



24 OCT 2005

**Cherie Burton MP**

Minister for Housing  
Minister assisting the Minister for Health (Mental Health)

21 October 2005

The Director  
Budget Estimates  
Parliament of New South Wales  
Macquarie Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Budget Estimates 2005-2006 – Questions Taken On Notice**

I refer to Minister Burton's appearance before General Purpose Standing Committee No 4 in relation to her portfolio area of Housing on Friday, 23 September 2005.

As requested, attached are the answers to questions taken on notice. These will also be submitted electronically.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'David Morris'.

**DAVID MORRIS**  
Chief of Staff

LEGISLATIVE COUNCIL  
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**Ministerial correspondence – The Hon. DAVID CLARKE to Minister for Housing**

- (1) Are you aware that only 11 of 69 representations from Coalition members of Parliament were dealt with by the previous Minister in a seven month period?
- (2) Could you also check as to whether in many of those representations there was not even an acknowledgement of the initial representation?

**ANSWER:**

Questions 1 & 2

I have made it clear to my Department that Ministerial correspondence is to be dealt with as a priority and have put measures in place to ensure that ministerial correspondence is actioned in a timely manner.

I am advised ministerial correspondence is acknowledged.



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**PUBLIC HOUSING EVICTIONS – The Hon. DAVID CLARKE to Minister for Housing –**

How many Department of Housing tenants have been evicted for drug dealing and other serious crimes?

**Answer:**

During the 2004/2005 financial year the Department of Housing evicted ten Public Housing tenants for illegal use of their property.



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**Auditing of Maintenance Program – The Hon. DAVID CLARKE to Minister for Housing –**

Are there regular written reports on the auditing of the maintenance programs?

Do you have written reports and are these available? Can the monitoring reports of your maintenance program be produced?

**ANSWER:**

The Department manages over 1200 works order transactions per working day dealing with all levels of maintenance. For this reason, the Department has implemented a broad audit regime including a risk based methodology that includes a:

- Desk top audit program
- Pre-and post-work inspection program
- Impact audits based on contractor comparisons and trade comparisons
- Audits to ascertain the veracity of work claimed and quality of work undertaken
- Strategic systems and compliance audits to ISO9001:2000 Quality Management Standard and the Department's Contract.



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**Maintenance Contractors—The Hon David Clarke to Minister for Housing –**

In that period has any contractor been replaced because of overcharging or inferiority of work?

**ANSWER:**

Two of the Department's Head Contractors were identified as non-performing in terms of their contracts:

Maxiqual Pty Ltd had its contract terminated, and Timperio Contractors did not have their contract extended by the Department of Housing.



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**HOUSING MAINTENANCE – The Hon. DAVID CLARKE to Minister for Housing –**

In the year 2000 your Government announced that rent would be increased by 1 per cent per annum for five years and the subsequent increase in income would be spent on a maintenance regime for public housing. Can you advise the Committee how much money has been raised by this program and how much has been allocated to maintenance over that period?

**ANSWER:**

Increases in capital and recurrent expenditure on maintenance (including upgrading programs) from 1999/2000 through to 2003/2004 can be found in the Department of Housing's Annual Reports.

The capital and recurrent expenditure on maintenance in 2004/2005 was \$352.1 million.

The increase in annual expenditure on maintenance above the 1999/2000 level has been on average \$69.2 million per annum.



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HOUSING MAINTENANCE – The Hon. DAVID CLARKE to Minister for Housing –

Are you aware of complaints about maintenance, particularly in northern New South Wales, of Department of Housing properties?

**ANSWER:**

The Department receives feedback from tenants in relation to maintenance that is both positive and negative. There is feedback from northern New South Wales tenants on a variety of issues including maintenance.



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**Department of Housing stock – CHAIR to Minister for Housing –**

You mentioned the ageing of the stock in the Department.

Can you, or one of your officers, give the Committee an update as to the profile of that housing stock in terms of the number of properties owned by the Department? I appreciate that you cannot give us, off the top of your head, a breakdown of how many one, two or three-bedroom properties the Department has, but is there a profile you can give us as a snapshot of the stock? Also, what proportion of it would fall into the category of what you would describe as being aged stock, in other words, coming due for replacement?

We would appreciate that, particularly if you could give a breakdown of the one bedroom, two-bedroom and three-bedroom properties.

**ANSWER:**

The Department currently has the following property breakdown:

1 bedroom:	25,242
2 bedroom:	34,711
3 bedroom:	50,199

The average age of the Department of Housing stock is approximately 23 years.



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**PRIORITY HOUSING – CHAIR to Minister for Housing –**

With respect to the priority housing list, first, how many people are on the waiting list for public housing and how many of them are on a priority housing list?

**Miss CHERIE BURTON:** On the housing register waiting list there were 69,067 as at 30 June 2005. I should add that that is down 6 per cent from 30 June 2004 and down 30 per cent from June 2000. Priority housing assistance was 2,800 for the year.

**CHAIR:** How does that compare with the previous five years?

**ANSWER:**

1. Details of the number of applicants on the housing register are contained in the Department of Housing's Annual Reports.
2. Details of applicants on the housing register with priority status are:

June 2001	June 2002	June 2003	June 2004	June 2005
2,011	2,205	1,961	1,752	1,704



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**SALE OF HOMES – CHAIR to Minister for Housing –**

**CHAIR:** Can you give us an indication of the location of the properties that were sold? I appreciate that you may need to take the detail on notice but you might be able to give us an idea of whether there are any particular regions or localities where there has been a higher.....

**Mr BARNES:** No. My understanding is that those numbers are broadly spread across New South Wales. I do not have any recollection of a particular large-scale sales program in a suburb or an estate. These are sales which would have been taking place across New South Wales broadly between metropolitan, regional and rural areas of the State.

**CHAIR:** Are you able to provide those locations on notice?

**Mr BARNES:** Yes, we will be able to give you that information.

**ANSWER:**

The total number and the value of Department of Housing properties sold each year is contained in the Department's Annual Reports.

A breakdown of the number of public housing dwellings that were sold in the period July 2003 to August 2005 is:

Central Sydney Housing Services Division	52
Greater Western Sydney Housing Services Division	169
Northern NSW Housing Services Division	216
Southern and Western NSW Housing Services Division	316



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**SALE OF HOMES – Ms SYLVIA HALE to Minister for Housing –**

One of the things I am interested in is seeing whether the Department is selling properties in high-value areas like Millers Point, Glebe, whatever, and replacing them with properties in relatively low-value areas, to see where the changes are taking place. I think the Minister or you said that during the past financial year 715 homes had been purchased or leased. It seems to me there is a considerable difference between purchasing and leasing a house. With purchasing, you obviously have it there. With leasing you have a commitment that is short-term. That is why I am asking for the figures of those that have been sold and those that have been purchased. If you also wish to provide those additional figures on those that have been leased, it would be useful.

**Mr BARNES:** We can take that on notice and provide a response along the lines of the question that has been clarified.

**ANSWER:**

The Department is not selling any properties in Millers Point. It has been offering 99-year leases of commercial holdings in Millers Point.

The Department sold a total of 3 properties in Glebe in 2004/2005, which represents a small percentage of the Department's considerable holdings in that suburb.

The number of properties the Department builds, redevelops, purchases and leases each year is contained in the Department of Housing's Annual Reports.



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**GLEBE HOUSING TENANTS – Ms SYLVIA HALE to Minister for Housing –**

Are you aware that in Glebe two Department of Housing tenants who are now in their sixties and who have lived in Wentworth Park Road for 26 years, and in Glebe for 60 years, are being told that they have to move because they both work in casual and part-time but very low-paid jobs?

**Miss CHERIE BURTON:** I am not aware of the individual case. I will take that on notice.

**Ms SYLVIA HALE:** The names of those people are Noreen Wellfare and her husband Brian Wellfare. Noreen Wellfare has lived there for 61 years and is now facing eviction because their income is exceeding the \$29,000 a year cut-off. I am sure would agree that that is hardly living in affluent circumstances.

**ANSWER:**

Mr and Mrs Wellfare are additional occupants at the Glebe property. They applied for succession of tenancy following the tenant's death. The application was declined because the combined household income is more than double that of the Department's eligibility criteria.

This decision was validated through the Department's first tier appeal process as well as recently through the independent Housing Appeals Committee.



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**MINTO HOUSING ESTATE – Ms SYLVIA HALE to Minister for Housing –**

Could you provide me with the valuation for the entire Minto estate?

**ANSWER:**

The disclosure of this figure may adversely affect future development negotiations and must therefore be considered as Commercial in Confidence.



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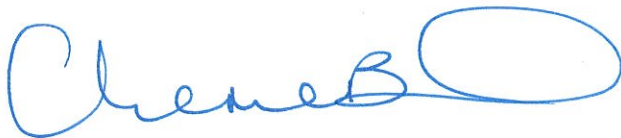
**HOUSING – The Hon. DAVID CLARKE to Minister for Housing –**

- 1) Minister, are you aware of the development application that has been lodged by the department for a site in Catherine Hill Bay?
- 2) Could you also advise the Committee whether any of the properties subject to that redevelopment application were tenanted at the time the application was lodged?
- 3) Could you also advise the Committee whether, when you lodged that application with council, you advised the council that the property was either tenanted or untenanted?

**ANSWER:**

Questions 1-3

There has been no development application lodged by the Department of Housing in Catherine Hill Bay.



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**WATER CHARGES – The Hon. DAVID CLARKE to Minister for Housing –**

1. Do you have any figures, Minister, on what percentage of public tenants will pay in excess of 30 per cent of their income now that they are going to be hit with water charges? (Hansard p16)
2. Could you also take on notice the extent to which it is likely that there will be an increase above 30 per cent? (Hansard p16)

**WATER CHARGES – Ms Sylvia Hale to Minister for Housing –**

Ms Hale - We are talking about 30 per cent of gross income and the possibility of exceeding that. Would you agree that the normally accepted cut-off point for people being in housing stress is where more than 30 per cent of their income goes to pay for accommodation? (Hansard p19)

Mr Barnes – As I mentioned before, it would be a very small number and we would be prepared to take the question on notice to provide the information – that would be reaching the 30 per cent level and an even smaller number who would be subject to a moderate contribution for water usage. (Hansard p19)

**ANSWER:**

For tenants (households) receiving a subsidy, the Department estimates that 0.4% of tenants will pay in excess of 30% of their income in rent and water charges once the Reshaping Public Housing reforms are introduced. Of the 0.4%, 95% will pay less than 31% of their income and 5% will pay less than 32% of their income.

It is worth noting that the housing stress indicator defined as paying more than 30% on income on housing costs, which has been widely adopted in housing policy across Australia, does **not** include the cost of household utilities such as electricity, gas and water.



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**Water Charges – CHAIR to Minister for Housing –**

- 1) What is the mechanism whereby you work out the usage of water in units, say, with different numbers of inhabitants? One unit may have two people, another may have a lot of people, and in another there may be just one person. (Hansard p18)
- 2) Getting back for a moment to the water charge regime, is there a figure in the budget for what the Government has budgeted with respect to the income that may flow from that - pun not intended? (Hansard p24)

**ANSWER:**

I would refer the Honourable Member to my media release of 12 October 2005 (copy attached).



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**CHERIE BURTON MP**  
**Minister for Housing**  
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Embargoed 5am October 12, 2005

NSW Government introduces legislation for a fairer public housing system

The State Government will today introduce legislation into the NSW Parliament, to implement the most significant reforms to public housing in 50 years.

The new Residential Tenancies Amendment (Social Housing) Bill will deliver a fairer public housing system by allocating public housing resources to people most in need.

The Bill follows the announcement of the NSW Government's Reshaping Public Housing policy.

Major reforms include:

- Changing the eligibility criteria for public housing to one focussed on those most in need – especially the elderly, people with a mental illness and people with a disability -- rather than using income as the primary measure of eligibility;
- Changing the policy of public housing for life to one matched to the length of need;
- For the first time -- ensuring that public housing tenants are paying a fair contribution towards their water usage; and
- Making rent contributions more equitable according to what tenants can afford.

Minister for Housing, Cherie Burton said that these reforms would allow the State Government to invest \$2.7 billion into public housing.

"The State Government will commit \$2.7 billion over 10 years to provide 30,000 additional public homes," Ms Burton said.

"It is only fair those public housing tenants who can afford to contribute more do so, and that all public housing tenants make a contribution towards the water they use.

"Public housing tenants pay for other utilities like gas and electricity – water should be treated no differently.

"People in the private rental market contribute to their water costs, so our water reforms are about making sure that public housing tenants also make a contribution in a fair and equitable way."

All tenants will pay a water contribution of 4.1 per cent of their rent – which is based on income.

Examples of how much tenants can expect to pay through the water contribution charge is about \$2.40 per week for a single tenant on an age pension and about \$3.95 for a couple on an age pension.

In mid 2006, all properties with a separate water meter will be then be charged for their actual water usage.

The State Government will continue to pay for the connection of water and for sewerage maintenance.

Ms Burton said that funds saved through water contributions by tenants would be invested in public housing.

"These reforms will help to ease some of the pressure on the system, and help meet the challenge of an ageing population. The reforms will also allow further investment in the renewal of public housing."

**Contact: Korena Flanagan 0418 251 316/ 9228 4999**

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**Sale of Department of Housing Properties – Ms SYLVIA HALE to Minister for Housing –**

I return briefly to the sale of Departmental properties

- (1) Did the Department sell units in a block in Wilson Lane in Newtown?
- (2) Could you also tell me how much each of these units sold for, when each unit sold and, similarly, the leasing arrangements for Merriman Street.

**ANSWER:**

- (1) The Department owns 9 of the 18 units in a building at 45 Wilson Lane, Newtown. The Department has not sold any of the original 9 units in the building at Wilson Lane.
- (2) In respect of the property at 14-16 Merriman Street, Millers Point the Department auctioned the leasehold interest in the property for a term of 99 years. The 99-year lease commenced from 29 September 2004.



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**ASBESTOS IN PUBLIC HOUSING –Ms Sylvia Hale to Minister for Housing –**

Also, may I take it that no information is being released to any other resident in that block of units about the presence or otherwise of asbestos?

**ANSWER:**

All available expert advice is that building materials that may contain asbestos are considered safe if left undisturbed and are only unsafe when disturbed by dust generating procedures.

Where disturbed asbestos is present in public housing properties it is dealt with in accordance with the contract requirements for asbestos related works, including WorkCover requirements, Occupational Health and Safety Regulations and Safe Work Method Statements.



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**Asbestos contamination – The Hon. DAVID CLARKE to Minister for Housing –**

- (1) How many of the Department's houses and properties have been checked for asbestos contamination?
- (2) Produce all the documentation you have in regard to your campaign to find properties where there is exposure to asbestos?

**ANSWER:**

Questions 1 & 2

The Department is currently undertaking a Property Assessment Survey (as part of its Maintenance Reform Program) of all properties, buildings and grounds across the public housing portfolio in NSW.

This survey includes the identification of properties that have building components produced from asbestos materials including the location and current state of these components.



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