

REPORT OF PROCEEDINGS BEFORE

**SELECT COMMITTEE ON SOCIAL, PUBLIC AND
AFFORDABLE HOUSING**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

At Tamworth on Tuesday 20 May 2014

The Committee met at 2.45 p.m.

PRESENT

The Hon. P. Green (Chair)

Ms J. Barham (Deputy Chair)

The Hon. R. H. Colless

The Hon. G. S. Pearce

The Hon. P. T. Primrose

CHAIR: Welcome to the fifth public hearing of the Select Committee on Social, Public and Affordable Housing. Before I start I acknowledge in the public gallery Carinya Christian School pupils. The Committee is here to examine the issues of significance regarding social, public and affordable housing in New South Wales. Before we commence we acknowledge and pay respect to the Gomeroi people who are the traditional owners of this land on which we meet. I also pay my respects to the elders past and present of the Gomeroi people and extend that respect to other Aboriginal people who may be with us today.

We will hear today from the shire councils of Gunnedah, Liverpool Plains and Narrabri. We will also take evidence from Homes North Community Housing, a member of Housing Alliance. Before we commence I would like to make some brief comments about the procedures for today's hearing. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind the media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at this hearing. So I urge witnesses to be careful about any comments you make to the media or to others after completion of your evidence as such comments would not be protected by parliamentary privilege if another member or another person decided to take an action for defamation. The guidelines for broadcast of the proceedings are available from the secretariat.

In terms of questions on notice, there may be some questions that witnesses could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take questions on notice and provide an answer within 21 days. If there are people who would like to deliver a message, audience members are advised that any messages should be delivered to Committee members through the Committee staff. Finally, I ask everyone to turn off their mobile phones for the duration of the hearing.

CORRECTED

GAE SWAIN, Deputy Mayor, Gunnedah Shire Council, and

MICHAEL SILVER, Acting General Manager, Gunnedah Shire Council, sworn and examined:

CHAIR: Would either of you like to make a brief opening statement?

Ms SWAIN: Thank you to the Committee for allowing us to be present today. I will just give a few brief comments and then Mr Silver will fill in the detail. The Gunnedah shire local government area embraces 5,000 square kilometres in the northern inland region of New South Wales. With a population of 12,500, it is a prosperous agricultural area with extensive coal and gas resources. Agriculture has traditionally been the primary economic driver, underpinning other sectors of the community. The strong global demand for coal and gas has resulted in the ramping up of the coal and gas sectors, with the Gunnedah Basin, which incorporates Liverpool Plains, Gunnedah and Narrabri shires, identified as the new coal frontier. Coal reserves in the Gunnedah Basin are estimated to be in excess of 2,000 million tonnes. The coalmining sector is competing with agriculture and other sectors for labour, resources and access to infrastructure. In particular, the development of the resources sector is placing increasing pressure on housing availability and affordability. I guess we are talking about young people, single mums, women's refuge and social issues such as that. I will pass on to Mr Silver, who will give us more of the detail.

Mr SILVER: You do have our submission. I will not go through that in detail. There are a number of suggestions and recommendations at the end of it, particularly in relation to community housing and the need for that. Council has a long history of association with community housing both with community housing providers but also of its own volition partnering with NSW Land and Housing Corporation to develop a number of units, particularly in the 1990s. Council still retains an involvement in that to this day and has always been very supportive of that provision in the local community. I think it is fair to say that council also sees that the provision of affordable housing, appropriate social housing and addressing community housing issues is a matter that not only it needs to address in its responsibility to the local community but also is part of that at both the State and Federal levels as well as with the private sector. The recommendations that are contained in the rear of the submission are designed to try to support that multi-task, if you like, approach to addressing affordability of housing in rural areas.

CHAIR: I noted your recommendations and I thank you for them. They certainly tidy up what you are asking the Committee to consider. The last recommendation is:

That consideration be given to embedding affordable housing provisions in the planning system with particular focus on provisions directly in the Local Environmental Plan Standard Instrument.

Would you like to elaborate on why you think that?

Mr SILVER: Using the experience of Moree Plains shire in the past couple of years where there was concern about an affordable housing development, I think it was undertaken by the NSW Land and Housing Corporation. It was certainly a government agency, and the council there had concerns that it did not have much to offer in terms of comment or what was going to actually occur on the ground. To some extent that was imposed upon the council and they had to accept it. My understanding is that there has been considerable refit and considerable adjustment to the nature of that development and the areas that it was trying to address.

What we are suggesting here is that, rather than have a State policy which simply overrides local environmental plans and then councils have a one-size-fits-all approach, councils be more than invited, be directed that in local environmental plans councils need to establish a strategy or an approach as to how they will deal with the social community and affordable housing at their own level, at the local level. I think this is particularly relevant in rural areas. It may not be the case in some metro areas but certainly in rural areas it needs to be fit for purpose and designed that it is acceptable to the community.

CHAIR: What would you view as hindrances in terms of planning issues for further social, public and affordable housing?

Mr SILVER: Probably in rural areas one of the big challenges, if we are looking at it from a private perspective, is that unfortunately our pricing structure or the prices are to some extent low relative to metropolitan areas and therefore the margins that are available to the private developers to address affordable housing in the private sector are not there. So that is a real challenge. We need to be more flexible at a local

level to try to meet some of those demands. For argument sake, if the State policy allowed one additional housing unit on an allotment, that does not make a lot of difference in a rural area, essentially, because the scale of the development is often half a dozen, maybe 10, units, something of that nature. Another one will not be attractive to the developer. It is just more capital outlay for not a lot of return, whereas where your rentals are higher or they are more subsidised there will be a higher return. So I think we need a more flexible approach so that there is a greater incentive, particularly in rural areas, to draw in private money and that might mean a somewhat greater intensity of development to be allowed.

CHAIR: In some of the comments I see they are talking about 1,500 units for miners. Basically that is another whole community. Do you have any caution about such a community being developed in that sort of manner, especially its impact on local services?

Ms SWAIN: Yes, we do. Our council has a position on that. We have always said that we want our workforce to live in our community. We do not want them to fly in or fly out, or drive in or drive out. We understand that during the construction phase perhaps there is a need for a small amount of that. We want people to live in our community. I think if you are looking at a social structure within your community you want people who want to live there, who care to live there, who bring their children up in the community and then they have a commitment to that community. So our strong position has been no MAC villages. We do not want any in our community.

What we have always thought in our collective council mind is that it would be great if mining companies had the initiative to say, "Well, we don't want all our miners travelling backwards and forwards either. Is there something that we can do", along the lines a little bit of what Mr Silver was saying that we can make smaller, I was going to say village style—not quite but duplexes—where they might support their mining employees, even if they subsidised the rent or whatever. But there are ways of looking at it if they wanted to do it, I feel. I think the social disruption of families being torn apart when the father has to travel week in, week out is being highlighted in many communities.

CHAIR: One of the comments in the submission was about making the social impact statement part of the development application and having somebody in front of the developer, or the mine developers in this case. How do you see that impact statement working within a development consent?

Mr SILVER: I think what we need to do is to look—one that has come to a number of more flexible housing standards for that sort of development, much as Councillor Swain has indicated, so that we get urban development which might be slightly more intensive but integrates rather better with the community. I think that is the first thing. The other issue which really does confront us—and council has found this with two voluntary planning agreements that have been negotiated—is that the housing, as we have stated in the submission, is an optional thing.

It is not something that has to be directly addressed, albeit that it is probably called up in the environmental assessment guidelines. They do not have to actually do something about it. They can get out of it or address it in a number of ways. So we need to ensure that that is absolutely a critical component of the process in the environmental assessment and has to be followed through by the developer. The other component of it is to change the community attitude to that sort of development in urban environments. There is a perception that that will create a long-term ghetto type development. So it is important that the style, the nature, the quality of it is appropriate to the rural community which it is in.

Ms JAN BARHAM: I am interested to know about whether or not you have had that collaboration with other councils in the area to look at trying to get a clear position about the sort of assessments that should be done prior. Are you all working together on it?

Mr SILVER: Yes and no. If I can just, almost going back to the previous question, one thing that did concern me—just by way of background I have been involved in mining development considerations for the best part of 35 years—particularly with the village type mining villages coming about is they were separated from the actual resource development activity. So we have seen the mining villages approvals coming through independent of whatever may occur in the industries, be it coal, gas or whatever. So they occur and then the mining activity follows post that.

It is not possible to join development applications to address both but it is then rather difficult to refuse or condition the mining village developments because you do not know what the actual resource development

activity they will be servicing will be. Also, with these developments, as the Chair mentioned, with 1,500 units coming in, they are staged out so that they incrementally develop over the course of time depending on the demand in the mining sector. It is very difficult to control and manage that. I will hark back to the Gunnedah Local Environmental Plan 1986, which was rather forward-thinking because coalmining in the mid-eighties was very much on the mind of the community in and around Gunnedah.

One of the provisions there was that, surprisingly, medium-density housing development was allowed in the rural areas, subject to having been directly associated with coalmining. If you think about that provision, it was addressing the issue I have raised, which means that it had to be directly linked to the resource development industry, not separated and then negotiated by some commercial arrangement post the mining activity occurring.

Ms JAN BARHAM: From the number of jobs you have listed that will be coming in and therefore the need for housing, is that one and the same? Out of those jobs that will be created with those new works, how many of the jobs will be for locals?

Mr SILVER: That, of course, is a debatable issue. The Shenhua Watermark proposal, which will be going to the PAC very shortly, has indicated that they will strongly support local employment opportunities. In other words, they are looking for their actual operational workforce to be drawn out of the Gunnedah and Liverpool Plains areas, and presumably also the Tamworth areas, rather than through a fly-in fly-out arrangement. Other mines, it is unclear at this point in time where they will source their labour.

The important thing to understand is that there are around about 3,500 beds approved in the various mining camps that have approval across the region at the moment. If you tally up the major mining developments as presented a few years ago we have about 3,500 employees potentially in the region. Obviously the commercial market has looked at what the demands are and what the possibilities are and has gone for the maximum. Whether that is realised is a matter for the future.

Ms JAN BARHAM: Are you addressing any of the concerns that might arise from having that level of population impact? I have seen a *Four Corners* program about some of the plane fly-out situations in Queensland and the impact that that has had on communities in terms of safety, violence and some of those other social measures. You seem to be edging down that path. Is there something that council can do or is there some associated agreement with the mining companies that they will address any of those concerns?

Ms SWAIN: I would make the comment at the moment that because we are just at the beginning of the phase of it—we have a crime prevention committee obviously that has been working for quite a few years—no, we have not started to address that specifically because the mining villages will not be in our shire. We know that many of the workforce will be travelling through our shire, but they are not actually living in our shire at the moment. So it is a bit hard for us to think too far ahead as to exactly what might be the impact until a bit further down the track.

Mr SILVER: If I could just add to that? In the voluntary planning agreement negotiations—and they are just that at this point in time—certainly one of the mining companies has allocated funds towards CCTP in a crime prevention sense. That is a positive reaction, but I think that also might be a demonstration that there could be potential issues moving forward.

Ms JAN BARHAM: What about the rest of your community? You talk about the current situation and the cost of the housing and you referred to your involvement as a council in housing. I do not quite understand what that was. Do you own the housing and you have the community housing provider manage it?

Mr SILVER: In the mid-nineties there was a community proposition put by the New South Wales Government, which council became heavily involved in. It ended up developing three specific properties—a total of 10 units; a mix of housing: two for youth housing, four for general housing and another four which are a mix of some seniors and some general housing. Council also was heavily involved with seniors housing in the development of the Gunnedah Village Homes, which had about 40-odd units developed there. So there is a long history over a 25-year period of involvement. Council still owns those properties.

Ms JAN BARHAM: Just to clarify: Are you saying it is on council land and you are able to receive other levels of State or Federal funding to build?

Mr SILVER: Yes. The arrangement in the nineties, particularly with the general public housing stock, was that council bought the land and the State Government provided the capital for the development of the units. Council project-managed the units and then became joint tenants in ownership with the State and council continues to manage those units.

Ms JAN BARHAM: A shared return as well?

Mr SILVER: No. All return to council and all costs borne out of that. One of the units was a triparted arrangement with what is now known as Homes North, and Homes North manage that block of units now.

The Hon. PETER PRIMROSE: Just two brief questions. One is just following on from the discussion. A number of us were involved in an earlier inquiry looking at coal seam gas. Now is not the time to go into whether that is good or bad, but when we went to areas where there was an extensive amount of coal seam gas development in Queensland one of the issues put to us was that of supply and demand, and because of the increasing population the costs were going up, which is basic economics. Do you have any views in relation to your existing users of private social and affordable housing as to what you think may be the reality for them if there is increased demand here by those who work in the construction and development of the coal industry? Do you expect that they may be priced out of the market?

Ms SWAIN: It is an issue we have thought about. It is an issue that is putting pressure on our community. People say that market forces will find their own equilibrium. I was speaking to a gentleman the other day who came from Emerald and he was talking about the price of rentals up there that had gone from \$1,000 a week down to \$400 a week. I think it is something that we need to manage, but within the context of council I am not sure how much we can manage as a council. It is an issue that we have been struggling with; it is an issue that has been raised with us.

I do not know that there is a magic bullet or a magic solution for it. I am sure if there was, several communities would put their hands up wanting a copy of the paper. I can just say that we are aware of it, we are conscious of it; we talk to our real estate agents quite often. We try to be aware of anyone who is slipping through the cracks, if possible. I am not sure that there is much council can do financially but it could be advocacy such as committees such as this. Do you want to add anything, Michael?

Mr SILVER: The point I would make in this is that it is interesting in the real estate paraphernalia that you see that Gunnedah is now mentioned as an ideal investment location. It is not an investment location at the top end of the market; it is investment in the lower end of the market. So this is going to directly affect people in the affordable housing area. The old property that might be 60, 70 or 80 years old now becomes suddenly a significant investment.

We have seen that with transfers in Gunnedah that there are metropolitan-based investors in the old properties because the return there is far greater—the capital investment is very low and the return is far greater. That is, without doubt, going to put a squeeze on people in that lower socio-economic bracket and, of course, their costs are going to go up unless they can find their way into the public housing sector where their rentals generally are going to be fixed over time.

That is my main concern there. I think there is an opportunity, and this might require intervention at a State level and those partnerships—that is why I noted those partnerships previously in the nineties—where you may be able to buy those old properties at a reasonable rate and then redevelop them and put some decent housing on them and, of course, get a greater return and a greater community public benefit out of it.

The Hon. PETER PRIMROSE: My second question is whether your council has had any experience of residential parks or caravan parks?

Mr SILVER: This question was posed to me this morning—not a great deal and the caravan park industry per se has generally been directed at the tourists. Council back in the late 1970s established a caravan park, when mining started to increase in the Gunnedah district, for permanent accommodation. That park still exists; it is 14 units. There have been no further developments in those areas since that time. The park was directed at the miners per se but it could equally be directed at lower socio-economic areas in terms of affordable housing and the like.

The Hon. PETER PRIMROSE: How would you feel about the development of residential parks as part of an affordable housing mix in your area?

Mr SILVER: I think there is a little bit of a stigma with living in a caravan park. However, that comes back to the point that I raised earlier about a more adaptable arrangement in terms of, say, medium-density or village-type housing. So take the caravan park notion out of it but have more flexible arrangements for that housing stock and create that environment where there is a sense of ownership rather than just a sense of occupation.

The Hon. RICK COLLESS: Councillor Swain, earlier in your address you said that the population of Gunnedah is now 12,500. As I recall, that is quite a substantial increase over the last few years. What do you put that down to and what sort of impact has that had on the demographics and the economics for home buyers?

Ms SWAIN: I could go back to the mid-nineties when I can clearly remember what Gunnedah was like. We had lost a couple of very small niche mines and our abattoir and we estimated we had probably lost over 1,000 full-time jobs. At that time our population was—do not tie me down to numbers—a bit over 10,000. That led on to 1999 when I became mayor and I had people literally stopping me in the street being extremely concerned because their husband had to go away for work; they did not know whether to leave Gunnedah or what they needed to do; they did not know what their children were going to do.

I remember what that was like. We had no diversity of economic base. We had the agricultural sector, we had a drought leading up to that and in 2000 we had the flood at the time when everyone's crop was ripe. We are farmers; we had a crop that was wiped out. I still have a jar at home full of rotten wheat; everything rotted. The effect on the businesses in our community was horrific. There were businesses that had been there for many years and some closed, some cut right down on their workforce, some chose to move away and we were a dying community. I could not count on my hand the number of media people that made contact with me wanting to know what was it like to live in a community that was dying, because they saw us as a community that was dying. I do not want to go back to that again.

The difference is that at the moment we have young professional people—mining development does bring its own problems but whatever happens there are differences and things change in the community, and I would rather have this change of young people coming, young people having an opportunity to have a job. They do not have to go away for work, they can pick up traineeships or apprenticeships or other employment opportunities that were not available then. I do not want to go back to what it was like then. So the pluses are huge. There will be impacts and we have got to try and manage that, but from my perspective, to look at what a community of 12,500 was like when it was about 10,000, the difference is huge. There is a buzz about the street and there are people who have got hope, and I do not want to go back to what it was like.

The difference, not only in a social sense, is important because we have some young families moving in that we did not have before. We have young people and our schools are growing, we have young mums around the street and that is what makes your community vibrant, when you have got young people there and they are bringing their families to Gunnedah. They were not doing that before, they were leaving. I do not want that to happen again.

The Hon. RICK COLLESS: Do you think that vibrancy, even though it is putting pressure on the lower end of the housing market, is going to be a good thing for the community in the longer term when everything starts to catch up? The other question that is associated with that is given the adverse publicity surrounding the mining and gas industries, is that reflected by your community or is the community more encouraged by that activity?

Ms SWAIN: If you talk to any business person in Gunnedah they are excited about the way things are at the moment. They are excited about having young people that they can employ, they are excited thinking about buying new equipment, they are excited about not having to wait for a good season for someone from the farm to come in and buy a tyre or buy fuel or whatever, because when the farming sector is down and when they are suffering loss then every business in town suffers loss too.

I resolved then and council resolved, after we came through that awful time, that we would do whatever we could to diversify our economy. We have been given the exciting opportunity of being able to be part of diversity in our economy. There will be issues that we talked about and we have to try and manage those the

best we can but it has to be better for the whole community to have a busy vital community that is growing rather than one that is dying on its feet.

The Hon. RICK COLLESS: In terms of housing, I note from your submission that you are expecting the three mining proposals to go ahead. You could be looking at an extra 1,200 employees in the area. What sort of pressure is that going to place on housing and how many of those do you think will be permanent residents and will be looking for housing?

Mr SILVER: It is a difficult matter. Certainly the Shenhua Watermark development will probably see around half their direct workforce, which is about 300, living in the urban environment of Gunnedah. If you use a multiplier of two or three we are looking at 1,000 as a consequence of that. The regional centre of Tamworth is going to be significantly affected by that housing demand because of the nature of those people wanting to live in a regional centre. We see a significant impact there. We have planned for that in terms of our residential housing lists and the like. That very much is on council's agenda.

At the lower end of the scale that will put some pressure on those older housing stocks because there will be demand to redevelop those sites perhaps for mining-related residential purposes. There is a bit of a catch 22. Whilst council is obviously keen to see the developments proceed and the economic benefits—I do not think it is necessarily negative—it certainly will need to manage the housing demands, make provision for those with the mining companies. There are other opportunities there particularly in the private partnership areas.

The Hon. RICK COLLESS: In terms of the type of housing that those people are going to need, you mentioned before that you should be looking at the lower end of the housing market rather than the top end. Do you think there is potential there for alternative construction methods for some of that housing, be it the Lloyds-type homes, prefabricated homes or flat pack modular homes? Does the council have any views on what sort of housing should be developed?

Mr SILVER: I think drawing out of our experience, particularly in Roma, where they essentially had to address that issue very quickly the flat pack type arrangements and the transportable type housing arrangements particularly targeted critical personnel in the community and that extended from the medical worker down to the McDonalds worker to ensure that the flow of activity in the community was not interrupted by these people being unable to find housing stock. The flexibility of zoning will allow certain housing activity. At Roma they did some housing on the hospital grounds to address medical personnel needs and the like. That will free up some of the special use zones so you can address some of those things along the way. That comes to the point about being more adaptable with the local environmental plans.

The Hon. RICK COLLESS: With respect to the local environmental plans, has the council taken the lead in rezoning land for that use? What is going to occur is an increase in housing over the next 10 years by the look of things, is there sufficient land there available for that to happen?

Mr SILVER: There is sufficient land available for housing stock. At this point in time there are 1,000 lots zoned appropriately. In the immediate term, I am saying the next five years, based on our projections, that will certainly meet the need. There is potentially another 1,000 lots available over the course of time that will address the demands. Whether it will address the specific needs of people, particularly in social and community housing, is questionable at this point in time. The other challenge that council has is meeting density zonings for redevelopment areas of existing housing stock. That puts pressure in terms of the costs of undertaking those developments and that is something that will have to be looked at in the course of the next couple of years.

The Hon. RICK COLLESS: Have developers taken the opportunity to do that, to increase the density of housing with units and town housing and so on?

Mr SILVER: Council took the initiative three or four years ago to actually make more adaptable its medium density to residential zoning by in fact reducing the subdivision lot size so an existing house can be subdivided off quite a large allotment and allow the unit development to occur at the rear; things of that nature. That has been an issue for the council. The take-up of that has been significant because they could buy the house for a reasonable price, still get a return on the house and then invest their capital into the unit. Council has done that at a local level but it needs to be looked at a little more broadly.

The Hon. GREG PEARCE: I am a little bit bemused. It is a very complex space here and your story is one repeated and of interest to us because you were a declining town and region and you would have thought

that there was significant over-supply, at least for a while. You now have this growing industry and, Deputy Mayor, I agree with you fully to the extent that you want people to move here with their families in that industry. But the reality is that a lot of people do not actually want to move and their families are established elsewhere. Frankly, given the capital investment that is required to build significant amounts of housing and the longer term issues of what happens to it when they move out again, you would be better to have a mix of fly in fly out and concentrate on planning provisions and those sorts of things to keep the development going and making sure there is sufficient land available for those who do want to stay?

Ms SWAIN: Obviously that is what we have to do because we cannot make people move in or move out. There is a MAC village to the north of us and there is a MAC village to the south of us. From our perspective for those who want to use that type of accommodation it is there. I understand what you are saying but we want to make Gunnedah a place where people want to come and want to live and want to bring their families to. From the council's perspective that is what we are going to try and focus on in making this a liveable community and do whatever we can to help those who are not finding it easy to get housing. Within the context of a perfect world we have to fit in a level.

The Hon. GREG PEARCE: That makes sense. On a slightly different topic, what is the homelessness issue in Gunnedah? Can you outline what you think is the current situation and what the trends are?

Mr SILVER: Mr Chair, I cannot give you specific numbers, however, I can give you some indicative issues. We have run a homework program out of our community development department. There were around about 18 young people involved in that. At least two thirds of those were what we would call living in unsuitable situations where they were effectively bunking in, or the family was bunking in, with other people. In a population of 12,500 people and a small snapshot of 18 to 20 young people attending there were a dozen or so affected in that fashion, which gives you an indication that there is a problem or issue within the community and we need to be doing something about that. The challenge there is not necessarily more housing but how we manage those people into appropriate accommodation. Some of them may well take that as an accepted form of accommodation and it may not, in a social sense, necessarily be good for them.

Ms SWAIN: It is important how we care for them. These are the young people who will be our future leaders, so we have to make sure we are looking after them the best way we possibly can.

Ms JAN BARHAM: What about crisis housing or any of those targeted housing needs in terms of response to domestic violence or anything else? Do you have a need for those? Are they catered for?

Mr SILVER: It is still an ongoing issue and has been for a number of years in Gunnedah. My understanding is that those that are in specific need are transferred to Tamworth rather than held in Gunnedah. There is no specific accommodation for women in crisis or where there has been a domestic violence issue. It is a bit of a catch as catch you can process that the best opportunity is to put them into a motel or something of that nature and it is not an adequate way to address those sort of issues.

Ms SWAIN: We have a women's and family support service in Gunnedah and we have a women's crisis worker whose number is 24-hours last I heard. She is the one who is contacted and makes the arrangements, whatever she is aware of, either short-term in Gunnedah at a motel or bring her over to the crisis centre here in Tamworth.

Ms JAN BARHAM: What about Aboriginal housing, any particular needs or dedicated housing there?

Mr SILVER: There is a considerable amount of housing stock that has been acquired by the various land councils and is managed there. That is ongoing as I understand it. I understand there have been a couple acquired in the last week or two. They are certainly addressing that on an ongoing basis. I cannot provide you with too much more detail than that.

Ms SWAIN: The Min Min Aboriginal Corporation has a specific program that looks at Aboriginal housing. There is an entity in Gunnedah that specifically looks after it.

Ms JAN BARHAM: Council does not necessarily have a role to play in that?

Ms SWAIN: No.

Ms JAN BARHAM: Are there any other specific needs for housing that you have identified in your community? We have heard from different people about particular needs for single older women. That has been a bit of a surprise to a lot of people—retired or widowed women without a job or for some reason not having the security and stability of home ownership.

Mr SILVER: Councillor Swain might want to comment on this because she does have an involvement with Gunnedah Aged Care Services. There is a considerable waiting list for the Gunnedah Aged Care Services village, which has 50 units in it. My understanding is that there is a waiting list of 70-odd families who would have to sell their home to move into that. The point that Mr Pearce raised is that frees up housing stock and that would certainly have a benefit. There is some interest there from private developers to establish some future seniors type living arrangements there. That is probably one of the more critical areas we do need to look at moving forward. Given Gunnedah has a significant over 60s population, as do many of the rural areas, that is probably a need which does need to be addressed in the course of time.

Ms SWAIN: Our retirement living complex is attached to our nursing home so we see it as a good nexus between the older people who choose to go into smaller houses or units; they are either a single building or a duplex. Many of them are widows who are living there and some of them are even older than me; they are quite old.

Mr SILVER: I make one other point—it is often an issue—the cost. In that aged care area we need to look at ways to introduce external capital money into the community to do the developments because unfortunately I do not believe the community as it stands at the moment, particularly in that area, has the ability to provide the capital to address that housing.

CHAIR: That is a fair comment. I know that Coolamon Shire Council did a great job in creating a situation like that for the ageing in place in their community. The aged did not want to move into Wagga Wagga. So the council did a great job in creating an aged care facility. It is not a huge council but they have been able to keep those who lived on the land around the area in their towns and villages. They have done a wonderful job with that ongoing care and other services.

Ms SWAIN: The nursing home was built at the beginning of the nineties, and the retirement village was built at about the same time. There was an enormous amount of community money put into it. There was a lot of fundraising for that organisation for exactly that purpose: to keep our older people close to their families and close to the community that they love. I guess I have said it several times, but if people have to move out of the community that they love and that they care for then they lose a bit of their sense of self. You cannot put a dollar value on that. You cannot write it down on a piece of paper. It is about what is inside.

CHAIR: Particularly in the country where you are born, you are raised and you die in the local area. It is about who you are, where you come from and what you do.

Ms SWAIN: Yes, particularly in the country. And that is why we are caring for our older people in the retirement village and in the nursing home. It was a big step for us. The gentleman who started that had got to the stage where he had to retire. Although it was financially a big stretch for us as a nursing home board—we are not-for-profit—we chose to take on the retirement home because it was attached to the nursing home. So those older people can live there. Many of the residents are widows whose husbands fought in the war. So there is a lot of history attached.

CHAIR: Absolutely, there is such ownership in our little country towns and villages. We need to do everything we can to protect that ability for people to stay connected to their local villages.

Ms SWAIN: Absolutely.

CHAIR: I do not think you took any questions on notice but the Committee reserves the right to forward you some questions for further examination. If that happened, you would be required to answer within 21 days. The secretariat will be more than happy to help you with anything you need. Thank you for appearing before us today. It has been invaluable for our inquiry to hear about such diversity of need. The Deputy Mayor nailed it when she said that she saw the very worst outcome, which was that the community was dying. It now has a chance to live. If you had to make a choice between living in a dying community or in a thriving one then I think any mayor or councillor would choose the thriving community every time.

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Ms SWAIN: We have the responsibility to take care of not only our older people but also our younger people. In the positions of leadership that we are in we have that responsibility and we have to do the very best we possibly can for all sectors.

CHAIR: Many of us have been mayors and councillors ourselves so we appreciate the grassroots responsibility of council. The buck stops with council. Well done and thank you very much for your evidence and your submission.

(The witnesses withdrew)

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DIANE HOOD, General Manager, Narrabri Shire Council, affirmed and examined:

DONNA AUSLING, Acting Director Environmental Services, Liverpool Plains Shire Council, sworn and examined:

CHAIR: Good afternoon, I welcome witnesses from the Narrabri Shire Council and the Liverpool Plains Shire Council. I invite you to make an opening statement.

Ms HOOD: Just to summarise our submission and to cover some points that did not quite make it in, Narrabri Shire Council with the advent of mines in the area chose the approach of going with MAC villages, particularly during the exploration and construction phases. We believe that has had a positive impact on the housing stock because fly in, fly out is a larger component during those early stages. We are somewhat cautious though about the Australian Bureau of Statistics predictions of population decline in Narrabri shire, particularly because of the known upcoming commercial diversification with additional mines looking for approval in the area and the not yet approved but potentially upcoming Narrabri gas project. There are also some agricultural initiatives coming into the shire. So we are wary of those numbers from the Australian Bureau of Statistics. We see the role of council primarily as making sure that land is available, working with the State Government on the public housing side of the equation and looking at our policy to best manage the situation going forward. We see flexibility as the key to this whole area as we move forward.

The Hon. GREG PEARCE: Could you remind us of the current population of your council area?

Ms HOOD: Current population is closing in on 14,000 people.

Ms AUSLING: Thank you for the opportunity to present to the Committee today. As detailed in our submission to the inquiry, the Liverpool Plains Shire is a small rural community on the brink of a mining boom. The shire currently has a total population of around 8,000 persons. We know from analysis of available datasets that our community is ageing and has a lower socio-economic status. We also know that, comparatively, we have a larger Indigenous population. Overall, our community is not terribly well educated and neither has it access to the social resources that might be available in larger regional or metropolitan centres. We consider that there is currently limited resilience to significant change in social and economic structures.

It is important to note that the shire is effectively wedged between two major established mining areas: the Hunter Valley to the south and the Gunnedah and Narrabri coalfields to the north and north-west. Very large mining developments have been proposed. These will affect the shire. These include the Shenhua Watermark mine, which as my previous colleague indicated is in the advanced ages of assessment. It has been referred to the Planning Assessment Commission with a recommendation for approval. There is another very large coalmine proposed in the Caroon Coal project. It is a reasonable assumption that the shire will start to feel the squeeze from significant mining pressures. On top of this, there is gas exploration and the progressive realisation of gas resources.

At the present time housing and rental accommodation is largely affordable. Changes from the mining economy are likely to affect this. That has certainly been the situation elsewhere, which I am sure my colleague here can attest to. At present the community is poorly equipped to deal with these pressures. The council itself has a limited resource base and limited expertise to deal with these issues. The council is seeking a whole-of-government approach to assist the community in managing the transition from an agricultural economy to a more diversified economy following the arrival of mining. We would like to strategically manage this transitional period of change and put some effective strategies in place to maintain that level of affordability locally.

Ms JAN BARHAM: I am interested in the new agricultural initiatives that you mentioned. What would they be?

Ms HOOD: At the moment there are some discussions underway about the positioning of bulk grain receival sites. Those are at the very early stages but are of great interest to council.

Ms JAN BARHAM: In your submission you refer to strong advocacy for the preparation of social impact management plans. Can you explain why you think they are so important, why you have not been able to obtain them through the process and what are their long-term impacts?

Ms AUSLING: Traditionally social and economic issues to do with large mining developments have been very fluffy. There has not been a lot of effort put into the human aspect of those proposals. There has been a lot of interest in and effort put into the environmental aspects but not necessarily the social aspects. Queensland with their work on the development of best practice guidelines for social impact management plans, probably largely as a result of not putting in that effort up-front, has developed some clear guidelines for that integration process with the social management aspects of these large mining developments. So we can see anecdotally the good work that that is actually doing and the impacts on the ground. So we would like to see that mechanism introduced more uniformly across New South Wales.

Ms JAN BARHAM: And, for example, would that take into account the impact of the MAC parks? Does that mean the people who live there still come into town and have an impact on the town on a social level even though they are housed somewhere else? Is that the reason why those are used?

Ms AUSLING: Yes, absolutely. That is right.

CHAIR: In regards to your comments about best practice guidelines, do you have a document that you could maybe table in regards to that? Or can you point the Committee to where to get those guidelines through a link?

Ms AUSLING: Absolutely, it is referred to in our submission.

CHAIR: I was just reading your key recommendations and noted it in there. I think it would be helpful for the Committee to become familiar with those best practice guidelines.

Ms JAN BARHAM: The link is not there but you have named it.

Ms AUSLING: Yes.

CHAIR: It is complementary to what we are trying to achieve, I am sure.

Ms JAN BARHAM: Apart from that pressure or requirement for additional housing in the area, what about people who live here currently? Does your present population have any particular needs around crisis housing or accommodation for young people? Does that extend to issues of overcrowding or homelessness, as we hear about elsewhere?

Ms HOOD: Narrabri does have a very good aged care facility that is privately run and a women's refuge, which is a community initiative. So they are thriving. We have very recently bucked the trend in that young people have been returning to Narrabri shire to take up jobs after their tertiary education. That is very pleasing. So there has been some pressure on them because the rents are higher than in most country towns given the mining activity. The rents are contained somewhat due to the MAC villages, but they are higher. To give you an idea, a decent two-bedroom unit with two bathrooms, such as what I rent, is currently going for \$500 a week. That is quite high for a country town, especially for someone just starting out in work.

Ms JAN BARHAM: So are they coming back to work in the mining developments or are there other areas of work?

Ms HOOD: Some do work in mining. The council has also had a bit of an initiative to attract graduates back to town to work in council. Some are working in other local businesses. We also have a CSIRO facility and some other research facilities in the shire.

Ms JAN BARHAM: Does that mean you are getting overcrowding in properties—for example, in these properties that rent for \$500 per week?

Ms HOOD: That has not been reported at this stage.

Ms JAN BARHAM: It has in other areas. It is an interesting one to watch, I suppose. Is anything in particular happening with Liverpool Plains?

Ms AUSLING: In terms of possible displacement, we do have large segments of the community who are in very low-cost housing. We are in a different situation to both Gunnedah and Narrabri in that the wave has not actually got to us yet. It is just starting to appear on the horizon. In terms of what the likely impact will be on those who are more vulnerable in the community we are not really certain at this point.

Ms JAN BARHAM: It is hard to prepare for. Did those social impact statements look at different scenarios so you can consider what the outcomes might be and how you can prepare? Is that what that is about—knowing how to prepare?

Ms AUSLING: Yes, being more prepared for that ultimate final outcome.

Ms JAN BARHAM: One of your recommendations is about assistance for the preparation of affordable housing in the Liverpool Plains. Have you not done any work or been part of an overall planning process to look at that?

Ms AUSLING: Not as yet. We have looked at the excellent work that Tamworth Regional Council has done with their affordable housing strategy. I do believe there is a need for a regional approach to those sorts of strategies and there needs to be a clear line of sight between the strategies that have been done at various levels. We are not currently there yet. One of the issues that we have is obviously, like all councils, resourcing and funding.

CHAIR: Do you ever do growth management strategic plans?

Ms AUSLING: Yes, we did prepare a growth management strategy in 2009. They are quite high level and they look at predicted demand. But in terms of drilling down to particular strategic actions and key performance indicators, it is not at that level.

CHAIR: Coming from local government I can see through this inquiry that there may be a critical pathway here to revisit those plans and ask what portion of those plans could be used for social, public and affordable housing and then rejig them to make sure, as we were discussing with Ms Swain earlier, that people have ageing in place happening in local villages and towns. It might be a good place to start.

Ms JAN BARHAM: Am I right that you are seeking for the State government to provide some support?

Ms AUSLING: Absolutely.

CHAIR: Is that funding?

Ms AUSLING: Funding and also expertise to work in partnership. Like Mike Silver, the previous speaker, was saying, we are keen to have those sorts of collaborative approaches and to also skill up people at a local level so that we are getting buy-in from the very early stages by the development industry and the local Indigenous community with State government and local government partners.

Ms JAN BARHAM: You need that strategy to know how to deal with those relationships?

Ms AUSLING: That is right.

Ms JAN BARHAM: Years ago the Department of Planning used to provide people on secondment to support and mentor. It is a very good point that you need that support.

Ms AUSLING: Yes.

Ms JAN BARHAM: When you refer to residential properties you say there are some small unit apartment buildings. Are they an attractive style of development to meet some of the need?

Ms AUSLING: Absolutely. I think one of the key messages is that we need a really diverse range of housing choice. I completely agree with Ms Hood that the MAC villages do fulfil part of that role. We have got a very one-dimensional housing profile at the moment; it is largely low-density residential. We are not, I do not

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believe, particularly catering well at the moment for that required range of housing choice with the ageing population and with young people, so certainly the issue of choice is paramount.

Ms JAN BARHAM: Do you think that you would confront community concerns about intensified development within existing residential areas?

Ms AUSLING: It is a necessary conversation.

Ms HOOD: Narrabri Shire got quite a large upsurge in community concerns about the density when the MAC villages were constructed. Most of those have gone away as people have become used to the situation and dire predictions did not come to pass, so to speak. There was a lot of effort on the part of those running the MAC villages and the mines to make sure that their staff were educated and updated on how to deal with the community and how that interaction should take place. The mines have done a good job in that sense in terms of their staff.

Ms JAN BARHAM: How far are they away from your residential community?

Ms HOOD: The MAC village in Narrabri is right on the edge of town, so right there. In Boggabri it is probably about three or four kilometres out of town.

Ms JAN BARHAM: You have mentioned the issue of aged care. Do you have a similar situation with the young people in the area? Is there a lack of specific housing for them or jobs and housing and all those interconnections in your community?

Ms AUSLING: No major issues at the moment because the baseline is low. We are getting the young families and people into essentially two- or three-bedroom homes in a relatively affordable fashion.

Ms HOOD: Council released Shannon Estate just next to Narrabri just a few years ago and that has been selling slowly but surely to provide that sort of new entrance to the market.

Ms JAN BARHAM: How affordable is that? I think in your submission you ask for support for more first home buyer grants, is that right?

Ms HOOD: We believe that would be a good response from the State government. I can get you specific dollars as to the pricing on the Shannon Estate.

Ms JAN BARHAM: That would be interesting. Thank you. We are asking people at different places whether they think residential parks and manufactured home estates and that style of transition living are suitable in their areas or whether it has been tried before.

Ms HOOD: We have roughly 15 to 20 permanent residents in the Narrabri caravan park. So it is not many, but may perhaps be the start of a trend. It is unknown at this point in time. We have quite a lot of space in our caravan park and also another one in Boggabri. Probably our biggest issue is some of our parks are on Crown land and there are some unknowns in relation to that at the moment.

Ms JAN BARHAM: Have they developed over time as permanent living spaces? Are you saying it is a trend?

Ms HOOD: There has been probably in the last five years some construction certainly in the Narrabri caravan park of small cabins, smaller than a unit, and we have noted that several of those have been taken up more permanently along with some vans.

Ms JAN BARHAM: Do you think that style of living is becoming more common because of affordability?

Ms HOOD: We believe so.

Ms AUSLING: We have one very small caravan park; there would be a handful of permanent residents. That caravan park is incredibly constrained because of its size. It is also located on a flood plain. Other than that, there are no caravan park options.

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Ms JAN BARHAM: And there are no visible homeless pressures with people on the street or any of that?

Ms HOOD: Not at this stage, no.

CHAIR: Can you give us a snapshot of homelessness in your shires?

Ms HOOD: I would have to take that on notice.

CHAIR: Could you provide us with numbers and scenarios? In other places we have heard that people are camping up rivers, in the bush, in caves and in cars.

Ms HOOD: The only comment I can make as to camping is we did have some illegal camping in the shire but that was primarily protesters from outside of the shire coming in in relation to the mines.

The Hon. RICK COLLESS: What sort of increase in population have your council areas seen in the past four to five years or so, and is that a result of the interest in mining?

Ms HOOD: Narrabri Shire has stayed relatively unchanged in population over the last five years. There has only been a very small increase. But we note that does not include the numbers in the MAC villages because of the fly in fly out [FIFO] situation.

The Hon. RICK COLLESS: How many residents are able to be accommodated in the MAC villages? As I understand it, they are there on a temporary basis. They live there for a week and then move out for a week and somebody else moves into the same unit. Is it that type of arrangement?

Ms HOOD: That is my understanding. I believe there are currently around about 1,000 beds between both villages but there are plans to expand the Boggabri MAC village by another 800 beds or rooms.

The Hon. RICK COLLESS: While the residents are there they are all found, are they not? They are given three meals a day, basically?

Ms HOOD: That is my understanding, yes. And they have in-house pools, a gym and a laundry, et cetera.

Ms AUSLING: For Liverpool Plains it is a generally similar experience: static, minor growth.

The Hon. RICK COLLESS: We heard from Gunnedah about the sorts of job increases. I know in your case that a lot of those are similar with the Shenhua Watermark proposals. What sort of increase in population do you think will occur if the mining proposals go ahead?

Ms HOOD: It is very hard to crystal ball this but our understanding as council is the majority of jobs that are looked to be sourced locally are in the production phase. We have two mines, one there, two approaching it, and then the gas project and another mine a bit further behind. We would anticipate anywhere between 1,000 to 2,000 jobs locally over time but it depends on when the mines go into production phase and whether they do fully employ locally or not.

The Hon. RICK COLLESS: In terms of the social and economic characteristics of the two council areas, that will ultimately be a good thing for your communities, will it not?

Ms HOOD: I would certainly hope so. I think diversification is key to maintaining a vibrant community. Probably what I would note is the hardest thing at this point in time has been the divisiveness in the community particularly with the pro-gas and anti-gas and the large number of protesters we have had coming into the region. While I think the silent majority are in favour of the diversification and the jobs and bringing youth back to the town and the impact on local businesses there is a very vocal number of people who are very much against these developments.

The Hon. RICK COLLESS: You said that some of those opposed to it are coming in from other regions. Is that a significant number?

Ms HOOD: It depends on who you talk to but when we have investigated camps—one was set up in the Pilliga forest and then moved on to a road reserve and there is currently one on someone's private property—the majority of people in the camps appear to be from other areas. There are a number of local farmers, however, who are part of the protest action.

The Hon. RICK COLLESS: From what we are hearing that industry is going to put a lot of pressure particularly on the lower end of the housing market in the short term. If you were to look forward into the longer term, do you think that will provide a long-term benefit? Do you think particularly when the mining industry starts to wind down that the housing resource will still be there and ultimately become a more economical resource for the lower end of the market?

Ms AUSLING: I think one of the key issues is that we do not really know. We have not done those bodies of work around looking at those scenarios. One of the key issues that we have faced is that population projections vary so greatly. There are the varying figures in terms of negative growth that Ms Hood has correctly mentioned, through to surging population figures. It is very hard to do your planning around such extremes. We have had to look at scenario planning with the Namoi 2030 study on the basis of a commodity boom but, again, the information we have is limited and a little subjective.

Ms HOOD: The only thing I would add is that council did some research by going up to Queensland and talking with the council at Roma. Their experience showed it was during the exploration and construction phases that you got the really steep peak in the housing prices but it did settle back down, not back to where it was but back down during the production and longer term phase because that is where more local workers were used and you did not have the high number of fly in fly out [FIFO]. That is part of the rationale council used to seriously establish the MAC villages.

The Hon. RICK COLLESS: I think those figures were available from other parts of Queensland too. Councillor Swain alluded to the situation in Emerald where people had been getting \$1,000 a week for a house and now they are getting \$400. If that applies in Emerald that is going to make it easier for the lower end of the market to then find housing because one would assume more housing is available as a result of those high prices?

Ms HOOD: Yes.

The Hon. RICK COLLESS: I will just ask you about the young people coming back into your communities. Obviously it is a very good thing to see young people coming back into town after they have finished their tertiary training. You mentioned they are coming back to a whole range of different jobs in local businesses, mining, agriculture and so on?

Ms HOOD: Yes.

The Hon. RICK COLLESS: Is there any significant difference between the pay scales and the impact that has on the various sectors, particularly in relation to housing?

Ms HOOD: Our understanding is there is a significant difference in some of the pay scales, certainly between local business and the mining jobs. We probably have not seen the impact of that yet in Narrabri shire because we are mostly in the construction or exploration phase where more FIFO or specialist workers are required so that is one thing. The other thing we have in the shire are the research facilities and CSIRO who are also more highly paid so there is a little bit of balance provided through that.

The Hon. GREG PEARCE: Ms Ausling, I think you said you had a high degree of temporary housing or cheaper housing in the shire, do you recall that? You did not use the word "temporary", you used a different word.

Ms AUSLING: Sorry, I cannot recall.

The Hon. GREG PEARCE: My simple question is: Are you already open to having different forms of housing, prefabricated and that type of housing, to a pretty significant degree because obviously we are looking at the standard of housing that councils require?

Ms AUSLING: Yes, absolutely. I think the issue that some communities face are issues with design. We have very proud, beautiful, aesthetically pleasing communities so obviously we would like to see that heritage maintained and some sort of effective integration between those cheaper housing options and choices with the existing built fabric so that the communities are well equipped to maintain their sense of identity.

The Hon. GREG PEARCE: Do you have any examples of where that is being implemented?

Ms AUSLING: I think the Mid Western Regional Council has done a good job with integration of the mining sector with the local character. It comes down to effective design guidelines and siting guidelines as well. We have actually called them "shouses", which are shed-houses. They are a common form of housing choice available now.

The Hon. GREG PEARCE: You mentioned the caravan park that you have. Where is it?

Ms AUSLING: It is located essentially between the main part of the township and the racecourse; it is within the floodplains, in the branch of Quirindi Creek essentially.

The Hon. GREG PEARCE: Gunnedah Shire Council has already looked at density and other standards and requirements. Have either of you considered how you might change those rules to deal with demand?

Ms HOOD: We are looking at our local environmental plan [LEP] as to its flexibility with lot sizes and we have some of that built in. Narrabri still has available land in the middle of the township and the Department of Housing owns some of that land. It has started discussions about potentially releasing that for some public housing or affordable housing but that is the only extent to which we have gone so far.

The Hon. GREG PEARCE: You mentioned Roma, which is obviously much more advanced. Are there any lessons out of Roma that they as a council or we as a State government should think about in addressing some of these issues?

Ms HOOD: Specifically in terms of the housing it was really to look at it as part of the social discussion in some of the voluntary planning agreements [VPA]. We do have one VPA with Boggabri Coal where they are going to build 10 houses in Boggabri and 20 in Narrabri as part of their commitment to the town. That will be to house their executives as they move into the construction phase and will help obviously to relieve the pressure somewhat. The other mines have not come to the party to that extent as yet but we do see Boggabri Coal as very progressive to that extent.

CHAIR: Do you think that a recommendation from the inquiry will strengthen this sort of approach?

Ms HOOD: We have been having quite a few discussions about the VPAs with the Department of Planning at the moment. One of the major issues is there is no consistent approach across the State. Some councils are winners, some are losers and it depends on who is dealing with whom. The "V" stands for voluntary, so sometimes you get different levels of commitment. Planning is apparently working on getting a template together and trying to drive consistency.

CHAIR: We must not mix up what the developer thinks. "V" also stands for viability. If that is effective, voluntary takes a second seat.

Ms HOOD: Yes.

CHAIR: One of the issues that have been raised are section 94 and section 64 fees, keeping the opportunity for developers or those who want to build more houses out of the scene. Do you have a comment on that?

Ms HOOD: I have been at Narrabri shire since January and there have been quite a few development applications put up and approved at different levels and I have not had any serious negative feedback as to our fee structure to this stage. The only comments I have had in terms of affordability is where sometimes the engineering department, once dirt roads are—

CHAIR: Overengineered.

Ms HOOD: —paved, shall we say—

CHAIR: That is a comment we have heard more than once.

Ms HOOD: That is the only negative feedback I have had at this point.

CHAIR: That brings me back to the third recommendation of the Liverpool Plains Shire Council. It says "That ongoing funding be provided, by Federal and State Government, for the progressive development of infrastructure commensurate with projected demand." Do you want to elaborate on that, given the fact that we are talking about fees and infrastructure?

Ms AUSLING: Yes. Essentially we know what work needs to be done in terms of the provision of water infrastructure, for example.

CHAIR: Are you talking about water, sewerage, electricity?

Ms AUSLING: Yes, and roads, absolutely.

CHAIR: You are saying you want a hand with that financially?

Ms AUSLING: Yes, that is right.

CHAIR: How would you see that happening?

Ms AUSLING: I guess it really comes down to looking at an infrastructure plan for the region. There has been a lot of talk about the infrastructure plan that is meant to be coming, the road map, but unfortunately we have not seen anything as yet. That would be the first place to start.

CHAIR: Do you want to clarify that statement for us so we have some point of reference when we follow that up?

Ms AUSLING: Sure. There is a recommendation in the strategic regional land use plan for the provision of a regional infrastructure plan. That has been much spoken about and on the agenda for a number of years but, unfortunately, there have been no tangible outcomes in terms of any sort of strategy on the ground. We would be looking at that as the essential framework to a local infrastructure strategy.

CHAIR: You are hoping for a grant to assist with professionally putting that plan together?

Ms AUSLING: That infrastructure plan is meant to be delivered by the Department of Planning and Environment. I understand that is underway. We would be looking for assistance with the delivery of any on-the-ground infrastructure planning that is of a local level.

The Hon. GREG PEARCE: I take it that your council would not have any capacity to partner with the State government in building social housing or affordable housing for the elderly and so on?

Ms AUSLING: It is something that we could look at but in terms of realistic capacity, I would need to check.

The Hon. GREG PEARCE: Whether you might have land or something?

Ms AUSLING: Yes, that is correct.

The Hon. GREG PEARCE: I ask the same question with respect to Narrabri?

Ms HOOD: In terms of partnering with the State government? I think, capability of council would be predominantly possibly land and in-kind support and certainly looking at the planning processes, et cetera, but we would not have general reserves that we would be able to contribute at this stage.

The Hon. GREG PEARCE: Do you have community housing organisations in your areas?

Ms HOOD: I would have to check that for you.

Ms AUSLING: I am not too sure.

Ms JAN BARHAM: With these MAC camps and very basic development planning issues—water and sewer—how do they do it? Is it yours or theirs?

Ms HOOD: I can actually comment on that. We learnt a lesson at Boggabri and had to do some pretty intensive negotiations on that. What often happens when you get MAC camps or income is that the water system needs a step change. In Boggabri we put in the MAC camp, connected it to the town water supply and everybody lost pressure so we had a lot of major complaints going our way. We have now negotiated with the MAC camp and an additional bore has been put down and they have put in another tank, et cetera.

We are working on some augmentation to the piping and the flow to continue to help rectify that situation, but it is a very, very serious situation. In Narrabri we also need a step change in the water supply more than the sewer at this stage. We were lucky that we put a lot of effort into our bid for Resources for Regions and we won \$12 million as part of that to augment the Narrabri water supply. It does need quite significant investment but that is how we went about that one.

CHAIR: Is that enough money, though, because country town sewerage and water supply is very expensive to put in? Is \$12 million enough to cover that totally?

Ms HOOD: That is for the water.

CHAIR: It is not covering the sewerage?

Ms HOOD: It is not dealing with that at all.

CHAIR: Do you know what sort of costing that is?

Ms HOOD: I do not know the sewerage costing, no, but we are not getting major complaints on the sewerage. The water was a big issue. With that money we will be putting down two new bores and putting piping in to put redundancy into the system so if one bore fails, one area of the town will not be without water. It is quite an extensive project.

CHAIR: Where will the mine get its water from?

Ms HOOD: They get it from the town supply which is why we applied to Resources for Regions for that project.

Ms AUSLING: I just wanted to add to my comment on infrastructure planning. We are in the advanced stages of delivery of our regional water supply strategy but I would be in trouble with our engineers if I did not mention this; there is a funding shortfall for the delivery of that project, which will essentially aim to drought proof the region.

Ms HOOD: I should correct what I just said. The MAC villages get the water from the town supply.

CHAIR: I was writing that down and thought that was what you meant. I thought it would be terribly serious if it was for mining. They have retention ponds?

Ms HOOD: Yes, they have retention ponds and some have irrigation licences over the river as well.

Ms JAN BARHAM: How is the sewerage being managed?

Ms HOOD: The sewerage fund at Narrabri is currently supporting the maintenance of that sewage pond. We obviously get contributions now towards that MAC village. We have not looked at that to the same depth as we have for the water at this stage.

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Ms JAN BARHAM: That is interesting. You say you get contribution funds. What is the development lifespan of the development applications for those MAC villages? Is there a time limit on them or are they perpetual approvals?

Ms HOOD: I would have to check that for you.

Ms AUSLING: I understand that there is an anticipated lifespan of 20 years but I would need to take that on notice.

Ms JAN BARHAM: What is the sort of scale for developer contributions in those developments?

Ms HOOD: Basically the kind of pro rata amount in levies and charges but I would have to get the exact number.

Ms JAN BARHAM: Would you please take that question on notice.

Ms HOOD: Yes.

CHAIR: Obviously with voluntary planning agreements the council is not obliged to agree to the development unless they are satisfied that the EPA is of a public interest level?

Ms HOOD: The council does not have final approval and it has been known in the past—

CHAIR: I understand.

The Hon. PETER PRIMROSE: My question follows an earlier question by Ms Jan Barham about residential parks. Page 5 of the Liverpool Plains Shire Council submission states, "no spare capacity exists within local caravan parks to cater for any additional demand should the current housing structure be substantially modified." Do you see a role for residential parks in catering for an additional demand for social or affordable housing?

Ms AUSLING: I think by default they will always have a role when individuals and families are pushed out of the current market. They will have a role when people want to return and cannot enter that market as well. We are in a different situation to Narrabri—we don't have that option available. I guess one of two things could happen: they will essentially go in different directions or the market force will be at play and possibly a caravan park proposal may come to the table to cater for that demand.

Ms HOOD: We certainly see a role for residential parks. We hope it is of the temporary nature as opposed to a longer term, particularly for young families. That would be the ideal situation from our point of view.

The Hon. PETER PRIMROSE: Could you see it as being a more permanent arrangement for older people in the community?

Ms HOOD: It is not something that Narrabri Shire Council have considered at this point because we have good aged care in Narrabri for both male and female units.

The Hon. PETER PRIMROSE: The same?

Ms AUSLING: Yes.

Ms JAN BARHAM: The next point in the Liverpool Plains Shire Council submission relates to the Joint Regional Planning Panels [JRPP] approving the 150 unit miners' village at Werris Creek, but I do not understand why that incorporated a caravan park for tourists? Do they run a commercial venture on the side?

Ms AUSLING: It was essentially looking at community desires and needs. The desire for a tourist caravan park has been there within the Werris Creek community for a long period of time—in fact, over the past 15 years they have been putting their hand up for a caravan park. Essentially the company wanted to work with the community and deliver something as part of a broader identified community need and it was something reflected in their local community economic development strategy as one of their key local priorities.

Ms JAN BARHAM: Trying to grow tourism and have that available?

Ms AUSLING: And also I think to collaborate with the local community and deliver something that they wanted; as part of a gesture of goodwill that they wanted to work together with them.

Ms JAN BARHAM: Will that be delivered to the community? Will it be in the community's ownership or the company's ownership?

Ms AUSLING: The company's ownership.

Ms JAN BARHAM: So the benefit is attracting people for the tourism potential and the flow-on for businesses?

Ms AUSLING: Yes.

Ms JAN BARHAM: What about the other houses that they are providing—I think you said the executives might live in them? Are they in their ownership or do they transfer to the council?

Ms HOOD: They are not built as yet; they are planned in the near term. So they would be in the mine's ownership but it would give them housing for their executives, which would relieve the pressure on the broader local market.

Ms JAN BARHAM: Are there any direct giftings or contributions in kind of land or opportunities by the companies to the community?

Ms HOOD: The voluntary planning agreements [VPAs] we have in place at the moment, and we are currently negotiating, do not include land or houses; they include some social benefit amounts, an environmental trust available for community projects of an environmental nature, and a lot of work around roads and bridges in particular, that type of thing.

CHAIR: Sporting fields?

Ms HOOD: Some sporting fields, some monies that were donated for the Narrabri pool.

CHAIR: Libraries, community halls?

Ms HOOD: Things like that, yes.

Ms JAN BARHAM: So they are VPAs not associated with the development application [DA]?

Ms HOOD: That is correct.

Ms JAN BARHAM: They are public documents we can look at?

Ms HOOD: Yes.

CHAIR: Some time has elapsed since you prepared your submissions. Is there anything further you would like to put on record that could assist the Committee with its recommendations from this inquiry?

Ms HOOD: I thank the Committee for giving Narrabri Shire Council the opportunity to make comment. I reiterate from my opening comments that we really think flexibility is key and it is really about working very closely between State and local governments going forward on this issue.

Ms AUSLING: I would have to agree. I would like to say that we are ready and willing partners. We want to work with the people who we need to work with to deliver those on-the-ground outcomes, and also try and look at some innovative approaches and not make the mistakes that have been made elsewhere.

CHAIR: It is very important that the Committee hears your side of the story as to how it works in your planning areas. We are keen to ensure that it is not one size fits all—that different parts of New South Wales

CORRECTED

need different approaches. You have hit it on the head by the use of the word "flexibility". We appreciate that you have both travelled to be here and we thank you. I remind you that you have 21 days to answer any questions taken on notice. The secretariat will be more than happy to assist you in that.

(The witnesses withdrew)

(Short adjournment)

MAREE McKENZIE, Chief Executive Officer, Homes North Community Housing, member of the Housing Alliance, sworn and examined:

CHAIR: Thank you for coming this afternoon. Would you like to make a brief opening statement?

Ms McKENZIE: I will make a very brief opening statement but I am more interested in responding to your inquiries. Homes North is a member of the Housing Alliance, an alliance of mid-size regional housing providers focused on building the capacity of regional housing providers and giving a voice to regional issues. The alliance is another way of gaining efficiencies aside from community housing providers growing ever larger and stretching across the country. We are a class 2 registered provider. We are accredited under the national standards. We have full three-year accreditation. I would like to emphasise two points. Firstly, the affordability issue in regional New South Wales is often overshadowed by the dire situation in Sydney. However, while focus remains in the metro areas, the situation has been worsening in some regional locations in New South Wales. It is not acceptable to do nothing just because the situation is worse in Sydney.

The percentage of renters experiencing housing stress is not that different to the New South Wales average in this area. In the Richmond-Tweed area, where one of the alliance partners operates, the case is significantly higher than the New South Wales average. This is basically because of the lower household incomes but also the increases in rents. Secondly, I emphasise the benefits of community housing providers managing social housing portfolios. We have capacity to capture CRA, increase supply, invest in upgrades and redevelopments of existing ageing stock, and we have the capacity to bring in partners to support initiatives to break the cycle of disadvantage.

Ms JAN BARHAM: Because you are representing different areas today, I am interested in that you refer to the resource boom, yet you have just referred to the Tweed-Byron problem.

Ms McKENZIE: Yes, we are a very diverse group.

Ms JAN BARHAM: It is fantastic that you have such a broad perspective, particularly for regional areas. But I am wondering why you did not mention tourism. Obviously it is a resource boom out here. But the impact on the coast, is tourism having a similar effect? Does that come up through your regional office, or have you heard that?

Ms McKENZIE: Through our partners on the North Coast, yes, there definitely is a stress on the local housing market. It is the stress.

Ms JAN BARHAM: The way you hear it, it is resources.

Ms McKENZIE: Yes, the equivalent. That is right.

Ms JAN BARHAM: In Armidale particularly I am interested to hear about whether there is an issue with student housing.

Ms McKENZIE: You will find that there is a lot of stress in youth in the single bedroom accommodation, and that is because of the pressure of students in the town as a whole, but it tends to be the youth who are the most disadvantaged who really fall out of the market, who cannot get access to it. You will get students who are more acceptable to real estate agents. Then you will have young 17 year olds, 18 year olds on youth allowance. So in the desirability of renters in the private market, students do not do too badly but they put pressure on the market. So the most disadvantaged have trouble.

Ms JAN BARHAM: So if you have young unemployed people, they are going to be severely disadvantaged?

Ms McKENZIE: Yes.

Ms JAN BARHAM: Is there any evidence or do you anticipate the idea of living in cars or the couch surfing syndromes?

Ms McKENZIE: It is mostly—and this is anecdotal—couch surfing and overcrowding. We have had a very good program in recent years in the New England north west, the Rural Homelessness New England program. I am not sure if you know about it. It is funded by NPAH, so it is a case management approach and it is a collaborative approach where agencies meet on a regular basis, discuss the most critical homelessness issues in the town, including particular clients, and we resolve their housing issues in a very collaborative forum. That has worked very well and we do not have the incidents of people sleeping in cars and sleeping in forests and tents and racecourses. We do not have that quite as much as we used to, so that has been a very successful program and I think it demonstrates how when NGOs and agencies work together focussing on the outcome we can achieve things.

Ms JAN BARHAM: Is there any response to the indications from the Federal budget about the changes for young people and how that might have an effect on young people in your area?

Ms McKENZIE: Yes.

Ms JAN BARHAM: Is that a worry?

Ms McKENZIE: Yes, it is particularly concerning with the possibility that they could lose their income for up to a six-month period. That is concerning for us from a viability perspective. Already within the community housing portfolio youth are subsidised by pensioners and other renters because their income is so low. We capture I think it is \$103 a fortnight so that is just over \$50 a week is the rent that we capture for those tenancies. That is not sustainable so they have to be cross-subsidised with the rest of the portfolio. So we could be looking at those most vulnerable already and the most risky within our portfolio having no income for a period of time, so that cross-subsidy—

Ms JAN BARHAM: Which means that you are fully subsidising?

Ms McKENZIE: That is right. And we do not capture Commonwealth rent assistance because their rent is so low. We are looking at different models possibly to propose to resolve that problem and that is looking at affordable housing for young people where we can charge 80 per cent of the market rent so that we can capture the CRA to sustain those properties in the long term and those tenancies are viable for us.

Ms JAN BARHAM: I am from the Tweed-Byron area and I have had conversations with people who are very concerned with that pressure already being there for young people—if this happens, what that will mean. The youth service is extremely concerned about where that would go. I think it will need to be a statewide approach.

Ms McKENZIE: It is and it is already difficult decisions for us to make because young people are the most vulnerable in all our housing markets. Yet they pose the most viability risks for us within the portfolio so we are always balancing meeting need, because that is what we are there for and to support them, and maintaining the viability of the portfolio. And we have done a pretty good job but it is concerning how we will respond possibly to no rent for six months.

Ms JAN BARHAM: Do you manage dedicated crisis housing already?

Ms McKENZIE: Yes we do, in Tamworth.

Ms JAN BARHAM: That is youth and women in crisis—

Ms McKENZIE: It is men, single men, with the support service, Richmond PRA.

CHAIR: Can you elaborate on what that service is?

Ms McKENZIE: It is similar to a refuge but they are single bedsitter units. They have their individual accommodation, which is preferable to a communal refuge operation.

Ms JAN BARHAM: So a bedsit.

Ms McKENZIE: Yes. Housing NSW bedsits were transferred over to Community Housing.

CHAIR: How many of those in that particular situation?

Ms McKENZIE: We are in a transition period with them at the moment. There are technically five, but in the whole unit complex there are 20 and the remaining 15 are what is called HASI Plus accommodation—Housing Accommodation Support Initiative. They are for mental health clients exiting mental health institutions and it is focused on building their business skills and deinstitutionalising them.

CHAIR: It is 20 units and most of them are struggling in what area?

Ms McKENZIE: Mental health, exiting correctional services, homeless, it is a combination—so the very, very high-need clients—and it is all about living skills, support for rehabilitation for drug abuse.

Ms JAN BARHAM: As a housing provider you also manage the wraparound support services for those people?

Ms McKENZIE: We partner with an agency. We specialise in providing tenancy and property management services and we have a support agency who specialise particularly with mental health clients—a very specialised service.

Ms JAN BARHAM: In relation to Armidale, we are hearing constantly that older single women are struggling, whether they have been widowed or the children have left.

Ms McKENZIE: We hear the same and we have spoken to organisations within Armidale. At this stage it is not reflected in our waiting lists, it is anecdotal. But I feel that it is possibly the result of women being pretty proud and not wanting to approach a social housing service, that they really want to try and manage for themselves, especially women aged 60, that era, they are very, very self-sufficient and very, very proud. We are working with organisations to try and access women at that age in need rather than them coming to us.

Ms JAN BARHAM: Is that a separate program or a coordinated program across those other agencies?

Ms McKENZIE: That is a separate initiative from us.

Ms JAN BARHAM: Is it something that you have funded as a program?

Ms McKENZIE: No, at this stage it is just a networking exercise and it is giving presentations at Zonta and other groups like that.

Ms JAN BARHAM: How much does your service communicate with other providers around the State?

Ms McKENZIE: We have got the Housing Alliance for a start, which connects us very well with three other organisations, and we are very active with the New South Wales Federation of Community Housing.

Ms JAN BARHAM: We are finding that a lot of these issues are consistent across the State.

Ms McKENZIE: They are common.

Ms JAN BARHAM: The recommendations you have given refer to some of the Western Australian ideas that we have heard a bit about, the shared equity products. Would that work well here, do you think? Is that something that is specific to this region or do you just support the overall idea of it?

Ms McKENZIE: We support the overall idea of some kind of assistance, and I think they were just giving examples rather than endorsing them specifically. I have thought since then that a version of the First Home Buyers Grant or some sort of grant that is well targeted might be a less complicated form of assistance. We have looked at the shared equity and it can be quite complicated legally, and when things do not go well it can be difficult to extricate both parties from those agreements. On reflection, since we have done a bit more research, I think there might be simpler products out there that manage the risk a lot better.

Ms JAN BARHAM: Did you look at Western Australia's revolving fund?

Ms McKENZIE: Yes. I think the revolving fund is an excellent idea as well.

Ms JAN BARHAM: I think it is simpler to offer the deposit and then get that paid back and move that through.

Ms McKENZIE: Yes. I think that is a very good idea.

CHAIR: It seems to be with all the community housing providers—and I note you have it in your report—in terms of many community housing groups, including Housing Alliance members, that they raise bank loans and harness NRAS incentives to develop new social and affordable housing and you say:

We recommend NSW Government develop a strategy such that the state's higher capacity community housing providers can borrow to their optimum capacity using conventional approaches. To date, there have been mixed messages from State Government on how they see the role of the community housing sector. This does not encourage longer term investment.

Could you elaborate on that comment?

Ms McKENZIE: I think from the financial institution's point of view they would like to see a very clear strategic direction regarding the Government's approach to community housing. I think the delay in the title transfer caused some nervousness in some of the financial institutions. This did not impact on us because the title transfer went quite smoothly with Homes North, but it is unfortunate that it has happened to some of the larger providers who have a higher profile. We are not questioning at all the reason why those transfers have not been completed, but it is just the impact that that has had. Externally it appears that we are not delivering what we had intended and promised, but it is a little more complicated than that.

CHAIR: Is that the mixed message, that the slowness of the time or the transfer has made you a bit concerned?

Ms McKENZIE: It is the mixed message. A little insider information, but the impact is that we have not delivered, that outsiders see that we have not delivered.

CHAIR: Would you like to see the model like that in Queensland where they will probably transfer, I think, 90 per cent by 2020? Do you hope the New South Wales Government will give an indication that it will move towards something like that?

Ms McKENZIE: Yes. We have got clear feedback from the financial institution that we are borrowing from that it is our cash flows and our revenue that they are basing the loans on. So if we have got long-term leases because that gives security of that revenue then they are very keen to engage in a contract of borrowings.

CHAIR: What would you consider as being a long-term lease if they could not give you a title transfer?

Ms McKENZIE: Twenty to 25 years.

The Hon. GREG PEARCE: Just in case there is a mistake in the transcript, and I am not daring to speak for the Government, but I think you can take it that the Government does not propose to transfer 90 per cent over, like Queensland.

The Hon. PETER PRIMROSE: We have heard evidence that in relation to the provision of affordable housing, particularly for older couples and older people generally, there should be a significant role for residential parks. Do you have any comments on that?

Ms McKENZIE: I think there is definitely a role for residential parks, but I do not see that particularly as a role for our organisation. We are focused more on people living quite independently and I think there are adequate companies, organisations, who can deliver those sorts of facilities. We are looking at different models from that. We are looking at possibly some kind of communal living for older single people, because it is an affordability issue when you are single, in particular, and some semi-shared—you might have four individual dwellings with a common area so that there is community, which is very good for older people so they are not isolated, and it is affordable. That is the model we are looking at.

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The Hon. PETER PRIMROSE: Part of the dilemma with this sort of thing is that people who advocate for residential parks are the ones who comment on residential parks. In terms of the general mix of housing, do you have a comment on where residential parks should fit into that, apart from your organisation specifically?

Ms McKENZIE: I think it is healthier to have a mix of community members. Saying that I think it depends because older people are much more vulnerable and the residential park suits them.

CHAIR: Can I go back to community housing providers? I am pretty sure I have read it in your submission that one of the reasons you suggest the Government should hand over is that you just do it better for numerous reasons.

Ms McKENZIE: Yes.

CHAIR: Do you have any evidence to show your key performance indicators, as opposed to Government's, to substantiate that view?

Ms McKENZIE: We can look at our basic key performance indicators which is our rental arrears vacancy turnaround times. I do not have the Government's to hand right at this point. I think that is a very easy comparison to make. I think it is something that needs to happen and I think it is part of the due diligence of looking at the handover of management to provide assurance for Government that is what you are going to get. Tenant surveys consistently show a higher level of satisfaction with community housing providers.

CHAIR: Can you table something like that if given time?

Ms McKENZIE: Yes, we can table that. It is done independently, we do not have anything to do with our own survey.

CHAIR: I would be interested. We hear this time and again but it would be great to see some evidence based on that.

The Hon. GREG PEARCE: For the sake of the transcript can we get this on the record: Can you run through the number of properties you manage and own and roughly where they are?

Ms McKENZIE: Yes. We manage 1,007 properties. They are located in Tenterfield, Glen Innes, Armidale, Tamworth and Gunnedah and we have just taken on Inverell and Moree—the New England north-west except for Narrabri at this stage. That is quite a large geographic area.

The Hon. RICK COLLESS: Can I ask a follow up question: Were those houses transferred to you from government housing?

Ms McKENZIE: Yes, we are the recipient of whole-of-town stock transfers. That commenced in 2007. That includes Gunnedah, Glen Innes and Tenterfield and we were also the successful tenderer on Nation Building, so there are 250 properties under Nation Building and we received the title to those properties. We have since acquired in our own right a further 17 properties. I think 15 is in the report but we have acquired another two since then. We are just looking at the next development now.

The Hon. GREG PEARCE: That is 250 from the national scheme?

Ms McKENZIE: Yes.

The Hon. GREG PEARCE: Another 17, plus the ones in Glen Innes?

Ms McKENZIE: They are management transfers, so they are not titles.

The Hon. GREG PEARCE: You have 250 plus 17 titles?

Ms McKENZIE: That's right.

The Hon. GREG PEARCE: The proposition is that you will leverage against those?

Ms McKENZIE: Yes, we will continue to do that

The Hon. GREG PEARCE: How many will you leverage?

Ms McKENZIE: In the tender we nominated 30 but we will be exceeding that and we are accelerating the program as well. We have met our target to date but we want to accelerate.

The Hon. GREG PEARCE: So 30 on 250?

Ms McKENZIE: Yes, 12 per cent, which is quite modest but we will exceed that now.

The Hon. GREG PEARCE: I think one of the problems was that for various reasons the expectations were that the leverage would average 30 per cent or even more. I think that has been part of the problem about re-looking at the whole system. In terms of the alliance you mentioned efficiencies. Can you outline how the alliance works and perhaps just for the record name the others and what you actually do, what efficiencies there are, how you interact?

Ms McKENZIE: The other alliance partners are North Coast Community Housing, Homes Out West, that is in Deniliquin, and Housing Plus in the Mudgee-Orange area. The efficiencies are around sharing consultancy fees and, in particular, legal advice. That has been extremely beneficial for tax rulings and all those sort of things. We also shared an information technology project for acquisition of new software which is quite a significant project with significant risks. We have pooled staff who have developed a project brief, undertaken scrutiny of the providers and nominated their preferred provider. That has been pooling resources.

We have had requests from other providers to purchase our brief recommendation. It has been a very successful project and we are happy with the outcome. We also share policies. We have groups at each level. One of the things with being a regional provider is you can feel quite isolated, particularly senior staff. There is no collegiate with your peers because you do not have peers, it is just yourself. There is an asset managers group, a finance managers group and a service managers group and they get together on a monthly basis, discuss issues they have got and develop policies and resolutions. It is not necessarily one size fits all, it is an in and out, you can opt in and out of any advice or consultancy approach.

The Hon. GREG PEARCE: It would be great if we could get some government agencies to do the same.

Ms McKENZIE: It works really well.

The Hon. GREG PEARCE: It sounds fantastic, particularly for regional organisations where obviously duplication of resources is crazy when you have limited resources.

Ms McKENZIE: It is a good way of overcoming the whole geographic remoteness and travel. We get professional support without having one large organisation that is stretched right across the State.

The Hon. GREG PEARCE: Does that alliance model stretch into your relationships with other service providers? In other words, are you getting better communications and efficiencies with your other relationships?

Ms McKENZIE: Not at this stage. We are hoping that the going home staying home reforms—because there will be some rationalisation of some of those services there—could provide commonalities across some of our boundaries. A lot of our partners are very localised partnerships. At this stage not necessarily.

The Hon. RICK COLLESS: Those transfers that came from the Housing NSW, do they include Government real estate houses?

Ms McKENZIE: No. You mean—

The Hon. RICK COLLESS: —teachers and police and those sort things?

Ms McKENZIE: No.

The Hon. RICK COLLESS: In your submission on page 6, social housing waiting times, you have quite a few centres listed there. I am wondering if you have any figures for the centres that we have just heard from this afternoon in terms of Narrabri, Gunnedah and Quirindi?

Ms McKENZIE: Gunnedah is two to five and I am not sure about Narrabri. I believe it would be in the order of five to 10.

The Hon. RICK COLLESS: In terms of Gunnedah and the developing mining industry we heard about it does not seem to have had any impact?

Ms McKENZIE: It has. It has had an impact on rents. They have escalated dramatically.

CHAIR: They have doubled since 2003?

Ms McKENZIE: Since 2009 it has been 100 per cent for four bedrooms.

CHAIR: I saw a graph that said in 2003 it was \$110 and in 2013 it was about \$250?

Ms McKENZIE: The four bedrooms went from \$215 to \$430. That is from 2009 to 2014

The Hon. RICK COLLESS: That is commercial?

Ms McKENZIE: Yes, that is commercial rents. It has had an impact in the private market but there was an over supply at the beginning of the mining boom. There was some room to move, unlike what has occurred in some rural areas in Queensland. There is also a reasonable supply of social housing. I think if you combined Aboriginal Housing Office [AHO] and the properties we managed and the land councils there would be well over 200 properties, so there was some capacity there. That has been very fortunate for Gunnedah.

It has put considerable strain on people on low incomes. The level of housing stress is quite high in those private markets. That impacts the local economy because people do not have money to spend and a lot of—as you would have heard from Mike Silver from Gunnedah council say—the investors have moved into towns like Gunnedah, Tamworth and Armidale and that money is not necessarily staying in the local economy. They are usually Sydney metro based investors and that is money out of the economy

The Hon. RICK COLLESS: Those other centres you have listed in that table. Can you give us any idea what the comparative increases have been in those centres for four bedroom housing? I am wondering if there is any real extra stress put on areas like Gunnedah and Narrabri because of the mining boom?

Ms McKENZIE: There was but it has actually plateaued in the last six months. We purchased properties in Gunnedah, affordable housing, four units of accommodation and at this stage we have got that on hold. We are focusing our acquisitions in Tamworth and Armidale because it is a precarious investment for us. The mining boom is precarious.

The Hon. RICK COLLESS: There is a false floor in it?

Ms McKENZIE: Yes, that's right. It relies on commodity prices.

The Hon. RICK COLLESS: We have seen it happen in Queensland.

Ms McKENZIE: Yes. A large mine has just closed in the Hunter as well. So I have just recently been requested by our board to go back and do some more research on the mines in Gunnedah to assist our position there. It is a big capital investment and we are looking at 25 years. When we want to get out, everyone else wants to get out and values will have decreased. We have to be very careful in that market.

The Hon. RICK COLLESS: In your submission on page 18 you talk about, with respect to the housing market, the whole of Government approach needs to occur. You say that it is important to transform the private purchase and rental sector. What sort of reforms do you think need to be put in place?

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Ms McKENZIE: For the private purchase it is not assisting people to get into the market. Because they are trapped paying high rental they do not get an opportunity to save a deposit. In some cases they are actually paying more in rent than they might have been if they purchased a property.

The Hon. RICK COLLESS: Which is the same issue and what happens in the major capital cities?

Ms McKENZIE: Yes, that's right.

The Hon. RICK COLLESS: Further on that page, under the heading "Government coordination," you talk about, "The welfare benefit system often acts as a deterrent to families moving to employment and out of social housing." You say that needs reform?

Ms McKENZIE: Yes.

The Hon. RICK COLLESS: Could you explain that?

Ms McKENZIE: Because social housing rents are a percentage of your income as soon as you earn more income through employment your rent increases. It is a disincentive.

The Hon. RICK COLLESS: How do you think that could be reformed?

Ms McKENZIE: I think that they should be given some breaks, some incentive.

The Hon. RICK COLLESS: To save?

Ms McKENZIE: Yes, to save. A period of time when they are employed possibly when their rent does not change or possibly when they still get some sort of support from Government during that period of time.

The Hon. GREG PEARCE: I want to follow up on the 250 houses that were transferred over. How many of them are subject to Commonwealth rental assistance and are providing social housing for the waiting list?

Ms McKENZIE: All of them are allocated from the social housing waiting list. We are a housing pathways participant. So all of those properties are allocated to those on the social housing waiting list. We take priority applicants first, so those are the most in need. With the 17 properties that we have acquired, just under 30 per cent of them are for social housing applicants, and the remainder are for low-income earners and come under the affordable housing eligibility criteria.

The Hon. RICK COLLESS: You mentioned in your submission that if there is more than one provider in some of these remote areas then it creates issues. Do you think there is a need to have a regulated single provider in some of those smaller communities?

Ms McKENZIE: The issue is duplication, and smaller housing providers do not have the capacity to leverage. You do not get the efficiencies to get the surpluses to purchase properties. If you want to have smaller providers then possibly they need to be around providing a specialist service. They might need some kind of subsidy or support.

The Hon. RICK COLLESS: Such as the Aboriginal Housing Office?

Ms McKENZIE: Yes, or disability housing. They could be very specialised housing services. What I would like to promote is that the community housing provider in rural areas should be a place manager. They are managing not just the housing but also how the housing fits and relates to the whole community. So it is about place management not just housing management.

CHAIR: Do you have any further comment on Aboriginal housing in the area? What are the needs and how does it look? You can that question on notice if you want to give us a more considered view.

Ms McKENZIE: I think there needs to be more strategic direction in that area. There needs to be a clear vision.

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CHAIR: Do you mean direction by the land council or by the Government? Which stakeholders are you thinking of?

Ms McKENZIE: I think it needs to be led by the Government. The Government needs to strongly encourage the land council to get some coherence around Aboriginal housing. There was the Build and Grow Aboriginal Community Housing Strategy. I feel like that program has stagnated.

Ms JAN BARHAM: Have you had the Aboriginal Affairs Opportunity, Choice, Healing, Responsibility, Empowerment [OCHRE] consultations going on in this area?

Ms McKENZIE: I am not aware of those consultations.

Ms JAN BARHAM: I think housing has come up as a priority issue. There is still resolution required. I am thinking about another way of doing outreach that might deliver outcomes. I imagine in this area, like in my local area, you have people who are in large old houses and who love their local community. In my area there was a woman who had lost her husband but who did not want to move from her house. The previous Government introduced the State Environmental Planning Policy (Affordable Rental Housing). It allowed for secondary dwellings. The idea was to find people who were living in homes that were able to be divided up to allow for separate independent living. Is that operating here?

Ms McKENZIE: No, it is not.

Ms JAN BARHAM: It is one of those outreach things—to find those people who want to stay in place and the young families or young people who can share the housing with them. It is a nice "buddy system" as well.

Ms McKENZIE: I am aware that they are looking at that on the north coast. But it is not operating in this area.

CHAIR: I just thought they might have something similar. I remember seeing a program—but I cannot quite recall where; I think it was in Victoria—a community housing organisation worked up where students would come in and live with older people and provide some services. Do you know the program that I am talking about?

Ms McKENZIE: Yes, I know the one you are talking about.

Ms JAN BARHAM: Has that been considered for this area?

Ms McKENZIE: No, it has not been considered. But it is definitely worth considering. Those sort of strategies are what we are looking at the moment. We have just developed a new strategic plan. We have decided to really focus on the New England and north-west regions and to really work on our region. Rather than just working on our size—because we are increasing our size through our membership of the Housing Alliance and getting our efficiencies through the Housing Alliance—we want to work on place.

We want to put our tentacles out and assist people to get out of that cycle of disadvantage and to improve their standard of living when they enter into social or affordable housing. I feel that currently some social housing allocations are not an improvement of their situation; it actually embeds disadvantage in people's lives. They often move into dysfunctional communities. We have some dysfunctional estates here which have a lot of violence. Social housing should not embed further disadvantage; it should do the opposite. It should improve people's opportunities. So that is what we want to focus on.

Ms JAN BARHAM: This idea of a new way of working is important. It is facilitated by the fact that you are managing the houses, and particularly if you are able now to use technology to work with people without being present. So you are talking about working with the service providers and really providing wraparound services to look at the options for uplift for people, as we keep hearing about. Is that where you are going with this idea of a sense of place?

Ms McKENZIE: Yes, that is where we are going. Shelter is one of the most basic necessities. However, people who have been in a cycle of homelessness need more. They do not have the capacity to maintain a tenancy independently. They need support. The New England North West Regional Homelessness

Committee is really working to get wraparound services. We want to keep extending that further to employment services. So it is about not just survival and helping people to maintain their tenancy but also stepping out of disadvantage. We can do that with networks and with employment agencies. We are flexible and adaptable and we can build some of these partnerships quite quickly.

The partnership we have on the Housing and Accommodation Support Initiative [HASI] plus project was formed for a tender with tight timeframes. We had to work out that partnership very quickly. We brought in over \$1 million for the development of an asset owned by the New South Wales Land and Housing Corporation. That came from collaboration. We were able to get resources from another department and that was done pretty quickly. So we are nimble.

Ms JAN BARHAM: On your point about disadvantage, do you have much intergenerational disadvantage or homelessness?

Ms McKENZIE: Yes, especially in some of the more concentrated social housing areas. We inherited an estate in Gunnedah when we took over the whole-of-location stock transfers there. Housing New South Wales had been promising for about 10 years in their local social plan to open up a community cottage there and it just had not happened. I worked for Housing New South Wales at that time. When the stock transfer happened I was passionate that we had to open the community cottage. It was a difficult negotiation but within a year and a half we had the cottage open there. It has made such a difference.

Ms JAN BARHAM: It sounds great.

Ms McKENZIE: The stock transfers happened in October and November. We were in the papers for riots over the Christmas and New Year period. It was on the front page. We do not even have any vacant buildings there anymore. We have not had a boarded-up dwelling there now for a long time.

The Hon. GREG PEARCE: How many dwellings are there on the estate?

Ms McKENZIE: There are about 100. So it is a good news story.

Ms JAN BARHAM: We just heard about a similar thing the other day at Claymore. It was about the idea of going into the worst possible situation and turning it around. We heard a lovely story about someone coming in with a barbeque and a bag of snags. They built that trust and community engagement. Is that the secret of doing this well and getting a change? Is there a new way of doing it that works?

Ms McKENZIE: I think you have to have really good partnerships. We had buy-in for that project, as I mentioned in the submission. Local service groups like Lions and Rotary came and helped restore the cottage. So there was a lot of buy-in. There was also a very good community worker in the cottage who respected the clients, who did not judge them and who listened to them. A lot of the people in these areas are marginalised and even despised by the community. So having someone who listens to them and responds to them can lead to quick gains.

Ms JAN BARHAM: To follow up on that, are you saying that because you are a non-government organisation you are able to draw in the whole of the community? Is that the key?

Ms McKENZIE: Yes, that is the key. I have worked on community renewal with Housing New South Wales. I think I did a good job within the confines but there are confines, and there has to be because of the size. You cannot have staff all around the State just freewheeling and unsupervised. It is just inherent in the size. So as a non-government organisation, yes, we can build those relationships and that is what is critical. We can deliver on our relationships and not put up barriers.

Often within a government department you might have well-intentioned staff on the ground with great ideas but they are not the decision-makers—it has to go a long way up the chain. Sometimes it can go a long way up the chain and then it gets halted. So there is a lot of time lag and a lot of frustration. There are actually some very good people on the ground who are very committed but they are impeded just by the nature of the organisation not by intent.

CHAIR: Thank you. You have given us some good material. We appreciate you coming in and representing the community housing sector, because it is quite a major part of this inquiry. We thank you for

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your input and for sharing your experience out this way. You may have taken a couple of questions on notice. You have 21 days to answer those questions. If you need any assistance from the secretariat then they will be more than happy to assist you. Members may want to ask further questions on notice so the secretariat will get those to you if need be.

Ms McKENZIE: Thank you, I would welcome that.

CHAIR: Thank you for your time and for your personal sacrifice. Your job and what you do is a good investment. We trust that together we can make a difference.

Ms McKENZIE: Thank you very much. I really appreciate the opportunity to appear before the Committee.

(The witnesses withdrew)

(The Committee adjourned at 5.27 p.m.)