

GENERAL PURPOSE STANDING COMMITTEE No. 5

Friday 17 October 2008

Examination of proposed expenditure for the portfolio areas

HOUSING, WESTERN SYDNEY

The Committee met at 4.30 p.m.

MEMBERS

Ms H. Westwood (Chair)

The Hon. R. L. Brown
The Hon. D. J. Clarke
The Hon. A. Catanzariti
Ms S. P. Hale

The Hon. T. J. Khan
The Hon. E. M. Obeid
The Hon. H. Tsang

PRESENT

The Hon. D. L. Borger, *Minister for Housing, and Minister for Western Sydney*

Department of Housing
Mr M. Allen, *Director General*

Department of Premier and Cabinet
Mr J. Scott, *Director, Regional and Strategic Issues*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I declare this hearing for the budget estimates 2008-09 open to the public. I welcome Minister Borger and the accompanying officials. Today the Committee will examine the proposed expenditure for the portfolios of Housing and Western Sydney. I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee Clerks. I remind you, Minister, and the officers accompanying you that you are free to pass notes and refer directly to your advisers while at the table. I remind everyone that mobile phones are to be turned off as they interfere with the Hansard recording equipment.

The Committee has agreed that the format of this hearing will allow questions from either of your portfolio areas. The House has resolved that answers to questions on notice must be provided within 21 days and the Committee has not determined to amend that time so we will expect those answers within that period. Transcripts of this hearing will be available on the Web from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to evidence. I remind you, Minister, that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

MIKE ALLEN, Director General, Department of Housing, sworn and examined, and

JOHN SCOTT, Director, Regional and Strategic Issues, Department of Premier and Cabinet, affirmed and examined:

CHAIR: I declare the proposed expenditure for the portfolios of Housing and Western Sydney open for examination. There is no provision for the Minister to make an opening statement before the Committee commences questioning, so we will begin with questions from the Opposition.

The Hon. DAVID CLARKE: I would like to ask a couple of questions about the Bonnyrigg Living Communities Project. The former Minister's press release of 19 October last year indicated that the project would result in 69 per cent of the housing in the redeveloped estate being private housing whilst in the old estate only 11 per cent was. Is this not in fact privatisation by stealth?

Mr DAVID BORGER: I state at the outset that the Bonnyrigg Living Communities Project is a public-private partnership with a joint public and private investment of \$733 million. In April 2007 Bonnyrigg Partnerships was appointed to deliver 2,330 homes, including 833 new or refurbished homes for people in need. The Westpac and Becton Property Group owns Bonnyrigg Partnerships, a special purpose company set up to deliver the Bonnyrigg Living Communities Project. Spotless and St George Community Housing are key service providers to Bonnyrigg Partnerships. Those four groups act together to provide effective services for the renewal of the area.

The project will entirely renew one of the largest public housing areas as a mixed community. It will ensure that brand new housing that serves the needs of tenants is well maintained and located close to services. The project is progressing well, with Bonnyrigg Partnerships successfully delivering the full range of services and moving towards securing development approvals. The Bonnyrigg Living Communities Project was selected based on an assessment of the affordability of the project and the significant social and housing benefits that the project will deliver.

It has been structured to achieve three main outcomes: firstly, to provide better services and create new opportunities; secondly, to build a stronger community or neighbourhood in that area; and, thirdly—I think this goes to the member's question—to renew houses and public areas. Most of the original housing dwellings will be replaced with new dwellings on site and some will be relocated within the general area. I will ask my director-general, Mike Allen, to elaborate on the specifics of those additional 134 public housing dwellings to be acquired in surrounding areas.

Mr ALLEN: The project commenced with 933 dwellings in the public housing area. That comprises 833 public housing dwellings and approximately 100 private dwellings. By the time the renewal activity is complete there will be a total of 2,330 dwellings in the same area. That will comprise 699 public housing

dwellings—as the member indicated, approximately 30 per cent of the residential housing in that location, and 1,631 private dwellings. A further 134 public housing dwellings will be acquired in surrounding areas to hold the number of public housing dwellings at the original figure of 833.

The Hon. DAVID CLARKE: That is precisely the problem. The Bonnyrigg Living Communities Project will result in thousands of new homes being built, but public housing dwelling numbers will remain the same. You are replacing 134 but the total public housing figure remains at 833. As result of this project why do you not have a bigger commitment to public housing?

Mr DAVID BORGER: I refer you to the three main outcomes that this project intends to achieve. One of them is to renew public housing stock—taking older public housing stock and reconfiguring it to better meet the needs of our tenants. Many of those in public housing are single person households and much of our housing stock is for families. One of the outcomes is to get housing that meets the needs of the people who live there. This project is about building a stronger and renewed community, and providing opportunities for families, in particular in Western Sydney, to find new and affordable homes in the local area.

Bonnyrigg is something of a model in renewing a large public housing estate and helping it to perform better as a neighbourhood and as a community. Public housing dwellings will be renewed and provided, but we are also providing real opportunities for people in Western Sydney who may find it hard to get into the housing market by providing affordable home ownership options.

The Hon. DAVID CLARKE: As I understand it you are renewing and increasing private housing, and you are renewing public housing but not increasing it. At the moment public housing is at 89 per cent and private housing is at 11 per cent. Why are you not maintaining the same ratio? In the new project only 31 per cent will be public housing and private housing will go from 11 per cent to 69 per cent. You are renewing public housing but you are not increasing it; the proportions are not equal. What do you say about that?

Mr DAVID BORGER: Our objective at Bonnyrigg is to create a mixed community, a healthy community and a community with public, private and affordable homes. Those are the outcomes we are looking for at Bonnyrigg. We think that they are good outcomes for Western Sydney and for that neighbourhood.

The Hon. DAVID CLARK: It would still be a healthy community if we kept public housing at 89 per cent instead of shoving it down to 31 per cent.

Mr DAVID BORGER: I stick to my earlier answer. There are three main outcomes and they are all good ones. Renewing communities means getting a good mixture of public and private housing and giving people an opportunity to live in an area that is well located close to a neighbourhood shopping centre. Bonnyrigg Housing Estate is also within walking distance of churches and temples. We think that people should have an opportunity to live in such a well-located community.

The Hon. DAVID CLARKE: At the moment 89 per cent of them are living in public housing. Why should they not continue to have access to the churches and temples in the area that you are talking about?

Mr DAVID BORGER: They will.

The Hon. HENRY TSANG: The number is the same.

The Hon. DAVID CLARK: That is what I am saying. The number is the same for public housing but the number of private houses is greatly increased. The proportion of people in public housing is being reduced from 89 per cent to 31 per cent. That is point that I am making.

Mr DAVID BORGER: The principle is important: healthy communities need a mix of people from different walks of life and different opportunity levels. Public housing tenants are provided with opportunities when their housing is integrated in mixed communities and neighbourhoods. I will ask the director general whether he has anything further to add.

Mr ALLEN: All the international and national evidence shows that where you can take positive community development action in public housing areas and reduce the concentration of public housing and have a more homogenous mix of both public and private housing specifically across those locations and broader locations, you get much better community outcomes for the people who are living there. Addressing

concentrations of public housing is shown both nationally and internationally as a positive thing to do. That is what we are working to achieve.

The Hon. DAVID CLARKE: Let us take it step further. How many are on the public housing waiting list in New South Wales at the moment?

The Hon. EDDIE OBEID: Howard never funded any public housing. Under Hawke and Keating we have seen 3,000 units a year.

Mr DAVID BORGER: The New South Wales public housing system has undergone significant change. In relation to the register the majority of those in public housing were once post-war low-income working families. However, the system today increasingly focuses on those in greatest need—predominantly people dependent on statutory incomes, transfer payments, Centrelink benefits, and so on. Depending on their circumstances, applicants for public housing may be eligible either for priority or general housing. A housing register is maintained to allocate housing to eligible applicants.

The number of people listed on the statewide housing register in June 2008 was 43,134. The number of people on the housing register has declined by 56 per cent since 30 June 2000. This is due to the introduction of regular surveys of applicants to determine ongoing eligibility and need. The surveys have enabled better matching of available products to applicant household requirements and assisted in substantially reducing numbers on the waiting list.

Public housing is only one of a number of solutions aimed at securing homes for low-income people. By way of example, the New South Wales Government's Rentstart program is expected to help approximately 30,000 households in 2008-09 by assisting with the up-front costs of bond and rent in advance. In addition, the Special Assistance Subsidy (Disability) is paid to people with a disability who are approved for priority housing or have reached their turn on the housing register while they wait for a suitable Housing NSW dwelling. This ensures that they are not financially disadvantaged while they wait. In addition, another form of assistance is the Special Assistance Subsidy—Special, which is available for people living with HIV-AIDS who rent in the private market.

The Hon. DAVID CLARKE: How many houses in the past financial year were built for those people on the waiting list?

Mr DAVID BORGER: In 2007-08 there were 8,281 new tenancies in public housing. In 2006-07 there were 1,267 dwelling commencements—883 new dwellings completed comprising 496 dwellings in general category, 146 dwellings specifically for pensioners, 213 new dwellings in the community housing sector, 14 places in the crisis accommodation program and one in the affordable sector.

The Hon. DAVID CLARKE: So 883 new dwellings and 43,000 people on the waiting list: that is a very big gap?

Mr DAVID BORGER: Certainly Housing New South Wales is committed to renewing and providing new stock. The plan is to provide 1,100 to 1,200 new housing units per year. Certainly, the 10 or so years of the Federal Howard Government did not help us in our ability to provide for new housing. In fact, over \$1 billion was cut from the national public housing system during those years. We are dealing with the shortfall nationally. The good news is that the Rudd Government is committed to providing affordable social housing, public housing and community housing. The Council on Australian Governments [COAG] has had constructive discussions looking at restoring some of the base that was eroded over that period.

The Hon. DAVID CLARKE: I am looking at the State Government's commitment to public housing. If those 43,000 were relying on public housing and 883 dwellings were built per year, many of those people will be waiting a mighty long period before they get any public housing, would you agree with that?

Mr DAVID BORGER: Certainly the commitment is to renew stock and to build new stock. As I have said, approximately 1,100 new stock is constructed each year for people seeking housing. But we provide assistance for people in the private rental market through Rentstart. We provide assistance for people in paying a bond and sometimes with paying the first two weeks of rent. We provide temporary accommodation, particularly to homeless people. We support the Homelessness Action Team in Sydney. We are committed in a

range of ways to growing opportunities for people, low-income people particularly, to get into the housing market.

The Hon. DAVID CLARKE: I refer now to the tenant fraud amnesty. After a period of seven weeks the amnesty attracted some 1,800-odd calls, representing one half of 1 per cent of tenants. The Government has acknowledged previously that the cost of tenant fraud was \$53 million each year. You could build a lot of houses with \$53 million each year, would you agree?

Mr DAVID BORGER: Certainly I can say in relation to tenant fraud that Housing New South Wales provides shelter and security to over 340,000 people across the State. Many are frail—

The Hon. DAVID CLARKE: How many calls were received in total up to 30 September when the amnesty period concluded?

Mr DAVID BORGER: Some 4,400 people called the amnesty line. Most residents in public housing are honest and they do the right thing. Around one-third of calls were from tenants who took advantage of the amnesty provisions to correct their details. Another third of the calls were from tenants simply wishing to ensure that their details were correct or to ask questions about the amnesty. The remaining one-third of calls came from third parties phoning in with information and allegations. Over half of these allegations related to unauthorised occupants and subletting. Changes to income accounted for around 20 per cent. Calls have come from all over the State. The point I made is that an amnesty for these sorts of things is always good and provides an opportunity for people to correct the record. It provides an opportunity also for Housing New South Wales to receive the income that it is due—that is a positive thing.

The Hon. DAVID CLARKE: Looking at the opportunity provided and moneys due, how much money was actually recovered as a result of the amnesty? How does this compare with the \$53 million in annual losses from fraud? How much was actually recovered as a result of this tenant fraud amnesty?

Mr DAVID BORGER: I will refer the specifics of that question to Mike Allen, the director general.

Mr ALLEN: As members would be aware, the amnesty only ceased at the end of September. We are still in the process of investigating all of the details of the 4,400 calls that we received. That will be quite a detailed process and will take some time before we are actually able to provide any reasonable figures around the appropriate amount of increased income due to the department.

The Hon. DAVID CLARKE: What are the interim figures showing?

Mr ALLEN: The cases are still subject to investigation and we are not able to provide any figures at this stage until we actually go through the details. In fairness to many people involved, a natural justice process must be followed, as well as making sure that they have a reasonable opportunity to respond to some of the allegations made against them. So, it will take some time before we can work through what those figures are likely to be.

The Hon. DAVID CLARKE: As of today has any money at all been recovered as a result of this amnesty? Do you have any figures at all?

Mr ALLEN: What I can say is that a number of those who rang to correct the information or the records the department had about their family household or income, those changes are in the process of being made now so that our records are being corrected. Our rental accounts and statements are being prepared based on the new information provided. I do not have a figure of the changes in rental income at this stage.

The Hon. DAVID CLARKE: For how long did this amnesty run?

Mr ALLEN: The period of the amnesty was for three months.

The Hon. DAVID CLARKE: And you cannot indicate whether there are any cases of any recovery of lost rent?

The Hon. EDDIE OBEID: It is not finished yet.

The Hon. DAVID CLARKE: No, I am asking about cases within that period. It is a continuing process and there would be cases outstanding that you would be still investigating. But are there any completed cases? There must be some completed cases; people have come forward under this amnesty. What I am asking is, as of today how much money has actually been recovered?

Mr ALLEN: I do not have a figure available to me. We have not calculated the change in rental income for those people. We have been focusing our efforts on providing information to those who have had allegations made about them, and addressing the natural justice issues for those people as our principal focus. Over time we will be able to calculate the difference in rental income from those earlier cases that came forward where people have corrected the information that we have for them. Understandably, and I think appropriately, our efforts have been focused on those people against whom allegations have been made. They are the ones we need to invest some detailed time investigating. The others will happen fairly automatically as the changes in our rental accounting system is made to correct their information.

The Hon. DAVID CLARKE: Is it the situation that at this stage you cannot assure us that any money at all has been recovered? Has there been any case where—

The Hon. TONY CATANZARITI: Point of order: Mr Allen has tried on at least two or three occasions to answer the question, and I believe he has answered it. I do not understand where Mr Clark is coming from.

The Hon. DAVID CLARKE: To the point of order: I have asked a specific question. I am asking now is the aware of a single case in that three-month period where there was recovery of rent.

CHAIR: Order! Mr Allen has attempted to answer that question a number of times. I uphold the point of order. Opposition time for questions has expired.

Ms SYLVIA HALE: Minister, in relation to the substantial decline in the numbers of people whose names are listed on the housing register, do you attribute this to people becoming frustrated at the length of time of the waiting, and not to their simply falling off the register, or do you attribute it to a tightening of eligibility criteria?

Mr DAVID BORGER: Certainly the number of people on the housing register has declined, as I mentioned earlier. The number of people we had on the statewide register in June 2008 was 43,134, and that is a 56 per cent decline since 30 June 2000. Certainly one of the important factors in that decline has been the introduction of regular surveys of applicants to determine ongoing eligibility and need. The surveys have enabled better matching of available products to applicant household requirements and have assisted in substantially reducing numbers on the waiting list. Housing New South Wales provides a range of other products, including Rentstart. Many people who may be eligible for social housing may make choices in relation to the private rental market, and we provide assistance in relation to that.

Ms SYLVIA HALE: But you would agree that the tightening of the eligibility criteria has had an impact?

Mr DAVID BORGER: Certainly the Reshaping Public Housing reforms were intended to provide housing opportunities for those most in need. Perhaps Mr Allen would like to add to that.

Ms SYLVIA HALE: I will have some questions later on and I would like to pursue the impact of Reshaping Public Housing, if I may. I will move on from that. The Rudd Government has announced a doubling of the first home owners grant for existing dwellings. Minister, do you believe that this will improve the affordability for potential first home owners, or will it, as many economists such as Saul Eslake have said, simply be inflationary, given the lack of a new housing supply? Will the measure simply put cash into the pockets of the sellers of existing houses?

Mr DAVID BORGER: The decision to increase the first home owners grant for people purchasing existing dwellings goes from \$7,000 to \$14,000 and for new dwellings it goes from \$14,000 to \$21,000 per family. I think there are two intentions behind that. One is to provide an easier access for people seeking home ownership and, by providing affordable home ownership, to encourage people to do that. I think it will achieve that to some extent, but the other one behind that policy was obviously to encourage more activity in the housing construction market. We all know that since 2004 housing has been flat, and I think it is a national

priority, certainly given global financial instability, to ensure that we get that sector working again. I think part of the Rudd Government's intent was focused towards that.

Ms SYLVIA HALE: But how do you respond to the assertion by people such as Saul Eslake that in effect the end result will merely be to increase the price of existing housing? As we have seen to date with Federal assistance grants, all they do is put up the rents in the private market rather than assist the tenants.

Mr DAVID BORGER: Certainly New South Wales welcomes the initiative. We think the primary impact of that will be to assist affordability for people wanting to access the home ownership market.

Ms SYLVIA HALE: Clearly you disagree with the other views. I will speak now about the maintenance program loan. I am afraid my question is a trifle long, but I need to add the historical context. I refer to the announcement at the time of the 2005-06 budget by former the Minister for Housing, Mr Tripodi, that the Department of Housing would be drawing on a \$100 million Treasury loan to pilot a new maintenance reform program from the 2005-06 year onwards. The budget paper for that year indicated:

The anticipated cost savings and efficiencies will fund interest costs and support repayment of the loan.

The loan was referred to again at the time of the 2006-07 budget by the former Minister for Housing, Cherie Burton, and again at the time of the 2007-08 budget by the former Minister for Housing, Matt Brown. Budget information provided with the 2008-09 papers indicates that Housing New South Wales would be spending \$165.4 million in 2008-09 on general and backlog maintenance, but this was to be financed from "rent revenue and other internal funds". Minister, I want to ask you this: What happened to the loan facility promised by Treasury?

Mr DAVID BORGER: Thank you for that question. As I understand it, as a general principle there was a change in direction away from that loan facility, but I will ask the director-general to provide some detail to elaborate on that answer.

Mr ALLEN: The loan was not taken up or provided to Housing New South Wales. We have continued to work in terms of identifying alternative ways of delivering maintenance that provides cost efficiencies and are more cost effective. We have had discussions with our colleagues in other States and Territories. We have looked internationally at maintenance trends and we have consulted industry on the approaches that can be taken to large-scale residential maintenance programs. All of that information was really helpful. There was also research done through a number of asset management experts. That allowed us to reshape our maintenance contracts.

We have just been through a very lengthy process of re-tendering our maintenance contracts. By offering a five-year contract period, by being able to have more detailed information about the condition of all of the assets that we are looking to maintain, we have done that by undertaking property condition surveys of all our properties around the State. We have done it once and we are in the process of completing the second program so that we have a detailed understanding of just how much maintenance backlog there is. By instituting a number of efficiency and effectiveness measures in the maintenance contracts, we will be able to address the maintenance backlog over the course of the next several years without needing to have recourse to any loan funding.

Ms SYLVIA HALE: In the beginning of your answer you used the phrase that the loan was not taken up or provided. Which was it? Was it not taken up by the Department of Housing, or did Treasury withdraw the offer of the loan?

Mr ALLEN: Through discussions with colleagues in Treasury, we decided to take a different path in addressing the maintenance backlog.

Ms SYLVIA HALE: So they made you an offer you could not refuse?

Mr ALLEN: We felt, in consultation with colleagues and Treasury and based on the further research and analysis we have been doing nationally and internationally, there was an alternative way that we could seek to address the maintenance backlog without needing to have recourse to a loan, so we chose that path.

Ms SYLVIA HALE: Minister, I now wish to ask a question about tenant-owned cooperatives, and I am not referring here to the approximately 43 Housing New South Wales cooperatives that are funded through the Office of Community Housing, but to limited equity tenant-owned cooperatives. I asked at estimates last year if Housing New South Wales would consider assisting groups of people to set up their own limited equity tenant-owned cooperatives. I gave an example of residents from the Gosford area on the Central Coast. Given the Affordable Housing Innovations Fund has been subsumed into the National Affordability Rental Scheme, will projects like the tenant-run cooperative that the Central Coast residents wish to pursue still be able to be assisted?

Mr DAVID BORGER: My understanding is that, under the National Rental Affordability Scheme [NRAS], cooperative housing can submit expressions of interest for funding under the scheme. In terms of the specific cooperative make-up that you refer to, again I refer to Mr Allen to provide an answer for that.

Mr ALLEN: We are currently undergoing a detailed process of consultation with the cooperative sector to develop a strategy for cooperative housing into the future so that that can effectively fit alongside the other forms of community housing that exist in New South Wales. That is consistent with planning for the future strategy around community housing to grow that sector quite substantially over the next several years.

Ms SYLVIA HALE: Are you aware of the feasibility studies undertaken by Gosford council and your department that show that resident-owned parks have the potential to be self-funding, provided they have access to credit, for example, through a revolving fund or by the department acting as a loan guarantor? Are you pursuing that aspect to enable these types of cooperatives to become self-funding and functional?

Mr DAVID BORGER: I am not aware of that particular study.

Mr ALLEN: I am not aware of that particular study either. But what we have been doing as an agency, with the support of the Government, is developing a regulatory code for community housing, and amendments to the Housing Act 2001 were passed by the New South Wales Parliament in October last year. Those changes recognise community housing as a diverse and viable component of the New South Wales social housing system. The amendments provide for the development of this statutory framework for regulating the sector. The principle purpose of providing that level of regulation is to demonstrate to the private sector, particularly the banking and finance sectors, that there is a level of regulatory support and monitoring of community housing-based organisations to give them confidence to lend to these organisations. We based elements of the code and the evidence guidelines on detailed consultations with the banking and finance industry so that we put ourselves and community housing organisations in a strong position to satisfy the sort of criteria that the banking and finance industry is likely to require of them before it will lend to them.

Mr DAVID BORGER: When you were on Parramatta council you were a strong advocate for affordable housing. Indeed, the council wrote to the Minister for Planning and asked to be included in State Environmental Planning Policy [SEPP] 70 but I understand you received no answer. Are you in favour of an amendment to legislation or a new Statewide environmental planning policy designed to allow councils to mandate inclusionary zoning whereby a percentage of new multiunit housing must be set aside for affordable housing and managed by Housing New South Wales or by a community housing organisation?

Mr DAVID BORGER: That is a very good question. Unfortunately I have to refer that to my colleague the Minister for Planning, the Hon. Kristina Keneally, who has carriage of State environmental planning policies in relation to affordable housing.

Ms SYLVIA HALE: Given your interest in affordable housing, will you be urging her to either amend the legislation or introduce a SEPP that would allow affordable housing to be mandated for multiunit dwellings?

Mr DAVID BORGER: I am sorry but I must refer to my earlier answer. That legislation or State environmental planning policies are determined by my colleague.

Ms SYLVIA HALE: I know they are but surely you can make a submission?

Mr DAVID BORGER: I have a passionate interest in affordable housing. We have many constructive discussions around these issues and will continue to do so.

Ms SYLVIA HALE: So we can look forward to a fruitful outcome. As you know, Minto has the most unfortunate history in terms of overriding resident concerns, but that is in the past. I understand that the Minto house and land packages will be priced at between \$300,000 and \$450,000. By most people's reckoning, that would not exactly be affordable for households on medium incomes. Are there any measures on foot to make any of that housing affordable?

Mr DAVID BORGER: Recently I attended the sales office opening of the first stage of the homes released in Minto. It was a good day. I remember going out there many years prior when I was working for the former Minister for Housing, the Hon. Andrew Refshauge. The whole precinct had changed markedly. It had the feel of a neighbourhood that would be healthy in the future as housing is built. While some people may not see that as affordable in terms of the Sydney market—Sydney is Australia's most expensive city—those price ranges will be affordable to some families in that local area that are seeking to enter the market. While I was in Minto I noticed that not all the homes were large, two-storey project homes, as is the custom in many new housing villages, particularly in Western Sydney. There were a number of options for single-storey, very modest homes with modest but presentable finishes. The sense I got from the first stage of those homes being constructed is that there would be affordable housing opportunities. I think that was the feeling of all the people who were there on the inspection.

Ms SYLVIA HALE: Has anyone expressed concern to you that in terms of the provision of public housing the emphasis is on the needs of, say, older residents and that in fact larger family households will not to be as proportionately represented as they had been in the past?

Mr DAVID BORGER: Most of the people in public housing at the moment are single-person households and they are looking for accommodation that is more appropriately configured to meet their needs. We have some four-bedroom and larger houses in Western Sydney but the demand generally across the portfolio of 145,000 units has not been particularly strong. In terms of the specifics, I will ask the Director General if he wishes to elaborate further on the detail.

Mr ALLEN: In terms of the demographic changes that have occurred over the past couple of decades in social housing, as you have pointed out, housing for elderly people has increased substantially. Today more than one-third of our applicants are single, another third are single parents and these days only 11 per cent are couples with children. That compares to the early 1970s when couples with children would have been about 70 per cent of our tenant profile. We expect to see substantial increases in household numbers across New South Wales in future years. We will be realigning our housing stock so that we increase the proportion of one-bedroom and two-bedroom accommodation, at the same time ensuring that we are addressing the needs of those people with large families but realigning our property portfolio to better match the contemporary need of the clients that are seeking our assistance these days.

Mr DAVID BORGER: In the past six weeks or so since I have been the Minister I have had the opportunity to visit many public housing tenants, particularly in Western Sydney. I have been to Bidwill, Airds, Macquarie Fields, Waterloo, Glebe, Redfern, Riverwood, Minto, Cranebrook, Penrith, St Marys, Mount Druitt and Hebersham. Recently when I was at Bidwill with the local member, Richard Amery, he advised me that when that estate was first constructed the average age was six. I think he was joking but the point he was making was that there had been a substantial ageing of the demographics of the 10 or 12 housing estates surrounding the suburb of Mount Druitt. So things were changing. Certainly, there was a demand for single-person housing and aged housing in those estates, and in many cases it simply was not provided when the estates were first constructed. We are now looking for opportunities to provide some of that accommodation.

Ms SYLVIA HALE: You may not be able to provide this now but I would be grateful if you could take it on notice. What is the net loss of public housing stock estimated to be within the Minto postcode of 2566?

Mr DAVID BORGER: I will take that on notice and get back to you within the 21-day period.

Mr ALLEN: Similarly, we are ensuring that there is no net loss of social housing from the Bonnyrigg area. Yes, there will be a reduction in the number of public housing homes specifically at Minto in the future, but any housing that is reduced in that location will be replaced in the broader general area, most specifically around the Campbelltown local government area but in some other locations in Western Sydney. So the numbers will be maintained overall, although there is a change in that balance in Minto along the lines of creating those more mixed communities that we spoke about earlier.

The Hon. TREVOR KHAN: You said that you had the opportunity to visit the Riverwood housing estate. When you visited that housing estate did you visit some of the tenants in the estate?

Mr DAVID BORGER: Yes, that is correct.

The Hon. TREVOR KHAN: You may or may not be aware that the shadow Minister has also taken the opportunity to visit the Riverwood Housing Estate and met tenants. A tenant showed the shadow Minister a bathroom, which the tenants complained had been unusable for five years? Is that acceptable? The home is occupied by four persons—two parents and two teenage sons—who are forced to wash each day from a bucket. Is that an acceptable outcome for tenants under your control?

Mr DAVID BORGER: I can say that the Riverwood Housing Estate has had some major improvements in the past few years. There has been a very good working relationship with the local council, particularly in relation to public domain issues. We have now gone out seeking expressions of interest for the renewal and redevelopment of some of the land parcels in the Riverwood estate. Certainly it is unacceptable if that is the case and we will investigate that issue if you provide me the details. When I saw some of the tenants yesterday I saw a very functioning neighbourhood with many elderly people. It was well located close to the neighbourhood shopping centre and seemed to be a much better located neighbourhood than some of the south-west Sydney estates. I am happy to follow up on that particular issue.

The Hon. TREVOR KHAN: In another instance, in the same street as the first, was a disabled lady living with her daughter who showed the shadow Minister kitchen doors that do not hang on the frame. The cupboards are so out of alignment that all of the crockery and cutlery have to be stacked on benches. Is that acceptable?

Mr DAVID BORGER: I would be happy if you provided me with the details of that matter and we will investigate it and take necessary action. Yes, there has been a maintenance backlog. What have we done about that maintenance backlog? We have what is possibly the largest maintenance contract in public housing anywhere in the southern hemisphere and we are absolutely committed to bringing public housing up to better standards and improving these basic maintenance issues. The Commonwealth Government has not helped us in that over 10 or 11 years nationally it essentially gave up on public housing and public housing tenants, and ripped out \$1 billion from the social housing system nationally. Every day at Riverwood, in particular, we are dealing with the effects of that abrogation of the duty of the former Federal Government in relation to these issues. We are committed to doing something about all of these issues. The maintenance contract really is a major way to renew the very fabric of these buildings, particularly in estates.

The Hon. TREVOR KHAN: I recognise you have been in the portfolio for only a very short time and I hear what you say, but I am interested in hearing from Mr Scott and Mr Allen as to how they explain such circumstances that, in truth, do not seem to be that uncommon. I am sure you have experienced them in your former life. Will the department explain how it could allow people to live in that state of degradation? It does not require a yes, Minister-style answer. There has to be an explanation as to how people can be left in those circumstances.

Mr ALLEN: I cannot offer an explanation to that set of circumstances because I do not know the details. As the Minister indicated, we are more than happy to investigate that. What I can say about our maintenance program is that we have a housing contact centre that is open 24-hours a day, seven days a week and we regularly write to our tenants to let them know that if they have maintenance concerns, they can ring the housing contact centre and action will be taken. We write to our tenants through our tenant newsletter each quarter called Your Home. We not only publicise that number actively throughout that particular journal but we also have stories in there from our organisation and also from other tenants to reinforce the point with our tenants that if they have maintenance problems, or concerns about the maintenance of their home, there is a number they can call 24 hours a day, seven days a week, and staff will address those issues. I am sorry, I cannot provide an answer to the circumstances that you have outlined, but I am happy to ensure that there is a proper and full investigation of those situations. Given the availability of our maintenance services, and the housing contact centre to address maintenance issues, I am certainly surprised, to say the least, about those circumstances.

The Hon. DAVID CLARKE: The Minister said there was maintenance backlog. How long is that backlog?

Mr ALLEN: We are currently finalising, as I mentioned in response to an earlier answer, our property condition surveys for all of our homes across New South Wales. The data and information provided from those surveys will inform the contract packages in our new maintenance program that our contractors will be delivering over the next several years, and we anticipate we will be able to resolve the maintenance backlog in that time frame.

The Hon. TREVOR KHAN: What does that mean? You were asked a simple question: what is the nature of this backlog? How long are people waiting on average to get things fixed? I do not want to know a process; I want to have a clear answer as to what people are exposed to.

Mr ALLEN: Through our housing contact centre any maintenance issues that are raised by our tenants are properly addressed. If they are urgent health and safety matters then they are addressed within 24 hours and a contractor will be there. We follow up with our tenants when they have made those calls at the end of that time frame to ensure that the contractor has attended the property firstly. Secondly, that they have undertaken the maintenance that was necessary. Thirdly, that they did so in a courteous manner in their dealings with the tenant. For less urgent, but still nonetheless important, maintenance matters we will undertake those within 72 hours. For other less urgent, what we would describe as programmed, maintenance activities that will occur over the course of the maintenance programs that we are looking to put in place through our new maintenance contracts. I said specifically that we expect we will be able to fully address the maintenance backlog across all of our properties in New South Wales over the next several years.

The Hon. DAVID CLARKE: Do you agree with the Minister that there is a maintenance backlog at the moment?

Mr ALLEN: Yes, of course there is.

The Hon. DAVID CLARKE: How long is that backlog?

Mr ALLEN: The backlog will take us approximately seven years under our new maintenance contracts to address. What we are also doing in terms of maintenance, in addition to the housing contact centre, is what we call an annual asset dwelling service so that we will have contractors call around to all of our homes across New South Wales at least once a year to fix any minor maintenance matters that might arise on a defined schedule. So we will do things like ensure the front and back doors lock, ensure all of the electricity system and services within that home are safe, and ensure that kitchens and bathrooms are not leaking. They are the sorts of things that we will do on an annual basis in addition to all of the programmed work that we will be undertaking that will see our homes upgraded over time.

In simple terms it is not really that different to servicing a car. We know that every 10,000 or 20,000 kilometres a car is serviced. Every year we will be at those homes. We know when we service a car from time to time at the end of 40,000 kilometres the tyres are replaced. We know and we will undertake life cycle works to replace hot water services and so on, so that things happen in a planned and programmed way so that we can make the information on those plans and those programs available to our staff and to our tenants so that when our tenants call the housing contact centre they can get hold of that information.

The Hon. TREVOR KHAN: You are quite right: It does seem to be a fairly simple and logical sort of thing to do. Why has the department not been doing it?

Mr DAVID BORGER: I think you need to refer to previous responses in relation to the two cases you have raised. I would suggest that you provide details to us and we will investigate them and get back to you in relation to those two matters.

The Hon. TREVOR KHAN: We have moved on from that. We have been told about the introduction of a programmed maintenance system that is simple, and it would seem logical, as it is with our cars. I ask why the department not been doing that up until now?

Mr ALLEN: In developing those new maintenances arrangements, as I mentioned earlier, it is necessary to have a look at what has been happening around Australia and the rest of the world. We have now, in these new maintenance arrangements, what we believe to be national best practice in social housing maintenance in New South Wales. We regularly have people coming from other States to look at the

arrangements we have put in place, and recently people from New Zealand came to look at our maintenance arrangements. Part of the approach that social housing authorities across Australia have taken historically has been a fix-when-fail approach. So the maintenance service has been responsive; you only fix something when it breaks. That means you are not able to forecast your needs or your costs, and you cannot provide programs of work to contractors because it is reactive.

Through these new maintenance contracts with things like the asset dwelling service, we are taking a preventative maintenance approach. We are turning around the way we have done maintenance. We have moved away from the responsive fix-it-when-it-fails approach to a planned and programmed proactive approach that we know, because we have piloted these arrangements across 17 locations in the State over the past two years. We will provide a better service for our clients and a more cost-effective service for us. In fact, it will allow us to get more work done. These are new developments that have not taken place in other State housing authorities. As I said, they are looking at what we are doing, because it is generally recognised as best practice.

The Hon. DAVID CLARKE: Minister, is this not a terrible situation—you have inherited this portfolio and you face a seven-year backlog in maintenance work? Is that not an appalling situation that you have inherited only a few weeks go?

Mr DAVID BORGER: Certainly what I have inherited are some changes but I have also inherited a lot of very good work on what is the largest, single maintenance contract for public housing in the Southern Hemisphere. A lot of very good work trialling this proactive style of maintenance has been undertaken to date. We will roll this out and I look forward to advising you further about the achievements we will make in relation to maintenance in New South Wales. What we have is a positive picture of what the Government is doing in a proactive way to fix an historic backlog.

Hon. DAVID CLARKE: "An historic backlog", is putting it correctly.

The Hon. TREVOR KHAN: Do I take it that when people phoned in and said that they wanted to take advantage of the amnesty because they were in a job, for instance, they would make a declaration as to their income? Immediately there would be an adjustment to the rent they were to pay. Is that what you have done?

Mr ALLEN: In general terms, yes. What we require is to have their employers complete a statement so that we have an accurate record of the income rather than the verbal information as provided over the phone. Then we would make adjustments accordingly to the rental arrangements with that particular tenant, yes.

The Hon. TREVOR KHAN: And that process has been ongoing through the three-months of the amnesty?

Mr ALLEN: Yes, that is correct, in general terms.

The Hon. TREVOR KHAN: So you have not waited until the end of the amnesty to start adjusting the rents of those persons who made a declaration under the amnesty?

Mr ALLEN: That is correct.

The Hon. TREVOR KHAN: For people who have not made a declaration under the amnesty, but in essence have been dobbed in, that is obviously a different circumstance is it not?

Mr ALLEN: Yes, it is.

The Hon. TREVOR KHAN: Those people are not exercising their rights under the amnesty. Therefore, do I take it that for those people who have made the declaration under the amnesty you can indicate the adjustment in rents that have occurred to those people?

Mr ALLEN: I am not in a position to provide that information. We simply have not done the calculations across all of those cases at this stage. We have focused on one, making sure that we made the adjustments so that the correct amount of rent is calculated. We then commenced work on all of the other cases that require investigation and work with the tenants. Yes, there will be an increase in rental income to Housing New South Wales. We simply have not calculated that figure at this stage.

The Hon. TREVOR KHAN: That is fine. Did you have an expectation or a plan as to how many people you anticipated getting a response to the amnesty from? Or was it, put the flag up and see what happens?

Mr ALLEN: We did not have a specific plan in mind. It is very difficult to tell in these cases. The last time our organisation has a tenant fraud amnesty was in the late 1980s or the early 1990s. It was very difficult to forecast so we did not have a set number of how many calls we would receive.

The Hon. TREVOR KHAN: I think the figure was \$53 million estimated to be forgone or defrauded rentals, was it not?

Mr ALLEN: That figure has been utilised, but it is a general figure. I understand it was derived from a particular percentage of tenants that someone estimated may not be providing information on their correct income level.

The Hon. TREVOR KHAN: Sure, it was probably a guesstimate in one sense or another. Now that the amnesty is over, what do you do to try to improve the level of declaration as to income? You have tried the amnesty and in truth it has obviously produced limited results, but not earth shattering. What do you do next?

Mr ALLEN: The other measures that we are able to put in place as a result of these changes that have taken place with the legislation and other things, are that we are able to access four other sources of information to crosscheck people's incomes. We work very actively with Social Security, particularly Centrelink to try to confirm our tenants' incomes. For the others not receiving a Centrelink benefit, we are now able to confirm information from the Roads and Traffic Authority, from business ownership registries, from boat registries and some information through land title processes. There are a number of other measures that we can take if people do not provide us with correct information about the income, where we can crossmatch that and see the circumstances. It also allows us to deal with additional occupancy, when someone has an additional household member not declared to us who rightly should be contributing to the rental for that household. We can confirm the residential address independently from seeking that information from the family.

The Hon. TREVOR KHAN: Perhaps because I am a lawyer; but you have used the word "can". Are you doing it?

Mr ALLEN: Yes, we are in the process of putting those arrangements in place. We have signed—

The Hon. TREVOR KHAN: Do I take that as a "No, we are not doing it yet, but we are going to start"?

Mr ALLEN: I am not trying to be obscure. We have signed information exchange protocols with other government agencies that we will seek that information from. We are just finalising the IT arrangements so that we can do that crossmatching on a cost-effective basis. No, we have not started the crossmatching, but we are well down the path, because there are legitimately some other protocols that we need to put in place so that the clear processes that we follow do not prejudice anyone's natural justice or procedural fairness.

The Hon. TREVOR KHAN: When will that be up and running?

Mr ALLEN: I expect we will have those arrangements up and running before the end of this calendar year.

The Hon. TREVOR KHAN: Will it take some more months?

Mr ALLEN: Some of the IT changes are not straightforward, they involve interfaces between some of our systems and the systems of the other organisations that we are accessing that information from, and there are many weeks of work needed to make those arrangements. It is not a long time; we expect those things to be resolved over the course of the next couple of months.

The Hon. DAVID CLARKE: How long have you been rolling out this process that still has several months to go?

Mr ALLEN: I indicated that we are expected to have it resolved before the end of the calendar year. We are talking of another couple of months in that process.

The Hon. DAVID CLARKE: No, you misunderstood my question. When did you start this process that you say it will finish in a few months time?

Mr ALLEN: I cannot recall the specific date when we started this process, but we certainly have been working on these arrangements for much of this year.

The Hon. DAVID CLARKE: Will you take that question on notice?

Mr ALLEN: Yes, I can take that question on notice.

CHAIR: We now go to questions from the Crossbenchers.

The Hon. ROBERT BROWN: In relation to the maintenance issue, having a budget and a program is one thing. But are you finding any problems with supply of resources, that is contractors, particularly in regional areas, to be able to meet or predicted to meet your program maintenance?

Mr ALLEN: At this stage the feedback from our successful maintenance contractors, those that have won the tender for these processes, is that they are able to access sufficient numbers of tradespeople and subcontractors right across the State. In terms of answering your question, in rural and remote locations you are drawing on a smaller pool of tradespeople and subcontractors, but we have been monitoring that very closely and our contractors have reassured us—and we have seen the data—that they are getting the numbers they need to deliver the programs. It was a very rigorous tender process and we are very pleased with the contractors that have won through that process.

Ms SYLVIA HALE: The narrowing of the eligibility criteria of reshaping public housing has resulted in more people with mental illness being accommodated in social housing. Does the department keep statistics on the number of people accepted into public housing on the basis of their mental illness?

Mr DAVID BORGER: Before answering that I would like to say that one of the very successful programs of the Government in the last few years in relation to people with mental illness seeking access to public housing has been the Housing and Accommodation Support Initiative. More than 1,000 places are now provided throughout the State linking support services to people so that they can maintain successful tenancies. In terms of statistics on the precise number of people who may have a mental illness, I will ask Mr Allen if he can elaborate?

Mr ALLEN: We do not specifically record or require that information from our clients in making an application before us. If they declare that information we would obviously take note of it, but it is not a requirement that people declare their mental illness to us. It may well be an illness that is well controlled by medication and there is no legal or other obligation on their part to provide us with that information if it is not material to their housing circumstances.

Another issue that is always important to bear in mind is that it is not just the people seeking our assistance as applicants who may have a range of challenges and issues in their life, one of which might be mental health, but people who have been our tenants for a number of years may well have a mental health episode at some stage, and I understand that the statistics say that one in five of us will have a mental health episode at some stage in our lives, so we need to try to make sure we have arrangements in place, as the Minister mentioned, like the housing assistance program, the Housing and Accommodation Support Initiative [HASI], because that not only provides assistance for people who may be entering public housing but also provides the opportunity to get support services for those people that are already public housing tenants and may have been for some years.

Ms SYLVIA HALE: I understand that in the case of some complexes about 30 per cent of the tenants have a mental illness, and this places considerable stress on existing tenants, particularly in small complexes. Do you take any special steps when you are aware of problems such as this to counter the concentration of people with psychiatric illnesses?

Mr ALLEN: Certainly in cases like that we would want to work with the individual tenants, and possibly even with the tenants as a collective group, to address any behaviours that were disturbing or causing concerns for the other tenants or impacting on an individual tenant. We have what we call housing support

workers and housing specialists. They get some generalised training in a range of areas, including things like mental health first aid, and we sometimes run mental health first aid programs for our tenants so that where any of those situations come up we can look to try to intervene and provide a positive outcome.

We would also work very closely with the local mental health team to try to see what the issues are and get to the bottom of the problem, whether it is a medication issue or another behavioural matter that needs to be addressed. We do have a joint guarantee of service with the Department of Health and other agencies around mental health and we do a lot of planning and work with them to make sure that wherever those situations arise we are providing an appropriate service to our tenants so that we can sustain their tenancy. That is our aim. Sometimes we are also working with non-government providers because often they are the ones that are contracted to provide the sort of mental health support services that are necessary to sustain someone in their home.

Ms SYLVIA HALE: I have had reports, particularly focusing on the Rozelle area, that women, children and elderly residents feel scared because of the number of mentally ill men, and tenants and passers-by have experienced being threatened with pieces of wood and having windows smashed. When you couple that with the delay by police in enforcing AVOs and the premature release from hospital of mentally ill persons who then revert to their former behaviour, we do not have a happy situation, do we?

Mr DAVID BORGER: Could I say in relation to that particular issue that the vast majority of all public housing tenants are good citizens and do treat their neighbours with respect. We have a zero tolerance approach to people who break the law and where there are nuisance and annoyance issues we have employed a series of specialist officers around New South Wales in particular to deal with these sorts of issues. We keep very good relationships with local area police commands. The other issue is that we have amended the Residential Tenancies Act to make it easier to evict tenants who are not doing the right thing, who are creating the sort of problems that you have talked about. We do rely on tenants contacting the police and the agencies and advising them where other tenants are causing the sorts of disturbances you are talking about.

Ms SYLVIA HALE: Minister, I am not advocating eviction of tenants, I am advocating perhaps a relocation because if you evict tenants from public housing their chances of finding accommodation anywhere than on the streets is virtually zero, as I am sure you recognise, but I do think this is an increasing problem. Yesterday I caught a bus to the University of New South Wales and quite coincidentally I sat next to a group of four women who were at least in their 60s and they were talking about the problems they had with violent men who are mentally ill and also violent women, and how disturbing they and members of their extended family were finding these situations. I experienced this quite independently of coming here today, and from the reports I receive it is an increasing problem. I see it as a reflection on our hospital system and on our failure to provide adequate housing and probably adequate support services.

Mr DAVID BORGER: Certainly one of the opportunities to provide better support services for tenants in public housing and public housing areas is the shared access partnership that is being trialled with human service agencies and their funded non-government partners. The shared access model enables support agencies to nominate their clients with complex needs for social housing in exchange for the guaranteed provision of support. A joint assessment approach is used by partner agencies to identify client needs and agree on how these will be met. A formal agreement is signed by the agencies involved to confirm the housing and support services that are to be provided. In this way people with complex needs are less likely to experience the difficulties with their tenancy that can occur if their other support needs are not met. So there are reforms in that area that are taking place.

There are six partnerships that are currently operating with successful outcomes, including a project in Maitland that assists young people leaving the Department of Community Services out-of-care program. Another project targets women leaving a correctional centre in Windsor. Other projects include Home Reach, which assists chronically homeless men in Parramatta; Housing First, which provides a similar service in central Sydney; the Independent Living Skills Program in Western Sydney, which assists adults with intellectual disability with ageing carers; and a project assisting young people at risk of entering or re-entering the juvenile justice system. In those six projects there have been good outcomes for some clients in maintaining their tenancies also seeking to provide access to education and employment and importantly making connections with family and their community.

Ms SYLVIA HALE: I am sure you are aware of the publicity given recently to the death of a homeless man in Sydney who suffered from drug addiction and psychiatric problems. It was estimated that more than \$1

million had been spent on him, with a singular lack of success. This provoked a general discussion and one of the approaches that were promoted was the Housing First approach whereby housing is provided to people who need it for very low or zero rent. It is considered that this could be a far more effective and cost-efficient way of dealing with these problems. I believe these schemes have been successfully trialled in the United States and elsewhere. Are you looking at those schemes in conjunction with your ministerial colleagues?

Mr DAVID BORGER: Certainly Housing First is one option. Some people are receiving access through the system, homeless people in particular. Thirty-five percent of all priority housing applications in public housing in New South Wales are provided to people who are homeless. Forty percent of priority applications in community housing are provided to people who are homeless. The very first function I attended as the Minister for Housing, at about seven o'clock on the morning after the swearing-in, was a function looking at the common ground model for providing linked support and housing services for homeless people. Common ground is a groundbreaking model that was developed in New York with the private sector getting involved in building a sort of mixed use, purpose-built facility, reworking an existing building and providing support services and employment services in that building. It is a street-to-home model. We are certainly working with that group and the private sector, including Grocon, a very large Melbourne developer that was at the meeting and is actually undertaking the refurbishment and construction of a building in Melbourne that will provide that service.

We are also looking at four housing land sites in the Sydney CBD that could well be appropriate on which to build a common ground model. Another very good example is that many years ago just after leaving university I worked at Hope Hostel in Parramatta, a homeless men's shelter. It was probably the most eye-opening job I ever had, seeing people at the bottom rung of the housing market just before the park bench/crisis accommodation who were suffering from mental illness, homelessness and so on. In those days we provided institutional residential accommodation for \$10 a night and you got a bed in a barracks-style building and that was it. That building is to be redeveloped into a purpose-built facility that will provide modern care and support for those homeless people on site. It will be a transition from that very temporary situation of a bed when you need it to permanent accommodation facilities in Parramatta.

Homeless people are the most vulnerable people in our society and they often have complex needs. Homelessness is a cost to everyone. Providing a house for someone is the most important thing to help their wellbeing. There is also a cost to the economy from homelessness. We prioritise the provision of public housing to homeless people. Objective 1 of the New South Wales Corporate Plan seeks to ensure that homeless people have access to housing and are able to sustain a tenancy. Social housing constitutes a key component of the long-term housing response for people who are homeless. As I said, there is a range of innovative models such as the common ground model and the redevelopment of Hope Hostel by Resitech in Fleet Street, Parramatta, the Housing and Accommodation Support Initiative [HASI] model, which provides support packages directly, and the shared service models that are taking place in six locations in New South Wales. It is certainly the trend for the future, providing better support for people tailored to their needs so that tenancies remain viable and are sustained.

Ms SYLVIA HALE: You are on record as asking landlords to not use the rental squeeze as an excuse or a means to drive up rents. Is that not merely a pious hope? How realistic is it to ask nicely given that the current law allows landlords to increase the rent by any amount they like provided they give 60 days' notice after the fixed term of a lease has expired?

Mr DAVID BORGER: The comments that I made were in response to a report by the Real Estate Institute of New South Wales, which claimed that only 739 vacancies existed in Sydney. That figure was not correct. My understanding is that that figure resulted from respondents. Obviously not every real estate agent is a member of the Real Estate Institute and not every property that is tenanted is managed by a managing agent or a real estate agent and not every real estate agent who was a member and was given the survey responded to it. A figure of 739 properties in Sydney was very misleading and non-factual. The concern I had was that people should not make decisions to unreasonably increase rents based on that type of figure. That was the context for the comments I made. I think they were reasonable comments and I stand by them.

Ms SYLVIA HALE: Do you subscribe to the view that the motivation behind that media release about 739 rental vacancies was designed to panic people into paying whatever rents they had to to find a house?

Mr DAVID BORGER: I could not possibly comment on the motivations of the Real Estate Institute.

Ms SYLVIA HALE: I am sure you approached the Minister for Fair Trading to admonish the Real Estate Institute about putting out such alarmist and misleading information.

Mr DAVID BORGER: Certainly I agree that that information was not correct and was unfortunate in the way that it was presented to the public.

Ms SYLVIA HALE: Just returning to Bonnyrigg, how many of the 134 dwellings referred to have actually been acquired or built as at 30 June 2008?

Mr DAVID BORGER: My understanding is that those 134 public housing dwellings will be provided through Becton. That will take place through the various stages of the project. I will ask the Director General for a specific response.

Mr ALLEN: I am sorry I do not have that specific information to hand. I will take it as a question on notice.

Ms SYLVIA HALE: Could you also inform the Committee as to the suburbs in which those dwellings are located or will be located?

Mr ALLEN: In general terms they are in the same broad area but not specifically on the former Bonnyrigg public housing area.

Ms SYLVIA HALE: You realise that one of the great concerns about the Minto redevelopment was the way it broke up the whole community and dispersed them across areas and suburbs and they lost their friends and associates and the whole amenity that makes life worth living? Is the acquisition or the construction cost of the 134 dwellings to be financed from Housing New South Wales's normal capital works program or from the \$25 million in savings to the public that has been said will accrue as a result of the development?

Mr ALLEN: The 134 public housing homes will be funded out of the Bonnyrigg public-private partnership project, so it is part of the total cost of the project. It has not been funded separately from our budget. It is being funded through the project fund.

Ms SYLVIA HALE: I refer to the new Federal National Rental Affordability Scheme [NRAS] and the participation of the New South Wales Government through Housing New South Wales. Housing New South Wales has indicated support for the two-year establishment phase of the scheme to a maximum of 3,000 NRAS incentives of \$2,000 each, which is to be indexed. Was the State contribution of approximately \$6 million over two years included in the consolidated fund appropriation for the Housing NSW budget in 2008-09 and the forward estimates for 2009-10? If not, what is the source of financing for this contribution? My second question is: Does the Government intend to make a consolidated fund appropriation for Housing New South Wales for the State's NRAS incentives in 2009-10?

Mr DAVID BORGER: I am happy to take that question on notice and provide you with an answer.

Ms SYLVIA HALE: I am sure that the Committee will be delighted.

CHAIR: The time for crossbench questions has expired. Given that we have only a few minutes left, I propose to divide the time equally between crossbench members and Opposition members, so you have two minutes each. I hope we do not exceed six minutes, but if we do I apologise for that. Minister, you seem to be handling the probing forensic questions from my colleagues quite well, so I am sure you will not mind.

The Hon. TREVOR KHAN: I am not sure whether Mr Allen will be able to answer my question. Do you know how many properties owned by the department are valued in excess of \$1 million?

Mr DAVID BORGER: Very few.

Mr ALLEN: I am sorry, but I do not have the specific number in my head. It is not large number. To give you some relative context for that, Housing NSW only owns 2,005 properties that are above \$600,000 in value. To the best of my recollection those valued in excess of \$1 million are much less than 100—in the tens.

The Hon. TREVOR KHAN: Do I take it from you what you said that you have available statistics for properties over \$600, 000 in value?

Mr ALLEN: We undertake on an annual basis a valuation of our properties for financial reporting purposes.

The Hon. TREVOR KHAN: Does that provide you with some details?

Mr ALLEN: It provides us with details of the value of each of the properties we have around the State.

The Hon. TREVOR KHAN: Can you take that question on notice and provide us with those details?

Mr DAVID BORGER: Yes.

Mr ALLEN: We can take that question on notice and provide you with the number of properties that are valued at over \$1 million.

The Hon. TREVOR KHAN: If you have properties valued at over \$600,000, I would like statistics for those valued over \$600,000, \$800,000 and \$1 million.

Mr ALLEN: I can provide you with specific details for properties over \$600,000. There are 2,005. We can provide you with details for those valued at \$800,000 and \$1 million on notice.

The Hon. TREVOR KHAN: How many properties valued at over \$800,000 has the department acquired in the past two years?

Mr ALLEN: I would have to take that question on notice. In general terms, we would not be paying \$800,000 for an individual property unless it was substantial—for example, a facility for a refuge or something more significant than that.

Ms SYLVIA HALE: Minister, I am sure you recognise the important role that State and affordable housing plays in overcoming Aboriginal disadvantage and, in particular, the critical role that such housing will play in achieving the New South Wales State Plan objective of improving the health and education of Aboriginal people. Does the Government and your department intend to support local Aboriginal land council social housing with fair and reasonable subsidies to ensure compliance with the requirements of the Aboriginal Land Rights Act?

Mr DAVID BORGER: I am happy to take that specific question on notice. I know that a range of grants and subsidies are available for Aboriginal land councils across New South Wales. I am also aware that properties owned by land councils are not, in a sense, owned by government; they are quite separate from government. I will take that question on notice and provide you with specific answers.

Ms SYLVIA HALE: Minister, will you guarantee that the Aboriginal Housing Office will provide training and other forms of support envisaged by the Aboriginal Land Rights Act to ensure that local land councils have every opportunity to continue to operate their social housing schemes in accordance with the legislation?

The Hon. TREVOR KHAN: That is the responsibility of the New South Wales Aboriginal Lands Council.

Ms SYLVIA HALE: It is assistance to the land councils to ensure that they comply.

CHAIR: Order! There will be no debate between members.

Mr DAVID BORGER: I am happy to take on question on notice relating to the training of Aboriginal land councils. That occurred in the past through the Aboriginal Housing Office. I will obtain an answer to your specific question.

Ms SYLVIA HALE: What steps has the Government taken to ensure proper monitoring and recording of air pollution levels in the hot spots in Western Sydney? I draw your attention to the report by the upper House into the impacts of pollution on the health of people in Western Sydney.

Mr DAVID BORGER: The member should direct her question to the Minister for the Environment as that does not come within my bailiwick.

Ms SYLVIA HALE: What does Sydney encompass, if not air and pollution?

Mr DAVID BORGER: It certainly encompasses that. I am certain that the Minister for the Environment will be able to provide you with an answer.

CHAIR: I thank the Minister and departmental officers for appearing before the Committee. Mr Scott, as someone who is a Westie by name, nature and geographic location, I am disappointed that we did not have any questions relating to Western Sydney.

Ms SYLVIA HALE: I will put them on notice.

CHAIR: We look forward to asking questions about Western Sydney next year.

(The witnesses withdrew.)

The Committee proceeded to deliberate.
