

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

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

At Wollongong on Thursday 1 May 2014

The Committee met at 12.30 p.m.

PRESENT

The Hon. P. Green (Chair)
The Hon. J. Barham (Deputy Chair)
The Hon. S. Cotsis
The Hon. M. R. Mason-Cox
The Hon. G. S. Pearce

CORRECTED

CHAIR: Good afternoon ladies and gentlemen. I apologise for the Committee being late as it was involved in other briefings in the area. I ask everyone to stand in a minute's silence to acknowledge the passing of the Hon. Neville Wran whose funeral is taking place today.

Members and attendees stood in their places as a mark of respect.

I welcome you to the third public hearing of the Select Committee on Social, Public and Affordable Housing in New South Wales. Before I commence I acknowledge the traditional custodians of this land and pay my respect to the Five Islands people and their elders, past and present, particularly those of the Dharawal people and extend that respect to any other Aboriginal people who may be in attendance. Today the Committee will hear evidence from the Lord Mayor of Wollongong City Council and representatives from Regional Development Australia Illawarra and Southern Youth and Family Services.

Before I commence I will 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 media representatives that they 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 the hearing. I urge all witnesses to be careful about any comments they may make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat to my right.

There may be some questions that a witness could only answer if they had more time with certain documents to hand. In those circumstances witnesses are advised that they can take questions on notice and provide answers within 21 days. I remind everyone that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry's terms of reference and avoid, where possible, naming individuals unnecessarily.

In terms of delivery of messages and documents tendered to the Committee, witnesses are advised that any message should be delivered to Committee members through Committee staff. Please turn off your mobiles for the duration of this hearing. I also acknowledge our local member of Parliament for the electorate of Wollongong, Noreen Hay, and thank her for helping the Committee with the briefings.

GORDON BRADBERRY, Lord Mayor and councillor of the Wollongong City Council, affirmed and examined:

Mr BRADBERRY: I thank you for the opportunity to present and inform you of some of the challenges that we confront in our part of the world, more specifically in the area of social and public and affordable housing. The SEIFA index of 2011 indicates that we have pockets of high disadvantage scattered in various areas of our city. In the Wollongong local government area the suburbs of Warrawong, Bellambi, Unanderra, Koonawarra, Cringila, Berkeley, Port Kembla are ranked in the lowest decile of disadvantaged areas in Australia. By the way, I have copies of my data that I am willing to circulate.

CHAIR: Are you happy for that to be tabled?

Mr BRADBERRY: Yes.

Document tabled.

The statistical details are before you so I need not use up your time by going through them. I want to indicate that around about 8.3 of our housing stock in the city is public housing and that is even higher in the Shellharbour local government area where it is approximately 10 per cent. Associated with that area are also some challenges that confront us in our city, especially in the areas of high unemployment and the demands on the present housing stock. Wollongong City Council is extremely concerned, and has expressed in recent times its desire to wait for the outcome of this Committee and its findings because we also will have to frame a response, but we will do so in the light of this Committee's findings, specifically to identify some of the issues.

The official unemployment data from the Australian Bureau of Statistics indicates that Wollongong is usually around about 1 per cent or 2 per cent higher than the national average. This is also reflected more specifically in higher youth unemployment rates, which are around about 15.8 per cent for the year 2011 which is higher than the New South Wales average of 12.8 per cent. We also have a sizable number of people in areas of disadvantage in terms of the refugee intake and those groups that put pressure on the housing stock. At the present time this city is now confronting issues of high homelessness as well as housing. The population of this city is projected to increase from 2011 to 2031 by approximately 32,800, that is, 16.3 per cent. So for cheaper and more affordable housing trends to be located in our city also means that we have got challenges because most of our land, although there is a sizable land release, has a lot of infill as well.

A sizeable number of our people are also reaching retirement age and those with mortgages and those who are also confronting the fact that they are in need of rental accommodation detracts from the fact that a lot of those elderly people need to spend a lot of that money not on rent but on their own personal care. We have got some challenges for those on aged pensions and other self-funded retirees. But the real issue is homelessness. A total of 972 people were identified as being homeless in Wollongong in the recent Australian Bureau of Statistics figures from 2012 and that makes up approximately 0.4 per cent of our total population and no doubt other speakers today will present those details.

I am concerned about the fact that we are also hearing noises from government at the present time about the selling-off of public housing assets, liquidating them and using those assets elsewhere. Whilst I am not necessarily against that, I think the Government has to clearly indicate how it will use those assets and say that they will be translated into more, better and appropriate housing. Council has determined that it is quite happy with the idea of some translation of those assets but they have to be in areas where they are accessible to transport and services, and it also has to be on the basis that people are agreeing to move.

We have heard some noise, similar to the noise that has come out of the issue of selling off or relocating those residents out of Millers Point, Sydney, and some of our prime assets or prime locations, liquidating those assets and moving them elsewhere. Whilst I am not necessarily against that, it has to be measured in terms of supplying a better type of housing, closer to resources such as transport and services. What is Wollongong council doing? We do not have many levers to deal with this issue, which is a State Government issue, but what we are achieving is we are trying to increase the supply of housing at the present time. There is a great shortage of housing in this country and, more specifically, in New South Wales.

We are trying to take the pressure off with the West Dapto land release. It is anticipated by 2050 that there will be an extra 19,000 dwellings out there also to take the pressure off the market and thus release other stock for cheaper rental housing in the private sector as well. We are freeing up as much as we can by

undertaking that project. The Federal Government has also supplied us with approximately \$9 million that we have put towards our affordable housing scheme where we are prepared, with a local building society, the IMB, to allow us to subsidise deposits to help people into their first homes. They might not be able to afford the deposit, but under this scheme we anticipate by the end of this year having it in place to supply subsidised deposits to allow people to move into their own home.

We also have a unique development in Auburn Street here where the proponent at the present time has put before us the possibility of a high-density commercial-residential mix with an increased floor space ratio creating some affordable housing within certain levels of the building which would have other stock in it, but a very sizable component of that being affordable housing, and creating an opportunity where private development can enter into supplying us or adding to the affordable housing stock of our city.

CHAIR: Do you have a concluding statement as the Committee wants to ask questions and we are running out of time?

Mr BRADBERRY: I will leave it there.

CHAIR: What are the hindrances in local government to providing more housing stock?

Mr BRADBERRY: I think in our area at the present time the main issue for Wollongong is the cost of developments. We are in a geographical area where there is a lot of flood-prone land. The West Dapto land release is a very difficult development in as much that it is dissected by a lot of water catchment flood-prone land and thus we can only really build and develop the higher contours. That makes the land more valuable and costly.

With the pressure on the metropolitan area, people are moving south and seeing this as a place where they want to live because of the amenity. Thus we have not only those pockets of high disadvantage but also now the pressure of land that is extremely valuable, especially in the northern suburbs—and it is moving south. So it is a gradual creep that is moving south. The Dapto land release is one of the big challenges. The other issue facing local Government in this respect is that it is not just about housing; it is about the profile of the people who need public housing. If the Government wants to help people into the private rental market or to buy their own home then it needs to invest in people. I am over the idea that we just need to supply housing stock. We have to invest in people in terms of better mental health support and facilities.

The issue is that we are not investing in our social capital as well as in our housing stock. We are not investing in people. At the present time we are just focusing upon putting a roof over their heads. That is where we so often leave it. The other issue is, if I could throw this in, that some of the stock we have is inappropriate. It is old stock. It was built in an era when you had mum, dad and three kids. We now have an ageing population and there are a lot of single people. We need stock that is available for people who need a one- or possibly two-bedroom facility. Because of the ageing population we do not want them traipsing up and down a lot of stairs. So we have some real planning challenges there as well.

CHAIR: Are there any specific recommendations you would like to see come out of this inquiry that would help local government to deal with those issues?

Mr BRADBERRY: Specifically, and I am only speaking for myself not for the entire council at this point, we need to come back to seeing social housing as a symptom of people who are unable to participate in the broader economy. In our city at the present time manufacturing is declining in terms of providing employment opportunities and therefore access to the market. Those are some of the challenges we are confronting. It is one thing to move people out of public housing; it is another thing to provide them with job opportunities, the means by which to move out of public housing and the skills that are required. It is all interconnected. It is not just about housing; it is about what you do with social capital.

CHAIR: What impact is council seeing with the downgrading of the steel industry and the mining industry in terms of housing needs?

Mr BRADBERRY: In terms of housing needs it is more specifically that most of our housing tenants are on Centrelink benefits—about 90 per cent or 95 per cent. They stand little chance of finding meaningful employment because of the downturn in the steel industry and more specifically manufacturing. We also see that interpreted in terms of substance abuse, antisocial behaviour, a feeling of alienation and nonparticipation. Thus

we create clusters or ghettos of that sort of behaviour. That is not to reflect on people who are in social housing, but the reality is that that is what is happening. When it comes to our city, that applies to about 8 per cent of our housing stock. There is a sizeable proportion of our population who are unable to get themselves out of this whole dynamic.

The Hon. SOPHIE COTSIS: I would like to acknowledge everyone who has attended today, and the local member Noreen Hay. Mr Mayor, thank you for your letter to the Committee and your opening address. Has the Wollongong City Council developed an affordable housing policy as a council?

Mr BRADBERRY: It is not up to finalisation but that is where we are heading in as much as we have put a few things in place. As I said, \$9 million came from the last Federal Government in terms of subsidising deposits. Many people cannot even get the money together for a deposit. So we are putting that in place. But there will be other incremental factors going into our affordable housing policy.

The Hon. SOPHIE COTSIS: So this will form part of your affordable housing policy for Wollongong?

Mr BRADBERRY: Yes, and we are also looking forward to the outcomes of this inquiry.

The Hon. SOPHIE COTSIS: I am interested in this \$9 million from the Federal Government. Was that from the previous Labor Government?

Mr BRADBERRY: Yes.

The Hon. SOPHIE COTSIS: I am interested in the subsidy. How is it going to work exactly?

Mr BRADBERRY: It will be a sliding scale in terms of the dynamics of the individual or family that applies. I am sorry I cannot provide you with the exact detail now. I will take this on notice and supply that detail for you. Basically what we are looking at is a means by which we will supply the deposit, the magnitude of which will depend upon whether it is a couple with two or three children or whatever.

The Hon. SOPHIE COTSIS: So that is from the \$9 million?

Mr BRADBERRY: Yes, it is from the \$9 million.

The Hon. SOPHIE COTSIS: Is that dollar for dollar? Is it funding from the council and the Federal Government?

Mr BRADBERRY: Basically we were given the \$9 million to manage ourselves. So it is in our hands. The deposit will remain under our control no matter who we give the grant or deposit to. The IMB will manage it, the idea being that we will supply the deposit and give them an opportunity to pay it back within a certain time frame, probably three or four years.

The Hon. SOPHIE COTSIS: Is that a low-interest loan?

Mr BRADBERRY: It will be interest free, the idea being that once we get them established that goes back into the pool. As they pay the loan back it goes back into the pool to be then loaned out to someone else to get them started.

The Hon. SOPHIE COTSIS: So the details in terms of the income level, and where people will be able to afford a property and whether it is a unit or a house, will be determined by you?

Mr BRADBERRY: Yes, it would be determined depending on the ability to pay back, of course. But at the same time we will be conscious of the fact that many cannot. They can pay their rent but they cannot save up for a deposit. The idea is that the rent then becomes the repayment on the deposit, which gets them started. So that is the system. I will need to check on the interest. I think it is either no interest or very low interest. I will get that clarified for you. We are still working through some of that detail.

The Hon. SOPHIE COTSIS: Thank you, it would be great if you could get that clarified. So it will be worked out over three years. So if there is an interest component then that will be paid off over the three years?

Mr BRADBERRY: Yes, with the deposit. We will put a time frame around it. So that is initially repaid. Basically they would go on as if they were renting and their payments become the repayment of the deposit, which ultimately is theirs. It goes towards the equity in their property.

The Hon. SOPHIE COTSIS: Is this part of the West Dapto urban release?

Mr BRADBERRY: It is part of it as well, yes.

The Hon. SOPHIE COTSIS: So it is all in the mix?

Mr BRADBERRY: That is correct.

The Hon. SOPHIE COTSIS: When will this start?

Mr BRADBERRY: We anticipate having it up and running by the end of this year.

The Hon. SOPHIE COTSIS: So applications will open at the end of the year?

Mr BRADBERRY: I am anticipating that that will be the case. The timetable is not quite worked out yet. We have negotiations going on with IMB. That is the scheme.

The Hon. SOPHIE COTSIS: A number of councils have appeared before the Committee. We heard from one in Sydney and from two yesterday, Shoalhaven City Council and Shellharbour City Council. It was very interesting to hear what Shellharbour had to say. One of the questions I asked was whether they support mandated targets for affordable housing in new developments. What is your view?

Mr BRADBERRY: There is a focus upon that too, and it should be there. As I said, the West Dapto land release will involve some affordable housing.

The Hon. SOPHIE COTSIS: Do you have a percentage for that?

Mr BRADBERRY: I do not have that on me at the present time but I certainly could supply that for you as well.

The Hon. SOPHIE COTSIS: That would be good, thank you.

Mr BRADBERRY: Yes, but it is a significant and important part of the West Dapto land release. The developers have been more or less instructed that that is part of the mix.

The Hon. SOPHIE COTSIS: So you are actually saying to the developers that the expectation from your council is that they need to have a component of affordable housing in the development?

Mr BRADBERRY: Yes, and I will get the exact percentage and the exact wording for that as well.

The Hon. SOPHIE COTSIS: What has been the response from the developers? What are they saying to you?

Mr BRADBERRY: Basically they have taken it all in their stride. If you indicate that that is the way it will go then that is the way it will go. The cooperation, help and assistance of council in that process is contingent upon everyone playing the game.

The Hon. SOPHIE COTSIS: Do you have any affordable housing at the moment in any of the developments you were talking about?

Mr BRADBERRY: The one I referred to in Auburn Street, for instance, is an interesting one. It is a package. It is a residential-commercial mix. The trade-off for increasing the floor space ratio is to put in several levels of affordable housing. There is a bit of argy-bargy going on at the present time because some developers have used the idea of affordable housing to get extra density. But, even so, it is a card that we can play. We are still working through that particular project. But that is one way we can do it as well.

CORRECTED

The Hon. SOPHIE COTSIS: I understand that you are on the Government's affordable housing task force. Is that correct?

Mr BRADBERRY: Myself or Wollongong City Council?

The Hon. SOPHIE COTSIS: Wollongong City Council.

Mr BRADBERRY: Yes.

The Hon. SOPHIE COTSIS: I have been calling for the Government to release that report. Have you seen that report?

Mr BRADBERRY: No, I have not seen it. I am not saying that it has not been released.

The Hon. SOPHIE COTSIS: I have been calling for it to be released. You expressed earlier that you were not happy that it has not been released, and neither am I. It has now been over a year.

Mr BRADBERRY: I was just hoping to get a clue as to whether someone has seen it.

The Hon. SOPHIE COTSIS: No.

The Hon. MATTHEW MASON-COX: Welcome, Mr Mayor, and thank you very much for coming in. I have a couple of questions in relation to your contributions to date. I note your comments about the Wollongong LEP, which was submitted to the State Government. I note that in your submission you say it was not supported by the Department of Planning and Infrastructure in terms of the initiatives proposed for affordable housing. Can you outline that for us and the reasons why, and precisely what initiatives you did put forward to the State Government?

Mr BRADBERRY: I do not have that detail on me at the present time so can I take that question on notice and supply that information to you.

The Hon. MATTHEW MASON-COX: Can you give us an idea of the flavour of what you were proposing?

Mr BRADBERRY: Again, it came back to that mix of housing. I think most of the developers are hearing and taking on board the messages.

The Hon. MATTHEW MASON-COX: I suppose implicit in that is a criticism of the State Government in terms of its leadership in relation to affordable housing. What precisely are you looking for from the State Government?

Mr BRADBERRY: I think it needs to be driven by market forces as well. The real issue is affordable housing stock. There has been a considerable backlog in terms of housing. Fortunately it is now increasing with massive land releases such as the north-west and south-west land releases in the metropolitan area and the West Dapto land release, which is about the third largest in the State, I think. It ranks high in terms of land releases. That is one thing, the facilitation of more land releases and housing. Let me also add it is a great impost upon our council to put in place the infrastructure to link that, to do the works that are required to link or create the transport or access links to the West Dapto land release.

I will give you a very good example: There is a road known as the Fowlers Road extension, which is basically a very important piece of infrastructure for the West Dapto land release. It is going to cost us as a council \$45 million for that project. Fortunately we have received \$20 million out of the lease of the port, which I thank the Government for, but still there is another \$25 million that we are going to have to find. As a council, considering that our infrastructure spend, capital works program, per year is at the present time around \$80 million, that is a sizeable chunk of an annual capital works program. It is more low interest infrastructure loans. They are extremely valuable and we have made great use of those. Again, congratulations in that respect.

The Hon. SOPHIE COTSIS: Only if you are a well-off council.

Mr BRADBERRY: It is also a council that manages its finances well.

The Hon. SOPHIE COTSIS: I am just saying, as the shadow Minister for local government, only if you are a well-off council.

Mr BRADBERRY: I am not saying that we are but we are also anticipating that when that land release happens revenue from rates and section 94 contributions and things of that nature will help to put that infrastructure in place. At the present time all I can say is that the Government is facilitating flooding the market with more housing, which might be the way to go. If the Government is going to sell off some of its assets and translate that into newer and more appropriate public housing may I suggest it get the narrative around it a bit better? At the present time all we are hearing is that it is going to flog off some of the more valuable pieces of land and we do not want that disappearing into anything other than better and more appropriate and a larger quantity of public housing assets.

The Hon. MATTHEW MASON-COX: You mentioned that you passed a motion at council that good tenants should not be forced to leave their existing residences; how do you reconcile that with rationalising land that might be used, because it is high value land, for sale purposes in order to reinvest in significant housing elsewhere?

Mr BRADBERRY: I think you also need to be—

The Hon. MATTHEW MASON-COX: —which was the Millers Point argument that you support?

Mr BRADBERRY: Yes, that is a very good one. At the same time what are you offering as the alternative? As much as some of the locations and buildings we have are in prime real estate positions they are older structures. Are you offering similar amenity access to transport and services? Are you offering a more appropriate design in terms of public housing, the one and two bedroom facilities instead of the old rambling flats and things like that? You ought to make it an attracter and use some creativity around it in terms of being attractive and allow people to make that choice. Inevitably sometimes you will have to use the fact that you have the greater interest in mind.

The Hon. GREG PEARCE: Lord Mayor, good to see you and congratulations on the work that the council is doing to help with land release. I want to explore with you for a minute the affordable house target idea. One of the things we have found—it is contestable—with the stamp duty grants was that it was driving up prices, it was not helping people buy. And in relation to affordable housing if you have targets, let us face it, the developers provide the extra affordable housing but they put the cost of it into the rest of the site, which drives up prices. Can you give me a feel for how the process actually drives affordability in an overall sense?

Mr BRADBERRY: It is not only the State taxes and so on and those stamp duties but the whole bureaucracy around it. I mean to say, by the time you get it through council, let's face it, the cost of processing a development application, those sorts of things, all go into the mix. Your section 94 contributions are not just building a property but you have to put the assets around it. People do not move into a building in the back blocks and wait for 10 years until the council can afford to put the road in; it has to be all in place at the same time. To tell you the truth I scratch my head around this but I can honestly say that in some respects cost shifting onto councils is one of the reasons why it is a bit of a challenge for us—but somebody has to pick up the bill.

At the same time it is that whole mix and I think a review of the whole process from land acquisition, putting in the infrastructure and all those things that are involved with doing any form of development is necessary. I do not know whether it is part of your brief. At the same time I think it needs to be better articulated, clearly identified and some really clever creative and sound thinking applied to how we can bring the cost down. I do not think we have really bitten into the issue of affordable housing. It is so hit-and-miss and it is not an integrated system between the local government level, State Government level and the developers and those who are in the industry.

Ms JAN BARHAM: I am interested in what you think affordable housing is. A lot of European research is looking at the idea of smaller housing. I know that Australia has the biggest houses and I note that a lot of housing around Wollongong has become very large, particularly in those new release areas. Has council looked at whether or not there could be incentives or opportunities for smaller housing?

Mr BRADBERRY: Part of that mix in West Dapto is exactly along those lines and that is where affordability comes in as well, by allowing greater density, and that is where the developers are prepared to look to create the product. That is where we are heading in that type of understanding. It is also important, and you have hit the nail right on the head, the McMansion approach at the present time is really not discouraged, it is really not given the social engineering that is required. I think so often we leave this to conspicuous consumption. That is what it is about.

Ms JAN BARHAM: You are saying you have no lever there to encourage smaller housing or ways to deal with this cost shifting?

Mr BRADBERRY: We do in some respects in terms of offering the opportunities for developers to create a greater density. Also, infill is another issue and a greater density around your transport assets and thus you might have looked out here in terms of the medium and high density that we are creating around the central business district of Wollongong and more specifically around the transport links. That is also part of a master plan, not only of looking at the housing issue but the amenity, the recreational walking and cycleways and transport, those sorts of assets that lead exactly to the European experience we are talking about. The other issue that we need to be mindful of—this comes over to affordable housing and public housing—is the cost of energy and these large or inefficient buildings that we have had in previous times. This is another reason why the stock needs to be renewed; it creates incredible pressures on the sustainability of household budgets.

Ms JAN BARHAM: You mention the word creative and very often that is not thought of as a way to transform or redesign what we have got in the existing situation. You have said that, so is your council looking at how to creatively make best use of what is available? You said that the housing State Environmental Planning Policy did not really offer you much in the way of opportunities for infill. I thought that created some infill opportunities for council.

Mr BRADBERRY: Yes, it does. I did not mean to create that impression but there are some challenges around the State Environmental Planning Policy that need to be clarified in terms of where we can go. Coming back to Mr Mason-Cox's question, that is one of those areas where the Government can really play a bigger part.

Ms JAN BARHAM: I will follow up with a question on notice about that. Having grown up in the area I know it quite well and I am concerned to see that there are some places where public housing is being sold off rather than a potential for more housing to be realised in some of those areas. Does the Government consult with council about those opportunities and the potential for increasing the level of housing stock or the mix and the provision, as you said, of other social services to enhance social capital?

Mr BRADBERRY: I cannot give you the exact detail of that negotiation or interaction. I do not have that detail before me at present, but our relationship with the department of planning and housing is quite amenable because ultimately we also have to pick up in areas of supplying or maintaining the road infrastructure and other pressures on our services as well. I just do not have that exact detail before me at present but we can provide that for you.

CHAIR: Perhaps this is a question you could take on notice but would your council have a decision on abolishing minimum lot sizes to deal with affordable and social public housing?

Mr BRADBERRY: I would have to test the council on that in as much as that is a challenging one.

CHAIR: Could you take it on notice?

Mr BRADBERRY: Yes. But personally I think that is inevitably the way to go because we are not getting much in terms of expansion of infrastructure funds, and so on, so we have to look at how, on infill, we can create those higher densities, which in some respects we are because the example is this precinct around here.

CHAIR: Another quick point given that: If you had infill development would your utilities be able to cope with it, the sewer and water?

Mr BRADBERRY: We are very fortunate; I just blame the Sydney Water board. That is fine, that is okay.

CORRECTED

CHAIR: We will leave it at that. Thank you, Lord Mayor for attending the session, it is very helpful to us and the inquiry. The Committee has resolved that any questions taken on notice will be returned within 21 days and the secretariat will be there to help you if you require help with that. The Committee itself may write a few extra questions given your enlightenment on the issues?

Mr BRADBERRY: I am assuming I will get the rest of all those questions?

CHAIR: Yes, the secretariat will send that to you.

(The witness withdrew)

HELEN BACKHOUSE, Board Member, Treasurer and Equity and Human Services Sub-Committee Convener, Regional Development Australia Illawarra, and

DAVID MUSCIO, Project Officer, Regional Development Australia Illawarra, affirmed and examined:

CHAIR: Do you have an opening statement?

Ms BACKHOUSE: Yes. As you would be aware, Regional Development Australia Illawarra has a board with joint ministerial appointment by the Federal and State governments. We promote economic development in the region and thus employment opportunities as well as social inclusion. In our region we do analysis of the economy and industry development. We run Transition Illawarra programs for the emergence of new industries as a result of changes to the manufacturing base and the new digital economy. We do programs along the lines of greening the economy, regional digital strategies, support and advocacy for infrastructure like the Maldon-Dombarton rail link, Restart NSW, tourism et cetera. We have a very broad scope.

In regional development, we often have interactions with governments and academics. When we talk about affordable housing it is often seen as housing to be bought. It is about having a new development and ensuring there is affordable housing within that development to be bought. Our concern is affordable housing in the private rental market. When the Regional Development Strategy promotes this region, which we do actively to attract investment and business opportunities to increase investment, we say it is an affordable area, and compared to Sydney it is. However, we have a private rental crisis.

One of our concerns is that in the social policy field there is a lot of emphasis on the private rental market as an alternative to social housing. There are a lot of statistics showing that overall social housing supply is not increasing in real terms and private rental accounts for about 24 per cent of New South Wales households. This is similar in the Illawarra, as shown in our submission. If there is no political will—which we cannot see at the moment—or a strategic plan to increase dramatically the size of social housing to meet the projected shortfall of 86,000, it appears that private rental is being assumed to be a replacement. It is felt that if we offer assistance for people to get into private rental that will resolve some affordable housing issues. That is a concern because the private rental market in the Illawarra mirrors some social housing market issues. In social housing there is inappropriate stock, large stock that does not meet the needs of family compositions. It is the same with private rental.

Affordable private rental is away from transport and amenities, so increasing the stock in areas with amenities and transport is a real challenge. We do not have the answer, but would appreciate the Committee paying attention to the mismatch between promoting private rental as an investment and private rental being offered as homes. Residents need long-term tenure and affordability. Society needs to find a way to deal with these issues so we can increase private rental while not decreasing liveability. We understand the New South Wales Government might have a draft social housing policy.

The Hon. SOPHIE COTSIS: As you know, Anglicare released the latest Rental Affordability Snapshot yesterday. It is a concern, because out of 12,000 properties in the Sydney-Illawarra-Hunter region there were only 33 affordable ones.

Ms BACKHOUSE: I have the new report of the snapshot done by Anglicare. On the weekend of 5 and 6 April Anglicare examined all private rental properties available and used stringent methodology to assess whether these properties were affordable for low-income earners and people on Newstart, youth allowance and disability pensions. It found that of 610 properties advertised, none were affordable by single, young people on youth allowance—we have a particular concern for young people—while three were affordable by single people on Newstart and 15 by single people on a disability pension. The report is freely available on the internet. The private rental market does not have affordable stock. Our waiting lists are high and there is a wait of up to 10 years for social housing, as outlined in our submission. It is a great shame that Australia has Newstart and youth allowance payments at the current levels. The actual payment is often less than the median rental, as also outlined in our submission. Affordability issues are self-evident.

The Hon. SOPHIE COTSIS: You heard the mayor of Wollongong speak about some Wollongong City Council plans. Will those plans help with the partnerships between local, State and Federal governments? Do you work on these issues with the three tiers of government? Yes, we need more housing stock, but what about support services, work and transport? We also hear about young people and older women being at risk of homelessness.

Ms BACKHOUSE: Regional Development Australia has an interesting and valuable structure as it works with all levels of Government. It was initiated by a joint process between State and Federal governments. We also work closely with local government. Transition Illawarra brings together developers, local government, State Government and a range of stakeholders to build cooperation in the region.

Mr MUSCIO: Transition Illawarra grew out of the 2011 downturn and is a result of structural adjustment initiatives. We contracted Deloitte Access Economics to provide a report with 29 recommendations, one of which is directly focused on housing; the others being broader in scope. Helen chairs one of the six priority areas within our brief, and that is equity and human services. I encourage the Committee to broaden the lens for this inquiry to include not only a social policy paradigm but also housing affordability in economic development and the opportunities it provides. Helen mentioned social procurement and I am sure you are aware of its basic tenets. There is enormous capacity in the development of housing stock to provide opportunities for the growth of social enterprises and for contracts under arrangements like Tenderlink to include clauses involving the employment of housing tenants and people selected from areas of disadvantage, including locations under the socioeconomic indexes for areas and individuals disadvantaged by education, employment status, health status, age and so on.

The Hon. SOPHIE COTSIS: Do you have a model clause?

Mr MUSCIO: No, we do not. Local government is at the forefront of rolling out social procurement policies within procurement guidelines. In 2012 a guide was released. The implication has always been that social procurement is a matter for the public sector, particularly local government, but we would like it promoted through other public sector agencies and in private industry. One of our task forces is visiting larger employers to talk to them about social procurement.

The Hon. SOPHIE COTSIS: That would involve employing public housing tenants?

Mr MUSCIO: That is one of a range of possibilities. In Better Futures, Local Solutions in Shellharbour there are targeted groups, including young parents at considerable disadvantage.

The Hon. SOPHIE COTSIS: Is it part of the contract?

Ms BACKHOUSE: Yes. The idea is that in awarding the contract we might give a regionally based company a 5 per cent weighting if there is an undertaking to meet targets for employing disadvantaged people. Each area might identify these disadvantaged people, such as young people or some of the Koori community, people with disabilities, social housing tenants or low-income earners struggling to get employment. Southern Youth and Family Services has been refurbishing the old Warilla police station and in awarding the contract there was a specification for the builder to offer some training opportunities for young people to assist them into employment. So it is part of the contract.

We do not spend any more on it. It just means that it generates this extra social worth so that you are spending the money anyway, but you are getting more out of it. The New South Wales Government could be promoting that and using that. In an ideal world, if you are building more social housing in this region, while you are contracting builders to build social housing you could be using social procurement and employing people at the same time or helping us to promote that to private business. It is a good model. The guide is good. The legality is all spelled out and it is not hard.

The Hon. MATTHEW MASON-COX: In your submission you recommend that the Committee consider "potential enablers", which is the way you phrase it, "of increasing housing security for low income residents". You identify incentives for private developers to create affordable housing stock. In particular on page 4 paragraph 1 (b) states:

Enablers for partnerships between private developers and Registered Community Housing Providers to utilise the affordable housing stock created as low cost rentals managed by the Community Housing Provider.

Can you expand on that? I am just wondering whether that is code for, "Hey, let's have a look at our stock and let's get some private developers in here in a partnership and renew that in a creative way to expand the base." Is that really what you are saying? What incentives do you have in mind, if that indeed is what you are saying?

Ms BACKHOUSE: I think it might have been code for something else, which is to do with the planning bill that is currently a bit stalled, I understand.

Mr MUSCIO: The planning system, right.

The Hon. MATTHEW MASON-COX: "A bit stalled"?

Ms BACKHOUSE: That is stalled, yes. There were some amendments that were introduced into that planning bill that might have more encouraged local government to be able to levy developers for affordable housing stock or enter into different types of partnerships. I do not think we want to specify what the details of that could be, but we do think there needs to be, within the legislative framework within the planning bill and within a whole range of messages that government sends to local government and to development, at least the opportunity to consider those things. I think that is probably a very general answer.

The other thing is that with social housing providers and community housing providers, there are a lot of partnership opportunities. I believe you may have been around with Southern Cross Community Housing yesterday and may have been made aware that there are opportunities. If the local council was encouraging a developer to have a certain amount of affordable housing, they also could perhaps facilitate a partnership between the developer and the community housing provider so that the ownership of the housing could be either as the community housing provider or as the private developer with the community housing provider doing the tenancy support and tenancy management in there. I think there is a range of options.

The Hon. MATTHEW MASON-COX: They are a few general ideas, but no doubt in time you will have more thoughts on it, and if you could provide some details, that would be useful.

Ms BACKHOUSE: Yes.

The Hon. MATTHEW MASON-COX: Given you are a body that has Commonwealth and State funding and obviously this area has Commonwealth, State and local government responsibilities of sorts scattered through it, how do you think it should be rationalised in terms of each level of government and its role in providing or ensuring there is another social housing, affordable housing, welfare housing and whichever level, or whichever way you would like to look at it?

Ms BACKHOUSE: Right. You ask very "easy" questions. That is complicated.

The Hon. MATTHEW MASON-COX: You can perhaps just give me just your initial reaction to that, take it on notice and give me a detailed response.

Ms BACKHOUSE: Yes. I can give you a reaction to that. I think it is very difficult for the State Government in your inquiry into affordable housing because a lot of it has to depend on what people's income is. If people's incomes are adequate, you have a different benchmark for what is affordable. But at the State level you have very little control, particularly in relation to people on Centrelink payments, over what their income is. The State Government cannot necessarily address that, so that poses a very big problem in leading an affordable housing strategy. The two—income support, housing strategy and employment, and all the other things we have talked about such as transport and mental health—need to be lined up. I would not like to guess at a split between State and Federal responsibilities in the arena, unless what this inquiry recommends is also promoted at the Federal level. Otherwise you are not going to get that match between raising people's income levels and affordability.

It is probably a specific problem. To get to a very specific thing that the State Government could do when it comes to private rental: if you have New Start and the Youth Allowance that only go up by consumer price index increases once a year, at the moment an owner of private rental accommodation can put the rent up twice a year and base that on market value. If rent is increasing at a much higher rate than the consumer price index increases and incomes are increasing at the rate of consumer price index increases, the unaffordability will just keep growing. While you cannot necessarily up people's incomes when they are on income support benefits, perhaps mechanisms could be put into place so that rent increases can be set only at consumer price index rates, or something could be done to stop rent increases far outstripping what people's incomes are. If you do not resolve that, the private market will continue to be unaffordable. If we are not doubling the size of our social housing stock, we are not coming anywhere near a resolution, are we?

The Hon. MATTHEW MASON-COX: There are a few challenges.

Ms BACKHOUSE: Yes, and luckily you are the ones tasked with sorting them out.

Mr MUSCIO: If I may mention a couple of points in relation to what I guess are matters of public policy and public administration, one is that we are observing a big lag in the general housing market development—not specifically social housing but the broader picture. As has been mentioned, part of the concern rests with the stalled planning system review. It has meant that the word "availability" is relative and does not necessarily mean shovel-ready. A lot of things that at first blush appear to be available to us in the region are not actually ready to activate any time soon.

The second point I would make is that I think generally we would like to see a broader commitment to the whole-of-government approaches. One of the things that our body does is provide a bridge between regional stakeholders and all levels of government. Rather than trying to apportion responsibility, otherwise defined as blame, it might be better to simply see more cross-agency and cross-sector cooperation. The public housing issue is not just a housing issue. It is very much more than that in terms of all the other things that impinge on it, enable it and grow from it.

The Hon. GREG PEARCE: Ms Backhouse, it is good to see you. You quoted to us some figures from the Anglicare report. I have not seen it yet. I am sure it is a very good report, but I am always wary about snapshots, particularly in relation to rental affordability. I recall when I started work as a solicitor several decades ago I could not afford to rent in Sydney. Things are very different, but what has happened—and Mr Muscio just alluded to it—is that we have had a decline in supply. With respect, it was not due to the stalled planning legislation. In fact in 2010, supply was at its lowest level for 50 years and this Government has been addressing that issue. We have had a welfare-isation of public housing stock and we have had a continual decline in public housing stock's status and condition. We also have had a policy in the past, with the previous Government in particular, of selling off public housing stock to fund operating expenses. So it is a very complicated mess. However, the question I have for you is: What do you see as opportunities for us as a Government to assist the community sector to start to address some more of the supply issues?

Ms BACKHOUSE: I also will be giving evidence under another hat shortly and will answer some of those questions there as well, but in the Regional Development Australia field, yes, in relation to the opportunities for stock transfers to community housing providers and offering capital to community housing providers to assist them to undertake more development and grow their business—because, as you know, they can take out mortgages and expand their businesses—I think the Government needs to do a little bit more in transferring title of the properties. Those sorts of things are good moves that this Government had started. They stalled a bit and started again, but I think it is a good pathway to continue. Then I think examining planning legislation and examining other portfolio areas might assist in determining how the private rental market can actually better meet the needs of people. If there is a possibility of some mild controls or regulations, that might assist there. That could help.

Ms JAN BARHAM: I am interested in your submission where you refer to building capacity, particularly in disadvantaged areas. Can you expand on what potential areas for that to happen? I am also interested in whether or not you are a negotiator or a facilitator in encouragement of social benefit return from business to community?

Ms BACKHOUSE: At this stage, I have to say that Regional Development Australia has not embarked upon that field. By referring to a social return by the business community, are you talking about the social bonds type of investment?

Ms JAN BARHAM: Social bonds or any aspect of corporate social responsibility outcomes that many businesses like to promote, but in terms of real outcomes are they being negotiated into the right areas, or are they more just positive benefits for the businesses rather than positive benefits for the people who are desperately in need?

Ms BACKHOUSE: I would like to provide you with more detail on that later.

Ms JAN BARHAM: Great.

Ms BACKHOUSE: I would also like to acknowledge that in the Illawarra we have some remarkable community-minded businesses and we have some remarkable social businesses. In fact, Regional Development Australia has tried to look into giving awards in this area to businesses because part of getting more real outcomes is acknowledging the great work that they do. I will source some more information for you on that.

Ms JAN BARHAM: I raise the point because your fourth dot point is about community capacity, particularly in disadvantaged suburbs. What we seem to be hearing across the State is that the approach to housing is in isolation with government operating in silos and not doing wraparound services to acknowledge that it is about building community, supporting the individual and, to use the word that we keep hearing and using, the uplifting opportunity that is there. It needs to be supported by government at all levels and by community groups and by business. It is a whole-of-society outcome. Your role seems to be a very good one to facilitate all of that.

Ms BACKHOUSE: Yes, it does.

Ms JAN BARHAM: If you could provide more on that, I would love to hear it because it is desperately needed.

Ms BACKHOUSE: Yes.

Ms JAN BARHAM: In relation particularly to Wollongong's history and the changes that have happened in terms of employment, are you seeing casualisation of the workforce having an impact on the ability of people to find housing and afford a home?

Ms BACKHOUSE: Yes.

Mr MUSCIO: Because, by its very nature, it is unreliable income.

Ms JAN BARHAM: Yes, and disadvantages people from being able to enter a lease, gain a mortgage, or to get to that point.

Ms BACKHOUSE: Yes. We have those with casualisation of the workforce. We have longer periods of people being unemployed. Three years is not uncommon. That really creates the housing affordability problem. Unemployment is not a short-term thing—a glitch and then you keep paying off your mortgage. It is having a long impact. There is incredibly high youth unemployment and we might talk about that a little bit later.

Ms JAN BARHAM: It seems like we need a crystal ball and someone who says the future is going to be X. Is anyone looking at what the transition for this area is going to be to allow jobs, security, stability and a positive future? Whose role is that?

Ms BACKHOUSE: It is a bit of all of our roles but Regional Development Australia does have a project called Transition Illawarra. We have done major regional planning about what it will take to transition the Illawarra and create more employment and we do have stakeholder groups that drive those projects and planning and that involves local government, the property development council—

Ms JAN BARHAM: Can you advise what opportunities might be there post-manufacturing and mines and steelworks?

Mr MUSCIO: Certainly all of those things, further opportunities in the health and social assistance area, which has been the largest growing area. I have a particular view that there are opportunities inherent in an ageing population. Generally we have been speaking of that in more negative terms, what an issue it is for us, but I believe that with older people arriving who are well aged but also at a much better state of health than may have been the case in earlier generations, what they want is quite different and more diverse than perhaps what their parents had in mind. There are a number of sectors like information technology, the green jobs area which our board has been promoting. That has seen the formation of a clean technology Illawarra industry cluster and so on, which is promoting that type of business. We see further development amongst social enterprises as an alternative to employment engagement, and I guess in part answer to your original question there is a correlation between access to more meaningful ongoing reliable income jobs and education, and there are education deficits that we deal with as well, so a whole-of-government approach would also need to consider education,

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particularly, I guess, at finishing high school and post-school TAFE provisions. There have been concerns in the region about denuding or the perceived denuding of resources for TAFE. It is an ongoing concern that our unemployed people—many of whom may be housing tenants—will require this access to affordable education as well.

CHAIR: Thank you. Unfortunately, we are running out of time. I have a question for you that perhaps you could take on notice. You talk in your submission about smaller lot sizes. Could you provide more clarification of exactly how you see it would be helpful in order for us to consider it further? You also mention providing incentives for developers and non-government organisations. If we were to form a recommendation along that line, it would be helpful to clarify exactly what that would look like. I thank you for taking time out to help us with this inquiry. Hopefully it will help the Illawarra. You have 21 days to reply to any questions taken on notice. The secretariat will help you with that if you need assistance. The Committee may choose to form a few more questions for you when considering your evidence. Thank you for your time once again.

(The witnesses withdrew)

(Short adjournment)

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CHAIR: Good afternoon ladies and gentlemen. I acknowledge that we have students from the Smith's Hill High School in the public gallery this afternoon. It is really cool to have these guys here under an initiative by the New South Wales Parliament to support education and training. It is fantastic to have you with us.

HELEN BACKHOUSE, Policy Advisor, Southern Youth and Family Services, on former oath, and

NARELLE CLAY, Chief Executive Officer, Southern Youth and Family Services, affirmed and examined:

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

Ms BACKHOUSE: As I mentioned previously, I acknowledge the residents and tenants, our colleagues and the Smith's Hill High School students who are sitting behind us. We feel very rude that we have our back to you but we are aware you are there. I hope you can hear us. Southern Youth and Family Services is a large provider of specialist homelessness services, health services, out-of-home care, employment education and training, providing accommodation and social housing to vulnerable young people and families who are at risk of or are experiencing homelessness. We see more than 2,500 young people every year and more than 1,500 families.

My purpose in making a submission to this inquiry is to throw some emphasis on the plight of young people in the social, affordable and public housing sphere. It is an area that is often overlooked in policy discussions but it is an area that needs to have special consideration and an understanding that adult models and adult approaches are not going to necessarily work for young people who are obviously at different life stages, developmental stages and have different needs. They need access to social, public and affordable housing at periods in their lives where family support is not available and when their incomes are low. The models that we consider when we talk about housing for adults are not totally relevant to young people. There is a need for transitional housing. There is a need for examination of different types of models of housing and an understanding that they are young people, that they need support and the support services.

In the presentation that we will be doing today, we will touch on those issues that we have talked about previously today about the integration of various service systems, the social support systems, employment, education, and a whole range of systems that wrap around young people. You have our submission and we will take questions. We would like to let you know that we have a particular interest in providing you with more information on the foyer model as a model of social housing and we have some photos. Either we can make that short presentation or you can ask a question and we can do it in response.

CHAIR: By consensus of the Committee we would like to have a brief presentation on that.

Ms CLAY: Thank you for the opportunity. I pay my respects to the traditional owners of the land on which we are meeting here today. We appreciate the opportunity to talk about the foyer. We were one of the leading agencies across Australia in developing the foyer. It was talked about by Government. We researched it and we researched it in a number of different countries overseas. We came back and, without funding, thought we still have to try to do something. One of the messages we want to give is that often there are good ideas out there but you do not get the support at the point of wanting to try something. I would point you to what used to be called the area assistance program and it became community builders, but those sorts of programs seed fantastic ideas. We suggest that they be supported as well.

The foyer is a particular model that is housing and support or maintaining accommodation for young people. It adds an increased intensive support element to employment, education and training for young people while understanding that without those components young people will find it hard to get out of the cycle of poverty because even when they are working, their low incomes often mean their housing is a problem. We started foyer with volunteers and with some business support and donations and, of course, it can only start off small. We did receive various bits of one-off money from the State through area assistance and through the Commonwealth through various strategies. We then begged and got money from Housing NSW or whatever it was called then and the Department of Community Services while we waited for the Commonwealth white paper, which gave some support to the foyer model. Then through the New South Wales homelessness action plan, the foyer was funded in the Illawarra.

We did that without capital because we had an excellent relationship with Housing NSW locally and stock was transferred to us. We got some very old three-storey one- and two-bedroom apartment blocks in an area where they were looking to reduce some of the social problems there because of the large amount of housing in that particular area. I have a couple of sets of photos. I will pass them around.

CHAIR: The Committee will take care of that.

Ms CLAY: We are thrilled at how that program has developed. We were one of the homelessness action plan projects that met all of its milestones in the first year. We have been able to fill that project with young people and all of those young people are either attending school or training or getting jobs. The first page is actually the pictures of the housing properties that we used for the Wollongong foyer. For us, they are fantastic. Many people criticise those old apartment blocks, but they are solid, they are built well, they are old capital works. They are perfect for us. We have been able to do them up. We got some initial assistance from the Office of Community Housing to do painting and carpeting. If you go to the next page, you will start to see the quality of the furniture that we put in and what we are trying to do with them. The two bottom photos on that second sheet show the computer suite for training and education for young people. For each of our services, as far as we can stretch resources to do so, we will put in wi-fi and computers so that young people can study and make use of that.

The second photo on the bottom where you see the red lounge is one of the young people's apartments. I want you to understand how well these young people will look after their accommodation if given decent and appropriate apartments, decent and appropriate furniture, and the skills and support to do that. They can be very good tenants.

The Hon. SOPHIE COTSIS: With respect to the properties, how many units are there?

Ms CLAY: In the foyer program there are 30. It depends which block you are looking at but in the block which looks a bit like a T, that has 10 apartments in it and they vary from one and two bedrooms. Next door we have a block that has six two-bedroom apartments. We also have another building that is near there that has 10 bedsit apartments in it. Young people live there and the support staff are there. The foyer does require staff around the clock. We use a combination of support workers and security staff to assist to ensure it is a safe place. Some of the foyers internationally have experienced serious security issues. In one of the blocks there is more of an emphasis on communal facilities and we usually place some of the younger people in that one as opposed to the more independent blocks.

If you go to the last few pages, you will see a very beautiful plan of what we are building in the Shellharbour city area. That is called the Southern Community Hub and Youth Foyer. We are doing that with Regional Development Australia [RDA] funds from the Commonwealth for the capital and Southern Youth and Family Services also used financing and some other fancy financial strategies, to raise enough money to match the RDA component, so that we could attract that funding into the Illawarra. So we are building 20 one-bedroom or bedsit units out there for young people as well. That will need to be staffed at some point in the future but we thought, as an opportunistic build, it was too good an opportunity not to build for young people.

CHAIR: Thank you, that is very helpful.

The Hon. SOPHIE COTSIS: It is exciting and I would like to congratulate you on the work that you have done. I visited one of your facilities in Goulburn last month and it was fantastic and exactly as you described. We were taken around and got to see a young fellow's room—it was kept clean. What is interesting, in terms of this model, is the intensive, wraparound service. You have the accommodation but you also have the mental health counselling and education and training and I am really interested in the outcomes. Do you have any statistics in terms of the outcomes?

Ms CLAY: We had some data in our submission. Certainly, just off the top of my head, because we are really nervous about the funding for the foyer in the Illawarra. It is funded from the National Partnership Agreement on Homelessness and the Commonwealth has made the offer to extend that for a year but we are still waiting for the State commitment. I think 83 per cent of the young people who have recently exited that foyer are either in employment, education or training. And for a group of young people who have experienced homelessness, who may be victims of child abuse, who have poverty and a range of social barriers to education, training and employment, we think that statistic is pretty marvellous in terms of 83 per cent.

In terms of the young people who leave the foyer, they are much better equipped to be able to be good tenants, if they can get into private rental or into other community affordable housing. I think they are also much better or likely to have ongoing employment because they will have gained qualifications. I think that while the homelessness services are also doing a great deal around supporting young people, the data is better where there is more intensive support for the extra effort. But it costs money—I do not want to shy away from saying that these services cost a lot of money to fund a well-equipped, well-staffed, very good foyer. If you are looking at 30 young people, my view is that you are looking at \$1.4 million. That sounds like a lot of money but if you think about the 24-hour staffing costs alone, plus education and training, the cost benefit of that money means you may well have 30 young people who will not be on benefits, who will be able to get jobs and who will be able to get into private housing. You have to weigh that up in the cost benefit and not just look at the cost.

The Hon. SOPHIE COTSIS: Have you done an analysis or has there been an analysis done, in terms of the cost benefit?

Ms CLAY: It is hard for us to do that long-term benefit but I think there have been different things that show that, if you put that investment up front, you can save a lot of money. There was a project done around health, I think about keeping people out of mental health facilities, for example.

Ms BACKHOUSE: We can give you some research that was done, I think by Pricewaterhouse Coopers, but I will confirm that. It was a longitudinal cost of intensively supporting people early in the cycle of issues, against the long-term costs of interaction with the criminal justice system, ongoing accommodation needs and interaction with the health system. It is not based on a young person in a foyer but it is indicative of what we are talking about. We can forward that to you. It is a short 12-page research costing.

The Hon. SOPHIE COTSIS: That would be very good.

CHAIR: On the back sheet, it talks about the "six times bedsit". What is your definition of a bedsit?

Ms CLAY: It is basically like a one-bedroom flat, without the separate bedroom. So it has its own little kitchenette, its own little living space and a bedroom storage area but it does not have a separate bedroom from the living area. The one-bedroom units have a separate bedroom.

Ms JAN BARHAM: What size are they, do you know?

Ms CLAY: No.

CHAIR: Small.

Ms CLAY: It will be on the plan but my eyesight is not good enough.

The Hon. GREG PEARCE: 32 square metres.

Ms BACKHOUSE: No.

The Hon. SOPHIE COTSIS: You have said in your submission that the foyer model is gaining traction in Western Australia and Victoria.

Ms CLAY: That is correct. In Victoria, I understand they are going very well. There was an election commitment to capital and they have built a number of foyers and there are still some in development in Victoria. They are getting funding around the sorts of levels that I am talking about. In Western Australia, they built a 100-bed foyer. Victoria has kept theirs a bit smaller but a 100-bed foyer in Perth. It will also be used to accommodate some young people who are either in or leaving the State care system. That funding has been provided, I understand, from all sorts of sources, including Commonwealth and State. But the State has really engaged in it and there have been a number of agreements with portfolios for assistance—not just the Housing portfolio—portfolios such as Education, TAFE et cetera.

The Hon. SOPHIE COTSIS: That is great, so there is a partnership model with the different agencies. Do you have any information that you could provide the Committee, in terms of what is happening in Western Australia?

Ms CLAY: I could certainly put you in contact with the key people for those services who might better be able to. I have some information but they will have much more up-to-date information on that and I am happy to do that. The other thing about the foyer model is it really is a partnership. The foyer, on its own, would probably not do as well as a foyer, such as the one that Southern Youth and Family Services has, which is embedded around a whole range of other support services. We have a partnership with TAFE; we have a partnership with the Dragons; we have a partnership with Kells The Lawyers; we have a partnership with WIN Entertainment Centre—a whole range of partners. One of our newest partners is Pillar, a superannuation business that has just employed their first young person following an engagement with us and they have made a special commitment to supporting young people who are disadvantaged in the employment market. It is a source of other partners coming in and to lose the foyer in this area would be an absolute tragedy.

The Hon. SOPHIE COTSIS: How much money?

Ms CLAY: It currently gets not quite \$900,000 from the National Partnership Agreement which ends in June. But the Commonwealth has committed so far so we remain positive and hopeful that it is a good enough service that will attract funding. It is not funded well enough. The employment, education and training component was originally funded in a partnership with the Commonwealth, through a program that they subsequently defunded nationally. So we lost the education and training money and we have literally cobbled together other arrangements. It would be better if it was funded at a slightly higher level but we will not scoff at the continuing funding that we get.

The Hon. SOPHIE COTSIS: In your submission you say that the concept of transitional housing has lost currency. Can you elaborate?

Ms CLAY: I do not disagree with the theory behind the idea that it would be better for people to get permanent housing and have the support provided to them in the long term. However, I think that really is much more about adults than young people. I would challenge any of the adults here to say that they are still living in the same place that they were living in as a young person. Young people move—that is what happens. They might be living somewhere because of education; they might move somewhere because of training; they might move somewhere else because of employment; and they might move somewhere else because of coupling or other arrangements. Young people are at a period of their lives where they are not yet earning an income that means they can pay the rent and in some cases they are not yet skilled enough to manage tenancies.

We are getting people as young as 12 and 13 being referred to us, where the Department of Community Services is saying they do not meet the level of risk of significant harm—the child protection level. So these young people may not be living with their families and they need something. For young people to transition from that point in their lives through to the point where they are earning enough income to be able to manage a tenancy does require transitional housing and different models. Young people need different things. We provide early intervention and family support for those who can go home or those where we want to engage the family but other young people need support on-site, to be safe. We have seen examples of services where there is not support on-site and that can lead to dangerous situations, through to getting young people into housing but having support provided in all sorts of flexible ways. Transitional housing is important.

The Hon. MATTHEW MASON-COX: First of all, Ms Clay and Ms Backhouse, your enthusiasm is contagious. You must be an absolute joy to those young people in supporting them through a difficult time in their lives. Thank you for all you do in that regard. I am a bit disappointed that we could not get along to your establishment on this trip but I certainly would look forward to having a good look around, because it is certainly a model that, at first glance, is very impressive and I am surprised that funding has not been found in abundance to ensure that those needs are met. No doubt we can take the good news back with us. I want to ask you a couple of questions about the funding. You have mentioned \$1.4 million for 30 young people. I understand that would be the operational costs, on an annual basis, for all the services, as well as the maintenance et cetera for the facility?

Ms CLAY: Correct, so if the property was stock transferred or we had title then we would manage that. Our organisation is such that we are a registered housing provider. We have 100 properties and so we have different arrangements for different properties but we manage the maintenance, yes.

The Hon. MATTHEW MASON-COX: What is the capital cost of the proposed new facility for which you have given us the plans?

Ms CLAY: It has several parts to it. The initial project was to build a hub which has a range of offices, a social enterprise place for young people, a cafe, meeting and training rooms and the 20 apartments. That project part cost \$5.2 million and again we got RDA assistance for that, for which we are most grateful. We also added a component to provide some clinics and a gymnasium for the young people and we raised funding to build that capital component.

The Hon. MATTHEW MASON-COX: So you have the money in hand to build the project at this point in time?

Ms CLAY: It is being built as we speak. Stage one is two or three weeks from being handed over to us. Stage two has commenced and we have been ticked off by RDA for all the milestones so the money still flows and yes, we have our contribution, again with some financial investment, signed up and agreed to.

The Hon. MATTHEW MASON-COX: In relation to transition, how long, on average, does a young person stay in your facility before they get on their own two feet and can transition out?

Ms CLAY: In that particular project it does vary but we would say we are committed to the young people for as long as they need us. For some, if they join the foyer at 15, it might be two years or two and a half years, until they are a little older and can manage in their own right. Some might come at 17 and they might well only stay 12 months. It is a fairly flexible program but we would commit for a longer term program, should they need it. In many of our other services it can vary, from short-term in a crisis response, to medium- and long-term accommodation. We get significant other funding from the Commonwealth and the State for many projects. We run 44 services; the foyer is one of them.

The Hon. MATTHEW MASON-COX: In relation to the services provided on-site to young people, do you access those services directly with your funding or do you have, for example, State or Commonwealth providers come into your facilities to provide those services?

Ms CLAY: A combination. As an example, Centrelink come to the foyer site and provide an outreach clinic. We have an arrangement with Legal Aid and they might go to the foyer or they might go to our drop-in health service. We have a range of arrangements, with a whole lot of community and government providers and I think the beauty of having a model like Southern Youth and Family Services, where there is a range of inputs means you can then capitalise on that and use that as a leverage to get something else in. We also use external providers and we encourage young people to use what is out there in the mainstream as part of the transition. We do not want them to be dependent on us.

The Hon. MATTHEW MASON-COX: I am interested in how that model works in detail. Perhaps we could get some more detail from you, particularly where you tap in to the State Government providers, things like mental health and counselling and how that works? Perhaps concerning the Commonwealth as well? We have heard a lot of evidence from people about the sort of model you are talking about and we need something more comprehensive on site for our housing estates. This could be helpful in that regard as well?

Ms CLAY: It is an interesting point. I would have to say with frankness that it is a nightmare to manage and that every bureaucracy has its own bits and pieces. The bureaucracy keeps giving us new agreements to sign and asking for all sorts of requirements. We would be really happy to share the information and give some suggestions for improvement.

The Hon. MATTHEW MASON-COX: Thank you, that would be most appreciated.

The Hon. GREG PEARCE: Ms Clay, I have been to your facilities and helped you a little bit at Warilla and it is good to see the results. As you know our Government introduced a split into housing because we wanted to try to wrap up some of those services and we thought it needed a better client focus with a separate management of the property side of things. We are happy with the sort of thing you are doing. I want to give you a free hit. You have been around the housing issue for a long time. What do you think the most significant things are that the State Government could do now to address some of the problems?

Ms CLAY: Thanks for the free hit. I might comment that there is an open invitation for any of you to visit any of our facilities. If we can organise a tour for you we are more than happy to do that. Those of you who have been there know that sometimes you do have to go in to see what it really is.

CORRECTED

CHAIR: Are there any on Lord Howe Island?

Ms CLAY: No, but we are in Nowra, we have lots of lovely places.

Ms BACKHOUSE: Beautiful Wollongong.

CHAIR: I am good with Nowra.

Ms CLAY: I think there is an awful lot the State Government can do. They have done many things and we appreciate all the support we get from both the Commonwealth and the State. I think there are real issues about the sorts of support that the State Government needs to give to smaller housing providers. We never want to be a great big massive housing provider. We stay firmly committed to young people and young people's families. On that basis we want to stay like that. We are never going to have 2,000 properties. We do want support. There have always been attempts not to support the small area ones and some of that might be reasonable concerning how small can you be and be a housing provider and gain some scales of economy. We have proven that we can be a social housing provider.

We meet all the requirements of registration. In the new Commonwealth system there are three tiers and we have been provisionally put in tier two. In New South Wales we are currently in tier three. Not one of the great big ones and twos but not a small one either. We need more support to be able to continue that. We need investment and we need to be given title on some of the properties so we can leverage funding on those. We can be trusted. You can see we are financially viable. We attract other funding. That does not happen in New South Wales and I have never even heard it remotely listened to. It is always talked about if it is going to happen it will be the big providers.

It is a unique youth-focused housing association and we wish to be supported in that way. I also think that it is really important that there is capital for foyers. I think the State Government does need to find some quarantining of capital money and over the next 10 years commit to building however many foyers we think New South Wales can manage. I think that also there are a number of properties around, and we see them, that are old public housing properties which are maybe bedsits or one-bedders and it is quite difficult to manage the sorts of people that stay in them who often need support. We wish to take over more of that and we have proven we can do that.

I am sure there are a number of other providers around the State who would gladly take on small stock transfers and help build them up for young people as a social investment in a community. I think the State could support that and I think that does need to come from the top. I think the Premier and all politicians will need to agree and support the bureaucracy in supporting community to do that. I think you have to put funding into young people. Currently there is homelessness reform going on but there is concern about young people and the cost of young people in the funding model. I do not mean to suggest that needs to be fixed straight away but over time we need to look at investing in young people with appropriate support so we can get them out of the cycle of poverty and homelessness. You need to make accreditation and registration easier for smaller providers.

CHAIR: That is good feedback. Can I ask again about bedsits as opposed to one bedroom. Do you see that as a small floor space ratio change? The only difference seems to be a bedroom wall. Is there a distinct client that would be in a bedsit as opposed to a one bedroom unit or is it the fact that there is not enough room to make it a bedroom in its own right?

Ms CLAY: Good question. If we could have had one-bedders we would have done that. I think there is a small difference in size and that is why they went to it.

CHAIR: Very similar, two square metres in one and 10 or 12 in the others.

Ms CLAY: We would prefer one-bedroom units but there are a lot of bedsits around and for young people who are homeless or in housing stress a bedsit with a community housing provider or a youth housing provider is better than an apartment they cannot afford.

CHAIR: It is not a different clientele?

Ms CLAY: No. If you look at student accommodation, some of those bedsits are similar to old student accommodation units and they are okay but they are probably not okay for the long term. But, we will use them and utilise them well, I think.

CHAIR: As a previous student nurse I can assure you they are very generous. In terms of the head lease, it is good that you bring that up. We spoke yesterday at Shoalhaven about head leases, particularly title versus management transfer. Mr Pearce made some comments that the title is a bit more complex. If we were able to get some sort of title transfer how many units are you talking about? The Government would not give it outright, it would be leased to allow you to get some sort of financial investment. Are you talking 10, 20 or 30 years?

Ms CLAY: I will always go for the longest term possible but I understand what you are saying.

CHAIR: Like Port Botany, 99 years?

Ms CLAY: If you think about funding arrangements, some of the funding arrangements with non-government organisations are very short, some of them are only a year. I would encourage all funding agreements for good providers, providers that are delivering, to be at least five years. If I look at the term of a loan, if you look at 20-year title transfers or 25 years and at least you can leverage the financing and then see what happens. There will be a real issue around who is paying off the loan and then who should own it at the end. I think they need to be sorted out.

I would be worried about title then being taken off the provider. There would have to be lots of legal discussion about how that would be managed. At the end of the day any capacity through title to a community that will increase housing for young people must be looked at. I do not understand why it is not looked at more favourably. We have proven that we can get a bank to support us and we have leveraged funding. We have built social capacity.

CHAIR: In terms of homeless youth how many are literally living out on the street as opposed to crisis accommodation? Do you have that statistic?

Ms CLAY: That data is really hard to access. There is some good homelessness data nationally and you can get a breakdown per area but it is very hard to quantify because some of those are hidden homeless and they do not approach services.

CHAIR: Like couch surfing?

Ms BACKHOUSE: Overcrowding.

Ms CLAY: And sometimes particular people will not approach social services for reasons of fear. We estimate we see about 1,000 young people a year who require immediate supported accommodation. We estimate that that probably is about 60 per cent of what we think is in the community, if I am being fair and realistic. Some people will say there is another 100 per cent. I think there is still significant young people who would not approach services and who still need some support.

Ms JAN BARHAM: Great to hear all this fantastic programming you are doing for young people. In your submission you refer to families and carers; are they provided for in a similar way through some of your organisation's other programs or is the model you are using for young people applicable to other at-risk groups? I am particularly interested in women fleeing domestic violence or older people who are on their own and without family or support structures. Is this model a potential opportunity to be realised for other groups?

Ms CLAY: Ms Backhouse might want to add to this but certainly the carers of young people are part of our target group in other parts of our organisation. We run early intervention family support programs and we do house some families. So, if we are working for young people and we find the family ends up in housing crisis if we can assist we will. If you are talking about the model across the organisation the answer is, yes. For any target group having a multiple range of inputs that you can give the person, the woman and child or the older person is helpful, but this model is uniquely for young people because the supports are probably more intensive than you might need for adults. Some parts of it could be transferred over. We work with some very good organisations that have similar things but for adults.

CORRECTED

Ms JAN BARHAM: You mentioned accreditation being made easier. What are the hurdles that you currently jump?

Ms CLAY: How long have I got?

CHAIR: Two minutes 30.

Ms JAN BARHAM: You can give us a snippet and put as much as you like in a further submission.

Ms CLAY: That would be fabulous. It is a bone of contention for me. Accreditation is important, registration is important, striving to meet standards is important, but our organisation is accredited in several systems and they are similar. We are accredited by the New South Wales Children's Guardian for child protection out-of-home care, we are registered as a social housing provider, we have to be accredited for health services and we are currently going through a quality management system. It is cumbersome, duplicative and unnecessary.

Ms BACKHOUSE: And expensive.

Ms CLAY: There should be a system that is overarching and then just do particular modules. To be a registered social housing provider where you are already accredited and they have checked governance, financial viability and staffing, you should be able to tick off a module. Government bureaucracy is out of control around some of the things that they impose upon very low funded services. It takes time and money to do the documentation.

Ms JAN BARHAM: We hear big Government constantly talking about cutting red tape for business; do you think there is a real need for cutting of red tape for non-government organisations?

Ms CLAY: We have been through this. I have been around for 30 years and I cannot tell you how many cutting red tape processes I have been through which at the end have always increased red tape. Currently when you talk about cutting red tape it often means that the bureaucracy looks at how to cut red tape for them. I look at examples where you say we are going to go from 400 contracts to manage 120 contracts. That does not actually help the community provider, that helps the government department. I wonder where the resources then get moved to when that happens. Red tape must be cut. Ms Backhouse and I did a submission to this current Government and the previous one and recommended all sorts of things.

Ms JAN BARHAM: That might be valuable to pass on to us.

Ms BACKHOUSE: It resulted in a committee.

Ms CLAY: A bureaucracy in itself is almost, in my mind, unable to cut red tape. It needs to have another look at it. It needs to be looked at by the community as well. It needs to be collaborative and not just the department deciding what red tape can be cut. Yes, it must be cut. I have looked at community funding programs in other countries and I have never seen some of the requirements overseas that I see here.

CHAIR: Thank you very much. That was quite informative. As the Hon. Matthew Mason-Cox said, what you are doing is very exciting. I think you are right that youth sometimes gets to play second fiddle in a busy world. Having been a youth pastor in my past it is great that the attention is coming back to accommodation needs such as this. If you have taken questions on notice you will be required to answer them within 21 days and the Committee may take the opportunity to write some more questions for you given your brilliant presentation.

The secretariat staff will be here to help you if you need further assistance with that. Once again, we value what you do. This inquiry is very important, as I said to Smith's Hill Selective High School earlier, we are trying to put a roof over people's heads and make sure they are safe and secure. It is a basic human right and you are doing a great job helping us get to that point where we can give every man, woman and child across New South Wales a place to call home.

(The witnesses withdrew)

(Short adjournment)

PUBLIC FORUM

CHAIR: On behalf of the Select Committee on Social, Public and Affordable Housing, I welcome you here today for the public forum. We are pleased to see so many of you here. Thank you for giving up your time to participate in this parliamentary process. This Committee was established in November 2013 to examine issues of significance regarding social, public and affordable housing in New South Wales. This forum is a very important part of our inquiry. We know there is a high level of concern about social, public and affordable housing in regional New South Wales. With this in mind, today is about hearing directly from people in our community who are either tenants living in public housing or service providers who understand the issue through providing firsthand assistance to those in need.

Before we begin I would like to make some comments about procedural matters. Speakers were asked to register in advance for today's forum. Those who have been registered to speak will be called to the lectern and they will have five minutes to address the Committee. A bell will ring at four minutes to let you know that you have one minute remaining to conclude your statement. To be fair to other speakers, we will strictly enforce the five-minute time limit. If you are unable to finish your speech, you will be able to request incorporation of the remainder of your speech into the transcript of proceedings. What you say today is being recorded. The recording will later be transcribed and will become part of the public record. What you tell us today will help us to understand the issues and how you feel. It will also assist us to prepare our report. The transcript will be made publicly available and will be posted on the Committee's website.

In terms of adverse mentions I remind everyone here today that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that speakers focus on the issues raised by the inquiry's terms of reference and avoid naming people individually. It is not about naming people. It may be best to use terms such as "Person A" or "Person B" in place of specific names unless really needed. Mobile phones should be switched off or switched to silent mode. I welcome our first speaker, Mr Michael Walsh.

MICHAEL WALSH, before the Committee:

Mr WALSH: Thank you for the opportunity to speak here today. I am the president of the Public Housing Union of the Illawarra. What I have to say is that we are against the sell-off of public housing in the Illawarra. There are 21,000 families and homeless people in the Illawarra who are on the public housing waiting list, which goes for about 12 years. That is very wrong. The New South Wales Government is going the wrong way about things. I live in a three-bedroom house with my wife. Last year they rang me and told me that they were moving me to a two-bedroom house. I said, "Yeah, righto, I do not mind you doing that." They came out to see me. I said, "Righto, so you are going to put a family in here." They turned around and said, "No, we are going to sell your house." I said, "Well, there is no hope in hell of you doing that while I'm here." That is why we formed the Public Housing Union.

There are two houses in my street alone, and two around the corner from me—that is four three-bedroom houses—that have been vacant for six months. What is going on? They are going to sell them. They are not going to put families in them. They have no land to build houses. So where is the money going? Into the Government's coffers. As far as we are concerned, the wrong thing is going on here. We want to know what is going on and why they are selling off these public houses. It is not all about me. I am here to represent everyone on the waiting list and the people who have been forced out of their houses. I had a meeting with the housing department two weeks ago. They wanted to know if I was going to take a two-bedroom house. I said there would have to be a lot of work done on it, and they said they were going to do that.

I said I would give them a quote for my garage, which was \$16,500. I said I had built a new one a few years ago at my place with carpets, built-in wardrobes and everything that we put in ourselves. They told me that, out of the goodness of their heart, they were going to give me \$10,000. They said I could build my own garage using that. I turned around and said, "Hang on a minute. I gave you a quote for \$16,500. What you are offering is not enough." I said, "How about going to \$14,000." They said, "No, we can give you \$10,000 and that is it." So I turned around and said I did not like that idea. They said they could take me and show me another house somewhere else. It was probably out in the bush somewhere. They said, "When we do show you this house you won't be getting what we have just offered you. If you don't take this then that is it; you are out, and you can find your own accommodation." So I was threatened by the staff.

I was at the last Committee hearing in Sydney and I heard the Housing NSW witnesses say that they train their staff to be polite to customers. I did not see even one of them be polite to any of the customers while I was sitting there. People were coming in and asking questions and the staff were refusing to answer questions. As I said, I am from the Public Housing Union. We meet at the Bulli Workers Club every second week of the month. There is a meeting on 14 May. I am inviting everyone in the audience. If anyone would like to turn up then they are welcome. We cannot get the Housing NSW people to turn up there because they will not turn up and talk to us. One other thing is that two months ago one of our members had a phone call from Housing NSW. They said they were coming out to inspect her house. She had the inspection done by people who were coming around to inspect the house on the grounds that they were going to do maintenance on the house. When they came to my place they walked in said, "Oh, you have new carpet. You have done this and that." I said, "What has that got to do with anything?" They said, "Oh, we were just wondering." They walked out the back and saw I had a garage up too. I said, "Yeah, it cost a lot of money to build that." We found out months later that they want to sell these houses. They devalue the houses by not inspecting them to do maintenance. We do not get any maintenance done anyway—

CHAIR: Excuse me, Mr Walsh, can you make a concluding statement as your five minutes has expired.

Mr WALSH: My final comment is, as I just said, we are the Public Housing Union. If anyone wants to join, it costs nothing to join the housing union. If anyone wants to come to our meeting, they will be most welcome. The more people we get there the better so we can fight this mob trying to sell these houses. We are against it.

CHAIR: I invite Joan Ferguson from The Housing Trust to the lectern.

CHRIS LACEY, before the Committee:

Mr LACEY: My name is Chris Lacey. I am the manager of operations at The Housing Trust here in the Illawarra. Joan sends her apologies today. The Housing Trust is a not-for-profit community housing company in the Illawarra. We have about 1,000 properties that we manage for social housing tenants. I scanned some of the transcripts as well as a few of the submissions to this inquiry. The conversation with Lucy Burgmann from the New South Wales Federation of Housing Associations gives a broad flavour of the issues that cover community housing. The question on notice to Tim Williams and his response is also quite useful for the Committee. There are several key points that I would like to bring to the attention of the Committee today. Firstly, our tenants have a very good story to tell. The Housing Trust tenants tell us that they are very satisfied with the service that we provide. We do an annual survey of our tenants. The most recent survey recorded a 90 per cent overall satisfaction rating, a 75 per cent satisfaction rating in respect of repairs and maintenance we do on their homes, and an 86 per cent satisfaction rating as to the condition of their homes. I am advised that community housing providers around the nation report very similar results in terms of high overall satisfaction with the services of community housing providers.

Community housing is part of the overall solution for vulnerable and disadvantaged people. We house those in greatest need, and we make very thoughtful and considered decisions about where to house people. We form strong local partnerships to help link people with the support that they need. Our overriding aim is to help sustain people in their homes, and we think we are very good at helping tenants navigate a complex social services sector. We experienced some frustrations in this respect though because we find there is rarely enough support to meet the needs of the community. For example, a significant proportion of our tenants experience mental health issues at some point during their tenancy and in the Illawarra, as elsewhere, mental health services are very stretched.

Community housing can facilitate a pathway for people from social housing to affordable housing, private rental and home ownership. We are making some inroads, albeit that some inroads locally will be on a very small scale. We are building 71 homes that mostly are one- and two-bedroom units for older people and people with a disability in Shellharbour. Funding for this project comes from the New South Wales Government and from the National Rental Affordability Scheme [NRAS], and construction commenced this week. Over the next five years we will acquire 54 new homes—again, mainly one- and two-bedroom homes—that meet the needs of older people and people with a disability. We can do this because the New South Wales Government transferred both the management and ownership of more than 350 homes to us as part of the nation building program.

In order to do more, we think that the Committee should consider being supportive of a new New South Wales social housing plan, but one that is explicit about the role of community housing. We look forward to the release of a new New South Wales asset portfolio strategy that the Government is currently preparing in order to engage fully with the community housing industry regarding the future of public and community housing. We look forward to the consideration of a large-scale tenanted property transfer program that exceeds the Minister's benchmark of 35 per cent in line with the approach set out by the New South Wales Federation of Housing Association's paper to the Committee.

We think that the transfer of property ownership to community housing organisations will be beneficial to support the expansion and the development of new homes for social housing tenants and for the affordable housing system. Future funding for a scheme, such as the National Rental Affordability Scheme, is recommended to support the development of more affordable housing. We also recommend establishment of a New South Wales growth fund of \$250 million over four years for social and affordable housing, again as outlined in the New South Wales Federation of Housing Association's paper.

The final remarks I wish to present to the Committee relate to the regulatory framework for community housing in New South Wales. There is a very strong regulatory framework for community housing providers in this State under the New South Wales community housing register. The move towards a national regulatory system will further enhance the regulatory environment and should give confidence to tenants, the community and government about the performance of community housing providers in meeting a very difficult challenge for our community.

NOREEN HAY, Member for Wollongong in the Legislative Assembly, before the Committee:

Ms HAY: As the local member for Wollongong, first I thank the Committee for attending here today, for visiting some of the social housing sites in my electorate and for being here to listen to representations and submissions from community representatives. I do not need to tell you what a fantastic job our local non-government organisations do. I have listened to them being very impressive today, but I will make a couple of comments. We see again that everyone continues to talk about affordable housing and everyone's vision of what that means clearly is different. I would like to respond to a couple of comments I heard today in as much as I do not believe that market forces or the market itself can deliver affordable housing.

I think that market forces will do what they do best, which is deliver whatever the market value of the property is. This is why the Government needs to be proactive in relation to tackling the question of affordable housing. Earlier one of the submission mentioned the potential for increased density of developers' properties. One of the problems we have experienced is that when you allow developers to just increase density, all they do is make more money selling more houses at the same price. I think there needs to be a trade-off in relation to that. If you are going to increase density, there has to be an agreement with the developers on what the rates will be for particular housing within.

As I said to the Committee earlier, one of the great success stories throughout the world, particularly in Europe, is a mix of social housing and private housing. It also provides an opportunity for developers, who produce a certain amount of housing, to meet market demands and give back to the Government a certain amount of that for social housing. That creates downward pressure on the cost of those particular houses. The question of floor-space ratios comes back to the question of density. The question of increased floor to space ratios was not answered sufficiently to my liking. What is the commitment from the developer for increased floor to space ratios in terms of their developments in the central business district?

As you will see, the central business district has a large amount of high-rise and brilliant as well as beautiful dwellings going up in my electorate. They are significantly more expensive than those that would be needed in terms of social or welfare housing. I reaffirm that we need to look at the whole question of welfare housing versus social housing and how we tackle that. Government action is required to determine a social housing mix and how we deliver that. We have successful examples of that in the Warrawang area, as I outlined earlier. There is ample opportunity to take parts of some of the large government properties, as they did in the Warrawang, and develop ground floor accommodation for disabled and aged people in a good social mix, with access to public transport and services.

My request would be that Housing NSW stop selling off more of the affluent areas of stock when it does not reinvest in additional stock. One-bedroom apartments have been shown to be successful and have worked at the former Green Street and Todd Streets where exactly that was done. Two-bedroom units were changed into single-bed lower floor accommodation for those with disabilities and mental health as well as other health issues. If we work together we have ample opportunities to consider how best to deliver the opportunities for people to get into housing. I am waiting to see the detail of the deposit loan suggestion, but I would like to see people being assisted into accommodation, which will reduce the waiting list. The waiting list is leading people to being accommodated in really unacceptable accommodation, such as motels and the like, where they are treated as different and are being really discriminated against.

Non-government organisations in the Illawarra do a great job. I am very proud of the work that they do. However, the density of public housing is an issue that really needs close examination. We need to stop shifting responsibility and start looking at the whole picture. We also should have a specific stream, if you will, whereby we can assist people who have mental health problems, who also find themselves reliant on social and public housing.

ERIC EARLEY, before the Committee:

Mr EARLEY: In the early '70s we had a housing commission, which I thought was successful. They let me down. I had a chance and signed to buy, but they let me down. I could not buy. But since the early '70s—you are only going back 10 years but I am going to then—we have lost more houses to the university. There are nine units down there and there are 16 units in one block and nine in another block. Ten houses have been knocked down. The houses have been relocated to the university. They are loaded with students who are paying top rent and they are making a quid on it. Also, in relation to all the houses that are lying empty, they are losing rent. There are hundreds of them. There are four within 200 yards of me. They are not collecting rent on those houses: They have been empty for nine months. They are paying to have the grass cut, maintenance and security. Is that cost adding to maintenance? That is what I want to know.

There are a lot of youngsters out there who have been disheartened over the years. There is no work. Politicians keep saying that there is work and people should get work and that young people are lazy or surfers. They are not. They have been disheartened. They leave school, and when they leave school there is nothing for them. How the hell are they going to save up to buy a house if they are living with their grandparents and they have to pay rent? The housing commission is charging them rent and then they pay for their keep. What money they earn is very little. I have one grand-daughter in America. She has had to go to America to get a job in Disneyland. I have 14 kids. What are we leaving these kids? We are leaving them nothing. It is bloody disgusting.

I got my back up because I went to a forum in Nowra. The latest Minister that you have in charge practically called us a load of bludgers. The people who have lived in these houses have paid for these houses over and over again. My house cost \$7,000 but I have paid \$400,000 in rent. I am 75 and I have nothing to fight for, only my kids. Give them some work. Create something. Stop selling everything. The politicians are not salesmen yet they have sold the country off. I come from a country called Scotland where we used to build ships. We had the finest engineers in the world. We have a university in Edinburgh that is one of the finest in the world and they have doctors coming out of them. What have these kids got? They have got to pay for their own education and they have to pay for their own training. It is all wrong.

I am not trained in this sort of stuff. I am an ex-coalminer and this is a strange world to me. I thought the coalmines were bad, but the mismanagement of this country is terrible. I do not like it. In fact, I am sorry for my kids and for the young kids at this forum. I wish I could speak, but I am doing my best. There is a lot of stress on us old people now. I moved into my house and I built a garage, put down concrete and I put carpet in. I have put air-conditioning in and all that, and I have painted it five times. The housing commission has paid me only once for the paint. I am not really worried about me. I have nothing to worry about. I have five stents in my heart, a crook knee and a crook back. I got a few injuries in the pit. I am thinking of my kids and all these other kids. Give them some work, create something, and build some canals or something.

AVIVA SHEB'A, before the Committee:

Ms SHEB'A: A lack of affordable, appropriate and stable housing is a cause of disability and exacerbates already existing health problems and disabilities in many people. "Appropriate" may include space. In 2003 I presented a paper, "Private Rental: public scandal", at the National Housing Conference in Adelaide. Over many years my children and I have had to move house repeatedly so that dwelling owners could put up the rent by larger chunks—and more permitted—or avoid doing maintenance, or both. The constant battling and moving had taken its toll on us. After eight years on the housing list and three years on the priority list, I was housed in public housing and the house went against all my medical needs. My health went downhill. My kids had grown up and moved away. I had no support and my only option was to move interstate.

I could not get on the housing list until I had moved to New South Wales and had been here long enough to register with the department and go to the bottom of the list. I had to find support systems to back me up, not to mention to keep me from falling apart. It is a common story. At the National Housing Conference I had heard of how Housing NSW had a culture of punishing people with disabilities. I found the discrimination against people with disability—the sheer abuse and humiliation meted out by many housing department workers—is very real.

I became homeless because information had been withheld from me. When homeless I had to go weekly to the Wollongong Community Housing Office, which did not have parking for people with disability. Once I had to park at the bottom of the hill and crawl on my hands and knees up the hill carrying my folder of papers. If you are late, you are penalised. Fortunately, a kind officer gave me a lift back to my car when she went on her lunch break. I was told one week I had to do X, which caused me great distress and pain, and told the following week I had not needed to do X, and the officer smirked as she told me. On another occasion, waiting for hours past my appointment time, a man who was obviously deaf asked the receptionist a question. The officer turned her head away so he could not lip read, forcing him to ask again. This was repeated until I interpreted for him. No wonder housing officers are sometimes abused: this man cowered.

After more than a year of being homeless and living out of my car, in shelters—in one I met a person with double law degrees, but acquired disability prevented her from working—or temporary accommodation, I was offered housing immediately after seeing the then deputy mayor. The house I was offered had stood empty for almost eight months and it took almost a year and seven visits to get grab rails and a handheld showerhead installed properly at what cost to the department. I love the old house, although it needs maintenance particularly in the kitchen. I am caught between the department saying there is nothing wrong with the kitchen and the occupational therapist saying I do not look disabled. I have been told it is not a disability issue but maintenance. Almost a year ago an independent inspector reported the kitchen needs to be replaced according to regulations. I have waited.

Housing officers have preached religion to me, complained about their workload and how bosses lean on them, so you feel guilty asking for assistance. Yes, they are overworked. Check bills carefully as some housing officers have poor maths. That is how I ended up paying more than \$400 too much for water; apparently they had no way of checking bills from Sydney Water so I had to phone the company about a query. Every time an envelope from Family and Community Services arrives I brace myself. Who knows what it contains? Regular newsletters seem to accuse you of being greedy and wanting more space than you need. You are told other people are worse off and they need your home. Not everyone can cope with dense housing—I cannot. There is no security since permanent occupancy was scrapped. Having disabilities and housing needs that are not met can be like having a fulltime job. I hope this forum assists to make affordable, appropriate and stable housing a reality for people who cannot buy their own homes.

I lived in Holland for many years. In the seventies, a solution there was to subsidise private rental. It was simple and it was permanent.

Pursuant to Chairman's direction remainder of presentation incorporated.

Affordability: The percentage of income used to calculate rent affordability is too high for people on low income. When I lived in the Netherlands, rent affordability was capped at 17% of gross income; far more realistic than our 25%. There was little public housing and the government subsidised private rental so people on lower incomes were not disadvantaged. Once you were housed in this system, your home was permanent. The lower percentage takes utilities expenses into account. Mobile phone and internet expenses are part of life and greatly

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increase the amount people need to spend each month just to be part of society. Paying 25% of pensions and other low income for rent does not allow for food money.

People with disabilities usually have higher expenses than the general population. I cannot get around by public transport walk to the bus stop or to the nearest shops; I am forced to have a van. Often I drive around for an hour looking for a parking spot close enough for me to access places. On Friday, I drove almost 20km around and around the block to be able to attend an appointment at Wollongong hospital. It took 45 minutes to be able to park close enough. A disability parking permit is not much use where there are no disability parking spaces. Pensions don't allow for this kind of expenditure, or for podiatry and other allied care over the Medicare limit, which is already far too low for people with disabilities.

I live in a very old Housing NSW house with thin walls and no form of insulation at all. I had to have a reverse-cycle air-conditioner installed due to medical conditions. The department refused to assist with payment. They insisted I sign a document stating that the department could, *at any time, and for any reason* order me to have it removed and the wall where it was installed repaired at my cost. This is a source of stress. If the house was insulated, I would use far less electricity. The house would be well suited to solar panels which I cannot afford to have installed. Lack of affordability, the uncertainty of tenure, and of potentially having to have them removed, means I am paying more for electricity than people who can buy their own homes and have solar panels.

Appropriate space: needs to be re-evaluated. Not everyone can live in dense housing situations. Lack of space is often a factor in mental illness, and in physical illness such as asthma. That many people need a space barrier needs to be respected and taken into account. I've had life-threatening asthma attacks due to neighbours' smoke when living in a unit. Living in a different unit, when I could hear every sound from above – including every detail of toilet use – caused sleep deprivation and unbearable stress. I know a woman with disabilities who lives in an upstairs unit. The unit has a wheelchair-usable bathroom – but the units are up a staircase and there is no lift.

Stability: There's no security, no stability since permanent occupancy was scrapped. This reduces quality of life.

Ms WENDY CAMPBELL, before the Committee:

Ms CAMPBELL: I am here because my house is being sold. I got a call from a Transfield officer saying, "I am selling your house." Had I been on my own I could have had a stroke as I have had one before, but my children were with me. The officer then asked if she could see me the next day. The answer was no because I could not afford a blitz attack. She was made to wait four weeks until I had a psychologist to go with me. When you are being moved from public housing they do not look at how many times you have had to move. I lived in more than 90 houses when I was growing up, and 46 of them were in different towns. I went to 29 schools.

My current home is safe. My great-aunt and great-uncle lived in the house when it was first built and brought up their kids there. It is the last place where I saw my mother and my family was a family—not only me but my sisters, one living in Bulli and one in Currarong. As Aborigines say, a sense of connectedness to the land matters. People tell me I can make those memories in a different house. No, I cannot. I have been there 10 years and in that time my mother died. My kids grew up in that place and have moved out when they could. My daughter felt she had to move out, because her income may have precluded me from getting another house. That was not the case. We are quite a dysfunctional family after the number of times we have moved and having been in children's homes. Having them together was a good thing, but unfortunately they no longer can be.

Our group, the Public Housing Union, has a gentleman who has been slugged \$160 a week in extra rent because they have decided Wollongong is a lovely city and so they can increase the rents. Wollongong has the highest homelessness rate in the State, as reported by Pru Goward. She gave a grant of \$1 million for that reason, and yet the houses are being sold. The house where I lived was built when men were coming home from the war. There was not enough housing then and there is not enough housing now. My sister also lives in public housing, a three-bedroom house. She has asked to be moved, because her children have left home, but the department has told her there is no accommodation. She is having a near nervous breakdown because of the stress. The department appears not to have places for families or for single people.

I have often taken in homeless youths and will do so again. The department deliberately moved out one youth while I was away and would not tell me when she had moved so I could adjust my rent. After a while I was told I had to notify them that she had moved. Why, when the department had moved her? I am taking the department to the anti-discrimination board for indirect disability discrimination. Since then \$550 has gone missing from my rental account and they cannot explain where the money has gone. I have done six subjects in a diploma in accounting.

Ms PHOENIX VAN DYKE, before the Committee:

Ms VAN DYKE: I am the Housing Community Program Coordinator at Warrawong Community Centre. Before speaking about public housing I want to address the private rental market. The Anglicare snapshot found 14 affordable properties in the Illawarra statistical area for income-supported families. Private tenants get Commonwealth rental assistance, but it does not keep up with rent increases. Most Western countries only allow a rent increase once a year and often the amount is regulated, whereas in New South Wales landlords can increase rent as many times as they want. With respect to Ms Backhouse, it is twice a year in other States, but as often as they like in this State. Apart from the United States, Australia is the only Western country that allows terminations without a reason. It is quite common for a tenant to get a rent increase and a termination notice in the same letter, with the landlord telling the tenant to take their pick.

Anglicare also noted the relationship between a lack of affordable housing and food insecurity. In a recent survey, the Welfare Rights Centre found that 47 per cent of clients went without a meal to afford rental payments. This finding is supported by our experiences at Warrawong Community Centre. Last year our centre served 12,000 cooked lunches. Many who come to these lunches tell us that our lunch is the only meal they will have that day, especially on the days before they get a Centrelink payment. The other day a woman arrived with a pram, a toddler and a young boy who called out, "We are going to have lunch!" His excitement was such that he might have called out that Santa was coming. However, Family and Community Services have discontinued the funding for this service as of the end of June.

I have been working in housing since 1996. One of the issues in public housing is the lack of maintenance and repairs, mostly in Sydney and not so much in the Illawarra. I call it vandalism by neglect. I have seen children living in public housing properties in such a state of disrepair that I have burst into tears, yet the mothers pay 25 per cent of their incomes on rent while watching their children getting sick from rising damp and mould and being told they should be grateful for cheap housing. The Auditor-General's report stated that in 2012, 32.3 per cent of public housing households in New South Wales were living in dwellings of an unacceptable standard. It is a disgrace and a direct contravention of obligations under the Housing Act.

Without secure, appropriate and affordable housing in the private rental market, the Government needs to increase the supply of housing in order to meet its objectives under the Housing Act. There is currently a contraction in social housing and private home ownership. The Government has withdrawn from social housing and we can expect further disinvestment. However, part of solving the current affordability crisis requires an increase in social housing stock. We need to look at public housing as public infrastructure. As such I can only hope that our infrastructure Prime Minister, together with the State Government, will make more funds available to invest in public and affordable housing.

DANIEL DEMARTIN, before the Committee:

Mr DEMARTIN: I am here basically to give a bit of history to this situation. The housing crisis actually started back in 1985 and it was as a result of the world's self-proclaimed greatest Treasurer Paul Keating who removed negative gearing of commercial property of which the smallest negative geared property was a block of four flats in a row. Then he reintroduced negative gearing with the body corporate Act which allowed people to subdivide those blocks of four flats and sell them off as individual units. This pulled tens of thousands of residences off the market as people were selling them to get money out of them. With the negative gearing on housing, what happened was the top tax rate then was 50¢ in the dollar. If a home owner went to buy a house and could only afford to borrow \$100,000 the investor could try to buy the same house but he could access \$160,000 because by virtue of negative gearing he had an extra \$60,000 in his pocket to outbid the home owner.

All of a sudden from 1985 to 1989 we had a great big rush on houses in which all the investors—it became like a tidal wave of investors buying housing—and up until 1989 it was running away and the only way the Government could stop the runaway investors was to up interest rates at the rate of 1 per cent a month until they hit about 20 per cent or 21 per cent. When they reached that sum the investors took a look at their financial position and realised they could make more money if they put their money into term investments. So then we started getting a great big sale of houses as investors pulled out their money from the market and that left about a four- or five-year flat, level market because no-one wanted to buy houses because of the high interest rates. In the meantime the home owners became the victims of this exercise by Paul Keating because the ones that had their own homes and could not move were paying these outrageous 18 per cent or 19 per cent interest rates to try to live in their house.

The other thing that investors get is a 4 per cent depreciation allowance. As far as my understanding is, if you keep your investment property for 25 years you get a depreciation allowance of 4 per cent a year over a 25 year period you get 100 per cent of your money back which means it is sort of a zero sum cost to the investor. None of this stuff is available to the home owner. The only concession Paul Keating made about the home owner was that, "You will not have to pay capital gains tax on the sale of your house." What he neglected to say was the house price equates to the consumer price index—they more or less both go up in tandem—so if they sold their house 20 years down the line, the variation will be very small and they would have hardly any tax to pay at all. The other question was that if it was a negative return—I am assuming an investor could claim that as a loss against their tax, whereas the home owner could not claim anything so they are stuck behind the eight ball.

What is happening at the moment with all this foreign ownership of housing is that they are being built by foreigners for sale to foreigners. I think what is happening is that they are offering citizenship with the sale of these houses so that if you buy a house from overseas you will automatically be given citizenship in Australia. No-one seems to want to own up to that one but I am assuming it is one of the selling points by the real estate agents to people overseas. The other question is why is Australia selling residential housing to overseas people when we cannot even house our own bloody people here? In a sense, the Government seems to be against its own people. The policies that you are initiating are only there to put down the Australian population. You want to keep people in a perpetual state of debt; you don't give a damn about the wellbeing of the people which is obvious—was that my first bell?

CHAIR: No, that is your second so do have you a concluding statement?

Mr DEMARTIN: I will finish up on one thing. Basically the Government is shooting itself in the foot and it is working against its own citizens for the sake of overseas people.

JULIE MITCHELL, before the Committee:

Ms MITCHELL: I am Julie Mitchell, manager of Wollongong Emergency Family Housing. I am just going to talk a little bit today about our service. We are a specialist homeless service and we offer support and accommodation to families who are homeless or at risk of homelessness. We do work around early intervention with families to help them maintain or to be able to sustain their current tenancy. We have 47 properties and our tenants stay with us from six months to a one-year period. I think the most important role of a specialist homeless service is the support that it offers to people who are homeless, to look at the issues around their homelessness and to put in place and work with those families systems where they will be able to obtain and maintain future tenancies or to get them into the public housing system.

As we know, the public housing system does not have adequate numbers to house the number of people who are looking for them. I think the United Kingdom has 21 per cent public housing compared to Australia's 5 per cent. There will always be a shortfall unless that is addressed. Last year we assisted, housed and supported 120 families. We gave further outreach and early intervention support to a further 889 families with having well over 1,000 families approaching us for assistance. Because out of those numbers we were only able to house only 120 families—there are a lot of people and a lot of individuals in those families—we saw that there was a shortage. We wanted to offer assistance to those families we could not house.

In conjunction and partnership with another specialist homeless service, Wollongong Women's Housing, we talked about, "Wouldn't it be great to have a one-stop shop in the middle of Wollongong where those homeless people could come to get assistance? They would only have to tell their story once and workers would be able to assist them to acquire housing, find a refuge or somewhere to go." In October last year we opened that with Wollongong Women's Housing and in the first 59 days of operation, given that it is only a four-hour day, we had 878 visits to the service. The old adage of build it and they will come certainly came true because they came so much that we have outgrown our present building. We were not funded for this service; we just saw a very great need for it. Our service put some money forward that we had had in a savings account, the same as Women's Housing did, and with \$50,000 we got this service up and running.

We are now looking at facing a specialist homeless service review. We hope that our services will be successful so that we can continue to provide innovative housing options and housing assistance to homeless families of the Illawarra. We house all different types of people. There is nobody who is really excluded, apart from very young people but given that, last year we had a 15-year-old father, his 17-year-old partner and their baby housed with us. We do get to see everyone. We were able to provide this service with the help of other community agencies such as Centrelink, the Housing Trust, the Aboriginal Medical Service and Illawarra Multicultural Service, and a major referral service is Housing NSW. More housing, more strength to specialist homeless services and there is a place for small organisations.

LEOKIE KLEUJER, before the Committee:

Ms KLEUJER: I am Leokie Kleujer, the manager of Wollongong Women's Housing, a similar organisation to the one which Julie was talking about. We manage 30 properties. Our target group of clients is homeless women and children. We have been in the Illawarra for 30 years next year. We are going through reform and tendering to try to keep the service opened in the Illawarra. I will provide an example. The doorbell rings, a woman in her early 60s is at our front door. She says "Can I speak to someone privately?" We take her in a room and she says, "I am really embarrassed that I am here at a homeless service. I have never in my life done this but I have nowhere to live. My landlord is selling the property that I have been renting for the past couple of years. I do not have the money to afford the rent that is out there. I need somewhere to live."

Talking to this woman we have to hear her story. She has been a professional woman. She has owned real estate. What has happened to her in the past couple of years is she went through a relationship breakdown and she ended up with a chronic illness and she is finding herself on a disability pension and facing the private rental. That is not a story that is unusual; it is a story we often hear. If I want to say one thing this afternoon very clearly, it is that the outcomes for the women that we house these days are no longer social housing because there is not enough social housing for all the families that need social housing. For the majority, about 90 per cent go on to the private rental market.

I just want to say how vulnerable they are in the private rental market because there is no certainty of tenure for that. Landlords can give three months to give you a no-grounds notice to get you out of the house. They can up the rent. How can you make a home in a private rental market when you have kids growing up, you have a six-month lease, the landlord might decide to—and it is his right—take back the property and rent it to his family member or whatever? What can a person, who might have three kids who attend the local school, they are on a low income and have to engage a removalist and raise a bond to move to another property, do in that situation? So many of our women come who have had unsuccessful tenancies in the private market and we house them for 12 months. We put a lot of support around them. We do education on how to keep a good tenancy and we most likely are going to get them back into the private market.

We also try to get other outcomes for our women. We are trying to get them into training programs, into employment and some of these things keep being put on the back burner if you do not have a stable place in which to live and raise your kids. Shelter is one of the most basic needs that human beings have. I think Australia, being one of the fourth luckiest countries in the world in which to live, needs to think is this a lucky country for everyone? We are starting to see that there is an increasingly larger group that is excluded from having the enjoyment of just having a family home and living there. That is all I want to say.

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CHAIR: That concludes this public forum. I thank everyone who has attended today and made a contribution. It is important for the Committee to get a cross-section of concerns of all the matters in social, public and affordable housing and, sadly, even more so homelessness, to try to address those issues. I thank the Committee secretariat and members who have been on the road for the past two days. It has been very helpful. The Committee is heading to Western Sydney on 16 May and at Tamworth, Dubbo and Port Macquarie on 20 May. We are getting across New South Wales so if you know other providers who want to attend our hearings do not hesitate to tell them where the Committee will be or to contact the secretariat.

Money is not a solution; it is a vehicle that we need, but people are the solution. I encourage everyone to keep helping each other and lean on each other and put out your hand to help others up, as we are trying to do with this inquiry. The Committee is aiming to publish its report in approximately September.

(Committee concluded at 4.16 p.m.)