block that we have to build in Melbourne, and we would love to have them. I am a product of that. I moved to Echuca 10 years ago from Melbourne, and I have never looked back. It is just the most incredible thing for my family. The opportunities that have been provided by rural Victoria for my family are just amazing, and we want to see more people, but we do need assistance to be able to achieve that.

The CHAIR: Well, thank you very much – a very optimistic way to end your session, so thank you. To all the rural councils: thank you for the work you do. We do realise how significant you are, and we also recognise that you are under a lot of financial stress with particularly the roads network and all that you have to do. Thank you very much, and hopefully we will see you all soon. If there is anything further, please be in touch.

Witnesses withdrew.