

**Submission
No 252**

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Organisation: Narrabri Shire Council

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The Hon Paul Green MLC, Chair
Select Committee on Social, Public and Affordable Housing
Parliament House
Macquarie Street
SYDNEY NSW 2000

16 May 2014

socialhousing@parliament.nsw.gov.au

Dear Honourable Member,

Submission: The NSW Select Committee Inquiry into Social, Public and Affordable Housing

There were approximately 13,564 persons residing in Narrabri Shire in 2012, which represented an annual increase of 0.7% from the level recorded in 2011. The annual population growth in Narrabri Shire was higher than the average for the New England North West region (0.6%) and slightly lower than the level for New South Wales (1.1%). Over the past five years, the population of Narrabri Shire has remained relatively unchanged.

However, Australian Bureau of Statistics (ABS) projections to the year 2021 show the population of Narrabri Shire is expected to decrease at an average annual rate of 1.0% to approximately 12,365 persons. By comparison, the population of the New England North West region is expected to decrease by 0.2% per annum over the same period. The population of New South Wales is forecast to increase annually by 1.0%.

Narrabri Shire Council does not agree with the ABS projections above for the following reasons:

- The ABS does not take into account The Mac facility that is a dedicated resource sector accommodation provider that currently has over 1,000 rooms fully utilised with the potential to nearly double that number
- Narrabri Shire is poised for growth through some currently being constructed major projects inclusive of the Maules Creek coal mine, the Santos Narrabri Gas Project and inland rail connectivity

The Gross Regional Product (GRP) in 2011/2012 of Narrabri Shire was estimated at \$939.3 million. This has increased from the 2005/2006 year where the GRP was estimated at \$518 million. Narrabri Shire's GRP recorded growth of 4.7% during 2011/2012, almost double the New South Wales average of 2.4%.

1. That the Select Committee inquire into and report on demand for social, public and affordable housing and in particular:

a) Projections of future social, public and affordable housing supply and demand to 2020

In Council's 10 year community strategic plan, its strategic objective is to provide "adequate accommodation available to meet demand (residential, community, industrial, aged, itinerant)." To facilitate this strategic objective, Council undertakes the following:

- A timely release of land for residential development
- More timely Development Application approvals

- Council applies influence at Government level to provide solutions for those in disadvantaged situations where applicable

Council, in the recent past undertook a desktop audit of residential land it owned in Boggabri, Narrabri and Wee Waa. The result was that ten blocks were identified and Council went through a process of calling for tenders to sell them of which four were sold quickly. Council also developed five industrial blocks from other land it owned and sold four of them immediately to local and regional businesses.

With the advent of a resource industry accommodation provider as discussed in more detail in section (h) it has assisted broadly speaking the social, public and affordable housing within Narrabri Shire. This is due to the majority of the resource industry workers being accommodated at a dedicated facility, thereby limiting spike increases in the price of housing or cost of rental accommodation. However, as raised in section (b) the Housing Pathways still highlight an extended period of time for people to get into suitable social or public accommodation.

Currently, the Narrabri Community Tenancy Scheme only has the personnel and resources to provide assistance in the main town of Narrabri. With further financial and personnel resources they could expand their service to the other major towns of Boggabri and Wee Waa. With the projections being that overall they could bring down the two to five year wait periods across all housing room number specifications.

b) Data regarding the link between the lack of appropriate social, public and affordable housing in NSW and indicators of social disadvantage

Through the expected social housing waiting times under Housing Pathways to secure a one, two, three or four bedroom house in Narrabri will take from between two to five years.

c) Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing

Housing should take into consideration the changing dynamics of the family unit. It should also consider that unlike housing commission of a previous age where multiple properties were built in street after street that they should be interspersed throughout a town. This allows not only integration of the physical property but of the tenants as well. Sustainable and cost saving aspects of solar hot water systems and electricity producing photo voltaic cells should be considered as well.

There should be properties that consider people with disabilities and that provide the tenant with ease of use within the property as well as easy access entering and leaving the property. Design aspects should consider overall larger dimensions to accommodate wheel chair accessibility as well as specialist fixtures and fittings for people with special needs.

d) Maintenance and capital improvement costs and delivery requirements

Repairs and maintenance is a critical component of ensuring your underlying asset is kept to a good standard. With only approximately 15% of the Housing NSW stock being built after the year 2000, there is a substantial part of its portfolio requiring regular updates. Housing NSW outsources a part of its portfolio in Narrabri to the Narrabri Community Tenancy Scheme that is a not for profit organisation. They undertake an ongoing 10 year maintenance programme on properties under their care on behalf of Housing NSW.

e) Criteria for selecting and prioritising residential areas for affordable and social housing development

At present, Council is unaware of any other department that has committed to increasing the supply of social or public housing within Narrabri Shire. However, in early 2014, Council met with representatives of Family & Community Services (FACS) who visited Narrabri Shire to discuss an existing block of land in its ownership. The FACS Officers were gathering information for a business case in relation to the economy of Narrabri Shire and subsequently

if or when development of the site would be considered. Council is aware that further investigative work is being carried out on the block.

Criteria to be considered for any development should include the integration of properties with the rest of the town as previously mentioned. If a development was not in walking distance to the main part of town then place the property as close as possible to services and a regular public transportation path.

f) The role of residential parks

There are six caravan parks within Narrabri Shire that are both public and private in nature. It is believed that there are between 15 to 20 people that are long term residents of these parks. It has not been recognised that there has been a substantial increase in long term caravan park residents.

g) Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including but not limited to:

i) Policy initiatives and legislative changes

A policy initiative that increases the stock of public housing in the market and decrease the cost of maintenance. This would entail a programme of building new property and then between the five to ten year age period, before it requires major repairs and maintenance sell it into the private market. This could potentially be sold to a client who has lived there for a period of time who has looked after the property and made payments on time. It would be deemed as an incentive and then allow Housing NSW to build another property.

ii) Planning law changes and reform

Increase home owners grants for low to medium potential home owners and increase allocated grants to people who would like to purchase property in regional areas. Have a pipeline and suitable supply of cheaper housing land stock able to be utilised for more affordable housing projects.

iii) Social benefit bond

Not enough known about this financial instrument to make an informed comment.

iv) Market mechanisms and incentives

A loan guarantee whereby the government or a department of government will assume the debt obligation of a client if an individual is unable to pay the mortgage.

v) Ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement

Currently, there is a private investor that is erecting six units in Narrabri Shire under the National Rental Affordability Scheme. This partnership between the States and the Commonwealth has allowed a private investor to develop in Narrabri Shire to benefit the area's existing resident population or people moving to the area. The ongoing provision or expansion of this scheme will increase affordable rental housing supply and reduce the average income of a householders rental costs.

vi) Ageing in place

In conjunction with 1(c), if a property is initially designed well and is adaptable, it will allow the dwelling to alter over time. As a family or individual grows and ages then instead of making wholesale changes to the property minor alterations can be

undertaken allowing for a continuity of residence and social integration. This then allows people to age in place.

The average age of Narrabri Shire residents in 2011 was 38 years. Between 2011 and 2036 the average age of the population is expected to increase by 5.3 years to 43.3 years. By comparison, the average age for the New England North West region was 38.9 years in 2011 and forecast to increase by 5.7 years to 44.6 years in 2036.

h) Any other related matter

As the Committee would know, there is currently a coal mine called Maules Creek and corresponding infrastructure being built in Narrabri Shire. The construction phase of the development sees approximately 1,000 jobs created in the Shire. When it transforms to an operational mine there will be approximately 470 permanent jobs created. Royalty payments to the State Government over the first 21 years are predicted to be \$2.4 billion. The Commonwealth Government is expected to receive over \$4.4 billion in company tax over the same 21 year period.

Apart from the Maules Creek mine mentioned above which is in a construction phase, Narrabri Shire is home to existing mines being Narrabri North underground mine, Tarrawonga, Vickery and Boggabri Coal. Recently, Vickery South became 100% owned by Whitehaven which is going to provide an opportunity to consolidate both Vickery with Vickery South. The combined Vickery project will produce 4.5 million tonnes of coal per annum and have a life of approximately 30 years. The Vickery South project is currently going through the NSW Department of Planning approvals process. This mine will employ approximately 200 people when operational.

Under existing Voluntary Planning Agreements entered into with Boggabri Coal, they have agreed to build 10 houses in Boggabri and a further 20 houses in Narrabri in 2015/2016 financial year to accommodate some of their staff.

Santos is currently undertaking extensive exploratory work for coal seam gas within Narrabri Shire. They currently have a local workforce of approximately 60 people and have engaged specialist drilling organisations to perform further works. As the project continues through exploration to construction and operation the local workforce will increase to accommodate the growth of the development. It is projected that in excess of a further 400 people will be required throughout the development. At present these workers are not accounted for in the specialist resource sector accommodation provider.

To accommodate the resource sector employees and limit any upward pressure on housing prices and rental accommodation, Council proactively encouraged a specialist resource sector accommodation provider to have a facility in Narrabri Shire. Ultimately, this grew into two stand alone sites that provide in excess of 1,000 rooms in the Shire. Without these facilities all accommodation within Narrabri Shire would be priced out of reach of the average person and proportionally affect social, public and affordable clients more.

- 2. That, in conducting the Inquiry, the Committee note the recommendations of the 2013 report of the Audit Office of New South Wales entitled 'Making the best use of Public Housing'.**
- 3. That the Committee report by 9 September 2014.**

Yours sincerely,

Diane Hood
GENERAL MANAGER