

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2025-26 Budget Estimates**

Melbourne – Friday 6 June 2025

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch



**WITNESSES**

Harriet Shing MLC, Minister for Housing and Building;

Peta McCammon, Secretary,

Danny O'Kelly, Deputy Secretary, Community Operations and Practice Leadership,

Simon Newport, Chief Executive Officer, Homes Victoria, and

Dannii de Kretser, Deputy Chief Executive Officer, Homes Victoria, Department of Families, Fairness and Housing;

Jeroen Weimar, Secretary,

Stuart Moseley, Deputy Secretary, Housing, Building and Land Delivery,

Megan Peacock, Executive Director, Building Policy and Reform, and

Angela Jurjevic, Building Monitor, Department of Transport and Planning; and

Anna Cronin, Chief Executive Officer, Victorian Building Authority.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, any comments made outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during hearings and anything you say may be picked up and captioned, even if you say it quietly.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Housing and Building the Honourable Harriet Shing as well as officials from DFFH. Minister, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you some questions. Your time starts now.

**Harriet SHING:** Thank you, Chair, and thank you to members of the committee. We are on Wurundjeri country today, and I want to begin by acknowledging the traditional owners of the lands upon which we gather and I would like to pay my respects to their elders past and present. I would also like to acknowledge any and all Aboriginal or Torres Strait Islander leaders or emerging leaders who are part of this conversation, who are watching these hearings or indeed working so hard across the portfolios that we are here to discuss today.

**Visual presentation.**

**Harriet SHING:** As part of the composition of this hearing today, we do have a hybrid of housing and building. These might seem to be unlikely bedfellows, but essentially they come together in addressing the challenges of a shortage of supply and challenges around availability, particularly in a climate of cost-of-living pressures being felt keenly by people all over Victoria. But secondly, they are about pulling policy levers and

using legislative and regulatory offerings to be able to improve systematically the way in which decisions are taken and ultimately homes are built. With the time that I have today, I want to talk about the work that we have done to invest in delivering more homes but better quality homes across Victoria. To be really clear, these are challenges that are being felt all over Australia. We know that there is an acute shortage of supply and acute challenges around the quality of building, which people from other jurisdictions will also be very, very keen to talk about publicly.

Here in Victoria we have enacted a range of systemic changes and we have a total investment in housing of \$10.4 billion since 2015, and within the housing portfolio and DFFH that comprises \$240 million for the Commonwealth's housing support program and it includes \$61.1 million to make homelessness rare, brief and non-recurring. It is also really important that we can continue to support the development of the high-rise towers as we make better use of those sites but also provide people with homes that are warm in winter and cool in summer, fit for purpose, energy efficient and well connected to communities – that is no less than what they deserve. We are also determined to continue with the work of the Big Housing Build and the Regional Housing Fund as part of the regional package.

Next slide please. I think we have actually moved around our slides a little. What I might do is just talk about the housing support program if we can, please. In partnering with the Commonwealth, we are delivering \$249 million as a share of the housing support program. This will fast-track 4000 homes through enabling infrastructure such as roads, sewerage and water. We do want to make sure that as we increase housing supply across the state we are not just growing but we are growing well, and that is about the sort of essential connections that people need so that we are not then revisiting the past with deserts that require a retrofit in decision-making, often at considerable expense. And the sort of rezoning challenges that we know from Fishermans Bend have caused all sorts of challenges and cost over the years. The investment that we are making is helping to fast-track the delivery, as I said, of around 4000 homes, and up to \$62.2 million, or 25 per cent of that number, will be spent directly on social housing. That includes the delivery of up to 315 social housing dwellings within that envelope. Up to \$186.6 million, or 75 per cent, will be spent on significant and high-priority projects that address infrastructure barriers in delivering housing supply.

Now we will go to the slide 'Redeveloping Older High Rise'. Chair, this budget continues our work and our determination to develop those high-rise public housing towers in North Melbourne, Flemington and Carlton. This is being done in partnership with the Commonwealth and in really, really careful conversation and discussion with communities. This is long-term work. It is work that is being done carefully and respectfully, and it is work which is essentially geared around people – their experiences, their pride in their communities and their aspirations for the future. We are continuing to deliver on Australia's largest urban renewal program. That will triple capacity across those 44 tower sites and enable up to 30,000 people to be able to live in those areas, not just addressing the challenges of availability but consequentially addressing the progress and continuing that progress on affordability. This also includes a 10 per cent uplift in social housing across the program, and those uplifts will be as high as 110 per cent across, for example, North Melbourne. Residents have a really strong sense of community and pride, as they should, and they have often called the towers home for generations. It is therefore so important that we honour their experiences and that we provide the support necessary to assist them with relocations, with a right of return and with options and opportunities to be able to find homes that meet their needs as those needs might change. At tranche 1 relocation sites at Flemington and North Melbourne 99 per cent of renters have met with our Homes Victoria relocations team; 96 per cent have submitted an application form for us to work with them to find a social home that they want.

Next slide, please. We are building homes to meet the needs of Victoria's growing population, and it is not just about what we build but how we build it. This is about sending strong industry signals as well as consumer confidence in a market where we have seen volatility around the availability of housing but also the quality of housing. We know only too well, and you would know from your communities, the devastation that is felt when people lose their life savings and their dignity, frankly. It is a source of enormous shame and humiliation for people to be duded by a dodgy builder who disappears, who goes out of business. Buying or building a home is the single biggest investment that people make over their lifetimes, and this is where, when we announced the package of reforms in October last year, it was geared squarely toward making sure that we could have a consumer-focused system of building regulation.

This is where Anna Cronin and her team come in. I am indebted, as the government is indebted to you, Anna, for the transformational work that has occurred across the building and construction sector, making sure that we

have better rigour and we have consistency, accountability and transparency in a one-stop shop, including the incorporation of the VMIA building dispute resolution work and the assistance that people have with first-resort insurance with the developer bonds scheme and also the information that can be assisting people with the way in which their buildings are configured through manuals, for example. There is extensive regulation and a regulatory impact statement process being prepared at the moment, and I welcome the opportunity for industry and developers to be part of that conversation. As we have engaged with them to date, we will continue to engage with them, because we know that where we have a collaborative approach, we also then see better market confidence and better investment opportunity across the state. We also know, and I want to be really clear about this, that the vast, vast majority of builders and developers not only do the right thing but they take great pride in doing the right thing. They deliver a world-class product. They also deliver at volume, which is why our building approval rates are outstripping those around Australia. There is always more work to do, though, and we want to make sure that quality is at the heart of delivering on that scale and those targets over time as well.

Next slide, please. In addressing homelessness we want to make sure that we are continuing our nation-leading work for homelessness support, and in the 2023–24 year we delivered over 34 per cent of the nation's homelessness services funding. That is more than any other state or territory. We also know that the need is there. At least 30 per cent of people who are looking for homelessness supports for the first time are coming from private rentals. That is an indication of the cost-of-living challenges but also the challenges of a shortage of supply, which has then placed upward pressure on rental properties. This is where again this emphasis of multiple portfolios is about addressing those shortages so that people can find the homes that they want alongside private rental assistance, bond schemes and of course the landmark homebuyers equity fund, which has now been adopted, after lengthy delays occasioned by our political friends on the crossbenches and the opposition in Canberra. That has now been translated to the Help to Buy scheme.

**Nick McGOWAN:** What, Labor?

**Harriet SHING:** Mr McGowan, it is lovely to see you.

**Nick McGOWAN:** It is nice to see you too, Minister.

**Harriet SHING:** I hope you are enjoying those chips.

**Nick McGOWAN:** I would offer you one, Minister, but you were midway through a sentence, so I did not want to interrupt.

**Harriet SHING:** Thank you, Mr McGowan. I am looking forward your questions.

We are also going to continue to invest in homelessness programs with \$80 million between 2025 and 2026 to make sure we are addressing youth homelessness. Again, we see an over-representation of particularly vulnerable cohorts such as young people and victim-survivors of family violence, and we know that there are pressing needs around access to regional support as well. We are building more beds, including 360 dedicated supportive housing beds, as well as 68 beds for young people.

We know that the people allocated to long-term social housing have grown by an impressive 63 per cent between 2020–21 and 2023–24, and that is because we have built more homes. There is always more to do, but I am conscious that we need to make sure we are doing it at a faster pace and in a way that is commercially viable and takes advantage of partnerships such as those available under the ground lease model, which, again, started in Victoria and has since made its way around Australia.

Next slide, on homes and social homes: last year we built just over 60,000 homes, which is about 15,000 homes more than New South Wales, and the number of homes we built in Victoria grew by 7 per cent. We have since seen declines in that same period in New South Wales and Queensland. We have got a lot of work to do, but we are 98 per cent of the way towards our national housing accord target, which far outstrips the work in other jurisdictions. There is more to do, but we know that what we are doing is working. Thank you, Chair.

**The CHAIR:** Thank you very much, Minister. The first 8 minutes is going to Mr Welch.

**Richard WELCH:** Thank you, Chair. Thank you, Minister. Minister, today the state recorded a record number of homeless families – more than 66,000 people. Has your housing program failed? This is a 24 per cent increase since your building program started.

**Harriet SHING:** Thank you, Mr Welch, for that question. Homelessness is a particularly awful experience for people who become disconnected to family, to services, to supports and to the opportunities for education, skills, jobs and training. It is an experience of devastating shame as well. There is a lot of shame in homelessness, which again is something that really identifies the importance of services and support. The budget, as you would know, increases investment into the homelessness system by \$61.1 million over three years to break the cycle of homelessness.

**Richard WELCH:** Is that to address the increase in homelessness under your program?

**Harriet SHING:** There is over \$300 million invested into specialist homelessness services every year, and that is assisting around 100,000 Victorians who are at risk of or experiencing homelessness. We also know, Mr Welch, and I referred to this in my opening remarks, when we can keep people in housing we are then reducing the pressure on homelessness, crisis and transitional accommodation.

**Richard WELCH:** And that is the point, isn't it, because people not in housing has gone up 24 per cent under your program. Is your program failing?

**Harriet SHING:** Mr Welch, the funding that we have delivered actually builds on the investment of \$445 million.

**Richard WELCH:** But that investment does not seem to be working, Minister. How do you address the fact that homelessness has gone up by 24 per cent?

**Harriet SHING:** What we do know, Mr Welch, is that the work we are doing with entry points and the continuation of homelessness programs this year that will go on from 30 June to 1 July is about making sure there is that continuity in people's experiences but we are also doing the wraparound supports that people need.

**Richard WELCH:** How much will homelessness come down then?

**Harriet SHING:** As I said, we have increased the investment into the homelessness system by \$61.1 million – increased it – over three years to break that cycle.

**Richard WELCH:** What will that reduce homelessness by?

**Harriet SHING:** We want to make sure, Mr Welch, that when we are identifying solutions to homelessness we are addressing the key principles that I referred to in my opening remarks – making homelessness rare, brief and non-recurring.

**Richard WELCH:** I think we can all agree with that. What I would actually like to know, though, is: if you are putting this extra money in, what will the homelessness rate return to?

**Harriet SHING:** It will be as low as possible, Mr Welch.

**Richard WELCH:** You do not have a number?

**Harriet SHING:** I do want to assure you that Victoria has the highest total recurrent expenditure on homelessness services –

**Richard WELCH:** Which is good, but what is the outcome?

**Harriet SHING:** and that includes some family violence services, across all jurisdictions. So it is 34 –

**Richard WELCH:** What is the outcome? What have you modelled homelessness to return to next year?

**Harriet SHING:** It is 34 per cent of the national total. What we will then be able to do is support operations of over 70 entry points to provide initial assessment and planning to over 45,000 people –

**Richard WELCH:** Minister –

**Harriet SHING:** I am answering the question.

**Richard WELCH:** No. I asked a very specific question. We have got 66,000 families now homeless. You are putting extra money in, as you have said repeatedly. What will that produce? What will be the outcome? What have you targeted and modelled on? How many families will be homeless at the end of this year?

**Harriet SHING:** As few families as I can possibly, possibly –

**Richard WELCH:** You do not have a number? You do not have a specific number?

**Harriet SHING:** possibly get to. Mr Welch, in 2023–24 Victorian specialist homeless services assisted more than 101,800 clients. That is more than any other state.

**Richard WELCH:** How many did they house?

**Harriet SHING:** And the funding, Mr Welch, that we have delivered enables homelessness agencies to support operations of more than 70 entry points to provide –

**Richard WELCH:** I have no doubt, Minister, in your ability to spend money. There is no question you are adept. What I want to know is: what is the outcome? How many homeless will we have based on this investment? You must have modelled it –

**Harriet SHING:** We will be able to support operations –

**Richard WELCH:** because you would have had to have calibrated the number of housing stock available to that figure, so they are the numbers I am trying to get to here.

**Harriet SHING:** We will be able to support the operation of over 70 entry points to provide initial assessment and planning to over 45,000 people each year. Many people who come into the system or who are seeking supports have multiple presentations, Mr Welch, and often the causes of homelessness and rough sleeping are very, very complex, so we want to make sure that there is case management, that there is outreach support and that there is youth-specific services such as foyers and refuges to support over 16,000 young people annually. We also want to provide –

**Richard WELCH:** Now, Minister, you still have not answered the question. What number of homeless will there be at the end of the year under your models?

**Harriet SHING:** Well, we will be providing – and again I am continuing with information that I think is going to assist you, Mr Welch –

**Richard WELCH:** No. I would like the information I am asking for, please.

**Harriet SHING:** This is about providing around 27,900 Victorians per year some form of accommodation when they need it most.

**Richard WELCH:** So based on that, how many homeless will we have at the end of the year?

**Harriet SHING:** I have just been through that data.

**Richard WELCH:** You have not approached it at all.

**Harriet SHING:** It is also about, as I said –

**Richard WELCH:** Are you refusing to say, Minister? Are you refusing to give me that number?

**The CHAIR:** Excuse me, Mr Welch. The minister is attempting to answer your question. You are speaking over the top of her time and time again. I am asking you to afford the minister the opportunity to respond to your question, Mr Welch.

**Richard WELCH:** Chair, you know I have limited time.

**The CHAIR:** Mr Welch, how you spend your time is up to you. The questions that you wish to ask, you may ask to the minister, but you will afford her the opportunity to answer. The information she is providing is relevant to the inquiry at hand. The minister to proceed.

**Harriet SHING:** Thank you, Chair. This will – in addition to the 27,900 that I just took you to – support around 3700 households to retain their social housing tenancy. Back to the point that I just made earlier, Mr Welch, where we can prevent people from becoming homeless through that early intervention and prevention, we know that that takes pressure off the system. When we provide support to people to the tune of that 27,900 figure that I took you to, that also addresses pressure at the other end of the system. We are also assisting over 10,500 households to find and maintain private rentals and providing additional private rental assistance to people –

**Richard WELCH:** Is somewhere in this going to be the number?

**Harriet SHING:** across nine areas. Mr Welch, I have just given you a succession of numbers.

**Richard WELCH:** Not the one I asked for, though.

**Harriet SHING:** Mr Welch, this is about understanding the way in which homelessness occurs; it occurs across a landscape. People become homeless.

**Richard WELCH:** Minister, in the interests of transparency and accountability, I have asked you a very specific question that has a very simple answer and you are refusing to provide that. In fact you are providing me with every metric except that one.

**Harriet SHING:** The metrics are interlinked, Mr Welch, and I have gone to the 101,800 figure that I spoke to earlier.

**Richard WELCH:** I do not think you know.

**The CHAIR:** Excuse me, Mr Welch. You are bordering on being rude to witnesses, and I have cautioned you against that in previous proceedings. Please ask your question to the minister and afford her the opportunity to respond.

**Richard WELCH:** Certainly, Chair. Minister, do you actually know that figure or not?

**Harriet SHING:** The figure is an aggregate of a range of different investments that translate to the people who are getting that support, Mr Welch. That is the work that I have just taken you through. I am very happy to give you a briefing if you would like one.

**Richard WELCH:** I think I would appreciate that, thank you.

**The CHAIR:** Thank you, Minister. We are going straight to Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair, Minister and officials. Minister, page 13 of BP2 sets out the government target of 800,000 additional homes in Victoria over the next decade. So there is a number, Minister – a pretty good number, I would say.

**Harriet SHING:** It is a big number.

**Lauren KATHAGE:** We are not all obsessed with quantity; I want to ask you about the quality. How will we make sure that those 800,000 additional homes are safe, are affordable, are quality? How will we be doing that? What is your role in that?

**Harriet SHING:** Thank you very much for that question. As I indicated in my opening remarks, in setting this ambitious – but necessarily ambitious – target to deliver 800,000 homes over a 10-year period, it has not just been about the scale of achieving those targets, it has also been about the quality of the homes. It has been about the way in which we address what have been some pretty significant disadvantages for people living in what used to be called dogboxes; there was no regulation of apartment standards and there was no considered

planning about amenity, natural light or ventilation, and we see this in a number of the buildings that remain in the city. Changing codes and standards has been a significant part of changing the way in which homes are built and then also making sure that they are safe and fit for purpose. This is where we have had a number of programs and reforms that have been geared toward increased standards and rigour around the quality of homes that people can expect and the work that we want to make sure we are delivering as Melbourne moves to being a city the size of London by the 2050s. We need to grow, but we need to grow well, which I think goes to the heart of your question.

We want to make sure that consumers that purchase as families – millennials – have an opportunity to purchase a home that does meet relevant standards and that there is a measure of recourse in the event of a builder who dies, disappears or becomes bankrupt. We want to also deliver on the reforms that were passed in the Parliament just last week with those buyer protections mechanisms. They were opposed by the coalition, but they have gone through nonetheless to provide first-resort insurance, an alternative and direct dispute resolution process and the VMIA's central role in delivering a measure of support and also make sure that it builds upon other work such as the security of payments legislation, which again is about providing certainty about when it is that builders and tradies will be paid for their work.

We want to also make sure that we are assisting people with an integrated building watchdog. This is where the Building and Plumbing Commission will take on the responsibilities that have been managed by the Victorian Building Authority, the Victorian Managed Insurance Authority and Domestic Building Dispute Resolution Victoria. We also want to make sure that there are powers there for enforcement as well as for community education and to assist people who have got questions, queries or requests for assistance around understanding their rights and responsibilities.

The Act establishes two different types of financial safety nets for buyers via the Building and Plumbing Commission: that is first-resort domestic building warranties for buildings three storeys and below and the developer bond scheme for buildings more than three storeys high. Under the current system homebuyers rely on domestic building insurance, and we know from the stories that we hear in our communities that that has failed if consumer protection was not there in the form of DBI. This will, through first-resort domestic building warranty, enable homebuyers to instead make a claim when a building issue is first identified so that they do not then have to pay huge out-of-pocket expenses for fixing those defects.

The developer bond was realised as a result of really extensive consultation and discussion with industry. The original amount for the developer bond was set at 3 per cent of the construction costs. That was reduced to 2 per cent as a consequence of direct engagement, including with peak bodies such as the HIA. We will be moving toward assisting people to get those bond amounts returned where we do have defects addressed. We are also making sure that ultimately we are delivering a really modern building system with consumer protection at its heart. It is also about highlighting good work that is happening, and I am keen to ensure that we are adequately reflecting the work of those builders and developers, whether small or large, who, as I said, take great pride in their work. I was just at Docklands yesterday celebrating a topping out of 797 homes, Australia's largest build-to-rent development, a partnership between Lendlease and Daiwa House. This is about making sure that we have energy efficiency, sustainability and best practice in everything from the way in which a build occurs to the amenity that occurs around it. It is about a multifaceted approach: industry partnerships through the housing statement attracting that development opportunity and pipeline, but also an encouraging system that is based around recognition of good behaviour and a measure of accountability to address issues where they do arise. Anna, do you want to add anything else to that?

**Anna CRONIN:** Thank you, Minister. The new BPC is going to be able to do a much better job from a consumer protection point of view. At the moment consumers get ping-ponged from one organisation to another. They get ping-ponged from the VBA to Consumer Affairs Victoria to DBDRV, Domestic Building Dispute Resolution Victoria, and also to the building part of VMIA, so it is a very confusing and complex system. Bringing it together under one roof will enable us to apply much better accountability and scrutiny on the shoddy operators, the poor operators in the system. As the minister said, most of the builders that I deal with are good builders, and they take pride in what they do, but they get damaged by every bad apple in the barrel, which brings down the rest of the industry.

I think it is important to note that industry organisations have actually been supporting the VBA recently in our much greater enforcement activity. We have really upped the ante in terms of taking much stronger activity

against these shoddy builders and those who do not do the right thing by consumers. For example, we have 60 prosecutions underway at the moment, as opposed to 14 a year ago, so we are certainly ramping that up, which is great. But one of the powers that we have lacked is a post occupancy permit rectification order. Post occupancy permit at the moment the VBA cannot direct a builder back to fix something, and at the end of the day what we want for consumers is that builders actually build right the first time. So having that power will send a very strong message to the industry that there is a strong incentive to get it right first time, because it is very costly to have to go back to an apartment block or to a building that you have built and redo it.

**Nick McGOWAN:** That is about inspections, Ms Cronin.

**Anna CRONIN:** Yes, that is right. It will also enable us to have a line of sight across the whole of the building system, so that new arrangement with the other three –

**The CHAIR:** I am going to interrupt you there, Ms Cronin. Thank you very much. We will swing back this way. We are going to go to Ms Benham.

**Jade BENHAM:** Thank you, Chair. Afternoon, Minister.

**Harriet SHING:** Hello, Ms Benham.

**Jade BENHAM:** I just want to get some clarity around homelessness and the Big Build situation.

**Harriet SHING:** Yes.

**Jade BENHAM:** You would agree with the announcement today that there are 66,117 families on the waiting list that are homeless.

**Harriet SHING:** No.

**Jade BENHAM:** You disagree with that?

**Harriet SHING:** Yes.

**Jade BENHAM:** Okay. You do agree, though, that you have invested \$3 billion into the housing program to build 2600 homes?

**Harriet SHING:** No.

**Jade BENHAM:** You do not agree with that either? That would be then at a cost of \$1.15 million per home.

**Harriet SHING:** No. I will take you through gross and net increases, if you like.

**Jade BENHAM:** So building 2600 homes in four years.

**Harriet SHING:** Net increase of 5859 homes since the commencement of the Big Housing Build. That is part of an 11,575 increase of new homes added to the social housing stock count.

**Jade BENHAM:** The list that we are working from is your own list. Where can we find that published?

**Harriet SHING:** The social housing waitlist?

**Jade BENHAM:** Yes.

**Harriet SHING:** Yes. What I am happy to do is take you through it. The start of your question referred to people experiencing homelessness.

**Jade BENHAM:** The 66,000 families.

**Harriet SHING:** Firstly, people who are looking for social housing are not necessarily homeless.

**Jade BENHAM:** Okay, so the announcement today –

**Harriet SHING:** I will take you through to the housing waitlist. Secondly, the housing waitlist is broken into two components. There are people who are already in the housing system looking for a transfer – transfer applications they are known as. There are 10,564 applications from people who are already living in social housing.

**Jade BENHAM:** That is the transfer list.

**Harriet SHING:** Yes.

**Jade BENHAM:** How many are waiting for housing?

**Harriet SHING:** There are 55,553 new priority and register-of-interest applications from people seeking a rental in social housing. They are described as new applications. But allocations to social housing actually increased by 37 per cent in the last two years. In the last two years we have had 7626 allocations in 2023–24, compared to 5553 allocations, and as at March, the total number of new applications on that waitlist decreased by 4.6 per cent from 23 March, and the growth in the housing waitlist is actually about 0.9 of 1 per cent, based on the most recent data, as compared to about 3 per cent in New South Wales. So we are seeing this all over Australia, but we do know that what we are doing to bring new stock on line is working.

**Jade BENHAM:** So you do think that the homelessness crisis is improving?

**Harriet SHING:** No. I think the volume of homes that we are bringing on line is assisting people in greatest need, and the work goes on, Ms Benham. There is no finish line when it comes to homelessness. There is no finish line when it comes to social housing.

**Jade BENHAM:** Of course not, but it is getting worse at a rate of 2000 families per quarter.

**Harriet SHING:** As at March this year, with those same figures, the priority list decreased by 3.1 per cent. But we know that demand for social housing is driven by a really complex set of factors. That is not just here in Victoria, it is around Australia. And we also know that the investments that we have made through the \$5.3 billion Big Housing Build and the \$1 billion regional housing package will deliver at least 13,300 new social housing homes. But as we develop –

**Jade BENHAM:** Will that be delivered?

**Harriet SHING:** It is being delivered progressively. We have got 10,100 homes that have either been completed or are in construction or in planning, and we continue to announce new homes every day, Ms Benham. Every day eight new homes are completed under the Big Housing Build.

**Jade BENHAM:** So therefore there must be a target date when that project will be complete.

**Harriet SHING:** 2028.

**Jade BENHAM:** 2028. Okay. I am going to move on to a slightly different topic. The budget reference here is budget paper 4, page 132. As far as the Aboriginal family violence refuge for the Wimmera, the south-west area –

**Harriet SHING:** Yes.

**Jade BENHAM:** That was a new program in 2021–22, promising \$4.7 million to be spent by 2023. The current budget shows it has only spent \$493,000. So why has only around 10 per cent of the Aboriginal family violence refuge funding been spent in three years?

**Harriet SHING:** Just bear with me, Ms Benham. There are 22 refuges being built as part of what is called a core and cluster model across Victoria. As you would appreciate, the family violence royal commission – that work and those 227 recommendations did go specifically to cluster-style facilities. That was about providing independent units and also that onsite and built-in support. We know that, again, people experiencing family violence often have very complex needs, and they also want to stay connected. So to date, 16 refuges have been completed and are in operation across a range of urban and regional and rural locations.

**Jade BENHAM:** Just to bring you back to the Horsham project in particular, there has only been \$493,000 spent in three years. Can you please give us an update as to why that is the case? Three years seems like plenty of time to have that project complete.

**Harriet SHING:** Yes, this is the Aboriginal family violence refuge for the Wimmera West area. This is, like the facility in Warnambool, being designed and planned with an Aboriginal community controlled organisation, and that is Goolum Goolum. We do want to make sure that we are prioritising self-determination, and that means that the way in which that housing is delivered has to take place in partnership with Aboriginal community controlled organisations. This is where there has been a cultural brief that has been developed by women in the community to drive the design of that work, and it is also on a large site. Homes Victoria is looking at how to use the rest of that site in a complementary way to the use of the refuge, and tenders for an architect are currently being evaluated.

**Jade BENHAM:** Okay. No-one disagrees that it has to be culturally safe and self-determined – no-one disagrees with that – but should not the priority be getting that refuge built and putting a roof over people's heads? Three years is an extremely long time.

**Harriet SHING:** Ms Benham, I do not ever underestimate the acuity of need for some of the most vulnerable Victorians, in often extremely distressing and traumatic circumstances, to find accommodation.

**Jade BENHAM:** So is your priority then to get this built as soon as possible?

**Harriet SHING:** As I said, we have got tenders for an architect in the process of being evaluated. I am not going to go through that process that is currently subject to consideration, but what I will say is that we have invested with determination and purpose into assisting one of the greatest causes of homelessness not just through the family violence portfolios but also through a range of other portfolios. I am not sure whether you have spoken with colleagues about this, but the targets, again, are a thousand homes for people –

**Jade BENHAM:** So you would think it would be a priority.

**The CHAIR:** Thank you, Minister.

**Harriet SHING:** I have just said, Ms Benham, it is absolutely a priority. My apologies, Chair, for interrupting you.

**The CHAIR:** Thank you, Minister. We are going to Mr Galea.

**Michael GALEA:** Thank you, Chair. Good afternoon, secretaries and officials. Thank you for joining us today. Minister, I would actually like to touch on a related note to what you and Ms Cronin were discussing with Ms Kathage before, and it relates to budget paper 3, page 181, which talks about your commitment to increasing trust and confidence in the building industry and delivering those high-quality homes for working Victorians. Minister, how are you ensuring that the building regulator is going to be able to effectively enforce those reforms to the building sector and rebuild that trust and confidence that were speaking about before?

**Harriet SHING:** Thank you, Mr Galea, for that question. As Anna was indicating in her answer earlier, the sector needs to regain the support and the confidence of consumers in a range of different ways. That is systems-based reform, it is regulation and it is culture and the way in which people relate with the system. It is also about that ongoing piece on the way in which legislation provides not only a measure of deterrence but also a measure of certainty around statutory roles and responsibilities. As I keep saying – and I am never going to stop saying it – Melbourne will be the size of London in the 2050s. Unless we grow well, we are going to have to retrofit, at great expense and inconvenience, the sorts of things that make for liveability.

We know, as a smaller version of that, that where people build a home that is not fit for purpose and have to sustain enormous out-of-pocket costs in order to fix that, the lack of protection in the system is something which is an avoidable and very glaring shortcoming in the system. This was why we conducted such extensive discussion with the sector and with communities around the reforms that were I think first foreshadowed in 2013, but then not ultimately pursued, which we have announced and then brought forward in the Parliament. These reforms were passed by government. Again, there was opposition from the coalition in the upper house

to the passage of these reforms, which are geared toward providing consumers with certainty, with opportunity for redress and also with confidence in the market.

We want to make sure that we also provide people, through the regulator, with the necessary information. That includes new boots on the ground. This is where, Mr McGowan, you referred to inspections earlier.

**Nick McGOWAN:** I did, Minister.

**Harriet SHING:** There is a 50 per cent increase in auditors and in inspectorate –

**Nick McGOWAN:** Who does the inspections, though?

**Harriet SHING:** Adequately resourced and expert people.

**Nick McGOWAN:** Private surveying companies? I suspect that is part of the problem, Minister.

**Harriet SHING:** As we designed the merger of Victoria's building regulatory bodies – I fear I have unleashed a monster, Mr McGowan –

**Nick McGOWAN:** You have. You have just poked the bear.

**Harriet SHING:** to create the Building and Plumbing Commission, there was a lot of consultation. There was a lot of really careful, careful work.

**Nick McGOWAN:** Or the panda.

**Harriet SHING:** Did you just refer to yourself as a panda, Mr McGowan?

**Nick McGOWAN:** I did.

**Harriet SHING:** Let the record reflect. I look forward to this one being forever consigned to the public record. This is actually a really serious subject matter because of the impact that it has on people with the largest purchase of their lives – of our lives. So systems-wide reform is necessary, is proportionate and is appropriate. Anna, would you like to add to that?

**Anna CRONIN:** Sure. One of the things that I did when I started at the VBA was recognise that the organisation had been through some very tough times, and it is no secret that the organisation was facing a number of challenges, including workplace safety and other matters as well. I have prioritised workplace safety in terms of the VBA staff and also made a bit of a shift in our regulatory posture towards putting consumers first. I commissioned a report by Bronwyn Weir, who is a building expert, into seven very complex cases. These were absolutely heart rending. I have met with all of the consumers involved, and they were testimony to the system failing them. That is why at the VBA I have been introducing internal reforms to completely overhaul our operations, from licensing and registration to the inspectorate to compliance and enforcement, lifting our enforcement activity. I think it is fair to say we were passive and we were seen as a toothless tiger. We just tipped over 1 million social media views in May, 56 per cent up on April, of our enforcement activities. It is not only important to do the enforcement, it is important to tell industry that you are doing it.

I think the cost of the defects on consumers cannot be underestimated. Cladding Safety Victoria reported last year that 80 per cent of the buildings where it was rectifying cladding had significant water ingress and mould issues, and what we are seeing a lot of is in class 2 buildings, apartment buildings between four and 10 storeys in particular, there are some big consumer risks. I focused the inspection activity on those risks, rather than doing what we used to do before, which was just do the same house over and over again really in a volume building sense. We are actually going out and doing more complex inspections and doing them on the specific risks, whether it is waterproofing, balconies, unregistered builders – whatever. As I said before, it is really about giving builders the incentive to do it right the first time, and then that will be of least cost to the consumer, of least stress to the consumer and ultimately of least cost to the economy as well.

**Michael GALEA:** Thank you very much, Ms Cronin and Minister. I might put this to either one of you, because it relates to the same subject in relation to the transition from the VBA to the BPC that was mentioned before. The output summary table for DTP in budget paper 3 highlights the \$45.6 million investment in the

government's building reform program. I will put it to either of you. Minister, how will this funding be used and what will it achieve?

**Harriet SHING:** Thank you very much for your question. I suspect Ms Cronin and I might well be playing tag on this one. There is \$63 million all up for reform of the system to enable, essentially, the work to be done around the Building and Plumbing Commission, the transition of resources and of process across to that new body and consolidating the work of the VMIA and Domestic Building Dispute Resolution Victoria. I want to assure you and the committee that the work that we are doing is geared toward facilitating better outcomes through more efficient processes. Again, in recognising the work that has been done for a long time in a way that has represented all best endeavours, it has been patchy. This is where, again, a uniform experience for people in the system is assisted with that \$63 million. It is also then about providing information to people to understand what a building looks like. The development of manuals, for example, will then assist with future work around understanding what work might need to be done. These changes are not about providing a stick for somebody to use when they do not have a colour tile that they thought they were going to get. This reform is about the sorts of serious issues that Anna has spoken to – mould, waterproofing, issues around structural integrity. Again, it is a process that will involve careful triage with the Building and Plumbing Commission when inquiries come in, and we do expect that there will be a significant level of interest in the Building and Plumbing Commission's work and that, as work comes in, that will be able to be developed and directed to where it can be best assisted. Sorry, Anna, I did not quite get you. We might yet have an opportunity.

**The CHAIR:** Thank you, Minister. We are going to Mr McGowan.

**Nick McGOWAN:** Thank you. Thank you, Minister.

**Harriet SHING:** Hello, Mr McGowan.

**Nick McGOWAN:** How are you?

**Harriet SHING:** I am very well. I am all the better for seeing you. How are you going?

**Nick McGOWAN:** Ditto. Well, I am getting there. It is a long week or two, but nonetheless. I am hoping you can help me actually.

**Harriet SHING:** Let us have a go.

**Nick McGOWAN:** The total estimated investment for 2025–26 for the Big Housing Build has decreased by \$79 million, and that is due to the reclassification of the operating instead of capital expenditure. Has \$79 million been redirected for administration purposes with Homes Victoria?

**Harriet SHING:** Sorry. Which BP are you looking at, Mr McGowan?

**Nick McGOWAN:** Budget paper 4, page 132.

**Harriet SHING:** Yes. I might direct – direct! – that question if I may, Mr McGowan, to the CEO of Homes Victoria Simon Newport.

**Nick McGOWAN:** Thank you.

**Harriet SHING:** And we can add additional context from there.

**Simon NEWPORT:** I think you will find under section 10 of the *Housing Act*, you can direct me, Minister.

**Harriet SHING:** No, not here. I would never dream of it.

**Simon NEWPORT:** So to answer that question quite simply, that was a redirection of funds to community housing builders. So it went from being delivered by Homes Victoria directly to being delivered by community housing providers, so it moves from a capital expenditure to a recurrent because it becomes a grant.

**Harriet SHING:** A grants-based allocation.

**Nick McGOWAN:** So to Community Housing Limited or community housing plural?

**Simon NEWPORT:** No, sorry, to the sector, to a series of providers to deliver the works.

**Nick McGOWAN:** Okay. Over the two years how much has been recapitalised or changed from one to the other out of the Big Housing Build, so redirected elsewhere?

**Simon NEWPORT:** Over two years? I would have to get back to you on that, but generally speaking, there has been a move in the last couple of years to some programs to be delivered by the community housing sector. As such, that moves from capital expenditure through to recurrent, because it moves from building it to a grant for another organisation to build it.

**Nick McGOWAN:** Great. If you could come back to me on that. In order to complete the 12,000 –

**Harriet SHING:** It is all still social housing though, Mr McGowan, just to be clear. It is still about placing people on the waitlist into social housing.

**Nick McGOWAN:** Correct. Are there still sufficient funds to achieve the 12,000 new homes promised?

**Simon NEWPORT:** Yes.

**Harriet SHING:** Yes

**Nick McGOWAN:** At the same budget – \$5.3 billion?

**Simon NEWPORT:** Yes.

**Nick McGOWAN:** Okay. Some 608 affordable homes have been built of the targeted 970, and that is up until 2024, so we are somewhat behind there. Is that correct?

**Simon NEWPORT:** No. We were expecting to have a pretty good year this year and next year on affordable. I can just pull up my stats on affordable housing.

**Nick McGOWAN:** I think the target was 2900 homes by 2027.

**Simon NEWPORT:** Yes. I am sure you would be aware about two or three years ago there was a movement out of the Big Housing Build by 12 months – I think given the circumstances with COVID and supply chains – and still deliver the same number of homes in the same budget. That is probably not a bad result. In terms of the affordable, we still remain on target. There are 2400 affordable homes to be delivered under the Big Housing Build. Some are directly delivered by Homes Victoria, and the target you will see in budget paper 3 historically has shown that smaller program. But 2400 is the number, and we are on track to deliver that.

**Nick McGOWAN:** What about the target of 2900 by 2027?

**Simon NEWPORT:** I think, to be fair, the targets have moved to 2028. It did move some time ago, probably two or three years ago in the budget papers to my recollection.

**Nick McGOWAN:** So are we still on target to achieve that then by 2028 as a revised target, given we are not going to achieve it by 2027? Is that correct?

**Simon NEWPORT:** Yes. We are on track to deliver the Big Housing Build – all 12,000 social and affordable – by June 2028.

**Nick McGOWAN:** Thank you. For either of you, perhaps: the public housing renewal program in 2024–25 lost \$52 million in funding, and that was due to a scope reduction. Is that correct?

**Simon NEWPORT:** If you can just point me to the budget paper, I have got them here, if you do not mind.

**Nick McGOWAN:** Still on the same page, 132, budget paper 4. The redirection of \$52 million for the housing renewal program in 2024–25.

**Simon NEWPORT:** That is the public housing renewal program?

**Nick McGOWAN:** Yes.

**Simon NEWPORT:** Sorry. It has had a couple of name changes, that is all. That program is pretty much coming to completion. There are only a couple more buildings that have to be delivered. Historically what has happened in budget papers is we have shown the net cost to government, which obviously reflects the fact that there are social homes, affordable homes and some market homes within those programs. We are now getting to the point where as the program gets towards completion it gets to the situation where if you take into account the entire cost of the program on a gross basis, it has to be adjusted. So there has been no change to the net cost to government, but we are now being instructed to gross up the figure, and it has gone up from memory by about \$101 million. There is no change to the net cost. That just now reflects the full cost to deliver those social homes, taking into account any contributions from Homes Victoria or the government.

**Nick McGOWAN:** Mr Newport, perhaps you can help me here: do you know what the vacancy rate is currently for Homes Vic housing?

**Simon NEWPORT:** Yes, I do. Just hang on one moment.

**Harriet SHING:** Lower than the private market, Mr McGowan, is what I would start you with there.

**Nick McGOWAN:** That is a good general response, Minister, but I am sure Mr Newport can help me with something more specific.

**Harriet SHING:** No, no – well, you start general, and then you move into the specifics, Mr McGowan.

**Nick McGOWAN:** That is what I am hoping for. Perhaps while you are looking for that figure I can also ask for the figure of how many homes you are currently disposing of, in terms of selling, because they are deemed to be unworthy of retaining?

**Simon NEWPORT:** Just let me –

**Nick McGOWAN:** One at a time.

**Harriet SHING:** Sorry, you are saying because they are unworthy of what, Mr McGowan?

**Nick McGOWAN:** Well, unfit for your purpose of housing.

**Harriet SHING:** Well, I will give you a couple of examples. The Elgin Towers, just while Mr Newport is tracking down that vacancy data for you: that is housing which, again – the red brick towers – is being funded by the Commonwealth in terms of the social housing accelerator program.

**Nick McGOWAN:** Maybe you misunderstand my question. I am just asking how much land or how many homes you are selling or disposing of because they are not fit for any purpose – that is, they are not fit for the purpose of housing.

**Harriet SHING:** No, you asked about vacancy, though.

**Nick McGOWAN:** Oh, the vacancy – yes, if that is what you are answering. I was just looking for the vacancy rate.

**Harriet SHING:** Yes. We have vacancies that occur because of a range of reasons, including where we are developing sites –

**Nick McGOWAN:** I do not mind why they occur. I understand there are lots of reasons, but we could be here all day covering that subject. I just want to know the rate.

**Simon NEWPORT:** I can tell you in terms of how many homes we expect to sell in total this year, it is 149. That also includes the sales which we are in joint ventures with, effectively, or public–private partnerships in with the public housing renewal program.

**Nick McGOWAN:** Can you provide me a list of the suburbs those properties are in?

**Simon NEWPORT:** Suburbs – I am pretty sure, yes, we can do that.

**Nick McGOWAN:** Okay, thank you. And so the vacancy rate?

**Simon NEWPORT:** It is 1.7 per cent in terms of those that are available for reletting.

**Nick McGOWAN:** 1.7. And how many homes does that equate to, that 1.7 per cent?

**Simon NEWPORT:** That is 1094.

**Nick McGOWAN:** 1094. So there are 1094 homes that are currently not occupied. How many of those require an assessment in terms of whether they are going to be used or not?

**Harriet SHING:** Every home has an assessment as to whether it can be used or not. That is about everything from a between-tenancy arrangement for the purpose of assessment. It is also then about what happens when somebody moves out because a property is going to be deconstructed or demolished.

**Nick McGOWAN:** But 1094 homes is a lot of homes sitting vacant at the moment. I am wondering whether there is a delay in turning those around.

**Simon NEWPORT:** Over the last couple of years, we have reduced that number by just over 1200 – 1252. Running a portfolio of nearly 65,000, we would of course love to have zero vacancies, but the reality is, even if everything was turned around completely within the best possible timeframes, you are still going to have properties that sit there for 28 days.

**Nick McGOWAN:** How many of those are not habitable?

**The CHAIR:** Apologies, Mr McGowan. We are going to go to Mr Tak.

**Meng Heang TAK:** Thank you, Chair, Minister, Secretary and officials. With reference to page 18 of budget paper 4 and also to your presentation, I note that the \$6.3 billion Big Housing Build and Regional Housing Fund alone have already contributed more than 13,000 homes to our state. Minister, with reference to each of these programs, how much of this funding has been acquitted, and can you outline how this will benefit people currently on the Victorian housing register?

**Harriet SHING:** Sure. Thank you so much for that question. We do want to make sure that we are assisting people in getting into housing, and the work that we are doing here is as much about the investments that we have received in the Big Housing Build as it is in the Regional Housing Fund. When we announced the Big Housing Build back in 2020 it was the \$5.3 billion amount, of which one-quarter, \$1.25 billion, was allocated to regional Victoria. That was, as I have indicated in answers to earlier questions, about delivering 12,000 new social housing homes across the state. We want to make sure that we have got an additional 1300 social and affordable homes across rural and regional Victoria. As I also indicated – I think it was in an answer to Ms Benham – we have got around or just over 10,100 homes that have either been completed or are in planning or construction, and we want to make sure that we have all homes across that program delivered by 30 June 2028. We also want to make sure that we have got that minimum investment guarantee across eight local government areas to make sure that social housing is provided in regional towns and those rural areas where there is high population growth. Thus far 13 of the 18 local government areas have met or exceeded their targets, and very soon that will go up to 14. Plans are underway to acquit that guarantee in the remaining five LGAs – that is, Bass Coast, Golden Plains, Macedon Ranges, Mildura and of course the Surf Coast.

**Simon Newport** interjected.

**Harriet SHING:** Oh, Mildura is about to be the 14th. There we go – as of last night, Ms Benham. You heard it here. I assure you there was no connection between appearing at today's hearing and the achievement in achieving a target. Much as I liked to think when I was on the committee that it was the centre of the universe for government decision-making, I was often disappointed.

Ten per cent of the new social housing homes in the Big Housing Build are supporting Aboriginal housing needs, and there have been 731 Aboriginal Victorian households already in new homes as a result of that. We are also likely to meet and exceed our target. Back, Ms Benham, to Mildura, there is a guaranteed minimum

\$40 million investment, and thus far as of last night – now, today – we have acquitted that commitment, and there is a further \$4 million in projects that we are currently in the process of contracting. We know that there is significant demand across rural and regional Victoria, and that is about making sure we can, in your instance, deliver 68 homes in the Mallee and 98 homes in the Wimmera south-west. So the total number of social homes in Mildura has grown from 1819 in 2020 up to 1869 as at 30 June. That is an increase of 50 homes, and that is the total number. Again, this is while we continue to adjust what is in the inventory and not able to be used.

It is also about developing ageing stock, so adding dwellings. We will have 2379 new social housing dwellings in 2024–25 through constructions and other acquisitions. That will be a net increase of 1469 homes in 2024–25, and that is after considering the subtractions – demolitions, sales, lease hand backs et cetera. There have been 11,575 new homes added to Victoria's social housing stock count since the Big Build was announced, and there has been a net increase during that time of 5859 homes. There are a couple of things that these figures indicate: (1) the investments that we are making that are delivering that volume of additional homes, so 11,500, and (2) the fact that when we are talking about ageing housing, when people are living in that full time the wear and tear is significant. When we also talk about the public housing towers that were built often 50 years ago, they were built using a pretty unique form of construction that makes them very hard to retrofit – impossible without many, many billions of dollars and even then not in compliance with current codes and expectations.

Also, people deserve to live in homes, again, that are of the same standard in the social housing system as they are in private rental. This is where, to Simon's point about community housing, these partnerships that we are delivering with community housing providers – they are the not-for-profit, for-purpose charitable organisations that often provide that wraparound support, for example, for women or for young people or for Aboriginal Victorians – are delivering housing, again, which is bright and modern and fit for purpose. It is all electric. It is connected to open space and to communities. It is not about saying that because you are in social housing you need to be consigned to one particular part of a block or to one particular part of a suburb. We want to make sure that there is a measure of pride as well as security and dignity and safety and livability in the homes that we are building. This is where the work that we are doing is paying off, and it is assisting in providing new homes and opportunities for people at the same time as addressing what we know is an enormous shortage in housing, not just here in Victoria but around Australia.

I just also want to make mention of the connection between the delivery of broader housing stock on the one hand and the investment in social and affordable housing on the other. Where we take pressure off the private rental market, for example, by utilising models such as build-to-rent, that form of delivery of housing stock takes pressure off other areas of the housing continuum, as we call it. So right through from homelessness services – and again, as I mentioned earlier, we see a proliferation of people accessing those services from private rentals – to where we provide support for people to remain in private rental, to Mr Welch's question earlier, we then reduce pressure on homelessness services. That then in turn reduces the number of applications steadily – not instantly, but steadily – on the social housing waitlist.

We then also want to make sure we can assist people in moving into private ownership, and this is where, when I talked earlier about the homebuyers equity fund, that 5 per cent deposit has helped 11,000 Victorians to get into home ownership, with a significant first home owners metric in Victoria, much higher than other states. That is also working to make sure that people are able to get into a housing market that now takes up more than 11 times an annual salary. It used to be 3 per cent, then it was 7 per cent, and it has just kept going up, and wages have not kept pace with inflation. Now you have started me on this, because it is an entire landscape of things that need to come together to address the work to provide people with homes, and this is where the Big Housing Build is such a central component of that work.

**Meng Heang TAK:** Thank you, Minister. With the remaining time I am interested to hear about how the Big Housing Build is delivering for our regional communities.

**Harriet SHING:** \$1.25 billion – the work goes on, plus an additional at least 1300 homes in the regional housing package.

**The CHAIR:** Thank you, Minister. We are going to Mr Puglielli.

**Aiv PUGLIELLI:** Thank you, Chair. Good afternoon.

**Harriet SHING:** Hi.

**Aiv PUGLIELLI:** Just looking at the housing support program priority works funding from the federal government – \$249 million in funding – can you outline the specific projects this funding will be directed towards?

**Harriet SHING:** Yes, absolutely. Thank you for that question, Mr Puglielli. I wish I had worn a turtleneck today. It is a bit chilly outside. The Commonwealth government's housing support program provides an opportunity for states to fund new projects that expedite housing development toward the achievement of the national housing accord, and that is that target of 1.2 million homes for the five years from 1 July last year. Homes Victoria has been allocated \$101.1 million of this total \$248 million program under the Commonwealth investment. The implementation plan outlining how this funding will support site-enabling works and the direct delivery of social housing in Victoria is currently under development for submission to the Commonwealth government and public release. All projects do need to be fully committed by 30 June 2026. We have got 60 per cent delivered by 30 June 2026 and the remainder by 30 June 2027. I can assure you that I will not be allowing any money to go back to the Commonwealth because of an underspend. It will all be fully allocated, and I am looking forward to continuing that work in partnership with Minister Clare O'Neil. We have seen a dramatic change in the way in which the Commonwealth has invested in housing and enabling infrastructure, and that work goes on. It has been, again, a good opportunity for me to continue last week and just yesterday in fact conversations about delivering additional housing to meet that need.

**Aiv PUGLIELLI:** Thank you. Can I ask: will any of that funding be used for the public housing towers high-rise redevelopment?

**Harriet SHING:** So, Mr Puglielli, this is about new projects that expedite housing development. As you know, we have got a number of tranches of housing development across those towers. As part of the allocation of \$497 million to deliver at least 769 new homes from the Commonwealth, the Elgin Towers – those red bricks – are being deconstructed, and that work is currently taking place. We will continue to work with the Commonwealth. I also want to make sure that we are combining partnerships on work that Victoria has already identified with additionality that we can bring into the system over and above the work that we are doing. Victoria, when we announced the Big Housing Build – and we continue with that work in investment in social housing – led the states in the development of projects. When I met with Minister O'Neil, I was pretty emphatic about the desire to make sure that our work in doing that preparatory piece is then put to good use in partnership with the Commonwealth.

**Aiv PUGLIELLI:** Thank you. Moving to budget paper 4, page 18, just looking at relocations under the redevelopment program: is Homes Victoria purchasing or offering to purchase private homes to relocate public housing residents to?

**Harriet SHING:** Mr Puglielli, we invest across a range of housing stock options. Whether it is because people are relocating that they are allocated or they are in the priority cohort in the social housing waitlist, we are also making sure that when we provide assistance to people we are doing it in a way that best meets their needs. So there are opportunities for people to seek assistance with the preferences on where they want to live and the neighbourhoods where they are, and this is where they may have exceptional circumstances around what that relocation looks like. The investment in the relocation program represents an investment in making sure we work closely with tenants across those sites, and we want to make sure that there is that dedicated relocations process. Simon, do you want to talk through the acquisition of purchases or stock in the areas around the high-rise towers, noting that it all interfaces with the broader housing register work that we are doing?

**Simon NEWPORT:** Yes. So to answer your question in terms of if any of that funding is being directed towards acquiring properties to assist with the relocation, yes, there is an acquisition program and a lease program and using the brand new stock that has come online in Flemington's case immediately across the road and in North Melbourne about a kilometre, maybe 1200 metres, up the road at Abbotsford Street, so we are pulling on all levers to try to make sure that people are accommodated and we move them and keep them connected to their community.

**Aiv PUGLIELLI:** Thank you. Can I ask: has Homes Victoria engaged real estate agents at Nelson Alexander to acquire homes for public housing relocations in Kensington specifically?

**Simon NEWPORT:** I would have to take that on notice. We are active in certain areas where the residents have indicated they would like to move to. I am not sure I can answer that question directly now; we would have to check on that.

**Aiv PUGLIELLI:** Thank you – on notice is fine.

**Harriet SHING:** But we do work with real estate agents in relation to properties and acquisition; it is also then about making sure that we are assisting brokerage arrangements, and that occurs all over the state.

**Aiv PUGLIELLI:** Thank you. For the tower site redevelopment, in relation to the private homes element for those sites, what will the ownership model look like?

**Harriet SHING:** At the moment, Mr Puglielli, the announcements that we have made are actually about the ground lease model, so when we have the ground lease model, to be clear, that land remains in government hands, and when we develop that land it is in partnership with community housing providers. They have a lease of 40 years over that land. At the expiry of that lease it reverts to government ownership alongside the homes that are there. And it is either long-term rentals or it is social housing, and this is where we have an uplift of 110 per cent in social housing at North Melbourne. But again, these are about rentals or long-term housing in social housing. So to be really, really clear, this is not selling the land; the land remains in government hands, and it is about providing that need and that uplift, and again, we are determined to continue to do that work in a way that also takes pressure off the private rental market, as I have spoken to earlier.

**Aiv PUGLIELLI:** Okay. So those long-term rentals, they are not build-to-rent?

**Harriet SHING:** No, they are long-term rentals in terms of the consortium model that operates. There are long-term arrangements for people, and it is a site-by-site proposition. Often there are consortia that will develop opportunities for a combination of rental arrangements and site management. The community housing provider derives an income through rental revenue or Commonwealth rent assistance, and it is capped at that income range of up to 30 per cent of a household income.

**Aiv PUGLIELLI:** Thank you. I understand last year there was \$19 million allocated to upgrade the public housing maintenance request system to make it more user-friendly for tenants. Have these funds been expended or are they still being used?

**Harriet SHING:** That is happening progressively; yes, yes, absolutely. Before you go on, Mr Newport, I just want to say that the work that has happened to address maintenance backlog has been herculean. It is a reduction of about 97 per cent in terms of the numbers of maintenance requests and follow-ups, and we do see that that investment is having a significant positive impact. Mr Newport.

**Simon NEWPORT:** The short answer to your question is no; the programs have got at least another 12 months to go. It is herculean in terms of when your state's largest landlord is running a maintenance scheme servicing over 65,000 families; it is a pretty big deal, yes.

**The CHAIR:** Thank you, Mr Newport. We are going to go to Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister and officials, for your attendance this afternoon. I might take us also to the high-rise redevelopment program, and it says here in the budget in budget paper 4, page 18, it is Australia's largest urban renewal project. I am just hoping you can speak to how this program will boost inner-city housing.

**Harriet SHING:** Yes. Thank you, Mr Hilakari, for that question. Fundamentally, we know that there are challenges of affordability and availability that need to be met on a number of fronts: (1) we need to build more housing, and (2) we need to provide support for people in order to find that housing and to remain in it. So there are a number of programs and supports that we do have that address the issues of housing supply.

Anybody who has ever been into the high-rise towers will know that there are so many challenges involved in calling them home. They are really noisy. They are really cold in winter. They are really hot in summer. They do not provide the sort of insulation, door width, room size, disability access to bathrooms, common areas or opportunities for quiet enjoyment of properties that one might reasonably expect. It is really hard raising little

kids in a high-rise tower where you need to carry groceries, a stroller and all sorts of things in a lift that is often not working. It is hard, if you are a shiftworker, to sleep through the day when there is constant noise.

This is where, again, the urban renewal program serves a number of purposes. It is about tripling the density across these sites, thus making sure that more people can find the housing that they need, whether that is in private rental or in any number of other combinations, including home purchase, or whether they can stay in long-term housing as part of the social housing system. This is about providing, again, that certainty for people in the social housing system with a right of return if they wish to come back to a site that has been developed. We know that that provides residents with a significant amount of comfort around what that looks like for them. It is often not utilised as a right of return, because people find that their needs have changed – that they have established communities in areas where they have a bigger backyard, for example, or that they have moved and they are closer to family or to multifaith or multicultural community groups.

But we do know that in making this announcement we have sent very strong signals about the desire to provide people with better housing as well as an uplift in social housing. As I referred to in an earlier answer, at the North Melbourne site there will be a 110 per cent increase in social housing. We are working alongside community housing providers across a range of sites with this ground lease model that I talked to earlier, this model that has been adapted around Australia. We know that in partnership with the community housing sector we can better meet that demand. We know also, with GST and the work that happens with the remittance from the Commonwealth, that we can get more housing in partnership with the community housing sector. We will always need a combination of models to deliver social housing, but we do know, again, that in order to meet that urgency we have to be in partnership with those not-for-profit, for-purpose charitable organisations.

We are also making sure that when we deliver housing we are delivering affordable homes, so at Flemington the finished product will deliver at least 300 affordable homes, allowing about 300 people who are not otherwise able to access housing in prime locations in Melbourne that neighbourhood opportunity and that certainty of long-term housing. It is also about making sure that when we address the cost of living we are also addressing the amenity that can be provided at the other end of it. If you are living in a home that is energy efficient, you are spending less money on your energy bills. You therefore have more discretionary income. These things all come together as they need to, but we know that where there is better quality building, where there is more housing coming online, we are addressing those challenges of availability and affordability, and it is transformational work.

It is work that will also address the scores of people around Melbourne who every weekend line up with 30 other people for one rental property. We have done a lot of work in amending the *Residential Tenancies Act*. There have been over 130 reforms to that legislation. We have outlawed rental bidding and underquoting. There is a whole regulatory space in which this is happening. But we also know that we need additional housing stock. Rental affordability in Victoria is comparatively better than in other states. Housing affordability in Victoria is comparatively better than in other states. That is recognised as being an indication that the work we are doing is working. But there is always more to do. This is where the towers redevelopment program is about doing that work into the longer term so that 30,000 people can call those sites home, so that we can grow well and grow in as well as growing up and out.

**Mathew HILAKARI:** The ground lease model you have talked about a little bit through previous answers, but I am just hoping to go a little bit further into it. We have got those mentioned on page 22 of budget paper 4. The Homes Victoria ground lease model project 1 and project 2 are mentioned there. Working with the community housing sector and others, can you outline how the partnerships are helping tenants and also the broader community that live in these areas?

**Harriet SHING:** Yes, sure. Thank you for that question. It is something that colleagues in the upper house will be well used to me talking about. When we develop an opportunity for housing through the community housing providers and often through that consortium model we see that we can deliver housing to people with those wraparound supports on land that remains in government hands, delivering a stream of income to that community housing provider – they are not-for-profit, by the way; this is not about piles of cash sitting around doing nothing – and that we can provide housing to people at the same time. We know that community housing, where it is integrated into communities, fosters more social cohesion outcomes that are beneficial in nature. They are about addressing some of the really persistent areas of disadvantage, and again, people deserve the opportunity to reach full potential with those metrics of disadvantage being prevented or avoided.

The ground lease model also means that we can have a site that is returned to us and to our inventory as a property owner after the completion of that lease, and when we do the work on these projects, we see that it has immeasurable benefit. In Bangs Street in Prahran, for example, we have had 434 new homes that have been delivered. That includes 228 social housing homes, and that is a 90 per cent uplift in social housing. Victoria Street, Flemington, is another one. That has delivered 359 homes, including 240 social homes, and that represents a 21 per cent uplift in social housing. Holland Court in Flemington, which is currently under construction, will deliver 286 homes. It is an aggregate of work, but again – and to talk to Springvale and the work that we are doing at Coomoora – affordable housing takes a range of forms, and this is where small sites work has been so crucial to that too. It is a jigsaw and a landscape, and the towers redevelopment work is a key part of that.

**Mathew HILAKARI:** And we have invested \$20 million –

**The CHAIR:** Thank you, Mr Hilakari. Minister and officials from DFFH and DTP, thank you very much for appearing before the committee this afternoon.

The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee will take a short break before beginning its consideration of the Development Victoria and precincts portfolio at 2:15 pm. I declare this hearing adjourned.

**Witnesses withdrew.**