

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Budget Estimates 2019–20 (Housing)

Melbourne—Friday, 7 June 2019

#### MEMBERS

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallence

**WITNESSES**

Mr Richard Wynne, Minister for Housing,

Ms Kym Peake, Secretary, and

Mr Nick Foa, Senior Deputy Secretary of Housing and Director of Housing, and

Mr Greg Stenton, Deputy Secretary, Corporate Services, Department of Health and Human Services.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

On behalf of the Parliament, the committee is conducting this inquiry into the 2019–20 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

The committee will now begin consideration of the housing portfolio. I welcome the Minister for Housing, the Honourable Richard Wynne, and officers from the department, and I thank you for appearing before the committee today.

All evidence given is protected by the Parliamentary Committees Act. This means that it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence will be locked up in the parliamentary prison and may be in contempt of Parliament and subject to penalty. By the way, the prison has now been converted into a change room, so it is actually quite comfortable.

Minister, I invite you to make a brief opening statement or presentation of no more than 5 minutes. Away you go, Sir.

**Mr WYNNE:** Thank you very much, Chair. Although I have been in this place for quite a long time, I have actually never seen the prison, wherever that might live. Okay, so, to my left—

**Mr D O'BRIEN:** It used to be my office.

**Mr WYNNE:** Pardon?

**Mr D O'BRIEN:** It used to be my office.

**Mr WYNNE:** Oh, really? To the left of me can I introduce the secretary of DHHS, Kym Peake; to the right of me Mr Nick Foa, the director of housing; and to his right Greg Stenton, deputy secretary of corporate services—if you have got any questions around money-related matters, I suspect. Five minutes?

**The CHAIR:** Yes. Sort of.

**Mr WYNNE:** Five. Okay. I mean, obviously this portfolio is very fundamental because it deals with the question of housing being at the bedrock of course of a civilised and decent society, and I am really privileged to have the opportunity again to take up the challenges of being the Minister for Housing.

**Visual presentation.**

**Mr WYNNE:** Our government has made an enormous commitment to housing and homelessness initiatives since 2014, with a total of \$1.2 billion committed. I am pleased to say this commitment carries on today, with over \$400 million in the 2019–20 budget allocated to the housing portfolio.

In 2015–16 around \$400 million was invested in housing assistance, and the largest commitment we have made for the future of housing in Victoria is our \$209 million commitment to add a further 1000 units of public housing into our general stock. That reference can be found at budget paper 4, page 121. Not only will this provide homes for around 1800 vulnerable Victorians but it will also provide an enormous number of jobs in the construction industry, giving more Victorians more employment opportunities.

Homelessness, as we know, does not discriminate. It is a national challenge facing all Australians. With our \$103.5 million commitment to the national housing and homelessness agreement we will see 48 homeless agencies receiving funding certainty so that they can continue to provide the services that vulnerable Victorians rely upon.

I was pleased to attend the Melbourne City Mission down in King Street only last week to open one of their new emergency housing offerings there. The beauty of that particular project is that it is not only providing accommodation to young people 16 to 25 who previously would have been sleeping rough in the city—tragic as that is—but it also provides wraparound services as well to those young people. I think it is a fantastic project and one of a number that we are supporting in the centre of the city as well, including support for VincentCare down in North Melbourne there. It used to be Ozanam House, directly opposite the Royal Children's Hospital. That is a complete rebuild of that. Again, wraparound services with the Salvation Army and Launch Housing.

Just quickly, in relation to family violence, already 25 women have been killed this year alone. It is an appalling statistic and one that is just utterly unacceptable. This government is implementing all of the 227 recommendations of the Royal Commission into Family Violence, and I am responsible for 29 of those—I am either the lead minister or co-lead minister—and we committed \$23.9 million in this year's budget to address family violence.

Importantly, because we have now just hit winter, we have delivered on our commitment of replacing Vulcan Heritage and Pyrox gas heaters in over 6000 public housing properties across the state. As people will recall, there was a tragic death of a woman from carbon monoxide poisoning as a result of a faulty heater and inappropriate ventilation of it. Through that process we have also replaced over 8000 other types of gas heaters that have failed the testing process as well. I will leave it at that.

**The CHAIR:** I really hope, Minister, that you understand that you are now continuing to set a bar for all other ministers to come after you in finishing your presentations early. We will move straight into questions and to Mr Maas.

**Mr MAAS:** Thank you, Minister, for your attendance and for that presentation. I also thank the departmental secretaries for your attendance before the committee. Minister, if I could take you to the topic of the government's investment in new public housing and refer you to budget paper 4, page 121, which outlines an investment of \$209 million in building new homes to help alleviate homelessness, could you outline for the committee how this investment is contributing to addressing homelessness in Victoria?

**Mr WYNNE:** Thanks, Mr Maas. As I indicated in my opening remarks, what we know is that the most important thing you can do to support somebody out of homelessness is not only to provide them obviously with a home—with a house—but also with the supports to sustain their tenancy. That is the important message of the government: that we are not just about housing provision per se; it is about ensuring that people stay in their houses. All of the international research tells you that you have to do both things. You cannot say, 'Well, here's your house. Good luck, and off you go', because many people who have suffered homelessness suffer a multiplicity of issues that they are trying to address. It might be drug and alcohol issues, mental health issues—there are a variety of reasons why people find themselves homeless—family breakdown, family violence of course, which I indicated earlier. We think the initiative that we have with 1000 new public housing dwellings is an important start. It is an important start, but we have to see this also in the context of the work that is being undertaken by the mental health royal commission, because inevitably in that conversation as well, without doubt, housing will be part of that story. We know that for those people who are suffering from chronic mental health issues their pathway towards recovery has to have housing at the centre of it. So we will await the advice of the mental health royal commission.

But in relation to these properties, demand for social housing on the waiting list is overwhelmingly for smaller dwellings. There has been really for a very, very long time a mismatch between the stock that the director of housing has at his disposal and in fact what the waiting list looks like. The vast preponderance of people on the waiting list are single people or couples. They are not large families seeking three and four-bedroom properties, save and except for a couple of groups. So we will build 800 one and two-bedroom homes for people

experiencing homelessness, and we will also build 200 three-bedroom homes for families specifically, as I indicated, for women and children escaping domestic and family violence.

I can indicate, Mr Maas, that the properties initially will be built across metropolitan Melbourne and regional Victoria, with sites already identified in Geelong, Ballarat, Darebin, Maribyrnong, Stonnington and Whitehorse, in line with our election commitments. Projects will commence this year on sites that the director of housing has already located, where they are either vacant or they are sites that are often old concrete stock—standalone concrete stock—on what used to be called the quarter-acre block, where you can pull one down and potentially get a better yield of two or three units from that, or in some cases even, in some of those, if you amalgamate a couple of sites together, you can get quite a decent development out of them. That is in line with our election commitment. We certainly will be building before the end of the year. The director of housing has already identified a panel of prequalified volume builders, we are starting consultation with a number of councils and we are out with planning permit applications at the moment. We expect to have a package completed—1000 houses—by the end of 2022.

**Mr MAAS:** So in terms of the overall supply of social housing, how does that add to that?

**Mr WYNNE:** We have made a significant investment in public and community housing, including 185 new community housing properties and 124 new headlease properties specifically related to the recommendations—and I am responsible for them—out of the family violence Royal Commission report. A further 140 long-term public housing units and 122 community housing leases are in place and going through the family violence rolling fund, and 53 new social housing units through the social housing pipeline. Two thousand two hundred new social housing dwellings will be delivered through the Social Housing Growth Fund, and low-cost loans and guarantees for social housing providers. Additional beds in family violence refuges, youth and adult crisis accommodation and our commitment to this budget obviously goes I think a long way towards addressing the very significant challenges that we do face in the portfolio.

**Mr MAAS:** Absolutely. If I could take you to the public housing renewal program and in particular budget paper 3, page 219, the number of public housing dwelling upgrades during the year, which forecasts a reduction in the number of public housing properties being upgraded in the 1920 financial year, could you please update us on what is being done to upgrade public housing and improve living conditions for people who live in public houses?

**Mr WYNNE:** Thanks, Mr Maas, and indeed you refer quite correctly to budget paper 3 at page 219, where we are scheduled to upgrade 1653 public housing dwellings this coming year. The reason for the reduction was that a one-off grant from the Victorian Property Fund did deliver an accelerated capital upgrade program than in previous years. This grant has obviously been expended now. We are now returning to the regular capital maintenance cycle of the department, and either the director of housing or indeed the chief financial officer may seek to elaborate further upon that. But the cost of the upgrade program is outlined, as I indicated, in budget paper 4 on page 121. The director of housing will spend in the order of \$78 million on upgrading our public housing stock in the 19-20 financial year, and we will continue to invest in improving the stock.

But as I am sure you are aware, Mr Maas, obviously our public housing stock was built in the 60s and 70s, and the regular upgrade program simply cannot bring those buildings up to contemporary standard. And those of us particularly around the inner city would know of some of the worst concrete stock—not just in the city actually; it is really scattered right around metropolitan Melbourne and indeed also in country Victoria as well. We have committed to renew 10 ageing walk-up housing estates in North Melbourne, Northcote, Preston, Flemington, Brighton, Prahran, West Brunswick, West Heidelberg, Hawthorn and Ascot Vale. It is a rolling program, yes, but it is right to indicate that there has been a reduction, and the reduction is because of the reasons I have indicated: we have expended the funds that were available to us from the Victorian Property Fund. So we will be reviewing the physical infrastructure of these estates. We want to create diverse communities with a mix of public, affordable and private housing delivered on these sites.

I can indicate to the committee also, Mr Maas, that we have announced of course the public housing renewal program. The first three sites are away for those redevelopments—in North Melbourne, Preston and Northcote—and across these three sites we will be replacing 225 outdated public housing properties with 274 new public homes, and the program will include up to 64 new community housing units, delivering more

than 100 new public and community homes for people on low incomes facing disadvantage. This is a 50 per cent increase in the social housing on those sites.

We are also making sure that communities with particular housing needs get access to the redeveloped sites in their areas. Aboriginal Housing Victoria will have nomination rights for some of the properties, particularly in Northcote where there is a strong Aboriginal community living in the northern suburbs of Melbourne through Northcote, Preston and into Reservoir as well. And we will ensure that all of the units that are developed are in fact obviously to the highest environmental standards.

Finally, 20 per cent of new homes—these are the private sector ones—will be offered to first home owners, ensuring more young people can get into home ownership. We are also very keen on the opportunities for shared equity. I know it is a very popular program. I can explain it in more detail if you like at some other point, but it is a very popular program that actually gets people who may not just be able to get past either the deposit gap or do not have enough borrowing capacity to in fact enter into a shared arrangement where the state will take a share but they will garner a private sector loan to actually get into the property and then the government equity is amortised over a period of time. It is a very good scheme. I know it is one that the Premier is particularly keen on because of his longstanding commitment to ensuring that people do get the opportunity to get into home ownership who may in the past have just been excluded because of that barrier.

Mr MAAS: Thank you, Minister. Moving on to tenant rights, can you inform the committee how tenant relocations have been handled in the redevelopment process, and what measures are in place to protect tenant rights?

Mr WYNNE: In relation to their relocation?

Mr MAAS: Yes.

Mr WYNNE: That is an important question because when you are asking somebody to leave their property—and sometimes people may have lived in those properties for a very, very long time; 20, 30 years—it can be quite traumatic for somebody to have to move. But I have to say that all the evidence that I have is that the department have handled this in an extraordinarily sensitive way and have really worked one on one with tenants to understand what their needs are because, as I have indicated, if you have lived there and this has been your community for 30 years or more, that is a big deal to ask somebody to move out.

So the first commitment that the director of housing has made is that every tenant has an absolute right of return, particularly to the renewal projects—North Melbourne, Preston and Northcote. Their current terms and conditions will not change, and that is very important. They will move initially back into their properties and they will be managed by a social landlord, but if they are not satisfied with the relationship that they will have established with the social landlord, the opportunity will be made available to them to return to the director of housing as their landlord going forward. What we know from experience is that about a third of people move back, because people make their lives, they re-establish themselves in a new community or they are happy with the alternative accommodation that is being provided to them and they tend to stay where they are. But for the third roughly who will be coming back, we will certainly be ensuring that all of the rights that they enjoyed as a tenant of the director of housing are protected.

Mr MAAS: If I could take you to homelessness funding, in particular budget paper 3, page 50, that shows an investment of \$50.4 million for responding to homelessness. Would you be able to outline how this investment is contributing to addressing homelessness in Victoria?

Mr WYNNE: We have a very serious challenge with homelessness, as we know. I mean, here we are, we are coming into winter and we see that we are doing a lot, particularly by way of assertive outreach, particularly for people who are sleeping rough not only in and around the city but indeed also in regional Victoria—there is a deal of homelessness in regional Victoria as well—and these are issues that the government is acutely aware of. As you rightly say, Mr Maas, budget paper 3, page 50, indicates an investment of \$50.4 million for responding to homelessness. This package has really four crucial interventions: preventing homelessness, obviously before it starts, through the private rental assistance program; funding treatment services for people in crisis accommodation with complex needs, and I talked about the Melbourne City Mission initiative along with

others that we are supporting; supporting young people who have experienced homelessness to build a stable future through education, and I point you to the Kangan Education First Youth Foyer in Broadmeadows as an exemplar of that work; and obviously providing after-hours assistance for people experiencing homelessness as well.

The private rental assistance program is very important in this, because this is one of the key initiatives where we expect to be able to assist 6000 households who we can support in the private rental market. What does that mean? It allows the agencies that have these funds to intervene early to save a tenancy at risk and to prevent long-term homelessness by getting households back together very quickly. That fund is actually quite flexible and it can be used in a variety of ways to support people into their private rental property. It may mean very basic things like a refrigerator or the bond. I mean, the bond is obviously very important. So really it is quite flexible for the housing organisations to use those funds and access those funds in a way that actually goes to supporting people in a meaningful way to both get into the private rental market and sustain their tenancy going forward.

The crisis accommodation I have talked about, so \$7.5 million for mental health, drug and alcohol treatment services at our three main crisis accommodation facilities in Melbourne: Flagstaff of course in King Street, run by the Salvation Army—doing splendid work there; Ozanam House, as I indicated, the complete redevelopment of that, directly opposite the Royal Children's Hospital; VincentCare and Southbank, run by Launch Housing. Again, these are important services to put in place so that you can actually continue to support people but actually seek to also address the underlying reasons why they may have found themselves either in vulnerable housing or in fact in homelessness. Am I out of time?

**The CHAIR:** No, not yet.

**Mr WYNNE:** Oh, righto.

**Mr D O'BRIEN:** I can start.

**Mr WYNNE:** What have you got left?

**The CHAIR:** You have got 1 minute 15.

**Mr MAAS:** I will fire another one.

**Mr WYNNE:** Yes, go again.

**Mr MAAS:** Thanks, Minister. Look, I will take you to the national housing and homelessness agreement. I note on budget paper 3, page 50, a further \$103.5 million has been provided towards the national housing and homelessness agreement. What programs are funded under this agreement, and how are they contributing to addressing homelessness?

**Mr WYNNE:** This fund matches the commonwealth government's contribution on homelessness. We are required under the national housing and homelessness agreement to match. It provides funding certainty to 48 agencies in Victoria, delivering a range of services designed to obviously prevent, where possible, and indeed end homelessness. Obviously the program is designed to support high-risk tenancies, specialist children's services to assist children experiencing homelessness, assertive outreach teams and the Melbourne Street to Home program, which is designed to get people sleeping rough off the streets and into longer term housing. Can I say finally I do welcome the appointment of both the commonwealth Minister for Housing in Michael Sukkar, who I will be writing to in the next couple of days, and the Assistant Minister for Community Housing, Homelessness and Community Services, Luke Howarth. It is really good that we have housing and designated community housing/homelessness ministers, and I look forward to engaging with them.

**The CHAIR:** Minister, it is lovely to see such bipartisan work on your behalf. That is a lovely segue into Mr O'Brien.

**Mr D O'BRIEN:** Thank you. Of course I will be bipartisan, Chair. Minister, good afternoon. You talked in response to Mr Maas about what you described as a one-off grant from the Victorian Property Fund to do more

upgrades of public housing, and that explains in the footnote why there are actually 500 less upgrades of public housing happening this year. Yet if we go back to previous years, in these budget papers on page 219, 17–18 was 2134. If you go back even further to 16–17 from last year’s budget, it was in fact 2301, so we have had three years in a row well above the 1600 this year. It clearly was not a one-off, was it, Minister?

**Mr WYNNE:** Sorry, can you just give me the last bit again, please?

**Mr D O’BRIEN:** It has been much higher than this year for at least the last three years; I have not gone back further than that. That surely was not a one-off thing.

**Mr WYNNE:** I will ask the director of housing if he would like to comment upon that first, and then I will respond as well.

**Mr D O’BRIEN:** Very briefly, if I could, Mr Foa.

**Mr FOA:** Thank you for the question, Mr O’Brien. The program of upgrades does float, depend, if we are doing large towers or whether we are doing detached stock. It also floats and has been affected in this particular period by removing properties offline. There are 1100 or so in the public housing renewal program that have been removed offline that are likely to affect the overall numbers, but I think if you take a rolling average over a longer period of time, you will see that it is floating around that sort of number.

**Mr D O’BRIEN:** Okay. Can I just go to a specific example then. I received and you received and many others received an email from a Deb in Maffra in public housing. She has complained she has been in her particular unit since 2013—so six years—and has had cockroaches and rodents since then because of holes in the exterior brick veneer. She this last couple of weeks has received a 74 per cent increase in her rent for the public housing. She is obviously not happy about that, but she is just as unhappy that she is not going to get an upgrade. When can she expect an upgrade of her public housing, given those issues?

**Mr WYNNE:** In the first instance, I will ask the director of housing to address the question of the rent reviews. All of us who host public housing in our constituencies will have received some representations from some tenants concerned about the rent increase. But can I say, just by way of a general comment, if a public housing tenant who is eligible finds that their rent is above 25 per cent of their income, then they are of course eligible for a rebate of rent.

**Mr D O’BRIEN:** Yes, so it is effectively capped at 25 per cent.

**Mr WYNNE:** Correct.

**Mr D O’BRIEN:** Can I just give a couple of other examples—

**Mr WYNNE:** Sure. In relation to the lady that you referred to, I think her name was Deb—yes? Obviously that is a specific matter, but I am happy to take that on notice and come back to you offline.

**Mr D O’BRIEN:** If you could, that would be good. Likewise, before we go on, I had another email from—

**The CHAIR:** Mr O’Brien, are there additional details that you want to give as well?

**Mr D O’BRIEN:** I can do that offline, Chair. I had an email from a lady from Korumburra whose rent is going up from \$183 a week to \$280—that is a 44 per cent increase. A gentleman from Morwell is facing a 37 per cent increase, which, even with a rebate, equates to 60 per cent of his income. He is obviously a pensioner and does not have much. So I guess, rather than a general response, my question is: what is the average increase across the state, if there is such a thing?

**Mr WYNNE:** I might ask the director of housing.

**Mr FOA:** Every two years we are required to do a new market evaluation of each property in the portfolio. Property values vary and do not vary uniformly across the state—regional, rural, regional cities, rural areas and metro areas. So the actual baseline is based off a property value, but rent is geared to income in public housing.

Basically if your income is staying stable, you are only going to be capped at 25 per cent of your assessable income for the household.

**Mr D O'BRIEN:** So to answer the question: is there an average across the state of what the increase is this year?

**Mr FOA:** No, because the property values are moving all over in different parts of the state.

**Mr D O'BRIEN:** Yes, but you know what you are sending out, Mr Foa, and you know what the increases are to individuals, so surely you can—I am not suggesting that you have to give it to me right now, you can take it on notice.

**Mr FOA:** I am happy to provide that on notice. But to be fair, the amount that people will end up paying will be based on 25 per cent of their assessable income. So if they have received an assessment where the market value of their property has gone up, they need only contact their local office, make an appointment and then they can apply for a rebate or to increase their rebate.

**Mr WYNNE:** Mr O'Brien, Mr Stenton might just make a comment as well—I think he would like to.

**Mr STENTON:** So to Nick's point about valuations. We do a five-year valuation program where the valuer-general is involved. During the intervening years the valuer-general publishes indices for each local government area. So the point about the average is that we can calculate an average, but it would be a calculated average. So for each local government area the index determines the property value, and then we do a formal revaluation every five years.

**Mr D O'BRIEN:** If I could have on notice that average across the state by region and by local government area, that would be useful, please.

**Mr WYNNE:** Happy to do that.

**Mr D O'BRIEN:** Can I just move on. You talked about the increase in public housing properties, Minister, but budget paper 3, page 219, again shows that from last year to this year there are actually 350 less properties. Given that, why would you not be taking every opportunity to develop further public housing, particularly in relation to the Corkman hotel site where it very clearly could be an opportunity to compulsorily acquire and build public housing on that site to make up for the loss that we have had in the last year?

**Mr WYNNE:** Mr O'Brien, thank you very much for the question. I will choose not to respond to the offering in relation to the Corkman hotel—

**Mr D O'BRIEN:** Well, I specifically asked you a question, Minister, and I would appreciate you not just avoiding it but actually answering it.

**Mr WYNNE:** We canvassed that matter this week again in the Parliament, and the simple truth of that is that any compulsory acquisition of the Corkman hotel, which would then from the point of view of the opposition housing minister's suggestion of it being used for public housing purposes—and I welcome the interest that the shadow minister has got in public housing; it is welcomed—engage in a substantial uplift. The compulsory acquisition can only be done according to law and it can only be done according to how the property is zoned. It also would engage what is called a solatium, a penalty, because of the property being compulsory acquired.

**Mr D O'BRIEN:** Minister, in the context of the deal you have did prior to VCAT, where these rogue developers who knocked down the Corkman without permission can now build up to 12 storeys on that site with a facade of the Corkman, how is that in any way going to be a penalty to them?

**The CHAIR:** Can I just ask you, Mr O'Brien, this appears to me to be a planning question, not a housing question.

**Mr D O'BRIEN:** The question was specifically about housing to begin with, and that is the line of questioning I am pursuing, Chair, so I would appreciate an answer.

**The CHAIR:** Yes, but Mr O'Brien this question would have been either better for the planning section or as a question on notice for planning. This is not a planning-related question, Mr O'Brien.

**Mr D O'BRIEN:** The question stands, Minister.

**The CHAIR:** The question does not stand because I am ruling the question out. You are welcome to put it as a question on notice for planning. I have given you a lot of latitude here, Mr O'Brien. How about we move on back to housing.

**Mr WYNNE:** Thank you, Chair, but just for completeness if I can. I will be the responsible authority for any application that comes before me for any redevelopment of the Corkman hotel—any redevelopment of it. I am not going to pre-empt what that might look like, but what I can say is that the enforcement order as I read into the Parliament, as you saw, Mr O'Brien, has got very strict obligations upon the developer in relation to rebuilding the heritage aspects of the building in a contemporary format. Would I like it to have been done brick by brick? Of course, but the reality is—

**Mr D O'BRIEN:** Well, that is what you promised the Parliament you would do.

**Mr WYNNE:** The reality is that there is none of that product still available. It has all been dumped or it is contaminated.

**Mr D O'BRIEN:** Consistent with the Chair's ruling, you rezoned the property in October last year. Why didn't you rezone it to include some social housing?

**Mr WYNNE:** I think I will now accept—

**Mr D O'BRIEN:** The protection offered by the Chair?

**Mr WYNNE:** No, it is not the protection. If you wanted to ask me about planning, I was happy to answer it.

**Mr D O'BRIEN:** Well, I am still asking a social housing issue, Minister. In the context of 350 less social housing units available than there were last year, surely you would be looking for every opportunity.

**Mr WYNNE:** And we certainly are, and I think I have detailed many of those opportunities where in fact the 1000 houses that we are going to be building, we will be building on land that is owned by the director of housing. We will not be requiring compulsory acquisitions.

**Mr D O'BRIEN:** The RoGS data from the Productivity Commission shows that going back for over a decade now but certainly since 2009 indeed there is less public housing in Victoria than there was in 2009. Your 1000 increase is clearly not going to be enough given the population growth and the demand for public housing needed, so why have you not increased the public housing stock more?

**Mr WYNNE:** I do not need to remind you, Mr O'Brien, that of course during a previous administration we had, by the end of that term, net less public housing—

**Mr D O'BRIEN:** Minister, you have been in government for 16 of the last 20 years.

**Mr WYNNE:** Net less housing than what we started our term with. That is not to say that we do not have challenges ahead of us; absolutely we do.

**Ms VALLENCE:** Sixty-five thousand less than in 1997.

**The CHAIR:** Minister, apologies for interrupting you again, but unfortunately Mr O'Brien's time has expired and we move along to Mr Hibbins.

**Mr HIBBINS:** Thank you, Minister, and your team for appearing. I would like to first refer to the public housing renewal program. I understand some information was given to the parliamentary inquiry just as to how the finances of that would work—the government retaining ownership of the land and then the title transfer once the private home is sold. My question is for the first three estates—Northcote, North Melbourne and

Preston—with the increase in social housing has the government guaranteed a rate of return on the sale of private properties for public development?

**Mr WYNNE:** Have we guaranteed a rate of return? No.

**Mr HIBBINS:** So you have not guaranteed?

**Mr WYNNE:** No. The minimum position was that we would get a replacement of the existing stock plus a 10 per cent uplift. That was the minimum position, and frankly we have achieved a much better outcome than that with Northcote, North Melbourne and Preston. So in Northcote the—

**Mr HIBBINS:** So there are no guarantees for the developer on their profits that they will make off the private buildings?

**Mr WYNNE:** No, none whatsoever.

**Mr HIBBINS:** All right, thank you. If I could go to the 1000 new public housing homes, did you indicate earlier that already planning permits have been put up for that?

**Mr WYNNE:** What planning permits are being applied for?

**Mr HIBBINS:** Yes, so can you give us the detail of which locations?

**Mr WYNNE:** Where they are? I shall take that on notice and I am happy to come back to you on that, but we are actively pursuing a number of them at the moment.

**Mr HIBBINS:** Okay, thank you.

**Mr WYNNE:** And you know where they are. I read out where they were in the first instance. I can give it to you again if you like: Geelong, Ballarat, Stonnington—

**Mr HIBBINS:** Okay, I was thinking a bit more of a suburb level of—

**Mr WYNNE:** Oh, you mean actual addresses?

**Mr HIBBINS:** I mean suburbs at least.

**Mr WYNNE:** Okay, sure, we can do that. No problem.

**Mr HIBBINS:** If I could put in a plug for the Prahran electorate for new public housing, it is much needed.

**Mr WYNNE:** Absolutely. I am very much aware of that.

**Mr HIBBINS:** Is this information going to be constantly rolled out publicly, in terms of where the new developments are going?

**Mr WYNNE:** Yes, absolutely. It will be up on the government's website. It is a good program. It is one that I think enjoys strong community support, and I think you would agree with me because you host a number of these old concrete estates yourself.

**Mr HIBBINS:** Is that primarily where they are going to be located—on existing estates or where existing public housing dwellings are located?

**Mr WYNNE:** No, not necessarily. Some will be on the estates. Many of them will be standalone sites. We are also very interested to talk to local government as well. I was pleased to have an excellent conversation with the City of Port Phillip in fact last week. The mayor, Dick Gross, came to see me to say that they want to partner with us. They have got a substantial financial commitment to this and they have got land as well. If you can get your council to come on board as well, we would be delighted to partner with them to achieve these outcomes.

**The CHAIR:** Mr Hibbins is a former member of the Stonnington council.

**Mr HIBBINS:** True, true: two years. Will they all be constructed dwellings or are you actually going to purchase dwellings that have already been constructed?

**Mr WYNNE:** No, constructed.

**Mr HIBBINS:** And will they all be public housing, managed by public housing or managed by the community sector?

**Mr WYNNE:** Public housing, yes. They will all be public housing.

**Mr HIBBINS:** In terms of the upgrades you referred to earlier of public housing estates, where will they be occurring in the next financial year?

**Mr WYNNE:** They are right across the state, both public housing high-rises—as you know, we are continuing the work there, your area has been the beneficiary of some of those upgrades I think.

**Mr HIBBINS:** Not for a while. On the Horace Petty estate we have got a few buildings there that have had a few storeys renovated, and then long periods of nothing.

**Mr WYNNE:** Yes, I understand.

**The CHAIR:** I apologise to interrupt one and all, including you, Minister, and Sam. Thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing and responses will be required within 10 working days of the committee's request.

The committee will now take a 1-minute recess before beginning consideration of the final portfolio for Minister Wynne, multicultural affairs. Thank you very much.

**Witnesses withdrew.**