

# TRANSCRIPT

## LEGISLATIVE COUNCIL ENVIRONMENT AND PLANNING COMMITTEE

### **Inquiry into Climate Resilience**

Wangaratta – Wednesday 4 December 2024

#### **MEMBERS**

Ryan Batchelor – Chair

David Ettershank – Deputy Chair

Melina Bath

Gaelle Broad

Jacinta Ermacora

Wendy Lovell

Sarah Mansfield

Rikkie-Lee Tyrrell

Sheena Watt

#### **PARTICIPATING MEMBERS**

John Berger

Ann-Marie Hermans

Evan Mulholland

Rachel Payne

Aiv Puglielli

Richard Welch

**WITNESSES**

Stephen Swart, Director, Sustainability and Culture, Wangaratta Rural City Council;

Bryan Sword, Director, Sustainable Development, Moira Shire Council;

Ian Ellett, Director, Infrastructure Services, and

Sam Niedra, Coordinator, Environment and Sustainability, Indigo Shire Council.

**The CHAIR:** I declare open the committee's public hearing for the Inquiry into Climate Resilience in Victoria. It is a public hearing for the environment and planning cross-party committee of the Legislative Council of the Parliament of Victoria to inquire into the resilience of the built environment adapting to climate change, and we will be providing a report to the Parliament which will include recommendations to the government. Can I ask everyone who is here to please ensure their mobile phones are switched to silent and that we minimise background noise for the proceedings.

I will begin by acknowledging the traditional owners of the lands we are meeting on here today and pay my respects to elders past and present. I acknowledge any Aboriginal or Torres Strait Islander Australians who participate in the proceedings today. I welcome any members of the public either watching us online or who join us in the public gallery today. I welcome representatives from local government authorities.

All the evidence we take is protected by parliamentary privilege as provided by the *Constitution Act 1975* and the provisions of the Legislative Council standing orders, so the information that you provide to us in this hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat those same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the community may be considered a contempt of Parliament.

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

Welcome. My name is Ryan Batchelor. I am the Chair of the Environment and Planning Committee and a Member for the Southern Metropolitan Region in the Legislative Council. I will ask members to introduce themselves.

**Rikkie-Lee TYRRELL:** Hello. I am Rikkie-Lee Tyrrell, Member for Northern Victoria Region.

**Sarah MANSFIELD:** Sarah Mansfield, Member for Western Victoria.

**Gaelle BROAD:** Hi, I am Gaelle Broad, Member for Northern Victoria.

**Wendy LOVELL:** Wendy Lovell, Member for Northern Victoria.

**The CHAIR:** And online we have –

**Jacinta ERMACORA:** Jacinta Ermacora, Western Victoria Region.

**The CHAIR:** For the Hansard record, if I could get each of you just to state your name and the organisation you are appearing on behalf of, then we will kick things off.

**Sam NIEDRA:** My name is Sam Niedra. I am from Indigo Shire Council.

**Ian ELLETT:** Ian Ellett, also from Indigo Shire Council.

**Stephen SWART:** I am Stephen Swart. I am from the Rural City of Wangaratta.

**Bryan SWORD:** Bryan Sword, from the Moira Shire Council.

**The CHAIR:** Wonderful. Thank you all for joining us. The format of this is pretty straightforward. We will invite you to make a short opening statement and then we will ask some questions and take it from there. I do not know how you want to decide who gets to go first.

**Stephen SWART:** I can go first.

**The CHAIR:** You can go first, as the local host.

**Stephen SWART:** First of all, I wanted to say thank you for visiting the Rural City of Wangaratta and also thank you for the opportunity to speak at this hearing. The communities of the Rural City of Wangaratta have been faced with a series of climate-related emergencies in recent years. That includes floods, droughts, bushfires and storms, and that is well known. These events and the after-effects significantly affected our communities, our environment and our economy.

Regional areas and their populations bear a greater proportion of the burden of the impacts of climate change compared to metropolitan areas. In regional communities, climate events have a direct impact on livelihoods, and these communities are more likely to experience severe consequences due to the relatively limited access to resources. The 2019–20 bushfire season highlighted Wangaratta’s critical role in regional emergency management as we served as a key evacuation and relief centre for surrounding communities. The fires themselves brought devastating consequences and not only endangered public safety and health, but bushfire smoke impacted key industries for a lengthy time afterwards. Flood events, such as those in October 2022, inundated large areas of farmland and destroyed and damaged fencing. This had an economic toll on agriculture, supply chains and our community. And earlier this year storms caused disruption to power supply to thousands of homes, demonstrating the vulnerability of our infrastructure to more frequent and severe extreme weather.

Thanks to funding from Emergency Management Victoria, the Rural City of Wangaratta is currently developing a climate adaptation plan for council’s operations and service delivery. The plan will help us better understand the risks related to climate change and prioritise actions. Work done so far on this plan highlights the amount of work that still remains and that council will be unable to complete that work without significant external support. The financial burden on local government to respond and build resilience is immense. Infrastructure upgrades, community support and climate adaptation initiatives require significant resources. Without external support, including statewide policy leadership, councils like ours will struggle to maintain essential services while addressing escalating risks. The costs of responding to emergencies could force councils to redirect limited resources to other services, leaving our communities more vulnerable to future risks. Local governments cannot tackle these challenges alone, and the Rural City of Wangaratta will continue to work collaboratively with state and regional partners to secure a resilient future. Thank you.

**Ian ELLETT:** I am happy to go next.

**The CHAIR:** Yes. Thanks, Ian.

**Ian ELLETT:** I am a little unprepared, but I would certainly echo Stephen’s comments. Indigo shire is probably a little bit different. It is an adjacent shire. It does not have the population or the big regional centres. We are made up of small towns and farms. We are responsible for a really large road network, and we have forested areas, so we have similar risks: fire, flooding, storms. We are certainly seeing those – as recently as last week. We are coping it again where our road network suffers some reasonable damage just as a result of some really intense rain events that are becoming more prevalent, so we are still counting the cost of that. But I think one of the real challenges that impacts on us and our community is just having the resources and having access to funds to make those good and allow people to get on with their lives. So ‘recovery from’ almost seems like a constant now. You have a long follow-up period from one event to the next, and you just sort of think you are getting your house in order and then you get hit with another event. I suppose it is worth mentioning the rate-capped environment just challenges councils in how to put the resources into repairing everything that has been damaged. There is certainly funding through disaster recovery through state and federal governments that provides some support, but the tightening of those rules has left, and is leaving, some really big gaps of infrastructure damage, and we really struggle to find a way forward.

**The CHAIR:** Thanks, Ian. Bryan, did you want to –

**Bryan SWORD:** Yes. Thanks for the opportunity to present to the committee on behalf of Moira shire. I will offer a local government perspective. Preparing for and responding to climate change presents local government, particularly rural councils, with a significant financial sustainability challenge. The financial challenges of rural councils and the higher rate burden on its communities are well documented, and further financial pressures on infrastructure without funding will divert funds from other important community services or other capital works projects. While some may point to rate capping as a barrier to providing infrastructure, ultimately it is the capacity of each community to pay for the required infrastructure.

Some specific challenges – councils in regional and rural Victoria are responsible for the maintenance and renewal of significant road networks. Climate change in areas with higher rainfall or inundation predicted will experience a higher rate of deterioration and failure. This will exacerbate the financial sustainability challenge. To compare the rural v. metropolitan burden, Moira shire is responsible for a road network which covers over 4000 square kilometres from a population base of just over 30,000. Comparing that to a metropolitan example, the City of Stonnington covers 25 square kilometres and a population of 100,000. Coastal areas under pressure from inundation or erosion are commencing conversations with communities about retreat or protect. Will communities be able to afford the infrastructure required to protect, and who will ultimately bear the capital and economic costs of land lost in the case of receding? The difficulty of collecting developer contributions for existing residential-zoned land, which may exceed 20-year land supply in some cases, places a significant burden on council and its community when required to provide an upgrade to critical infrastructure such as road and footpath networks and stormwater drainage.

A review of disaster recovery funding agreement arrangements would be welcomed – an increase in emergency funding to enable councils to respond quickly to infrastructure damage. Funding schemes currently replace like for like, which means we are not adequately preparing for future events. There is a great difficulty in attracting qualified and experienced professionals which best plan for and guide climate change infrastructure decisions. Town planners, engineers and building surveyors are in short supply. Strategies to increase this pool of skills are required to adequately plan and implement our future needs. Rural councils have limited capacity to respond to natural disaster events when more than one happens at once. This is likely to become more frequent due to climate change. Further work on community resilience is required. Evidence suggests that communities which are most resilient rebound the quickest. A reliance on volunteers to respond to emergencies in rural communities, for example, the CFA and SES – volunteers are an ageing resource and more frequent and intense events will further stretch this valuable community asset.

A few comments on the planning scheme – the planning scheme is generally effective but a broadbrush approach that relies on local policy to inform design and infrastructure outcomes. Acknowledging the labour market shortages, rural councils are unlikely to be updating local controls, such as flood mapping, as quickly as needed. The *Infrastructure Design Manual* is an incorporated document used by most, or the vast majority of, rural councils to inform and standardise infrastructure decisions and requirements. Funding a review of the IDM and relevant infrastructure design standards to accommodate expected change in rainfall intensity in the next 50 years – maybe designing for the average of one-in-20-year event is not enough anymore. Homes need to be built better for future extremes in weather, implementing greater environmental sustainable design and integrated water management solutions for heat and drought solutions.

Growing regional visitor economies is a priority of the Victorian government and councils. The economic prosperity of the regions is becoming more heavily linked to increasing visitation and overnight stays. Public and private industries continue to invest heavily in the visitor economy, and more frequent and intense climatic events, as seen in East Gippsland bushfires, for example, have catastrophic effects on local economies. Lastly, providing more standard community education and information on climate change to get a broader understanding of the issues – we need more accurate and easy-to-understand projections to ensure that residents are informed about potential risks. Thank you.

**The CHAIR:** Thanks very much, each of you, for that opening statement. I might start with money, because every discussion we have seems to come down to this question about there not being enough resourcing in the system to do the work that needs to be done. What do you think is the most effective way we would have to provide the necessary funds to do the preparation of our civil infrastructure works, our community infrastructure? Where do you think that funding should come from if there is not enough already?

**Ian ELLETT:** I am not sure if it answers the question. I guess my focus on funding is when we are looking at 'recovery from'. So the preparation works are hard, and we have all got a stake in that and we all do our best. I think the financial pressures come when we are impacted by some sort of climatic event and we are, I suppose, looking for a way to be able to just put things back together and keep the community safe. I think we just heard mention of the disaster recovery arrangements. They have become really challenging – longwinded. I think we, along with probably most of our fellow councils, are still undertaking works now – letting works now in mid to late 2024 – for events that occurred in 2022. We had two major flooding events in 2022.

**The CHAIR:** And why is that taking so long?

**Ian ELLETT:** I suppose the processes and requirements to fulfil the needs of disaster recovery have just become very detailed and sort of extreme with record keeping, pulling details together and then competing with a backlog of other councils in the same boat. I think by way of example – and we have done this twice, probably a year apart – in previous times we would have an assessment done of damages. Let us say it is a road network: we would identify roadworks that have got to be done and we would have someone – in the past from VicRoads or the department of transport, being the representative of the state government – look over that network and agree on a scope of works and give us a thumbs up. We could go and then package up and tender the works, undertake the works, put in our claims and be reimbursed. I think now, just by way of example, we have sort of gone through the same process, but it has taken much longer just because there is more detail, more work required, to get satisfaction over the line.

We have twice now had agreement in principle to a scope of works – and that could be some hundreds of thousands worth of road repair works – go through a public tendering process. Normally tenderers are required to hold their price for 90 days or something like that. We could put a report to council to provisionally or conditionally award a contract to contractor X for all these works. We put it back in the hands of the state, anticipating that within a couple of weeks we will get the green light, but five months later it is still in the queue waiting and we have got prices that have increased and we have got a contractor that has moved on to other work. We did that two years ago and we have done that again this year. So it seems to be that there are probably not the resources. The people that work –

**The CHAIR:** Why do you think there is a hold-up? Five months for a final tick-off on a project seems like a long time. Why do you think that is happening?

**Ian ELLETT:** Look, I do not know. I suppose what we are hearing is that there are a lot of people in the queue. It sort of moves out of the regions so that the people that we are working with on the ground then have to refer it in to – I am not sure if it is a minister or the state Treasury. But there is some process sort of behind the scenes that we are –

**The CHAIR:** So the funding is there, but you are just having difficulty in accessing it?

**Ian ELLETT:** Well, yes, I think to some point. But there is probably greater scrutiny on every little job, every square metre. So the risk to council in saying, 'Well, the funding's there; we can just get on with it,' is that then maybe only 80 per cent of it is ultimately approved because we did not quite have the records for the other bit or something is a bit questionable. So you can be \$100,000 or \$200,000 out of pocket in undertaking works that you thought funding was coming for. So if we are a little bit conservative and a little bit tight, we want to wait and get all the approvals ticked off. I have just seen a really significant shift over the years. I have been involved in local government and this sort of stuff for a number of years, and it has become much, much harder and prolonged.

Probably one other element, just while I am speaking, is that a tightened definition around critical infrastructure means that all of our roads, bridges, some of that really critical stuff, will still be funded; we have confidence that it will take time but it will get there. We are receiving a lot of government funding for economic stimulus to build tracks and trails – rail trails, bike paths – some millions worth, literally. If they get damaged now, we are on our own. They will say, no, that does not fit the definition. Councils are going to have the exposure of building multimillion-dollar recreational infrastructure that is damaged in some sort of climatic event and no recourse to funds through disaster recovery. I think that is a real emerging issue. With the 2022 event, we were fortunate that the Victorian government allocated some Victorian flood support funds. You know, I think they made up the rules as they went, which was fine. It was to cover costs that we could not otherwise get through

the disaster recovery or through insurance, so there was some gap funding, but there are no guarantees that that will continue in the future. We are out there still building multimillion-dollar infrastructure right now. So there are a few layers to that.

**The CHAIR:** Yes, sure. One of the things that has come up a lot is the impacts that flooding has had on roads and the sort of ongoing effects of the damage that has been done. What lessons have we learned about road construction from that, and do we need to make changes in the future in terms of how we repair or how we rebuild?

**Ian ELLETT:** It is a good question, I think, and I will let some others have a go. There are a couple of elements. You get your water sitting around and it just impacts on the road pavement. Clearly drainage and our ability to have good drainage and keep those clear is the number one priority. When we get the flash flooding, when we get a really intense storm – and we had intense rains last week that caused damage – it actually washes out. So with the gravel road it is not so much really about the drainage and the way it was constructed; they are just susceptible to heavy flows, and the material that forms the road will wash away in really heavy events. We are seeing more of those. They are becoming frequent rather than being a really rare event. It is just becoming more frequent. I do not know what lessons we have learned or how we can do that differently, but you have got the flash events and then just the effects on roads that we have probably seen in that more sustained longer period through a couple of really wet years with a lot of water sitting around, and we have seen the road network all over the state impacted.

**The CHAIR:** Mrs Broad.

**Gaelle BROAD:** Thank you very much for attending today. Just with some of those projects, you mentioned that you bear the risk for these multimillion-dollar projects. You mentioned bike paths. What other gaps are there that you are having to cover?

**Ian ELLETT:** I think from my point of view it is the definition that was changed from central public infrastructure – it removed recreational assets. So bike paths is where we are seeing a lot of investment, but for anything else that is of a recreational base – it could be damage to a sporting field, netball and tennis courts, any sort of sporting facility – I am not sure. Probably the way you categorise a building might depend on how else it is used. But we certainly saw a tightened definition around what was essential infrastructure, and a lot of recreational infrastructure was removed from that definition, so I think that is where our greatest exposure is.

**Gaelle BROAD:** With the bushfires a number of years ago, there was a lot of money put into buildings and assets. Are they things that you need to maintain now as well? Has that presented a challenge at all?

**Stephen SWART:** I think the answer to that is yes. And it is not just with bushfire money, it is for any money that we get to build new things as local governments. That is always attractive. We want to do that for our communities and obviously take advantage of those opportunities, but all of those things come with ongoing costs. They need to be maintained, repaired if they are damaged. All of those things are generally not externally funded. They are picked up by local government.

**Gaelle BROAD:** That was covered a bit in our local council inquiry too, for which the report was tabled last week. If you have not read it yet, I do encourage you to read that report. It has a number of insights that reflect that. To Wangaratta council: we heard yesterday about subdivisions and them not being done very well, and I was interested to see about the sustainable subdivisions adviser. I just wonder if you could talk to what you are doing with the population growth that is coming to the region and how that is working.

**Stephen SWART:** In terms of population growth, we have gone through a number of years of strategic planning to make sure that we identify residential growth areas. They are focused in the city of Wangaratta because we want to take advantage of the infrastructure that is already here in this place. We identified two residential growth areas, the north-west and the south growth areas, and they are there really to cater for residential growth for the next 10 to 15 years and beyond. What has happened in Wangaratta is we have had a supply limitation, mainly due to infrastructure availability for a period of time. That has largely been resolved now, so we are seeing more land being rolled out. We do use that advisory service, but it is on a voluntary basis. It is not something that is applied consistently across the state, and that is one of the challenges for us as a rural council. We compete with the other councils around us for development and growth, and if we have requirements that are in addition to what those same developers will find in neighbouring councils, they may

make decisions not to develop in the Rural City of Wangaratta. So it is always a fine balance between making sure that we still attract the growth and development, but also making sure that these things are really well planned.

My view is that if some of these types of measures can be applied more consistently across the state, that will help all councils, not just from this perspective but also from a resourcing perspective. I think Ian or maybe Bryan mentioned that in terms of resourcing our planning teams, as an example, and also engineers and building surveyors. It is a real struggle at the moment and it has been for a number of years, and consistency and policy will definitely help us on that side.

**Gaëlle BROAD:** It just talks about creating subdivisions that are adaptable to climate change by focusing on – and it mentions a number of key categories, like site layout, street and public realm, energy, ecology and urban heat. Other councils, are you doing a similar program, I guess working with subdivisions? If you could talk to that.

**Sam NIEDRA:** Yes, I might talk to this one. Indigo Shire Council is part of the Goulburn Murray Climate Alliance, as are Wangaratta and Moira. The Goulburn Murray Climate Alliance initiated and orchestrated the sustainable subdivisions framework adviser to support the partner councils. It was co-funded by DEECA, so the Victorian government provided half the funding for that position for two years. We are looking to extend that into a third year. The main role of that ESD adviser was to support councils in promoting and implementing the sustainable subdivisions framework, which is a voluntary framework – it is not legislated. So one of the challenges is that with developers it is an opt-in or an opt-out arrangement or program. But that ESD adviser also supported councils on a number of other initiatives including assessing subdivisions and providing I guess an ESD lens over those subdivisions. So whilst they might not have ended up being a sustainable subdivisions framework development, the intention is to sort of lift the bar across subdivisions throughout the Goulburn Murray Climate Alliance area.

Given that it is only two years, it is still in its pilot infancy phase. There are plans to extend that position for a third year. And I think, yes, the more that role is integrated and valued – I think we will get better outcomes across the board. But that role was really instrumental in Indigo Shire Council getting its first sustainable subdivisions framework development across the line. I think it was one of the first, if not the first, across Victoria. That is in Beechworth. The position also supported council with the development of an ESD policy, which is in draft at the moment, and that will take a couple of years to finalise. Also that role ran a series of developer forums, and they were really well attended. They were online forums and they attracted 100-plus developers to learn about ESD principles and the sustainable subdivisions framework. So there is that sort of education piece still required to lift awareness and raise the standards.

**Gaëlle BROAD:** Thank you.

**The CHAIR:** Mrs Tyrrell.

**Rikkie-Lee TYRRELL:** Thank you, Chair. We have heard a lot from other councils about Queensland's funding program 'Building back better'. Are you aware of that funding program?

**Stephen SWART:** I am not, no.

**Rikkie-Lee TYRRELL:** They work with the federal government as well, and in its emergency funding, so when there is a natural disaster, the funding is to build back better – so better than what, say, the standards of the roads were, for example. Do you think something like that would be beneficial here in Victoria?

**Ian ELLETT:** I am happy to jump in. Look, yes – absolutely. I am not intimately familiar with the Queensland program, but one thing we have seen is that where we do have access to funding it is like-for-like replacement. There might be some exceptions if a particular standard has changed – we cannot build a substandard bridge that does not comply with current standards. But a lot of the time we do need to increase, you know, it might be drainage infrastructure, and we have always got to find that out of pocket, so the betterment component has become a more difficult thing for us to access in Victoria. So again, just with the tightening of the rules, my reading would be we used to be able to, post fire, post flood, assess the needs of our infrastructure, and for some of those assets we would want to have some betterment, not just renewal. That has

been a more challenging proposition for us. So I think that is certainly, for some of our infrastructure, something we would absolutely welcome.

**Rikkie-Lee TYRRELL:** Other councillors?

**Stephen SWART:** I can only agree with those comments from Ian. I think it is a big challenge, that it is a like-for-like replacement, because it might not be fit for purpose for the future. So that sort of funding would definitely be helpful.

**Rikkie-Lee TYRRELL:** Wonderful.

**Bryan SWORD:** No more to add than what has already been said of course.

**Rikkie-Lee TYRRELL:** Okay.

**Bryan SWORD:** I mean, the challenge is, if you are talking about a road, it is the drainage and the other things that support the road which need to be considered as part of that as well as opposed to, say, just improving the camber. All right, the water goes off the road; then where does it go if you do not have the drains? And when you are talking about a significant length of road networks, then maintenance and clearing of those drains is also a financial challenge for council.

**Rikkie-Lee TYRRELL:** Thank you. And is there anything that you think the Victorian state government could do to help improve our climate resilience?

**Bryan SWORD:** I will jump in. You mentioned just before the subdivision and sustainable design and those things. My experience is if it is not in the planning scheme and it is not a control, then it does not get done. I mean, ultimately a developer is looking for a return on their investment, plot yield and those types of things, and at the pointy end of that equation is VCAT. VCAT will then make a determination, and the determination is: if it is a wish list and not anything in the actual physical scheme, then: 'Why are you asking for it, council?' even though you might have greater intention or outcomes. My encouragement there would be, you know, that, given the scheme is a broad brush, on some of those higher level things, to apply the broad brush across the state. Councils can muck around a little bit with local policy, but if it is not in there, it will not get done.

**Stephen SWART:** I would definitely echo those sentiments in terms of consistency in the planning scheme when it comes to climate resilience. An example of that is that state government took control of the bushfire management overlay and how that gets applied across the state. There is a bit of a process where the mapping gets updated as well. But they have not done the same with flood overlays. So flood overlays are still basically the responsibility of local government and the catchment management authorities. They take an extreme amount of time to complete and then introduce into the planning scheme. I personally think they could be applied consistently with the bushfire management overlay.

**Rikkie-Lee TYRRELL:** Thank you. Mr Ellett?

**Ian ELLETT:** Nothing specific. I do not look after the planning scheme. I think we see a lot of good programs in state government that we are able to benefit from. Look, I think going forward we are going to need continued support and continued involvement, but there are no other things that jump out to me at the moment.

**Rikkie-Lee TYRRELL:** Okay. Beautiful.

**Sam NIEDRA:** I might chip in. I will not comment on the planning scheme either, but the Victorian government is investing in a range of great initiatives. The development of the Victorian transmission plan 2025, the rethinking and the replanning of the electricity grid, moving to renewables, large-scale batteries – the funding that they are putting into neighbourhood community-scale batteries is awesome. From an Indigo shire council perspective, we have got a few community energy groups that are really progressive in this space. Probably the best example is Totally Renewable Yackandandah, who are national advocates at that community level for transitioning to renewable energy but also ensuring their town is best protected through major events and power outages. There is a really strong community interest and push in this space. Council are responding to that as well and supporting communities where we can, so more support from the Victorian government from a built infrastructure, community climate resilience perspective is welcomed.



I want to also highlight a couple of recent initiatives – one in particular, which is on green infrastructure, which I am really passionate about. We were involved in another Goulburn Murray Climate Alliance project called the naturally cooler towns project, which basically had a really good look at participating councils and tree cover in our towns and provided some really great recommendations on, for example, climate-ready species to plant in towns, moving away or rethinking the traditional species that have been used over probably hundreds of years in our towns.

Following from that, we successfully secured funding through Emergency Management Victoria through their climate resilience funding stream, which I think has completed two years of funding, and the first year was very much around flood studies. But fortunately for us we were able to pitch a project that accelerated our tree planting in our towns but also enabled us to develop an urban tree canopy strategy, because we have got eight towns – some of them are very well treed, with lots of canopy, and then we have got other towns, like Rutherglen, where there is only 10 per cent tree canopy. In our shire they are probably at the greatest risk moving forward with climate change. That project was a really, really great example. It was a competitive grant round but from our perspective a really great funding opportunity through the Victorian government to increase our tree canopies. Obviously the next step is to maintain tree canopies in our towns, and that is probably an area where councils struggle to I guess upscale their funding on their urban trees, but they are such an important asset for climate resilience.

**The CHAIR:** Thanks very much. Ms Lovell.

**Wendy LOVELL:** Thanks, guys, for your presentations. I am interested in the growth in the area. Both Indigo and Wangaratta have been given growth targets by the state government of about 40 per cent, and there is also Moira, around 28 per cent. What are the barriers to achieving those targets when it comes to state government infrastructure? And by that I might mean North East Water or Goulburn Valley Water infrastructure – roads, rail, anything that the state needs to provide first so that you can achieve those targets.

**Stephen SWART:** I might go first. The Rural City of Wangaratta has been provided with a draft housing target of an additional 5700 homes by 2051. In itself that number is not something that is daunting for council. We believe that we can achieve that number if we focus on the things that we control. I think the challenges are on the other side – in my mind ‘the other side’ meaning ‘Will there be enough infrastructure to support that growth?’ We can only take provision for land to a certain point. So we might be able to rezone land and we might be able to put in some provisions to make sure that the design of those subdivisions are of a certain standard, but actually doing the subdivisions and delivering the lots on the ground is up to the private sector. A large part of that we do not control.

I think infrastructure comes up as a concern consistently when we talk with other councils about this as well: will the infrastructure be there to support this growth? We have had situations in Wangaratta, as I mentioned before, where there have been some capacity issues with certain infrastructure, which definitely had a delaying effect on delivering lots on the ground. Luckily we have been able to resolve those with the help of authorities and partners, but that sort of challenge will continue unless there is more of a focus on it.

**Wendy LOVELL:** So Wang are not seeing any of the delays that perhaps Indigo and Wodonga are seeing due to North East Water infrastructure?

**Stephen SWART:** Not at the moment, no. There was a period of time when we definitely did, but we have worked hard over the last couple of years to try and resolve those. A lot of work still needs to be done to ensure that it does not happen again in the longer term.

**Bryan SWORD:** I am happy to go next. On North East Water, they are releasing their five-year price submission plan shortly, so we will get a better opportunity to view where Moira sits in that perspective, noting that they look after Yarrowonga, as the main town in Moira. So yes, there are queries from a long-term point of view – capability to provide water and sewerage. I expect that with the pricing plan those things will resolve themselves. The other element is pressure. If there is not adequate pressure, then developments need to provide a higher standard of firefighting service infrastructure, which is obviously a burden.

Coming back to the housing targets, we are fairly comfortable with the targets that we have been provided. Our natural growth rate will effectively follow those targets and aspirationally we might seek to exceed those. Where the infrastructure challenge is is in drainage. We have roughly about \$50 million or so to provide

drainage to facilitate that growth, and given that it is land that has already been rezoned, there can be some minor negotiation, but really the community will bear the cost of providing that drainage infrastructure. It is sort of a backfill from a capacity point of view, either through infill or new, and given the terrain and how flat it is, water does not dissipate too quickly, so it is all about detention – the number of detention basins and those sorts of things to be able to deal with the water before being able to discharge it to waterways.

**Wendy LOVELL:** Thank you. Indigo.

**Ian ELLETT:** I do not look after planning, but my understanding is the housing targets we are comfortable with from supply. In each of our towns there is appropriately zoned land to meet that without any short-term needs to rezone maybe for the next 10 to 15 years. Then as we go forward and progress towards 2051, certainly North East Water infrastructure, as you pointed out, is causing some delays in some of our areas. In the short term, and I cannot remember whether that is five years, eight years, 10 years, there are some hold-ups just through not having suitable water and sewer supply. We have seen projections from North East Water about their forward capital works planning. I guess, yes, there is absolutely a hump in front of us for that initial period of a number of years. Once the investment comes, then I suppose we are confident that deals with itself and we are okay going forward. So that is the immediate thing in the short term. I think the supply is in and around our towns, and they are small towns. I am not aware of other significant issues. I think, as Bryan pointed out, drainage infrastructure, the normal stuff – but they are moderate targets for Indigo over that period.

**Wendy LOVELL:** Thank you. I guess as we come out of Melbourne we see all these new housing estates. They are very small blocks, houses built on every square inch of the blocks. There are no eaves on the housing. There is very little in the way of tree canopy, and streets are very narrow and nature strips almost non-existent. We are actually seeing those starting to creep into Gisborne and Riddells Creek, and there are even some in and around Shepparton that are not quite as bad but getting there now. So I am just wondering if you guys think the planning scheme actually needs to be changed to ensure that we do have some requirements around tree canopies and reducing the urban heat in developments.

**Bryan SWORD:** That is at the heart of the competing challenge of affordable housing: housing targets versus character, amenity and those things. If those are the outcomes that are desired, then the scheme will dictate those through policy, but at the moment the policy shift is towards affordable housing, smaller lots and those things, and we are certainly seeing that in our region. From an investment or cost point of view, I suppose the regions are becoming more attractive from larger tracts of land being able to be purchased and developed, and again you come back to lot yield where there are small lots, some of it under the guise of – not particularly affordable housing, but it is affordable, if that makes sense. In terms of the no eaves and those things, then those things should and could be managed through building regulation, building code and those things. I agree in terms of look, sustainability, all those aspects, but again these are opportunities that are being taken to reduce the cost of doing volume housing, and unless the scheme or the codes dictate it, then the argument is redundant.

**Wendy LOVELL:** You look keen, Sam.

**Sam NIEDRA:** I know the New South Wales government has legislated against dark roofs in western Sydney. I cannot remember what the sunset date is, but they have taken a really strong stance, recognising that dark roofs in new developments, particularly where there is not much space for green space, urban trees, is just a recipe for the heat island effect. That is one of my bugbears in new estates – dark roofs everywhere. It is definitely something that the Victorian government, through the planning scheme I guess, should be considering very strongly, taking New South Wales as a lead.

**The CHAIR:** Thank you. Dr Mansfield.

**Sarah MANSFIELD:** Thank you. Thank you for appearing today. Mr Swart, you mentioned in your opening remarks that we need statewide policy leadership in this space. I am wondering if you could elaborate on that.

**Stephen SWART:** Yes, I think what I had in mind there I touched on already a little bit with my comments about the flood overlay. Consistently delivering those types of tools in the planning system, just as an example, will definitely be of benefit to councils like ours. There is also maybe some policy direction within the planning scheme that could be strengthened at a state government level. You may be aware that within the planning system right now there is state-level policy, there is regional-level policy and then local. So mechanisms

already exist, but there is probably in my mind not very strong policy when it comes to these matters, resilience specifically. Another way is the Building Code of Australia, which has been mentioned. If we want our buildings to be built to a certain standard, that is the way you can consistently apply that at a policy level.

**Sarah MANSFIELD:** We have heard through this hearing particularly from councils that they would like to see some of these things that they currently are expected to manage as individual councils centralised, particularly around planning and things like flood modelling and incorporation into planning schemes. I am wondering if any of you want to comment on that.

**Stephen SWART:** I might make a comment about planning decision-making being centralised. We are not hearing that our community is looking for that. In fact we are hearing quite the opposite. An example of that is where decision-making on solar and wind farms has been centralised. We are getting quite a bit of negative feedback about that aspect and the lack of community involvement in those decisions. So I do not think the intention with those types of comments is to say that the decision-making should be centralised, but I do think there is room for policy to be centralised, and being applied consistently across the state will achieve the outcome we seek consistently in every part of the state.

**Bryan SWORD:** The *Infrastructure Design Manual* is a good example of what centralised policy provision does. There used to be an argument on each and every application about how wide the road should be, how wide the pipe should be and all those sorts of things. With the introduction of that, those arguments ended. It became a minimum standard of what needed to be provided. I think what we are probably encouraging across the table here is for that general approach of standardising to be applied into other areas, particularly around climate resilience, if that is the view. If you leave those matters to local government, for starters, with 79 different councils there are going to be different views about what that should or should not look like. Again, changes to the planning scheme conservatively take 18 months to two years to go through that particular process, and councils' focus on policy in the planning scheme or making changes to the planning scheme will tend to be around the zoning of land to facilitate development. It is not resourced from a financial point of view, and neither do the resources exist across the state to get enough strategic planners to go and do that work. So rather than using 79 to run that vehicle, use one. That would be my encouragement.

**Sarah MANSFIELD:** Thank you. Mr Ellett, you mentioned that you are in basically now a constant recovery phase. Obviously, it is harder to stop some of the impacts of climate change; we would like to do that. But the focus of this inquiry is around the built infrastructure. Are there steps that we could be taken to stop you feeling like you are in that constant recovery phase?

**Ian ELLETT:** I think if I reflect on my comments, probably the most significant thing is just the time taken. So here we are two, two and a half years on from significant events in the region, and we, like a lot of councils, are still awarding contracts and putting tenders out. It is the time taken to get there. I think tidying up, reviewing, revising and streamlining our disaster recovery funding process would certainly speed that up. I think being able to say to an incoming council and to our community that we are nearly there, and yes, we know this was damaged two years ago but we should get to it in 2025 – that is probably the pain point. I think if we can streamline and make that quicker and get onto recovery works, then maybe we can catch our breath a little bit before the next event – it could be just around the corner. But I think when you get events two years on and you are still recovering from the last one, it feels like there is no escape.

**Sam NIEDRA:** Just to add to that, sorry, there is a real human element as well. Staff have to deal with the aftermath of major flooding, and events like that take a toll. It takes a toll on them as staff. Personally, there is the human element within the councils. I do not manage those staff, but that is what you read into what is happening at the moment.

**Bryan SWORD:** And we are in the same position at Moira with the 2022 floods – still in recovery mode, still chasing funding and works and those things.

**Sarah MANSFIELD:** Okay. And at Moira you mentioned that there are questions around who bears the cost of protecting infrastructure and coming up with ways to protect that infrastructure. I am wondering what sort of infrastructure you really need protected and whether there are ideas about what needs to be done to better protect that infrastructure from the risks you are facing.

**Bryan SWORD:** I think tourism infrastructure was mentioned and the visitor economy looking to attract people to the region to improve economic prosperity, so increased investment is occurring in that space. Fundamentally, the model is that the communities that are bound by the municipal boundaries are the ones that bear the cost. There are funding opportunities and those things from different tiers of government, but ultimately the community bears the cost. Given that the whole of Victoria is generally the benefactor of tourism infrastructure and other things, I think we need a global view of who is benefiting from it and therefore who bears the cost.

We do not have the same opportunities in rural Victoria to generate income. Using the metropolitan example, the City of Melbourne and the City of Stonington will generate more in parking revenue than what many rural municipalities' entire budget would be. Yet the size of land and the amount of tourism infrastructure being provided and borne by small rate bases are ultimately the challenge. I know that rates and those things have been subject to other committee hearings and that. But ultimately that is where we still live in that environment, with local communities paying for infrastructure, and then we will get to a point in time where the community is unable to bear that cost.

**Sarah MANSFIELD:** Thank you.

**The CHAIR:** Thank you. Ms Ermacora.

**Jacinta ERMACORA:** Thank you. Hello. Thank you very much for coming along today and thank you for your contributions. What I find is that all of us on the committee hear similar stories but they are told in slightly different ways, which really helps to penny-drop some of the gems that we might get out of this inquiry. I heard you talking obviously about tightening the definitions and the betterment – that is familiar – but I was very interested in what you said about the depth of scrutiny on small projects and in particular delays in departmental approvals causing increased costs. We have kind of heard this, and it is almost like it is accepted that it can be quite financially devastating, that delay, because then you have got to go through another 90-day waiting period once you get that departmental feedback. So I just wondered: would you recommend that the department provided decision timelines that better reflect business timelines?

**Ian ELLETT:** Yes –

**Jacinta ERMACORA:** Like due dates – you know, like the planning clock stops and starts and you have actually at least got a parameter that you know the council is working to when it comes to planning. Something like a clock for the department to get back to you on this stuff and perhaps even a different clock for minor, small projects that you referred to versus the bigger projects.

**Ian ELLETT:** I think that is part of it. I think that would assist in the examples that I gave. But it is normal tendering practice to ask people to hold their prices for 90 days. I think if we were told from the outset: 'Go and run a tender process. We'll get prices and we'll evaluate, and then you'll have to wait six months,' I think we would throw our hands up in the air and say, 'Hang on, can we rethink that? It's not a very smart way to do it.'

**Jacinta ERMACORA:** But that is what is happening, isn't it? Ideally you would prefer if tenders are held for 90 days that you received departmental approval or otherwise within 90 days as well.

**Ian ELLETT:** Again, it was something new for us with this event. I had not had to process something in that way. They had a terminology for it – a verified estimate or something like that. So rather than say, 'We think this will cost \$100,000,' we actually go to the market and we can say, 'Here's the tender response. Here's the actual cost.' I understand in terms of financial approval then the government knows exactly what it is approving; it is not approving an estimate and then finding out later when we put the claims in that it has cost 20 per cent more. So I can understand the tightening, but the streamlining is not there. So it is just a process that is not working very well. Look, I think your comment has merit in some ways, but if we were told, 'You're going to have to wait six months,' I think we would say, 'Hang on, this doesn't quite work. Let's think of another way.'

**Jacinta ERMACORA:** Yes. Given infrastructure costs have increased by 22 per cent, I think the Treasurer said, in the last three years, every four weeks counts.

**Ian ELLETT:** Yes.

**Jacinta ERMACORA:** The other one is whether or not it is reasonable for the department to share the increased cost caused by their delays. I know this cheeky, but you can say what you want here.

**Ian ELLETT:** Look, I guess my comments there are: I am not sure that we have been exposed to the cost, because the government has been able to meet the cost. Where we have had that situation – I think with the one from a year ago we were able to negotiate with the contractor. There was not probably a significant shift, but that is what you are faced with. Your tendering conditions say you hold the price for 90 days; five months later or six months later we go back and say, ‘Now what can you do?’ We did not necessarily get burnt significantly, and I am not sure that council wore the cost. It was probably a fair approach by the state to say ‘Look, that’s okay. Put in your claim and we will pay it.’ So we are still working through those. I am not convinced that council has then got left to carry that burden. But it is more just inefficient. And at the end of the day probably the biggest thing is the community sitting back waiting, watching inaction, or what they believe is inaction, and we are trying to explain that.

**Jacinta ERMACORA:** Yes. So the point is more the inefficiency in the delay. I am sorry, I cannot see the name tags, but the gentleman closest to me in the pink shirt, you mentioned that staff are impacted, because I know they live and work in the same community and they are listening to their family members and friends saying, ‘Why has this not been fixed yet?’ And that is kind of your point to it, I presume.

**Sam NIEDRA:** Jacinta, if I could just add there, in the 2022 major flooding in Rutherglen one of our key staff members in the operations team who responded to the flooding across the town also had his house flooded. So there is that taking a personal hit on both sides kind of thing. That is one example.

**Jacinta ERMACORA:** One last question, or topic, drainage – and it really could be addressing my own ignorance, because I am not a civil engineer: when a road is funded to be completely rebuilt, does that include the appropriate drainage for that road, or is road drainage funded separately?

**Ian ELLETT:** If I jump in, being the infrastructure person here, I think on a rural road we would say the drainage is fundamentally part of the road. The road has to be sort of formed up, sit above the surrounding land and have roadside drains. Water needs to be able to get away from the road pavement, so any culverts or roadside drains would be included. I think in an urban area it is probably not so straightforward. Your drainage is pipes, some sort of network of drainage infrastructure that is not necessarily critically aligned with the flow.

**Jacinta ERMACORA:** Yes. No, I was thinking more about country roads.

**Ian ELLETT:** Yes, so on your rural roads fundamentally they should be one and the same.

**The CHAIR:** All right. We are at the end of our time for this session. Sam, Ian, Stephen and Bryan, thanks so much for coming in and giving us the benefit of your wisdom today. You will in the next week or so receive a copy of the transcript to review.

With that the committee will just pause momentarily to reset for the next witnesses.

**Witnesses withdrew.**