

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2014–15

Melbourne — 21 May 2014

#### Members

Mr N. Angus

Ms J. Garrett

Mr D. Morris

Mr D. R. J. O'Brien

Mr C. Ondarchie

Mr M. Pakula

Mr R. Scott

Chair: Mr D. Morris

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Ms W. Lovell, Minister for Housing,

Ms G. Callister, Secretary,

Mr A. Rogers, Deputy Secretary, Service Design and Implementation Group,

Mr S. Phemister, Executive Director, Policy and Strategy Group, and

Ms A. Congleton, Acting Executive Director, Corporate Services Group, Department of Human Services.

**Necessary corrections to be notified to  
executive officer of committee**

**The CHAIR** — We will resume the hearings with the housing portfolio, hearing no. 36 of the 2014 estimates hearings. I welcome back the Honourable Wendy Lovell, and from the Department of Human Services the Secretary, Ms Gill Callister; Deputy Secretary, Service Design and Implementation, Mr Arthur Rogers; Executive Director, Policy and Strategy Group, Mr Simon Phemister; and Acting Executive Director, Corporate Services Group, Ms Anne Congleton. Welcome, all.

The minister now has an opportunity to give a brief presentation of no more than 5 minutes on the budget estimates for the housing portfolio.

**Overheads shown.**

**Ms LOVELL** — Thank you, Chair. I am pleased to be here today to present the 2014–15 Victorian state budget for housing and homelessness services to the committee. I am very proud of this year's budget. I think it has been a very good budget at a state level, a very fair budget, one that builds for Victoria and one that provides jobs and opportunities for Victorians. This budget further demonstrates the Victorian coalition government's commitment to building a better Victoria, supporting the most vulnerable in our society and building a sustainable and affordable social housing system.

In 2014–15 we will invest an additional \$201.9 million in housing and homelessness, and that is in the 2014–15 budget. This is made up of \$124.4 million to support initiatives under the national partnership agreement on homelessness, \$65 million for the Victorian social housing framework, \$5 million for operating funding for the Shepparton Youth Foyer and \$7.4 million to support the SACS awards for our housing assistance workers.

The Victorian coalition government is committed to protecting the most vulnerable people in Victoria. We have a number of output measures, which you can see on the slide, that provide assistance through this year's budget. I would like to pick out a couple of those as highlights. This year's budget will of course provide support to around 100 000 people who are, or are at risk of being, homeless and will also support 160 000 residents, including 77 000 through long-term housing.

Our national partnership agreement on homelessness is funded through this budget for the next four years, and we will invest \$124.4 million to support initiatives under that national partnership agreement. The state funding provides for the full four years, and we have locked in funding certainty into the future for our services by funding that agreement for the full four years. Funding for this initiative will amongst other things provide assertive outreach to respond to rough sleeping in the CBD, move chronically homeless people into long-term housing and provide essential family violence service responses, including funding to keep women and children safe at home.

*Our New Directions for Social Housing — A Framework for a Strong and Sustainable Future* was released earlier this year. I am sure everyone remembers the history of this. The Victorian Auditor-General had a very good look at social housing provision in this state under the former government. He declared that we had inherited a system that was in crisis, he declared that the future of the service was at risk unless the management practices were changed, he declared that 10 000 properties were about to be lost to the system because they were about to reach the end of their usable life span and he declared that under the former government there was no vision for the long-term provision of social housing in this state. We have already achieved significant improvements in management in this portfolio through better financial management and reduced turnaround times of properties so that we are housing people sooner and not leaving properties vacant. We have reduced the waitlist for public housing by over 6500 people in this term of government. We have improved safety on some of our high-rise estates, and we have introduced better opportunities for our tenants through our work and learning centres and our youth foyer initiatives.

To build on this work, in March this year I was pleased to release the new framework. The framework outlines the steps the Victorian coalition government will take to create a more sustainable social housing system that supports the most vulnerable Victorians now and into the future. The new state budget includes \$65 million to support initiatives under the framework. Through the framework the Victorian coalition government is building better communities, delivering better opportunities to tenants and developing better social housing assets.

There is \$5 million in this year's budget to support the operation of the Shepparton youth foyer. The Shepparton youth foyer is about to commence construction in September this year. As we know, the benefits of the youth foyers are that they provide stable and safe accommodation and intensive support to young people who want to

continue study but are unable to live at home. They provide sustainable education, employment and housing outcomes for these young people. This particular foyer will be located directly opposite the Goulburn Ovens TAFE, which is a partner in the youth foyer program, and the La Trobe University campus in Shepparton, so it will provide great educational opportunities for the young people in that foyer. Our Holmesglen youth foyer has been operating for nearly a year, and the Broadmeadows youth foyer will be operational in the coming weeks.

Pages 88 and 89 of budget paper 4 outline our capital program over the forward estimates of the budget and show that there is a \$1.1 billion pipeline of acquisitions that are currently planned within this portfolio. This includes \$215 million that will be spent in the 2014–15 year, which is comprised of \$50 million in expenditure on existing projects and \$165 million for new projects.

In conclusion, this is about the Victorian coalition government building a better Victoria by investing in better communities, better opportunities and better assets. This budget achieves this through investing significant investment in homeless services and support for the renewal of the social housing assets.

**The CHAIR** — Thank you, Minister. We have until 3.30 p.m. for questions. I will kick off. Minister, would you outline to the committee the budget initiatives in the housing portfolio which will strengthen Victorian communities both in the coming year and over the forward estimates period?

**Ms LOVELL** — We have a number of programs that we run through the public housing system that provide for strengthening local communities. Broadly speaking, some of these include initiatives under our framework that I have just outlined; initiatives under safety on our estates that we have instigated; also the community liaison committees that we have operating on several of our estates, particularly where large-scale redevelopments are happening; our work and learning centres; our youth engagement programs; and our youth foyers, amongst a whole range of other things.

The framework includes a series of actions that will deliver better communities, better opportunities and better assets to support stronger local communities. We will be trialling place management over the next five years. The government will undertake three trials at Valley Park in Westmeadows, at Kensington and at Carlton. Throughout the trials the government will be working with the housing sector to deliver localised and improved facilities management, internal and external maintenance of properties, tenancy management and also community building, which connects public housing tenants to community education, training and economic participation initiatives.

We will also be improving safety on our estates. As you would remember, in 2011 we actually amended the Residential Tenancies Act to include the ability to evict people for illegal drug activity on our estates. We want to make sure that our estates are safe places for young people and that they are not riddled with crime and particularly with drug activity.

We entered into a memorandum of understanding with the police up at the Richmond estate back in 2012. We installed some additional CCTV on that estate and also gave the police a command post so that they have an actual site on the estate from which they can operate. The crime data for the 12 months to 31 October 2013 showed that this had been a real success and that we had had a 60 per cent decrease in drug trafficking offences on the estate and a 35 per cent decrease in other miscellaneous crimes on the estate. In 2013 we actually extended this particular initiative from the Richmond estate to also include the Fitzroy and Collingwood housing estates. We worked very closely with the police on that initiative, and I have to say that the police have been absolutely fantastic in engaging with us on this particular initiative.

There are the youth engagement programs that we run, and a couple of these are the Helping Hoops program that is run on the Fitzroy and Richmond estates. This is run on Monday and Thursday nights. It is a basketball program that develops confidence and fitness amongst the young people as well as assisting them with dealing with challenging situations. We were actually just talking about this program yesterday. We have a new receptionist in our office who piped up and said, ‘I actually volunteer at the Helping Hoops program’, so we were very pleased to know that she was doing that and contributing back to the community and helping some of these children who are not as fortunate as many of us were when we were growing up.

In the city of Yarra we have the Yarra youth resource officers, which is a program with the police. It is fantastic to note that the police are involved on our estates in other ways. This program uses sport as an engagement tool

with the young people, and it ensures that their first contact with police is a positive experience. It also develops confidence and fitness amongst these young people.

In addition to these two programs that I have outlined, we have scouts groups operating on some of our states, we have cooking programs, we have language programs, reading groups, soccer teams, homework clubs and dance programs — lots of activities to engage the young people, to keep them active and out of trouble.

Then we have our education youth foyer initiative, and of course, as I have already said, the three of those — Shepparton, Holmesglen and Broadmeadows — will be fantastic facilities for young people who want to continue to study but who are unable to live at home. The three TAFEs — Holmesglen in Glen Waverley, Kangan at Broadmeadows and GOTAFE in Shepparton — are key partners in this initiative, because it is the strength of that education program that can really change the direction of young people's lives. The youth foyer program has been operating internationally for a number of years and has been greatly successful, but at last year's international conference for youth foyers they spoke about the Victorian model now leading the world in the provision of youth foyers, because of the strength of our education component of our model.

The work and learning centres that we have set up in Ballarat, Moe, Shepparton, Geelong and Carlton are really kicking goals, and we are placing people into employment through those, giving our residents greater opportunities in life and better opportunities to participate in their local communities as well. At the end of April 2014 over 650 people using the centres had actually been placed into employment, and we had 1600 people in training and there were over 220 employers connected to these centres as well. We are also trialling work and learning brokers in Dandenong and Maribyrnong as well as the work and learning centres.

Our community liaison committees, which operate at Fitzroy, Carlton, Norlane, Valley Park, the Olympia redevelopment and also the Flemington and Maryborough neighbourhood renewal sites, are really active and involved in the local community. Mr Ondarchie actually chairs the Carlton committee.

**Ms GARRETT** — On a point of order, Chair, it is time that we actually asked some questions.

**The CHAIR** — Order! I do ask the minister to reach a conclusion, please.

**Ms LOVELL** — These committees actually not only involve a prominent local person as a chair, but also local businesses, the police, local health and community services are represented on it, as are local residents, both public housing residents and private housing residents, so they can plan for their local communities to actively engage and also to improve the outcomes for locals.

**The CHAIR** — Thank you, Minister, for that comprehensive answer.

**Ms GARRETT** — Minister, I refer you to page 174 of budget paper 3 and to some very serious numbers that appear there regarding the very significant cut in the number of families who will be getting assisted access to crisis accommodation. You will note in those figures that the government not only has failed to meet its target of assisting families in crisis by several hundred but has now lowered its target by 400. I am sure all of us in this room understand that these are not just numbers on a page; these are families in crisis, many of whom are women and children escaping from family violence. I ask, Minister: what happens to those 400 families, again many of whom are women and children escaping family violence situations, who will miss out on crisis accommodation as a direct result of your government's failure to invest any capital funding for new social housing through this budget?

**Ms LOVELL** — That is not true; you are making accusations that are incorrect, because, as I pointed out in my initial presentation, if you go to pages 88 and 89 of budget paper 4, you will see our capital investment in acquisitions over the forward estimates, including \$215 million for acquisitions in this particular year. The reason the numbers going through crisis accommodation have actually declined in recent years is that people are actually staying longer because there have not been exit points. One of the ways we are going to create exit points is by investing in the maintenance and renewal of public housing to ensure that the 10 000 properties that the Auditor-General identified as being about to become unusable under Labor — so numbers were definitely going backwards under that regime — remain available to low-income Victorians so that they can be accessed for social housing. This will keep 10 000 properties open. It keeps a transition point for people to move through crisis housing into more permanent housing and allows others to access the crisis accommodation that is available.

**Ms GARRETT** — By way of supplementary, Minister, is it your contention to this committee that these 400 crisis-ridden families trying to access accommodation in a city and a state that has a population explosion will be looked after by your government and not fall through the cracks — like the recent story that was exposed on Channel 7 two weeks ago, where a woman and three children were living in a car for 12 months before they were able to access accommodation? Do you think this is an acceptable situation in Victoria?

**Ms LOVELL** — I can take you back to story after story during Labor's 11 years — —

### **Members interjecting.**

**The CHAIR** — Order! The minister has the opportunity now to respond.

**Ms LOVELL** — The member outlines one story on the news. I can take you back to story after story during Labor's 11 years where the same types of situations were outlined. The transitional housing that is outlined in here, the crisis accommodation, is not the only response that we have to housing women who are in crisis or escaping domestic violence. There is support for them through rental brokerage and the Housing Establishment Fund as well. We are investing more in rental brokerage to assist women with accommodation who are escaping domestic violence. We have invested heavily in the accommodation options for families, which is rental brokerage again, to assist people so that they are not in rooming houses, and we have the Housing Establishment Fund. There is additional support other than what is outlined in those figures in the budget.

**Mr ANGUS** — Minister, I refer you to the output initiative on page 28 of budget paper 3 and specifically the significant expenditure for the national partnership agreement on homelessness. Can you inform the committee how this expenditure supports services and initiatives to help vulnerable Victorians who are homeless or at risk of being homeless?

**Ms LOVELL** — Thank you, Mr Angus, for your question. The Victorian coalition government is committed to addressing homelessness. In this budget we have committed \$124.4 million to the initiatives under the national partnership over the next four years. This is a clear demonstration of our commitment to addressing homelessness. This budget, as I said, commits that over four years and will provide certainty to the homelessness sector and service providers and much needed assistance to those people who do need accommodation and/or support.

The commonwealth commitment was outlined on 13 May this year. The commonwealth government actually extended the national partnership for one year and are providing \$22.8 million to Victoria for a one-year national partnership on homelessness. The commonwealth commitment will provide certainty for one year over their contribution. We have received a draft agreement from the commonwealth, which the department has reviewed, and we are awaiting the second agreement from that. The commonwealth have indicated they wish to have further discussions with us post this one-year agreement on how homelessness funding will be funded into the future.

The Victorian government has been praised by the sector for our commitment over four years because it does provide certainty to them. Hanover housing said:

It's pleasing to see the Victorian government has committed to the national partnership agreements on homelessness. This is particularly encouraging for Hanover — several of our services are affected by this funding and this ongoing commitment will enable us to continue our vital work with families, children and vulnerable adults in Victoria ...

The Council to Homeless Persons said:

The state government's leadership in making a four-year commitment gives homelessness services certainty and stability to support thousands of vulnerable people.

On Twitter the Council to Homeless Persons praised the Victorian government for our four-year commitment to homelessness in this budget.

Even the Community Housing Federation of Victoria found something nice to say and said that they welcomed the confirmation of the funding under the national partnership agreement on homelessness.

The initiatives that will be funded under this agreement, which is outlined in the budget, show that we will support around 100 000 people who are at risk of being homeless this year, and we will support them through

initiatives under the national partnership that include assertive outreach to help people who are sleeping rough and who have a long history of homelessness. The Melbourne Street to Home initiative provides assertive outreach. They actually go out and find people in the streets and parks who no longer attend services. They engage them and support the rough sleepers and try to give them support so they can get them into stable housing and reconnect them with mainstream support services, and family, if relevant. This operates in the CBD and the inner suburbs.

The essential family services responses under the national partnership are vital services, and the Safe at Home program provides after-hours support to keep women and children experiencing family violence in their own homes, where it is safe to do so. It also undertakes key safety precautions around this initiative — things like changing locks on the homes and also links in with police, if necessary — and this approach reduces the trauma for women and children by allowing them to maintain links with their family, school friends and support systems such as their GPs et cetera.

This complements the work that is being done through the Victorian homelessness action plan as well, which we have committed \$82.6 million to over four years, and we are in the third year of the action plan, I think. The action plan actually focused on three key areas, which were supporting innovative approaches to homelessness; investigating models that focus specifically on early intervention and prevention; and better targeted resources when and where they are needed most so they can make the biggest difference in a person's life.

We had 11 innovation action projects under that in stage 1. We said we would upscale and refund those that showed the most promise early on, and we have re-funded seven innovation action projects, including STAR Housing, which is an innovative program that keeps vulnerable people in housing by intervening early, with some assistance for budgeting and other supports to keep them housed. It has some flexible brokerage to help to keep them housed. It allows them to engage more effectively with employment and education and also to develop self-sufficiency. This program has been operating in the north-east of Victoria. Due to the additional investment in stage 2, it has now expanded to Echuca, Kyabram, Wallan, Broadford, Yea and Kilmore.

Detour is another of the innovation action projects that has been operating through Melbourne Citymission and Kids Under Cover. This is one that keeps young people connected to their family and their community and education. A significant element of this program is that the young person actually helps to design their own future by identifying where they want to go and the steps that are needed to get them there. This one has been operating in Sunshine and Shepparton, and stage 2 has allowed it to expand into Frankston.

**Mr PAKULA** — Minister, I want to ask you about social housing dwellings, the targets for which are detailed in budget paper 3 at page 175. You are expecting an outcome, in terms of the total number of dwellings for 2013–14, of 84 992, but your target for the total number of dwellings next year is 84 868, which is 124 dwellings fewer than what you were expecting to have at the end of this financial year. I think that would be the first time in recent memory that the social housing system would actually shrink. Can you take the committee through how many social housing dwellings you are planning to sell off in 2014–15 and whether that number is greater than the number of dwellings that you are planning to build?

**Ms LOVELL** — Yes, and we actually do have a slide on disposals. If we could bring up the slide on disposals, it would be fantastic. As you can see, disposals under the former government were far higher than disposals are now. The disposals under us over the last four years have returned to the relatively normal levels of disposals. The number of disposals for this year is expected to be 580, but as you can see, during Richard Wynne's period as minister he actually disposed of 4494 properties.

### **Members interjecting.**

**Ms LOVELL** — I would have thought you would remember asking me this question a couple of years ago, Martin.

Disposals are actually part of the good management of any large property portfolio — certainly not disposals at the level that Richard Wynne was disposing of them — but there is always the need to dispose a property that has reached the end of its usable life span or that is no longer in an area of demand for public housing, and we do have a few of those. They have been built in remote areas of the state, and we have difficulty in getting tenants to rent those properties. We initiated a program called the Hard to Let program, where we actually put up on the web and in housing offices the addresses of the properties that we have that have been vacant for a

significant period of time because we have no-one who wants to go into them. Someone can choose to have that house if they want — someone who is on the waiting list. But there are some properties that we do need to dispose of.

Our framework is about maintaining the public housing property numbers so that we do not lose the 10 000. There will be some fluctuation as we move through that framework and dispose of some properties that we need to dispose of — or maybe demolish and rebuild on the same site — but any revenue that is raised from disposals of property will be reinvested into public housing in this state.

I should just add to that that we have a target for our acquisitions, but we have actually overachieved that in the last couple of years quite significantly. If you went back and looked at the 2011–12 year you would see we expected to acquire 1600 properties; we actually acquired 2066. Our target for the 2012–13 year was 1150, and we acquired 1928. Our acquisition targets are modest, and we expect that we will overperform on those acquisition targets, which would then in turn affect the target for the number of social housing dwellings.

**Mr PAKULA** — That last bit has helped frame my supplementary. Minister, I hear what you are saying about the 580 you are intending to dispose of in 14–15. Looking at where you expect to be at the end of 13–14 and where you expect to be at the end of 14–15, I would ask you to confirm that at the moment your intention is that the combination of what you build and buy versus what you sell is negative 124, because that is what the budget papers say — or are you telling us that the budget papers do not mean what they say?

**Ms LOVELL** — That is the expected target. The reason that we often overachieve on our acquisitions is that the national rental affordability scheme projects are not included in our targets because we are unable to project what will be delivered in the next financial year, and the commonwealth, which administers that, does not report to us on what the acquisitions have been until after the end of the financial year. When we had a target of 1600 we achieved 2066 and when we had a target of 1150 we achieved 1928, because we were not fully informed of what information we were going to get from the commonwealth around the acquisitions under the national rental affordability scheme, which are counted in the total number of houses.

**Mr O'BRIEN** — I would like to refer you to budget paper 3, page 32, and also to your presentation, which describes the \$65 million commitment to the Victorian social housing framework, which you have touched on. I am just wondering if you could expand on your presentation to the committee in regard to how the funding attached to this initiative will be used.

**Ms LOVELL** — Thank you, Mr O'Brien, for your question. I am proud of the framework that we released on 28 March this year, which will put public housing and social housing on a sustainable footing into the future. The framework outlines three strategic directions to guide and reform the state's social housing system, including better communities, better opportunities and better assets. The 2014–15 state budget provided supplementation of \$65 million over four years to support the social housing reform process. This includes \$20 million in output initiatives and \$45 million in asset initiatives. The additional funding, along with reprioritisation of existing budgets, enables an extra \$149 million to be allocated to maintenance and upgrading of stock. This adds to the \$1.3 billion of total funding that will be spent on maintenance and upgrading of 9500 properties over five years, including 1720 properties that are to be upgraded this year.

The need to stabilise our asset base is quite clear. Over recent decades the public housing system has gone into decline. VAGO identified the 10 000 properties that were about to be lost to the state. Since 2010 the Victorian coalition has embarked on the significant task of addressing the longstanding challenges facing social housing in Victoria. We have laid the foundation for reform, and our immediate efforts have delivered positive outcomes. We have better financial management now. We have better management of our waiting list and turnaround times. We have begun to revitalise public housing estates in Norlane, Heidelberg, Carlton and Westmeadows. There is better safety on our estates and there are better opportunities for our tenants.

We embarked on a property condition audit, which is unprecedented. There has never been a complete property condition audit done of public housing in this state. One of the things that VAGO was very critical of was that the department did not have the information they needed to make informed decisions around the assets — about which ones needed to be upgraded, which ones should be disposed of — and just how we could better manage our properties. So far we have completed 65 000 inspections, and there are around 15 000 inspections still to be undertaken. The audit should be completed in the coming months and will inform the initiatives that we

undertake under the framework. The framework is the next step to mapping the gains for the short, medium and longer term in social housing.

We have enhanced investment in upgrading existing public housing stock, and this will halt the deterioration of stock. It will reduce the costly ad hoc maintenance that was being done and will ensure that public housing remains available for people who need it into the future. In conclusion, the \$65 million included in this budget towards the social housing framework will ensure that the portfolio is put back on a sustainable footing and will build a better Victoria.

**Mr SCOTT** — Minister, I refer you to budget paper 3, page 175, and the performance measure ‘Proportion of clients where support to sustain housing tenure was unable to be provided or referred’. I note that that is a performance measure which replaced a former performance measure, which has been referred to this committee, ‘Proportion of homelessness support episodes where an accommodation need was unable to be either provided or referred’. I would just like to see a simple piece of information, because whenever you are replacing a performance measure it is useful to clarify exactly what it represents. It is expressed as a percentage. The previous performance measure referred to the homeless, and the word is absent here. But there is a figure for the number of clients of 100 000 to address and prevent homelessness. I would like to see how many people this 18 per cent actually represents. Is it 18 000, as 18 per cent of that, or is it a broader figure? For how many women, children and families who are in housing crisis will the system not meet their needs?

**Ms LOVELL** — I am sorry, we will have to take that on notice and get back to you. We did talk about the previous measure last year, and we talked about the fact that it could no longer accurately measure what it was supposed to be measuring. In the last couple of years we have improved the collection of data from homelessness agencies, and this has been a national project to get that improved data collection. What that meant was the previous budget measure used to only be counted from the old SAAP providers. When we went to the new homelessness data collection, it was collected from every homelessness service across the board. There are some homelessness services that just offer case management et cetera; they do not actually have accommodation facilities. It was counting 100 per cent of their clients as their accommodation need being unable to be provided, because they just do not deal in accommodation. That is why we have changed performance measures. But we will have to come back to you on what the 18 per cent is a percentage of, because it will only be the ones that are providing accommodation.

**Mr SCOTT** — If the information is being provided on notice, I note that the target for the former measure was 12 per cent and the target for the current measure is 18 per cent. Could you give a guarantee to the committee that that does not represent a lowering of the target? That can be provided as part of the information being provided on notice.

**The CHAIR** — As part of the information on notice.

**Ms LOVELL** — Okay.

**Mr ONDARCHIE** — Minister, I want to refer you to budget paper 3, page 28, specifically about youth foyers, and to slide 6. Last year you touched on what we are doing with youth foyers. You touched on it very briefly in your slide presentation today, particularly around the one in Shepparton, which I understand has a great local upper house member and a good lower house member as well. I wonder if you could talk to the committee about how your commitment in this budget will support the youth foyer program.

**Ms LOVELL** — Thank you for your question and the opportunity to talk about youth foyers again, particularly the one in Shepparton. The funding in this budget is just over \$5 million, and that is to fund the recurrent operating costs of the Shepparton youth foyer over the next four years. The Shepparton youth foyer is a 40-bed facility that will be co-located with TAFE. It is on a block just opposite the front door of TAFE and should present a great opportunity for young people in Shepparton.

The Shepparton community has been very excited about it. Our local government were ecstatic when we announced it, the local paper has been extremely positive and the service sector has accepted this extremely well. I should say, touching wood for future projects, with all three of our youth foyers we have not had one community objection to the planning process. It is a fantastic result to see that people are supporting these facilities that give opportunities to young people.



As I said, the youth foyers do offer purpose-built student style accommodation for homeless young people, and it is in return for a commitment from the young person to engage in education, training or workforce opportunities. The Holmesglen youth foyer began operation in 2013, and Broadmeadows will commence in the coming weeks. I recently attended the developing independence certificate graduation ceremony at the Holmesglen youth foyer. This is the first component of what the students are doing there that they have actually completed. They were so excited about getting a qualification, and they were so ecstatic at the opportunities that the foyer program had given them.

I spoke to two young people, including a young girl called Alex, who was studying child care. That was really pleasing to me as the early childhood minister. Alex now has a mentor, and she is also volunteering in the sector. She aims to further her studies and to have a great career in the early childhood area. There was also a young man called Giles. He would like to do an apprenticeship; he is currently doing the pre-apprenticeship course, but he aims to go on and become a builder. Both Alex and Giles had been homeless before entering the foyer. Both of them are now on a sound footing; they are now engaged in their studies, and they are excited about the opportunities that life has to offer them.

When you talk to the young people in the foyer, the thing that really stands out to you is the way they talk about the staff, the staff who support them and give them those opportunities. This is what this \$5 million will actually enable us to do: it will enable us to engage an operator for the Shepparton youth foyer and enable us to put in place those really hardworking, dedicated staff who will make a difference to the lives of the young people who have the opportunity to get accommodation in the Shepparton youth foyer. Even though the foyer will not be completed until the middle of 2015, there is a small amount of money in this financial year that will enable us to engage an operator and recruit staff prior to the foyer opening and taking young people into it. It is a really great result for Shepparton, for Glen Waverley and also for Broadmeadows and a fantastic opportunity for the 120 young people at a time who are going through these facilities.

**Ms GARRETT** — Minister, I refer again to budget paper 3, page 175, and also to your government's *New Directions for Social Housing* policy statement which included a 'strategic divestment and redevelopment' program.

**Ms LOVELL** — What quote?

**Ms GARRETT** — I also refer to recent reports regarding the selling of land by the director of housing in Griffiths Street, Richmond, and that your government has indicated that that is not your plan to include it in the redevelopment of the Richmond housing estate land. It is clear the government has program of selling off land that has been identified as or is currently public housing — perhaps in the inner city we know the importance of having public housing where people can access services, schools and the like — and I ask: can the minister advise what revenue targets the director has been set as part of this sell-off program?

**Ms LOVELL** — It is the anticipated this year that there will be 580 disposals. By the way, I would like to know where that quote came from because I do not believe that was a quote you included in your question. I would like to question you on where that quote actually came from.

**Ms GARRETT** — From your plan.

**Ms LOVELL** — From the plan, so it is just a line — —

**Ms GARRETT** — A line out of your plan.

**Ms LOVELL** — Okay, so it is not a quote from a person; it is a line in a document.

This year, as I said before, our disposal target is 580. That is far lower than under the former minister who disposed of 4494 properties in four years. Disposals are not just selling off of properties; they are not just selling off of land. They include properties that have been demolished for redevelopment on that site. They also include rescinded leases so there are some places, particularly where developments have gone on, where we had to relocate people off the Carlton estate and we rented houses close by. Then, when the property was finished, we were able to relocate them back to the public housing properties and we rescinded those leases. They also include properties destroyed by fire or flood, and I think you would know — —

**Ms GARRETT** — On a point of order, Chair, the question related not to the numbers of dwellings that were to be disposed of but the revenue targets. You will note the Richmond site is — —

**Members interjecting.**

**Ms GARRETT** — The point of order is the relevance of the answer — revenue targets, not numerical.

**The CHAIR** — The minister is 2 minutes into the answer. She has more than adequate time left to address the specific issue that you raised.

**Ms LOVELL** — Disposals also include properties that are destroyed by fire or flood, and unfortunately we have a number of fires in public housing properties. They also include sales to our tenants, and you would know of the tenant house sales program. They also include things like general sales of stock that is, as I explained before, no longer practical for public housing. Our target this year that we expect from the disposals will generate \$75 million. That will be then reinvested back into public housing so that we can provide better public housing for Victorians into the future and so that we can renew our stock.

**Ms GARRETT** — The site at Richmond is a major site; it is linked to a very significant public housing dwelling for many people. What other major public housing sites has the government earmarked for selling?

**Ms LOVELL** — There are no particular sites that have been earmarked for selling. This is something that will be considered as we are informed by the property condition audit. We need to know the condition of our properties and whether they are worth investing in renovating — whether it is a site where we want to knock the house down and rebuild or whether it is a site that we want to dispose of. That will be informed by the property condition audit.

You asked about the land in Richmond. I forgot to address that in my substantive answer because there seemed to be several questions within the one question. The land that was bought in 2001 by the former government was never built on. Despite the enormous amount of commonwealth money that came into this state through Nation Building, that was never chosen — —

**Mr ONDARCHIE** — Could we just ask the minister to bring the microphone a bit closer because the Labor-Greens coalition out the front is making so much noise.

**The CHAIR** — The noise outside is overwhelming the room, but I do not think it is appropriate to attribute labels to whoever may be outside.

**Ms LOVELL** — Despite the opportunities that were provided to this state for building of new properties under the Nation Building money, the former government never chose that site as a place to develop. In Richmond we have a significant concentration of public housing and we do not believe it would be of benefit to the local community or to the state to concentrate that any further. We believe this site is one that is in excess of our needs at the moment. We have not completely written it off, but it is not one that we have plans to build on currently.

**Mr ANGUS** — Minister, I refer you to page 89 of budget paper 4. Could you provide to the committee an update on the progress regarding the Olympia redevelopment and how this expenditure is helping to build a better Victoria?

**Mr ONDARCHIE** — A great redevelopment.

**Ms LOVELL** — This is a fantastic redevelopment, Mr Ondarchie, and thank you, Mr Angus, for your question on this one. This is a \$160 million reinvestment into the communities in Heidelberg West, Heidelberg Heights and Bellfield. It is outlined, as you said, in budget paper 4 as being a 10-year initiative. There are more than 1500 public housing dwellings in the Heidelberg West, Heidelberg Heights and Bellfield area, and over half of these are more than 40 years old. Many of them are prefab and concrete fibro construction, and there is an increasing maintenance burden on them for the state, but there are also increasing costs for the residents in them because they are draughty and hard to heat. Many of them have been family homes. They now have a single occupant who is elderly in them. They are hard for them to heat. They are hard for them to live in because they have steps at the front door, they have to step over baths to get into showers and they have large yards that are difficult for them to maintain the garden in. So they are not serving our state as well as they used to.

Many of these properties, of course, as you would know, would have been built prior to 1956 because they were built as temporary homes for athletes in the 56 Olympics. They have served us well for 60 years, but it is now time to renew this area.

The Olympia housing initiative began in 2012, and this is a program that will see a gradual replacement of 600 unsuitable or outdated public housing properties. As I said, this is a self-funding project. What we are going to do is take 600 properties, we are going to sell 300 of those into the private market and the money from those will generate the ability to build 600 on the site of the other 300. There will be no net loss of public housing, but we will have brand-new housing that is better profiled for the profile of our tenants. As I said, many of these other places were family homes, three and four-bedroom homes. The greatest proportion of our tenants require one or two-bedroom properties.

I have actually visited a couple of tenants who have been placed into their new homes through this development, and they are just so ecstatic. They have come from old, draughty places with huge yards into modern homes that suit their needs much better and have smaller gardens. They still have a little bit of a garden to enjoy, but nothing that they have to spend a huge amount of time maintaining or get someone in to maintain. In fact, for one lady we had installed some synthetic grass so that she did not need to mow the lawn.

When we first announced this, of course, the local member, Anthony Carbines, went into a furore and screamed from the rafters — because his government did not think of doing this. He was in the media canning this proposal, he was on the radio canning this proposal, he grieved for the residents of Heidelberg West in the Parliament and he called our public servants the most ‘miserable bunch of bureaucrats’ you have ever seen in your life — a really low blow, to attack the public servants. But Anthony Carbines has been proven completely wrong, and this has shown just how out of touch he is with his electorate. The stats for this — —

**Mr PAKULA** — On a point of order, Chair, I have resisted — —

**Member interjecting.**

**The CHAIR** — Mr Ondarchie, there is a point of order before the Chair.

**Mr PAKULA** — I think you will anticipate my point of order. The minister’s answer is not an opportunity for her to attack members of the opposition, and I do not think anyone could suggest the minister is not doing exactly that.

**Mr O’BRIEN** — On the point of order, Chair, a number of inaccurate matters have been put by opposition members to the minister. The minister is entitled in answering the question to outline how the government policies could be threatened if Labor was to be returned to government.

**Members interjecting.**

**The CHAIR** — Order! Mr Ondarchie, are you speaking on the point of order?

**Mr ONDARCHIE** — No.

**The CHAIR** — I uphold the point of order. I am not familiar with the Council standing orders, but certainly in the Assembly it is not acceptable to go after an opposition member in that way, so I ask the minister to move on.

**Ms LOVELL** — Okay. This government is in tune with what the electorate of Ivanhoe do want, and this has been proved, because this development has been a huge success. So far 107 residents have moved into better housing through this initiative, and in total 467 households are either in discussions or have chosen to take part and are awaiting the availability of suitable housing under this initiative.

This is a great initiative. We have a community liaison committee out there, chaired by Michelle Penson, a former mayor of the City of Heidelberg before amalgamation. This is a CLC that is doing great work. Brother Harry is on that CLC. We have representatives from the police, from local schools, from the community groups et cetera, and they are developing plans for their local community to achieve the aspirations of local residents.

**Mr PAKULA** — Minister, on 28 March you released a media release entitled ‘Victoria’s new vision for social housing’, and in that you talked about an ‘investment of \$1.3 billion over five years in renovations and maintenance of stock’. My question is simple. The director of housing’s normal upgrade program is funded by rent revenue from existing tenants, so can you tell the committee how much of that \$1.3 billion is normal upgrade money — that is, money which is funded by rent revenue from existing tenants — and how much of that \$1.3 billion is new state funding?

**Ms LOVELL** — The \$1.3 billion does include our normal maintenance and upgrade money, not all of which is rental money. There are other contributions through the state budget towards that. But it represents an additional \$149 million that will be spent in addition to our normal maintenance and upgrade program, and \$65 million of that is included in this budget. The rest will be from reprioritisation within our own budget and savings.

**Mr PAKULA** — So to clarify, of the \$1.3 billion investment that you have put out the media release about, \$1.151 billion of it is your normal upgrade money.

**Ms LOVELL** — Yes.

**The CHAIR** — That concludes the hearing for the housing portfolio. I think there was one question on notice from Mr Scott regarding some performance measures. Again, we seek a response to that within 21 days. I thank the minister, the secretary and department staff for their attendance. That concludes the hearing.

**Committee adjourned.**