

# GENERAL PURPOSE STANDING COMMITTEE No. 4

Friday 1 September 2006

Examination of proposed expenditure for the portfolio area

## HOUSING

The Committee met at 8.00 p.m.

### MEMBERS

Ms S. P. Hale (Chair)

The Hon. C. E. Cusack  
The Hon. G. J. Donnelly  
The Hon. K. F. Griffin

The Hon. C. J. S. Lynn  
The Hon. P. G. Sharpe

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### PRESENT

**The Hon. D. Beamer**, *Acting Minister for Housing*

**Department of Housing**

**Mr M. R. Allen**, *Director General*

**Mr P. Vevers**, *Acting Deputy Director General*

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**CHAIR:** I declare this hearing open to the public. The Minister for Housing, the Hon. Cherie Burton, has advised that she will be unable to attend this evening's proceedings and that the Hon. Diane Beamer is Acting Minister for Housing. I welcome Minister Beamer and accompanying officials to this hearing. At this hearing the Committee will examine the proposed expenditure for the portfolio of Housing. Before we commence I will refer to procedural matters. Today's hearing will proceed without microphones because of Public Service Association work bans on room setup. I ask members and witnesses to speak in a clear voice one at a time and for the public gallery to keep background noise to a minimum. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs.

In reporting the proceedings of the Committee the media must take responsibility for what they publish or the interpretation they place on anything said before the Committee. The guidelines for the broadcast of proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. I remind the Minister and her accompanying officers that they are free to pass notes and refer directly to advisers while at the table. I remind everyone to turn off their mobile phones. The Committee has agreed to the following format of the hearing. We will have a five-minute break at 9.00 p.m., then resume and complete the hearing at 10:30 p.m. Minister, will that pose any difficulties?

**Ms DIANE BEAMER:** No.

**CHAIR:** I advise the Minister that the Committee has resolved to request that answers to questions on notice be provided within 21 calendar days of the date on which they are sent to her office. Minister, do you anticipate that will pose any problems?

**Ms DIANE BEAMER:** My understanding is that the period to answer questions on notice is within 35 days. Standing Order 67 provides for that timetable. Questions on notice to the Housing portfolio will be returned within the 35-day time frame.

**CHAIR:** It is within the power of the Committee to determine the time period in which answers are to be supplied. The Committee has resolved that answers should be supplied within 21 days. I trust you will comply with that direction.

**The Hon. CATHERINE CUSACK:** I suggest that the Minister take advice and we return to the matter later.

**Ms DIANE BEAMER:** I understand that Standing Order 67 provides for a 35-day time frame.

**CHAIR:** I have been advised that the Committee is at liberty to set the time frame. We could reduce it to seven days if we wished, but we have resolved a time frame of 21 days.

**Ms DIANE BEAMER:** As you would be aware, prior to this Committee hearing a number of incredibly detailed questions were put to the department. To answer within that time frame would be extremely draining on the valuable resources of the Department of Housing.

**The Hon. CATHERINE CUSACK:** Can I again suggest that the Minister take further advice and we return to this matter at a later point in the hearing?

**Ms DIANE BEAMER:** Yes.

**CHAIR:** I understand that some Committee members have submitted a number of proposed issues to be raised at this hearing. Are you familiar with those issues?

**Ms DIANE BEAMER:** I am familiar that you yourself issued a substantial number of questions.

**CHAIR:** They were submitted to you in advance so that you would be able to come to this hearing prepared to answer them. Do you have answers to those questions available?

**Ms DIANE BEAMER:** Some of those questions, yes.

**CHAIR:** All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. The Minister does not need to be sworn as she has already sworn an oath to her office as a member of Parliament. I ask all witnesses to state their name, job title and agency and either swear an oath or make an affirmation.

**MICHAEL RICHARD ALLEN**, Director General, Department of Housing, and

**PAUL VEVERS**, Acting Deputy Director General, Department of Housing, sworn and examined:

**CHAIR:** Minister, will you be tabling any of the answers to the questions on notice today or will you be taking the additional time to answer them?

**Ms DIANE BEAMER:** I will answer those questions you put to me. I would also like to make an opening statement.

**CHAIR:** If you would care to.

**Ms DIANE BEAMER:** As Committee members would be aware, the Minister for Housing is due to give birth tomorrow. As such, she cannot be here this evening. I wish her all the best for tomorrow and a healthy and joyous occasion on the birth of her first child. I have been Acting Minister for Housing for a few days. I will do my best to provide to the Committee as much information as I am able. The Director General of the department, Mr Mike Allen, and the Deputy Director General, Mr Paul Vever, are present.

I would like to make an opening statement and I am happy to take your questions. The Lemma Government is taking the delivery of social housing in a new direction. In just 12 months it has made real progress on key issues with the implementation of the reshaping public housing legislation, underpinning the Government's commitment to providing housing for those most in need. The Government has made some difficult decisions over the past year, but they had to be made to ensure the viability of the social housing system in the long term. As I said, we are making real progress, but we have more to do.

In just 12 months the Government has implemented the most significant reforms to public housing in more than half a century. Under these reforms, it has taken a new direction in the delivery of social housing, focusing on those in most need: the frail and elderly, people with disabilities and people which with a mental illness. When the Labor Government came into power in 1995, just one in seven properties was allocated to a person with priority needs. Now, at least one in three goes to people with priority needs. In 2005-06, a total of 2,738 new households were provided with priority housing.

Other major reforms include changing the eligibility criteria for public housing to focus on those most in need rather than using income as a primary measure of eligibility, changing the policy of public housing for life to one that matched a length of need and, for the first time, ensuring that public housing tenants are paying a fair contribution for water usage and making market rent contributions more equitable according to what tenants can afford. These reforms will help to ease some of the pressure on the system and help to meet the challenge of an ageing population. The reforms will also allow further investment in the renewal of public housing.

The Government has cut the public housing register by more than one-third in the past five years. Last year alone, the housing register fell from 69,067 applicants in June 2005 to 53,328 at June 2006. That is a 22 per cent decrease. In 2000 there were 98,337 applicants on the register. The department's figures have been falling since August 2001 when regular surveys of applications were introduced to determine ongoing eligibility and need. The surveys have enabled better matching of available product to applicant household requirements and assisted substantially in reducing the numbers on the register.

At the same time, the Government has achieved the highest public housing occupancy rate, at 98.7 per cent. The Productivity Commission report released in January shows that New South Wales had the lowest vacancy rate of any public housing authority in Australia. The department's housing vacancy rates also compare favourably with the rates in the private sector. Real Estate Institute figures show that at June 2006, the vacancy rate for private rental in Sydney was 2.3 per cent. The vacancy rate for public housing in Sydney at the time was 1.3 per cent. The vacancy rate for public housing in Australia was 2.6 per cent. New South Wales was the second fastest State to re-let vacant dwellings

and has continued to improve over the past few years. The department average is a 26-day turnaround, during which time a home is cleaned, repaired and readied for the next tenant to move in.

Since 1995, 19,400 new homes have been constructed or acquired to replace older or rundown dwellings, and a further 38,000 homes have been renovated. We have had a net increase of 10,000 homes. Last year, the Department of Housing commenced the construction of 28 dwellings and completed the construction of a further 64 dwellings on the Central Coast worth \$9.6 million. It commenced 48 and completed an additional 45 dwellings in the Parramatta region worth \$8 million. In the Tweed alone the department spent \$3.8 million commencing 10 new houses and completed another 24 dwellings for public housing.

The Government is working hard to address the maintenance backlog left by the Coalition, taking a new direction by moving to a planned approach to maintenance of public housing. An increased investment in maintenance has reduced the backlog by 25 per cent over the past five years. This year the Government will invest \$77 million in fire safety upgrades and \$345 million in maintenance and upgrading work. In 2005-06, the department spent \$14 million on both urgent and planned maintenance on a total of 4,681 homes in the Inner West. In Penrith it spent \$5.12 million on the maintenance of 2,497 dwellings, including \$1.83 million on urgent maintenance and \$3.74 million on planned maintenance.

In Kiama, a total of \$47,000 was spent on 15 homes—\$18,015 for urgent maintenance and \$29,060 on planned maintenance. In addition, the department has acted on community safety audits in 37 housing estates through partnerships involving residents, police, local councils and community organisations. Design Out Crime projects have also been implemented in 19 disadvantaged estates. Housing estates have been improved through the upgrade of 2,800 homes, better lighting and fencing in public spaces, higher security in high-rise buildings and the closure of unsafe laneways.

The honourable member for Vaucluse's 29,000 public sector job cuts will mean that maintenance on public housing in New South Wales will come to a standstill. He refused to quarantine frontline maintenance staff from the Coalition's policy to cut jobs. There are currently 1,500 maintenance staff working for the Department of Housing across of New South Wales. If the honourable member gets his hands on public housing, maintenance jobs will, allowing public housing to fall down around the ears of the tenants so that the Coalition can meet its bottom line—

**The Hon. Catherine Cusack:** Point of order: I think that the Minister is answering a Dorothy Dix question from a Government member rather than making a genuine open statement on behalf of the Government.

**The Hon. GREG DONNELLY:** To the point of order: No question has been asked, so it is an opening statement.

**The Hon. CATHERINE CUSACK:** Further to the point of order: The Minister is meant to be making an opening statement. This statement is about three times longer than the longest opening statement I have ever heard.

**Ms DIANE BEAMER:** You did not hear me the other day.

**The Hon. CATHERINE CUSACK:** It deals with an overview of the housing budget. She has certainly strayed well away from that topic.

**Ms DIANE BEAMER:** I will return to it.

**CHAIR:** Thank you. I am not sure there is a point of order. However, I ask the Minister to confine her remarks.

**Ms DIANE BEAMER:** In community housing, a budget of \$94.1 million will allow for 200 new homes to be commenced, 239 to be completed, the continuation of 5,500 existing leases and commence a further 90 leases from the private sector.

As honourable members are aware, the Premier announced the first stage the Government's affordable housing strategies under new directions in social housing for older people. We will be investing almost \$500 million over the next five years to provide an extra 2,800 dedicated homes for seniors and to make improvements to existing homes so that our elderly can maintain their independence longer. As part of the first phase of this plan, by June 2007, 111 new homes will be built for elderly people on the Central Coast at cost of \$27.12 million, 96 new homes will be built in the North Coast region at a cost of \$23.55 million, 24 new homes will be built in the Hunter region at a cost of \$13.6 million, and 27 new homes will be built for elderly people in Western Sydney at a cost of \$4.23 million.

Public housing is a very affordable form of accommodation and one that offers independence to residents, especially those who do not want to move into residential aged care facilities. We have seen a major demographic shift in the number of people who need public housing. In the 1970s, more than 70 per cent of public housing applicants were couples with children. By 2005, only 11 per cent of our applicants were couples with children. Currently 60,000 people over 60 live in public housing. Over the next decade the demand will grow by around 36 per cent.

The new plan will also ensure that housing for the elderly is appropriate to their needs, by providing designated older persons precincts in all major redevelopments of public housing, by increasing the stock of senior zoning housing, encouraging public housing tenants to keep a close eye on their elderly neighbours, developing new partnerships with non-government organisations to increase the amount of support available for seniors, and encouraging older people to become leaders in their own communities—with all respect, the position that seniors hold in our community. This new plan will see investment to secure suitable infrastructure to meet the future needs of our elderly.

As the Committee would be aware, the demand-side issues play a bigger role in the provision of affordable housing, and many need reform. Our reforms in the area are targeted to help people break into the housing market. We have started a campaign to allow first home buyers to have early access to their superannuation to be used as a deposit for a mortgage. Of course, our plan relies on a relaxation of Federal superannuation laws. To date, the Treasurer has refused.

Our plan would allow first home buyers to access a maximum of \$25,000 from their superannuation fund, require that the money be used for a home deposit, to be purchased as the principal residence of the holder of the superannuation account, only to be made for the purchase of one property and only at the time of purchase, and require the consent of the home buyer's superannuation fund. All this done against a backdrop of the Federal Government robbing \$850 million out of the New South Wales social housing system over the past decade—funds which would have allowed us to provide another 5,000 homes for those who need them most. But not a word has been said about this by our Opposition. We need to fill this gap. This year alone it is about \$270 million. We want to provide better social housing for those most in need, now and into the future.

**CHAIR:** Thank you, Minister. That was a reasonably lengthy comment on the state of the department. In future would it be possible for you to make your answers more succinct?

**Ms DIANE BEAMER:** Certainly.

**The Hon. CATHERINE CUSACK:** On behalf of the Opposition, may I also extend our warmest best wishes to Minister Burton. We certainly look forward to hearing some good news over the weekend. Thank you, Minister, for substituting for Minister Burton on a Friday evening for this estimates committee hearing. Indeed, thank you to everyone who has co-operated with this unusual timetable.

Minister, my first question relates to the Commonwealth-State Housing Agreement. Under the administrative arrangements for the bilateral agreement, has the State Government complied with the requirement to recognise and acknowledge the Commonwealth, as well as State, contributions to funding for policy programs and services, and other initiatives?

**Ms DIANE BEAMER:** The current multilateral Commonwealth-State Housing Agreement was signed by the Commonwealth and State housing Ministers in July 2003. The agreement provides

for Commonwealth and State funding for over five years to June 2008. For the first time, the funding is being indexed from 2004-05 onwards. However, this in no way meets the needs.

Up until 1996 the provision of housing was a co-operative venture between the Federal and State governments. Despite increased demand, the Federal Government has progressively withdrawn its support, and continues to walk away from social housing. In total, the Federal Government has cut \$850 million out of the New South Wales public housing system between 1996 and 2005.

The most recent five-year agreement sees New South Wales now \$210 million worse off in real terms than in 2002 funding levels, if the 2002 to funding levels had been maintained. As a result, there are now real limits to the number of homes that can be made available in coming years. That is why the New South Wales Government has taken a long and hard look at social housing, asked some tough questions, and made some difficult decisions. In framing the Reshaping Public Housing Strategy there was little choice but to target our limited resources to those most in need.

Our housing eligibility priority is now determined, quite rightly, by need, and it is no longer the case that it is housing for life. Given that the Commonwealth decreased its support, we will never be able to meet all the housing needs of people who need affordable accommodation. That is why we have called upon the Commonwealth to more fairly distribute Commonwealth rent assistance to people in New South Wales. It is also why we have led the country in establishing a centre for affordable housing, to examine options and participate in national discussions around the provision of affordable housing. At a State level the Government is working on an affordable housing strategy. I wonder whether Mr Allen would like to also comment on this question.

**Mr ALLEN:** Under the Commonwealth-State Housing Agreement [CSHA] for the 2006-07 year the State Government has provided the department with \$116.2 million more than the required matching funds if the Government were to stick strictly to the matching arrangements outlined under the CSHA.

**Ms DIANE BEAMER:** So we have \$116 million more?

**Mr ALLEN:** That is correct, Minister.

**The Hon. CATHERINE CUSACK:** I repeat the question. Under the administrative arrangements for the bilateral agreement, has the State Government complied with the requirement to recognise and acknowledge the Commonwealth, as well as State, contributions to funding for policy programs and services, and other initiatives?

**Mr ALLEN:** Under the Commonwealth-State Housing Agreement and the arrangements with the Commonwealth, there is a protocol around the announcement of funds made available for particular projects, and the department complies with that protocol.

**The Hon. CATHERINE CUSACK:** I refer to your budget media release of 6 June 2006. What proportion of the \$712.07 million is Commonwealth funding and why is this figure not acknowledged as part of the CSHA bilateral agreement?

**Mr ALLEN:** I am sorry, I am not clear on the question. Would you mind asking it again please?

**The Hon. CATHERINE CUSACK:** I suspect I am referring to Minister Burton's media release of 6 June 2006 regarding the budget. What proportion of the \$712.07 million is Commonwealth funding and why was this figure not acknowledged as being Commonwealth funding, as per the bilateral agreement?

**Mr ALLEN:** I am sorry, I do not have the benefit of having that press release before me. I would have to take that question on notice. May I also make a slight addendum to my earlier answer. I mentioned a figure of \$116.2 million over and above the State's matching requirements. I am advised that the figure is \$269 million over and above the State's matching requirements.

**The Hon. CATHERINE CUSACK:** Do you acknowledge that with regard to the budget media release, which referred to the \$712 million of funding for housing, a component of that would have been Commonwealth funding?

**Mr ALLEN:** Yes, I am aware that a component of that would have been funding provided by the Commonwealth under the Commonwealth-State Housing Agreement.

**The Hon. CATHERINE CUSACK:** Why, then, is that not being acknowledged in these media releases as Commonwealth funding? Perhaps you could take question that on notice.

**Ms DIANE BEAMER:** I take it that is part of your other question?

**The Hon. CATHERINE CUSACK:** Yes. It is obviously a question for Minister Burton. During the life of the current bilateral Commonwealth-State Housing Agreement has any Commonwealth funding been withheld? If so, why was it withheld and for how long was it withheld?

**Mr ALLEN:** I am not aware that any funding has been withheld by the Commonwealth under the Commonwealth-State Housing Agreement. I would have to take that question on notice. But I am not aware that any funding has been withheld.

**The Hon. CATHERINE CUSACK:** That is, during the life of this agreement?

**Mr ALLEN:** Over the preceding three or four years?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr ALLEN:** Certainly in the last 12 months none has been withheld, and I can comment on that reasonably accurately. We received a very positive report from the Commonwealth recently on its review of the department's achievements, against the most recent financial year in terms of the Commonwealth-State Housing Agreement. I am not in a position to comment on the earlier years.

**Ms DIANE BEAMER:** We certainly would like to heap more praise on them if they kept their funding up.

**The Hon. CATHERINE CUSACK:** Minister, how many Department of Housing clients are being subsidised in private rental accommodation?

**Mr ALLEN:** We estimate that in the 2006-07 year the department's RentStart program will assist approximately 85,000 people.

**The Hon. CATHERINE CUSACK:** And how many people are currently on the Department of Housing waiting list?

**Ms DIANE BEAMER:** I think I gave that figure in my opening statement. At June 2006 there were 53,328 people.

**The Hon. CATHERINE CUSACK:** Minister, you mentioned in your opening statement that the figures are down from 98,000 in 2002—I think that was the year—

**Ms DIANE BEAMER:** 2000.

**The Hon. CATHERINE CUSACK:** 2000. And this has been substantially achieved through surveys for eligibility and need. Have the criteria for eligibility and need changed during the period of those surveys being sent out? Because if a group of people who were eligible are not eligible any more then that would assist a reduction in the waiting list.

**Ms DIANE BEAMER:** I am pleased that the Committee has asked a question regarding the reduction in the public housing register. The public housing register, as I have said, was 53,328 at the end of June 2006, falling from 69,067 at the end of June 2005—a decrease of over 15,000. Of course, we could cut that even further if the Commonwealth did give us that \$850 million we have been



robbed in the State social housing system over the past decade. In spite of this, figures have been falling since August 2001 when we instituted a regular survey of applicants to determine their ongoing eligibility and need. The surveys have enabled better matching of the available products to applicants' housing requirements and assisted in substantially reducing the number on the register.

The Government's Reshaping Public Housing Reforms, announced in April last year, intended to ensure that public housing is well-placed to assist those in greatest need. Over one-third of the applicants for public housing are single, another one-third are single parents; only 10 per cent are couples with children. The challenge is to make more effective use of the limited resources, given the growth in demand for public services by those who require support. Public housing is only one of a number of solutions aimed at securing homes for low-income people. By way of example, the New South Wales Government's RentStart program helps 60,000 low-income people into the private rental market every year by assisting with the upfront costs of a bond and rent in advance.

**The Hon. CATHERINE CUSACK:** Minister, I am sorry to interrupt with a point of order. Is it possible just to answer the question as to whether the eligibility criteria has changed for people seeking to go onto the waiting list for public housing? You are welcome to take that on notice.

**Mr ALLEN:** I am comfortable to take that question on notice.

**The Hon. CATHERINE CUSACK:** Thank you very much. Minister, can you or the department explain the decline in the number of public housing properties under the control of the department between 1999 and 2005? The figures for 1999-2000 show 129,732 properties and the 2004-05 figures show 128,270 properties.

**Ms DIANE BEAMER:** Are we talking about managing or owned?

**The Hon. CATHERINE CUSACK:** Owning—under the control of the department.

**Ms DIANE BEAMER:** So managing?

**The Hon. CATHERINE CUSACK:** Yes.

**Ms DIANE BEAMER:** I think we own 128,000 but manage other properties. I am not sure whether you are adding Aboriginal housing, community housing or other properties we manage. I am not sure of your question.

**The Hon. CATHERINE CUSACK:** Has the number of properties owned by the department declined during that period?

**Ms DIANE BEAMER:** I am pretty sure we manage around 140,000 rental properties, and I am not sure of the ownership of those but if you want to phrase the question: how many did we own in 1995 and how many were owned outright, not including those we manage.

**The Hon. CATHERINE CUSACK:** I will rephrase the question. Has the number of properties owned by the department declined since 1999?

**Ms DIANE BEAMER:** So it is owned?

**The Hon. CATHERINE CUSACK:** Yes.

**Ms DIANE BEAMER:** I just wanted to get that clear. I will take that on notice because they are two different things, managing and owning.

**The Hon. CATHERINE CUSACK:** In the event that they have declined, can that decline please be explained? Can you explain why the average increase in the total number of premises under departmental management—and this includes public, Aboriginal, community and crisis housing—has been only 508 per annum in the six years from 1999 to 2004?

**Ms DIANE BEAMER:** That is an extremely specific question.

**The Hon. CATHERINE CUSACK:** Can you take that on notice?

**Ms DIANE BEAMER:** Yes.

**The Hon. CATHERINE CUSACK:** Are you projecting that in the next 12 months you will increase that amount of housing that is under departmental management by around 1,500?

**Ms DIANE BEAMER:** On management or ownership?

**The Hon. CATHERINE CUSACK:** Management—public housing, Aboriginal housing, community and crisis housing.

**Ms DIANE BEAMER:** I think I would have to take that on notice because there are other people there as well.

**The Hon. CATHERINE CUSACK:** In the 2005-06 budget the former housing Minister announced that 715 homes would be built, bought or leased and a further 835 homes currently under construction would be completed. How has this happened, or how is this projected to occur?

**Ms DIANE BEAMER:** How was it projected last year?

**The Hon. CATHERINE CUSACK:** I am sorry, I have not read this question correctly. In the 2005-06 budget the former housing Minister announced that 715 new homes would be built, bought or leased and a further 835 homes currently under construction would be completed. Did this occur? That was for the last financial year. Did you build 715 homes? Did you lease 835 homes? With respect, it is a very specific question but it is asking about a commitment that was given in the budget about housing stock.

**Ms DIANE BEAMER:** You are asking did these occur?

**The Hon. CATHERINE CUSACK:** Yes.

**Ms DIANE BEAMER:** The exact numbers that are there? Because I outlined in the points I was making the various areas where houses are completed and commenced and I guess I would have to say are you asking did they get completed totally as well?

**The Hon. CATHERINE CUSACK:** Yes. I am referring to the financial year that has passed.

**Ms DIANE BEAMER:** So those that were commenced and completed in that year?

**The Hon. CATHERINE CUSACK:** Yes.

**Ms DIANE BEAMER:** I would take that on notice because it is specific. Some might have been commenced, some might have been commenced prior to it and completed. So I will say that we would probably have to break that down for you.

**The Hon. CATHERINE CUSACK:** Do you know how many new homes were built last year?

**Ms DIANE BEAMER:** I would have to refer to my colleagues there.

**Mr ALLEN:** The specific nature of the question is such that to give you a really accurate and clear answer we would have to take it on notice to go back and have a look at more detailed figures. It will be difficult to give you an answer at this point in time.

**The Hon. CATHERINE CUSACK:** You do not know how many homes the department built in the last financial year, is that what you are saying?

**Mr ALLEN:** You have asked a very specific question around the break-up of homes completed as well as construction where homes have commenced.

**The Hon. CATHERINE CUSACK:** No, that is a separate question. I was going to ask that in a moment. I have broken it into two parts and the first part of the question I am now asking you is, rather than put a figure to you, can you tell me how many houses you built last year?

**Mr ALLEN:** I will have to take it on notice.

**The Hon. CATHERINE CUSACK:** I will ask the second part of the question. Can you tell me how many houses the department bought last year?

**Mr ALLEN:** I will have to take that question on notice as well.

**The Hon. CATHERINE CUSACK:** Do you know how many houses the department leased last year?

**Ms DIANE BEAMER:** Is that new leases?

**The Hon. CATHERINE CUSACK:** Yes, please.

**Ms DIANE BEAMER:** Not altogether leases?

**The Hon. CATHERINE CUSACK:** No.

**Mr ALLEN:** I can give you an approximate number but I cannot give you a specific number. The approximate number is about 8,500 homes leased for a variety of purposes, both public housing purposes and community housing purposes.

**The Hon. CATHERINE CUSACK:** How many new leases were taken out last year?

**Mr ALLEN:** I have not got that specific number available tonight.

**The Hon. CATHERINE CUSACK:** How many houses, townhouses and individual units owned by the department have a value estimated at over \$1 million?

**Ms DIANE BEAMER:** We have sold a small number of housing of high value, and based on recent valuations completed in December 2005, less than 2.5 per cent of public housing dwellings have values greater than \$500,000. That is a reduction of 2.5 per cent over the previous year's valued properties. Many of these are needed by the department to meet high demand for public housing in certain areas. Selling of high-value properties and moving tenants to low value areas is sometimes not desirable as it does isolate and further disadvantage them. It is important to maintain decentralised public housing to integrate them into all communities.

**The Hon. CATHERINE CUSACK:** Would you like to take the \$1 million figure on notice?

**Ms DIANE BEAMER:** Yes, so it must be an extraordinarily small number, as only 2.5 per cent of values roughly would be more than \$500,000.

**The Hon. CATHERINE CUSACK:** So you will take that number on notice?

**Ms DIANE BEAMER:** Yes.

**CHAIR:** In your opening remarks you talked about the fairly dramatic decline of numbers of people on the waiting list. Would you not agree that is more a reflection of raising the bar of eligibility rather than a reflection of declining need for public housing?

**Ms DIANE BEAMER:** As I said, I think it is a reflection of the fact that we are maintaining our housing lists for those who need and are eligible.

**CHAIR:** But your suggestion is that somehow there has been a disproportionate number of people who are over the age of 60 who need public housing or social housing whereas there has been an absolute decline in the numbers of couples with children needing housing, is that so?

**Ms DIANE BEAMER:** On the waiting list they are the major group. I think over decades that change has been occurring.

**CHAIR:** Are you saying that the introduction of the Reshaping Public Housing policy has had no impact on the numbers of people who are now deemed to be eligible for social housing?

**Ms DIANE BEAMER:** Obviously with RentStart helping a lot more people into the private rental market it has improved our efficiency. Those who will not be able to get into the private rental market are staying on our list.

**CHAIR:** There are many people now who are no longer eligible for public housing but who cannot afford housing in the private rental market, is that not so?

**Mr ALLEN:** I do not believe there has been a significant change, as you suggest through the question you have asked.

**CHAIR:** Mr Allen, you would be aware that vacancy rates in the private rental market have been dropping and that real estate agents are now advertising rental properties with reference to a rent range, which is encouraging auctioning amongst prospective tenants. Does this not indicate to you that people who are no longer eligible for public housing up finding increasing difficulty in obtaining housing in the private rental market?

**Mr ALLEN:** There is always a range of people who struggle to find appropriate housing in the private rental market for a variety of reasons. It is not only because of cost. There are also other issues around location and suitability of the home. I think the point you were making in your earlier question was around the Reshaping Public Housing reforms, which really only came into play in July 2005, so that could not possibly have any impact on the level of demand that confronts the department.

**CHAIR:** But that level of eligibility would have been made more difficult in view of the fact that whilst wages may have risen, the point at which you no longer become eligible for public housing has stayed constant. It has not been adjusted, is that correct?

**Ms DIANE BEAMER:** So you are suggesting eligibility has not changed?

**CHAIR:** I am suggesting that the benchmark for eligibility has not changed.

**Ms DIANE BEAMER:** One of the greatest factors, as I understand it, is the surveying of those people on our register to make sure that they meet those eligibility criteria.

**CHAIR:** But you would also agree that there is a great turnover of people on that register because many give up hope and say there is no point in remaining on the waiting list when they have very little prospect of ever obtaining accommodation?

**Ms DIANE BEAMER:** You might suggest that. I have met many people who have stayed on the housing register until they have become eligible.

**CHAIR:** What is the current private rental market vacancy rate in New South Wales?

**Ms DIANE BEAMER:** I can tell you the Sydney market. I think I did so in the opening statement. The Sydney market is at 2.3 per cent.

**CHAIR:** That is a very low vacancy rate, would you agree?

**Ms DIANE BEAMER:** That is a lower vacancy rate than we have had in a number of years, yes.

**CHAIR:** And you would agree that people who were no longer eligible for social or public housing would find it more difficult now to afford private rental accommodation?

**Ms DIANE BEAMER:** Because of the vacancy rate or the cost of it?

**CHAIR:** Because of the vacancy rate and also the increase in rents that have been asked, and their inability to afford those increase in rents?

**Ms DIANE BEAMER:** I think that the answer to your question lies in the amount of work we have done and the number of people we help with RentStart.

**CHAIR:** Apart from RentStart, what strategies do you have in place to help people who are no longer able to afford private rental accommodation and what strategies do you have to augment the supply of affordable private rental accommodation?

**The Hon. GREG DONNELLY:** Point of order: The Minister has been asked two questions. The Minister is entitled to answer one question at a time. The Minister is entitled to answer the first question and if the Chair is not satisfied with the answer, she can go to the second question.

**Ms DIANE BEAMER:** This year we will help about 85,000 people with RentStart.

**Mr ALLEN:** The RentStart Program provides a range of assistance for people who seek accommodation in the private rental market. It provides assistance for people with advanced rent, assistance for people with their bonds and other forms of assistance for people in quite specific circumstances. The department operates a number of other programs in terms of tenancy guarantees and other forms of assistance to help people into the private rental market. In terms of affordable housing more broadly, the department has been working hard to provide more affordable housing options and has developed a range of products that assists affordable housing purchase or supports people to stay in home ownership.

They include the First Home Owner Grant Scheme, which provides an amount of \$7,000 to assist people buying their first home. A range of assistance is provided under the First Home Plus Scheme. Homes valued at up to \$500,000 are free of duty for first home buyers. In addition, discounts are available on stamp duty and mortgage duty on properties valued at between \$500,000 and \$600,000. Furthermore, first home buyers purchasing a vacant block of residential land will pay no duty on land valued at up to \$300,000. Discounts are also available on stamp and mortgage duty on land valued at between \$300,000 and \$450,000.

The Home Purchase Advisory Service provides free information and advice on home purchase. This service also produces a range of free home purchase publications. The Mortgage Assistance Scheme supports people who experience difficulty in meeting their home mortgage repayments due to unexpected circumstances such as job loss or illness. The Centre for Affordable Housing has been established within the Department of Housing, and continues to build partnerships with a range of public sector, private sector and not-for-profit organisations to stimulate the development of affordable housing in New South Wales. By way of example, a local government affordable housing strategy has been developed to assist councils in planning and implementing affordable housing, and affordable housing is being built on major redevelopment sites such as the Australian Defence Industries site at St Marys.

**CHAIR:** You referred to a local government affordable housing strategy. I presume that is not the same strategy that the Minister referred to in her opening remarks, which was the Premier's announcement that an affordable housing strategy would be prepared. Is that correct? Is it one and the same scheme?

**Mr ALLEN:** No, it is not. It is a separate scheme.

**CHAIR:** I thought not. In your opening remarks you referred to that affordable housing strategy. As far as I know, other than the details you supplied tonight, no details about that strategy have yet been released, although they were supposed to be provided by August 2006. When will the

details of that strategy be released to the public? I think you announced that a number of houses were to be built but I am wondering when the full details of the strategy will be released.

**Ms DIANE BEAMER:** It is my understanding that stage one, which was the aged housing strategy, has already been announced. Of course, the provision of affordable housing is a key priority of the Government. We have been working on ways to provide more affordable housing options and develop a range of products to assist affordable housing purchase support and help people purchase or support people to stay in home ownership. Mr Allen outlined a few of the ways we are doing that. As I said, stage one is already there, and there will be more released. The Centre for Affordable Housing established within the Department of Housing will release more information later.

**CHAIR:** According to the Premier, a specific affordable housing strategy was to be released in August 2006. As far as I know, that date has not been met. When will that undertaking be met?

**Ms DIANE BEAMER:** The older persons strategy, which is stage one, has been done. Mr Allen may be able to add to that.

**Mr ALLEN:** I understand that a number of affordable housing strategies are under active consideration, and further announcements will be made this year.

**CHAIR:** When you say they are "under active consideration", can you elaborate on that?

**Mr ALLEN:** No, I am not able to at this point.

**CHAIR:** When you say "later this year", how much later this year?

**Mr ALLEN:** There are a number of strategies, and I am not able to elaborate on exactly when those announcements are likely to be made.

**CHAIR:** As you know, I put a number of questions on notice. Will you be able to table answers to those questions to the Committee tonight?

**Ms DIANE BEAMER:** We are able to table answers to a few of those questions. Due to the detailed nature of other questions, I will have to take them on notice on behalf of the department. In relation to question one, which relates to records of all Department of Housing property and all sales since 1994, a complete list of prices of properties, how much they sold for, copies, details of buyers—due to the detailed nature of the question I will have to take it on notice. The question relating to the funding and budget, the very detailed question regarding the Department of Housing budget commentary which indicates the \$22 million, similar to amounts in previous years, I understand that the total principal loan outstanding with the Commonwealth is \$995 million, how long it will take to repay that loan, the question relating to Comfund, which includes the Commonwealth subsidies of about \$226 million for New South Wales—due to the detailed nature of those questions I will have to take them on notice.

**CHAIR:** Okay.

**Ms DIANE BEAMER:** As for the question regarding the affordable housing strategy, I believe I just answered parts of that question. Your question reads, "Which of the following measures"—I am sure the Committee wants to know the question I am about to answer. Is that right?

**CHAIR:** I want to know which—

**Ms DIANE BEAMER:** Do you want to ask that question and we will give you an answer to it?

**CHAIR:** What I might do is ask you to table the answers you have prepared, and in the meantime I will ask you some other questions, if you agree to table the answers to questions which you have prepared—

**Ms DIANE BEAMER:** Are you more than inclined to take them all on notice—

**CHAIR:** Obviously there will be further questions on notice.

**Ms DIANE BEAMER:** And these questions, because there are some answers to the long list of questions you have given us and I have some answers to some of those questions. Others are very detailed. Do you want me to go through and read—

**CHAIR:** No, not at this stage.

**Ms DIANE BEAMER:** I have an answer for the next question so I can read that onto the record.

**CHAIR:** I will ask you some questions. If you have an answer, because it is a question that has been put on notice, we will be glad to hear it; otherwise I will ask you some questions for which I think you have not had notice. In relation to the consultancies and consultants the department engages, how many consultancies have commenced in the past financial year?

**Ms DIANE BEAMER:** Consultants are only engaged when required professional expertise is not available internally and cannot be provided in a more cost-effective manner. Details of consultancy expenditure over \$30,000 are reported in the agency's annual reports. Over the past decade the Coalition Government in Canberra has spent \$2.7 million on consultancies. They are within our annual agency reports.

**CHAIR:** I asked you specifically how many consultancies commenced in the last financial year and how many have commenced in this financial year.

**Ms DIANE BEAMER:** I will have to take that on notice. Those over \$30,000 are reported in the agency's annual reports.

**CHAIR:** Are you able to provide the Committee with a summary list of all of those, how much was paid, and to whom that money was paid over the years I mentioned?

**Ms DIANE BEAMER:** You can refer to the annual report which says these things.

**CHAIR:** But would you make life easier by providing it to the Committee?

**Ms DIANE BEAMER:** We will forward to you those parts of the annual report.

**CHAIR:** Are consultancies under way at the moment on the housing and human services accord, aspects of reshaping public housing, and reviews of various tenant participation initiatives? If there are consultancies relating to those items, who is undertaking those consultancies and what are their objectives or terms of inquiry?

**Mr ALLEN:** The department engages consultants across a range of programs and for a range of purposes. You have asked a very detailed question. In fairness, I think we should take that question on notice.

**CHAIR:** I am sure you are aware the UN special rapporteur on housing, Miloon Kothari, is in Australia and I believe he has prepared a preliminary findings report. Are you aware that his report noted the lack of recognition in policies, legislation and government planning of economic, social and cultural human rights at both the Federal and State levels? Are you familiar with his preliminary report?

**Mr ALLEN:** I am broadly familiar with the preliminary report that the special rapporteur has provided to the Commonwealth. The department has not had an opportunity to review those preliminary findings in detail.

**CHAIR:** Do you expect to get that opportunity to review those findings?

**Mr ALLEN:** I expect the department will be reviewing those findings, yes.

**CHAIR:** But you would be aware, presumably, that the special rapporteur believes there is a widespread problem of homelessness, a lack of affordable housing, dwindling public housing stock, long waiting periods for access to public housing and inadequate government provision for long-term safe housing, particularly in rural areas, which is affecting a wide range of people and vulnerable groups in New South Wales and Australia?

**The Hon. PENNY SHARPE:** Point of order—

**CHAIR:** Are you aware of that?

**The Hon. PENNY SHARPE:** I was wondering when you were going to get to the question. It sounded like a statement.

**Mr ALLEN:** I am broadly aware that the special rapporteur made comments across a range of housing administrations and made a range of comments about the Commonwealth Government. I am sorry I am not in a position to comment on the issues you have raised in specific detail.

**CHAIR:** But you will be doing a specific response to those issues when you reply to his report?

**Mr ALLEN:** We will certainly be looking at the preliminary findings report with some interest.

**CHAIR:** Would you make your response public?

**Mr ALLEN:** I am not clear that the department will be or is required to make a response to what is at the moment a set of preliminary findings that have been provided to the Commonwealth Government.

**CHAIR:** Why is the tenant at No. 108A Derwent Street Glebe, who has applied for a transfer, being continually offered relocation to the dwellings that have stairs when the tenant has specifically requested a ground floor dwelling because the tenant suffers from crippling arthritis?

**Ms DIANE BEAMER:** Due to the detailed nature of that question, can we take that on notice?

*[Short adjournment]*

**The Hon. GREG DONNELLY:** Will the Minister outline how the Department of Housing undertakes redevelopment, reconfiguration, acquisition and disposal of assets?

**Ms DIANE BEAMER:** In 2006-07 the Iemma Government will invest almost \$10 billion in infrastructure. That will take the value of government assets to \$318,000 per person. It is by far the largest capital investment in the history of our State. This record spend is about delivering infrastructure that sets us up for the State's projected growth. Over the next decade the Government will increase infrastructure spending by more than \$110 billion.

A part of that will be the provision of social housing infrastructure. The New South Wales Department of Housing has the largest single property portfolio in Australia. At any one time we manage around 140,000 properties across the State, and social housing infrastructure is unique in its nature. Not only does it represent an asset with the value of around \$27 billion for the State, it also has the immense social value of providing affordable and secure housing for those most in need whilst the need exists. Our challenge is to maintain and upgrade an ageing portfolio and better manage our stock to change with the changing demands of the community.

In the early 1970s, 70 per cent of housing applicants were couples with children. A further 12 per cent were elderly singles. Today, more than one-third of the applicants are single. Another third are single parents and only 11 per cent fit into that demography of couples with children. More than a quarter of our subsidised tenants are receiving a disability support pension and nearly one-third of



household heads are over 65 years of age. We need to reconfigure our stock to match the growing demand for one- or two-bedroom homes and increasingly the demand for housing for people with special needs like the elderly, people with mental illnesses and people with a disability.

We will meet the growing demand for one- and two-bedroom properties through reconfiguration, redevelopment and purchase. Currently 26 per cent of our dwellings are one-bedroom properties. We will increase that number to 29 per cent. We will increase the proportion of our total stock of two-bedroom units from 27 to 33 per cent and we will decrease the proportion of three-bedroom homes from 47 to 38 per cent in line with demand. We have already begun this work. Approximately 40 per cent of our portfolio has been upgraded over the past eight years.

Over the past 10 years we have built, bought or leased an additional 20,000 properties. This year we will add more than 1,100 units to our portfolio. We need to make better use of our housing stock. For example, the Committee would be familiar with our towers in Waterloo. With an investment of \$880,000 and innovative design we will turn 28 bed-sits into one-bedroom apartments with improved kitchens, bathrooms and fittings—again providing social benefits for our tenants who will have improved homes and benefits to the taxpayer with an improved asset.

Another example is in Raymond Terrace. There was a social problem with some challenging people being housed in bed-sits near a preschool. First, the stock was not up to scratch and, second, it was the wrong social environment for those tenants. We have moved the tenants, demolished the stock and will replace the bed-sits with a seniors housing complex. Again, it is an improvement in assets for the taxpayer, addresses a community issue and provides better homes. We are also implementing the new directions in social housing for older people, as part of the Government's plan to increase the supply of affordable housing in New South Wales. Under this plan, over the next five years the Government will invest \$420 million in the construction of an additional 2,800 homes for older people and \$75 million to modify homes, which will make it easier for older people to stay in their existing homes.

Currently 60,000 older people live in public and community housing. This number is set to grow considerably over the next two decades. The New South Wales Government is committed to taking a lead role in meeting their housing needs. The plan also includes action such as developing new partnerships with non-government organisations, increasing the amount of support available for seniors, providing a designated older persons precinct in all major redevelopments of public housing, increasing the number of housing blocks where only seniors are housed, encouraging public housing tenants to keep an eye out for their elderly neighbours and encouraging older people to become leaders in their own community. This new direction in social housing for older people will provide more responsive and flexible housing to meet the needs of older people well into the future. It builds on successful social housing models already in operation in our State. In implementing this plan the Department of Housing will continue to consult older tenants and work with other government agencies, non-government organisations and tenants groups.

To address the final part of your question, the department sells a very small number of properties each year and reinvests every dollar back into public housing. Last year the department sold less than .22 per cent, which is less than one-quarter of 1 per cent of the total number of houses it has under its management. As I have said, currently nearly half of the homes managed by the department are three- or more bedroom properties. That is not the size of houses required by the majority of our applicants, who are the elderly, people with disabilities and vulnerable youth. They desire smaller houses. In line with this need, the department will increase a number of one- and two-bedroom homes to two-thirds of its total amount of homes. To achieve this outcome, the department is redeveloping homes in areas of high demand and targeting sales in areas of low demand. The department sells homes if they are uneconomical to maintain and repair, to help break down the concentration of social housing in a particular area, if a home has a high market value without any high strategic value or if the home is leased to a community organisation.

All the proceeds from the sale of homes fund the building and acquisition of new homes and improvements to existing properties. About 12,000 new homes will be built or acquired over the next 10 years. All homes that are identified for sale are valued by an independent agency and sold by public option through a real estate. All properties have a reserve price based on an independent valuation. The reserve price is approved by an internal property disposal assessment panel. The

composition of the panel includes the Director General, Deputy Director General, Operations, Executive Director, Policy Strategy and Finance, and the Executive Director, Governance and Regulation. The panel also reviews the circumstances around proposed sales, such as links with local assets portfolio strategies including the potential to redevelop the site. Estate agents are chosen by competitive tender. Only when an option fails to reach the reserve price will an agent try to find a purchaser and continue to the sale by private treaty.

Properties that are leased to community organisations for use as neighbourhood facilities or supported accommodation may be offered for sale to the relevant community group. The sale price may be the subject of negotiation with the organisation and will be dependent on both market value and past improvements that have been funded by the group. Like all vendors, the department has no control over what the purchaser of a home subsequently does with a property. The department does perform cosmetic work on some homes if it helps to get a better sale price, although generally the department prefers to spend the money upgrading homes that will be retained. As I have said, currently nearly half of the department's homes are three- or four-bedroom properties. The department continues to desire to meet the demographic changes within our community to make sure the elderly have a place within our housing community stock.

**The Hon. KAYEE GRIFFIN:** Minister, would you update the Committee on the reasons behind the Government's policy in west Dubbo, the implementation of that policy so far and the general community reaction?

**Ms DIANE BEAMER:** Certainly. As members would no doubt be aware, the Gordon estate has been the cause of significant debate in the community for more than 20 years. The cycle of antisocial behaviour, crime and general damages of Department of Housing homes by tenants was not able to be broken, despite the best efforts and resources of agencies across the State Government and other levels of government. For example, the maintenance repair cost of homes on the Gordon estate is 300 per cent higher than the repair cost of homes anywhere else in the department's southern or western divisions. The department found it increasingly difficult to re-let homes in the estate because of the stigma attached to the continuing antisocial behaviour. Vacant homes were the target of vandalism and graffiti, property destruction and violence. In the past five years, at least 56 homes on the estate have been damaged or destroyed by fire and 130 tenants have left the estate voluntarily in the past 12 months.

The Dubbo community, the Dubbo City Council and the local member have expressed serious concerns about the estates. The only way forward for the department was to redevelop the estate. The decision was not taken lightly by the Minister or the department. However, we have a responsibility to our good tenants and to the wider community of Dubbo. The Minister visited the estate in May to announce the redevelopment. It is a three-year process that will involve the staged rehousing of people living in the department's properties on the estate. To do that, we have broken the estate into four precincts.

Our first priority has been to target the area in which we have experienced the most difficulty in terms of tenancy management and antisocial behaviour. Called precinct two, which is the area around Linda Drive and Catherine Drive. The redevelopment of the estate is the first step in a new direction for the delivery of social housing in Dubbo. I am pleased to report to the Committee that we are making real progress in the redevelopment. Work has started in precinct two and so far six people have been relocated and eight relocations have been accepted. Those tenants will be moving in the next two weeks.

A further 18 offers have been made to tenants and our team is waiting to hear back from those people. We are still working with the remaining 14 tenants and aiming to complete those relocations by the end of September. There are 91 properties on the estate in total, and 41 have been demolished. A further nine of these properties are vacant and will be demolished by 1 September. We put in place a specialist frontline rehousing team to conduct individual interviews with tenants to determine their housing need and to match that with the housing we have available in Dubbo. Interviews with tenants for precinct two have been completed and the rehousing process has begun.

Community reaction has been positive. The overwhelming majority of people in the wider community and our tenants themselves are supportive of this process. Like the department, they

realise that the estate was broken beyond repair and that it was time to take action. We consult regularly with the community and have kept them informed every step of the way. Departmental officers run weekly community information sessions at the Gordon Centre. These provide the community and tenants with an opportunity to receive the most up-to-date information about each step of the process first hand. We encourage members of the community and interested groups, including tenants, to raise questions at these meetings. In addition, we provide the entire community of Dubbo with information leaflets about our plans.

To gauge community feeling we have produced a feedback form. I am told the Minister has read each form personally. We have examined them thoroughly and they go beyond the Minister's expectations and the support that was hoped from the Dubbo community. With the Committee's indulgence, I will provide some examples of the reactions from the Dubbo community: "The fact that the Minister recognises the need to redevelop this estate and break the cycle of crime is in itself a positive one"; "I am in favour of the redevelopment of the East Gordon Estate in West Dubbo"; "I was pleased and delighted when I heard the announcement of the redevelopment of the estate"; "It has been a bug-bear on Dubbo for years"; "I will be waiting eagerly to see the finished product"; "You have made a tough decision and it will bring needed change"; and "I think these measures are long overdue and very much a necessity." As honourable members can see, the community is happy with the progress made on the estate. There is still work to be done, but we are heading in the right direction. I put on the record the Government's thanks to the local member, the mayor, the tenants and the community for their understanding and support during this period.

**The Hon. PENNY SHARPE:** What is the department doing about affordable housing?

**Ms DIANE BEAMER:** The provision of public and affordable housing is a key priority for the Government. This Government has been working hard to provide more affordable housing options and has developed a range of products that assist affordable housing purchase or support people to stay in home ownership. These include: the First Home Owner Grants Scheme, which provides a grant of \$7,000 to assist people buying their first home; First Home Plus, which offers a range of assistance; homes valued at up to \$500,000 are duty free for first home buyers; and discounts are available on stamp duty and mortgage duty on properties valued between \$500,000 and \$600,000. Furthermore, first home buyers purchasing vacant residential land will pay no duty on land valued up to \$300,000 and discounts are available on stamp duty and mortgage duty on land valued between \$300,000 and \$450,000.

The Home Purchase Advisory Service, which provides free information and advice on home purchases, also produces a range of free home purchase publications. The Mortgage Assistance Scheme supports people who experience difficulty in meeting their home loan repayments due to an unexpected circumstance, such as job loss or illness. The Centre for Affordable Housing, established with the Department of Housing, continues to build partnerships with a range of public sector, private sector and not-for-profit organisations to stimulate the development of affordable housing in New South Wales. The example that has already been given of a local government affordable housing strategy used to develop and assist councils' planning and implementing affordable housing. That has been used to develop sites such as Ropes Crossing at St Marys.

As honourable members are aware, the demand-side issue plays a big role in the provision of affordable housing. Our reforms in this area are targeted to helping people break into the housing market. We have started a campaign to allow first home buyers to have early access to their superannuation to use as a deposit for their mortgage. We require a relaxation of Federal superannuation laws, but so far that has been refused. Our plan in allowing first home buyers to access \$25,000 of their superannuation fund, includes requiring that money to be used for a home deposit to purchase a principal place of residence on the holder's of the superannuation account. It would be available for the purchase of only one property, only at the time of purchase and it would require the consent of the home buyer's superannuation fund. That will have a significant impact on the ability of many people to purchase their first home. I urge the Federal Government to look at ways in which the superannuation laws can be relaxed so that this money can enable the purchase of people's first home.

**CHAIR:** Could you limit the length of your answers to members' question? Lengthy answers obviously prevent a range of questions being asked.

**The Hon. GREG DONNELLY:** This is still the Government's time.

**CHAIR:** I do not think so.

**The Hon. GREG DONNELLY:** You have just taken up about a minute of our time.

**The Hon. CATHERINE CUSACK:** In view of the Minister's lengthy statement at the beginning, which went for a good 11 minutes—well in excess of normal one or two minutes—I ask that you increase the second time allocations for the Opposition and cross-bench members to 25 minutes.

**The Hon. GREG DONNELLY:** No.

**The Hon. CATHERINE CUSACK:** I believe it is in the hands of the Chair.

**CHAIR:** According to the decision of the Committee, the sequence of questions to be asked is to be left in the hands of the Chair. So, I accede to the Hon. Catherine Cusack's request.

**The Hon. CATHERINE CUSACK:** Minister, you have just indicated that 41 properties have been demolished on the Gordon estate. Is it true that a property that is not under the control of the Department of Housing was demolished by mistake?

**Ms DIANE BEAMER:** I gave a full and lengthy answer to the question about the Gordon estate earlier, and I refer to that answer.

**The Hon. CATHERINE CUSACK:** I listened very carefully to your answer, Minister, and this was not covered by it. I am asking whether a house that is not under the control of the Department of Housing was demolished by mistake.

**Mr ALLEN:** In answer to the member's question, I have absolutely no knowledge of the department demolishing by mistake anybody's house at West Dubbo.

**The Hon. CATHERINE CUSACK:** Is it true that properties containing asbestos were demolished without proper precautions being taken?

**Mr ALLEN:** The department has very rigorous controls in place regarding the administration, handling and demolition of properties that contain asbestos. All our contractors are required to have detailed work method statements. They are regularly reminded of their requirements under various Acts, including the Occupational Health and Safety Act, they are reminded of the requirements placed upon them by WorkCover, and both WorkCover and the department monitor the demolition of any properties very closely to ensure that all the requirements, both statutory and otherwise, are complied with.

**The Hon. CATHERINE CUSACK:** Are you saying it is not true that properties containing asbestos were demolished without the proper precautions being taken?

**Mr ALLEN:** I have no knowledge of any properties been demolished without the proper precautions being taken. As I have outlined, the department has very stringent controls in place to manage the demolition of properties containing asbestos, to make sure that proper precautions and safety measures are taken.

**The Hon. CATHERINE CUSACK:** Are you aware of claims that children were playing on land adjacent to these properties without appropriate safeguards being taken?

**Mr ALLEN:** I am not aware of those claims, no.

**The Hon. CATHERINE CUSACK:** Would you investigate whether those claims have been received by the department?

**Mr ALLEN:** I am comfortable to take that as a question on notice. Could you give me a little more specific information about which properties and on what particular occasion?

**The Hon. CATHERINE CUSACK:** I am asking whether claims have been made to the department. Either they have been made or they have not been made.

**Mr ALLEN:** Whether any general complaints have been made in that regard?

**The Hon. CATHERINE CUSACK:** About children playing on land adjacent to those properties without appropriate safeguards being taken. That is not a general complaint; it is a specific complaint. I am asking you to take on notice whether that type of complaint has been received by the department.

**Mr ALLEN:** I am comfortable to take that question on notice. I am simply trying to be very clear, because you said "those properties" and I thought you were referring to specific properties.

**The Hon. CATHERINE CUSACK:** I am referring to properties containing asbestos that have been demolished. A tenant of a property adjacent to a house being demolished noted that warning tape had been placed around the perimeter because of the presence of asbestos. Was his family notified, and were other families in surrounding properties notified?

**Mr ALLEN:** I can only refer you to my earlier answer: that there are strict requirements in place on our demolition contractors, whether they are in West Dubbo or anywhere else, to comply with all the relevant regulations. Whether a contractor has not complied in that specific instance you referred to, I am not aware.

**The Hon. CATHERINE CUSACK:** Were any of the properties earmarked for demolition recently refurbished?

**Mr ALLEN:** No, they were not.

**The Hon. CATHERINE CUSACK:** How much is the Gordon estate demolition and relocation program, including the purchase of properties and the transfer of tenants, estimated to cost?

**Mr ALLEN:** I do not have that specific information here with me. It would be difficult to answer that question, given the extent and scale of the redevelopment and the fact that much of the work of the redevelopment proposed for West Dubbo is still in an early planning stage. So it would be difficult, if not impossible, to give you a specific answer on the full expected costs of the absolute outcome of the project.

**The Hon. CATHERINE CUSACK:** So the department has no budget for that program?

**Mr ALLEN:** At this point in time, given the nature of the redevelopment project, it will extend over a number of years. The department has not established completely full detailed budgets for all the outgoing years for the project because some of the redevelopment work for the project has not been scoped in detail. So a detailed budget has not yet been prepared for all those works.

**The Hon. CATHERINE CUSACK:** I am not requesting a detailed budget; I am simply requesting a global figure that you estimate the project will cost.

**Mr ALLEN:** And I am not trying to avoid the question. What I am trying to outline is the fact that some of the redevelopment work has not been fully scoped, so even a broad budget has not yet been established for works that we are not yet clear are going to take place.

**The Hon. CATHERINE CUSACK:** In terms of the costs being incurred this year, is there any estimate of what costs will need to be funded in the 2006-07 year?

**Mr ALLEN:** Certainly information can be provided, and I am comfortable to take that question on notice.

**The Hon. CATHERINE CUSACK:** And also the source of those funds—which part of the housing budget those funds will come from?

**Mr ALLEN:** Yes.

**The Hon. CHARLIE LYNN:** Minister, in the March hearing of this Committee the director general of the department referred to a property that featured on the *Today Tonight* program that was being inhabited by two goats and a horse had been sold. Has this property actually been sold? If it has, could you tell the Committee when it was sold?

**Mr ALLEN:** That property has not been sold. The department took a decision to make that property available for a tenant with disabilities. Subsequently the property has been modified to facilitate proper access and so on for the tenant with disabilities, and the home has been allocated to that tenant.

**The Hon. CHARLIE LYNN:** Minister, how many refurbished houses have required further repairs due to vandalism prior to occupation?

**Ms DIANE BEAMER:** I am sure we will have to take that question on notice. As I said earlier in my statement, we have one of the shortest turnarounds across Australia in getting people into Department of Housing stock after they are vacated. I think it was a 26-day turnaround, which is the second fastest to relet vacant dwellings, and that has continued to improve over the past three years.

**The Hon. CHARLIE LYNN:** It does not matter whether it is a one-day turnaround or a 100-day turnaround.

**Ms DIANE BEAMER:** But you would be aware, and I am sure Committee members would be aware, that reletting a house is the greatest way in which we can protect homes from any sort of vandalism.

**The Hon. CHARLIE LYNN:** That is why we need to know how many.

**Ms DIANE BEAMER:** And that is why we need to keep that number down.

**The Hon. CHARLIE LYNN:** Could you also advise how many vacant properties were completely destroyed in the 2005-06 financial year?

**Ms DIANE BEAMER:** I will have to take that on notice.

**The Hon. CHARLIE LYNN:** And how many vacant properties are currently boarded up and fenced off?

**Mr ALLEN:** May I seek clarification. Are you referring to across the State?

**The Hon. CHARLIE LYNN:** Yes.

**Ms DIANE BEAMER:** Are you referring to properties that are owned, managed, or both?

**The Hon. CATHERINE CUSACK:** Owned by the department.

**The Hon. CHARLIE LYNN:** Minister, in your opening statement you said that approximately 1.3 per cent of the property portfolio is vacant at any one time.

**Ms DIANE BEAMER:** In Sydney.

**The Hon. CHARLIE LYNN:** I understand that each area office is required to report on a fortnightly basis all properties that are vacant, including their addresses. Is this the case?

**Mr ALLEN:** A range of monitoring mechanisms are in place with all our client service teams across the State to manage their vacant properties, and there are varying degrees of time frame

depending on the circumstances of the local area. But certainly I can assure the member that the monitoring of vacant properties is a matter that is taken very seriously by the department, and regular reports and things are provided. Some are on a fortnightly basis and some are more or less regular, depending on the circumstances.

**The Hon. CHARLIE LYNN:** Could you give us a breakdown of those figures?

**Mr ALLEN:** A breakdown of how many reports are involved?

**The Hon. CATHERINE CUSACK:** The vacancy rate across the regions. That figure of 1.3 per cent was for Sydney as at 30 June, is that right?

**Ms DIANE BEAMER:** As at June 2006, it was 1.3 per cent.

**Mr ALLEN:** By way of clarification, that would be a point in time figure because vacancies come and go on a daily basis. So we will need to pick a particular date and provide the information as at that time.

**The Hon. CATHERINE CUSACK:** If we could have that same date, as that figure that would be very helpful.

**The Hon. CHARLIE LYNN:** We would also like, if it is possible, for you to provide us with a monthly breakdown of vacant properties by area and location for a 12-month period, and a further breakdown of those properties identified for sale or refurbishment programs should also be possible. Are you able to provide this information?

**Ms DIANE BEAMER:** We will take that question on notice. I am unable to answer that question at the present moment in time.

**The Hon. CHARLIE LYNN:** Minister, what were the proceeds of sales of department properties for the 2005-06 period and have all these proceeds been expended on building or purchase of properties by the department? If the answer is yes, can you specify where this has occurred and were these proceeds of sales treated as a separate source of funds compared with budget allocations for purchases of new properties?

**Ms DIANE BEAMER:** I refer you to the answer—and what was described as a lengthy answer—that I gave to your Committee colleague Greg Donnelly in response to the issue. I refer to my extensive and detailed answer on that in relation to answering that question. Would you like me to go through that answer with you again?

**The Hon. CHARLIE LYNN:** No. Have the proceeds been expended—

**Ms DIANE BEAMER:** I refer you to that answer. I actually got chipped for making it too long, but I can start again and we can go through redevelopment and what occurs, if you like.

**The Hon. CATHERINE CUSACK:** I think you might misunderstand my colleague's question. He is asking about how the proceeds of those sales were applied.

**Ms DIANE BEAMER:** I actually detailed that in the answer that I gave to your colleague.

**The Hon. CHARLIE LYNN:** I did not pick that up, Minister. It was a very verbose answer you gave before.

**The Hon. CATHERINE CUSACK:** Minister, how many Department of Housing tenants have been evicted for drug dealing and other serious crimes in the 2005-06 year?

**Ms DIANE BEAMER:** It is my understanding that the department will take eviction action in the Consumer, Trader and Tenancy Tribunal [CTTT] for a number of reasons. They, of course, include rental arrears, using the premises for illegal activity, nuisance and annoying, property damage or unsatisfactory property care, unauthorised subletting, abandoning or unauthorised absence from

property, deliberate rental subsidy fraud. They are just some of the ways in which we act to remove those tenants who do not take tenancy properly. In 2005-06 we evicted 228 tenants; 189 of those evictions were for rental arrears, the balance were for a number of issues, which include illegal use of premises. The department took 6,853 matters before the CTTT; 5,827 of these were for rental arrears.

**The Hon. CATHERINE CUSACK:** Putting aside rental arrears, just 39 tenants were evicted during the past financial year, and I understand that comes on top of only 10 in the previous year.

**Ms DIANE BEAMER:** That was one of the reasons. There were evictions, of course, for rental arrears, which was the 189 out of 228. As I said, the balance of those were for a number of reasons, and that includes illegal use of the premises. That could be for drug use.

**The Hon. CATHERINE CUSACK:** Do you have a further breakdown of that 39?

**Ms DIANE BEAMER:** I do not have a breakdown of each one, or their names or addresses either.

**The Hon. CATHERINE CUSACK:** My question related to drug dealing and other serious crimes, and I understand you cannot reduce it further from that 39 figure, but nevertheless, do you believe that this is a realistic reflection of illegal activities that are occurring in Department of Housing properties?

**Ms DIANE BEAMER:** I think that that question might be very difficult to answer.

**Mr ALLEN:** If I could perhaps provide a point of clarification. The Minister has quite rightly quoted the figures for evictions, but it is also important to remember that that is the end of a process against a tenancy. The department actually commences a larger number of actions with the issue of a notice of termination, and in many cases that notice of termination does not necessarily have to be seen through to eviction because the tenant would leave or, in the case of drug matters, may well be incarcerated because drug-related matters are principally the responsibility of the police as it is a breach of criminal law—in addition to tenancy law but certainly the higher breach is a breach of criminal law. So that the number of people who actually leave the department's premises as a result of that could be much greater than the figures that the Minister has quoted.

**The Hon. CATHERINE CUSACK:** But a person who is incarcerated for drug dealing from a Department of Housing property is not evicted? They do not leave the property; you keep the property for them, do you not, until they come back from gaol? Just because they are absent because they are in custody for illegal behaviour in that property does not mean they have left the property, does it? In fact, it can sit there empty until they come back from gaol?

**Mr ALLEN:** No, that is not the case. I think you would find that in the case of a conviction for drug trafficking that would be a custodial sentence that would be quite serious. The other matter you are talking about refers to the department's policy dealing with tenants who are placed in gaol. Tenants who do go to gaol can be eligible for the department's further assistance for a maximum period of three months only, and if the tenant is not released from prison at the end of that three months the tenancy is either terminated or transferred to another eligible household member living in the property.

**The Hon. CATHERINE CUSACK:** Does that count in the eviction figures, or is there another set of figures that deals with how many tenancies are ended in that way?

**Mr ALLEN:** The number of tenancies that are ended at the end of a three month period, no, that would not be counted as an eviction.

**Ms DIANE BEAMER:** And a number of things do occur at this point, of course, because you could have somebody who is eligible in that home—a wife, a partner—who the tenancy might be transferred to. Another reason in terms of the three months: the link between, of course, homelessness and recidivism is well known. We want to make sure that short-term prisoners are not homeless on their release, to help reduce those rates of recidivism.



**The Hon. CATHERINE CUSACK:** How many tenancies have ended as a result of that?

**Ms DIANE BEAMER:** Of gaol?

**Mr ALLEN:** I could not give you a specific figure on this so I would have to take that as a question on notice.

**The Hon. CATHERINE CUSACK:** If a tenant is convicted but not sent to prison for dealing drugs from a department property, is their tenancy terminated?

**Mr ALLEN:** If a tenant was dealing drugs from their department property that would be a breach of their tenancy agreement. The department takes those breaches extremely seriously and would commence action to terminate the tenancy.

**The Hon. CATHERINE CUSACK:** This figure of 39 being terminated for reasons other than rent arrears seems incredibly low.

**Mr VEVERS:** That is effective for evictions, which is where the Sheriff is called to physically remove somebody from the property. There would be many, many other people who would leave before that point was reached but who would have been served with a notice of termination.

**The Hon. CATHERINE CUSACK:** What action is the department taking for early detection of illegal activities in properties?

**Mr ALLEN:** There is a range of steps the department takes. The department does have a strong working relationship with local police right across the State and, where appropriate, if information is provided from the police then investigations are undertaken. Obviously, good neighbourliness is the best safeguard for anybody living in any community, and tenants do look out for their neighbours both in a positive sense and in a negative sense. And if information or complaints come through from tenants then those would be investigated. The department's client service staff are out on a regular basis in their property portfolios and if they notice anything through any of their activities or their other work with tenants then they would take action. So there is a range of ways in which we could identify any illegal activity and take appropriate action.

**The Hon. PENNY SHARPE:** Point of order: I understand that 20 minutes have elapsed and it is time to move on to share the time equally, as previously decided.

**CHAIR:** I ruled that I would accede to Ms Cusack's request. There was no dissent from my ruling at the time. If there had been I would have considered those arguments then. But in view of the failure to dissent—

**The Hon. PENNY SHARPE:** Point of order: In that case I wish to dissent from your current ruling because at the deliberative meeting at the beginning of this hearing it was agreed that the time for questions would be shared equally.

**The Hon. CATHERINE CUSACK:** Point of order: If we are going to consider this matter, do we need to hold a deliberative?

**CHAIR:** You need to move the motion.

**The Hon. PENNY SHARPE:** I move:

That the Committee dissents from the Chair's ruling.

**(The Minister, witnesses, advisers and public withdrew)**

*[Upon resumption]*

**The Hon. CATHERINE CUSACK:** With respect to the Gordon housing estate, how many houses have been purchased in Dubbo to replace the Gordon housing estate?

**Ms DIANE BEAMER:** I gave what was described as extensive and detailed answers to the Gordon housing estate before. I was somewhat rapped over the knuckles for them. Shall I start with that again?

**The Hon. CATHERINE CUSACK:** No, Minister, you gave us the numbers that have been relocated but you did not indicate whether any properties have been purchased in Dubbo. My question relates to an issue you have not covered.

**Ms DIANE BEAMER:** I did say things about this.

**The Hon. CATHERINE CUSACK:** You did say things about it, but you did not say whether properties have been purchased.

**Ms DIANE BEAMER:** I did give detailed answers. If you want a more extensive answer than that, I will take that particular question on notice.

**The Hon. CATHERINE CUSACK:** In relation to housing commission tenants paying market rent, are you aware of concerns regarding housing commission tenants paying market rent at 6 Karee Crescent in Queanbeyan?

**Ms DIANE BEAMER:** The department or the housing commission?

**The Hon. CATHERINE CUSACK:** Regarding housing commission tenants?

**Ms DIANE BEAMER:** The Department of Housing tenants, is that what we are talking about? It is 20 years since it has been the commission.

**The Hon. CATHERINE CUSACK:** Is the department aware an order was made by the Consumer, Trader and Tenancy Tribunal in December 2005 to fix 15 problems with the house, including mould in the kitchen, sagging ceilings, dangerous cracks to walls and defects under the door supports? I have a number questions on this matter. I think I will place them on notice.

**Ms DIANE BEAMER:** No, you can go through them. I will take that one on notice. What was the next one?

**The Hon. CATHERINE CUSACK:** I will place further questions on notice concerning this matter given that you are not familiar with that property.

**Ms DIANE BEAMER:** Am I taking questions on notice that we have not heard?

**The Hon. CATHERINE CUSACK:** No, I will put them on notice through the Committee's normal procedures. Are you aware of hardship being experienced by long-term tenants following recent rent reviews?

**Ms DIANE BEAMER:** Would you like me to go through the process of rent reviews?

**The Hon. CATHERINE CUSACK:** It is the issue of people who have complained about hardship arising from those rent reviews?

**Ms DIANE BEAMER:** I will go through some of these figures. The department is currently applying the latest market rent valuations to its properties. Market rents are reviewed annually, as you are aware. Market rents will increase for approximately 70,700 tenants, however the majority of these tenants currently pay subsidised rents, so there will be no impact on the amount of rent they actually pay. Market rent for approximately 40,350 tenants will decrease. Again, the majority of these tenants currently pay subsidised rent, so there will be no impact on the amount of rent they actually they, unless their new market rent becomes less than their subsidised rent. That will occur in a small number of tenants that are in this category. About 10,000 will remain the same, and again there will be no change.

Of the total of about 1,200 tenants who currently pay market rent and will have an increase in their market rent of more than \$60 a week, for these tenants the rent increase will be capped at \$60 a week, regardless of the amount of increase. Commencing in 2006 the department will conduct group subsidy reviews twice a year following Centrelink's March and September CPI increases. The department recently completed a group subsidy review for all tenants living in either department-managed or Aboriginal Housing office dwellings.

Information about the review was sent to each tenant of the department and Aboriginal Housing Office. For tenants whose only source of income was a Centrelink benefit, their subsidies were updated automatically. Tenants with other sources of income were required to supply the department evidence of their household income. Their rent subsidies were then reassessed according to any changes to their income since the last assessment. The review was completed in July 2006, at which time tenants started to be charged their updated rent.

**CHAIR:** I am sure it is a matter of regret to you that the Department of Housing, having been through one ICAC inquiry and now subject to a second ICAC inquiry that involves a former Minister, given that public perception is everything—

**Ms DIANE BEAMER:** I think truth is, too.

**CHAIR:** Truth, public perception and integrity are all matters of great concern, and the former Minister is now under a very public cloud. Is it of concern to you that the current Minister should have been in receipt of electoral donations from the former Minister—donations that could well have resulted from income generated from the former Minister having shares in companies that had profited from buying and then reselling Department of Housing properties?

**Ms DIANE BEAMER:** This matter has been referred to ICAC and as such it is not appropriate for me to comment on it at this time.

**CHAIR:** With the former ICAC investigation of Department of Housing officer Graham Wade, can you tell me whether the department has investigated and is aware of whether any Minister, ministerial staff or departmental officials have had dealings with persons mentioned in the course of that inquiry, such as Mr Rainer, Mr Lorenz, Mr Lesley Green, Mr John Ash, a company called Buremeia, L. B. Alford and Associates or Waratah Property Services?

**Ms DIANE BEAMER:** I will defer to Mr Allen on this question.

**Mr ALLEN:** In relation to the ICAC inquiry you have referred to, I can assure honourable members that the Department of Housing has co-operated extensively with ICAC during its investigation and subsequent inquiry, and the department will endeavour to implement any recommendations arising from the ICAC's inquiry and the commission's findings when they are released. The department is committed to promoting an ethical workplace and has introduced a range of measures to prevent and control corruption and fraud. Some of these measures include the implementation of a corruption and fraud prevention policy and strategy and a code of conduct and ethics, which is regularly reviewed and updated. All new staff receive compulsory training in the department's code of conduct and ethics, and there is regular refresher training for existing staff.

In 2005 the ICAC provided targeted training on ethical leadership to the department's executive and senior management. The department's risk management and audit committee, which was established in 1997 with an independent chairperson, advises myself as director general on identifying and addressing risks to the department. The department's business assurance unit, which was established in 1999, is responsible for anti-fraud and corruption prevention activities and investigation of all allegations of corruption, fraud or to serious misconduct. A dedicated to corruption telephone hotline and email address enable quick anonymous reporting of alleged corruption or fraud.

The department has a system of nominated disclosure officers widely circulated to all employees to enable staff to make protected disclosures on suspected corruption. The department's business assurance unit has quarterly meetings with the Independent Commission Against Corruption to discuss corruption prevention activities and promote co-operation between the two agencies. There

is also a gifts and benefits register for staff to register any gifts received in the course of their work, as well as recording actual, potential or perceived conflicts of interests.

**CHAIR:** Has the department conducted internal investigations to discover whether there is any link between the corrupt former Department of Housing officer Graham Wade and any of the companies in which Mr Tripodi held shares?

**The Hon. GREG DONNELLY:** Point of order: I think the issue with respect to the matter involving the previous Minister has been adequately dealt with by the Minister, who said that it is subject to an ICAC investigation.

**CHAIR:** To the point of order: It is not a point of order and I ask you to rule it out of order. It is an attempt to answer a question from another Committee member.

**Ms DIANE BEAMER:** I refer you to my previous answer.

**CHAIR:** What processes, if any, has the department now put in place to ensure that its properties are properly assessed as surplus to requirements and those properties are sold at a reasonable price and not undervalued?

**The Hon. GREG DONNELLY:** Point of order: That specific point was dealt with in some detail by the Minister when she answered a previous question.

**Ms DIANE BEAMER:** I will start again with the answer I gave to the Hon. Greg Donnelly.

**The Hon. CATHERINE CUSACK:** I ask you to ask members to identify the standing order under which they are taking a point of order so that they are not wasting your time.

**CHAIR:** There is no point of order.

**Ms DIANE BEAMER:** It was extensively covered in my answer to an earlier question asked by the Hon. Greg Donnelly relating to undertakings of the department regarding redevelopment, reconfiguration, acquisition and disposal of assets.

**The Hon. GREG DONNELLY:** That is the one.

**CHAIR:** I will consult the *Hansard* transcript to see what you had to say on that.

**Ms DIANE BEAMER:** If you would like me to repeat the answer I will do so.

**CHAIR:** No, thank you.

**Ms DIANE BEAMER:** I did start by talking about the number of properties we sell each year as a proportion, et cetera.

**CHAIR:** Can you explain why departmental properties are not sold by auction?

**Ms DIANE BEAMER:** I know it is in my answer. I think we should start from the beginning.

**CHAIR:** This is a specific question.

**Ms DIANE BEAMER:** Yes. The department redevelops homes in areas of high demand and targets sales where the demand is low. As I went through, there are a number of reasons we sell homes: They are uneconomical to repair or maintain; there is a concentration—

**CHAIR:** No, I am asking why they are not auctioned, not why they are sold.

**The Hon. GREG DONNELLY:** Point of order: The Minister is entitled to—

**Ms DIANE BEAMER:** Can I answer the question?

**CHAIR:** Yes.

**Ms DIANE BEAMER:** All homes that are identified for sale are valued by an independent agency and sold by public auction through a real estate agent. All properties—to quote the answer I gave to the Hon. Greg Donnelly—have a reserve price based on the independent evaluation. The reserve price is approved by an internal property disposal assessment panel. The composition of this panel includes the Director General, the Deputy Director General Operations, the Executive Director Policy Strategy and Finance, and the Executive Director Governance and Regulation. The panel also reviews the circumstances around proposed sales, such as links with local asset portfolio strategies, including potential to redevelop the site. Estate agents are chosen by competitive tender. Only when an auction fails to reach the reserve price will the agent try to find a purchaser and continue the sale by private treaty.

**CHAIR:** Would you not agree that that procedure has been an abject failure when properties could be sold by the department in the morning and then resold at a considerable profit by the purchaser in the afternoon of the same day?

**Ms DIANE BEAMER:** Your question related to how I feel. How do I feel?

**CHAIR:** My question was if the procedure—

**Ms DIANE BEAMER:** The question was how do I feel.

**The Hon. GREG DONNELLY:** Point of order: It seems to me that what is being put forward is a hypothetical question, and if it is hypothetical—

**The Hon. CHARLIE LYNN:** It is not hypothetical at all.

**The Hon. GREG DONNELLY:** It is hypothetical.

**CHAIR:** There is no point of order. I rule it out of order.

**The Hon. GREG DONNELLY:** It is hypothetical, and the Minister does not have to answer hypothetical questions.

**CHAIR:** It is not up to you to rule what the Minister has to answer.

**Ms DIANE BEAMER:** I am trying to maintain how I feel.

**CHAIR:** Is the process not shown to be a failure if these can be sold by the department in the morning and then resold by the purchaser in the afternoon of the same day at a considerable profit? Does that not indicate to you there are serious shortcomings in the procedure that you have just outlined?

**Ms DIANE BEAMER:** Your first question asked how I felt about it. Now are you going to give specific—

**CHAIR:** No, I am asking do you do not consider that that procedure has been found to be wanting?

**Ms DIANE BEAMER:** I have gone through the procedure. This procedure seems to have those checks and balances in place, particularly when we think that they have to go to auction, it has to go through a number of phases before we get to the point where it is under the reserve price. I have gone through this process.

**CHAIR:** Minister, as has been clearly demonstrated, when a property can be sold in the morning and resold in the afternoon, is that not evidence that this procedure is inadequate?

**Ms DIANE BEAMER:** Given that you have used the term that it has been clearly demonstrated, we are more than happy to answer that question when you have clearly demonstrated that this event has taken place.

**CHAIR:** So, you are suggesting that the material in the *Sydney Morning Herald* of about seven days ago was inaccurate or ill informed or wrong?

**The Hon. GREG DONNELLY:** Point of order—

**CHAIR:** There is no point of order.

**The Hon. PENNY SHARPE:** You have not heard the point of order yet. You have to listen to what he is saying and then rule on the point of order.

**Ms DIANE BEAMER:** If you are going to put specific instances to me—

**CHAIR:** I will provide you with a copy of, I think, last Saturday's *Sydney Morning Herald*, or the Saturday before. You have answered a number of questions on the Gordon Estate. Will the properties outside precinct No. 2 be sold at auction individually, giving the current owners a chance of purchasing them or will the department sell all of the properties in one street as a group?

**Mr ALLEN:** As you are well aware, the department is redeveloping the Gordon Estate. Those areas outside precinct 2 are also subject to that redevelopment. It is intended to dispose of those properties. No decisions have been taken at this point in time as to whether those properties will be sold singularly or in any other fashion. It is far too early in the redevelopment process to make any of those decisions.

**CHAIR:** When that decision is made, whether to dispose of them individually or as a group, will you be notifying the current long-term tenants so that those interested in purchasing can take the appropriate action to do so if it is within their means?

**Mr ALLEN:** I am sure the disposal of those properties will be a very public process and all of the people in the area, not just tenants, will be aware of what that disposal process is going to be.

**CHAIR:** Is the department planning to compulsorily acquire privately owned homes in the Gordon Estate?

**Mr ALLEN:** The department is not taking any action to compulsorily acquire privately owned homes in the Gordon Estate. So, it has not taken any action to compulsorily acquire private homes in the Gordon Estate.

**CHAIR:** It may not have taken any action to date, but is it contemplating the compulsory acquisition of privately owned homes in the estate?

**Mr ALLEN:** As I have mentioned on a couple of earlier occasions, the full extent of the redevelopment proposals for the West Gordon Estate have not yet been fully outlined in detail and it is too early to answer any questions about what impact there may be on privately owned properties or indeed on the department's own properties. The department has contacted a number of private owners and offered to acquire their properties. We have not taken the matter any further.

**CHAIR:** Has the department responded to a woman called Shantelle Stephens, who has reportedly—it has been covered in the local news media—tried to contact the Department of Housing to ask whether her house would be acquired. She is a tenant and she has attempted on a number of occasions to contact the Department of Housing to ask whether her house would be acquired yet there has been no response to her query.

**Ms DIANE BEAMER:** Sorry, can you just clarify that? She is a tenant?

**CHAIR:** She is a tenant and she wants to know whether the house in which she is living will be acquired by the department.

**Ms DIANE BEAMER:** She is a tenant of a private rental?

**CHAIR:** No, I understand she is a tenant of a publicly rented house.

**Ms DIANE BEAMER:** I am not quite getting this. Do we own the property she rents and we are going to acquire it from ourselves?

**CHAIR:** I am sorry, I am told she is the owner of the property and she has attempted to find out from the department whether there will be any acquisition of her property, but apparently she can get no response from the department. Will you be responding to her query?

**Mr ALLEN:** I can only refer again to my earlier answer and the earlier information on the communication and information strategy the Minister referred to in her earlier answer on the Gordon Estate.

**CHAIR:** You may know, Minister, that the Mayor of New York has an initiative on affordable housing that undertakes to provide 165,000 units over 10 years. Does the Department of Housing centre for affordable housing have any target number of units that it wishes to acquire over the next 10 years? If it does not have such a target, why does it not set itself such targets?

**Ms DIANE BEAMER:** Mr Allen?

**Mr ALLEN:** I am not familiar with the targets you referred to or the plan or strategy from New York. The department's centre for affordable housing does not have a specific number of affordable housing properties to acquire but the centre's role is a facilitation role, to create and encourage affordable housing opportunities. It sounds to me a very different sort of arrangement than the one you referred to in New York.

**CHAIR:** Minister or Mr Allen, are you aware that projects in New York such as the Atlantic Yards Redevelopment and the Imperial Wharf Project in London, require that half of new housing units must be affordable? Is the department moving to ensure that similar requirements are imposed upon major redevelopments in Sydney such as the Carlton United Brewery site or elsewhere in New South Wales?

**Mr ALLEN:** I refer again to the earlier answers we have provided about affordable housing. A range of strategies for affordable housing in this State are being considered and there will be further announcements about those strategies later this year.

**Ms SYLVIA HALE:** Have you discussed the future of the Carlton United Brewery site with the Minister for Planning about the possible inclusion of socially affordable housing on that site?

**Mr ALLEN:** With respect, Madam Chair, I am not familiar with what discussions may have taken place with the Minister for Planning. I think that is a matter you should take up with him.

**Ms SYLVIA HALE:** I am asking whether the Department of Housing has engaged in discussions with the Minister for Planning about the provision of affordable housing on the Carlton United Brewery site.

**Mr ALLEN:** Madam Chair, I have not discussed the matter with the Minister you referred to and I am not aware that any other Department of Housing staff have.

**Ms SYLVIA HALE:** Does the department support the suggestion that there should be a proportion of affordable housing on that site, possibly managed by an organisation such as City West Housing?

**Ms DIANE BEAMER:** Madam Chair, the development of any site is subject to a lot of various things. I would suggest that those questions are better put to the Minister for Planning.

**CHAIR:** If there is to be a positive move towards the provision of affordable housing, surely that initiative should come from the Department of Housing which could then undertake the task of approaching other ministries or Ministers in an attempt to give substance to such a policy?

**Ms DIANE BEAMER:** On a whole broad range of issues. I suggest the first line of attack should be the Federal Treasurer. We have had three interest rate rises in a row. That is one of the biggest attacks on affordable housing that has occurred within the Sydney basin, particularly in Western Sydney. Along with petrol price increases, that has created the greatest stress families have experienced for a long, long time.

**CHAIR:** Minister, you referred to the local government housing affordability initiatives. Do you think it is unrealistic of the State Government to suggest that local government should do more in the provision of affordable housing when local government is revenue constrained in a way that the State Government is not? The local government has no power to set legislation and cannot use planning powers to levy for affordable housing.

**Ms DIANE BEAMER:** I do not think for a couple of reasons that it is unfair for local government. They have shown a willingness, I must say, by the partnership they have forged to undertake the kinds of strategies we have in place. I would hazard a guess it would be a lot easier if we got our fair slice of the cake from the GST revenue.

**Ms SYLVIA HALE:** Would you agree it is inherently unfair that local government, whose revenue is very much constrained by the State Government, should be asked to attempt to provide more affordable housing, given that it cannot use any planning powers to levy for affordable housing?

**Ms DIANE BEAMER:** You would also be aware that many councils applied to the State Government for increases above the CPI. Many of the applications are granted. I am not talking about the Mayor of Hawkesbury who asked for a 48.5 per cent increase. But, for example, Penrith council was successful. There are numerous examples of such applications before the Local Government Minister and he has granted them on the merit of the programs they have put forward. There have been circumstances where councils have come forward with projects, programs and ways in which they would like to see their communities grow above the limit imposed on them by IPART. It means there are councils who see this as a priority.

**CHAIR:** You would be aware that applications for rent increases have to be justified in terms of specific projects.

**Ms DIANE BEAMER:** Yes.

**CHAIR:** Going back to my original point, planning laws prevent councils from levying for affordable housing.

**Ms DIANE BEAMER:** They can put forward specific projects within their enhancement bids to the Minister for Local Government.

**CHAIR:** In 1985 the Land and Housing Corporation was given title to dwellings in the Bishopthorpe and Philip areas of the Glebe estate by the Commonwealth. For each financial year from 1985 until 2005-06, would you provide the Committee with information as to the numbers of dwellings in this precinct owned by the Land and Housing Corporation?

**Ms DIANE BEAMER:** Due to the detailed nature of that question I will take it on notice.

**CHAIR:** Would you also take on notice these questions: What was the total number of sales of Land and Housing Corporation dwellings for each year from 1985 to 2005-06 in this precinct? How much revenue was derived each year from those sales? Would you provide the addresses of all the premises sold since 1985? Would you indicate whether any premises in this precinct are to be sold this financial year?

**Ms DIANE BEAMER:** Due to the detailed nature of those questions, we will have to take them on notice.



**CHAIR:** Before we conclude tonight would you provide the Committee with those questions you have prepared?

**Ms DIANE BEAMER:** I was willing to go through them with you. I misunderstood, I thought we agreed that I would provide the answer if you asked the question.

**CHAIR:** So you will not table them tonight?

**Ms DIANE BEAMER:** I thought we were going through the answers when you commenced your questioning. I said we would be able to provide those answers that I have in response to your questions.

**CHAIR:** Will you do that before we leave tonight so that we can table them?

**Ms DIANE BEAMER:** Which question are we talking about? [*Time expired.*]

**The Hon. PENNY SHARPE:** Minister, what impact will a substantial reduction in front-line staff, say in the order of 29,000 statewide, have on an important social agency such as the Department of Housing?

**Ms DIANE BEAMER:** Thank you very much for that question. I think it is going to be a very risky choice to take. This State already has the second lowest number of public servants per capita of any other, bar Victoria. Now the Leader of the Opposition claims it can slash 29,000, sometimes 30,000 public sector jobs in just two years. According to his magic pudding he is only going to cut staff based in Sydney. Then he says he is going to cut backroom staff, but does not tell us who they are. We know that does not add up, because he is not counting the number of staff. It is very risky for him to get his hands on the Treasury.

For the Department of Housing, a vital social agency and one that provides accommodation and assistance for hundreds of thousands of people in need each year, this would mean a 12 per cent reduction in the number of front-line client service staff. This in turn would mean that those who were fortunate enough to keep their jobs would be lumbered with an additional 50 tenancies to manage. Each client service officer [CSO] would be managing more than 400 tenancies at one time. The Department of Housing prides itself on the service it provides to its clients. I know that the team servicing my electorate do a magnificent job. To provide the Committee with a full picture of what services are put at risk by such a reckless promise, I thought I would provide you with some details of the services that our CSOs provide to our clients and the community every day.

The CSOs organise maintenance and repairs so that our tenants can live in safe and secure accommodation that is up to our standard. They conduct inspections of our properties to make sure that our tenants are following their tenancy agreements and maintaining their properties, including common areas. The CSOs process transfer applications to make sure that our clients are living in the most suitable accommodation. They deal with nuisance and annoyance complaints to make sure that our tenants and their neighbours can enjoy a peaceful home life. They process rental subsidy and rent deduction forms to make sure that our tenants are paying their fair share but no more.

The CSOs also process applications for priority housing to ensure that those groups who need to be housed quickly can be found suitable accommodation. Groups of people like the elderly, people with mental illness, people with a disability and young homeless people could be left without a roof over their head because there is no-one to process an application. CSOs also help people into the private rental market through our RentStart Scheme.

I would be interested, as I am sure our tenants and the general community would, to discover where these cuts would come from. Western Sydney perhaps, where we have the largest concentration of public housing? Perhaps the Coalition will go off in another direction and take a bite out of our maintenance staff. This will mean that maintenance on public housing in New South Wales will come to a standstill. There are currently 1,500 maintenance staff working for the Department of Housing across New South Wales. They could be the first to go if the honourable member for Vacluse becomes Premier. The Coalition will allow public housing to fall down around the ears of tenants so

that it can meet its bottom line of 29,000 job cuts. The Opposition has raised concerns about the maintenance of public housing, and I ask the member for Vaucluse to rule out once and for all cutting any frontline maintenance jobs from the Department of Housing. If he had his way, almost every agency in Sydney would be left without staff to process records, to fix computers and to perform all the vital tasks that take pressure off the front line. For the sake of our housing tenants and the staff of the Department of Housing, the honourable member for Vaucluse should immediately rule out cutting any personnel from the department.

**The Hon. GREG DONNELLY:** What steps is the Government taking to encourage public housing tenants to have respect and to take responsibility for their homes and community?

**Ms DIANE BEAMER:** One can safely say that the majority of our tenants are good citizens and the Government takes their safety seriously. However, antisocial behaviour in public housing is not acceptable. The Government has taken a zero-tolerance approach to any tenant who does not respect their home and their neighbours. Social housing is a hand up for the future, not a hand up for life. Tenants who do not respect their neighbour's right to live in safety and comfort do not have a place in social housing. Tenants must take responsibility for their behaviour and respect the opportunity they have to live in a safe, affordable house.

The Minister, as the Minister for Fair Trading, has amended the Residential Tenancies Act to manage tenants who repeatedly cause disturbance to their neighbours. The Act requires tenants to keep premises reasonably clean, not to use the premises for illegal purposes, not to cause or permit nuisance, not to interfere with reasonable peace, comfort and privacy of neighbours and not to cause or permit damage to the premises or neighbouring properties. When the tenancy ends they must leave the premises as nearly as possible in the same condition as when the tenancy commenced, other than normal wear or tear.

In addition to the action available under the legislation, a number of tools and strategies are used by the department to reduce vandalism and to improve the quality of life for public housing tenants. We are making some real progress with the antisocial behaviour strategy. That includes the introduction of a range of initiatives to improve the Department of Housing's response to nuisance, annoyance and antisocial behaviour and the expansion of safety audits to all public housing estates.

**CHAIR:** Minister, Mr Allen and Mr Verver, thank you for appearing before the Committee. Minister, are you tendering the answers to the questions on notice that you were provided with to the Committee tonight?

**Ms DIANE BEAMER:** I went through these questions with you and said that a lot of them will take some time.

**CHAIR:** No, I am referring to the prepared answers.

**Ms DIANE BEAMER:** Due to the detailed nature of the questions, I will have to take them on notice. Would it be best if we get to the Committee with the provisions you have already given us with the answers to those questions? I think that would be better than my trying to it work out. The vast bulk of the questions ask for data from 1985, 1994 and with a complete list of things.

**CHAIR:** My question related to the questions for which you already have prepared answers—

**Ms DIANE BEAMER:** We will do it according to the normal procedures of the Committee.

**CHAIR:** —not those for which you do not have prepared answers. If there are any questions for which you have prepared answers, will you provide those to the Committee tonight?

**Ms DIANE BEAMER:** I would much prefer, and I think it would be fairer, if we answered those as questions on notice. They are very detailed.

**CHAIR:** In that case you will be providing answers to those questions within 21 days.

**Ms DIANE BEAMER:** As I understand it, you have made that decision.

**CHAIR:** We have. There will be further questions from the Committee that will be provided to committee staff by close of business next Tuesday.

**Ms DIANE BEAMER:** As I understand it.

**(The witnesses withdrew)**

**(The Committee adjourned at 10.04 p.m.)**

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