

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 19 May 2010

Members

Mr R. Dalla-Riva

Ms J. Graley

Ms J. Huppert

Mr W. Noonan

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Witnesses

Mr R. Wynne, Minister for Housing,

Ms G. Callister, Secretary,

Ms M. Crawford, Director of Housing, Housing and Community Building,

Ms A. Congleton, Acting Director, Policy and Strategy, Housing and Community Building, and

Mr R. Jenkins, Manager, Corporate Planning and Performance, Housing and Community Building, Department of Human Services.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2010–11 budget estimates for the portfolios of housing, Aboriginal affairs and local government. On behalf of the committee I welcome Mr Richard Wynne, MP, Minister for Housing; Gill Callister, secretary; Margaret Crawford, director of housing, housing and community building; Rob Jenkins, manager, corporate planning and performance, housing and community building; and Anne Congleton, acting director, policy and strategy, housing and community building, Department of Human Services.

Departmental officers, members of the public and the media are also welcome. In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed would be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off. I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of housing.

Mr WYNNE — Thanks very much, Chair, and thanks to the committee for the opportunity to present again to the Public Accounts and Estimates Committee. I am joined for the first time by our new secretary, Gill Callister, who since we last met has taken up this new responsibility. We are delighted that Gill is with us today, along with Margaret Crawford, the director of housing, and other colleagues. We do have a presentation that has been handed out to the members of the committee.

Can I draw the committee's attention, if I may, to the record investment by the Brumby government three budgets ago, where we delivered a record \$500 million to improve and grow the social housing in Victoria. Under this investment 2350 social housing units will be constructed. If you look at the matrix there, you will see where we are up to thus far. We have split the funding: \$200 million to deliver 800 public housing units and \$300 million to deliver 1550 housing association units.

I will talk a little bit more about those projects no doubt through our questions and answers. There are some fantastic examples of where that money has gone: Ashwood-Chadstone, as you know, Chair; in your own area; Corio-Norlane; Bacchus Marsh; East Reservoir, where we just turned a sod only a couple of weeks ago for a magnificent project there; and Roberts Street in Northcote, which is a major medium-density housing project. And I would be delighted to talk at some length if we were questioned on the Elizabeth Street project in the city. If you pass it, you see it is quite literally topped out and almost ready to be occupied. It has been a fantastic project.

If you put that record investment against the Nation Building and jobs program of the federal government, this is the biggest investment that has been made in public and social housing quite literally for decades. There is \$1.17 billion to deliver 4500 units across Victoria. As certainly members of the lower house will recall from when I have talked about this, we have tried to split this funding — a third in regional Victoria and two-thirds in metropolitan Melbourne.

The importance of the Nation Building projects is really twofold. If we were sitting here at this time last year, we would still be right in the heart of the global economic crisis. The intervention that the federal government did make in this space, I think unquestionably, has seen Victoria weather the storm of the global economic crisis and come out the other side of it in very, very good shape.

We understand, of course, the crucial importance of investment in the housing sector because it has the immediate stimulus effect, not only on the building site itself but of course on the supply chain as well. It is good for jobs, and of course there is the wonderful social outcome of being able to build 4500 public and social housing units. As the Treasurer commented in his budget speech, the Victorian economy is booming. We generated 92 per cent of all of the full-time jobs in the last year. I think it would be fair to say that the stimulus package did have a significant role to play in that.

It is important, I think, to indicate the fast-tracking of these projects through the planning process, through a streamlined project facilitation process, but the provision that pertains to that fast-tracked planning only — and I repeat: only — relates to Nation Building projects. That provision will expire on 30 June 2012.

I am just flicking through, Chair. There is a range of projects there for the committee's consideration. Tram Road, Doncaster, is a wonderful project which was approved by the local council. It is up and out of the ground — 98 units of housing. It was approved by the local council there. It is a terrific example right in the heart of an activity centre which really achieves all of the key objectives that the government had been hoping for around ensuring that our activity centres are not only hubs for retail and so forth but also for housing as well.

That is a fantastic project. Ferntree Gully Primary School, 79 units, a mix of one, two and three bedrooms — again self-evidently a great project — returning a state-owned site to another state-owned use. That is a terrific outcome as well. Deakin Street in Mildura is also an important project because it is not only 25 units but it is specifically targeting a number of these units to people with mental health issues, and we think that is an important outcome as well.

I want to briefly touch upon three projects that we announced only a couple of days ago. This is what we call the HAF announcement, \$175.3 million to deliver more affordable housing across three key inner urban sites in Fitzroy, Richmond and Prahran. The first stage of this project will deliver 547 new affordable homes across the three sites.

You can see as we go along there, Chair, there are 207 units at Richmond, 188 at Prahran and 152 units at Fitzroy. The key to these projects is that they are in fact stage 1 of what we see as being potentially a very significant urban renewal of these sites. I think you would be hard-pressed to find better located sites in inner Melbourne, where in fact we think over a period of probably about 10 years, you will be able to completely regenerate these major sites.

If you think about what we have done in the past, if you think of sites like the redevelopment at Kensington, which has taken probably nearly 10 years, the site at Carlton, which is now up and out of the ground, what we are seeking to do is, through these redevelopments, to better reflect on these sites the surrounding communities. We want to rebuild both the physical fabric of these communities but we also want to build the social fabric as well.

What do I mean by that? I mean that we want those areas to be places where people work, where there are job opportunities, and I point specifically to the hub project in Fitzroy where we will put on the ground floor of that project a major training and employment facility, a hub for child care so that there is an opportunity for residents to have their children cared for whilst they are engaging in training and employment opportunities.

The ambitious goal of the government on these large conurbations of public housing is that we not only change the mix but we ensure that people are actively engaged in civic life; that they are trained; that training is available; that employment is available. If you think about all these employment opportunities, just say around that project in Fitzroy, we have the Australian Catholic University, all of the hospitals there, you have got the major retail outlets, so we are saying to those potential employers that we will have job-ready people who can immediately be placed in long-term employment opportunities, so changing the physical fabric, changing the mix, changing the social fabric of those estates, and for those three developments, this is stage 1 of them. I think it is a fantastic investment by the federal government in those projects.

I think that is probably my 5 minutes. I would be happy to elaborate further.

The CHAIR — Yes, it is slightly more than 5 minutes. We have until 4 o'clock for questions on this portfolio.

The budget aims to allocate funds in 2010–11 and subsequent out years for stated government priorities and outcomes to be achieved. Could you advise the committee of the medium and long-term plans and strategies upon which the budget for your portfolio is based and has this changed from last year?

Mr WYNNE — I think it is worthwhile remembering the genesis of public housing in this state. Its genesis was really from the advocacy of organisations like the churches, the Brotherhood of St Laurence and others who really saw that the conditions that many people were living in, particularly in inner Melbourne, were of such a poor standard that the state needed to intervene and to establish what was then called the Housing Commission of Victoria.

We owe a great debt to those pioneers, because they understood that the key to people being lifted out of poverty was that you provide secure, stable and affordable housing. That is essentially the core of what housing is about. It has always been, I think, a great challenge to measure up the demand for housing versus supply, and this will be part of today's conversation. But in that context the relationship that has been had by successive governments in supporting that ambition across the country for stable, affordable and secure public housing was a commonwealth-state housing agreement. It has been in place for in excess of 50 years and frankly has served both the commonwealth and states very well.

As you recall, Chair and members of the committee, I have talked about this in the past. It was a two-for-one arrangement — \$2 from commonwealth matched by the states — and there have been successive other programs that have also supplemented that over the journey, including the Better Cities program through the Hawke-Keating years, which looked to do some strategic investments across a range of sites right across Australia, which I had an opportunity to participate in in a former life, but I think there is cause to celebrate what the commonwealth-state housing agreement has delivered over a sustained period of time.

Our public and social housing stock is about 3 per cent, a bit over 3 per cent. In places like South Australia, for historical reasons the housing stock was up to about 12 per cent, so it was a very significant number. They are in fact scaling back now and expect to bring their housing stock in at about 5 per cent that they would see as being a good figure.

But we should also not forget that historically, as I indicated in my opening remarks, when the vast majority of public housing was built, it was located very close to employment, and if you look back on the history of some of the early work that was done around surveys that were undertaken of who lived in public housing — and I refer specifically to some early work by the Brotherhood of St Laurence in a publication called *High Living*, if you look at that and you look at the participation of people in employment, everyone worked; everybody worked. It was worker housing. If you think about Broadmeadows, Braybrook, Maidstone, and the inner city slum reclamation areas, they were all associated and linked to public transport routes out to employment opportunities. That is why people worked. That is not the case any longer. I think that is the great challenge for us going forward as a government and, indeed, as a Parliament. We want to make sure, as I indicated, that people not only get quality housing that is stable and affordable, but that you provide opportunities for people to be engaged fully in public life.

There have been ups and downs in terms of the investment of governments in the commonwealth-state housing agreement. I have a graph here which I will table for the purposes of Hansard. This is the net effect of the commonwealth contribution to the CSHA, which you will see declined from 1994–95 right up to 2008. What does that mean? It means that the former federal government basically did not allocate over that period of time in excess of \$1 billion in real terms over 11 years to housing.

What is the impact of that? The impact of that is that Victoria is down by 5900 units of housing. If we had had that investment, and if you put on top of that the record investment that the Rudd government is doing in partnership with us, you would have a completely changed focus in how housing provision would be operating in this state.

There are serious challenges there. But can I say that for every single year we have been in government, we have contributed not only our commitment to the commonwealth-state housing agreement but we have committed above and beyond our commitment to the commonwealth-state housing agreement, of course culminating in the commitment by John Brumby of the record amount of \$500 million in the 2007–08

budget — as you know, you have heard me talk about this, the largest commitment by any state government ever to public and social housing.

Going forward, there are obviously challenges around supply. There are also challenges around demographics because, as I have spoken about in the past here at PAEC, there is a disconnect at the moment between what our stock is and what our waiting list is. The waiting list is about 40 000 — just a shade below 40 000 people — and half of those people on the waiting list are in fact single people. So there is a disconnect and that is quite a challenge for us going forward. Certainly with the build program we have and the 6000 units we are going to put on the ground in the next couple of years, that is the biggest build that has been undertaken by this government, by a Victorian government, frankly since we had the Olympic Games in 1956.

Mr WELLS — The housing commission and housing has produced many, many good people.

Mr WYNNE — They certainly have.

Mr WELLS — They have produced many, many good people.

Mr WYNNE — Mr Wells, to indulge you, I think we spoke about this in the Parliament where I did name your good self and Mr Mulder and various other people who came from — —

Mr NOONAN — Janice Munt.

Mr WYNNE — Janice Munt. A number of people have come from a public housing background, which you should be very proud of.

Mr WELLS — Yes. It gives us good liberal values. I would like to talk to you about early housing waiting times. I refer the minister to budget paper 3, page 115 and the budget measure ‘Average waiting time for public rental housing for those clients who have received early housing allocation’. The average waiting time for early housing in Victoria has consistently increased, from 2.8 months in 1999 to the expected outcome of 8 months in 2009–10, which has blown out from a target of 7 months.

Mr WYNNE — That is correct.

Mr WELLS — The budget papers reveal that the government does not expect to improve on this, setting a target of eight months in 2010–11. Last year you told the committee the blow-out was due to Victoria’s incredibly tight private rental market.

Mr WYNNE — Yes.

Mr WELLS — However, the budget papers and rental reports reveal that the rental market was at its tightest in 2007–08 and the average waiting time was 5.9 months. Since then the private rental vacancy has improved very slightly.

Mr WYNNE — Very slightly.

Mr WELLS — The question is: if in 2003 strategies were put in place to keep early housing waiting times to four months and the private rental market has improved slightly on previous years, why has the government strategy set in 2003 failed and why are early housing waiting times now doubled from the four-month target?

Mr WYNNE — You are correct in your statement that the target has changed from 7 to 8 months. Indeed, you are correct also that the early housing waiting list time has increased from 2.8 months in 1999–2000 to what is expected to be 8 months in 2009–10. Your statement in fact goes to the heart of this problem, and that is that the private rental market, as you indicate, has for the last couple of years been the tightest that we have had. People like Enzo Raimondo from the Real Estate Institute of Victoria and others who operate in this sector would say these have been unprecedented vacancy rates.

I think when I spoke to this issue last year we talked about concerns that people had in relation to potential auctioning of rental property, you saw unbelievable demand of people queuing up trying to outbid each other to get rental properties — an extraordinary situation. Whilst the market has eased a little bit — I think it was 1.2 when we were sitting here last year and it is now at about 1.5 — that is not just across metropolitan Melbourne,

it is in fact across regional Victoria as well, so you have a similar situation right across the state. The obvious thing is that you then get this knock-on effect. There is a direct correlation between vacancies in the private rental market and how the public housing waiting list operates.

I can only say to you that the interventions we are going to make as a government in this space will make a difference. They will make a difference to the vacancy rate in the private rental market, and they will make a difference to the waiting list in public housing. How? By two things. Firstly, we are investing. We will put on the ground 6000 units of public and social housing in the next two years. This year we will put on the ground 3800. Over the next couple of years, that will total 6000.

In the private rental market — and I can talk about this in more detail later — this is a really significant intervention. We are going to put on the ground 7500 units of subsidised private rental housing across the state. That is a very big number. I can talk about that in more detail perhaps at a later point. I think those two interventions are going to make a significant difference to both the private rental market and to vacancy rates, and they will obviously impact upon the public housing waiting list.

Mr WELLS — Just to clarify a point, Chair. Minister, if you say that it is going to make a difference, then why is the target still eight months in 2010–11?

Mr WYNNE — Why is it still eight months?

Mr WELLS — Yes?

Mr WYNNE — Because we think that that is a reasonable figure — it is a conservative figure and it is one that I hope when I come back — well, if I have the opportunity to come back and present to you in the following year — that we will be in a situation where I can record a better outcome. These houses will successively come onto the public housing list and be made available to our residents and also — in relation to the private rental market — obviously those houses over the next two years will come onto the market as well. Would I like those figures to be less? Of course I would. And I hope that if, as I said, I am back here next year to present to you on these matters, that that figure will be lower.

The CHAIR — Thank you for that. And just in respect to the chart, thank you for the chart. We will actually incorporate that as one of the overheads rather than in Hansard. Ms Graley?

Ms GRALEY — Minister, I will take up on the issue of rental accommodation because I do not think there is probably a member sitting around here that does not have people coming into their office asking them about the availability of rental accommodation.

In the last year I have had quite a few people come in to talk about the fact that they are finding it very difficult to find rental accommodation and pay the cost. I notice that in budget paper 3 there is a national rental affordability scheme, which will contribute to the social housing output. Minister, I was hoping that you could advise how the NRA scheme will contribute to the social housing output, and what sort of projects are likely to be delivered as a result of the scheme?

The CHAIR — It is page 314.

Ms GRALEY — Yes, page 315, appendix A of budget paper 3.

The CHAIR — There is also footnote A on page 314.

Mr WYNNE — Thank you very much for the question, Ms Graley. Apart from negative gearing, there have been no incentives in the private rental market — certainly in the 20-odd years I have been involved in housing — that have actually directly gone into stimulating the private rental market. This is a very significant intervention by the Rudd government. Their proposition is that Australia-wide there will be 50 000 affordable rental properties in the market by June 2012 — that is, 50 000 across the country.

Ms GRALEY — It is a lot.

Mr WYNNE — And what they have indicated is that if there is a satisfactory take-up of those 50 000, and the federal government is re-elected, that they will do another 50 000. So that is a huge number — 100 000 units across the country.

As I am sure members are aware, it is essentially based on a subsidy. The newly built house has to be put into the marketplace for a period of 10 years. It has to be in the market for 10 years at 20 per cent below the market value for the area that it is in. In return for that the investor gets a subsidy from the federal government of \$6000 a year and a subsidy from the state government of \$2000 a year indexed — \$8000 a year — obviously the rental of the property as well, and presumably a capital gain at the end.

What that means, we believe, is that there has been a real appetite for the first time from institutional investors who have said, 'This is a good product. This is a product that makes sense to us and we want to invest in it'. Certainly from our point of view we have got a range of examples of where both our housing associations and indeed private providers are starting to take up these projects.

For instance, Mission Australia is doing 66 units in Seddon in the west, Common Equity Housing is doing 60 in Dandenong, VicUrban is doing 100 in Avondale Heights, Holmesglen TAFE is doing 100 in Chadstone, the Hampton Group is doing 255 in Coburg, and on it goes.

This has been one of the really difficult issues certainly over my housing career, to actually get institutional investors interested in this — because the issue with the private rental market here in Australia is that it is quite different to the European context in two ways. Firstly, if you live in a European context, many people in fact rent their property — they do not own their property — and it is quite a common thing that people will rent for life. They will rent for their entire life and not actually seek to own a property, so it is quite a different construct to what we have in the Australian context. Indeed you have a vastly different cooperative sector. If you look at places like Sweden and some of those Nordic countries, they have a really significant cooperative sector. It is quite a different structure to what we have here.

In Australia we have colloquially what are called the mum and dad investors. We do not have institutional investment in the private rental market. That is why this is such a significant sea change, I think, from the way that the provision of private rental housing is going to go forward. If we look back over this period you will find, if in fact the federal government is re-elected and does propose to put another 50 000 into the market, 100 000 units into the private rental market is going to make a massive difference, and subject to a next round of those units becoming available Victoria would have to consider our engagement in that.

Mr RICH-PHILLIPS — Could I get some clarification on that last one? On the subsidy scheme you were talking about, Minister, you mentioned VicUrban.

Mr WYNNE — Yes.

Mr RICH-PHILLIPS — Are you saying your agency and the federal government are going to subsidise VicUrban to do what they are already supposed to be doing? They were set up to provide affordable housing, so why are they eligible for the subsidy scheme?

Mr WYNNE — I may have to take some of that on notice in relation to VicUrban. My understanding is the subsidy does not go to VicUrban. VicUrban would be the constructor of the product. The investor in this context would be using VicUrban as their developer in effect. There would be a private sector investor who would be using VicUrban as their developer.

Mr RICH-PHILLIPS — So there is really no involvement with VicUrban?

Mr WYNNE — Can I take that aspect of it on notice? But the subsidy would not be going to VicUrban; it would be going to the investor.

The CHAIR — Anything further you could elaborate on would be good.

Mr WYNNE — But I will clarify that point for you.

Mr DALLA-RIVA — Minister, I refer to budget paper 8, page 442, about long-term housing assistance and the quantity of properties acquired during the year for long-term housing. I note the target for 2009–10 was

3430 properties. The expected outcome for this financial year is 2960, which is a deficit of 470. The footnote says:

- (h) The 2009–10 expected outcome is lower than the 2009–10 target due to lower than expected performance from the Nation Building and jobs plan. The commonwealth government reduced Victoria's allocation by \$318 million.

Mr WYNNE — Yes; correct.

Mr DALLA-RIVA — Page 53 of the Nation Building progress report to 30 June 2009 says that the social housing allocation had been reduced by \$750 million, which resulted in 800 less new homes being built nationwide. A cut of \$318 million equates to 42.4 per cent of the \$750 million taken from social housing nationally, and the budget paper reveals that 470 of the 800 homes, or 59 per cent of the homes cut from the program, actually came from Victoria's share. So I ask: what did you do as a minister to stand up for Victoria? Did you accept that Victoria would bear the brunt of the cuts to the social housing component of the Nation Building economic stimulus plan at a time when Victoria has recorded the longest public housing waiting list of all Australian states and territories, according to the Australian Institute of Health and Welfare?

Mr WYNNE — Mr Dalla-Riva, as you know, I am pretty passionate about public and social housing — absolutely. We were not consulted on the decision by the federal government to reduce our funding. It meant, as you rightly say, we are down 470 units on the target, and 428 of those can be directly attributed, as I advised the Parliament by way of questions, to the reallocation of what had been Nation Building funding for housing into Building the Education Revolution. We lost in the order of, as you say, \$318 million. Would we have liked to have had that money? Absolutely, we would have, but we were not consulted about it. It was a decision that was made by the federal government. Only last week we got a further allocation of \$170 million for the three projects that I talked about, but it does not account obviously. There is no direct correlation between those two decisions, but it is \$170 million that has come back for housing outcomes for Victoria.

The other aspect of it is that 42 units in there have been reclassified as transitional housing, and therefore cannot be accounted for as long-term housing. The guts of it is the question that you have basically raised.

Mr DALLA-RIVA — So they have taken \$318 million, but they are giving you — —

Mr WYNNE — It is \$175 million.

Mr DALLA-RIVA — Is it \$177 million? I am just looking at page 314, which was raised before by Ms Graley. In the context of the national rental affordability scheme, if you look at the forward estimates there is actually nothing there. It says:

Additional funding to housing for phase 3 of the national rental affordability scheme incentives is not required until after the forward estimates period —

although the forward estimates period, I note, goes up to 2013–14 on that outputs initiative 'Human services'. I guess what I am trying to say is how can we rely on you as minister? You are saying that you are expecting the money to come from the federal government, but they have already given it to you in the back, so to speak — knifed you in the back — by taking the money when they promised it to you in the first place.

Mr NOONAN — Some money.

Mr DALLA-RIVA — How can you be sure that he is actually in there at Canberra fighting it? Do not grumble at me. I am not the one who lost the money. Answer the question.

The CHAIR — All right. In terms of the clarification, the minister, as it relates to the estimates.

Mr DALLA-RIVA — It is a lot of money.

Mr WYNNE — That is fine. What you say, Mr Dalla-Riva, is correct. We lost \$318 million and there is no question about that. It was reallocated funds from housing that went into Building the Education Revolution. They are the simple facts of it. The impact is clear. You rightly point out what it is, and you make the point: how can we guarantee NRAS? The NRAS guarantee is in relation to contracts that are established and set for each of these houses going forward for the 10 years, whether it is federal money or state money. Would I like to have been in a position where the 428 units were in our budget? Absolutely, I would. But I simply say to you

that the 4500 units that we are going to build under the stimulus package are going to make a big difference to the lives of vulnerable people in this state.

Mr NOONAN — Can I ask you a question about rooming house initiatives? There is a reference on page 295 of budget paper 3 in relation to the rooming house standards task force which I think was led by the member for Albert Park — correct me if I am wrong — —

Mr WYNNE — Yes, indeed.

Mr NOONAN — — with stakeholder contributions throughout that process. I note that there is now, as part of this budget and forward estimates and as part of the APRA initiatives, at page 283 money for rooming houses which goes to implementing some of the recommendations from the task force work. I wonder whether you can provide the committee with an overview of the initiatives that will become a reality as part of this new initiative?

Mr WYNNE — I think, in a bipartisan way, people would say that women and children living in rooming houses is just not appropriate and we ought to do all we can as a Parliament to ensure that where women and children are living in vulnerable circumstances we make that our priority. That is really in essence what were the key elements of what the Foley report addressed. There were 32 recommendations in that report. He consulted extraordinarily widely right across all the key interest groups, from the welfare organisations through to private rooming house owners The Real Estate Institute of Victoria, the tenants union, local government, the MAV, VLGA were all engaged in this conversation. What he brought together was a really excellent set of recommendations.

We have dealt with really quite complex issues around registration of rooming houses where you have had people who simply have failed to register themselves. So you have got this intersect between local government and the Health Act about who is responsible for which bits, people who are not registered, people who are running rooming houses of a very poor standard. So we sought to deal with these issues around minimum standards for what ought to be acceptable for people living in rooming houses, and they were very important initiatives. The regulatory environment was around minimum standards, better registration, and of course more powers for the director of Consumer Affairs Victoria through its compliance processes to really work very much with local government in ensuring that rooming house operators get themselves registered.

The government did commit to all 32 recommendations and we did provide a very significant amount of money, \$77 million, to support the recommendations of the Foley review. In that context, we committed funds from Nation Building for 200 units of housing to be made available for women and children to exit rooming houses. The initial response was, and remains, to provide immediate accommodation. Some of that may be short-term accommodation in serviced apartments and hotels and so forth, and then there is the \$50 million from Nation Building to provide exit points to more stable accommodation whilst other opportunities open up. We do not regard this housing as being specifically long-term housing, but it is saying, 'Here's the initial intervention. Get people out of the rooming houses, get them into these 200 new houses that we are building, and then look for what the other opportunities from here moving forward', because I think it is an established position across government that this is not appropriate housing.

If you look at registration, you look at minimum standards, you look at the new powers for the director of Consumer Affairs Victoria, you look at the acquisition programs that we have already undertaken in terms of being very actively out there in the marketplace seeking to intervene, we have already established six new rooming houses that have been purchased, which is fantastic, so that is 142 rooms, and we have leased three new rooming houses, 162 rooms. So we are very actively out there, using third parties, obviously, not the director of housing herself, to get out there into the marketplace and being very opportunistic in trying to purchase rooming houses.

I think one of the dangers going forward in the rooming house area is that many of the older operators of rooming houses are getting old — they are old. They are older and they just do not have the commitment or energy any longer to maintain these rooming houses. That is a big danger for us, going forward, because often the families say, 'Well, we don't want to be in this; we would just prefer to put the property or properties on the market', and then they are gone. That is a big issue for us, so there is quite a significant supply challenge for us going forward. But I think this is a fantastic intervention. It is a large amount of money, \$77 million, and we are

specifically targeting the most vulnerable in our community: women and children who should not be in rooming houses.

Dr SYKES — Minister, I would like to explore public housing in Geelong. The reference is budget paper 3, page 115. On the information provided to me, the waiting list in Geelong for urgent early housing has blown out from 42 families at 30 June 2002 to 579 families at 31 March 2010. That is something like an over 1200 per cent increase. The general waiting list for public housing in Geelong has increased significantly, from around about 946 families in June 1999 to 2367 at the moment, as I understand it.

At the same time as the waiting list increase, it would appear, according to the *Summary of Housing Assistance Programs* for 1998–99 and 2008–09, that the number of direct-owned or managed public housing dwellings in greater Geelong has decreased under Labor by 87, from 3585 direct-owned or managed public housing dwellings back to 3498. My question is: are those figures correct and why are you reducing the number of houses at a time when the number of vulnerable families looking for housing is increasing?

Mr WYNNE — You ask a highly specific question and my colleagues now are trying to find whether they have Geelong figures with them. We do not, but I can come back to you because there is a very significant investment in the Geelong region on Nation Building. It is a large investment in Geelong on Nation Building. Also, if you think about Corio-Norlane, where the government has put an enormous amount of money into our urban renewal projects, we are looking there, going forward — and \$40 million has been invested in Corio-Norlane, in Geelong — at an investment not just in upgrading some of the stock there; we are actually looking to develop some super-lots where we can get a higher density of housing in that area.

The broader question you ask is: has been a reduction? I will have to take that aspect of it on notice, but I can indicate to you that we are certainly building right in the heart of Geelong, as you know, a project that has caused a little bit of controversy, in Moorabool Street, which is a joint public-private development where we are putting 30 units of social housing and 60 of private housing on the TAFE site in Moorabool Street, which is a beautiful big site. We are continuing a conversation through the Minister for Planning around some issues that the local community have had pertaining to density and siting of some of those properties. Certainly the local community have been fantastic. They have said, 'We want the social housing. We want it up as soon as possible'. It is going to be a two-stage process. We will get the first stage, the social housing, up, which will be a net contributor of 30 right in the heart of Geelong, and we will work further with the local community around the private housing, which would be a part of that complex.

The advice I have — this is the Barwon region so it is not specific to Geelong, but the figures I have here, and they are so small I can barely read them, I think it reads 5801 in 1998–99. Now we are up to 6191, so it is a net increase. Can I be more specific? If you are talking about the city of Greater Geelong area — —

Dr SYKES — Greater Geelong, yes.

Mr WYNNE — I will take that on notice and I will come back through the usual process.

Ms PENNICUIK — Minister, as you know, the heatwaves in January 2009 resulted in around 980 heat-related deaths, which is 374 above the yearly average. What practical measures is your department taking to reduce the sustained heat that residents experience in high-rise public housing during and in the days after heatwave conditions — I mean, measures to make the dwellings livable during heatwave conditions?

Mr WYNNE — I was aware of some recent publicity around that from your colleague Mr Barber.

Ms PENNICUIK — He takes a very keen interest in this issue.

Mr WYNNE — Very keen, no doubt about that, a very keen interest.

Ms PENNICUIK — It is a very important issue.

Mr WYNNE — Absolutely.

The CHAIR — Without the argy-bargy, Minister.

Mr WYNNE — It is an important issue.

The CHAIR — I know it is important.

Mr WYNNE — As we know, the cost of utility bills falls most heavily on low-income people. There are people who have advocated for air conditioners to be installed. The public policy position of the Office of Housing is that air conditioners can be installed on the basis of medical advice. That is the key public policy position the that government takes.

More importantly, we have been also concerned about the question particularly of elderly people in our housing. The director of housing has undertaken a terrific program which has been called Keeping in Touch, where we have sought to ring every resident over 75 years of age to give them, if they wish, through our call centre a regular call, a weekly call, if they want to have that engagement with us, about just how they are going. Do they need any further supports? Is there anything they need? Sometimes it is basic things like someone to just come and change a light globe or things like that. Sadly, for some people, it is in fact the only point of contact that they do have with the outside world. For some people that is the reality.

We piloted this in the north and west region and 1134 tenants registered for the weekly service and 5000 tenants registered for a six-monthly service, so a number for the weekly and others just, 'Look, give me a call in six months and we'll see where we're up to'. In that context, we specifically wanted to target that for the very reason that you raised: people trying to deal with the extraordinary heatwave that we have had. We have offered, obviously, practical advice to people about what to do in those circumstances. We also have in some of our high-rise estates staff who are engaged in supporting our residents, particularly in the high-rise areas.

We do have what us called an Older Persons High Rise Support program and our workers do go out and provide support to approximately 800 aged tenants. So we are there on the ground working with residents in those towers, but also through the Keeping in Touch program, I think that has made quite a deal of difference.

The heart of your question is: are we going roll that out as a systemic program of the department? No. We will do it on a case-by-case basis and people will have to provide us with adequate medical documentation of their need for air conditioning.

Ms PENNICUIK — Chair, I was not referring to the Keeping in Touch program, which I think is a good program, but it does not actually reduce the heat people experience in their high rises. I noticed that you mentioned air conditioners as well, and certainly, perhaps on medical advice, that might be a good thing.

Mr WYNNE — Well, it is our policy.

Ms PENNICUIK — As you mentioned in the start of your answer, most of these people are not keen on air conditioning or are concerned about air conditioning being the only response, because they cannot afford the electricity bills that are attached to that. My question was: what other measures, besides Keeping in Touch, besides the older persons support program and beside air conditioners, does the department have in train or planned or is it looking at to actually reduce the amount of heat that residents experience in their units?

Mr WYNNE — The other aspect of it is that with the Nation Building money we are required to construct all our buildings to 6-star standard. That goes to the heart of the question.

Ms PENNICUIK — New buildings? Existing buildings.

Mr WYNNE — Existing buildings. You talk about our high rises, or not just our high rises.

Ms PENNICUIK — It is not just the high rises.

Mr WYNNE — In fact 17 000 properties have been upgraded since April 2003 with energy and water-saving features, including energy-efficient lights, improved insulation, ceiling systems and solar hot water. We have a range of those initiatives. You know very well that those towers are structurally quite difficult. If you are talking about towers, which was implicit in your question and in fact your colleague did talk about them in towers, where he was wanting to have some interventions there, and that is why I have concentrated on those. There are certain limits to what you can do in those towers, apart from the energy-efficient measures that we have already put in place, because of the particular orientation of how those towers were constructed.

Obviously they do take a significant amount of heat on those very extreme days. That is why, particularly in the elderly persons blocks, we have workers there on the ground, saying to tenants, 'Listen, the next few days are going to be really tough. Think about when you want to go out. Think about when you need to do your shopping. Think about how you can stay cool, not moving around too much, hydrating yourself, making sure you keep your windows closed' — all the obvious things. But sometimes people do neglect that.

The CHAIR — Two more quick questions before we finish on housing, Minister.

Mr SCOTT — I refer the minister to page 115 of budget paper 3, specifically to the output entitled 'Percentage of neighbourhood renewal projects that have achieved active resident participation in governance structures', and I ask the minister to outline how neighbourhood renewal will engage with communities and residents over the estimates period.

Mr WYNNE — I think neighbourhood renewal has been an absolutely extraordinary success story of this government. We have 21 sites and 2 of those have now completed their eight-year investment. This has been a massive investment by the government over eight years, Latrobe and Wendouree, and of course the government's efforts in this space continue through our strong associations with the local governments in those areas as well. Can I say that the member for Ballarat West, who as we know is retiring, has just been a sensational champion up in her area of neighbourhood renewal.

I think the key to neighbourhood renewal is that it has been locally based. That has been the key, and we have brought an extraordinary number of partners together to be a part of it. If you think about neighbourhood renewal, we have tried to target those programs across regional Victoria and metropolitan Melbourne in areas of significant deprivation, where there has been long-term, systemic deprivation, and to get in there and invest in a collaborative way — commonwealth, state, local government and business as well.

Just briefly, a few of those achievements: a 4 per cent reduction in unemployment in those areas, from 17 to 13, double the rate of other areas, and an increase in education qualifications, because when you target these programs on the ground, into the neighbourhood houses, into the local facilities, people will engage in it and they hungry for these services. I think some of the problems we have, particularly with the training programs that are delivered by the federal government, they do not go down far enough, they do not go down really to the community level where you can make a huge difference. Also: a significant decrease in turnover, which is fantastic, an 8 per cent decrease in turnover of stock; huge outcomes in terms of employment, 5500 job opportunities generated through the community jobs programs; social enterprises that have sprung up all over the place; and just some fantastic work that has been done, often by residents themselves, to upgrading the physical environment of the areas as well.

I can point you to infrastructure and urban design projects that have been undertaken. But a place-based approach is what has been at the core of this and that is why it has been successful and it will continue to be one of the significant programs of this government going forward. I just think that where you do put in place a long-term investment — eight years — where you put on the ground workers who are able to help, support and mobilise communities, and where you structure it in such a way that people can see that there are both positive outcomes to the fabric of their community and supplemented by relevant training programs and job opportunities, it makes a profound difference in the lives of those communities. I am immensely proud of what the government has done here. It has been independently assessed. It is just a great program.

Mr RICH-PHILLIPS — I would like to ask the minister about rooming houses. Before I do that can I just get a clarification on Mr Scott's question about neighbourhood renewal? You said the independent assessments are done. Is that on each of the individual projects, and is there a valuation report that is released?

Mr WYNNE — Yes. I will ask the director of housing.

Ms CRAWFORD — There have been two evaluations of the program that have both been published.

Mr WYNNE — We will direct you to them.

Mr RICH-PHILLIPS — This is on a project-by-project basis or a location-by-location basis?

Ms CRAWFORD — I think they generally cover the entire range of projects. I am not sure that they go into the specifics.

Mr WYNNE — I will provide that. I will make sure you get those.

Mr RICH-PHILLIPS — Coming back to the issue of rooming houses, which we touched on before, you said it was not appropriate for women and children to be living in rooming houses.

Mr WYNNE — Yes.

Mr RICH-PHILLIPS — I think everybody would agree with that. Could you update the committee on the case of Jane Butcher and her 16-year-old son? This was raised in January in the *Sunday Herald Sun*. She was living in a rooming house and actually had to share a bed with her son. I wonder if the department has addressed that situation as yet, or whether that situation is continuing?

The CHAIR — That is probably something, given the time, we can take on notice. Do you have the details?

Mr RICH-PHILLIPS — I presume it is known to the department?

Mr WYNNE — I am sorry, I will have to take that one on notice.

The CHAIR — Yes, take that one on notice.

Mr WYNNE — I will certainly come —

The CHAIR — It is not quite on the estimates.

Mr WYNNE — I do not have an answer for you today on her, but I would be happy to take that on notice. Jane Butcher?

Mr RICH-PHILLIPS — Jane Butcher.

Mr WYNNE — Thanks very much.

The CHAIR — I thank Ms Crawford, Mr Jenkins, Ms Congleton and Ms Callister for their attendance.

Just before we finish with Human Services, I would like the secretary to recheck the department's answer for the portfolio on question 8 of our budget estimates questionnaire, where we asked for a list of up to five projects of programs worth over \$1 million to address environmental issues.

Mr WYNNE — Sorry, are you directing this to me?

The CHAIR — Yes, through you, to the department. It is in terms of an answer to question 8.1(c). Could the department review its question to that in terms of any particular projects for the portfolio. I think there is at least one that I know of, in terms of ceramic fuel cells, but there may be others that you can provide us the details of.

Witnesses withdrew.