

David Hale

From: Aaron Jones <[REDACTED]>
Sent: Thursday, 16 October 2014 8:39 AM
To: PublicAccountsCommittee PAC
Cc: [REDACTED]
Subject: Questions on Notice - PSA response
Attachments: Evidence - NBESP source and allocations_2.xlsx

Dear David,

Please find below the Association's responses to the questions on notice for the purpose of being considered at this morning's meeting of the Committee. Should the Committee wish to receive these responses in a more formal format, I am to provide it.

I note that the questions pertaining to the level of temporary staff within Housing NSW were not covered in the questions on notice in the documentation provided by the Committee. This remains a pressing issue for members and I would be happy to provide material to this extent should the Committee request it.

The Association continues to appreciate the opportunity to provide input into the Committee's consideration on these important matters. Should the Committee wish to clarify any of the points raised here, please do not hesitate to contact me.

1. In your submission say that community housing providers get superior housing stock and Housing NSW retains more responsibility for more vulnerable or difficult tenants who, therefore, require greater support. To supplement your submission, can you provide more concrete evidence to support those propositions?

Vulnerable clients

The disproportionate allocation of vulnerable tenants to Housing NSW is a result of two factors.

1. Tenants on the priority waiting (those with assessed vulnerable complex needs) list overwhelmingly preference Housing NSW as their provider of choice. Community Housing providers access only the general waiting list when allocating properties and therefore are selecting tenants from an already tiered pool.
2. From within the general waiting (which is further ordered on a need basis), members report observing the common scenario in which potential tenants are allocated properties by Community providers inconsistent with the order of the list.

Unfortunately, there is insufficient reporting mechanisms in place within the system to audit the basis of either the preferences of clients on the priority list or the basis of "out of order" allocations from the general list.

Superior stock

National Building Economic Stimulus Plan

The attached spreadsheet is the allocation of all the properties Social Housing (HNSW, CHP's and AHO) received under the NBESP. It demonstrates the claim that CHP's receive superior stock. Specifically it shows:

- Housing NSW contributed 89.7% of the redevelopment sites, yet only received 4.6% of the sites upon completion of redevelopment.
- The cost of decanting those tenants from the redevelopment sites, the cost of demolition, the cost of project development, the cost of obtaining DA, the cost of contract management and the cost of construction was all borne by Housing NSW – CHP's did not contribute.
- The cost of any adverse media was also borne by Housing NSW (eg. Pearl Constructions. This was a significant cost to HNSW).

- CHP's received 100% of the wheelchair accessible accommodation and 91% of adaptable accommodation. These properties therefore do not have the same financial burden as those held by Housing NSW for future disability modifications.
- Of the total unit yield from redevelopment and RFT sites under NBESP, CHP's received a massive increase to their stock of 5,679 units, yet HNSW received 346.

These 5,679 CHP properties do not have a maintenance/upgrading liability for a period of approximately 10 years, they meet all current design standards and do not have maintenance liabilities of asbestos, lead paint, chip board flooring and wet seal breakdowns that are common within the aging HNSW stock. Client satisfaction levels are generally much higher for clients in new properties as a result of the latest "mod-cons" and the absence of maintenance issues. Members emphasize that the absence of maintenance issues is not a result of maintenance being better managed, but due to the fact that the properties haven't aged to a point where maintenance is needed.

Tenanted Transfer Program

Tenanted transfer in "whole of location" areas were undertaken on the North Coast in Brunswick Heads, Byron Bay, Maclean, Yamba, Iluka, Woolgoolga and Sawtell. These sites were chosen by CHP's as they represented the areas with the highest market value on properties, thereby increasing the value of their leveraging capacity. These high value areas also attracted a higher weekly market rent (increased capacity to earn rental income). Additionally, these areas did not have any estates and the associated anti-social behaviour issues.

All properties transferred under the Program were brought to the Housing NSW Asset Standards at a cost borne by Housing NSW. Community Providers obtained the full benefit of this expense including the absence of maintenance issues plus increased client satisfaction.

2. The Select Committee on Social, Public and Affordable Housing delivered their report.

Recommendation 21 states:

That the NSW Government expedite the transfer of public housing properties to community housing providers via long term leases to:

- **ensure future growth in the supply of social and affordable housing**
- **promote the expansion of 'wrap around' services.**

That the NSW Government also review the target that the community housing sector comprise at least 35 per cent of all social housing and assess the performance of property title transfers and leveraging. Are there any caveats or further insights into this recommendation that can be provided to the Committee?

For the reasons given in our submission, the Association reasserts its opposition to transfers of stock to Community providers as the preferred method on enhancing access to housing.

With respect to targets being placed on the ratio of stock management, the Association is of the understanding that the existing target of 30% was well on its way to being achieved, however LAHC had asked for all stock transfers to cease whilst they developed a portfolio/asset strategy.

If further stock transfers are to be considered, the Association urges that the following be considered:

- The cost of the administrative burden on HNSW in facilitating the transfers to CHP's (such as canvassing tenants, "showbags", vacated accounts processing, consultation with tenants' families/advocates, etc);
- The need for CHP's to accept a fair representation of HNSW stock - not just brick and tile, newer stock, non-estate properties or high market value whole of locations;
- That governance and regulation measures are in place that adequately measures the performance of all social housing providers; and
- That improved reporting and auditing process be established to prevent "cherry picking" of clients.

As noted above, should the Committee have any questions in relation to these answers, please do not hesitate to contact me.

Regards,

Aaron Jones.

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Table A

Redevelopment Region	Source of Redevelopment Sites			Total Sites
	NSW	ABO	CFP	
Central Coast	19	0	8	27
Central Sydney	69	0	2	71
Hunter	43	0	2	45
Northern	62	0	8	70
Southern	34	0	7	41
Western	34	0	1	35
Western Sydney	106	0	14	120
Total by Provider	367	0	42	409
% Contributed	89.7	0	10.3	

Table B

Complete NRES Region	Site Allocation Completion			Total Sites
	NSW	ABO	CFP	
Central Coast	0	0	36	36
Central Sydney	0	2	73	75
Hunter	7	10	50	67
Northern	6	13	70	89
Southern	0	2	49	51
Western	7	6	33	46
Western Sydney	4	12	147	163
Total by Provider	24	45	458	527
% Received	4.6	8.5	86.9	

Table C(1)

Complete NRES Region	Unit Value			Total Sites
	NSW	ABO	CFP	
Central Coast	0	0	413	413
Central Sydney	0	10	938	948
Hunter	79	77	604	760
Northern	45	81	731	857
Southern	0	10	656	666
Western	63	47	353	463
Western Sydney	159	86	1984	2229
Total by Provider	346	311	5679	6336
% Received	5.5	4.9	89.6	

Table D

Complete NRES Region	Wholesale Address Units			Total Sites
	NSW	ABO	CFP	
Central Coast	0	0	1	1
Central Sydney	0	0	4	4
Hunter	0	0	0	0
Northern	0	0	3	3
Southern	0	0	0	0
Western	0	0	0	0
Western Sydney	0	0	6	6
Total by Provider	0	0	14	14
% Received	0.0	0.0	100.0	

Table E

Complete NRES Region	Average Unit Value			Total Sites
	NSW	ABO	CFP	
Central Coast	0	0	35	35
Central Sydney	0	2	174	176
Hunter	12	4	119	135
Northern	8	15	117	140
Southern	0	3	108	111
Western	4	10	61	75
Western Sydney	22	8	326	361
Total by Provider	46	42	940	1033
% Received	4.5	4.1	91.0	

