



50 Lonsdale Street
Melbourne Victoria 3000
Telephone: 1300 650 172
GPO Box 4057
Melbourne Victoria 3001
www.homes.vic.gov.au
DX 210081

Public Accounts and Estimates Committee

PAEC@parliament.vic.gov.au

Dear Chair,

I would like to correct the record of my testimony in the transcript on pages 23, 24 & 34. The current text reads:

Page 22/23

Danny O'BRIEN: About a third of them. On that basis and the issues you have just raised, does the government still expect to meet its 12,000 homes commitment by 2024?

Simon NEWPORT: I do not think it is by 2024. I think the budget papers reflect 2027 for the Big Housing Build in terms of money that is allocated.

Danny O'BRIEN: The Premier's original media release said the 'package will boost our state's social housing supply by 10 per cent in just four years'.

Simon NEWPORT: Okay. I think – that is next year. No, I think I can, unfortunately, comfortably say that all 12,000 homes will not be completed within the next 12 months. I know we are here to cover off the last two financial years, but certainly the latest update we have now got is we have finished 3200 homes – this is as of last month. We have now got over 6000 that are underway, and I can give you the exact number, but it is just over six –

I would like to amend it to:

Danny O'BRIEN: About a third of them. On that basis and the issues you have just raised, does the government still expect to meet its 12,000 homes commitment by 2024?

Simon NEWPORT: I do not think it is by 2024. I think the budget papers reflect 2027 for the Big Housing Build in terms of money that is allocated.

Danny O'BRIEN: The Premier's original media release said the 'package will boost our state's social housing supply by 10 per cent in just four years'.

Simon NEWPORT: Okay. I think – that is next year. No, I think I can, unfortunately, comfortably say that all 12,000 homes will not be completed within the next 12 months. I know we are here to cover off the last two financial years, but certainly the latest update we have now got is we have finished 3200 homes – this is as of last month. **As at end of October 2023, we** have now got over 6000 that are underway, and I can give you the exact number, but it is just over six –

Pages 23/24

Danny O'BRIEN: Finally on this one, can I just ask what the actual spend at 30 June was on the Big Housing Build?

Simon NEWPORT: Yes. Okay. I might have to take that on notice, specifically. Look, can I say that the number which has widely been reported in the press of \$3 billion – I think, you know, the papers do what they do. I think what I would really like to call out is that when you are talking about expenditure on a program, clearly houses do not start and finish within the same financial year, so I would really talk to the huge amount of work that is underway. As I said, 6000 are underway for the Big Housing Build. So when there is talk in the press about \$3 billion being spent to deliver 3000, I hope people do not mind me being frank but that is pretty misleading, because it does not speak at all to the 6000 houses that are in various stages of being underway. So I will of course provide you with that precise information.

I would like to amend it to:

Danny O'BRIEN: Finally on this one, can I just ask what the actual spend at 30 June was on the Big Housing Build?

Simon NEWPORT: Yes. Okay. I might have to take that on notice, specifically. Look, can I say that the number which has widely been reported in the press of \$3 billion – I think, you know, the papers do what they do. I think what I would really like to call out is that when you are talking about expenditure on a program, clearly houses do not start and finish within the same financial year, so I would really talk to the huge amount of work that is underway. As I said, **as at 31 October 2023**, 6000 are underway for the Big Housing Build. So when there is talk in the press about \$3 billion being spent to deliver 3000, I hope people do not mind me being frank but that is pretty misleading, because it does not speak at all to the 6000 houses that are in various stages of being underway. So I will of course provide you with that precise information.

Page 24

Danny O'BRIEN: Thank you. On maintenance, what were the final maintenance costs for upgrading housing stock for the years in question, 2021–22 and 2022–23?

Simon NEWPORT: Let me just check that for you. In terms of pure maintenance that went through the profit and loss statement for the year just gone, it was \$291 million. I do not have the upgrade figure on me at the moment, but in terms of what went through the profit and loss statement: \$291,400,000.

Danny O'BRIEN: For 2022–23?

Simon NEWPORT: That was \$281.6 million.

I would like to amend it to:

Danny O'BRIEN: Thank you. On maintenance, what were the final maintenance costs for upgrading housing stock for the years in question, 2021–22 and 2022–23?

Simon NEWPORT: Let me just check that for you. In terms of pure maintenance that went through the profit and loss statement for the year just gone, it was \$291 million. I do not have the upgrade figure on me at the moment, but in terms of what went through the profit and loss statement: \$291,400,000.

Danny O'BRIEN: For 2022–23?

Simon NEWPORT: That was \$281.6 million **in 2021-22 and \$291 million in 2022-23.**

Page 34

Ellen SANDELL: Is there any component of that market housing which is affordable housing, or is it all just market-rate private housing?

Simon NEWPORT: I do not have that information available.

Ellen SANDELL: No problem. Thank you.

Simon NEWPORT: Certainly there is a substantial affordable component in the other programs, but I am not sure about the public housing renewal program.

Ellen SANDELL: Sorry, when you say in the other programs, you mean since ground lease 2?

Simon NEWPORT: As an example, ground lease 2 has got it, and ground lease 1 has an affordable component to it.

Ellen SANDELL: Sorry, I am just confused because you were saying that 100 per cent of ground lease 1 and 2 is social housing.

Simon NEWPORT: No, no, no, sorry. Ground lease models 1 and 2 are that the properties are building the consortia and run in management by a community housing provider. I gave you the social housing component, which will be a subset of that.

I would like to amend it to:

Ellen SANDELL: Is there any component of that market housing which is affordable housing, or is it all just market-rate private housing?

Simon NEWPORT: I do not have that information available.

Ellen SANDELL: No problem. Thank you.

Simon NEWPORT: Certainly there is a substantial affordable component in the other programs, but I am not sure about the public housing renewal program.

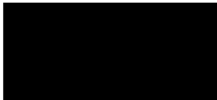
Ellen SANDELL: Sorry, when you say in the other programs, you mean since ground lease 2?

Simon NEWPORT: As an example, ground lease 2 has got it, and ground lease 1 has an affordable component to it.

Ellen SANDELL: Sorry, I am just confused because you were saying that 100 per cent of ground lease 1 and 2 is social housing.

Simon NEWPORT: No, no, no, sorry. Ground lease models 1 and 2 are that the properties are **being built by** consortia and run in management by a community housing provider. I gave you the social housing component, which will be a subset of that.

Regards,



Simon Newport
Chief Executive Officer
Homes Victoria