

## Second Reading

**The Hon. PENNY SHARPE** (Parliamentary Secretary) [3.21 p.m.], on behalf of the Hon. Ian Macdonald: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

### Leave granted.

Today I bring before this House a bill to amend the Housing Act 2001.

This Bill is about developing innovative strategies to deliver more housing to the people of this state.

The lemma Government is committed to increasing social housing for those in need in NSW and one of the ways we want to do this is by growing the Community Housing sector.

One of the first things I did as Minister for Housing was to release a strategy to grow the sector from 13,000 to 30,000 homes over the next ten years.

We are committed to achieving this goal and it will be done in two ways;

By transferring Housing NSW stock to the sector and;

through debt equity partnerships

This Government has invested \$50 million dollars in an Affordable Housing Innovations Fund which will be released through expressions of interest over the next three years.

It is through this multiplier effect that the Government gets the best and most effective use of its funds.

Under the first round of debt equity, a total of \$3.4 million was allocated to two projects—one in Nowra and one in Artarmon.

Acting alone the Government would only be able to deliver 12 properties.

Under this Debt Equity model it will be possible to develop around 40, 28 more than would have otherwise been possible.

I look forward to seeing many more of these affordable housing projects develop as funds are released from this investment by the lemma Government.

This Bill will give the community housing sector the certainty they require to partner with other not for profit organisations, local government and the private sector on affordable housing projects.

The lemma Government is committed to laying the foundations for a community housing sector that is diverse, responsive, viable, sustainable and capable of growing into the future.

This Bill will give legislative recognition to community housing providers by:

Protecting the government's investment in community housing;

protecting the interests of community housing tenants

encouraging investment from the private sector; and

Improving the capacity of the sector to deliver more housing to people in need in NSW.

There are a range of not-for-profit organisations that manage community housing in NSW.

These organisations—community housing providers—undertake all aspects of tenancy and property management.

Nick Sabel, the President of the NSW Federation of Housing Associations wrote to me last month and said:

"This legislation provides the assurance that all stakeholders will require, to participate in a significant expansion of the scope and role of not-for-profit community housing rental providers."

This Bill reiterates the lemma Government's commitment to developing innovative strategies to increase

affordable housing options for the people of NSW.

Despite an increase in demand for housing, the Howard Government have continued to withdraw support during their time in office they have cut \$1 Billion dollars from our budget over the past three successive Commonwealth State Housing Agreements and Mal Brough's recent announcement indicates that States and Territories will be forced to stand alongside the private and non government sectors to tender for funding if the Howard Government are re-elected.

This means NSW could lose up to \$300 million in funding for social housing each year.

It is now more essential than ever that we develop innovative strategies to do all that we can to maximise the housing available to support those in housing stress.

What do we mean by "housing stress"? We are talking about households on low to moderate incomes spending more than 30 per cent of their gross household income on housing payments.

When housing costs exceed this threshold, a household does not have sufficient remaining income to cover necessities such as food, health care, transport and education.

By "low to moderate income", I don't mean "middle class" and I'm not talking about "middle class welfare".

I'm talking about households earning less than \$40,000 per annum as low income; and households earning less than \$70,000 per annum as moderate income.

This Bill will provide a strong and robust legal framework through which Government can better regulate community housing providers and provide confidence to potential investors and partners to facilitate the growth of community housing.

The community housing sector in NSW is well placed to grow.

Community housing providers are able to attract funding and capital from sources other than Government.

They can achieve this through borrowings—or by entering partnerships with charitable bodies, local government or private developers.

Community housing providers have charitable tax status which gives them access to a number of tax exemptions meaning they can achieve significant savings if they become involved in the construction or development of new social housing projects.

These additional resources when combined with Government funding and assistance can generate significantly more dwellings than Government funding alone.

In addition to this, the locally based nature of providers means they have the ability to respond flexibly to the needs of tenants.

This Government wants to see strong performance from the Community Housing sector so we know that tenants are getting the highest quality service.

Strong performance ensures that providers are accountable to the public for the Government funding they receive and it ensures Government-owned properties are well maintained and managed.

This Bill will help us to achieve this.

My Department has undertaken a series of consultations with the sector and other key stakeholders to ensure that this Bill meets their requirements and will create a flexible and responsive community housing sector balanced with regulatory regimes that provide confidence and security to the Government.

A series of amendments to the Housing Act 2001 are proposed.

The Bill introduces a registration system for community housing providers to be registered, an organisation must be able to demonstrate that it meets appropriate standards proportional to the size and scale of the organisation.

Registration under the Regulatory Code will be essential in order to receive Government assistance but it does not mean that registration will guarantee that organisations will automatically receive such assistance.

Secondly, this Bill establishes a Community Housing Registrar to oversee the regulation of the sector.

The Registrar will be an independent arbiter and will be appointed by me and subject to my direction.

The Registrar will initiate interventions where the Regulatory Code is breached, or where organisations fail to operate to the standards proscribed in the Code.

The Registrar will be able to take immediate action in the rare circumstance where there is an immediate and serious risk to community housing tenants or public assets.

Thirdly the Bill provides the legal underpinning necessary for intervention to occur.

The Bill introduces a system of interventions—so that the Registrar can step in to ensure problems are rectified.

If a provider cannot or will not address these concerns or their performance does not improve this Government will withdraw assistance and transfer their leases to another provider who can better manage them.

This Bill will mean that, in the future, community housing providers will be better placed to develop partnerships and relationships with other community groups and private investors to bring more resources into the social housing system, and assist more people in need.

This Bill enables the expansion of community housing by creating a regulatory environment that allows providers to undertake new and innovative funding and service delivery options while protecting tenants and protecting public investment.

I commend this Bill to the House.