

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2013–14

Melbourne — 22 May 2013

Members

Mr N. Angus
Ms J. Hennessy
Mr D. Morris
Mr D. 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 S. Phemister, Executive Director, Policy and Strategy Group,
Mr J. Higgins, Executive Director, Corporate Services Group, and
Mr A. Rogers, Deputy Secretary, Design and Implementation Group, Department of Human Services.

The CHAIR — We will now resume the hearing, having moved to the housing portfolio, and I welcome Ms Gill Callister, Secretary of the Department of Human Services; Mr Simon Phemister — I think it is; my apologies for not finding out earlier — Executive Director, Policy and Strategy Group; Mr Jim Higgins, Executive Director, Corporate Services Group; and Mr Arthur Rogers, Deputy Secretary, Design and Implementation Group.

Just before I call the minister to give a brief presentation, given that there has been a substantial change in the occupancy of the gallery I remind members of the public gallery that they cannot participate in any way in the committee's proceedings this afternoon. I 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 housing portfolio.

Overheads shown.

Ms LOVELL — Thank you, Chairman. In this budget the coalition government maintains its significant commitment to social housing and homelessness in Victoria. In 2013–14 we will provide support to around 140 000 residents, assisting over 77 000 households with long-term housing support and over 9000 households with crisis accommodation. We will also be helping people maintain tenancies outside of public housing through \$5.1 million for bond loans and also \$9.5 million for the housing establishment fund. We will provide over 100 000 episodes of support to people who are at risk of homelessness.

There are five key components to our strategy to reform and improve social housing and homelessness. We aim to, firstly, improve the management of public housing, and we need to make it more efficient and more effective. Secondly, we want to grow social housing options, and we will be looking for new and innovative ways to improve and grow social housing; the new housing framework will provide the strategic direction for that growth. Thirdly, we want to direct services to those who are most in need, and I am committed to ensuring that our funding and our effort go to those that need it the most. Our fourth platform is to make social housing more sustainable, and there is a critical need to put public housing on a sustainable financial footing into the future. I am sure you will all remember the Victorian Auditor-General's report that said that under the mismanagement of the former government —

Ms HENNESSY — And you.

Ms LOVELL — the future of social housing is at risk.

Mr ANGUS — The former government.

The CHAIR — Order!

Ms LOVELL — A fifth platform is to tackle homelessness in new and innovative ways. Our \$76.7 million Victorian homelessness action plan fully outlines our plan to address homelessness in Victoria.

The 2013–14 budget continues to deliver a strong plan for housing in support of vulnerable Victorians. This includes \$237 million for new acquisitions, improvements and major developments of our ageing public housing stock, and that is part of a \$1 billion pipeline of capital projects that are outlined in BP4. We also have \$232 million in social housing and homelessness support programs. This will help thousands of the most vulnerable people in Victoria.

New announcements as part of this budget showed a commitment to social housing and homelessness, with \$69.2 million in new spending announced in this budget. These announcements will directly support those people who are homeless or who are at risk of being homeless. They are particularly focused on keeping families together in appropriate accommodation and they are focused on preventing youth homelessness and working to help young people avoid the cycle of homelessness.

These include \$19.1 million for the Accommodation Options for Families program; \$7.5 million for a third 40-bed youth foyer that will be located in regional Victoria; \$9.1 million to introduce a program of maintenance schedule for gas heaters in public housing for the first time — there has never been any program of maintenance for those; \$4.0 million for Sidney Myer Place, which is an exciting new affordable housing project in Bendigo; \$2.2 million to support Kids Under Cover to provide 30 new studio-style homes for young people who are at

risk of homelessness; and \$27.3 million to continue the state's funding under the national partnership agreement on homelessness. As the responsible minister, I am proud of the coalition government's investment in this area.

As I said, one of our key platforms is to improve the efficiency and effectiveness of public housing. Already we have the runs on the board. These include better management of waiting lists. We have actually achieved an 11 per cent reduction since September 2010. That is almost 4500 less applicants languishing on the waiting list, as they were under the former government. There has also been a 19 per cent reduction in the total number of vacant public housing stock between 2010 and 2012. So we are turning stock around quicker, making it available to house people sooner and of course preventing unnecessary vandalism that often happens when public housing is left vacant. We are also growing social housing options with a number of new and major public housing redevelopments. We are also targeting our services to where they are needed most.

We have already established five work and learning centres, in Carlton, North Geelong, Shepparton, Moe and Ballarat, and in this year's budget there is \$900 000 to support the work of those five work and learning centres. So far over 700 people have registered with work and learning centres; 600 of those have participated in training and 200 have actually gained employment. So that is a fantastic result for those public housing residents who have had access through the work and learning centres to training and have actually gone on to gain employment.

Services Connect is a major reform which will transfer service delivery to all DHS clients, including housing clients. It will reduce complexity, duplication and fragmentation of government service delivery and provide one point of contact to triage, really, and provide all the services necessary to that client.

There is also \$1.8 million for Opening Doors, which is continuing funding in 2013–14 to provide more streamlined support and response from the homelessness services system for their high-needs clients. There is \$1.2 million in 2013–14 for our high-risk tenancy program. This provides specific assistance to tenants with multiple and complex needs who may be facing eviction. That is part of a suite of services that we use to support those tenants with complex needs.

We have inherited an unsustainable operating model for public housing. As I have already alluded to, the Victorian Auditor-General told us just how bad the previous government's mismanagement of public housing was.

Members interjecting.

The CHAIR — Order! Minister, apart from the fact that we are now over the 5-minute mark, with respect, it does not assist the operations of the committee to provoke the members on my left.

Ms LOVELL — All right. I have already mentioned the Victorian Auditor-General's report, and obviously opposition members are very touchy about it because it is quite critical of them — —

Members interjecting.

The CHAIR — Order!

Ms LOVELL — In conclusion, we are committed to delivering a new social housing framework that will consider how we can grow and maintain social housing in the future. The new housing framework will be released later this year and will set the strategic framework towards a fair and sustainable social housing system. We are responding to the challenge and I am committed to sustainable and sensitive reform for the benefit of vulnerable Victorians. I have to say that we have committed to delivering the framework in this calendar year. We have not committed to a particular date. I know that there are some people who are urging us to rush that framework out. We will not be rushing anything out, because we are committed to getting this right.

The CHAIR — Thank you, Minister. We have just over three-quarters of an hour left for questions. In the context of the 2013–14 budget, can you outline to the committee examples of capital infrastructure projects in the housing portfolio which will be either commenced or completed in the coming financial year?

Ms LOVELL — As I said, we are focused on working smarter in the delivery of social housing, particularly in light of reduced revenue due to the end of the Nation Building program funding. This year we will see around \$236 million of new and existing capital projects that will deliver social housing to vulnerable Victorians. As I

have already said, our pipeline of capital developments is strong, with current and total investment of over \$1 billion, and this can be seen on pages 85 and 86 of BP4.

Examples of our redevelopments include our new Norlane redevelopment and also the Heidelberg Olympia initiative. In the 2013–14 budget there is \$13.7 million for innovative new social housing projects, including \$7.5 million for our third youth foyer and \$2.2 million to deliver 30 new portable-style homes for young people at risk of homelessness in conjunction with Kids Under Cover.

There is also \$4 million towards a \$6 million housing project in Bendigo to be known as Sidney Myer Place. This will be delivered in partnership with the Myer family, Haven; Home, Safe, which is a housing association, and also a group called Bendigo for Homeless Youth.

Some of the ongoing capital investment in 2013–14 includes the Carlton redevelopment, which was started by the former government. We have continued to deliver this. It is an \$80 million project to replace 192 old public housing flats and replace them with 246 new public and social housing apartments, and also approximately 700 new private apartments on the Carlton site. Stage 2 was completed in November last year, and stage 3 is under way. Stages 4 and 8, which are private housing, are under design and review and will go to planning in August this year. Stage 5, which is a new community health and ageing facility, is being built as part of the development agreement with Australand, which is leveraging our land investment to deliver much-needed ageing and wellbeing services in the area. I have to say that the chair of the CLC out there, Mr Ondarchie, is doing a sensational job of working with that community to inform us of the needs of the community.

The Olympia housing initiative is another exciting redevelopment that we have. It is a 10-year \$160 million reinvestment in the Heidelberg West, Heidelberg Heights and Bellfield area. As many people would know, the homes in this area were built as temporary housing to house athletes for the Olympic games 57 years ago. They have served the state well for 57 years, but many of them are now at the end of their usable lifespan. What we are doing out there is the gradual replacement over 10 years of 600 unsuitable and outdated public housing properties, to replace them with new, quality public housing properties. We will also add 300 private homes into the area, which again will increase density in the area but will actually reduce the concentration of disadvantage and provide a better demographic to that community. Construction and design work is currently under way on over 90 homes in that area.

New Norlane is another one of our exciting developments, and that is an \$80 million investment over four years. Mr O'Brien, I know, is well aware of that commitment. This will provide 320 new public and affordable private homes in the Geelong suburb of Norlane. This is an area where the former government had knocked over a lot of the old properties. There were about 200 vacant blocks of land, and we are utilising those to construct 160 new public housing properties and 160 private homes, which will provide a better demographic to the Norlane community and reduce the concentration of disadvantage in that area. We have partnered with Burbank Australia Homes, Hamlan Homes and Porter Davis Homes to deliver this project. If you are driving into Geelong at the moment, you will see that construction has begun on the new display village, and we have actually seen the first sales of private homes in that area already happening. So there is great interest in that development. It will provide many benefits to the Norlane community.

We also have the Valley Park redevelopment in Westmeadows, which is a \$160 million project that creates 220 new private and 110 social housing dwellings. It also provides a 120-person aged care facility and 34 independent-living units that will be built and owned by Bapcare on DHS land. It is a great program of acquisitions and redevelopments this year, Mr Chairman, that will benefit some of the most vulnerable citizens in Victoria.

The CHAIR — Thank you, Minister.

Mr SCOTT — Minister, in discussing social housing dwellings I refer you to budget paper 3, page 165, and the performance measure 'Total number of social housing dwellings'. It shows an expected outcome for 2012–13 of 84 156 and a target for 2013–14 of 84 351, which is an increase of 0.023 per cent by my calculation. I note that in budget paper 2 population growth is estimated for this coming financial year at 1.7 per cent, and that the increase in social housing dwellings is less than one-seventh of population growth. Is the increase in the number of social housing dwellings enough to meet demand?

Ms LOVELL — Thank you, Mr Scott. I refer you to the output measure below that, that says we will acquire 710 new public housing properties in Victoria this year. Mr Scott, I refer you to one of the answers that I gave last year, and I will give this breakdown again for you. During the acquisition of Nation Building the former government signed up to a Nation Building program that would deliver 4488 properties into this state. When we came to government it was 1000 behind in its delivery. We not only got that back on track, we have actually delivered 4669 properties under the Nation Building money, so we have exceeded the amount that was committed to by the last government. But at the same time that we had the Nation Building funding and we were acquiring 4669 properties in the state, the former minister, Richard Wynne, disposed of 4494 properties that he just bulldozed or sold off — —

Mr PAKULA — How could he have done that at the same time — —

Members interjecting.

The CHAIR — Order!

Ms LOVELL — During his term in government he disposed of 4494 properties, which completely wiped out the benefits of the Nation Building program. We have actually reduced the number of disposals that are happening in this state, and we are continuing to invest in new acquisitions. As part of our new framework there will be a supply side to the new framework that will build on how we can better provide more and better social housing into the future.

The CHAIR — Is there a supplementary question?

Mr SCOTT — There is. You seem to be stating that you will keep up with demand. Do you accept that demand increases in line with population growth at approximately 1.7 per cent? If so, how then does an increase of 0.23 per cent in social housing units keep up with that demand?

Ms LOVELL — Mr Scott, I refer you to the public housing waiting list that stood at 41 212 when we came to government.

Mr PAKULA — You need to get over the last government.

Members interjecting.

The CHAIR — Order!

Ms LOVELL — That has been reduced by about 4500 to 36 748. So demand has actually decreased under this government because we are better managing public housing, allowing people to be housed sooner and also working with people to make sure that they are prioritised for early housing if they need to be, or we are working with them to introduce them to housing associations or to provide them with assistance to get into private rental.

Mr ANGUS — I refer you, Minister, to page 29 of budget paper 3. Under ‘Asset initiatives’ it shows further capital funding this year for the government’s foyer program of \$7.5 million over two years, and I note that you mentioned that in passing in your presentation. Minister, can you please update the committee on this program and how it is progressing?

Ms LOVELL — Certainly. Thank you for your question. I am very excited about our foyer program. For me it represents a long journey through opposition of developing this policy, talking to experts from the UK about the foyer program and also talking with the two Tonys, as we call them, Tony Nicholson from the Brotherhood of St Laurence and Tony Keenan from Hanover Welfare Services in Victoria, who are very keen to get the foyer program up and running in Victoria.

We already had a few foyer-like programs, and there are some very good programs amongst those run by Melbourne Citymission and indeed the Ladder program run by the AFL Players Association. But our foyers are slightly larger. They also have a better integrated education component to them, which is what makes them so exciting. In fact Tony Nicholson recently said to me that he had been invited to go to the UK to speak at a conference over there because Victoria’s model was now seen as leading the world in delivery of the foyer program, which was a very pleasing thing to hear.

The first foyer we committed to is to be located on the Kangan Institute site at Broadmeadows. That is well under construction and should be completed by the end of this year. Our second youth foyer is at Holmesglen in Glen Waverley. Although it is the second youth foyer we committed to, it will actually be the first one operating, because we partnered with Holmesglen on a building that they had already begun constructing for student accommodation. The really exciting thing is that I believe the first young person moved into that facility this week, and it will be up and operating fully sometime later this month or early next month.

The third youth foyer that we have committed to in this budget will be located in regional Victoria. We are currently having discussions with some of the TAFEs in regional Victoria to establish exactly where we will establish that youth foyer. These are innovative, cutting edge homelessness assistance programs for young people. They truly do break cycles. They are for young people who want to stay connected to their study or get into training and work opportunities that would not be available to them if they were perhaps couch surfing or indeed sleeping rough. This can make a real difference to a young person's life by setting them on the right path in life.

I know that the committee is very interested in this program. If any of you would like to visit the foyer once we have it up and running at Holmesglen, please contact my office and I would be delighted to take you out there to show you this really innovative new program that will reduce youth homelessness and particularly reduce recurring homelessness for these young people.

Mr PAKULA — Minister, I want to talk about the general output of preventing and supporting homelessness and the social housing advocacy and support program, which has had its funding cut by another \$2.8 million. That means that Wesley Mission Victoria has to shed one EFT, the Rural Housing Network, one, the Advocacy and Rights Centre, one, HomeGround Services, two, Quantum Support Services, one — —

Mr ANGUS — What's the difference?

Mr PAKULA — This is the SHASP agency funding breakdown of performance targets, Mr Angus, which I have in front of me. WAYSS Ltd, one, Brophy Family and Youth Services, one, PACT Community Support, one, Wombat Housing and Support Services, two, and Bethany Community Support, one.

I refer you to the memo dated 27 March 2013 from the director of the service development and design branch, Angela Connors, which details some of that funding reduction. Can I just ask you how cutting another \$2.8 million from that program is going to prevent and support homelessness?

Ms LOVELL — Firstly, there is not a cut of \$2.8 million in this budget — —

Members interjecting.

The CHAIR — Order!

Mr PAKULA — Don't be disingenuous!

The CHAIR — Order!

Ms LOVELL — You said another 2.8 million. There is not another cut of \$2.8 million in this budget.

Mr PAKULA — The 2013–14 — —

The CHAIR — Order!

Ms LOVELL — The social housing and advocacy support program is only one of a suite of programs that we fund to support high-risk tenancies. Other programs that we fund are the support for high-risk tenancies program, which is run within the department, and also the support for services link to transitional accommodation and our hot spots program. We actually increased funding for our internal support for high-risk tenancies program. So there has not been a cut in services to the tenants who may need these services.

I note from the question that was asked — and it disappoints me greatly, actually — that the opposition are more concerned about EFT positions in agencies than they are about support for the tenants. There was no mention of the support for tenants not being provided; it was just about agencies and their EFT numbers. What

is the greatest concern here? The greatest concern to me is that the tenants receive their support. We have actually worked with the SHASP providers to do a review of the support that they provide to tenants.

One of the things the SHASP providers told me prior to our review was that they were managing a lot of our community facilities. That was costing them up to \$900 000 a year. We have actually taken that role back in-house, away from the SHASP providers. That was not a core provision to vulnerable tenants who were at risk. We have also introduced a new case management model that will ease the burden on the SHASP providers. The government's focus in terms of homelessness programs is on outcomes, not on throughputs. We are not interested in just servicing multiple numbers of people; we are actually interested in getting outcomes for people. That is how we are refocusing the SHASP program, to ensure that it provides outcomes and not just throughput of tenants through these services.

We have worked with the service providers to minimise administrative costs in delivering these programs to ensure that front-line services will be maintained. The most important role of the SHASP provision, the support to tenants, will be maintained under the new model. But also we are in the middle of a review of all homelessness programs in this state and how we can better target the funding that we have to get the greatest result. As a commitment to the SHASP providers we did say that the SHASP program will be one of the first programs that, when we get to the stage of reviewing programs, will be reviewed.

The CHAIR — Is there a supplementary?

Mr PAKULA — Yes, there is a supplementary. The minister has invited me to respond by — —

Mr O'BRIEN — It is a supplementary question, not a members statement.

The CHAIR — I will make that determination, thank you.

Mr PAKULA — I have a supplementary question. But the minister asks why we are concerned about EFTs. We are concerned about EFTs — —

The CHAIR — Point of order. Mr O'Brien.

Mr O'BRIEN — On a point of order, Chair, he has got to ask a question.

Mr PAKULA — Don't worry about how I ask my question.

Mr O'BRIEN — He said, 'I am going to ask a question'.

Mr PAKULA — Just because I do not have Dorotheys — I do not have it written for me.

Members interjecting.

The CHAIR — Thank you, Deputy Chair. All committee members, I will determine whether the question is appropriate or not

Mr PAKULA — The head of Wesley Mission, Rob Ward, is reported to have said:

It defies logic to cut this ... people struggling to maintain their public housing tenancies will be made homeless because of a lack of support ... You're going to save [money] here but six months from now you'll be overwhelmed because the homeless crisis section is already overwhelmed.

If the minister is wondering why we are worried about it, that is why. Can I ask the minister — because the minister has claimed that there is no cut this year — is the minister disputing or denying that last year's budget, which cut \$1.8 million for the 12–13 financial year, also cut \$2.8 million for this financial year and that those cuts are about to flow through?

Ms LOVELL — The review of funding to the SHASP program was part of last year's budget. What we did in last year's budget was to allocate an additional \$1 million to soften the effects of the immediate reduction. The total reduction in their funding is \$2.8 million and we did that over two years by giving them back an additional \$1 million last year to supplement their income while we went through the review of how services were provided in the SHASP program.

Mr PAKULA — With \$1.8 million cut next year.

Ms LOVELL — Yes, because of the additional \$1 million.

Mr ANGUS — One day of desal payments.

Mr O'BRIEN — Thank you, Mr Angus, that is correct. It would be about one day of desal payments.

The CHAIR — Mr O'Brien to ask a question.

Mr O'BRIEN — On a point of order, Chair, Mr Pakula prefaced his question with an unrelated commentary. I know when I have done that you have promptly — rightly — brought me into line. I took a point of order during Mr Pakula's attempt to do that and he indicated he was asking his question. You then ruled that he could ask his question, but he chose not to ask a question. He chose to enter back into his commentary, flouting your ruling. I would just seek your guidance as to either the need for there to be an option for members to make a commentary, including members of the government, prior to asking a question, or whether we are only entitled to ask questions of the minister.

The CHAIR — I will rule on the point of order without hearing anyone else because it is consuming time. Members are entitled to make some preliminary comments to put matters into context. In my view Mr Pakula's comments were providing context and did in fact relate to the question. From where I am sitting I heard a reference to the desalination plant, which I do not believe has anything to do with the housing portfolio.

Members interjecting.

The CHAIR — Order! I am ruling on a point of order. I do not uphold the point of order, and I would ask you to move on to your question, please.

Mr O'BRIEN — Further to the context in which the government finds itself in its budgetary situation, I would submit that some of the Labor Party's decisions are very relevant to the mismanagement of the state. The choices that that government made as to whether it applied to — —

The CHAIR — Are you disputing my ruling?

Mr O'BRIEN — No, I was just — —

The CHAIR — Then I would ask you to move on.

Mr O'BRIEN — I am doing that as part of my question, and my question is to the minister in relation to the \$19 million the minister has allocated, as set out in budget paper 3, page 25, for the years 2012–13 to 2016–17 for the Accommodation Options for Families program. I ask you, Minister: how will this program contribute to assisting families faced with either being or at risk of being homeless?

Ms LOVELL — Thank you, Mr O'Brien, for your question. The accommodation options plan for families is a great program, and I will give credit to the former government, who started this program, but they started it as a time-limited funding that was to finish in June last year. When the sector brought to my attention that that was to run out because it was one of the responses of the rooming house sector inquiry that was done under the former government, I immediately found the funding to continue it last year for one year and then put it as a priority for this budget because I believe this is a really good program.

This is a program that offers flexible and tailored individual support to families based on their needs, and this includes up to 14 months of intensive support. It also includes short-term intervention to assist families to make links with educational facilities and referrals to health services and other services, and it assists households to secure private rental. This is a program that is actually targeted at those families that are in completely unsuitable accommodation — so, families living in rooming houses. It is just not suitable to have young children in a rooming house or families living in very cramped caravan park accommodation.

This commitment from us, this \$19.1 million over the next four years, will help around 3200 families to escape those deplorable living conditions. It will assist them to find secure, affordable rental accommodation. We are going to divert people away from those unsuitable housing options into the private rental market. This achieves

two good outcomes, because it does reduce some of the pressure on the social housing market as well by finding secure, affordable, private rental for these families. As I said before, we are focused on achieving outcomes for families, and this is a program that does achieve outcomes. It also addresses a whole range of family goals as well, as part of these 14 months of intensive support, and those goals are things like the family's health, their education and vocational and employment outcomes.

This is part of a commitment that this government has made to the homelessness sector that has seen more than \$200 million invested in the homelessness sector by this government — a fantastic investment and commitment by this government. This year's funding of \$19.1 million, combined with last year's funding, brings the total we have committed to the Accommodation Options for Families program to more than \$23 million from this government.

Mr O'BRIEN — Thank you, Minister.

Ms HENNESSY — Minister, I just wanted to draw on some evidence you gave to the committee earlier in respect of some social housing projects. On two occasions you said that these projects were important because they would bring a better demographic of persons to the area. Could you explain what you mean? What does a better demographic of persons look like?

Ms LOVELL — It was not a better demographic of persons, it was a better demographic for the community. What we know is that if we concentrate disadvantage, we do not get great outcomes for families or for communities as a whole. I often refer to our Carlton housing estate. There is a great program going on there that will also — and this is one of the ones I referred to — improve the demographic of that estate. When it was just purely a housing estate there was more than 90 per cent unemployment on that estate. Young children growing up on the estate never saw mum and dad go to work, never saw a neighbour go to work and never went into the household of a friend whose parents worked to see what could be gained from economic participation for a family. It did not give those children something to strive for — something to aspire to in the future.

If we mix demographics, we decrease the concentration of disadvantage. It gives an opportunity for families to mix with other families, where they may get other examples given to them of working parents, or they may even be adopted by an elderly couple in the street, who give them a grandparent-type role. It just produces better outcomes, both for the family and also for the community. I think, Jill, you would be very aware that in some of our large housing estate areas, because of the concentration of disadvantage — that has led to very poor outcomes in those areas, and many people have asked for improved outcomes in those areas. That is why the former government invested in neighbourhood renewal: to try to lift the outcomes for people in those areas and, if we can, to mix those areas so that we can have a mix of social levels in the community. We do get better outcomes.

Ms HENNESSY — Minister, don't you think it would be more productive to describe diversity in housing in less pejorative terms rather than — —

Members interjecting.

The CHAIR — Order! I reject entirely that characterisation of the minister's remarks. People can read the Hansard transcript and come to their own conclusions, but I am not going to allow that line of questioning to be pursued.

Ms HENNESSY — Poor people.

Mr ONDARCHIE — Budget paper 3, page 25, outlines capital funding for the development of a social housing project in Bendigo. Could you outline the details of the likely benefits from this investment?

Ms LOVELL — Yes. Thank you for your question. I am really excited to talk about this project because it is a fantastic outcome for the Bendigo community. The government has committed \$4 million towards a \$6 million social housing development in Bendigo that will be known as Sidney Myer Place. As I said before, we are partnering in this with the Myer family and also with Haven; Home, Safe, a housing association locally based in Bendigo, and also with the group called Bendigo for Homeless Youth. Of the \$6 million, we will provide \$4 million and the Myer family will largely underwrite the other \$2 million. However, I would like to make mention of a young man by the name of Luke Owens who heads up Bendigo for Homeless Youth. Luke

took up a challenge grant from the Myer Foundation last year. He needed to raise \$100 000 and the Myer Foundation said it would contribute to that to make it up to \$500 000. Luke raised that \$100 000 in five months. He and his group that support him in the Bendigo for Homeless Youth have done a sensational job contributing towards this project.

The reason the Myer family wanted to be involved in this project is because next year will mark the 100th anniversary of its very first store in Victoria, which was located and still operates in Bendigo. When Sidney Myer first started his empire he started it in Bendigo. Everyone knows that he was a very successful businessman and a great philanthropist, but few people know that when Sidney Myer first came to Australia he spent some time being homeless. The Myer family were very keen not only to have a project in Bendigo that would honour his name and their connection to the town for 100 years, but also to have something that would help those people who suffer from the same predicament and might be experiencing homelessness, as Sidney Myer did when he first came to Australia. So there is a really great result from this.

In addition to the accommodation that will be provided through this development, which is a 26-unit development, Haven; Home, Safe will also provide wraparound services for these tenants that enable them to transition from unstable and insecure tenancies right through to being secure tenants and moving on to private rentals. The really great thing about this is that Ken Marchingo came to us — he is the CEO of Haven — and he said, ‘Between the grants that we have got from Myer and other grants from the community and the contribution from government, we can build this facility; we can provide these services at no recurrent cost to government’. That is a fantastic outcome. At the recent PowerHousing Australia conference Ken said that he has been waiting 30 years to be able to deliver this style of housing and support to people in Bendigo. This is a fantastic outcome for the Bendigo community and a great and exciting project that we are involved with, together with the Myer family and Haven; Home, Safe and Bendigo for Homeless Youth.

Mr SCOTT — I refer the minister to budget paper 3, page 166, and the performance measure ‘Proportion of homelessness support episodes where an accommodation need was unable to be either provided or referred’. I note that there is a time series of performance measures which you can access online, and they then show that that performance measure in the past has been as low as 8.2 per cent and 8.3 per cent, but since 2010–11 has remained at 12 per cent, and the actual results have been at 12 per cent throughout that period. I would like to ask a very simple question: what are you doing to improve this target?

Ms LOVELL — As I said, we are always working with the homelessness sector to ensure that we can get outcomes for those people who are suffering from the effects of homelessness. We are investing in homelessness services in this state, and in fact I have just outlined that we have invested more than \$27 million this year in our national partnership funding. The disappointing thing about the extension of the national partnership for homelessness is the commonwealth government’s non-commitment to it. Early last year the states started advocating for a renewal of the national partnership because it expires on 30 June this year. But the federal government was not interested in taking up those talks, and in March this year it came out and offered a one-year extension to that national partnership. We have accepted the one-year extension, but we have done that reluctantly because we really wanted a four-year extension to ensure that we had certainty going forward for homelessness services in this state. The federal government’s non-commitment to that was extremely disappointing.

This year we are spending probably it will be near to a quarter of a billion dollars on homelessness services in this state to support those people who need these services. There is \$222 million in the budget this year, but in our budget there is no money from the federal government because the national partnership was not secured at the point of the budget being bedded down. That money — around \$22 million — is still to come from the federal government and we have also applied for a portion of the federal government’s development fund. There is \$38 million that is available for capital infrastructure under the homelessness national partnership, and we have bid for as much of that as we can possibly get. We are looking forward to those bids being approved by the federal government so we can invest as well in more capital infrastructure to support those people who are homeless.

In the last 12 months there has been new data collection around homelessness which has changed the way that data is counted. It has actually improved data collection. It is making it a little bit more difficult for these targets to be bedded down in the budget because the sector is settling in to the new data collection. When that is all bedded down I think we will see some more consistent targets and outcomes in the homelessness sector.

Mr SCOTT — To take up your last point, and to put context to it, it could not be more consistent. There has been the target, and the actuals have actually been the same throughout. That was the nub of the question. The last part of your answer suggested that there had been a change in how data is measured. This performance measure has not changed, as far as I am aware; there is not a reference to it being changed. Is there a change in the measurement of this particular performance measure, or are you referring to other matters?

Ms LOVELL — There is a change in the way that data is collected. At the moment, because people are settling into the new data collection system, it is very difficult for us to see how that will be bedded down, but, as we move further through this year, we will see more clarity in that data collection and how we can best set these targets to interact with the new data collection system.

Mr ANGUS — Minister, I refer you to budget paper 3, page 25. I would like to follow on from Mr Scott's question in relation to the transitional national partnership agreement on homelessness and the \$27.3 million that is in fact provided in the budget papers, and I ask: can you outline the expected outcomes from this initiative?

Ms LOVELL — As I said, the current four-year national partnership actually expires on 30 June this year, and it was only in March this year that the commonwealth were interested in talking about the renewal of that, and they put on the table \$22.14 million for the 2013–14 years. We have actually exceeded our matching commitments by putting on the table \$27.3 million to support homelessness services under this initiative. It is really disappointing to us that the commonwealth did not recommit to another four-year national partnership, which would have provided certainty to the sector and also ensured that the services were there to support those who are most vulnerable in our community.

It is disappointing as well because the national partnership has actually delivered good outcomes in the past, and we want to continue that work. As I said at the start, the states did lobby very hard for that national partnership, and we lobbied from last year because we needed to actually give our service providers advice on whether their funding is going to continue as well, so that made it very difficult. In the ongoing discussions regarding the additional funding around the \$38 million development fund, we will be fighting to get as much of that as we possibly can as well so that we can actually build new infrastructure on the ground. Any dollar we get from the commonwealth needs to be matched with a dollar from the state as well, so it is a genuine partnership in delivering those things.

The transitional arrangement will at least give certainty to the sector for the next 12 months and will provide certainty also to our clients in those 12 months. It will ensure the continuation of the existing services that are being funded under the national partnership, and these much needed services will continue to be delivered to vulnerable Victorians while a longer term agreement is negotiated, we hope. The people who benefit from this are people who are sleeping rough, people with mental illnesses, women and children who are experiencing domestic violence, and young people who are experiencing family breakdown, so these are vital services that deliver real outcomes for some of the most vulnerable in our community.

The Victorian government is committed to getting an extension to the four-year national partnership, and we will be working with the commonwealth in order to secure that. As I said, the actual commonwealth money is not in our budget this year, so you can add \$22 million to our output funding because it was not finalised by the time the budget was bedded down.

Mr PAKULA — I have a reasonably quick one. Minister, you would be aware that in the last 12 months we have lost more than 100 rooming house beds at locations like Arden Lodge and Fawkner Mansions. Is there any provision in the budget to replace those lost beds and assist displaced tenants?

Ms LOVELL — Over the past 12 months there has been large reform in the rooming house sector, and that is largely due to the fact that we have introduced minimum standards to rooming houses in this state for the first time, and we make no apology for that. Rooming houses in this state were deplorable places under the former government, and I am sure there are a few out there that we still need to track down that are not operating to the standards.

Mr PAKULA — That will give you something to talk about next year — another excuse.

The CHAIR — Order!

Ms HENNESSY — Blame games. Do not worry about people who cannot — —

Mr ANGUS — Just listen.

Ms LOVELL — My colleague Heidi Victoria is responsible for the — —

The CHAIR — Order! The question has been asked, and we would like to hear the answer.

Ms LOVELL — My colleague Heidi Victoria is responsible for the monitoring and enforcement of rooming house standards, and I am sure that she will be working to make sure that every rooming house in Victoria meets those standards.

What I would say about the loss of rooming house beds is that a lot of the applications we have made to the commonwealth for the development fund would replace those beds and would provide vital services to the people who access rooming houses in Victoria in a more safe, secure and appropriate way than they are currently provided in some rooming houses. We are hopeful of getting a large proportion of the funding from the commonwealth development fund to ensure that we can continue to invest in accommodation for those who are in need of services in Victoria.

Also we have invested in this budget significantly in other programs that divert people away from rooming houses, like the \$19.1 million that we have put into Accommodation Options for Families, which will actually move families away from rooming houses into more suitable accommodation.

Mr PAKULA — You say that you have other options, so I am wondering whether you think that it does not matter that rooming house beds have closed because you have other options. In your answer I heard at one point that it was something to do with the former government, something to do with the federal government and something to do with Heidi Victoria, so my question is: of the 100 rooming house beds that closed, whose fault is it? Is it Dick Wynne's fault, Heidi Victoria's fault or the federal government's fault? Because nothing is your fault!

Mr ANGUS — It is Wayne Swan's fault. He cannot manage money.

Members interjecting.

The CHAIR — Order!

Mr PAKULA — Not one thing in 2 hours has been anything to do with you.

Ms LOVELL — Let us make it clear: many of the rooming houses that you outlined were private rooming houses. They are commercial decisions by private operators; they are not a decision of the state government. We are working to respond to the needs of those people who have been in those rooming houses, and in all cases DHS has offered support to those tenants who needed to be transitioned out of those rooming houses into more suitable accommodation. We work with the most vulnerable, and we are committed to getting outcomes for them, not just getting headlines in the paper.

The CHAIR — Thank you, Minister. That concludes consideration of the budget estimates for the housing portfolio. I thank the minister and the departmental officers for their attendance today. I do not believe there were any questions on notice, so I do not need to refer to that. That concludes the hearing.

Committee adjourned.