

Agreement in Principle

Mr JOHN AQUILINA (Riverstone—Parliamentary Secretary) [10.24 a.m.]: I move:

That this bill be now agreed to in principle.

Today I bring before this House a bill to amend the Housing Act 2001. This bill supports the implementation of the historic decision by the Government to transfer the ownership of government-funded social housing delivered under the Nation Building Economic Stimulus plan to not-for-profit community housing providers. By transferring ownership of selected properties to community housing providers we are laying the foundation for a viable and independent not-for-profit housing sector in New South Wales that is able to deliver more housing for lower income people in need. Ownership will allow community housing providers to actively plan for the growth of their housing portfolio and provide a much-needed asset base that can be used to secure finance from banks for investment in new housing.

The Government has a strong commitment to grow the supply of community housing. The sector currently manages over 17,500 homes for lower income people in New South Wales and we have set a target to grow the sector to manage 30,000 homes by 2016. We are well on the way to meeting this target ahead of schedule. In the next two years the majority of new homes delivered through funding from the Commonwealth nation building economic stimulus package will be transferred to the ownership and management of community housing providers. We have also committed to transfer the ownership of 500 homes already under community housing management to selected community housing providers. We believe that the community housing sector has an important role to play in delivering affordable rental housing for the people of New South Wales.

Community housing provides homes for public housing eligible households and those with priority needs, as well as households on more moderate incomes whose housing needs cannot be met in the private rental market. Community housing providers are an important partner for government in addressing the housing needs of New South Wales residents as they offer flexible and innovative ways to deliver new housing. They are able to combine private sector finance, government funding and a range of other incentives such as tax concessions and planning bonuses to deliver more homes for lower income people than government can alone. This bill is being introduced to support further innovation in the community housing sector by providing a means for government to manage the transfer of ownership of government-funded homes to the community housing sector while still retaining an interest in the land.

The amendments introduce a range of new provisions to protect the Government's investment and ensure the homes continue to house people in need. These provisions are necessary measures to manage the risks of transferring ownership of government assets and to protect tenants of community housing. We have already introduced a strong, robust regulatory system for the community housing sector. This system, which began in May this year, requires community housing providers to be registered and to meet the ongoing requirements of a regulatory code focused on ensuring that tenants receive high-quality services, assets are well maintained and community housing providers are well managed and financially viable. This bill provides important additional safeguards to manage the risks of providers holding title to government-funded housing.

Specifically, the bill will provide a means to transfer government-owned social housing to community housing providers. The Governor, by way of publishing a notice in the *Government Gazette*, can vest land in a registered community housing provider. Under new provisions in the bill, this means government will be able to register an ongoing interest on the land title to the properties that have been vested to the ownership of a community housing provider or for houses purchased with government funds. This registered interest restricts the community housing provider from selling, mortgaging or otherwise dealing in the land without consent. The intent of these provisions is to not prevent the sale or mortgaging of assets—in fact, consent will not be unreasonably refused—but to provide a review process to ensure that the dealings are in keeping with government requirements and priorities.

The amendments will also provide additional measures for the Government to intervene in the event of provider failure. We recognise that risks are involved in transferring ownership of government-funded housing to the ownership of community housing providers and that we need additional safeguards in the event an organisation is suffering from poor management or finds itself in financial difficulty. Additional regulatory powers are being introduced which allow the independent regulator, the Registrar of Community Housing, to recommend the appointment of Special Adviser to assist a community housing provider to improve his or her performance. The Special Adviser would be independent of the provider and tasked with helping the organisation to address outstanding issues of regulatory compliance in order to prevent the cancellation of registration.

This approach provides for a staged process of intervention in circumstances where the issues facing the provider can be rectified before their registration is cancelled. Earlier intervention provides a greater opportunity to address poor performance and prevent provider failure. Importantly, the bill also provides the Government

with powers to intervene when the situation is serious, when a provider has their registration cancelled or is insolvent. If this situation were to occur the Government can instruct a community housing provider to transfer the properties in which the Government has a registered interest to another registered community housing provider or to the New South Wales Land and Housing Corporation. Tenants' rights will continue to be protected under New South Wales residential tenancies legislation and a range of other measures are in place to ensure tenants of community housing are treated fairly and have access to high-quality housing services.

The introduction of this bill forms part of the Government's commitment to introduce an appropriate structure before the ownership of government-funded social housing is transferred to community housing providers and the continuing use of the properties to house high-priority public housing eligible tenants is achieved. These provisions also meet the requirements set by the Commonwealth Government to support growth in the not-for-profit sector through the Commonwealth's investment in homes delivered under the Nation Building Economic Stimulus Plan. I commend this bill to the House.