

Public Accounts and Estimates Committee

Inquiry into the 2025-26 Budget Estimates

6 June 2025

PORTFOLIO: HOUSING AND BUILDING

Witnesses:

- The Hon. Harriet Shing MLC
- Ms. Peta McCammon
- Mr. Jeroen Weimar
- Mr. Stuart Mosely
- Ms Angela Jurjevic
- Mr. Simon Newport
- Mr. Danny O'Kelly
- Ms. Dannii de Kretser
- Ms Megan Peacock
- Ms. Anna Cronin

QUESTION 1

Over the two years 2024-25 to 2025-26, how much of the total estimated investment for the Big Housing Build been recapitalised or changed from operational expenditure to capital expenditure or vice versa?

Name of Committee member asking question: Nick McGowan MLC

Excerpt from transcript, pp. 12-13:

**Nick McGOWAN:** The total estimated investment for 25-26 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 within Homes Vic?

**Harriet SHING:** Sorry, which BP are you looking at?

**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's moved 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:** OK. 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.

## RESPONSE

### Answer:

As reported in the 2024-25 State Capital Program Budget Paper, there was a capital reallocation of \$740.365 million for the Big Housing Build (BHB) as a result of “transfers to grant-funded construction programs for the community housing sector and to Ground Lease Model Project 1 for the expanded scope of the project.”<sup>1</sup>

When combined with the reported \$79.157 million reallocation in the 2025-26 State Capital Program Budget Paper<sup>2</sup>, the total capital reallocation over the 2 years is \$819.522 million.

The change for the community housing sector to deliver additional homes within the BHB requires transfers of funding from capital to operational. There is no change to the overall program funding of \$5.3 billion and no change to overall scope.

The Big Housing Build is on track to deliver 12,000 social and affordable homes.

## QUESTION 2

**List of suburbs where public housing properties that Homes Victoria expect to sell this year due to being unfit for purpose are located?**

**Name of Committee member asking question:** Nick McGowan MLC

Excerpt from transcript, pp. 14-15:

**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're unworthy of what, Mr McGowan?

**Nick McGOWAN:** Well, unfit for the 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.

<sup>1</sup> 2024-25 State Capital Program Budget Paper, page 150

<sup>2</sup> 2025-26 State Capital Program Budget Paper, page 132

**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 the vacancy though.

**Nick McGOWAN:** Oh, the vacancy – yes, if that is what you're 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.

## RESPONSE

### Answer:

Homes Victoria sells properties for a range of reasons, including properties being in poor condition, or not meeting environmental and accessibility standards. Sales proceeds are reinvested into renewing social housing through construction and acquisition.

It is expected that 149 social housing dwellings will be sold in the 2024-25 financial year. This includes 105 community housing dwellings (owned by not-for-profit community housing agencies) and 44 public housing dwellings (owned by Homes Victoria). A breakdown of public housing dwelling sales by suburb is provided below.

### Public housing dwellings expected to be sold in 2024-25

Suburbs	Number of dwellings
Norlane	17
Corio	6
Yarraville	2
Richmond	2
Cranbourne	2
Camberwell	1
Frankston North	1
Braybrook	1
North Geelong	1
Hawthorn	1
Broadford	1
Churchill	1
Seaford	1
Tongala	1
Rowville	1
East Bairnsdale	1

Shepparton	1
Fitzroy North	1
Flemington	1
Heidelberg Heights	1
<b>Grand Total</b>	<b>44</b>

### QUESTION 3

**Has Homes Victoria engaged real estate agents at Nelson Alexander to acquire homes for public housing relocations in Kensington?**

**Name of Committee member asking question: Aiv Puglielli MLC**

Excerpt from transcript, pp. 17-18:

**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.

### RESPONSE

#### Answer:

Homes Victoria has and will continue to source dwellings in and around Kensington, Flemington and North Melbourne (or surrounds) as we work closely with tenants to meet their needs and preferences. There is no arrangement or appointment of marketing agents to act on Homes Victoria's behalf.