

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 13 October 2023

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESSES

Peta McCammon, Secretary, and

Simon Newport, Chief Executive Officer, Homes Victoria, Department of Families, Fairness and Housing.

The CHAIR: Good afternoon. 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 the 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 name and the organisation that you are appearing on behalf of.

Peta McCAMMON: Peta McCammon, Secretary, Department of Families, Fairness and Housing.

The CHAIR: Pleased to meet you.

Simon NEWPORT: Simon Andrew Newport. Chief Executive Officer, Homes Victoria, Department of Families, Fairness and Housing.

The CHAIR: Thank you. I will just briefly introduce the committee. I am David Limbrick, the Chair and also Member for South-East Metro.

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

Melina BATH: Melina Bath, Eastern Victoria Region.

David DAVIS: David Davis.

Michael GALEA: Michael Galea, Member for South-Eastern Metropolitan Region.

Tom McINTOSH: Tom McIntosh, Eastern Victoria Region.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

Joe McCracken: Joe McCracken, Western Victoria Region.

Jacinta ERMACORA: Jacinta Ermacora, Western Victoria Region.

The CHAIR: Thank you. We welcome your opening comments and ask that they be kept to a maximum of around 10 minutes to ensure that we have time for questions. Please go ahead.

Peta McCAMMON: Great. Thank you. Good afternoon, Chair and committee members. I make the following remarks regarding the role of the department and Homes Victoria to assist the committee with its inquiry.

I would like to start by acknowledging the traditional owners of the land on which we are meeting today, the Wurundjeri people, and pay my respects to their elders past and present. I also acknowledge all traditional owners throughout Victoria.

As I have introduced myself, I am the Secretary of the Department of Families, Fairness and Housing, and I appear today alongside Simon Newport, the Chief Executive Officer of Homes Victoria. Homes Victoria sits within the department. I commenced in my current role in March 2023 and have relied on information provided to me by department officers regarding the matters we will cover today. Simon Newport commenced his role

on 31 July this year. Before him the CEO and acting CEO of Homes Victoria were Ben Rimmer, until 6 April 2023, and Camille Kingston, from April 2023 to 30 July 2023.

The department's participation in the Commonwealth Games was led by Homes Victoria and was primarily an advisory function to other departments and agencies across government, informing decision-making on the social and affordable housing outcomes to be delivered through the game's legacy program. During the relevant period the department supported Minister Richard Wynne, until 27 June 2022; Minister Danny Pearson, from June 2022 until 5 December 2022; Minister Colin Brooks, from 5 December 2022 until 2 October 2023; and it now supports Minister Harriet Shing. I would like to confirm from the outset that the department did not hold primary responsibility for leading the planning or delivery of key infrastructure or housing within the games villages. I understand that most recently Development Victoria held primary responsibility for those matters, from late May.

The department's participation in planning for the 2026 Commonwealth Games commenced in February 2022, with a request to the department from the Department of Jobs, Precincts and Regions. That department is now the Department of Jobs, Skills, Industry and Regions. The request was for input to the advice to government on hosting the games. The department provided limited input, confined to informal advice on possible sites for the athletes villages within the four locations already identified by DJPR, and preliminary advice on construction and delivery costs for the athletes villages. The department was not at that stage asked to conduct, and did not conduct, formal due diligence in providing advice on possible sites.

On 3 March 2022 the department provided to DJPR advice on preliminary costings for the villages. The department was not provided with or consulted on any final costings put to government. This advice was high level and limited by the fact that at the time sites for the villages had not been determined, nor had the scope-and-delivery approach to the villages been settled.

On 16 March 2022 the department provided to DJPR a list of possible sites that could be considered for the villages in Geelong, Ballarat, Bendigo and the Latrobe Valley. From March 2022 to May 2022 department executives and officers had various discussions with DJPR on delivery approaches and other matters. These delivery approaches included a model where there would be one head contractor with a commercial developer and builder, another model being a public-private partnership or ground lease model. This advice drew upon requirements for the villages provided by DJPR and its consultants.

Following the government's decision to appoint Development Victoria to lead the delivery of the villages, Homes Victoria provided a range of technical advice to ensure any village housing planned for conversion to social and affordable housing following the games met design, construction and location standards and would be suitable for regional social and affordable housing. Homes Victoria provided feedback on the village's overall layout and design. This drew upon knowledge and experience developed through the delivery of the Big Housing Build program. The advice provided by Homes Victoria on each of the village's master plans included identifying preferred locations within each village that would be best suited for future Homes Victoria-owned social and affordable housing. Homes Victoria also informed the types of homes needed – for example, apartments or townhouses – and the number of bedrooms, based on its understanding of demand in the area from the Victorian Housing Register.

Following confirmation of the village site locations by Development Victoria, Homes Victoria provided advice to Development Victoria on legacy social and affordable housing options where temporary or relocatable homes were proposed. In addition, as part of these discussions, Homes Victoria discussed with Development Victoria the commercial terms of acquiring social and affordable housing. This was to be at market value, determined by the Valuer-General Victoria after the games.

The CEO of Homes Victoria and members of their executive team represented the department on the Victorian government Commonwealth Games village steering committees and the Commonwealth Games village project control board. I understand that the village steering committee met eight times between June and December 2022 and twice between February and March in 2023, and the project control board met three times between April and July 2023. The department's secretary was represented by the then CEO of Homes Victoria and all members of his executive team on the Commonwealth Games interdepartmental committee, which coordinated whole-of-government input to the implementation of the Commonwealth Games. The department attended the IDC meetings from May 2022. The department, through Homes Victoria, also participated in associate working

groups throughout the project. The department's contribution to these forums and working groups through Homes Victoria related to early planning of the athletes villages. Homes Victoria used existing resources to participate and did not require a dedicated allocation of staff or operational budget.

Through the activities I have mentioned, input was also provided by policy and technical officers within the department, related to the planning, design and build of the social and affordable housing as part of the games legacy. Through the village's steering committee and the project control board, the department received advice from Development Victoria on the proposed budget and procurement approach for delivery of the villages. As Homes Victoria was to acquire at market value a proportion of permanent homes on the sites after the games, this information about the project budget did not impact on Homes Victoria's advice on the delivery of social and affordable housing. Ultimately government decided not to proceed with the games before any of the necessary decisions were made and before commercial arrangements with Development Victoria could be resolved.

The Regional Housing Fund: the \$1 billion Regional Housing Fund will deliver over 1300 social and affordable homes across regional and rural Victoria. The department is currently working on its plans with government for delivery of the Regional Housing Fund, including locations, specific cohort targets and proposed delivery approaches. Delivery approaches will be designed to ensure that consultation on the location and mix of dwellings with local government areas, regional partnerships and communities can occur.

Early consultation has commenced, with the DJSIR holding regional forums in Shepparton, Geelong, Bendigo and Ballarat throughout August and September. An additional forum, in Gippsland, is scheduled for 25 October. Feedback from regional representatives, which included community groups, local government, regional partnerships and community housing providers, identified a range of consistent challenges that need to be prioritised through this new investment, including the already high and growing demand for social and affordable housing across regional areas; the need to target new investment towards priority cohorts, including survivors of family violence, young people and Aboriginal Victorians; flood-affected communities needing housing support; supporting growth in delivery of market housing through increased investment in enabling infrastructure; and targeting new investment in areas with good access to key services, such as health, transport and education.

Early projects announced under the Regional Housing Fund include up to 70 dwellings to support communities impacted by the 2022 floods, up to 50 homes in Colac and up to 50 public homes in Wodonga. Homes Victoria is in discussions with Development Victoria on options for delivering a proportion of the target on the former Commonwealth Games village sites. What we may do on these sites will also depend on the overall plans for the program and what we hear from regional communities through the consultation process. We will look to deliver new high-quality regional homes that are energy efficient for renters, are easy to clean and maintain, are well located and are also cost efficient to deliver. We appreciate the strong need to continue to invest in social and affordable housing in Geelong, Bendigo, Ballarat and the Latrobe Valley, as well as across regional Victoria generally, and look forward to working with regional communities to deliver on this important program of work. Thank you for the opportunity to make an opening statement.

The CHAIR: Thank you very much. I will start. One of the things that I thought was odd when the government first announced the Commonwealth Games was they were saying they wanted to have this legacy, they wanted to have this ongoing social housing, but the requirements for a games village and the requirements for a house are quite different. It is like the difference between a hotel room and a house, right? Do you think that it was appropriate that we went down that path in the first place, where we said we want this accommodation to be long-term housing when actually the requirements for short-term accommodation are very, very different to long-term housing, including the location, the types of buildings and those sorts of things?

Peta McCAMMON: I cannot comment on village accommodation. That is not our role in terms of what makes good village accommodation, and I think that was reflected in the government's decision to get Development Victoria to lead the work. Our priority is to grow as much social and affordable housing as possible. We have got a lot of demand on the Victorian housing waiting list, so in terms of a government decision about the ultimate delivery mechanism to achieve that, that is ultimately a government decision.

The CHAIR: And some of these sites, like what we heard in the previous session with the Ballarat saleyards, it seems that that might be okay for a short-term type thing, but for longer term it is much more complicated, because you have got nearby industrial areas, you have got contamination to deal with. It sounds like you will probably have to go back to the drawing board on some of these sites. Would that be a correct statement?

Peta McCAMMON: We are still working through how much of the existing sites we might be able to utilise towards the target, the 1300 – that is our ultimate goal here. I might get Simon maybe to talk a bit more about how we usually go about the appropriateness of various sites when we are looking for social and affordable housing, if that might help guide the committee. I mean, we have to be careful not to pre-empt where government ultimately decides to go, but it might be helpful for the committee about the types of criteria that we look for.

Simon NEWPORT: Sure. I accept the point: we do not want to be pre-empting government's decision. We are still in discussions with Development Victoria, particularly about that Ballarat site. It is a challenging site. It is also quite near Delacombe, which has quite a complex public housing estate very, very nearby, so we would need to be mindful of overconcentration in one particular locale in Ballarat. It sounds like you are aware that there are some environmental buffer challenges with that site as well. We are still in discussions across all of those sites, but I think you have got reasonably good intel on Ballarat.

The CHAIR: Back to that site in particular, why was that site one that was for consideration, given the complexity of it over the longer term? It is also my understanding that the local community had other ideas about what they might want. Why was that site even considered? It sounds like playing on a high difficulty level, with that site.

Simon NEWPORT: I would have to take that on notice in terms of the specific recommendation. It was on a list of sites. One of the criteria was sites that were large enough in particular and were in the locations that were nominated by government and were government-owned, so they were some key criteria, and that site at least fits those. My understanding is that the environmental buffers are something that has come quite later, so that is a significant change. Outside of that we can probably take more detail on notice, but that I think explains the time line and potential change of decision. As I said, I do not want to flag that. It is not our decision to make.

The CHAIR: One of the issues that we have been discussing in this committee so far has been around the initial business case, and one of the problems clearly was that the cost estimates were far below what the reality was. How are you going to ensure that going forward we do not make that same mistake with the legacy build that we are going ahead with? Because we may still have cost blowouts with some of these sites and projects. How are you going to maintain cost controls so that it actually does stick to that budget and delivers what they are hoping for with that amount of money?

Simon NEWPORT: Your point is well made. I would point out that the advice that Homes Victoria provided was probably over 18 months ago now. It was early March, so things have moved on a little bit and, particularly, everyone is well aware of the increase in construction costs since then.

The CHAIR: Well, CPI alone would mean it is going to be –

Simon NEWPORT: Yes, construction costs have gone up by between 20 and 25 per cent. You do the mathematics on 1400 homes, it is \$140 million in itself, so these things can move quite significantly. What I can say is that there is generally a fairly reasonable amount of contingency built into figures, particularly when we are doing project costing. I think you are right with regard to the typology of the properties, and certainly I think Homes Victoria is learning and adapting as we go, particularly in what we build and where we build. So I think the answer is, look, we build in contingency, we learn from what we have done, we run rigorous procurement processes and we have to be nimble.

With regard to the regional fund, which is obviously going to be the source of funding if we do build on these Commonwealth Games sites, we also want to overlay – particularly on other parts of regional sites – and we want to have a look at other funding sources, perhaps even Housing Australia Future Fund as well. So in other words, how do we make the money go as far as possible? Now, they are all possible avenues you can use to make sure that you deliver the targets.

The CHAIR: Part of this is a management issue, right? One of the reasons that construction costs are going up, in my understanding, is because government is effectively competing with itself for labour. You have got all these Big Build projects and all these other projects. What sort of coordination are you doing with other government departments to try and minimise competition with each other? It is my understanding that effectively you have got social housing builds on one side, and you have got other construction – like tunnel projects, major infrastructure projects – on the other side. They are competing with each other and driving up costs; it is government itself that seems to be driving up costs. What sort of coordination is happening between departments to try and minimise that competition with yourself?

Peta McCAMMON: I think there are a number of governance arrangements that are in place in terms of trying to sequence various investments. I think, though, from our point of view it is not the only driver, in terms of location. Part of the driver for us in terms of determining location is also about where there is actually need as well, so I think that is one important ingredient for us. But I think one of the primary ingredients for us in terms of where we will ultimately build housing is actually where there is the greatest need. There are lots of different factors that we need to take into account, but there are various governance forums that we do try our best to coordinate across government.

The CHAIR: Yes, because I suppose my point is this: on all the infrastructure projects and the social housing projects people are saying, ‘Oh, we need to get it all done as soon as possible.’ But if that drives up costs, maybe over the longer run it is better if we said, ‘Well, why don’t we delay it, and we can get more housing over the longer term.’ It might take a bit longer to get there, because we have to wait for some other project to finish first, but that means that the labour and materials costs will be lower. I am wondering if that sort of sophistication actually exists or whether we are just going ahead as fast as we can.

Simon NEWPORT: I think the first place to start is within our own backyard so what I can say, and obviously you recognise, this is week 11 for me in Homes Victoria. But we are absolutely overlaying all of our programs side by side. If we are building in Bendigo, it should not matter which funding bucket, for want of another phrase, we use and so we are making sure that we look at regional and locational plans so that we are timing programs. I come from a building background and the one thing builders require amongst anything else is even flow. It is the best way to maximise efficiencies and so what we are trying to do within the vagaries of each individual program is overlay them so we can say, ‘Okay, let’s take out the peaks and troughs in a regional area.’ It does not make a lot of difference what is going on in Melbourne in Mildura, so we are trying to take a more localised approach in the way we plan programs so one program follows another. I accept the point, but I think the first thing I should do is sort that out in Homes Victoria, which we working on really well.

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

Joe McCracken: Thanks very much. I just wanted to check: have you had any discussions with the Premier’s private office or any ministerial officers or any ministers or anyone outside your agency in preparation for today’s hearing at all – or any correspondence for that matter, I should ask?

Peta McCAMMON: The only correspondence was I notified the new Minister for Housing, Minister Shing, early this week that we would be appearing this afternoon, but I have not had any discussions with any ministerial officers or the Premier’s private office. My general counsel would have been engaging with DPC’s general counsel to ensure that we have taken appropriate interpretation of executive privilege throughout today’s hearings.

Joe McCracken: You did not get any letters about executive privilege from the Premier’s office or anything like that, I am guessing?

Peta McCAMMON: Not from the Premier’s office. I think we got a copy of the letter that the Premier sent to this committee, but I have not received correspondence from the Premier’s private office.

Joe McCracken: All right. Okay. Thanks very much for that. I guess with regard to the Comm Games, did your department brief any of the ministers between 2021 and 2023, and if so, which ministers did you brief and how often? Was it weekly, monthly, fortnightly?

Peta McCAMMON: We were not able to locate any formal briefings to the Minister for Housing during that period, but the expectation is that the team would have had verbal briefings, which are usually every week,

with the Minister for Housing. It is my understanding that that would have covered the social and affordable housing commitments within the games legacy program.

Joe McCracken: Did you take any notes from those meetings at all? Any minutes?

Peta McCammon: I would have to come back to you on that.

Joe McCracken: The reason I ask is that if there are, would you be able to provide them to the committee, please?

Peta McCammon: I am happy to take that on notice.

Joe McCracken: All right. That is good. Was it just you guys who would have participated in those briefings or were there others there as well? I know they were informal briefings but was it just that sort of casual nature? Was it just you two or were there more involved?

Peta McCammon: Neither Simon nor I were in the roles for that period of time. But what I can talk to is an understanding of the convention around the briefings to the minister. It would have included the CEO of Homes Victoria, probably the deputy CEO and on occasion it might have had executives from the department, but it would not have been other people outside of the department as part of those briefings.

Joe McCracken: Okay. But if there were notes taken, that would hopefully be captured in those notes from those informal briefings, I am guessing.

Peta McCammon: Yes.

Joe McCracken: Okay. That is good. My next question is: do you know when you guys as a department were informed of when the Commonwealth Games were going to be cancelled?

Peta McCammon: I was asked to attend a VSB online call, I think it was 5 minutes before the announcement.

David Davis: That is the Victorian Secretaries Board, for the jargon.

Peta McCammon: Yes, sorry. The Victorian Secretaries Board.

Joe McCracken: So 5 minutes before the announcement basically, in essence?

Peta McCammon: It was something like that. That was when I was told of it.

Joe McCracken: Wow! Okay. What was your response at the time?

Peta McCammon: I think it was a big announcement for the government. That was, I guess, my reflection at the time.

Joe McCracken: Who was it that informed you? Was it the minister or was it someone else?

Peta McCammon: At the time it was the acting secretary of DPC.

Joe McCracken: Okay. And that was literally 5 minutes before the press conference. That is pretty amazing, actually.

Peta McCammon: It could have been half an hour. It was a very, very short period of time.

Joe McCracken: Well, to give grace, within an hour. Would that be fair to say?

Peta McCammon: Yes, that would be fair.

Joe McCracken: That would be fair to say. Okay. I guess with such a big decision is that usual practice, though?

Peta McCAMMON: Yes. I mean, particularly cabinet-in-confidence decisions. It is not unusual to find out at the time, particularly where it is not a decision of my minister. So I did not think it was that unusual, to be honest.

Joe McCracken: Right. Okay. I would have thought, given that housing is a fairly big component of what the announcement was made on that day, with the commitment of 1300 homes, that there might have been a bit more of a lead-up time to that. That is probably where I would strike the unusualness of this as well. You did not have any idea that that was going to be announced at all, the 1300 homes?

Peta McCAMMON: No.

Joe McCracken: Do you know where any of those figures came from then? Any of the costings? It was not from your department then, by the sounds of it?

Peta McCAMMON: Not that I am aware of.

Joe McCracken: Right. Okay. Do you know where it did come from?

Peta McCAMMON: No. I would have to take that on notice – if the department has any. But no, I do not personally.

Joe McCracken: Okay. So was your department part of the interdepartmental committee at all?

Peta McCAMMON: Yes.

Joe McCracken: It was? And I guess you would have taken notes from those meetings?

Peta McCAMMON: I presume the secretariat of the committee would. So we were a participant, of those committee members. That would be better directed to the chair of those interdepartmental committees, which I presume would have been DJSIR, DJPR at the time.

Joe McCracken: Okay. If you are taking notes from them, are you at happy to at least provide them to the committee?

Peta McCAMMON: I think the official notes of those meetings would be probably the best point of representation of those meetings. It might be one to take on notice for the relevant department for those.

Joe McCracken: All right. I will ask my questions more now about the 1300 houses that were promised. My calculation is that it is around \$769,000 per home. That seems like a lot for one home, don't you think, given the spend?

Simon Newport: The short answer is: I think we would like to do better than 1300 homes. So I absolutely accept the point, acknowledging that if there are acquisitions to be had as part of that you are also acquiring land, and in some instances in the regions that is necessary.

David Davis: But that actually does not include land. That is the point, though, isn't it – that money?

Simon Newport: That money is to deliver that target, and if there are acquisitions to be had, that has got to include the land component as well.

David Davis: But if you build, it does not include the land.

Simon Newport: Correct. There will, absolutely, be a component of some spot acquisitions where it is needed.

Joe McCracken: Do you have any estimates or any ideas of the split-up between the land and the building costs and the public service admin of that as well?

Simon Newport: The only costings or the only projects at this stage – because we are expected to come back to cabinet or expected to come back to government by the end of the year with a full implementation plan, so part of those details are still being worked through. We are obviously going through a pretty deep

engagement process, which Peta talked about. I can talk about the Colac, Wodonga program, which was announced a couple of weeks ago, or those two sites, and also the commitment to do the 70 homes in those flood-affected areas around Echuca, Shepparton and Rochester.

The CHAIR: Thank you, Mr McCracken. Your time has expired. I will go to Mr Galea.

Michael GALEA: Thank you, Chair, and thank you both for appearing. I note for Mr Newport: this is your second appearance in this room this week after Dr Mansfield and I had you for the Legal and Social Issues Committee. I would like to start with this. Firstly, I believe you have been quite clear in the questionnaire as well as in the opening statement about the department's role. The department did not have a coordinating role or lead role in terms of the Commonwealth Games. Is that correct?

Peta McCAMMON: That is correct.

Michael GALEA: So given that the DFFH had a relatively peripheral, as I think you wrote, advisory role, would you have expected to have been aware of the cancellation announcement more than 5, 30 or 60 minutes before?

Peta McCAMMON: No.

Michael GALEA: Thank you. Mr Newport, obviously transitioning towards what we have just been talking about as well, this next stage of the 1300 homes, I wanted to ask: a couple of us here are very well acquainted with metropolitan discussions, but in terms of regional Victoria what sorts of demands are you seeing and what sorts of trends in those demands are you seeing right now?

Simon NEWPORT: I think the Secretary started to talk about the preliminary feedback we have been receiving from those events. There is certainly strong demand overall. I do have some waitlist data, and I am happy to quote that, particularly for the areas we were talking about for the villages. But certainly the overall feedback is strong support and strong need for social housing and very strong support for key worker/affordable housing. That seems to be the feedback. There are some very, very important cohorts: women fleeing family violence, Aboriginal Victorians is another one, and youth is another one which is incredibly important. So we are getting valuable feedback. We are still working out exactly where all the properties are going to go for that exact reason – we want to make sure we get it right. In terms of some of the waitlist, I can go through that if you want, but it is fair to say that the demand is outstripping supply, and the programs that we are going to deliver will obviously try to make a dent in that.

Michael GALEA: You have actually pre-empted my next question, which was about the geographic patterns, if any, noting as well that you mentioned Colac and Wodonga. Where are the hotspots, for you, from that waitlist?

Simon NEWPORT: I can answer either on the general waitlist or I can talk straight to priority. But if you indulge me for just a second, in the Central Highlands, which is obviously centred around Ballarat, Homes Victoria has 3285 dwellings. There are 1459 on the priority waitlist. Already in our program with the big build we have got 211 that are in progress and will come on line in the next couple of years, and then obviously the 1300 homes will also be on top of that. So Loddon/Bendigo region has 4258 dwellings at the moment, and there are 755 priority applications and 309 in progress, plus obviously whatever comes from the 1300. Barwon/Geelong has 5198 current dwellings, 2431 priority, and there are 234 already in progress and then obviously again some of the 1300 will go there. Then finally inner Gippsland, which includes obviously the Latrobe area, Morwell and around, has 3227 dwellings in that broader area, 1216 priority and 131 in progress, and again, part of the 1300 will go there. So I think it is fair to say that whilst we have some level of supply and we are growing that supply, and then growing that supply even extra with the 1300, there is still much work to be done.

Michael GALEA: And how much of a difference will that 1300 make?

Simon NEWPORT: It will make a significant difference, particularly on the priority waitlist and particularly once we target those appropriate cohorts.

Michael GALEA: Thank you.

Simon NEWPORT: Let us be clear: it will not eliminate the priority waitlist, but it will certainly make a very significant dent in it.

Michael GALEA: Yes, and obviously noting, with due respect to my regional colleagues here, it is very easy for us in Melbourne to point to five different corners of the state and say this, this and this. But of course, though maybe not in national terms, we are a very large state, and the needs of someone in Bairnsdale, for example, might not be met in Traralgon, and likewise Mildura and Bendigo. In terms of the capacity that the new model has – as in not being required to build within these five regional centres, which no doubt definitely would have need as well, but being able to actually cater toward that need in places like Wodonga and Colac – will this enable you to more efficiently meet that demand?

Simon NEWPORT: Are you happy for me to answer these?

Peta McCAMMON: Yes.

Simon NEWPORT: The short answer to your question is yes, absolutely. The program will give us more flexibility to be able to target demand more broadly, so the answer to your question is absolutely yes.

Michael GALEA: And perhaps if I can ask you, Ms McCammon: you did touch on this in your opening statement as well, but you talked about the feedback that you have received from, I believe, four briefings so far, with Gippsland still to come on 25 October. What have the key themes of that feedback been?

Peta McCAMMON: I did not attend one myself – just up-front – but what has been reported back consistently I guess in terms of other regional forums, and as Simon has touched on, is really the importance of trying to target where we think there is the most need. We have talked about family violence, we have talked about young people and we have talked about Aboriginal Victorians – also location in terms of still having good access to transport, health and education. I think some of the other feedback that we receive a lot along the way is just the quality of the housing – the opportunity for more energy-efficient housing, not just from an environmental point of view but actually the cost for people. That can be a big cost saving for tenants. I guess there is a desire just in terms of having these consultations – a desire for the communities to be engaged in terms of this investment – so that we make sure that to the best of our ability we can meet as much need as possible.

Michael GALEA: Thank you. On energy efficiency, what is the energy efficiency of these new homes that we are building?

Peta McCAMMON: 7, is it?

Simon NEWPORT: Yes, 7-star on the NatHERS rating.

Michael GALEA: Again, not to go over what we talked about for metropolitan a few days ago, but in terms of the existing regional stock, I am guessing there are a lot of properties existing that would not currently meet that.

Simon NEWPORT: I do not have all the stats at hand, but I think it is fair to say that – if we can use the word ‘fibro’ – there are a lot of old fibro houses and a lot of old masonry houses that were built 50, 60 years ago postwar, so a lot of tired housing that needs rejuvenation and replacement as well as a lot of additional stock.

Michael GALEA: Again, I think you said you are 11 weeks into the role, Mr Newport, but if you are aware: what has the response of people been who have been able to go into some of these more recently built dwellings, especially those who have come from older stock? Have you had good feedback from them in their experiences?

Simon NEWPORT: Yes, overwhelmingly it is positive. You will always get the odd – I should not use the word ‘odd’. You will get a small number of people that, quite frankly, will want to absolutely stay in place, but the fact is overall the feedback is that the houses are built to a great quality. The Secretary is right that the energy aspect to it is huge. The amenity for people with a disability is also a big feature, and serving people that are seniors is also really, really welcome.

Michael GALEA: Not to mention accessibility, as you say, to transport and health services, which is very important. My time is up, so thank you both. Thanks, Chair.

The CHAIR: Thank you, Mr Galea. Mr Davis.

David DAVIS: Ms McCammon and Mr Newport, thank you for your evidence. I have got a few quick questions at the start. First of all, you have referred to the informal advice and preliminary advice provided to government in the early phases. We would seek a copy of both of those.

Peta McCAMMON: Okay. We will take that on notice.

David DAVIS: Thank you for that. The second thing is the preliminary cost advice. You have said the 3rd of the 3rd 2022. Is that right – the preliminary cost advice?

Peta McCAMMON: Yes.

David DAVIS: We would seek a copy of that too. On the 16th of the 3rd you indicated a list of possible sites for the villages. It would be important for us to see a list of those, and perhaps by regional breakdown if that is possible. We have referred to the interdepartmental committee. You referred to it, and we have discussed it. I know you were not the main participant. Did you provide a submission or submissions to that committee?

Peta McCAMMON: I would have to take that on notice.

David DAVIS: If you did, will you provide a copy of those submissions?

Peta McCAMMON: Happy to take that on notice.

David DAVIS: Thank you. There is also the issue of the Homes Vic board, Mr Newport. There is a board, isn't there?

Simon NEWPORT: There is an advisory board, yes.

David DAVIS: Was that board consulted on the games matters?

Simon NEWPORT: I would have to take that on notice.

David DAVIS: Thank you, and if you could provide what material was provided to the board, that would be helpful for us. Has the board been consulted on the ongoing build and the billion dollars?

Simon NEWPORT: At the moment – I gave a verbal briefing yesterday to the board, and it was very much centred around the public announcements. I did start to give some feedback based on the information we talked about already in terms of key cohorts, so they have received a verbal update on where we are headed, noting that of course –

David DAVIS: But they were not consulted beforehand. You briefed them for the first time yesterday.

Simon NEWPORT: My recollection is that certainly since I have joined we have briefed them verbally on where the regional fund is starting to head, but there are no final plans yet.

David DAVIS: A copy of what you gave to your board would be helpful – or the notes from that would be helpful. It was also mentioned there was a villages steering committee and a control board. Yes, we would seek the minutes and agendas of that too so we understand exactly where that is going. I just want to come back to the issue of the billion dollars and the 1300 houses, which in round figures I make at about \$770,000 per home. It seems an extraordinary amount for such bulk-buying, and that does not, as we have established, necessarily include land. It might and it might not.

Simon NEWPORT: No, no, let me be clear. There will almost certainly be some element of some spot purchases in key cohort demand areas, and so that will include land. So we would have to say that will be the total funding to deliver that target, including land.

David DAVIS: And relatively little of that has been delivered now. Will the identified athletes village sites in regional cities still be used?

Simon NEWPORT: I am pretty certain I have answered that earlier in the sense that we are still in discussions with Development Victoria about those sites, noting obviously that we have talked about Ballarat. I am very mindful of not pre-empting government decisions. They are still under consideration.

David DAVIS: But Development Victoria is still the lead agency for that, not you – or are you the lead agency?

Simon NEWPORT: Absolutely. Our role will be buying the properties at arms-length at valuer-general prices from Development Victoria, who is the lead for those sites.

David DAVIS: Has the department identified the split between regional cities hosting the games versus rural towns?

Simon NEWPORT: It is still part of the consideration.

David DAVIS: That is not yet decided. One of the reasons that was given for the cancellation of the games was regional supply concerns, and I am quoting directly here:

... regional supply constraints and broader inflationary pressures across the economy ...

Has the department or Homes Victoria applied this measure to the Regional Housing Fund?

Simon NEWPORT: I alluded earlier to how we make sure that we get our budgets and forecasts as accurate as possible, building in a healthy contingency and using the latest information we have on forecasting of costs. So the answer is yes, we are trying to take it into consideration as much as possible.

David DAVIS: So that is within the \$770,000 per home roughly?

Simon NEWPORT: Yes.

David DAVIS: All the escalation that we have seen – that is in, right?

Simon NEWPORT: Yes.

David DAVIS: And has DTF provided the department or Homes Victoria with further cost risks associated with the fund they applied to the Commonwealth Games housing build?

Simon NEWPORT: I am not sure I quite understand the question.

David DAVIS: In the publicly released materials DTF had sort of put in this escalator, and I am just wanting to know whether they have provided their costings and their details and their approach to you.

Simon NEWPORT: I would have to take that on notice.

David DAVIS: It would seem to me to be important. So you will come back to the committee with that. Thank you. What assurances did the department receive from government on the legacy of the athletes villages for permanent social housing? And I mean here: were there changes in those assurances over time, such as for the saleyards?

Simon NEWPORT: I would have to take that on notice. I think I would point out that as soon as Development Victoria was appointed as the lead agency, Homes Victoria's role then morphed into an acquirer of those after they were modified and after the games were held.

David DAVIS: In terms of Commonwealth money that has been announced, is that to be part of that billion dollars?

Simon NEWPORT: No. That is pure state funding, that billion dollars. What I was referring to earlier was that whilst we have dedicated programs, we are trying to layer in opportunities for funding, particularly the Housing Australia Future Fund.

David DAVIS: So let me understand this. You have got a commitment to legacy build and buildings and homes through the Commonwealth Games process, with \$2.6 billion worth of state money in the original announcements. That was steaming forward, and then that stopped dead. Suddenly there is a billion for you steaming forward here, but at roughly the same time we have got Commonwealth announcements. None of that Commonwealth money is going to be applied into this.

Simon NEWPORT: Are you referring to the national housing infrastructure fund and the Housing Australia Future Fund?

David DAVIS: Correct.

Simon NEWPORT: The billion dollars is standalone in terms of the targets that we are expected to deliver. What I am trying to say is that where it makes sense to do so to deliver maximum outcomes in areas and particularly regional areas, we are still waiting to see – I was going to say NHFIC – now Housing Australia, as of yesterday, final investment guidelines. Once we see those, we will find out what level of co-contribution will be required from the states, and then we can start making determinations about how we use existing programs to maximise the outcomes.

David DAVIS: So just if I continue here: when it came down to the billion-dollar fund, did the department have any role in the genesis of that, or did the department brief for or against that?

Peta McCAMMON: As far as I am aware, we were just notified that that was the government's decision.

David DAVIS: Interesting. On the housing build for the Commonwealth Games, FOI documents show the following unions may need to be consulted and engaged with based on the scope of the works: the CFMEU, the major trades and labours, the Electrical Trades Union, the plumbing trade union and the Victorian Trades Hall Council. I therefore ask: have they been consulted?

Simon NEWPORT: To my knowledge, nobody in Homes Victoria has had discussions about the Commonwealth Games – sorry, I should say the Regional Housing Fund billion-dollar program. They have not had any discussions with those unions.

David DAVIS: And will they?

Simon NEWPORT: That was news to me, that guidance. I would have to take on notice what the intention is. But clearly we engage with all stakeholders when we are rolling out such big programs, so I do not think I should rule that out. I am just saying at the moment we have not done so.

The CHAIR: Your time has expired, Mr Davis. Ms Ermacora.

Jacinta ERMACORA: Thank you, Chair. Moving to the regional package, I just wanted to talk through what the \$1 billion Regional Housing Fund will deliver. Perhaps just start with that first.

Simon NEWPORT: What I can talk to is the three broad initiatives that were announced a couple of weeks ago, and that is the Colac site, the Wodonga site in Schlink Street and surrounds and the 70 homes targeting those people on the social housing waitlists for flood-affected areas around Rochester and Echuca et cetera. Outside of that we are obviously working on an implementation plan at the moment, and that has got to go through government processes. We are expected to deliver that implementation plan by Christmas. I am on uncertain ground. I am pretty certain that I have got to respect cabinet-in-confidence processes with that, because that process will have to take place before I can talk to it any more.

Jacinta ERMACORA: Sure. I might go a little bit more general then, because I think that is probably appropriate given what you have said. Just in terms of the types of homes and the renewal and transition that is happening – for instance, in Warrnambool or the south-west – I notice that there is a very logical transition from single-dwelling properties through to sometimes multiple, which sometimes reflects the demand or the supply in a particular location. I know that in Warrnambool the private sector's profit point is mostly around 600 square metres, mostly four-bedroom, two living room, you know, massive places, and that is the profit point, which leaves not necessarily the appropriate housing supply for single women, single families, single men et cetera. Is that the strategy that you are heading down?

Simon NEWPORT: I will probably answer it this way, and I do not have at the moment the specific data for those areas. What I can say is all of the waitlist and demand data that we have shows that our priority waitlist can be up to 80 per cent targeting one bedroom. In fact sometimes I have seen it where between one and two bedrooms make up 90 per cent of our housing register. In the regions it falls a little, but effectively the vast majority of our waitlist is focused on one and two bedrooms and you are right, the private sector generally does not deliver that and probably does not deliver that in the regions as much as it does in metropolitan so it is a key cohort that we are targeting because if the private sector is not doing it, we have to. You are right, it is a key element of this program.

Jacinta ERMACORA: I am just wondering if you could revisit the data that you gave earlier for the south-west. I only ask that because I am familiar with that region so I can actually understand what you are saying.

Simon NEWPORT: Okay. So Barwon, obviously you know with Barwon it borders Geelong –

Jacinta ERMACORA: No, not Barwon. The south-west.

Simon NEWPORT: Oh, sorry. You said the south-west.

Jacinta ERMACORA: Yes.

Peta McCAMMON: He is from New South Wales.

Melina BATH: Reversing the trend.

Simon NEWPORT: Yes, that is right.

Jacinta ERMACORA: Do not worry. You do not need to be from New South Wales to –

Simon NEWPORT: No, no. I have got all the data. Which area did you want it from, sorry?

Jacinta ERMACORA: Sorry?

Simon NEWPORT: Which area did you want it from?

Jacinta ERMACORA: The south-west of Victoria.

Simon NEWPORT: Okay. So I have got the Central Highlands, which you are talking about – Ballarat.

Jacinta ERMACORA: No.

David DAVIS: Warrnambool.

Jacinta ERMACORA: Warrnambool, Colac.

Simon NEWPORT: I am sorry, I do not have Warrnambool's particular figure on here. I have got the four areas which were centred around the Commonwealth Games.

David DAVIS: Chair, it would be very helpful to have those by region for the committee so we have got a sense of them. That would be good.

Jacinta ERMACORA: Yes, it would.

Simon NEWPORT: Sure. We can supply that data.

Jacinta ERMACORA: Thank you. I was not trying to make a point just there. I actually genuinely thought that I had not heard what you said about the south-west, but now I understand you did not have the south-west.

Simon NEWPORT: No, I do not have the south-west.

Jacinta ERMACORA: You do not need to come from New South Wales to miss out the south-west. Now you will always include it. With the actual Big Housing Build and the \$1 billion Regional Housing Fund, where

are you at at the moment? I know you mentioned you have got some decisions that are coming, but practically at the on-ground level, where are you at?

Simon NEWPORT: We are still working out particular sites that we could activate. Obviously we are working up not only a high-level program based on supply and demand and what we are being told in stakeholder engagement. We then have to work out precise sites that we would use. They will be a combination of the sites that Homes Victoria currently own, including if there are any vacant, although I would have to say there is not much in the way of vacant sites. It is almost always occupied at lower density. And then of course we see what sites we can bring throughout government holdings and bring into the system at the moment. So we are still very much doing that, but the first thing we want to make sure of is that we try to address the demand and also take into account what the stakeholders are telling us – so not only what to build but where to build and who to build it for. That is the work that is going on at the moment, and as I said, we have got to come back by Christmas with that implementation plan to government.

Jacinta ERMACORA: Right. I think the LGAs, the local governments, do a housing supply strategy. I think they renew it every three or four years and it is a document where usually a housing consultant is employed to have a look at what the existing housing profile is, and does that meet the population and household make-up profile and the population growth projections. Would you be drawing on those kinds of documents created at the local level, obviously funded by local government, to make key strategic decisions region by region?

Simon NEWPORT: The answer is yes. At the moment I am probably getting one a week of those types of documents from councils right around Victoria, so the answer is yes – we will absolutely take that into account. We are collecting that, analysing that, overlaying that with our own supply and demand data from the Victorian Housing Register and the feedback we are getting from those sessions. Yes, that is absolutely part of the dataset.

Jacinta ERMACORA: Well, that will create a pretty exciting strategic document statewide actually but also those reports usually identify where there is empty land or infill land opportunities and where there are greenfield opportunities too. How do you link in with planning to do that?

Simon NEWPORT: Well, the first thing, I think, is by engaging, and we have a team that engages with the local council, so we are in constant conversations with councils, and those strategic plans do often identify sites. Sometimes they are of particular value, and I am not talking about economic value – I am not talking about monetary value, I am talking about intrinsic value and social value. Some perhaps are not easily activated. It depends upon zoning, servicing et cetera, so we do absolutely take all that into consideration when we are overlaying the program, I guess is probably the best way I could answer that question.

Jacinta ERMACORA: Thank you.

The CHAIR: Thank you, Ms Ermacora. Your time has expired, and I will pass to Mrs Tyrrell.

Rikkie-Lee TYRRELL: Thank you very much. Your opening statement was really full, so if I ask questions and you have already provided that, please excuse me, because there was a lot of information given. From the potentially reprioritised funds from the Commonwealth Games cancellation, approximately how many homes have been allocated for my Northern Victoria Region electorate, do you know?

Peta McCAMMON: I think just picking up on Simon's point, that is the work we are doing at the moment, so we have the 1300 target and we are working through a plan that we will take to government which will give an indication of location et cetera. So we do not have that –

Rikkie-Lee TYRRELL: You do not have the exact numbers?

Peta McCAMMON: No.

Rikkie-Lee TYRRELL: When do you think you will know, exactly?

Peta McCAMMON: I think we need to obviously get that into government. I think we are on for the end of the year, and then it will depend on timeliness of the government's decision, whether they ask us to do more work or whether we need to go back, so it is difficult to commit to exactly when, but I would note that there

have already been some immediate announcements, so I think we are up to over 200 homes – the 70, 50 – so there is some work while we are doing that work that we have actually got in train as well.

Rikkie-Lee TYRRELL: Okay, so roughly by the end of the year we will know how many?

Peta McCAMMON: We will need to provide some advice to government, but in terms of then the timing from when we provide that to when it is in the public domain, I could not commit to that.

Rikkie-Lee TYRRELL: Okay, so if that happens pretty soon, is it possible you could provide those to the committee?

Peta McCAMMON: Sure.

Rikkie-Lee TYRRELL: Thank you very much. I appreciate that. Will you give a commitment to this committee to provide quarterly reports on the regional housing building progress, including the expenditure to date and the number of homes built per town?

Peta McCAMMON: I probably need to take that on notice in terms of our existing obligations. We put a lot of information on our website, but I am happy to take that on notice about what would be appropriate in terms of progress reporting.

Rikkie-Lee TYRRELL: That would be fantastic. Thank you very much. In all the information you gave us in your opening statement, I did not quite catch if you had hit base on employing more staff or whatnot in regard to planning for the Commonwealth Games building and everything. Can you elaborate on that a little bit, if you did?

Peta McCAMMON: Yes, sure. So in terms of our role in terms of participating on the various governance committees and our advisory role, that was all done within our existing resources, so we did not actually employ any additional people. That was just done within the people that we already had within Homes Victoria.

Rikkie-Lee TYRRELL: Okay, so it was going to be a big build, so that would have potentially required more staff. Had you taken into consideration that you would need more staff, or had you started writing up contracts for future staff to help with the influx?

Peta McCAMMON: In terms of the Commonwealth Games, just to clarify, it was Development Victoria who were responsible for the actual villages. Our role was at the end of the games that we would acquire stock back. That is different from then our role now, which is now we have been allocated \$1 billion to develop 1300 homes, and that is the work that Homes Victoria – I do not know whether you want to talk to –

Rikkie-Lee TYRRELL: So are there more staff coming in? Are you planning on recruiting more staff now with the new developments?

Peta McCAMMON: Do you want to talk?

Simon NEWPORT: Yes. I think the answer is any program of this size will need some incremental resources. We try to make sure that we keep that to a minimum, but when you are delivering at least 1300 extra homes there will be additional project managers that you will need to bring on to oversee that, so yes, there will be some additional staff. Those numbers and those costings will form part of the implementation plan.

Rikkie-Lee TYRRELL: Okay. Thank you very much.

The CHAIR: Thank you, Mrs Tyrrell. I will now pass to Mr McIntosh.

Tom McINTOSH: Thank you both for being here. Just from the top, we are talking about people's homes here, so thanks for being here for this important conversation. It is critical to people's success in life. I just want to step through a few things with the housing, a few of the key points around housing, and what it speaks to for the experience of people to live in those homes, of their lives. Obviously if people are not in homes, there are health outcomes: the difficulties of diet, dental, getting medical help, GP, specialists, all that sort of stuff. If we are talking about women, children and men who are between couch-surfing or being homeless, to get kids into education and for people to be able to hold down jobs and make a contribution to our state, housing is such a

linchpin. I think the key is quality housing, where the conversation touched on earlier. We touched on before with the EPA climate change. We need all of government acting on climate change, and energy efficiency is really important from that perspective. But from a cost-of-living perspective – people having a home that is not draughty, is not pouring energy out – and from an air perspective and whatnot, for health, can you just talk a bit about these homes from an energy efficiency perspective? So it is cost effectiveness and a health perspective within the homes over time.

Simon NEWPORT: They are all good points and good questions. We said earlier that it will be a 7-star NatHERS rating. We have not made the determination because it is site by site, but typically that will include either double-glazed windows to at least the south-facing side or solar panels, or both. Clearly, if there are solar panels, there is a significant energy saving to the tenant. In terms of things like heating and cooling, gas is out now. We all know that we are transitioning away from gas, so that will mean an electrified property, and that will almost certainly include – we are obliged, as part of the *Residential Tenancies Act*, to supply heating. That will mean a reverse-cycle air conditioner as well, and obviously that will be an energy efficient model. It will mean lower energy bills and better comfort – no question about that.

In terms of design, we will make sure that there is a proportion that is there for people with disabilities. All properties will be delivered to the silver accessibility standard. For people who are a little bit unsure about what that means, it is –

Tom McINTOSH: That was actually the next point I wanted to come to, so thank you. Keep going.

Simon NEWPORT: That will generally mean, at the very least, three things are required for that: 1-metre-wide or 1000-millimetre-wide hallways and accessible areas for things like wheelchairs and walkers; 850-millimetre-wide door minimum; then blocking out of bathrooms, so putting in timber pieces behind the sheeting and the tiles to make sure that grab rails et cetera for people with needs are put in as standard for every home; and light switch heights at a certain height et cetera for people who are in wheelchairs. Every house will be built to that.

Tom McINTOSH: Just on that point, is that setting people up longer term to be able to age in home rather than having to leave?

Simon NEWPORT: That is precisely the case. Then we will have a certain amount of houses that will be built to a higher standard, which will be, absolutely, for those people with those needs right now. That means even the kitchen heights are adjustable to make sure they are for people with wheelchairs. We even design different kitchens so people can move around with wheelchairs, in terms of how they get in to be able to cook and clean and use those facilities. We will be making sure that they are suiting people, where possible, who have a disability.

Tom McINTOSH: From a location perspective – and by location, I mean place and access to services – coming back to setting people up for success, whether that is education or whether that is health services, what people need to help get on and succeed, is consideration taken on that generally from a planning perspective?

Simon NEWPORT: Yes, it is, absolutely. Access to services – transport, bus stops in most of the regional locations, bike paths, all of that – and hospitals in particular. I point out the Wodonga site is quite near the hospital. The Colac site is really close to the city as well. We take all that into account when we select the locations and the type of properties that we deliver.

Tom McINTOSH: Okay. All right. Thank you for taking us through that. I will leave it there. I might circle back with something shortly.

Simon NEWPORT: Sure.

The CHAIR: Thank you. Ms Bath.

Melina BATH: Thank you, Chair, and thank you very much for being here. I see in a sense there is a level of cleanskins here. And I mean that in a very positive way in that, Ms McCammon, you started in March 2023 – you are brand new. You kind of missed the rabble and the disaster, or maybe you just got the end of it. It was July 2023 for you, Mr Newport. My frustration with housing is that the need is huge and the need seems to

have been growing. These are not my words. If I use words from the Gippsland Homeless Network – great people – there has been a lack of available, affordable housing. If we go to the Council to Homelessness Persons:

The crisis is significant ... One-off commitments are welcome, but simply won't be enough to reverse decades of social housing policy neglect.

I am quoting that directly. The stats tell us that over the last eight years there has been almost a doubling of the waitlist for public housing, and these are probably figures that you know. Up to 68,000 Victorians are stuck on the waitlist. I do not want to say past performance is a predictor of future outcomes, because you are new here, but for country Victorians – I am Eastern Victoria Region, but you can see Pakenham, Morwell, Latrobe Valley, Bairnsdale and East Gippsland, and you can just go on – there is a huge need. I would like to understand, from a quantum, the statistics around the public housing sell-off. I mean, at the end of the day it is net homes for people to walk into. You have spoken about the build in the past, and the potential for the future. But can you lead me to what has come off line in housing stock? Particularly in public housing at the moment, what are the net outcomes up till today?

Peta McCAMMON: I must admit I have not brought that data with me today. We do have annual stock numbers that we publish as part of the budget papers, and that is a net number that we publish. I will just check with my colleague whether –

Simon NEWPORT: No, I am sorry. I had it Tuesday; I did not bring it for today.

Melina BATH: Thank you. It feels relevant in terms of bodies in terms of –

Simon NEWPORT: Of course.

Peta McCAMMON: I would say also: as I mentioned before, we do also publish a lot of data on our internet in terms of the Victorian social housing register, so there is also a bit of data in there as well.

Melina BATH: It is available there. Thank you. You mentioned, Mr Newport, about inner Gippsland. There were a lot of figures flying so I wrote them down, but I just want to go back to them. The 3200 figure was for what?

Simon NEWPORT: 3227 dwellings is what Homes Victoria currently has; 1216 are on the priority waitlist.

Melina BATH: Okay. And define 'priority waitlist' – what does that mean?

Simon NEWPORT: There are a variety of cohorts for priority waitlist, but that would include women in particular, people fleeing family violence and people effectively in immediate or near-immediate risk of homelessness.

Melina BATH: Yes, and 131?

Simon NEWPORT: 131 are the properties that are currently in train/under construction pre this regional fund.

Melina BATH: Thank you. We saw the then Premier come out with 800,000 over 10 years, so it worked out to 80,000 a year. That is all housing stock, so that means public and private dwellings. I am concerned that that is an aspiration at best and just will not be achievable. I do not think it is fair to give Victorians this sort of carrot that cannot be achieved. How, with your new hats on, are you going to get to that point?

Peta McCAMMON: For starters, in terms of our responsibility, there are a lot of government agencies around the 800,000. Our accountabilities are to the targets that we have been set –

Melina BATH: 1300 –

Peta McCAMMON: Plus the Big Housing Build as well. We have a number of targets there. I am happy for Simon to elaborate, but drawing on what he was talking about before in terms of ensuring delivery on budget, I would say in terms of the Big Housing Build we have got a really great level of expertise now in

Homes Victoria – some really innovative models in terms of development – so they are what we are being held accountable for.

Melina BATH: Thank you. When you say innovative models, does that include, like, the public and private partnerships? What is an innovative model – in a minute or less?

Simon NEWPORT: I think the ground lease model is something which – people just heard that I have most recently moved from New South Wales. The ground lease model is new – could not get that up in New South Wales, but I am certainly very happy to see that up in Victoria – so that is pretty innovative.

Melina BATH: Great. Could you provide an overview of that to us, just because it could potentially be a positive for those 1300?

Simon NEWPORT: Sure.

Melina BATH: When we had a deadline of 2026 for the proposed Commonwealth Games – Latrobe Valley was certainly going to be home to some of them – affordable village homes, or I should say, athletes villages. That has gone now, and I think there is a high degree of scepticism that with that deadline out of the way, there can be an element of kicking the tin down the road and us not seeing these outcomes. You know, people could grow old waiting for this. How are you going to – you have talked about time lines and feeding information to the new minister, but how are we going to really feel a degree of comfort?

Simon NEWPORT: Okay. Look, I will not be able to answer the question explicitly in terms of every program. What I can say is that the two projects that we have announced at Wodonga and Colac – I have got the feasibilities in front of me – are due to be finished in the 2026–27 financial year. We are very mindful of where the funds came from, but we are working to a timetable at the moment and would expect government to give us some guidance in terms of when we are expected to deliver it. I am not able to answer a question as to whether or not everything will be completed within 2026, but I can say we are very mindful of where the funds have come from and what it is supposed to replace. So we are working as hard as we can to get them done as quickly as we can, as well as we can.

Melina BATH: Thank you, Chair. I have got two more questions, Chair, if I can.

The CHAIR: You have got time. Go for it.

Melina BATH: Great. Thank you. The department and Homes Vic, have you factored the closure of the native timber industry and then the loss of hardwood resources – dressed timber, timber for construction – into the costs of this \$770,000 per house? Have you factored in higher input costs because you are going to have to import those hardwood materials from overseas or interstate?

Simon NEWPORT: Look, timber definitely was one of the key supply chain issues recently, and it still is a high-pressure item in terms of building a property. The best that we can do at the moment is: we have really clear evidence about what it is likely to cost in terms of a timber-framed building, so yes, we have made sure that that is adequately covered in the budgets. I am not able to answer the specific questions about shutdowns of timber industries in regional Victoria.

Melina BATH: But the impact has to be factored into that per house.

Simon NEWPORT: The answer is the budgets reflect the latest construction costs, which includes significant increases in the cost of timber.

Melina BATH: Thank you. And then to the increase in construction costs, when I speak to people in the industry who may work in New South Wales and then also do builds in Victoria, they often say that you have got to add a 30 per cent construction cost for dealing with the unions – and these are conversations I have had with people who, as I said, build in both states or different states and then Victoria. Does the department or agency have any documents to refute that or to consolidate that discussion out there in the industry world?

Simon NEWPORT: Look, I have not seen any document that alludes to a cause and effect of different construction costs across different jurisdictions. Obviously the cost of building a property varies very much by its design and its materials, so no, I can honestly say I have not seen any document that talks to the cause of

why it may or may not be more expensive to build in Victoria. I think it is clear that in some elements it is, but it really depends on what you are building.

The CHAIR: Thank you, Ms Bath. We may have a little bit of time. I will go to Dr Mansfield.

Sarah MANSFIELD: Thank you. Just to start, did either Homes Vic or the department provide any information to PAEC in relation to the Commonwealth Games this year?

Peta McCAMMON: I do not recall. I am happy to have a look at Hansard or our questionnaires. We supported the Minister for Housing. I do not recall any questions specifically around the Commonwealth Games, yes.

Sarah MANSFIELD: Okay, no problem. You mentioned some time lines about when you started to provide some high-level advice to government about possible sites and possible costings and then potential models of housing. With all of that information, what proportion of the village housing was being looked at by your department?

Peta McCAMMON: The commitment at the time, as I recall, was the 20 to 30 per cent of social and affordable housing.

Sarah MANSFIELD: So you were still considering that much?

Peta McCAMMON: Yes.

Sarah MANSFIELD: How many dwellings was that in absolute terms?

Peta McCAMMON: I would have to take that on notice, because obviously it was determined by the final numbers in the village.

Sarah MANSFIELD: Okay. But you had worked through over a few months – what level of detail had you arrived at before the cancellation of the games in terms of those potential models for housing, locations, design?

Peta McCAMMON: Simon, jump in here. So in terms of the villages themselves, that was Development Victoria. Then in terms of the final numbers of the social and affordable, my understanding is we had not entered into any agreements with Development Victoria because the games were cancelled before that point in time.

Sarah MANSFIELD: Yes, okay. And do you have any sense of how far along Development Victoria were with their plans for housing?

Peta McCAMMON: I do not.

Sarah MANSFIELD: You don't. Okay, because Minister Shing at PAEC had said that they had pre works, preconstruction and planning occurring for the villages. But you were not aware of that information?

Peta McCAMMON: No, but as I said in my statement, the department was a member of a number of governance groups. But in terms of the progress of that agency, they would be better positioned to answer that.

Sarah MANSFIELD: Okay. All right, so it is fair to say there was not really a lot of detail yet about the social housing component of the villages.

Peta McCAMMON: I do not know whether I would characterise it like that. I think what I would say is it had not been finalised. We had not entered into any agreements with Development Victoria in terms of the final numbers and the final costs.

Sarah MANSFIELD: Okay. Did you have some rough idea of what that might be?

Peta McCAMMON: I do not have that with me.

Simon NEWPORT: No, I think outside of the earlier stages, which were some preliminary numbers on what we thought the housing component of the villages might cost – we were talking about that; that is 3 March

last year – it was really to do with what sort of stock we would like and where. Obviously when you are talking about some of these locations on big sites, we want to be thinking about what streets, what houses, whereabouts we put them. So we were more focused on that, because obviously it was more about acquiring the properties at that stage as opposed to building them ourselves.

Sarah MANSFIELD: Yes, okay. And did you have dedicated funding to acquire those properties? What funding were you going to use to acquire those properties?

Simon NEWPORT: I think it is pretty clear from the business case, which I think is on the internet, that there was some money set aside that was going to come from the big build – which makes perfect sense, to be able to buy some of those properties using that.

Sarah MANSFIELD: Okay, so it was some of that \$5.3 billion that was going to be used to acquire properties, and that is how the social housing component of the games was going to be delivered?

Simon NEWPORT: Well, at least the component that I have seen, yes.

Sarah MANSFIELD: Okay. All right. Are we basically starting again in terms of developing plans for where these 1300 homes will go?

Simon NEWPORT: Well, I think there are two separate components. For Development Victoria – assuming that they will still be going ahead with those sites, and that is a question for them – we would still look to do a deal to acquire those properties. Obviously they will now be built special purpose, or they will be built not necessarily with the games in mind. Once you move outside of those sites Homes Victoria will take primary responsibility.

Sarah MANSFIELD: Okay. All right. And you will be acquiring that. So my understanding is this is government-owned land.

Simon NEWPORT: Those sites are owned by – yes.

Sarah MANSFIELD: Those sites are, and so if properties are built on them, you would use some of that \$1 billion to acquire the property?

Simon NEWPORT: Well, unless there is an exemption, current government policy is that when properties are transacted between departments they are done on an arms-length basis. So yes, we would be expected to acquire them.

Sarah MANSFIELD: Okay. But it is possible that that \$1 billion will just go to another government department.

Simon NEWPORT: No, I think it is fair to say that when you look at the overall amount of properties that were going to be generated for social and affordable out of the Commonwealth Games versus the amount that are going to be generated by this \$1 billion, it is going to be many, many times over from this new fund than what it was for the games. The vast bulk of that money is going to be spent on delivering homes – it is certainly not going to Development Victoria, if that is the purpose of the question.

Sarah MANSFIELD: Okay, but some of it may?

Simon NEWPORT: If it is on their site, they have delivered it and we are buying it off them at market value, then yes, but the exact amount I think it is fair to say is going to be a fraction of what we are going to –

Sarah MANSFIELD: But it is still a situation where Homes Vic may buy properties off Development Victoria at market value?

Simon NEWPORT: Yes. In some instances, yes.

Sarah MANSFIELD: All right, okay. And do we know of the 1300 homes how many will be social housing or what proportion will be social housing?

Simon NEWPORT: That final number is yet to be determined. I think it is fair to say that there is going to be a healthy percentage, and again I have got to be really careful I do not pre-empt government decisions. But I can certainly say that the work that we are doing, a significant portion is going to be social – and public as well, if that is probably the next question.

Sarah MANSFIELD: Okay, yes, it was going to be the next question. Some of that will be public housing?

Simon NEWPORT: Yes, so the Wodonga and the Colac sites that have been announced are both public.

Sarah MANSFIELD: But we do not have a final figure on how much of that 1300 will be public or social?

Simon NEWPORT: No.

Sarah MANSFIELD: Okay. And then I guess going to the affordable housing component, what definition of affordable is being applied here?

Simon NEWPORT: I am the first to admit that it would be good to see a robust definition across the country in terms of affordable housing. The affordable housing definition in the *Planning and Environment Act* is pretty clear, and there is a broad income rate.

Sarah MANSFIELD: And that is the one that is being used for these 1300?

Simon NEWPORT: It is. As you would be aware, Homes Victoria does have a very small affordable housing portfolio itself, but the definition that we adopt for affordable housing generally is the one that is under the *Planning and Environment Act*.

Sarah MANSFIELD: Okay. And just going back to some of those early discussions around housing, we have heard other evidence that cost blowouts were becoming apparent for other departments and entities involved in organising the games around early 2022, right through that period where you were doing a lot of that planning and scoping work and providing that high-level advice. Was it conveyed to you that there were cost constraints? Were you asked to take that into consideration in your plans?

Peta McCAMMON: The advice that I have been given is that through those various committees Development Victoria were giving updates in relation to the costs of the villages, so that would have been known to the department. In terms of what we were focusing on, though, it was the social and affordable housing aspects. As we indicated, we were always purchasing them at market value, so that was the key cost point for us as opposed to the total cost of the delivery, if that makes sense.

Sarah MANSFIELD: Okay, so all of the costs around that social and affordable housing component really sat outside the –

Peta McCAMMON: They are driven by the market value.

Sarah MANSFIELD: Okay, so there was no separate budget. It was not a part of the Comm Games budget, that social and affordable housing. That was really going to come from the big build fund part of it.

Peta McCAMMON: Noting, though, that the final commercial arrangements were never finalised before the games were cancelled.

Sarah MANSFIELD: Okay. Thank you.

The CHAIR: Thank you, Dr Mansfield. I have one further question. A lot of what you are doing with regard to costings is dependent on property prices in the future. What source are you using for those projections of property prices? Is that internal modelling, or are you using an external agency or something to do that?

Simon NEWPORT: There is a variety of mechanisms we use, bearing in mind the vast majority of properties that we bring in are built. Just to be clear, the question said property prices, so we are not buying that many; we are really delivering them, so construction cost is probably more relevant. There are three broad mechanisms we use. We absolutely look at –

The CHAIR: But some are bought on the market, though, aren't they?

Simon NEWPORT: A very small proportion, yes. But overwhelmingly it will be construction costs, not property prices, that will be the driver. To be honest, acquisitions are often done if it becomes more economically viable or a time issue, so it is not –

The CHAIR: If you need it quick.

Simon NEWPORT: Exactly right.

The CHAIR: Or if you can get it cheap.

Simon NEWPORT: But it is not the prime driver of the program. There are three components to when we would do that. First of all, we would absolutely be drawing on our in-house experience, including recently produced numbers. We would typically get a quantity surveyor to go in and evaluate our costings as well, particularly on larger programs. Then just broadly, Rawlinsons, which is a very, very well known guide, provide a very comprehensive guide for construction costs, and we often bench test our programs against that as well. So there are three at least mechanisms we use, and then, where appropriate, particularly when you are doing something that is out of the ordinary, you will tend to build in a healthy contingency as well.

The CHAIR: I do not believe the committee has any further questions. If there are no further questions, thank you so much for appearing today. You will receive a copy of the transcript for your review in about a week, before it is published on the website. The committee will now adjourn for the day.

Committee adjourned.