

T R A N S C R I P T

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Melbourne – Friday 7 February 2025

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESSES

Simon Newport, Chief Executive Officer, and

Madeline Di Pietrantonio, Director, Low-Rise Construction, Acquisition and Divestment, Homes Victoria.

The CHAIR: Thank you for appearing today. We will now resume the committee's public hearings for the Inquiry into the 2026 Commonwealth Games Bid.

All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information you provide during the 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 things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded and 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 names and the organisations that you are appearing on behalf of.

Simon NEWPORT: Simon Andrew Newport, Chief Executive Officer of Homes Victoria.

The CHAIR: Thank you.

Madeline DI PIETRANTONIO: Madeline Di Pietrantonio, Director of Low-Rise Construction, Acquisition and Divestment, Homes Victoria.

The CHAIR: Thank you very much. We welcome you to make your opening comments, if you have any, and to keep them to around about 10 minutes. Thank you.

Simon NEWPORT: Thank you. Good afternoon, Chair and committee members. I make the following remarks regarding the role of Homes Victoria to assist the committee with its inquiry. I am appearing here today with Madeline Di Pietrantonio, our Director of Low-Rise Construction, Acquisition and Divestment.

Before I go any further I would like to acknowledge the traditional custodians of the land on which we meet today and give my respects to the Wurundjeri clan, their elders past, present and emerging and any Aboriginal people that we have here today or online.

Visual presentation.

Simon NEWPORT: I would like to start by providing an overview of the Regional Housing Fund. The \$1 billion Regional Housing Fund will deliver more than 1300 social and affordable homes, including new and upgraded homes, across regional and rural Victoria. The fund is forecast for completion by June 2028. The program will deliver a mix of social and affordable homes for Victorians most in need, including priority social housing applicants, First Nations Victorians, women and children escaping family violence, young people at risk of or experiencing homelessness and key workers, as well as displaced communities dealing with the ongoing impacts of flood.

A range of proven delivery methods are being used to deliver the homes as quickly and efficiently as possible in the areas of great demand. These include acquiring homes in new developments, using modern methods of construction, redeveloping existing social housing stock where appropriate, partnering with the community housing sector and immediate refurbishment of some old stock to bring it back on line for some new renters. The Social Housing Growth Fund affordable housing partnership program will deliver an additional 270 affordable housing dwellings. This is in addition to the \$25 million rapid housing procurement program, which will secure homes for people experiencing homelessness or at risk of homelessness. And of course we are partnering with Development Victoria to deliver new social and affordable homes in Geelong at Waurn Ponds and in Bendigo at Flora Hill at those former Commonwealth Games athletes village sites.

The Regional Housing Fund will deliver new social and affordable homes across at least 30 regional and rural council areas. So far the government has announced locations for more than 1000 homes – in fact 1025 – based on demand, local engagement and the availability of sites, including developments in Colac and Wodonga, flood recovery homes in Shepparton, Seymour and Rochester, as well of course as the aforementioned Commonwealth Games athletes villages at Bendigo and Greater Geelong. As indicated on the map in front of us, this includes 175 homes in southern Victoria, with 110 of those in the inner Gippsland and 65 in the outer Gippsland areas; 250 homes in eastern Victoria, with 110 in Ovens–Murray and 140 in Goulburn areas; 230 homes in northern Victoria, with 162 of those in Loddon and 68 in the Mallee; 370 homes in western Victoria, with 238 in Barwon, 34 in the Central Highlands, and 98 in the Wimmera south-west.

More projects and sites will be confirmed as future programs are finalised, such as through the rapid homelessness grant and the Social Housing Growth Fund projects, where we are partnering with the sector. These projects are expected to be contracted this year. The Regional Housing Fund aims to ensure a fair and reasonable distribution of housing across regional Victoria, with this distribution informed by the Victorian housing register demand data and other housing indicators, as well as regional housing investment to date.

I will now turn to the new homes at the former Commonwealth Games sites. Homes Victoria is acquiring 128 new social and affordable dwellings that will be delivered by Development Victoria at the Waurin Ponds and Bendigo former Commonwealth village sites. Development Victoria has met with the local councils, regional partnerships and traditional owner groups to provide an initial briefing and an overview of the draft master plans, which are progressing to planning application. Homes Victoria has identified suitable lots within the Waurin Ponds and Bendigo master plans and will acquire the completed dwellings from Development Victoria with funds from the Regional Housing Fund. Homes Victoria is working with Development Victoria to also allocate up to 10 additional lots at the Morwell former Commonwealth village site. We are at the moment considering the opportunity to partner with the community housing sector to deliver on those lots.

I would like to now provide an overview of the progress on the delivery of the Regional Housing Fund so far. This slide shows fund progress by the department's regions; the number of dwellings completed; those that are underway – which are in construction; those that are at advanced planning stage, which means they are in detailed design and permits; and those that are in planning, which means schematic design and/or site due diligence. Work is well underway across all funded programs, including 138 public housing homes that have been refurbished and returned to habitable condition and are now available for use. This was against the original target of 75. There will also be more homes to provide accommodation for people experiencing homelessness, with 50 new transitional housing units across regional Victoria that have already been acquired. Sourcing is well underway for homes for First Nation Victorians, with at least 130 of the 1300 being designated for First Nations people. A tender process is currently open to the registered housing sector for the \$25 million rapid response grant projects.

Renewal of existing social housing stock has also commenced, with construction of 20 homes now underway and 300 in various stages of design. Construction and sourcing are in progress for 70 dwellings to support communities impacted by the 2022 floods in Shepparton, Seymour and Rochester. Planning is well progressed for the 50 homes – which will be 30 social and 20 affordable – at the Pound Road, Colac, site and the House Creek Precinct in Wodonga, near the hospital, which will have 41 new homes, 31 being social and 10 being affordable. We are also creating a first modern methods of construction builder panel – in fact we have created it – which is set to deliver over 250 homes, with the first contracts or deeds for the first 84 homes having gone out to the builders yesterday. Procurement is in progress for the Social Housing Growth Fund affordable housing. In fact tenders have been closed, and we are into tender evaluation now for those. That will deliver 270 affordable homes. We will be able to lock down locations once we have completed that process.

Homes Victoria understands that these homes are desperately needed, and this speaks to the approach we have taken. By bringing back homes that are out of service and rapidly acquiring 50 units for the homelessness sector we housed around 200 families in the first year and a bit. This provided an immediate response whilst we worked up site options, consulted with communities and carried out design and approval work. We are adopting commonsense approaches to design and procurement and leveraging private sector know-how to reduce cost and delivery times, with the objective to well and truly exceed the target set by government of 1300 homes. We are confident that we will do just that. That is it.

The CHAIR: Thank you very much. I will pass to Mr McCracken.

Joe McCracken: Good afternoon. Thank you both for coming along today. I was just looking at that graph, and I was quite interested. What does the 'in planning' aspect, which is the light grey, actually mean?

Madeline DI PIETRANTONIO: I am happy to answer that. The advance planning is based –

Joe McCracken: No, no, no. Not advanced, just the in planning.

Madeline DI PIETRANTONIO: Sorry. In planning is referring to where we are going through schematic works or designs for sites. There are also some investigations that will be carried out with regard to the sites. It is encapsulating everything that is outside of where we have actual permit lodgements, so that is where we have differentiated the nature of works between those two.

Joe McCracken: Okay. So advance planning – excuse my simple language – is where you have got sites chosen and you are going through planning processes such as permits and otherwise, whereas everything else in the in-planning stage is pre that.

Madeline DI PIETRANTONIO: You know the sites; it is just not lodgement of place. The differentiation between advanced planning – apologies about the language, and to make it clearer: the advanced planning is basically where we have actual detailed design documentation, so planning documentation, documentation that can be taken to building permit stage. So it captures that spectrum of works. In planning is where we know the sites and we are actually working through them in terms of looking at – they might be at various stages. Some might be at schematic, and some of them might be undertaking some site – like due diligence.

Simon NEWPORT: Like soil contamination testing, geotech et cetera.

Joe McCracken: Can you tell me where the sites are for the Central Highlands ones, please?

Simon NEWPORT: We have got breakdown information here down a couple of levels further.

Joe McCracken: Yes, please.

Simon NEWPORT: I do not think we can provide the exact addresses – I certainly do not have the addresses on me.

Joe McCracken: I am happy for towns. That is really good, thanks.

Simon NEWPORT: Okay. Do you want to go through those, Maddie?

Madeline DI PIETRANTONIO: Yes. Sorry, just let me get to the detail.

The CHAIR: I was just commenting before to my colleagues that I liked the way that you presented that pipeline.

Joe McCracken: It was very clear.

The CHAIR: It makes it very easy to understand, yes.

Madeline DI PIETRANTONIO: Sorry. Central Highlands encapsulates Ararat, Ballarat, Glenelg, Hepburn and Moorabool. So in terms of the locations within Central Highlands –

Joe McCracken: Glenelg, did you say?

Madeline DI PIETRANTONIO: Yes.

Joe McCracken: Are you sure?

Madeline DI PIETRANTONIO: Yes. Ararat, Ballarat, Glenelg, Hepburn and Moorabool. It is based on –

Joe McCracken: Maryborough as well? Central Goldfields?

Madeline DI PIETRANTONIO: Sorry, Central Highlands. Goodness me; apologies.

Joe McCracken: No, that is all right.

Simon Newport: They are the locations that we have broken down to the next level for those 34 homes in the Central Highlands.

Joe McCracken: What was the allocation? Where are the 34 homes going, please?

Madeline Di Pietrantonio: The 34 are distributed across those locations, and in terms of the actual breakdown – can I take that on notice? I will just pull that together.

Joe McCracken: Yes, that is fine. You will provide it to the committee. Thank you.

Madeline Di Pietrantonio: Yes, apologies.

Joe McCracken: No, that is fine. I went through some examples before, and I am happy to provide them to you if you like, about the per unit cost of housing, which for a billion-dollar fund is around \$800,000 per unit. Given that there are some house and land packages for sale for \$588,000, I have got here – that is sale price; cost price is even less if the average mark-up for a house is 20, 25 per cent – why is it so expensive per unit price?

Simon Newport: I will have a crack at answering that. Look, I spent 10, 12 years in the project home industry, so I know all the tricks of the trade with regard to those home and land packages, and you are roughly right about the mark-up, bearing in mind of course we are not paying cost of materials and labour. We have got to pay a builder to deliver that work. So that price is your starting price. You are typically looking at between 50 and a hundred grand on top of that price, because what you do not get included is landscaping, soft furnishings, flyscreens, air conditioning, solar panels.

Joe McCracken: This one has got solar panels.

Simon Newport: Well, okay. I do not know the exact one, but typically you would find at least a \$50,000, sometimes \$100,000, gap between the two. In terms of unit cost, I think I need to be really, really clear, and I have said that in my presentation. I am very confident we will deliver well in excess of the 1300. I would like to note that with the refurbishments we delivered, we budgeted for 75; we actually made the money go further and delivered 138. Those 138, I am very confident, will be on top of the 1300. So that will not eat into your new homes per se. We will deliver at least, I think, 1300 homes plus the refurbishments on top. Once you start adding that in, it starts to bring the unit costs down to, if you like, a more comparable figure.

Joe McCracken: What do you think that figure – sorry.

Simon Newport: Look, I cannot be drawn on the exact figure, because obviously the government has given a commitment of 1300. I am telling you that certainly with my experience in driving the team hard, we are expecting to deliver in excess of 1300. The government has first of all told me to do that. We will do that, but I believe the refurbishments will be on top. That will give you a rough idea of the sort of number that we are thinking of.

Joe McCracken: My time is up, sorry. Thank you.

The Chair: Thank you. Mr Galea.

Michael Galea: Thank you, Chair, and thank you for joining us today, Mr Newport and Ms Di Pietrantonio. The statewide snapshot that you provided was quite useful and a few things strike me about it. The first thing is it appears to me to broadly match the population of these areas, so it has been evenly spread out across the state within these larger regions that you have defined and the smaller regions as well. It strikes me as well – particularly given that one of the benefits of this package coming out of the Commonwealth Games is that we can actually deliver these across Victoria and not just in the five regional centres – from my rough calculations, that between Outer Gippsland, Ovens Murray, Mallee and Wimmera south-west there appear to be around 340 homes in those areas that would not have otherwise been built. Indeed even within the other five remaining regions they go far beyond just their regional centres as well, so that benefit does get to be spread out to all regional Victorians. What impacts are you seeing in those smaller towns and locations of these

projects? What sort of buy-in and feedback have you had from the community, and what has the response been to having these projects delivered in these areas?

Simon NEWPORT: As I have said, again, we spent the first period after the announcement seeing if we could hit the ground running with some acquisitions and some refurbishments. During that time there was extensive consultation carried out with most communities. The feedback overwhelmingly was that the homes were needed in those areas. They would like to see a local jobs component in there, which there is, and they would like us to focus on some priority cohorts, particularly those obviously at risk of homelessness and Aboriginal Victorians, which was strong feedback as well. On key worker housing, which I think dovetails into the affordable housing component, there was certainly strong feedback as well. And particularly for women fleeing family violence and domestic violence there was also strong feedback from the community saying, 'When you're delivering these homes, please deliver the homes with those cohorts in mind.'

Michael GALEA: Thank you. I understood from the minister just previously that there are specific allocations, a minimum 10 per cent, for Indigenous purposes and 10 per cent for domestic and family violence as well.

Simon NEWPORT: Yes, there is.

Michael GALEA: We know, unfortunately, that family violence is not located in one area of the state and obviously in smaller communities those impacts in a social setting can be even more pronounced sometimes. So on the impacts of having this sort of housing in those communities, are there any particular challenges that you are seeing with projects in smaller communities that you are not seeing in larger cities?

Simon NEWPORT: Look, I think probably the most obvious one will be things like availability of trades and materials. I am not aware of any other government – the New South Wales government has announced some investment, but we have really put our money where our mouth is. We have launched and now effectively contracted the first of 250 homes for modern methods of construction. We have appointed a panel for those builders. They have been crying out for a pipeline of work. Now, at 250, you are not going to establish an industry long term, but it is a really good start. I am not sure of the exact number – probably four or five builders. Now, modular construction is obviously built in factories, which means it can be built there and then moved in situ. That helps alleviate some of the issues with regard to trades. It also delivers really good quality. We are running at about a 10 to 15 per cent reduction in times and sometimes more. We will have to see how that goes through the next year or so, but we expect those first ones to start very shortly. But that is one example of how we are trying to adapt to the challenges of each local area.

Michael GALEA: Terrific. I know from projects I have worked on in my community, in terms of sporting pavilions and things that have been built with modular designs, it is incredible. You would not know that it is modular. Indeed I have got a terrific manufacturer in my electorate as well that makes some of these modular homes, so it is very good to acknowledge that and that we are building these and supporting jobs right across metropolitan and regional Victoria, especially where there are those shortages. You said it was 250 dwellings that they were looking at. How many of them are already underway? Do you know?

Simon NEWPORT: We literally sent out the deeds yesterday, which is the first part of the contracting process, for the first 84 homes. We expect the rest of those to be certainly contracted pretty shortly, but we are doing it in job lots. The first 84 will be underway very shortly, acknowledging that underway in this case means they are going to start making them in the factories pretty soon while they work on their permits.

Michael GALEA: What is the difference in build time then, once you have got everything onsite, from start to finish as compared to a conventional build?

Simon NEWPORT: At this stage the commitments have been 10 to 15 per cent. We think we will do a little better than that.

Michael GALEA: Great. I look forward to seeing that. Thank you.

The CHAIR: Thank you, Mr Galea. Mrs Tyrrell.

Rikkie-Lee TYRRELL: Thank you, Chair. Following on from Mr Galea's question talking about Aboriginal people and people in domestic violence crises, when it comes to prioritising the housing waitlist, if there is no housing left for those demographics, do they then have priority on other waitlists as well? Do they push other people that have been on the waitlist further down? I am just trying to find where the gaps are, because we are seeing the homelessness crisis, say, in Shepparton increase. I just want to make sure that other demographics are addressed as well.

Simon NEWPORT: I would probably have to come back to you on notice with the exact levels of prioritisation, but effectively what we are doing is saying, 'Look, we're putting aside a dedicated amount of properties for that particular cohort.' That does not mean that those are the only homes that will be available. The classic example is that in some communities with very large Aboriginal populations in need, that would exhaust the 10 per cent and we would then move into the rest of the properties. There is a level of prioritisation certainly, particularly women at risk of family violence. There has been a 70 per cent increase in the allocations in the last three years, and that is not having a dedicated source of houses, that is just what is coming through the waitlist. They will use those dedicated houses first, but they will certainly be able to be using the rest of the properties as well.

Rikkie-Lee TYRRELL: Okay. Thank you. If we can take that on notice, the way things are prioritised.

Simon NEWPORT: We can come back with that prioritisation method, yes.

Rikkie-Lee TYRRELL: Thank you very much. Now for something completely different, what are the modern methods of construction that are being used, in comparison to the traditional ones, and how do we know that these modern methods are going to be better than traditional? How long have they been trialled for, and what is the cost difference?

Simon NEWPORT: Okay.

Rikkie-Lee TYRRELL: That is a lot of questions, I am sorry, but I do not have long.

Simon NEWPORT: That is okay. I have personally delivered a lot of these homes where I originally came from. I think the first thing, as I have alluded to, is the benefits of the modern methods of construction. The difference between the two is that a traditionally built home, which can either be on a concrete slab or bearers and joists with a timber frame with concrete footings, is typically built onsite. You tend to premanufacture those frames and trusses, which hold up the roof, in a factory as well, but then everything is assembled and built onsite. It depends on the type of home, but typically for a freestanding home, which is pretty much what we are going to build here, it can be anything from 26 to 45 weeks, depending upon the construction. Once you get into medium density and the complications of different buildings it can certainly be longer.

Modular methods mean basically you are building the home, including all of the fittings – so you actually line your bathroom and your kitchen is installed; it is almost finished completely – in the factory. Sometimes they are built in components or pods and then put on the back of a truck and shipped ship to site. Your foundations are laid – often they are strip footings with some block foundations and sometimes bearers and joists, depending on the slope – the components are placed onsite and then you finish off with driveways and fences and often verandahs and ramps et cetera. So one is built in the factory and one is stick built onsite. Obviously building onsite you are subject to the weather. You would also expect, because it is built in a factory-controlled environment with repetition and economies of scale, to see improved quality, which is what we have seen.

Rikkie-Lee TYRRELL: Fingers crossed.

Simon NEWPORT: In terms of cost, it is an interesting one, because I think there is a growing discussion about how much cheaper it would be. I think the saving is in the time. We are seeing a small reduction in pricing, around about 5 to 10 per cent, and that is still significant but it is not 20 or 30 per cent cheaper. It is cheaper, but you also save in time. We are expecting to see significant time savings because you are not losing to weather, as a classic example, and you can do a few more things concurrently.

Rikkie-Lee TYRRELL: Okay, wonderful. Thank you. Last question. What are you doing to combat the trades shortages in regional areas to ensure these homes are delivered in an efficient timeframe?

Simon NEWPORT: I guess I would probably refer you back to my previous response – that certainly with modern methods of construction we are targeting those areas that are a little bit more far-flung, a little bit more rural and sort of semi-remote. Madeline, if you want to comment on anything in particular, just go for it.

Madeline DI PIETRANTONIO: I was just going to advise that I guess the other way is the way you procure and package. So one of the things that we are doing is starting to look at packages by geography, so that when you are allocating a reasonable sum of dwellings to a builder, then they are able to work through a bit of planning of resource around that so they have a bit more certainty and they can also start to align where their trades need to be based on their package. So there are some measures that we have put in place around procurement that will also assist.

Rikkie-Lee TYRRELL: Thank you.

The CHAIR: Thank you. Ms Ermacora.

Jacinta ERMACORA: Hello, and thank you very much for coming. My camera is broken, so you just have to read my name and imagine that I am sitting here waving my hands at you.

The CHAIR: We are all imagining, Ms Ermacora.

Jacinta ERMACORA: I am fascinated to listen to your information on the prefab elements that you are doing. I always have this kind of almost hope that more and more homes will be just prefabbed so that they are quicker and more affordable for everybody, whether that is public or private sector. Is that a reasonable trend to sort of anticipate?

Simon NEWPORT: Well, yes and no, I guess, without trying to sound at all evasive, so I will answer that more thoroughly. We are very mindful that whenever we meet with that sector, they will say, ‘We can bring our times and particularly our prices down if we get a pipeline,’ and often buyers and even government will say, ‘You need to put your money where your mouth is. You need to be able to price based on those economies of scale.’ And there has often been a bit of a stand-off between that. And that exists in the private market as well, which is why we decided to take that first leap and go, ‘Social housing can be the catalyst for that industry.’ It will not be the solution, but it will be the catalyst, which is why we decided to go off and do what we have done. In my humble view, the success of that industry will lie in capturing mums and dads and families to be convinced that their product is as good. It is as good – you cannot tell that it is built in a factory at all. But that will require them to invest, in my view, in things like exhibition homes and appealing to mainstream Victorians who buy homes every day off builders. We are working with project home builders who are starting to move into that area and they are starting that process by doing pods – in other words, a bathroom pod – so perhaps not building the whole house in a factory, but building components thereof. I believe it will succeed, but it will take a concerted effort up-front from a bit of government, but it will also take the private sector to be able to develop the market themselves.

Jacinta ERMACORA: Yes. I think that is great. And I think it is a nice role that government is playing, a bit like subsidising solar panels, growing the business for it and then stepping back a little bit. There are lots of examples. My second question that I wanted to ask is really just, I represent the south-west and also the outer-western Wimmera area, but my particular interest in asking today is just to know about your progress in the south-west – Portland, Hamilton, Warrnambool, Camperdown – across all of your housing categories.

Simon NEWPORT: Okay. I am going to defer to Madeline for that, if that is okay.

Madeline DI PIETRANTONIO: Are you just interested to understand from the Regional Housing Fund?

Jacinta ERMACORA: Each of the funds that you have got data on.

Madeline DI PIETRANTONIO: I am going to take questions on notice for that, Jacinta, apologies, because we certainly can give you a breakdown of total dwellings in terms of where they are at, both across the Regional Housing Fund and equally the Big Housing Build, because certainly quite a bit of works – definitely – and completions have been achieved in that region.

Jacinta ERMACORA: Fantastic. I know my office joke that the area that I represent in the western part of the state is about the size of Belgium. The region of south-west Victoria is a discrete region in its own right, but

it is buried inside this sort of DHS – Wimmera south-west. So we cannot see Warrnambool, we cannot see Horsham. I am happy for you to take that on notice.

Simon NEWPORT: We can provide that level of information. We certainly had concentrated our attention today on the homes funded from the Regional Housing Fund and specifically Comm Games sites.

Jacinta ERMACORA: Yes, I am happy with that. Very good. Thank you.

The CHAIR: Thank you. Ms Bath.

Melina BATH: Thank you, Chair. Thank you very much. I will continue on in that stream and ask that you provide information for the Regional Housing Fund for – we could probably say all of the regions that you have identified in this map, but my interest is, parochially, on outer Gippsland and inner Gippsland. If you could take on notice which towns you anticipate being able to present houses, I think in answering Ms Ermacora's question, both for the Regional Housing Fund and any other big build established dwellings.

Simon NEWPORT: We can do that.

Melina BATH: Thank you very much. I really appreciate that. In this fabulous graph that you have got here, 'Progress on Regional Housing Fund delivery', in the inner Gippsland area, which would consider the Morwell site, could you tell me whether the Morwell site – and I mean English Street, Morwell – is in the in-planning phase or in the advanced planning phase?

Simon NEWPORT: I will have a crack, and then you can correct me if I am wrong. How about that, Maddie?

Madeline DI PIETRANTONIO: Okay. Yes.

Simon NEWPORT: The 10 sites that are there are not part of that number at this stage. The original commitment from Homes Victoria was for Bendigo and Waurn Ponds, Geelong. I have visited the site in Morwell and spoken to local housing officers, and we are in negotiations now to commit to taking some of that site out from Development Victoria. Once that is the case, we can then add that to that number. So that will be in addition.

Melina BATH: Right. You can understand –

Simon NEWPORT: It is still greenfield land, so it has not been subdivided. I know that.

Melina BATH: Yes, I understand that. To the punter it is very confusing, to be honest, because the government announced the Commonwealth village and athletes – a thousand – and then today the minister said that of the 110 in inner Gippsland, 10 of those will be at that site, for example.

Simon NEWPORT: It will be on top.

Madeline DI PIETRANTONIO: It will be on top.

Melina BATH: On top of?

Simon NEWPORT: Yes.

Melina BATH: On top of what?

Madeline DI PIETRANTONIO: The 110.

Simon NEWPORT: The 110 that are in the map.

Melina BATH: Right. Thank you very much.

Simon NEWPORT: The reason why, just to reiterate, is that that was the first 1025 for which we had identified the sites and done some level of planning and, at some stages, procurement. There will be more announcements as we firm up the program.

Melina BATH: Thank you. Can you tell me – I mean, for people there is need that you respect and identify – how much engagement is occurring with council and the local community? How can you, as part of your remit, bring the community to understand when these houses will come on line? If you have got a deadline of 2028 and we are now halfway through 2025, in reality it is fast approaching.

Simon NEWPORT: Yes, okay. I can talk to the engagement so far, and whilst that was led by another department, Homes Vic were there, and in fact the ministers were there at the time. There was engagement with councils; there absolutely was engagement with community. That does mean that is the only time we do it. We tend to do it project by project. I know that you are not from quite that part of the world but sort of close enough. For the Colac Pound Street site, as an example, there has been extensive consultation. Feedback we got from that was it was to be 50 social housing on that site. I think it is a 16-hectare site. We have decided to do 30 social and 20 affordable, and then we will do the other 20 social somewhere else in town.

Melina BATH: You got some feedback.

Simon NEWPORT: So we are seriously listening to the feedback and adapting the program accordingly. As each program and each major site is announced by government, we obviously work then with the local community and we work really closely with councils, acknowledging that councils control subdivision too.

Melina BATH: Sure.

Simon NEWPORT: So we absolutely will be engaging with the councils, because I need them to approve the subdivisions.

Melina BATH: That is good, and I am pleased. Look, the bottom line is I feel that in the Latrobe Valley there are some conversations that should be being had that are not being had. That is just some feedback from intel that I have received.

Simon NEWPORT: Okay. We will take that feedback.

Melina BATH: Can I go to the question in terms of the expected stock? This is in terms of the Regional Housing Fund at this point; let us stick to that. How many will be new homes overall, and how many will be upgraded and/or refurbished? Because there seems to be again this grey area.

Simon NEWPORT: Okay. I can answer that pretty clearly. We are not doing any more refurbishments. As I said, we had set out to do 75; we managed to make the money go far enough to do 138. In terms of net new, which is often where people are leading with a question like this, we are really mindful to try and reduce the number of homes that we have to demolish to rebuild. We are going to try and keep that at around about 200 for the total. We think there will be roughly about 1100 net new, of which a great proportion is public, and then the refurbishments we expect to be on top of that.

Melina BATH: Thank you, Chair. Thank you for your words.

The CHAIR: Thank you. Dr Mansfield.

Sarah MANSFIELD: Thank you. I think you have just answered one of my questions, which was around the number of refurbishments, so that is helpful. Just to follow up on a question I asked the minister earlier, one of the things we have been trying to deal with through these sessions of the committee is getting a good overview of the number of houses, what fund they are being funded from, what type of housing they are, whether they are refurbishments or new housing and where they are going to be – and we are not alone in that. We have heard evidence from a number of community organisations that really feel like they are a bit in the dark about where this new housing is: ‘Where is it going to be? How much are we getting? Is this new housing? Is this an old announcement repackaged?’ Is there a way we can get an ongoing overview at that sort of granular level of detail so that the public can have some oversight as well of what is actually going on with some of these housing funds?

Simon NEWPORT: Okay. Look, I can answer it partially, and I am sure you understand that as part of working for the government, at the end of the day they will control public announcements. Our website is being updated at the moment. Currently the map feature – people can click on a map of Victoria, click on a particular location and see how many have been finished and how many are under construction. The Regional Housing

Fund data is going to be loaded up in the next two to three weeks. I think that will be our first port of call for most people to literally at the click of a button be able to see what is going on in their part of the world. I think that is probably the best way to answer that question.

Sarah MANSFIELD: Yes. And will that have that sort of level of detail about it being, for example, community housing, public housing or affordable housing? Will it have that sort of –

Simon NEWPORT: Can I just check on that? Because we certainly list our major projects on the website. I am not sure off the top of my head how far down in terms of the level of detail, say, right to the individual home. I would say overall that at the moment we are tracking to have, if you exclude the refurbishments, 700 of the new homes being public. If you add the refurbishments – and I know we can get into a discussion about what that really means. At least 700 of the homes that are being built will be public and the rest will be community, and then you have got the refurbishments on top. The majority of houses, or just over – I think it is 54 per cent or something; we checked the math before we came in – are going to the public.

Sarah MANSFIELD: Okay. With those public houses, you said that the refurbishments are on top of that. So are they new public houses?

Simon NEWPORT: No. They are existing properties that were offline for a variety of reasons. Often they have suffered extensive damage. Fire damage is the most common cause, and they have been brought back on line so we can house families.

Sarah MANSFIELD: They are the refurbishments.

Simon NEWPORT: Yes.

Sarah MANSFIELD: But the 700?

Simon NEWPORT: They are new homes. They will be new homes.

Sarah MANSFIELD: They are new homes, new public homes, in addition to what we have got – brand new?

Simon NEWPORT: Yes. Sorry, I just had a deep breath from Madeline. Do you want to correct me at all?

Madeline DI PIETRANTONIO: I was just going to clarify one thing, equally recognising with that information, because there are lots of infill sites, some of that project information might be reflected as a consolidated set of data. It is just for context, so that there are not raised expectations, because there are lots of smaller infill sites that Homes Victoria own that are being redeveloped as part of this program.

Sarah MANSFIELD: Yes, okay. That might be part of a different fund –

Madeline DI PIETRANTONIO: It is still under the Regional Housing Fund, but it is just more for context about the information.

Simon NEWPORT: I guess what we are trying to say is that we are really reluctant to be providing street addresses. One, we do not provide street addresses anyway from a privacy perspective, and secondly, you have got to maintain a level of nimbleness until you have done your evaluation. What happens if you get to a site and you find that it is heavily contaminated and you cannot do what you need to do? We can go down so far in terms of detail – we are happy to provide that – but I would be really loath to go down to that street level.

Sarah MANSFIELD: I think that is fine. I think it is more just people understanding that we were promised 1300 new houses. Where are they going to be?

Simon NEWPORT: Once the website is up it will be fine.

Sarah MANSFIELD: We are spending a lot of time trying to find out details and numbers, and it sounds like the sort of information that could quite easily be presented in some format.

Simon NEWPORT: I checked with the team today and they are working on the update to incorporate both the Big Housing Build and the regional fund so when people click on a town, they will be able to see what is going on in their part.

Sarah MANSFIELD: I think that would be very useful, and certainly from the feedback from the community organisations it sounds like that would be valuable. I guess the other thing is just understanding how decisions are made about where to put this housing. That has been another issue that has come up through these hearings. There were certain commitments made to housing on the sites that the Commonwealth Games were proposed to be held. Obviously, since that is no longer going ahead, this fund is now being spread across a bigger area than that original housing delivery would have been. How do you decide where this fund goes?

Simon NEWPORT: I am in your hands, Chair. I know the time has expired. Are you happy for me to answer the question?

The CHAIR: I am happy to allow you some time to briefly answer that, sure.

Simon NEWPORT: Righto. I can answer that. We have a waitlist. We have the Victorian housing register, which does express demand pretty clearly, both in priority and general waitlist. We do not take that in isolation. We have also taken into account the direct feedback from the community. We also have to be realistic. We want to make the money go as far as possible, so we want to minimise the amount of money we spend on acquiring land, although on some occasions it makes sense to acquire the land. We are using existing sites where we possibly can. Again, the Colac site is a good example. We do not own that site; that is owned by another part of government. But we have committed to building on that, so we are trying to then use other government land first and then our last resort is to go out and acquire new land. So it is a layered approach, but it certainly starts with demand and then works its way through on a viability/logistics measure.

Sarah MANSFIELD: Thank you.

The CHAIR: Thank you. Mr McIntosh.

Tom McINTOSH: Thank you. Thank you, both, for being here. We actually had some conversations in the break about workforce, and I think quantity and quality are important parts of it. Mrs Tyrrell touched on it earlier. I think her question was 'What are you doing around workforce?' Sorry if I have misquoted you, Mrs Tyrrell. On that theme, given that you are focused on a certain task and it is whole of government, with, for example, the education minister and that portfolio talking to students about where they are going to go into the workforce and giving them exposure and some skills and training that set them up to go into various forms of construction – with TAFE, investing in the campuses, fee-free TAFE, trade papers and free apprenticeship registration – we were having a chat during the break about that change of narrative to get younger people thinking about going into a trade. Last year we saw more than 11,000 apprenticeships completed, which is a massive increase on five years ago. How does that assist you? Because you need to be looking at a whole lot of things. I suppose you cannot be looking at the workforce. How does that assist you when we are having these conversations around how much each dwelling costs and we are having these conversations around quality and having that pipeline workforce of the workers there, particularly in the regions – hence why I wanted to touch on that campus investment and that sort of stuff. How much does that assist you to have these workers located in the regions and have them with the right skills that you need?

Simon NEWPORT: I think there are couple of things. I think, firstly, it is what we do and what we can do ourselves to leverage our expenditure. It is a lot of money, and so we want to make sure that we produce not only some local short-term jobs but we get mostly youth set up as apprentices. We do work across government, particularly – and I will get the acronym right – with the Department of Jobs, Skills, Industry and Regions, DJSIR. They are also running a process where they are really closely working with the TAFEs. We have also got our new maintenance contract, which will go live this year, which has got added built-in apprenticeship targets. Maintenance in particular is that silver bullet, because it goes on for a long time so it can offer apprentices.

There are other development programs that we are running over a long period of time, for which we are building in apprenticeship and training targets, not only just for apprentices but also Aboriginal apprentices and female apprentices. But we do work closely with other parts of government. There are government departments and elements of the departments that ask us in terms of our future need. They try to build that into the education

system so when I need them they are available. We do some ourselves, and we certainly rely upon the programs across government to do that.

Tom McINTOSH: For example, where there are level crossings or other programs there is that – I forget the exact quotas on trainees and apprenticeships, so then they are in the workforce and it flows on over time.

Simon NEWPORT: Yes, we certainly leverage those programs, but we also do some of that ourselves.

Tom McINTOSH: I was going to ask another question, but it is probably going to take more than a couple of minutes, Chair, so I might leave it at that.

The CHAIR: Okay, that is fine. Mr Davis.

David DAVIS: Chair, thank you. Simon, I have got a couple of questions for you. They are a little bit different from the ones you have been answering. I have in my possession a freedom-of-information request of a brief signed by Tim Pallas, then Treasurer, in 2021. It looks at the Homes Vic budget and corporate plan. At that time there were real problems with Homes Vic's financial viability. There was an agreement that Homes Vic would submit a comprehensive – and I am reading here, quoting directly – 2022–26 corporate plan, and that that would also deal with some of the matters around DTF's corporate planning and performance reporting requirements. I notice the corporate plan is referenced on your website but is not there. Do you have a copy of that corporate plan, and will you provide it for us?

Simon NEWPORT: Perhaps if I can approach the first part of the question, if that is okay. You are referring to whether it is financial sustainability work that is going to go ahead, and there seems to be a bit of a misnomer in terms of financial operations of Homes Victoria. It does post – generally speaking, if you break it down, public housing is not a profitable enterprise. I think for anybody who thinks it is, we would probably need to go through the numbers. The fact is we –

David DAVIS: But it still needs to live within its means.

Simon NEWPORT: Sure. But we charge 50 cents in the dollar for rent. I am not suggesting that that is inappropriate. Of course it is: we should offer a subsidised rent model. But that is about half a billion dollars a year in rent subsidies.

David DAVIS: That is the job.

Simon NEWPORT: That is fine. What I am trying to say, though, is that that is the model. The operating loss typically that we are making year on year is almost exclusively the amount for depreciation. It is a non-cash amount, so it is write-off of the existing buildings. When you strip depreciation out, we tend to make a small cash surplus. I understand that – that people look at financials and go, 'Oh, my goodness, you're losing some money,' but we are losing it on paper only. When you are running an organisation, your general rule is –

David DAVIS: But it is not quite true. Certainly back in this brief that I have here, to quote this, it talks about the annual budget in 2022:

... forecasting an underlying deficit of \$115 million in 2021–22, despite the increase in its base funding. This deficit will be covered by cash received to deliver the Big Housing Build, enabling Homes Victoria to maintain the government's minimum \$100 million cash-at-bank ...

Then it goes on to point to concerns at Treasury about financial sustainability. For example, they say:

There is still considerable uncertainty surrounding the entity's financial position over the forward estimates. As such, DTF – This is not me; this is DTF –

considers further work is needed to understand in greater detail ... revenue and expenditure, especially ... its core operations.

They then indicate that they are going to demand a corporate plan 2022–26. So it is very live and very appropriate to this exact position that we are in. I guess what I am asking is: is that corporate plan the one that is referred to on the website, and if so, will you provide a copy of that for the committee?

Simon NEWPORT: We do have a corporate plan. I would like to take on notice the question about whether or not I am able to release that. Obviously that is something that I would have to seek advice on. Again, without trying to at all look like I am trying to rebut, I just need to point out that underlying deficit includes about \$400 million of depreciation. I am not suggesting we are a money-making organisation; we are absolutely not, but it is often misconstrued. So that underlying deficit – I only joined the organisation not long after 18 months ago, but it would include depreciation. I would reiterate that it is a subsidised rental model. It is also a public non-financial corporation, so it is expected to be self-funded. We have received significant capital funding in the Big Housing Build, which is absolutely renewing the stock and giving us new stock and helping on its financial viability path.

David DAVIS: Did the corporate plan have some of the Big Housing Build performance measures in it? I am quoting from item 10 on this brief. It says:

In addition to these elements, DTF recommends that you request HV's 2022–26 Corporate Plan include the following information to support delivery of the BHB in line with Government's expectations ...

And then they go down four items: performance reporting, information on commercial strategies, information on Big Housing Build projects seeking emergency releases, information on Big Housing Build risks and mitigation strategies. I am interested in your ability to deliver, and that is why I am interested in this corporate plan and the matters around it. So I think we need that corporate plan.

The CHAIR: Mr Davis, I believe Mr Newport has committed to taking on notice looking at whether it is possible to provide that plan and, if possible, to do so on notice, or tell us why he cannot. I think that is fine.

David DAVIS: Do I have more time or am I done?

The CHAIR: No, we just ran out of time.

David DAVIS: All right.

The CHAIR: Thank you, Mr Davis. I have got a couple of things I would like to ask about. I was talking to the minister earlier about this particular issue around composition of housing. We have had some stakeholders give us evidence that they are concerned that some of the composition is not matching what is on the waitlist. For example, there is a high demand for single-bedroom dwellings, and they had some concerns that a lot of the dwellings that were being built were not suitable for that. So my question is around: how are you managing the match-up of the development pipeline to the waitlist?

Simon NEWPORT: Well, I think there is no question that our portfolio was constructed for a different family cohort altogether. I might stand corrected in terms of the exact numbers, but I think at least 60 to 70 per cent of our stock is typical three-bedroom – exactly what you imagine it to be. In some areas waitlists can be anything up to 80 to 85 per cent for one-bedrooms or studios, and when you throw two-bedrooms in it can sometimes have a nine, in terms of 90 per cent. So we are trying to rightsize our portfolio, and that is one of the things we want to try and do also as part of Big Housing Build and Regional Housing Fund. In terms of what we deliver, it is absolutely informed by the waitlist and that demand data, and so it will be heavily skewed in places towards ones and twos. That will be in the larger regional towns. Once we move outside of those areas it tends to be a little bit more what you would call a traditional-looking home. But it is going to be heavy on ones and twos; there is no question about that.

The CHAIR: So would that be units or apartments or a mix?

Simon NEWPORT: It will be a mixture of, if you like, courtyards and villas, because we are not talking high-rise here, but there will be some level of some medium density. Maddie, you might want to talk about a couple of projects, perhaps.

Madeline DI PIETRANTONIO: Yes. As Simon was advising, certainly with a lot of the infill sites that we work through, they are the typical standalone dwelling, which is around your three-bedroom to four-bedroom. We replace them with typically three or four units onsite depending on the location and obviously depending on the site and its parameters. That encapsulates us being able to look at some mix of size of dwellings onsite where even to some extent you might have a single dwelling, a single-level one-bedroom unit, just to cater for

some of the range of needs. They typically are evident on our sites, and so you start to get that mix and introduce your smaller units within those locations where you need them.

The CHAIR: Thank you. Also with regard to the waitlist, obviously that is a dynamic list, right – people are being allocated and new people are coming onto it. Is it declining? Are we making progress on lowering the size and amount of time on the waitlist?

Simon NEWPORT: The waitlist had tracked down in, say, the previous 12 months. I think the numbers had gone from about 60,000 to about the low fifties or 51,000. It has noticeably gone up in the last couple of quarters by about another 2000 or 2500 people.

The CHAIR: Where is that new demand coming from?

Simon NEWPORT: The economic conditions and the tightness of the rental market. Interestingly enough, we have also seen an increase, though, for the first time in the uptake of rental bonds, which is positive. Those had been lagging for some time, and that might just be an early indicator. We tweaked the eligibility just a little bit, but I do not think was really the difference. We are starting to see a little bit more uptake –

The CHAIR: Are you talking about private sector bonds?

Simon NEWPORT: The private sector, but we help with rental bonds, and we are starting to see an increase in that uptake, which is starting to tell us that people are having a little bit more success in some parts in being able to secure private housing. But there is no question that the waitlist is under pressure. So we made some progress, but it has unfortunately gone up a little bit.

The CHAIR: Just to clarify, the rental bonds data that you are talking about is for people attempting to find accommodation in the private sector but are being assisted through bonds.

Simon NEWPORT: Yes, correct.

The CHAIR: Okay. Understood. Something else that I spoke to the minister about was the actual definition of ‘affordable housing’. What is the definition that you use?

Simon NEWPORT: Well, I am certainly obliged, as I should be, to use the definition which is in the *Planning and Environment Act*, although I think –

The CHAIR: As the minister indicated earlier, though, it is fairly outdated, and they are working nationally on some sort of coherence.

Simon NEWPORT: They are. I do not honestly believe you will ever get one single one-line definition of affordable housing. If people would indulge me for just a second, there are two competing models, but I think they can be complementary. There is the discount-off-the-top model which was the old NRAS model, which was a 20 per cent discount from market price. That might make a \$500 a week property \$400 a week. Then you have 30 per cent of income. So social housing is typically at 25 per cent of income, and for affordables we are aiming at 30 per cent of income. So that is an income-based model and then a discount off the top. We are pursuing a double-barrel system that is affordable segueing out of social, and this is more of a journey into private with that discount off the top.

Both models are acceptable to the Housing Australia Future Fund so long as they do not charge more than 75 per cent overall of market rent, and that is to capture the GST concessions for charitable status. So there is work to do across the country. Whilst I may not be an expert, I would be certainly one of them, and I would say that we are going to have to go for some sort of compromise so we can welcome all comers, because we need all the help we can get.

The CHAIR: Yes. Certainly you do not want to exclude people over a definition.

Simon NEWPORT: No, we do not.

The CHAIR: Understood. We do not have much time left, so I think we will leave it there. Thank you very much for appearing today. You will receive a copy of the transcript for review in about a week, and then it will be published on the website. The committee will now adjourn for the day. Thank you.

Committee adjourned.