

HOUSING LEGISLATION AMENDMENT BILL 2016

Second Reading

The Hon. JOHN AJAKA (Minister for Disability Services, Minister for Ageing, and Minister for Multiculturalism) (11:22 : 5): I move:

That this bill be now read a second time.

I am very pleased to bring before the House the Housing Legislation Amendment Bill 2016. The State's social housing system is a vital service for those in our communities who are vulnerable or disadvantaged and who cannot participate in the private market. Unfortunately, demand is only expected to increase with our ageing society and pressure for affordable housing in major cities. In Sydney, where the population is projected to increase from 4.7 million to between 8 million and 8.9 million in 2061, this is especially concerning. With so many who need and who are expected to need social housing, we have to make strategic decisions about how we use and grow our social housing stock.

Other important considerations about how we best support the people who live in social housing are the support and tools we provide to help them improve their circumstances. Providing a home is the first step, but our responsibilities do not end there. That is why I am so proud that the Baird-Grant Government is taking up the challenge of reforming the social housing system to secure it for the future. We are also focussing on ensuring that those who need social housing get the support they need up-front, with a view to hopefully gaining independence one day. The current social housing system in New South Wales reflects the needs of society following World War II when public housing was, by and large, for working families with low incomes.

In the 1950s, 73 per cent of people living in social housing were couples with children. But the main clients of social housing in New South Wales have changed over time. Today, the social housing system supports a very different demographic. It is a safety net for the most vulnerable in the community, including the elderly, people with a disability or severe and chronic mental health illness, carers with long-term caring responsibilities and those experiencing drug and alcohol misuse and domestic and family violence. The result of this is that the proportion of social housing tenants exiting the system has declined. The average length of tenancies has risen to over 12 years.

This has occurred at the same time as the proportion of private rental housing that is affordable to low-income households has fallen from 50 per cent to less than 30 per cent over the past decade, which has also contributed to an increase in demand for social housing. That is why the social housing system needs reform, and that is why the Baird-Grant Government is acting. In January this year, the Government introduced a new social housing strategy called Future Directions for Social Housing in NSW. This strategy is breathing new life into the State's social housing assets and setting challenging objectives for government, the sector and the community as a whole to work towards.

This legislation enables us to implement Future Directions—for example, by strengthening our partnerships with the non-government sector by building the size and capacity of community housing providers that are generally well focussed on providing wraparound supports and services to social housing tenants. The delivery of wraparound supports and services translates to tenants being given better opportunities to live up to their full potential. Specifically, Future Directions will see the Government further develop its partnerships with non-government partners to deliver 23,000 new and renewed social housing dwellings. Most of this will be delivered by 2025. It will also transfer the management of up to 35 per cent of the State's social housing to community housing providers.

This largely delivers on the 2009 Council of Australian Governments [COAG] agreement for the community housing sector to take on a bigger role in delivering services to vulnerable tenants and increasing their opportunities to obtain education and/or employment and/or capacity in life skills. The size, capacity and service quality of the community housing sector will grow as providers will now have access to a stream of income that is not available to the public housing system. I am referring to

Commonwealth Rent Assistance, which is expected to be worth about \$1 billion over 20 years. This increase in income will enable community housing providers to spend more on support services for tenants. It will also reduce the New South Wales Government's maintenance costs in its social housing portfolio, freeing up funds for other potential social housing initiatives.

As part of Future Directions, the Government also announced an additional \$280 million over four years in private rental assistance, health, education and employment programs. These measures will support tenants to build their independence and take more responsibility for their own lives. Importantly, the State-owned assets will remain with taxpayers. This bill delivers on these commitments in two ways. First, schedule 1 of the bill amends the Housing Act 2001 to make clear that the Land and Housing Corporation, the statutory body that owns the State's public housing assets, will be able to enter into a lease arrangement, known as a concurrent lease, with a registered community housing provider for specified public housing properties.

This lease arrangement will enable the transfer of the management of public housing tenancies from the Land and Housing Corporation as the landlord to the community housing provider as the landlord in a way that is automatic and legally secure for all parties.

Tenants will not have to sign any confusing documents, and their lease conditions will for the most part be the same. They will, however, have a community housing provider as their landlord. Tenants' personal and health information will remain completely private and will be transferred only if the Government is satisfied that the community housing provider has the necessary procedures in place to ensure that the information will remain private. These legislative amendments will also ensure that tenants transferring to community housing providers are able to apply for Commonwealth Rent Assistance. Tenants' rent settings will not change and their rent will continue to be calculated in the same way as it is in public housing, where tenants on low incomes pay 25 per cent of their income as rent. Tenants' after-ent income will remain the same. Ultimately, the Government is seeking to dramatically expand the size and capability of the community housing sector in New South Wales. Tenants who transfer to community housing providers will benefit from the tailoring of services to their needs.

Schedule 2 to the bill amends the Community Housing Providers (Adoption of National Law) Act 2012 to provide for the establishment of a local registration scheme for community housing providers that are unable to be registered under the National Regulatory System for Community Housing. This includes, for example, local Aboriginal land councils that are prevented from seeking registration under the national system because of wind-up provisions governed by the Aboriginal Land Rights Act 1983. The ability to register as a housing provider is important because it enables local organisations that deliver housing services, such as local Aboriginal land councils, to be provided assistance as housing providers where they meet the criteria for registration.

As much as is possible, the criteria for registration under the local scheme mirror the criteria in the national system. The Government expects all organisations that deliver social housing services to register under the Community Housing Providers National Law to ensure uniformity in how well the sector is governed and, importantly, meet the needs of tenants. It also creates a level playing field in the sector. A national registration system for the community housing sector provides minimum standards that all housing providers must meet, and also provides quality assurance for government and other investors. This is vital given that nearly 35 per cent of social housing in New South Wales will soon be managed by community housing providers. This package demonstrates the Baird-Grant Government's determination to reform the social housing system for the future and to deliver a better social housing experience for tenants. I commend the bill to the House.