

# GENERAL PURPOSE STANDING COMMITTEE No. 4

Wednesday 15 March 2006

Examination of proposed expenditure for the portfolio area

## HOUSING and TRANSPORT (SYDNEY FERRIES)

The Committee met at 2.00 p.m.

### MEMBERS

The Hon. J. A. Gardiner (Chair)

The Hon. J. C. Burnswoods  
The Hon. G. J. Donnelly  
The Hon. K. F. Griffin  
Ms L. Rhiannon

The Hon. D. Clarke  
The Hon. D. E. Oldfield  
Ms S. P. Hale

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### PRESENT

**Department of Housing**

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

**Mr B. Keneally**, *Executive Director, Policy, Strategy and Finance*

**Sydney Ferries Corporation**

**Rear Admiral C. Oxenbould**, *Acting Chief Executive Officer*

**Ms Wendy Hughes**, *Chief Financial Officer*

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**MR M. ALLEN**, Director General, Department of Housing

**MR B. KENEALLY**, Executive Director, Policy, Strategy and Finance, Department of Housing

**CHAIR:** I declare this meeting open to the public and welcome officers from the Department of Housing to this meeting of General Purpose Standing Committee No. 4. At this meeting the Committee will examine further proposed expenditure for the portfolio area of Housing. Before questions commence some procedural matters need to be dealt with. With regard to broadcasting of proceedings, a copy of the Legislative Council's guidelines for the broadcasting of proceedings is available from the attendants and clerks. Only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee the media must take responsibility for what they publish or what interpretation they place on anything said before the Committee. Delivery of messages is as I outlined this morning and as usual. The time allocations will be as usual.

I declare the proposed expenditure for the portfolio area of Housing open for examination.

Mr Allen, do you have a brief opening statement?

**Mr ALLEN:** No, I do not, Madam Chair.

**CHAIR:** We will proceed to questions. If I could ask a question about public housing in Orange. It has been reported that 60 or more houses in Orange are vacant and have been vandalised. Firstly, can you confirm that number? Is it true that in the order of 60 or so houses in Orange are vacant and have been subject to the attention of vandals?

**Mr ALLEN:** I am not able to confirm that specific number. That sounds unusually high given the proportion of properties the department has in Orange. My understanding is that we would have only normal vacancy turnover occurring in Orange, and that would be far less than 60 in my general experience. So, I would be surprised at that. In terms of the department's overall performance on vacant properties, it has been reported that the Department of Housing in New South Wales has the lowest vacancy rate of the other State housing authorities and the fastest level of vacant turnaround. So I would be very surprised if that figure was correct. I am happy to take that as a question on notice, however, and come back to this Committee with a more specific figure on the number of properties vacant in Orange as at this date.

**CHAIR:** Can you tell us how many houses or units in New South Wales are untenanted or vacant at this stage?

**Mr ALLEN:** Again, I am not in a position to give you a specific number of how many are vacant at this point in time but I refer back to my earlier comments that the department has the lowest vacancy rates of all housing authorities in Australia and the fastest vacancy turnaround time. So, we would expect at any given point in time approximately 1.3 per cent of our property portfolio would be vacant. That is out of a portfolio total of approximately 130,000 properties.

**CHAIR:** On notice would you be able to provide us with the latest information?

**Mr ALLEN:** Yes, we are happy to take that as a question on notice.

**CHAIR:** And the location of those properties?

**The Hon. JAN BURNSWOODS:** What is the standard rate for the private market?

**Mr ALLEN:** The standard rate is much higher than that. It is generally around 3 per cent to 4 per cent. So, the department compares quite favourably with the private sector. As a point of clarification, vacancies are always in a sense a movable feast. It is a point in time figure as properties become vacant each day and others are tenanted each day. If we take today's date as the base date and we will report back as at this time.

**CHAIR:** A recent *Today Tonight* program showed a home inhabited by two goats and a horse. Can you advise the Committee on the status of that particular home? Is that house, for example, going to be sold for what is happening to it?

**Mr ALLEN:** That particular house was being prepared for sale by the department. The department has a relatively high proportion of public housing properties in the immediate area of Doonside, which was the suburb concerned. The house was vacant at that time ready to go onto the market. I understand it has since been sold. At the time it was vacant a neighbour had placed a couple of animals in the rear yard of the property because it was vacant and they were able somehow to gain access inside the home. They were removed as soon as the department became aware of it, and action was then taken to continue with the marketing of that property.

**CHAIR:** When did the department become aware it was inhabited by goats and a horse?

**Mr ALLEN:** Other local neighbours brought that to the department's attention. I understand at the same time it was also brought to the attention of the local media.

**CHAIR:** I think you said it has already been sold, is that right?

**Mr ALLEN:** That is my understanding.

**CHAIR:** It was to be sold prior to this media coverage? It was already earmarked for sale?

**Mr ALLEN:** Indeed. It had been earmarked for sale and I understand arrangements had been made for the department's sale agents to commence marketing the property.

**CHAIR:** In that instance, what was the reason for it being sold rather than renovated and allocated to someone on the waiting list for such a house?

**Mr ALLEN:** The department, as a matter of process, sells properties from time to time. The funds from any of those sales are reinvested into new properties, usually in the same general area. One of the issues the department is dealing with is the significant change over time of the demographics of our tenants, our clients. Back in the mid-1970s the largest proportion of the department's tenants were two-parent nuclear households and over time there has been a significant change, requiring the department to house more single people. Indeed, the growth of single person households is fairly typical of the general community. That growth in the department's demographic profile of single person households is a larger number than for the general community, so those funds are being reinvested in producing smaller housing stock that is better suited to the department's needs and has a longer lifespan for those clients than an older property in a three-bedroom cottage style as was the particular one we are talking about.

**CHAIR:** Can you tell us how many such properties are listed for sale by the department?

**Mr ALLEN:** I am not sure if I have a specific figure to hand this afternoon. I can certainly talk in general terms. In terms of the 2004-05 financial year the department sold less than 0.22 per cent of the total number of houses that we have under management. Funds are sold for a number of reasons. Generally they are that the property is uneconomical to maintain or to repair; to help break down the concentration of social housing in a particular area; if the home has a high market value without a high strategic value for our clients, in terms of serving our clients' needs; and if the home is leased to a community organisation. Approximately one-fifth of the housing sold by the department in that year was sold to existing public housing tenants as part of the department's overall policy of encouraging tenants to enter into home ownership where that is possible. In terms of numbers, I can report that in the year 2004-05 approximately 316 properties were sold. Again, consistent with that proportion, 56 of those properties were sold to tenants.

**CHAIR:** Would you be able to provide us on notice with the location of those properties?

**Mr ALLEN:** Yes. We could take that as a question on notice.

**CHAIR:** When the properties are sold, the whole of the proceedings of the sale goes to building replacement buildings?

**Mr ALLEN:** Yes. All of the proceeds of sale, less the selling costs, are reinvested in public housing, as I say, generally in the same broad area and targeted to the more specific needs of our contemporary clients, so generally for the construction of one and two-bedroom accommodation, although occasionally for the construction of larger homes where we have specific needs for housing for families of extended nature.

**CHAIR:** Can you tell the Committee what you know of the circumstances of the sacking of your predecessor, Mr Barnes? Do you know why he was sacked?

**Mr ALLEN:** No, I do not.

**CHAIR:** You do not know if it had anything to do with the issues that are currently being inquired into or have been recently inquired into by ICAC?

**Mr ALLEN:** Two comments, Madam Chair. First of all, I was advised of the circumstances of my predecessor by the Acting Director General of the Premier's Department at the time. I was given no reason for that action taking place. I am assured that notwithstanding that there was no relationship between my predecessor leaving the service of the Government and that ICAC inquiry, no relationship whatsoever.

**CHAIR:** So, you have been told that?

**Mr ALLEN:** I have been told that. I understand that very clearly from both departmental sources and also from ICAC itself. My predecessor was not called to give evidence. There was not any action by ICAC to make any inquiries of my predecessor or involve him in any way, shape or form with that ICAC inquiry.

**CHAIR:** Was there any link between the incident I mentioned earlier, the house with the goats and the horse living in it? Did that had anything to do with his demise?

**Mr ALLEN:** I was not given any reason.

**CHAIR:** Did you ever ask for a reason?

**Mr ALLEN:** I was told there was no reason and I simply left it at that.

**The Hon. DAVID OLDFIELD:** You were told he was sacked without reason?

**Mr ALLEN:** I was told he was leaving the service of the Government and that there were no specific reasons for that action.

**CHAIR:** We have heard about the matters before the Independent Commission Against Corruption recently relating to the Department of Housing and it has been stated that Department of Housing properties have been sold at below market value and then resold at a profit. Are you aware of any arrangements such as that that are ongoing in relation to matters that have not yet been investigated by ICAC?

**Mr ALLEN:** In terms of the public hearings recently held by ICAC into the conduct of a former Department of Housing temporary employee and certain other real estate agents, our former temporary employee has admitted to selling a small number of properties owned by the former Home Purchase Assistance Authority to his associates at below market rates. These properties were then on sold in a rising market with profit split between those involved with the transactions. Public hearings into the matter concluded on Friday 17 February after eight days of hearings. The commissioner has directed that closing submissions be served on the parties on 20 March. The Department of Housing has co-operated extensively with ICAC during its investigation and subsequent inquiry. We will endeavour to implement any recommendations arising from the ICAC inquiry and the commission's

findings. Coming back specifically to the point you raised about the number of properties, it was a small number of properties.

**CHAIR:** Are you aware of any others that would fall into that category that should be investigated?

**Mr ALLEN:** No, I am not. We have co-operated fully with ICAC during the course of that investigation. I can assure the Committee that ICAC have indeed investigated the situation very comprehensively and no other properties other than the small number that were the subject of the public hearing were identified. The hearings also, during the course of evidence given by a number of parties, highlighted the very significant level of subterfuge that our former temporary employee had to go to indeed to even dispose of the small number of properties involved.

**CHAIR:** Are you confident you have measures in place that no other employee could involve himself or herself in such activities in the future?

**Mr ALLEN:** I am confident that the department's processes and procedures are as robust as they can be for these sorts of circumstances. We have indeed had a number of discussions and consultations with ICAC about those processes. They have been both independently audited by the department's auditors and indeed the Audit Office. So I am as sure as I reasonably can be that all of the appropriate processes and procedures are in place.

**CHAIR:** Do you know whether Mr Barnes is still on the attached list courtesy of the Premier's Department?

**Mr ALLEN:** It is my understanding that he is not but I am not in a position to be able to provide more detailed comment on that. Perhaps that is a question best addressed to the Premier's Department.

**CHAIR:** You do not know what Mr Barnes is doing?

**Mr ALLEN:** Not at this point in time, Madam Chair, no.

**CHAIR:** In relation to unruly and criminal behaviour that is sometimes occasioned by public housing tenants, can you advise the Committee what steps the department has taken to stamp out such behaviour in areas such as West Dubbo?

**Mr ALLEN:** The department takes very seriously any acts of antisocial behaviour by its tenants. Where any of those acts are a breach of the tenant's tenancy agreement with the department and we are able to substantiate that breach of the tenancy agreement, then we will take very strong action against those tenants. The department has demonstrated its capacity and willingness to do that.

**CHAIR:** Can you tell us specifically what you are doing to try to improve the situation?

**Mr ALLEN:** There are a number of ways and means by which the department would seek to achieve that. We have a strong working relationship with the local police right across New South Wales, as well as the police hierarchy more centrally. We do have a memorandum of understanding with the police. Generally, matters of antisocial behaviour are police matters. The police have far more powers than does the department to investigate those matters and to indeed prosecute those cases where there is evidence and substantiation. We liaise closely with the police and if such evidence and substantiation are available, then we will take strong action against those tenants. We have been exploring a number of other ways of improving the department's performance in that area. We have been trialling a number of specialist staff who can provide both guidance and support to our local staff on the ground to be able to deal with those matters effectively. We have also been piloting acceptable behaviour agreements in two locations in New South Wales.

**CHAIR:** In two locations?

**Mr ALLEN:** That is correct. The piloting of our antisocial behaviour strategy focuses on improvements to help the department better respond to antisocial behaviour incidents where they

occur. We provide support and assistance to those tenants who repeatedly behave in an antisocial manner to help them change their behaviour. I would stress though that the bottom line is that if the behaviour does not change the department will take strong action.

**CHAIR:** You referred to specialist staff looking at this matter. Have any of the specialist staff been allocated to the Gordon estate at Dubbo West?

**Mr ALLEN:** We have a number of additional staff resources that have been provided to assist our team based in Dubbo. We have a very detailed and close working relationship with the local police in Dubbo. Indeed, I have met with the local area patrol commander myself about matters in Dubbo to ensure that we do have a strong and close working relationship and, wherever possible, the department has taken action where tenants have breached their tenancy agreement through close co-operation with the police. I have also written to the police, the local magistrate and probation and parole authorities to ask that any person not be bailed to the West Dubbo estate where they do not have a legitimate reason for being there.

**CHAIR:** Have any tenants or public housing occupants who have burnt down or wrecked houses been rehoused by the department?

**Mr ALLEN:** It is a very theoretical question. If I can answer it in this way, that is, if we have found and are able to substantiate that a tenant has maliciously damaged and destroyed their home, then we would take strong eviction action against them. Where any damage is as a result of fair wear and tear, obviously that is a different set of circumstances. Where other people have set fire to the house, again that is a different set of circumstances for which we cannot hold the tenant responsible. The department does have a very strong view about tenants damaging their homes and we will take strong action wherever that can be substantiated.

**CHAIR:** In the case of an eviction for malicious damage, do they become eligible at some stage for public housing elsewhere?

**Mr ALLEN:** Any tenants that we evict would be classified as former unsatisfactory tenants. There are very specific criteria that would generally prevent those people from becoming tenants of the department again. There are some exceptional circumstances arrangements. In general terms, they require the tenant to have demonstrated a period of satisfactory tenancy in the private sector before they could even be reconsidered for public housing. As I mentioned, there are a number of criteria that we would need to assess before considering the rehousing of a tenant in those circumstances. The general response is that, no, those people would not be considered for further tenancy.

**Ms SYLVIA HALE:** Mr Allen, you mentioned there were two pilots of the acceptable behaviour agreement under way. At which locations are they?

**Mr ALLEN:** They are in Newcastle and Wagga Wagga.

**Ms SYLVIA HALE:** How long will the pilots run?

**Mr ALLEN:** The pilots have currently concluded and we are evaluating the success of the pilots.

**Ms SYLVIA HALE:** What will you do if you find out that they have been unsuccessful or ineffective in achieving their purpose?

**Mr ALLEN:** Again, that is a fairly theoretical question. In terms of providing you with the most accurate answer possible, the department is genuinely evaluating the pilots. I am sure there will be positive and successful lessons that we can learn from the pilots. In addition, we are currently carrying out other work in evaluating some of the other activities that we have undertaken in dealing with antisocial behaviour or indeed what we sometimes call nuisance and annoyance behaviour where we have been providing additional support to staff in a couple of locations to see whether we can improve the success with which we deal with those situations. The department's approach is one of trying to support tenants to modify their behaviour so that they can become successful members of

their community. It is not an automatic jump to eviction approach. But where it is appropriate and all other measures have failed, we will take strong action.

**Ms SYLVIA HALE:** Will the evaluation of the pilots be done within the department or will external groups or individuals be involved?

**Mr ALLEN:** We have been liaising with a number of other partner government agencies during the course of the pilots. We will certainly have discussions with them about their views on the pilot.

**Ms SYLVIA HALE:** What about non-government agencies, such as the New South Wales Tenants Union and Shelter NSW?

**Mr ALLEN:** We certainly have had general level discussions with some of those organisations about the progress of the pilots. I would expect in the normal course of events that we would have some consultation with those and other non-government agencies about the department's general approach on antisocial behaviour. It is an issue of concern not just for the department but for those other organisations and we have a strong working relationship with those organisations.

**Ms SYLVIA HALE:** I would like to ask a specific question about Mulgum House in Nimbin. As you know, it is a property owned by the Department of Housing that until recently has been managed by Anglicare. I understand that Anglicare no longer manages the property. Has any resolution as to Mulgum House's future been reached?

**Mr ALLEN:** The department has taken over management of that property or is in the process of taking over management of that property from Anglicare. We intend to proceed with an expression of interest process within the broader community to see whether we can identify an organisation to undertake the future management of that particular facility. There are some issues that we need to deal with as part of that process. There are differing and varying views on the level of need for supported aged accommodation within the general Nimbin area and the department is keeping an open mind, as one would expect, during the process of calling for those expressions of interest.

**Ms SYLVIA HALE:** Will you be taking into account the proposals for future use that were submitted by the Friends of Mulgum House?

**Mr ALLEN:** We would ask them to submit an expression of interest consistent with the criteria that we are putting forward through that call for expressions of interest. Yes, indeed, we would certainly take any submissions under the expression of interest process.

**Ms SYLVIA HALE:** Presumably, one requirement would be to ensure that the facility is used to its maximum capacity, or as close as possible to its maximum capacity?

**Mr ALLEN:** Absolutely.

**Ms SYLVIA HALE:** In relation to asbestos, there has been ongoing litigation between the department and resident Mrs Reisner of Wauchope Crescent, Coogee. Has that litigation come to an end or is it still on foot? It is a matter I have asked about over the last three years.

**Mr ALLEN:** Yes, I am aware that you have. Mrs Reisner's unit at Wauchope Crescent was inspected by the department and a contractor in April 2004. Some asbestos was found in the bathroom ceiling and the ceiling was properly sealed. An initial air monitoring test arranged in November 2004 by the department and undertaken by an independent environmental company specialising in asbestos matters detected a miniscule amount of asbestos fibre within the premises. Advice was received at the time that it posed no significant health risk. Early last year Mrs Reisner had the premises tested herself by another environmental company. That test showed that there was no indication of further remedial work required or, indeed, any further action the department should take in relation to the test results. Mrs Reisner, without reference to the department, had the ceiling removed from her bathroom as part of having the bathroom inspected.

WorkCover has inspected the building. The department has received no notice from WorkCover in respect of the building. In accordance with WorkCover's requirements, which are listed on its web site, any building material that may contain asbestos is safe if left undisturbed and is fully sealed. Indeed, the same advice has been received from the New South Wales Health Department. I understand that in 2002 Mrs Reissner instituted proceedings against the department in the Supreme Court, claiming damages for illness and psychological damage arising from mould in the premises. In April 2004 the claim was further amended and filed in the Dust Diseases Tribunal to include damages for alleged asbestos contamination of her unit. In late 2004 the Supreme Court ordered the Dust Diseases Tribunal proceedings to be transferred to the Supreme Court so that all matters could be heard together. There are solicitors for the department's insurance company defending the legal proceedings.

**Ms SYLVIA HALE:** Does the department have a systematic program for removal of asbestos where it is detected to be broken or in poor repair?

**Mr ALLEN:** The department has an exceedingly positive and proactive approach on the issue of asbestos, and from my own perspective a very strong and proud record in dealing with such matters. We have over time replaced the roofs of all homes that were made of asbestos roofing material. We have a detailed protocol in place should damage occur to any asbestos-related product in the homes of our tenants. Our approach is unless we can confirm it is asbestos or not we will treat it as asbestos. We will provide rehousing immediately for those tenants while the matter is investigated and remedial actions undertaken.

We have written to all of our contractors on a number of occasions to remind them of their responsibilities both under their contract with the department and with general industry standards and requirements for safe work methods and practices, and we have also written to all our tenants through our "Your Home" tenants newsletter to remind them of asbestos issues and to ask them to contact the department's housing contact centre, which is a 24-hours-a-day, 7-days-a-week contact centre, so that if they have concerns that any asbestos-related product has been damaged in their department home we can take immediate action on that front.

**Ms SYLVIA HALE:** Can you provide the Committee with details of where asbestos has been removed in 2005 and the sites at which you anticipate removing asbestos in 2006?

**Mr ALLEN:** That may well prove to be a difficult question to answer because asbestos removal may well be part of a series of works undertaken in a department home and we may not have specific and detailed information down to an individual property level as to whether there was an asbestos-related matter dealt with as part of those general maintenance works. Certainly, the department's properties are no different to all homes in New South Wales where it is highly likely that any home in New South Wales constructed prior to 1986 would indeed have some asbestos-related products, whether it is in the cladding, the roofing or indeed even the surfeits or the eaves linings, but we do, as I have mentioned, have very detailed processes in place to ensure that wherever any concerns arise that we can deal with those both quickly and practically in terms of having any remedial action undertaken.

**Ms SYLVIA HALE:** In the 2005-06 budget papers there is an indication that the Department of Housing will draw down a \$100 million loan to pilot a new maintenance reform program. What is the interest rate for that loan, over what period will the loan have to be repaid, and how long is it expected to take to repay the principal and the interest?

**Mr ALLEN:** My understanding is that that loan is on an interest-only basis for the first 10 years and thereafter principal and interest would be paid on that amount.

**Ms SYLVIA HALE:** Who is the lender?

**Mr ALLEN:** I understand that the loan arrangements have been undertaken through New South Wales Treasury.

**Ms SYLVIA HALE:** So it is Treasury?



**Mr ALLEN:** Yes it is.

**The Hon. DAVID OLDFIELD:** I simply want to get some clarification about previous questions I have asked. One question I asked previously related to the demographic from an age and welfare point of view of housing department tenants. I note that in the case of welfare there is an answer that essentially 28 per cent of people in public housing are on the age pension but that does not seem to correlate with the age breakdown. For example, we are told 19 per cent between 55 and 64, 16 per cent between 65 and 74. Where age pension kicks in there seems to be a discrepancy as to how many people are on the age pension and how many people are in the same age brackets. Can I get some clarification of that at some stage? I understand that that would be on notice—I am not expecting you to know now.

**Mr ALLEN:** I certainly could take that as a question on notice. One issue that may underline the difference is whether we are talking about head of household—

**The Hon. DAVID OLDFIELD:** Yes, we are.

**Mr ALLEN:** —and the specific tenant but whether the other figures that have been quoted by you are a general demographic where there may be a person on an age pension or other such income who is a member of the household other than the tenant or their spouse.

**The Hon. DAVID OLDFIELD:** Certainly in the question on percentages relating to form of welfare, it was the head of household, but can I get some certification?

**Mr ALLEN:** We can certainly get some clarification for you on that.

**The Hon. DAVID OLDFIELD:** It may be an error in my question, I acknowledge, possibly. Otherwise there seems to be some confusion between age brackets and pension ages. Another one was in regard to those pension percentages there is listed "other, 4 per cent" and "Centrelink, 9 per cent". I was wondering whether we might get a better understanding as to what "other" is and what other "Centrelink" is. Some 13 per cent, it does not really disclose what it is. The other question there is parenting. Do I understand parenting to be, for example, a single parent? Would that be what that is?

**Mr ALLEN:** I would think it would generally be that. It is also important to note that the department generally only has income details for the tenants receiving a rental subsidy. There may be other tenants in our properties who are paying market rent. We would not have necessarily any income information for those people. In terms of "other", there are a number of other income entitlements from Social Security that are fewer in number. They may be indeed people who are receiving some form of special benefit because of their residency status as, for example, a recently arrived immigrant. So there is a range of those circumstances—veterans affairs pensions may also be caught by that category.

**The Hon. DAVID OLDFIELD:** It would be good if I could get a better understanding of that. You seem to have fairly good figures. It was seem that you know exactly how old and exactly what they are getting from all of these because you have New Start, disability age pension, parenting, other Centrelink, wages. I note that only 5 per cent of people in public housing are earning a living.

**Mr ALLEN:** That we are aware of, yes.

**The Hon. DAVID OLDFIELD:** These percentages add up to 100 per cent so they are not just who you are aware of; that is what there is—either that or there is something wrong with your figures because they add up to 100 per cent and only 5 per cent of that 100 per cent are earning a living.

**Mr ALLEN:** I am more than happy to clarify those statistics for you.

**Ms SYLVIA HALE:** Reverting to my previous question, I asked you what the interest rate was.

**Mr ALLEN:** I am sorry, I do not know the interest rate off the top of my head. I am happy to take that as a question on notice. I expect it would be the normal Treasury rate for these sorts of arrangements.

**Ms SYLVIA HALE:** Could you also take on notice how long you expect it to take to repay both the principal and the interest? You said the first 10 years are interest only. You must have an expectation of what will happen after that.

**Mr ALLEN:** Yes.

**Ms SYLVIA HALE:** In briefing materials distributed by your predecessor on 24 May 2005 Mr Barnes said, "a net 1,500 dwellings will be added to public housing in New South Wales in the next 10 years". Can you confirm that that number is for dwellings owned and managed by the Land and Housing Corporation and does not include any dwellings managed by community housing providers or indigenous Aboriginal community housing organisations?

**Mr ALLEN:** I can certainly seek to clarify that figure. I am fairly clear that it would not include properties managed by indigenous Aboriginal housing organisations.

**Ms SYLVIA HALE:** If you could clarify that, it would be useful.

**Mr ALLEN:** Yes.

**Ms SYLVIA HALE:** The operating statement for the Land and Housing Corporation 2005-06 in the budget papers shows an estimate of \$19,882,000 to be spent on public housing supply in 2005-06—almost \$20 million. The estimate of the amount spent on public housing supply in 2004-05 was shown to be \$26,703,000. This is a 25 per cent decrease. Can you explain the reasons for this massive reduction in consolidated fund's subsidy to the corporation's public housing supply expenses in 2005-06?

**Mr ALLEN:** I do not have those figures before me. I am comfortable with taking that as a question on notice and come back to you with a specific response.

**Ms SYLVIA HALE:** Earlier in relation to the number of properties disposed of in 2004-05 I think you said 316 had been sold.

**Mr ALLEN:** Yes.

**Ms SYLVIA HALE:** And of these 56 were sold to tenant occupiers.

**Mr ALLEN:** That is correct.

**Ms SYLVIA HALE:** So that leaves 260 that were sold elsewhere.

**Mr ALLEN:** That is correct.

**Ms SYLVIA HALE:** Were they sold individually or were they sold as a job lot to a developer? Can you give me a breakdown as to how those 260 were disposed of?

**Mr ALLEN:** I cannot give you a specific breakdown on the 260. In general terms, those properties would be sold off individually. The department goes to public auction as the process for disposing of those properties. It is very rare that we would dispose of properties in a larger group unless there was considered to be some higher return that the department could possibly achieve by selling properties in one line.

**Ms SYLVIA HALE:** In your comments—and I hope I am not misquoting you—you said one of the reasons for disposing of properties was that they could be of high market value but not of high strategic value to tenants.

**Mr ALLEN:** That is correct.

**Ms SYLVIA HALE:** Can you give me an instance as to where you think that would be a relevant consideration?

**Mr ALLEN:** A typical instance could well be circumstances perhaps where the department owned a single cottage in a street and in a location that had a very high market value where that property could be sold and those funds used to create additional one-bedroom and two-bedroom housing. As I have indicated, that would usually occur in the same general area and that would produce a much better benefit for a large number of tenants than would one single cottage in a particular street.

**Ms SYLVIA HALE:** When you say in one area, it would be in a city location where presumably values have increased. That would lead to the dislocation of tenants or would lead to a decline in the social mix in that area?

**Mr ALLEN:** There are a number of factors that the department takes into consideration when making these sorts of decisions, and certainly the housing stock available in a particular area by comparison to the demand and need for that housing stock both in its raw number but also in the bedroom configuration—and bedroom configuration is an important consideration for us in meeting the contemporary needs of our clients rather than the historic needs that would have been in place at the time that particular home was constructed or purchased. So it is a complex decision-making process that takes all of those factors into account in a way that ensures that we are addressing the needs of our contemporary clients.

**CHAIR:** Mr Allen, I will continue with questions about the situation at Dubbo. Can you advise where the problem tenants at the Gordon Estate have been relocated?

**Mr ALLEN:** A small number of tenants have been relocated to a number of locations outside Dubbo, generally into areas where they have some family connection or other. The department undertakes close consultation, particularly our human service government agency colleagues, to ensure appropriate support mechanisms are either continued or put into place for those individuals or families. There are a number of locations to which those people may well have been relocated, and that was undertaken as a process of negotiation with those tenants to ensure that we are putting them into a location that they have some connection to, in simple terms.

**CHAIR:** When you say they have been moved to outside the Dubbo area, which towns would that be?

**Mr ALLEN:** My understanding is that there are a number of locations to which some people have been moved, some were on the North Coast, some were to the southern areas of the State.

**CHAIR:** When you say "the southern areas", do you mean the Riverina?

**Mr ALLEN:** Yes.

**The Hon. JAN BURNSWOODS:** Point of order: I am unsure that it is appropriate to push for information about where a small number of individuals went. That is going beyond the purpose of an estimates committee, given that the director general has said that it is only a small number. I think that if you pursue this line of questioning you could virtually put an address on people, and I really do not think that is appropriate for an estimates committee.

**CHAIR:** I do not want to know their specific address. Mr Allen has said that some have gone to the North Coast, which is a very large area.

**The Hon. JAN BURNSWOODS:** Yes, and that is appropriate.

**CHAIR:** And some have gone—

**The Hon. JAN BURNSWOODS:** But you asked for which small towns.

**CHAIR:** I did not use the word "small", and I am not going to. Some have gone to the North Coast, some have gone to the Riverina. Have any gone to Orange?

**Mr ALLEN:** No, my understanding is that none have gone to Orange. To the best of my knowledge, I believe that to be the case, despite some of the rumours to the contrary.

**CHAIR:** So you have checked that out?

**Mr ALLEN:** Yes, I have.

**CHAIR:** You say that none have gone to Orange. When you say a small number of tenants, how small is that number?

**Mr ALLEN:** I cannot give you a specific number, but my understanding is that it is less than several.

**CHAIR:** How many tenants from that the estate are proposed to be moved and still have to be moved?

**Mr ALLEN:** I could not give you a specific number off the top of my head. That is a process of negotiation and discussion with tenants who may be in circumstances where they are seeking to relocate and have sought the department's assistance.

**CHAIR:** Would that also be a small number?

**Mr ALLEN:** It is difficult for me to comment more specifically, Madam Chair, without being able to go back into the details of individual tenancies. Whilst I reasonably pride myself on knowledge of what is happening around the State, that is a very small area and I am not able to comment more specifically at this time.

**CHAIR:** It is also a very high profile area, is it not, in terms of the difficulties that the department has had?

**Mr ALLEN:** Yes, it is, and we have been working very closely with a range of government and non-government agencies as well as local tenants and very specifically with our local indigenous community at Dubbo on some of the issues that have occurred there. I make the point particularly that public housing tenants in West Dubbo have been labelled with a series of behaviours that have not been perpetrated by them; indeed, advice from police about the more recent events that have occurred there has been that very few public housing tenants, if any at all, have been involved in some of the disturbances. People from outside the area of West Dubbo have been involved. West Dubbo is a very complex situation, and I am not trying to be trite in saying that it is difficult to give very specific answers to such a complex situation.

**CHAIR:** How many properties has the department disposed of and how many have been demolished in the Gordon Estate?

**Mr ALLEN:** My understanding is that over approximately the last 10 years, 60 properties on the estate have been lost, as a result of being fire damaged in most cases and in other cases so badly damaged by vandals that they are beyond economic repair. I cannot give a figure off the top of my head as to how many properties have been sold on the estate over that time. I believe it would have been some, but I cannot comment more specifically at this time.

**CHAIR:** Could you take that question on notice?

**Mr ALLEN:** In terms of the number of properties that have been sold?

**CHAIR:** Yes, or demolished.

**Mr ALLEN:** Madam Chair, I have given you the number that have been demolished over the past 10 years, which is approximately 60.

**CHAIR:** So your use of the word "lost" means demolished?

**Mr ALLEN:** My apologies. Yes, for clarification I meant demolished.

**CHAIR:** Is it true that the department is not currently filling vacant homes at Catherine Drive and Linda Drive on the Gordon Estate?

**Mr ALLEN:** The area of Catherine Drive and Linda Drive has been the scene of some specific difficulties and issues. We are considering how we should deal with the properties in that location. At this time we have not been letting properties in that specific location. I am sure all members of the Committee would appreciate that given some of the notoriety that the West Dubbo estate has gained, there are very few public housing clients who are particularly interested in living in that area.

**CHAIR:** Is the department building homes in place of each of those that have been demolished, and you mentioned 60? What is the department's policy on that matter?

**Mr ALLEN:** Currently there are no proposals to build housing on the West Dubbo estate. Certainly there are proposals in various stages of development to build or purchase new housing elsewhere in Dubbo. Indeed, over the past 12 months or so the department has acquired some additional homes in the broader city of Dubbo, but outside the Dubbo estate.

**CHAIR:** You mentioned earlier that people who have come from elsewhere caused some of the problems at the Gordon Estate. What is the department doing in relation to people who may be called "transients" who are often the cause of problems and persist in giving a particular location a bad name? What can the department do, what is it doing, in relation to such people?

**Mr ALLEN:** Whenever the department is aware of instances of unauthorised additional occupants in our homes, whether it be at West Dubbo or elsewhere, we would seek to have discussions with the tenant about why that situation exists with a view to having unauthorised additional occupants seek housing elsewhere other than in the department's homes. If tenants wish to apply to have those people considered as authorised additional occupants they are required to make application to the department to do that.

So wherever possible, and we are aware of the circumstances, we would seek to have those people move on, particularly if they are causing disruption in the local community. Again, we would liaise very closely with local police and other human service agencies in looking at those general and specific situations. As I mentioned earlier, I have sought from the magistrate and the local police to ensure that people are not bailed to the estate in those circumstances.

**CHAIR:** Do the police and magistrates co-operate in that regard?

**Mr ALLEN:** I am not in a position to be aware of any recent actions of the magistrate, but certainly there has been a very strong level of co-operation from the local police both in that specific situation that we are discussing and also more broadly in dealing with a variety of matters in the city of Dubbo.

**CHAIR:** You mentioned in relation to the 60 houses that have been demolished that some new houses have been acquired elsewhere. So far how many have been acquired? Do you intend to acquire or build 60 houses elsewhere to compensate for those that have been, as you said, "lost"?

**Mr ALLEN:** I am not in a position to give you a specific figure of how many have been acquired most recently in Dubbo; there certainly have been several. To my knowledge over the course of the past 12 months or so there have been several and we are considering and developing some proposals again for one-bedroom and two-bedroom accommodation to be constructed elsewhere in Dubbo, as we are in a number of other locations. The number of those would always be a matter for consideration by the department in addressing the demand for any individual or more general location. I am not able to say how many at this time, other than the department will be responding to the need

and demand for accommodation, both in the raw number and the specific size of accommodation in Dubbo into the future.

**CHAIR:** Do you have a specific plan to have dwellings one type or other to make up for those that have been demolished?

**Mr ALLEN:** The department is considering how to respond to the housing demand in the city of Dubbo as well as in the broader region. There are issues of demand, and there is not a long waiting list for Dubbo. So we are considering all of those issues in how we address the housing needs of the city into the future.

**CHAIR:** Do you use the term "integrated housing"?

**Mr ALLEN:** No, it is not a specific term we use within the department. Certainly if you are referring broadly to the social mix, the department does pursue an approach of having new public housing, whether it be built or acquired, to achieve an overall social mix on the presumption that that is a positive thing for the broader community.

**CHAIR:** Would some of the problem tenants from West Dubbo be included in that plan for mixed housing in Dubbo outside the Gordon Estate?

**Mr ALLEN:** I feel that describing tenants at West Dubbo as being "problem tenants"—

**CHAIR:** I do not mean generally, I mean specifically ones who have been causing problems.

**Mr ALLEN:** We will seek to address the needs of any tenants who require relocation—whether it is happening at their request or at the request of the department, in a way that responds to their needs, to the size and extent of their family, what their familial relationships are—in other locations to ensure that if we are relocating someone that as much as possible we can ensure that supports are in place for them so that they can have a successful tenancy and be successful members of the communities that they move into.

**CHAIR:** So the answer is yes. The ones who have been problematic will be moved into a broader social mix elsewhere in Dubbo?

**Mr ALLEN:** In that general way that you have described it, yes.

**CHAIR:** Ms Hale asked you earlier about the sale of the department's properties. You said that as a general rule they are sold individually rather than in lots. Do you remember giving that answer?

**Mr ALLEN:** Yes, that is correct.

**The Hon. DAVID CLARKE:** Can you get us exact figures on how many, in the past three years, department properties were sold individually and how many were sold in lots of two or more?

**Mr ALLEN:** We can certainly take that as a question on notice and provide that information, yes.

**The Hon. DAVID CLARKE:** You also have details on how many individual properties may have been sold to the one individual or the one company. Can you produce that information as well?

**Mr ALLEN:** I am not sure whether we could produce that information. Certainly, we have records of whom we have disposed of properties to. It would be quite a complex process to go back over three years to compare purchasers' details across the number of properties that have been sold. Is there any more specific way I can assist you in answering that question?

**The Hon. DAVID CLARKE:** Providing the figures that I have requested. You say that properties have been sold individually but you said that, as a general rule, you do not know specifically what percentage have been sold individually or in lots to the same developer.

**Mr ALLEN:** I would expect very clearly that the majority of properties sold would have been as individual sales and would have been to individual purchasers. I can say to the best of my understanding—and again I am not necessarily across the detail of every single sale, but I am not aware of any situation where there have been a number of purchases completed by an individual purchaser.

**The Hon. DAVID CLARKE:** But you say that the majority of the properties have been sold individually, not in lots?

**Mr ALLEN:** Yes.

**The Hon. DAVID CLARKE:** But a minority could be 49 per cent that were sold in lots of 10, 20 or more to the one developer.

**Mr ALLEN:** I am sorry, I was thinking of the majority being in excess of 80 per cent.

**The Hon. DAVID CLARKE:** In any event, you will take that on notice and get us those figures?

**Mr ALLEN:** Yes.

**The Hon. DAVID CLARKE:** Do you have any figures on how many tenants are living in department properties with asbestos as part of their component?

**Mr ALLEN:** I do not have any specific figures on that. As I mentioned earlier, any property constructed before 1986 would, indeed, be highly likely to contain asbestos building products of one form or another. The average age of the department's homes is approximately 23 years so there would be a reasonable number, it could be presumed on those sort of general statistics, that would contain an asbestos-related building product of one sort or another.

As I have already mentioned, the department does have a very positive and proactive approach to the issue of asbestos. We have replaced the roofs of all those department homes, which had an asbestos roof and I think it is also fair to say the department is more proactive than the private sector in dealing with such issues as part of assessing current action to assess the condition of the department's properties across the State. We are building up a more detailed understanding of how many of those homes would contain an asbestos-related building product.

Based on advice from WorkCover and from the Department of Health, so long as those asbestos building products are undisturbed, that is, they are not broken, drilled, hammered or in some other way damaged, then that building product, we have been assured, is safe.

**The Hon. DAVID CLARKE:** Leaving aside the private sector and dealing with the sector that is under your control, that is, government housing properties: of the 130,000 rented properties, approximately how many were built before 1986, these being the ones that are likely to have asbestos in their make-up?

**Mr ALLEN:** I can certainly take that as a question on notice. It may be misleading to try to answer the question more specifically from my general knowledge so I will take it on notice.

**The Hon. DAVID CLARKE:** But the bottom line is that we probably have thousands of properties involving thousands of tenants and their families who are living in properties at this very moment where asbestos is a lingering problem for them, hanging over their heads like a guillotine, would that be true to say?

**Mr ALLEN:** No, I would not agree with that comment at all. Asbestos-related building products, as I have mentioned, so long as they are undamaged, we have been assured by WorkCover and the Department of Health, are quite safe and there is no risk to the tenants residing in those properties. Indeed, if that were a more serious situation, it would be a greater situation for the private sector than it would be for our organisation.

**The Hon. DAVID CLARKE:** Well, just restricting it to the section that you are responsible for, are you aware of how many properties could have exposed asbestos? You are talking about where there is no damage to the property and there is no problem for tenants. What about those properties where there is asbestos that is contaminating families that you are not aware of?

**Mr ALLEN:** As I mentioned earlier, we have, through our tenant newsletter, written to every single tenant right across the State of New South Wales to make them aware of the concerns that are appropriate for asbestos where there is damage and asked them to contact our housing contact centre, which is available 24 hours a day, seven days a week, to report any such damage or where they have a concern about an asbestos-related product. We have processes and protocols in place so that we would respond to that situation within hours so that we have a regime in place to be able to deal with those situations quickly and effectively wherever tenants have any concern about an asbestos-related building product.

**The Hon. DAVID CLARKE:** But you could have situation where there could be thousands of tenants with small children, for example, who are not aware of problems of exposed asbestos, so even though you might have written to them to contact you if there is the problem, many of them may not be aware of a problem that is lingering and lurking around them already.

**Mr ALLEN:** To be quite honest, I would be surprised, given the level of media and other coverage that is being given to the issue of asbestos, if our tenants were not aware that there were any potential problems in or around their home and are also aware through the advice that we have provided to them that they have the opportunity to call us any time of the day or night to report such a matter and we do that literally within hours. As I have said to you in an earlier response, we do take the approach that unless we are sure it is not asbestos, we will treat it as if it is until we have proven otherwise. We will provide assistance to immediately relocate that family on the spot to other housing arrangements, into a local motel, if necessary, with ongoing support from the department until we can confirm the situation and take appropriate remedial action.

Our contractors are well versed in the issues of dealing with asbestos, both in terms of their contractual requirements to the department, of which we remind them on a regular basis, and the requirement to have safe work methods statements; the requirement to have all of their contractors and subcontractors trained in those appropriate processes for dealing with asbestos, as well as the general occupational health and safety requirements.

**The Hon. DAVID CLARKE:** But it is an assumption by you that all of the tenants would be aware of the dangers?

**Mr ALLEN:** Yes, and I think it is a reasonable assumption, with respect.

**The Hon. DAVID CLARKE:** Time will tell. [*Time expired.*]

**The Hon. DAVID OLDFIELD:** In reference to an answer you gave earlier, is there a situation where recent arrivals, immigrants, refugees or similar, are leapfrogging Australians that are on the list and getting into housing more quickly?

**Mr ALLEN:** The department provides assistance to people who have particular residency status within this country, and that is something we determine with the Federal Government, so it is fair to say that they would be Australian residents that we are assisting. With all of our clients, we assess their housing need based on their circumstances, not their place or country of origin.

**The Hon. DAVID OLDFIELD:** So people who are not Australian citizens are being given priority?

**Mr ALLEN:** I do not think it is fair to say that, no.

**The Hon. DAVID OLDFIELD:** Is that not what you just said?

**Mr ALLEN:** No, I said people who have residency status within this country.



**The Hon. DAVID OLDFIELD:** I will define that for you: resident as opposed to citizen. Are people who are residents as opposed to citizens, regardless of what their status may be, being given any priority over citizens?

**Mr ALLEN:** If I can answer your question this way. First of all, the department requires that tenants have residency status; it does not require them to formally become Australian citizens. That is a separate process.

**The Hon. JAN BURNSWOODS:** If you did, all those elderly Pommie migrants; you would have to boot them out.

**Mr ALLEN:** I think that is fair comment, but in terms of how we assess someone's need, it is based on the urgency of their circumstances and so any of our clients would be given priority over any other client if the nature of their circumstances warranted that priority and we have appropriate processes, policies and operational procedures in place to make sure that that assessment of housing need is as fair and as accurate as it possibly can be.

**The Hon. DAVID OLDFIELD:** I would have to reasonably take that as being a long Yes.

**The Hon. JAN BURNSWOODS:** You take all sorts of things, but usually not accurately.

**The Hon. DAVID OLDFIELD:** Your understanding of accuracy is, of course, directly proportional to that which others might understand not to be accurate.

**The Hon. JAN BURNSWOODS:** That is a great English sentence. Where did you learn that?

**The Hon. DAVID OLDFIELD:** I probably got it from your former teachings before you got on the parasitical public teat.

**The Hon. JAN BURNSWOODS:** Now you do know about alliteration, if you can spell it. You are gaining there. A few more years in this place at the courtesy of the Liberal Party and you might even be literate.

**CHAIR:** Order!

**The Hon. DAVID CLARKE:** He does not refer to British migrants as Pommies, for starters.

**The Hon. DAVID OLDFIELD:** I gather you will not be given a few more years courtesy of the Labor Party.

**The Hon. JAN BURNSWOODS:** What do you refer to them as?

**The Hon. DAVID CLARKE:** I refer to them as British migrants. I do not refer to them as Pommies, as you do.

**The Hon. JAN BURNSWOODS:** Is that an attempt to get away from his games with trying to get into the Liberal Party to survive in the Legislative Council.

**CHAIR:** Order!

**The Hon. DAVID OLDFIELD:** Maybe you could switch to the Democrats or the Communist Party perhaps. Maybe they could open up a door for you, if they have not already.

**The Hon. JAN BURNSWOODS:** Would this be nine years after I announce my retirement or more recently? You have even tried the Greens.

**The Hon. DAVID OLDFIELD:** The announcement of your intending departure that we are mostly looking forward to is not necessarily from this place.

**The Hon. JAN BURNSWOODS:** Are you talking about death? Is that how low you have sunk now?

**The Hon. DAVID OLDFIELD:** Well, you could be sinking lower—digging perhaps even.

**The Hon. JAN BURNSWOODS:** How low you have sunk.

**The Hon. DAVID CLARKE:** Like referring to British migrants as Pommies.

**The Hon. JAN BURNSWOODS:** That is really dreadful, disgusting!

**The Hon. DAVID OLDFIELD:** Those of them who fought a number of wars are at least with us. Mr Allen, I gather from previous answers that have been given to me in the past that the idea of public housing is not to have people there forever but I note that more than half the people in public housing have been in their dwellings for more than 10 years and you have as many as 12,000 people who have been in their public houses for over 20 years.

**The Hon. JAN BURNSWOODS:** A lot of those would not be citizens. That was the point I was making, but we must call them English migrants.

**Mr ALLEN:** I am sorry, I missed the last part of your question.

**The Hon. DAVID OLDFIELD:** I am under the impression that although you are trying not to get people into public housing forever, more than half the people in public housing have been there in excess of 10 years and as many as nearly 12,000 homes have been occupied by people for in excess of 20 years?

**Mr ALLEN:** Yes.

**The Hon. DAVID OLDFIELD:** Is that an issue of concern for you?

**Mr ALLEN:** The department is introducing new arrangements so that the tenure offered to a tenant would reflect the length of their housing need. It is also important to remember both currently and historically that the department's purpose is to assist people who have a housing need that they are unable to satisfy in the private sector and in many cases they are people with the long-term significant illnesses or, indeed, are people with disabilities. Certainly, a large number of the department's tenants historically have disabilities and, in general terms, it could be equivalent, although I am not clear, to the number you have quoted, but it would be difficult for them to solve their housing needs separately.

**The Hon. DAVID OLDFIELD:** Among the 14, 15 or so properties that are worth in excess of \$1 million in the portfolio, one is worth over \$2 million, could you come back to me as to which community organisation has one of those multimillion-dollar properties and, as a general question, do you think it is really appropriate that the department has properties, even one perhaps, worth in excess of \$2 million?

**Mr ALLEN:** I am only broadly aware of the specific property to which you refer. I understand it is a very large property. It provides a form of supported housing through the community sector for a number of people who reside there. Certainly, the department's interest is to try and provide a mix of housing across the State of New South Wales and broadly in all those locations where tenants require housing and, indeed, some of the underlying property values of some of the high value properties have accrued over time.

**The Hon. DAVID OLDFIELD:** Property has a habit of doing that.

**Mr ALLEN:** Indeed, so it has not been specifically purchased in a particular area or constructed in a particular area because of the land values; it has been constructed or acquired in an area to meet housing need and we do review whether properties continue to meet housing need over time. As I mentioned earlier, where properties are of high value but of low strategic value to the department we will seek to dispose of them and reinvest the proceeds.

**The Hon. DAVID OLDFIELD:** Could I get some more information on the \$2-million home and which community organisation has a home worth in excess of \$1 million on its books and to whose tenants you are not able to gain access because it is not on your books but those of the community organisation? Could you take those questions on notice? Lastly, there is the issue of waiving understanding of a person's assets. I note, for example, the department's policy of eligibility for public housing states that applicants who own or part own residential property in Australia are not eligible for public housing if they are, one, able to live in the property; and, two, able to sell their equity in the property. However—as with all these things, apparently—this rule may be waived in special cases. Can I get an understanding of what "special cases" is—either now or later? What special case would allow a person to have a public house even though they have a property of their own that they are not living in?

**Mr ALLEN:** I can certainly cite a general example from my own experience. We have had a person with a disability approach the department seeking assistance in a metropolitan location in Sydney because they required treatment and support for that disability. They were the owner of a home in a relatively remote country area, where there was little value for the property and no market for the property. They were not able to live in it because of its remoteness from the services and support facilities that they required. It had no value on the market because it could not be sold. In those circumstances we would not seek to deny assistance to somebody when the property was, in essence, of no housing value nor necessarily of any financial value to them as being a reason to exclude our assistance to them.

**The Hon. DAVID OLDFIELD:** Could you take that question on notice and give me some other examples rather than the poor disabled person who lives in the country?

**Mr ALLEN:** Yes, we will take that on notice.

**Ms SYLVIA HALE:** I have a question about a property at 8 Nicholson Street, Balmain. The tenant has contacted me and is concerned that the department is insisting that it wants a wisteria removed on the grounds that it is damaging the building. The tenant says that the wisteria cuts down the summer heat and provides shade. She says that, unlike figs, it cannot damage the building. Could you investigate that and get back to me as to whether the department is insisting upon removing the wisteria?

**Mr ALLEN:** We will take that question on notice, yes.

**Ms SYLVIA HALE:** I turn to the question—

**The Hon. JAN BURNSWOODS:** Madam Chair, could you ask Andrew Fraser and David Oldfield to go outside if they wish to continue their lobbying and plotting? It is a bit distracting hearing loud voices over there.

**CHAIR:** No, I heard your mobile phone but I have not heard them.

**Ms SYLVIA HALE:** Nor did I.

**The Hon. DAVID CLARKE:** And your constant interjections.

**CHAIR:** Order!

**Ms SYLVIA HALE:** Turning to the question of limited equity co-operatives, particularly limited equity private co-operatives, as you are probably aware these are quite popular in the United States, where the members of a co-operative can buy into the co-op but when they leave they must sell it at a price equivalent to what they paid for it so that it remains an affordable form of accommodation. Will the department, through the office of community housing, investigate assisting groups of people—for example, residential park residents—to set up limited equity private co-operatives as a way of providing affordable housing?

**Mr ALLEN:** The department is already involved in a number of co-operative housing projects right across New South Wales. The department, indeed, funds an industry resource for co-operatives: the Association to Resource Co-operative Housing, or ARCH. They undertake research and support for a variety of housing co-operative models and the department specifically funds them to undertake that role.

**Ms SYLVIA HALE:** Yes, but it is my understanding that the department retains the title to all those properties; they are not held privately.

**Mr ALLEN:** Yes, that is correct.

**Ms SYLVIA HALE:** It is also my understanding that the banks, for example, do not regard co-operatives as a mainstream form of housing and therefore are very reluctant to extend credit. Will the department consider providing loan guarantees or other forms of assistance so that such a co-operative can be established? I am bearing in mind, for example, a residential park at Karalta Court near Gosford, where the residents have had great difficulty dealing with the owner of the residential park. They wish to establish a co-operative whereby they would own the site or even buy their current site from the owner but to do so, even though they can make the repayments, they need some form of guarantor. I am asking whether the Department of Housing would consider assisting in those sorts of circumstances.

**Mr ALLEN:** To the best of my understanding, we have not assisted people in the specific circumstances that you refer to. I am not sure that dealing with that particular sort of situation is necessarily something that comes within the department's area of responsibilities, particularly in terms of going guarantor for providing any other loan facilities. Certainly people in those circumstances are more than free to contact the association to resource co-operative housing and see what they might be able to assist them with.

**Ms SYLVIA HALE:** The Northcott Estate has been the subject of considerable publicity of late—some negative, some positive. The negative would be the death of tenants and their non-discovery for sometime and the positive would be the *Sticky Bricks* event at Northcott. It was reported that the community worker who was there was on a six-month contract and the contract would not be renewed. But after the *Sticky Bricks* event and the death of the tenant the Minister changed her mind and said that the contract would be renewed. Will the department commit to recurrent funding for community worker positions at Northcott instead of using a series of six-monthly contracts?

**Mr ALLEN:** The department has committed to community support funding for the Northcott building for the next couple of years into the future. It is difficult to make commitments beyond that, depending upon what needs and resources and the allocation of those resources might be appropriate. The department is investing strongly in a number of communities—indeed, particularly in the Northcott community. As you have pointed out, there is the funding that was announced most recently by our Minister. Whether the Minister has changed her mind I think is a question you should address to the Minister. Certainly the department has been considering what funding and resources, both in terms of dollars and staffing, are required for the Northcott project over recent times.

**Ms SYLVIA HALE:** But, Mr Allen, you would agree that a six-monthly contract is hardly a satisfactory basis on which to establish long-term relationships with tenants and institute long-term programs.

**Mr ALLEN:** To the best of my understanding, the community development worker to which you refer is a permanent officer of the department, has been in the department's employ for quite sometime and has a high degree of certainty that that employment will continue.

**Ms SYLVIA HALE:** If I give you the person's name later will you be able to confirm that that is the case and that they are not on a short contract?

**Mr ALLEN:** Yes, I would be comfortable confirming that.

**Ms SYLVIA HALE:** Thank you. Turning now to the death of elderly Department of Housing tenants, I have been told that some councils keep a list of people who are living alone,

particularly those who are elderly or disabled. Will the department be doing the same and encouraging people to register voluntarily on such a list? If so, will someone be allocated responsibility for checking up on these particularly vulnerable tenants?

**Mr ALLEN:** There are a number of ways in which the department works with tenants, with tenants associations and particularly with non-government organisations to ensure that appropriate support mechanisms are in place for our tenants. In terms of people who are desirous of and require some form of checking service, we certainly refer people on a regular basis to a range of services. We have undertaken some specific work in the inner west with the Red Cross and the Telecross service. Indeed, a number of departmental staff participate in that service and make contact with people on a voluntary basis.

It is also fair to say that there are a number of other public housing tenants who want to quietly and peacefully enjoy their tenancy without any interruption from the department. There are a number of processes that would see the department get in contact with all its tenants on a relatively regular basis, whether directly through our staff or through our contractors. Certainly we will continue to work with tenant organisations and non-government organisations to ensure that appropriate support services and mechanisms are in place for our tenants. Indeed, if that is a service similar to Telecross, we will certainly actively support that service and encourage tenants to take advantage of it.

**Ms SYLVIA HALE:** In relation to Telecross, does the department publicise the service among all its residents? For example, in your regular mail-outs are tenants told that such a service exists?

**Mr ALLEN:** We have not done that on a statewide basis to date. We have done it in specific local areas. At the moment we are in some discussions with the Red Cross as to how we and they might better publicise the service that is available through Telecross and what some of the processes and implications of that might be.

**Ms SYLVIA HALE:** Referring to the previous aspect of my question about the department establishing its own register, you would agree that the department is in a unique position when it comes to being able to identify tenants who are elderly, disabled and living by themselves. Do you not think it would be better if the department, rather than relying on non-government agencies, were somewhat proactive in establishing a list of people who indicated they would like to be on such a list? I am not suggesting that anyone be forced to go onto it.

**Mr ALLEN:** What the department does is we review, in a risk assessment away, the circumstances of tenants who may be in a vulnerable situation to ensure that we are making contact with them on a reasonably regular basis and we would make referrals as appropriate to the circumstances of those individual tenants. Whether there is a need for a specific list is not something that we have seen as being particularly helpful. The movement of tenants over time comes and goes and there could be quite a lot of administration around maintaining such a list. But we do keep a focus on all our current tenants who we consider are in vulnerable circumstances and make arrangements, as appropriate, to visit them on a regular basis.

**Ms SYLVIA HALE:** Is there any procedure in place whereby if neighbours or relatives become concerned about the non-appearance or sudden absence of an elderly or disabled neighbour they can report this to the department and the department will then respond appropriately?

**Mr ALLEN:** The department does respond on a regular basis to those sorts of inquiries and calls. We would seek to make contact with the tenant and escalate the situation appropriately if we were unable to make contact with the tenant. That does happen, I can assure you, on a regular basis.

**Ms SYLVIA HALE:** As I understand the situation with regard to one tenant who died and was not found for sometime, fire inspectors were in the process of applying to the Consumer, Trader and Tenancy Tribunal [CTTT] to gain access to the premises. But the department can legally enter premises, can it not, if there is an emergency or abandonment of the premises? So instead of having to apply to the CTTT if a report comes to the department that a tenant has not been seen and there is serious cause for concern, the department can immediately take action to enter the premises.

**Mr ALLEN:** There are appropriate processes in place—indeed, they are covered by the Residential Tenancies Act. When a property is considered to be abandoned the department must have reasonable grounds for considering that a property is abandoned before any action can be taken. In the specific case that you have cited there was no basis for assuming that the property had been abandoned. There had been no contact, as we understand it, from other tenants raising any concerns about the individual tenant in that property. They had not responded to our fire inspectors calling. So when there is an absence of any other concern for the tenant the process is to issue a formal notice under the Act requiring that an inspection take place.

If the tenant then continues to not provide access then the department is bound under the law to go to the Consumer, Tenancy and Trading Tribunal to seek a formal access order whereupon it would turn up with a locksmith and formally enter the property. If in an emergency it had genuine concern for the circumstances of a tenant it would indeed contact the police or other authorities as appropriate and attend the property with them as quickly as possible. That again does happen on a semi-regular basis across the State.

**CHAIR:** Have Government members got any questions?

**The Hon. JAN BURNSWOODS:** Not at this stage.

**CHAIR:** Ms Sylvia Hale asked a number of questions about the Northcott estate. Would you advise whether there was a community development worker working with the department at the time of the sad finding of the skeletal remains of a resident?

**Mr ALLEN:** Yes, there was a significant level of activity in and around the Northcott building, and has been for the past couple of years. The department has been working closely with the cultural community development organisation called Big Heart who were the ones responsible with the department's tenants, and with support from the department were putting on the Sticky Bricks show. So there was a much higher than normal level of activity in and around that project over the past couple of years and it is indeed very sad and tragic that despite all of that no-one was able to identify that our particular tenant had passed away.

**CHAIR:** Has a community development officer been available to the Northcott estate since the appointment of the first one in September 2002? Has that been an ongoing position?

**Mr ALLEN:** The department has a number of what might be generally called community development positions, housing support workers in general terms, and there has been one of those positions in place in the general Surry Hills area in which Northcott is placed, for quite sometime and certainly prior to 2002, to the best of my understanding. The specific community development worker to whom I think you are referring was brought in as an additional resource for that project, but there were existing other housing support resources in place prior to that time.

**CHAIR:** From time to time the Committee has been interested in developments at Bonnyrigg. Would you provide an update on where that is at the moment? In particular, will you advise if the residents of Bonnyrigg have been given any information about future plans for the area? How will the various stages of construction affect the homes in which they live?

**Mr ALLEN:** The department wants to see that the housing at Bonnyrigg meets the needs of its tenants as well as more broadly across the State, and is well maintained and located close to services, as well as strong links with the wider community. At Bonnyrigg specifically there are some key advantages to achieving the sort of renewal that the department believes is required through a partnership with the private sector. It will provide into the future a balanced mix of private and public housing and offer better value to taxpayers as well as better homes for our tenants. The public-private partnership extends to financing development, construction and long-term asset and tenancy management. There is a current process, following an earlier call for expressions of interest for participation in what we describe as the Bonnyrigg Living Communities Project, and short listed proponents have responded to a recent request for proposals. We hope that the winning tenderer will be announced later on this year.

The department has also undertaken very close consultation with its tenants, as well as private home owners, local council and other interested residents in the area. It has a specific Bonnyrigg Living Communities Project office at the local Bonnyrigg shopping centre both with department staff who are dedicated to that project, as well as Fairfield council staff so that there is a high level of consultation and co-operation with those people. It is difficult to be able to prescribe what the future housing arrangements will be because that is all subject to the process of tender and analysis undertaken by the private sector in seeking to respond to the department's request for a proposal. So the department is not in a position to be able to predict the future of housing forms and numbers will be specifically in that area, but there has been a high level of dialogue with its tenants and other local residents. There are ongoing opportunities. There have been a variety of public meetings in general terms. There have been meetings for specific language groups with interpreters. There have been meetings for specific demographic groups, such as young people, and a strong level of co-ordination and co-operation with the council. So that there is as much information out there as there possibly can be and the department has also been very open and frank with its tenants and the rest of the community in saying there are some elements of the project that are yet to be determined and it is clearly not in a position to being able talk to them about those particular issues, because they are yet to be determined.

**CHAIR:** With respect to residents of the Bonnyrigg estate who are being asked to sell their homes, can they expect to be given a fair market value for their homes?

**Mr ALLEN:** Firstly, no private residents in Bonnyrigg are being asked to sell their homes. It is simply a matter of their choice as to whether they decide to sell either now or at some stage into the future and the department would very clearly expect that those people in selling their homes would achieve fair market value for those properties. That is a very clear expectation.

**CHAIR:** Are the residents of those homes entitled to expect that to happen?

**Mr ALLEN:** I think that is a reasonable expectation, yes, and that is certainly the expectation of the department.

**CHAIR:** With respect to some housing properties in the West Ryde area, it has been suggested that some public housing tenants have been asked to pay exorbitant rents. Are you aware that some rents on housing units at West Ryde are currently above the average market rent for that locality?

**Mr ALLEN:** I am not aware that any individual properties are above the market rents for the general area at West Ryde. The department goes through a detailed process to determine what the market rent levels will be. We should be reminded that the only people paying market rent would be those people who are not eligible for a rental subsidy, so it is a relatively small groups of tenants. But the department does undertake a rent valuation process for its properties across the State. That is a process that it has had independently audited and is developed in consultation with a number of groups, including the CSIRO, so that it has a fair and transparent process for determining market rents. There are processes through which tenants can appeal if they have concerns about those market rents and it will deal with those matters, and has dealt with those, when they have been raised with it.

**CHAIR:** On notice, would you check that area and ascertain whether it is accurate that some rents are above the average market rent for that area?

**Mr ALLEN:** Can I perhaps take the question on notice more specifically, that I will provide information as to whether there have been any appeals or concerns raised with the department about the specific rents in that area? Because it comes down to a situation of comparing individual properties with the current market value. I mean, if there are concerns they must have been raised with the department. If they have, I can certainly provide information on how the department has dealt with them.

**CHAIR:** That would be appreciated. Will you confirm that Department of Housing residents in a two-block area at Stockton have been issued with eviction notices?

**Mr ALLEN:** No. I understand that the department has proposals currently in place for a redevelopment project at Stockton and it is negotiating with tenants who live in the subject properties to be redeveloped. It is not the department's practise to issue eviction notices to people in those circumstances but to negotiate their relocation to another area in homes suitable for them. And the department does that in a very open and transparent way with those people and/or their advocates. It also does that in a way that the department meets the reasonable relocations costs of those tenants so they are not financial disadvantaged as part of that process. The department does have a broader obligation to make the best use of all of its housing assets. It does need quite legitimately to seek to redevelop properties from time to time in a variety of areas across the State so that it can bring new forms of housing into place to meet the contemporary needs of its current clients, rather than those of previous years. I can assure you the department does not evict people as part of that process and to the best of my recollection it never has.

**CHAIR:** Is that locality to be transformed into higher density housing? Will any of that higher density housing, or whatever is built there, contain some premises for public housing?

**Mr ALLEN:** I am not aware of the specific proposal at Stockton but I can certainly assure the Committee that the department would be always seeking to comply with the appropriate planning requirements for an individual location, whether that meant more or less density. It would generally be seeking in many of these redevelopment cases to certainly produce one and two bedroom forms of housing which would be in a low density apartment style. So there could be some increase in numbers but that would be responding to the need and the demand requirements for the specific area. But the department does seek formal approval and consent for its new projects through the appropriate local government authority.

**CHAIR:** Stockton has a stable demographic because people have lived there for decades, will those people have to move away? Will some at least have the option of being accommodated in the newly developed buildings?

**Mr ALLEN:** The department always seeks to provide the opportunity to return to a new development to those residents who may have relocated previously. Obviously, subject to their family size being consistent with the housing that is being constructed there but it does offer them that opportunity. The department genuinely negotiates and in my experience successfully to find alternative housing for residents in areas of their choice. It does not force them to go anywhere. It seeks to negotiate with them to find alternative housing both in terms of its form and its location that meets their needs. It offers them the opportunity to return if they wish. In my experience, once settled in another area tenants very rarely return to the project even if they have indicated a desire to at an earlier stage.

**CHAIR:** What sort of timeframe do you put on that? Mr Dick Christie has been in a two-bedroom Department of Housing unit at Stockton for 44 years. He says that he recently got a letter from the department to say that his house will be bull dozed to make way for 11 new villas and that he felt like this was someone tearing out his heart. He says he has been given three months to pack up his life and move on. Are you aware whether that is the case?

**Mr ALLEN:** I am not aware of the specific circumstances of that case but the department certainly would not be writing to people to say it is going to bull doze their home. It would certainly be writing to them to talk to them about the redevelopment proposal that might exist for that site, but it would do that in an appropriate way and start to have detailed conversations with those people, their family members, or their advocates about what the relocation arrangements might mean for them so that the department can successfully rehouse them somewhere else, Yes, there is always a broad commitment to offer people the opportunity to return to a specific project, so long as their family size generally fits the size of the accommodation that is being replaced.

**CHAIR:** Stockton is a fairly discrete community. If they had to move somewhere else, we would be somewhere else in Stockton?

**Mr ALLEN:** If that is at all possible, of course that would happen, and we would work very hard with those people to achieve that.



**CHAIR:** Can I ask you about your category of housing for priority listed persons, residents who go on to a priority list? Are you familiar with the term?

**Mr ALLEN:** Yes, I am.

**CHAIR:** Can you tell the Committee what the Department of Housing's criteria are for placing persons on a priority listing?

**Mr ALLEN:** In general terms their circumstances would have to be of an urgent nature. They would in general terms also have either disabilities or serious medical problems and be either homeless currently or imminently homeless to the extent that the department needed to respond to their circumstances fairly quickly. Obviously there would also be income issues in terms of the department's eligibility criteria, and so on. But broadly it is around a person's current housing circumstances and their personal circumstances in terms of income, health and disability.

**CHAIR:** It has been suggested to me that in western Sydney, for example, being a member of the ALP might be a criterion for getting on the priority list. Would that be fair comment?

**Mr ALLEN:** That would be a completely unfair comment. I completely refute that. I find that almost an offensive comment.

**CHAIR:** Can you give the Committee any information as to whether people have been put on to the priority housing list following representations by ALP members of Parliament? I am talking about people who were not previously on a priority waiting list.

**Mr ALLEN:** I have no knowledge nor any information, nor have I ever in my experience had any, that people are housed as a result of their political affiliations.

**CHAIR:** Can you tell the Committee what role if any Aboriginal land councils play in providing public housing? Do they have input into the Department of Housing's placement of people, indigenous people obviously?

**Mr ALLEN:** Local Aboriginal land councils do not have or manage public housing per se. A number of them have housing resources of their own that they have acquired through various processes. They manage those according to their own processes and their own criteria. Certainly the department consults with local Aboriginal land councils in trying to access and understand local need for planning purposes and in some cases the department has undertaken management of land council properties on behalf of the land council, usually at the request of the State land council or the Aboriginal Housing Office as the case may be. They are certainly in general terms important members of our communities and of our stakeholder groups. They generally attend what are called regional Aboriginal housing committees that are co-ordinated by the Aboriginal Housing Office, and the department generally participates in those co-ordinating and planning processes as well.

**CHAIR:** Would you be able to give the Committee an indication of where joint work is done by the land councils and the Department of Housing?

**Mr ALLEN:** Certainly the department could seek to provide information to the Committee where Aboriginal regional housing committees exist and operate. As I say, they are facilitated by the Aboriginal Housing Office and we participate in those. We can certainly provide that information, yes.

**CHAIR:** In terms of the department's leasing or construction of new public housing dwellings—you may need to take this on notice—could you advise the Committee of what might be called the geographic footprint of where they have been located over the past decade?

**Mr ALLEN:** All new housing over the past decade?

**CHAIR:** Yes.

**Mr ALLEN:** That is a fairly substantial request, Madam Chair. There are a lot of properties the department has acquired, leased or constructed over the past 10 years. Can we assist you in a more specific way? Certainly we can provide locations over the past couple of years fairly readily, and that might be a starting point?

**CHAIR:** Yes, and then we can look at that in the context of the next round of budget questions.

**Mr ALLEN:** Certainly.

**Ms SYLVIA HALE:** Mr Allen, returning the fate that lies in store for the residents of Stockton, surely it is true that a great source of anguish and unhappiness for the residents of the Minto housing estate was the fact that they were moved out, whole communities were broken up, they were not guaranteed they would return to their properties, and indeed the houses that were demolished are still to be rebuilt. Is that correct?

**Mr ALLEN:** I can answer the last part of your question first. The department has currently a concept plan before Campbelltown council for—

**Ms SYLVIA HALE:** Yes, but that has been there for years.

**Mr ALLEN:** No, the concept plan was lodged, as I understand it, late last year. It has only been in the past several months. There is currently a development control plan. I understand the public exhibition period for the concept plan has expired. There is currently, I understand, still a development control plan on exhibition and that exhibition period ceases fairly soon. So, there is a very real and very active proposal on the table with council that has been dealt with and communicated and consulted with the broader Minto community, as well as the public housing tenants quite specifically, on a number of public meetings and other occasions.

In terms of the relocation of tenants, yes, we have relocated tenants from Minto to facilitate that redevelopment. There is always a need for the department to respond to contemporary housing needs, and as part of that process redevelopment is often an appropriate response to current and future housing needs. In that process the department has to balance up the needs of our current tenants to stay where they are versus the needs of our future applicants and our current applicants to have appropriate housing in locations that meet their needs. So, we are always endeavouring to make sure we maintain a reasonable balance, both in housing we provide and the needs of those two particular groups.

**Ms SYLVIA HALE:** But would you not agree we have a concept plan that is yet to be approved but it is a number of years since tenants were evicted and their houses demolished? What is the explanation for being required to move out years ahead of any concept plan being approved, let alone alternative accommodation being constructed?

**Mr ALLEN:** First of all, no tenants have been evicted from Minto as a result of the redevelopment, to the best of my knowledge. As far as how long it has been since tenants have been relocated, I am not aware that it has been years. Certainly it has been some time and, yes, years since the department first advised our tenants in that area that a redevelopment would be proceeding. But it is my understanding that relocation of tenants has only occurred in the course of the past year or so. I could not be more specific but I do not understand that it is going back years.

**Ms SYLVIA HALE:** If it is 12 months or 18 months, and we still have a concept plan to be approved, it will presumably be another year or two, even if the concept plan is approved, before the redevelopment occurs. So, we have a gap of anything up to four or five years during which people's lives have been dislocated and whole community networks have been destroyed.

**Mr ALLEN:** Certainly with larger scale projects like Minto, yes, they do have a long development time frame between when plans are first discussed and when construction is completed. That is the nature of those sorts of large-scale projects. But the department has been working very closely with its residents who still reside at Minto, those who have been relocated and the broader community to try to identify and deal with any of the issues that have come up about matters to do

with the community. I understand there are some things that we have improved on over time in our process of consultation and dealing with tenants. There are various community reference groups and other bodies that exist in the area that the department works very closely with to try to make sure we minimise any disruption or dislocation for tenants, but in any redevelopment process an inherent part of it is asking some people to relocate to another location, as I said, of their choice so that the department can provide new housing for current applicants and future applicants.

**Ms SYLVIA HALE:** It is my understanding that there are at least several hundred houses where tenants have been moved out and the houses have been demolished, yet we have quite a long time period before those houses are replaced. Can you explain to me how having houses vacated and the land standing empty over four or five years contributes to the department's bottom line?

**Mr ALLEN:** First of all, I do not understand that there are several hundred tenants relocated nor that there are several hundred properties that have been demolished. My understanding is a number much smaller than that—indeed, less than half is my understanding. As I mentioned earlier, yes, there is a process with large-scale projects, with the time involved, to bring those projects to fruition. There have been a number of inherent issues with Minto as to why some tenants have been relocated. You may be aware that some of the properties there are of a townhouse style. Some tenants have chosen to relocate more quickly than other tenants and it is difficult to maintain vacancies in some of these situations to use them for rehousing purposes if we are going to have to ask someone to move on again. Alternatively, to maintain them as vacancies that may be subject to vandalism and other damage, including fire damage, that may place the other residents in those rows of townhouses at some risk. So, it is not a straightforward situation of moving some people out and leaving some people there. Minto is fairly complex. I acknowledge the issue you are raising and we have recognised the need to improve some of our relationships and activities at Minto and we have worked very hard over the course of the past 12 months to do that. I have had some quite positive feedback from the community that we have improved and made some things better for them.

**Ms SYLVIA HALE:** If you can take on notice how many?

**Mr ALLEN:** Yes indeed.

**Ms SYLVIA HALE:** In relation to the Bonnyrigg redevelopment, can you tell me if the department is requiring tenderers not only to construct the new housing but also to be involved in the management of the estate, management of the public housing tenancies? Is that a component of the tender?

**Mr ALLEN:** That is a component of the tender, that the management of those public housing properties is also required to be consistent with public housing policies and operational procedures. So, for all intents and purposes the properties will be managed in the same way as other public housing. There would simply be a different management auspice in place. My understanding is the consortiums involved in the tender process have formed partnerships with appropriate community housing organisations as part of their consideration of how they should respond to that tender.

**Ms SYLVIA HALE:** The Hon. David Oldfield wants to ask you a question, so can I ask you one question that you can take on notice? Can you tell me of the three years 2002 to 2005 what percentage of tenants have moved from being in a position where they receive a total rent rebate, a partial rent rebate and pay market rent? I am looking at the movement between those three categories. If you could get back to me with some figures and percentages on that, that would be very useful.

**Mr ALLEN:** I am not sure we can track individual tenants. I can certainly give you some broad numbers. I am not sure that we can also provide you with the information about "partial". It comes down to the definition of a "partial rent subsidy". Perhaps if we could provide you with information of those on rent subsidy versus those paying market rent and on any more specific questions.

**Ms SYLVIA HALE:** Thank you.

**The Hon. DAVID OLDFIELD:** Mr Allen, about 12,000 people are paying market rent, apparently. Why are they in public housing if they are able to afford to pay market rent?

**Mr ALLEN:** Generally because their circumstances have improved over time from the circumstances that existed when they first entered public housing. It has been our policy in the past to not forcibly require those people to move on from public housing. Generally a number of them have, and we certainly have had some discussions with some others. Our policy approach has been different in the past on that particular issue.

**The Hon. DAVID OLDFIELD:** You say your policy has been different in the past. Might we see a change in the future where perhaps 12,000 more needy people who cannot afford market rent occupy those places?

**Mr ALLEN:** As you may be aware, we are in the process of introducing tenure arrangements that respond to the duration of a person's or a household's need. I would have thought a substantial improvement in their financial circumstances would be an issue we would be vitally interested in.

**CHAIR:** Thank you, Mr Allen and Mr Keneally for your presence here today. We appreciate your assistance.

**(The witnesses withdrew)**

**REAR ADMIRAL C. OXENBOULD**, Acting Chief Executive Officer, Sydney Ferries

**MS WENDY HUGHES**, Chief Financial Officer, Sydney Ferries

**CHAIR:** I declare this meeting open to the public. I welcome Rear Admiral Oxenbould from the Sydney Ferries Corporation to this public hearing of General Purpose Standing Committee No. 4. At this meeting the Committee will examine further the proposed expenditure for the portfolio area of Transport for 2005-06. Before questions commence some procedural matters need to be dealt with. As to the broadcasting of proceedings, a copy of the Legislative Council's guidelines for the broadcasting of proceedings is available from attendants and clerks. Only members of the Committee 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 this Committee the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. Members and staff are advised that any messages should be delivered through the attendant on duty or the Committee clerks. The time allocation will be as usual. Rear Admiral Oxenbould, do you have an opening statement?

**Rear Admiral OXENBOULD:** Thank you, Madam Chair. I have no opening statement other than I would like to advise the Committee that I joined the Sydney Ferries Corporation on 20 February and have been acting as the Chief Executive Officer [CEO] there for just over three weeks. Noting that limitation, I am pleased to be here and address whatever questions you may have.

**CHAIR:** Would you detail your role as the Chief Executive Officer of both the Sydney Ferries Corporation and New South Wales Maritime?

**Rear Admiral OXENBOULD:** My permanent position is as the Chief Executive of New South Wales Maritime. I have been seconded from New South Wales Maritime following an agreement between the two Ministers to the Sydney Ferries Corporation for a period of six months. Whilst I am absent from New South Wales Maritime one of the general managers has been appointed as the acting Chief Executive Officer of that authority and I am the acting Chief Executive of the Sydney Ferries Corporation.

**CHAIR:** Will Brett Moore be the acting Chief Executive Officer of New South Wales Maritime?

**Rear Admiral OXENBOULD:** Yes, Brett Moore is the acting chief executive of New South Wales Maritime.

**CHAIR:** Is there a possibility that there is any conflict of interest by being the CEO of both organisations at the same time?

**Rear Admiral OXENBOULD:** I do not believe so. I think with the Government's arrangements that are in place for a State-owned corporation, I have responsibilities to the board and the board has responsibilities to shareholders. I do not see that there is any conflict of interest. If I did detect one I would make that known to the board and the Ministers involved.

**CHAIR:** In an email that you sent to the employees of New South Wales Maritime when you were seconded, you said that you will "meet with Brett Moore and others regularly to discuss how things are going". How often have you met with New South Wales Maritime to see how things are going since you were seconded?

**Rear Admiral OXENBOULD:** I have met with Brett Moore on one occasion. That was a social occasion. It was the Sydney Harbour Week awards on Friday evening a week ago. I have spoken on the phone I would say about five or six times in the intervening three weeks. That is to resolve issues and provide him with some background on issues that have been dealt with at New South Wales Maritime. You may well be aware that I left New South Wales Maritime with very short notice. So there was not an opportunity for a detailed hand over to Brett Moore and there are still some issues that were running where I had the most detailed knowledge. That is what we have been

talking about. There have been no issues to do with Sydney Ferries or with the role of New South Wales Maritime as the regulator for Sydney Ferries.

**CHAIR:** Can you advise the Committee how many vessels have been chartered since 1 July 2005 to replace Sydney Ferries vessels that have been undergoing maintenance?

**Rear Admiral OXENBOULD:** No, I have not got that information at hand. I can provide an answer to that question on notice. What I can provide is that at the moment we have a single vessel on charter, the *Silver Spirit*, to Sydney Ferries, which is helping support the inner harbour routes of our network.

**CHAIR:** Is a vessel called the *Ocean Dreaming* being chartered?

**Rear Admiral OXENBOULD:** No, a vessel called *Ocean Dreaming* was chartered over the summer running to assist on the Manly run. It was only a short charter. I think it only was, in fact, chartered for a total of seven days over the summer running, the December-January period, where we get very high numbers on the routes to Manly and return to Sydney. The *Ocean Dreaming* was chartered to assist in that service.

**CHAIR:** In relation to the chartering of vessels—say the *Silver Spirit*, which is there at the moment in the inner harbour, as you say—presumably Sydney Ferries has an agreement with charter operator. Can you tell us about the nature of such agreements?

**Rear Admiral OXENBOULD:** I can only talk about very broad details about it. The vessel is available on an hourly charter rate, as I understand the situation. It is on call to back up if there is a shortage of Sydney ferries through breakdowns, crew unavailability or some other reason like that. Then we call upon the *Silver Spirit* to fill in and substitute on a service.

**CHAIR:** Is it on call on a more or less permanent basis?

**Rear Admiral OXENBOULD:** It is on call at the moment. It is a single vessel on call. It is berthed at Mosman Bay. Our most critical period is the early routes in the morning. That is where we are most likely to have problems in providing vessels for service. If at the start-up there is a defect found which prevents a vessel being used on a service or if a crew is not available for some reason, that is why we call upon the *Silver Spirit*.

**CHAIR:** You say it is on the basis of an hourly rate. What is the hourly rate?

**Rear Admiral OXENBOULD:** I can provide that on notice. I think it is in the order of about \$260 an hour. I think since 1 July we have paid around \$160,000 to the *Silver Spirit* for the services we have called upon.

**CHAIR:** Would you be able to provide to us on notice the total cost that has been spent on hiring all vessels between several periods, namely, 1 January 2004 to 30 January 2004, 1 July 2004 to 30 June 2005 and 1 July 2005 to the present time?

**Rear Admiral OXENBOULD:** We would probably only have the statistics from 1 July 2004 when the corporation was formed.

**CHAIR:** We would appreciate whatever information you can provide us with. Can you tell the Committee what checks Sydney Ferries does in hiring a charter vessel to make sure it is suitable as a replacement for a particular ferry route, for example, that the charter vessel is compatible with the relevant wharves and is able to fulfil the demand for the ferry service that it is replacing?

**Rear Admiral OXENBOULD:** Again, I can provide you with broad details on that. All chartered vessels are required to be in survey and there is a check to see whether the survey is suitable for the routes that the vessel is going to be operated on. Then, what I am aware of, in the charter of vessels such as the *Silver Spirit* and the *Ocean Dreaming* there has been consultation with the unions to see if there are any concerns about the use of those vessels on that particular route. If there are, they

have been addressed and resolved. Then the vessel operates on those routes within the limitations of its survey certificate.

**CHAIR:** Is there a requirement on the number of ferries that are out of service before Sydney Ferries charters a private vessel?

**Rear Admiral OXENBOULD:** I do not think there is a strict formula. It is a matter of judgement at what level you would have that support available and whether you would have it on notice—for example, as we have got the *Silver Spirit* at the moment—or you would have still have a vessel permanently assigned to one of the routes. At the moment we are operating with a fleet availability of around 70 per cent. There are a number of things contributing to that and there are a number of measures that we have in place at the moment to address that and increase that availability. When that availability gets up consistently over about 75 to 80 per cent, I believe we could dispense with the uses of the *Silver Spirit*.

**CHAIR:** It is really a day-to-day judgement whether to call in the back up?

**Rear Admiral OXENBOULD:** At the moment my understanding is that we had a six-week charter of the *Silver Spirit* and that has been extended and it is on a day-to-day basis that has been extended. We have just been through a very busy running period, which takes quite a toll on the number of vessels over the summer running period, the school holiday period and the peak tourist season. We now have a maintenance backlog which we are in the process of addressing, and once that has been addressed and the availability of the fleet increases we should be able to dispense with the *Silver Spirit*.

**CHAIR:** Have you given the *Silver Spirit* any indication of how long they might be required on a day-to-day basis?

**Rear Admiral OXENBOULD:** I am not sure what the details of those arrangements are, no.

**CHAIR:** Would you be able to provide those on notice?

**Rear Admiral OXENBOULD:** Yes I would.

**CHAIR:** Can you advise the Committee how many vessels have been taken out of service since 1 July last year?

**Rear Admiral OXENBOULD:** That is an extremely broad question because vessels are taken out of service to fuel and for routine planned maintenance. You would expect vessels to be taken out of service quite frequently for those routine tasks.

**CHAIR:** Perhaps I could help by asking you how many have been taken out for non-routine tasks.

**Rear Admiral OXENBOULD:** For mechanical breakdowns?

**CHAIR:** Yes.

**Rear Admiral OXENBOULD:** Again, I do not have those details with me but I am sure we would be able to provide them.

**CHAIR:** And if, in analysing that, you could provide us on notice with the list of how many times each particular vessel that has been taken out for non-routine reasons has been removed.

**Rear Admiral OXENBOULD:** I am not sure what you mean by "removed".

**CHAIR:** When you provide us with the list of vessels that have been taken out, if you could provide us with how many times each particular vessel has been taken out.

**Rear Admiral OXENBOULD:** The list should reveal that.

**CHAIR:** I am just making sure that it will. You mentioned that you are hoping to raise the proportion of fleet availability from 70 per cent to 75 per cent. Can you advise what steps are in place to increase that availability? Are there any items in addition to the changing seasons, so to speak, that you have in place?

**Rear Admiral OXENBOULD:** There is quite an amount of work which has been ongoing in Sydney Ferries over a number of months, in particular to review the activities of the shipyard, and there is a shipyard improvement program—the Balmain shipyard improvement program—which is in the process of being implemented. We hope that that will lead to higher productivity and greater productivity out of the shipyard and, more importantly, closer supervision of the work which is conducted at the shipyard. That will contribute to improved availability. Also just recently we have committed to carry out a maintenance audit and equipment audit of all the vessels so that we know what the state is so we can ensure that we are directing the planned maintenance work as best used.

We have also committed to a 12-week period where we will take on some extra contractors within the shipyard to get over this backlog that we have running at the moment so that we can get back to a normal operating circumstance. That is commencing now. We have also introduced some measures with regard to quality assurance where we have identified some additional milestones and some of the maintenance which is carried out in the shipyard and then arrange for external and independent quality assessors to come down and check that work which has been carried out to that point to improve the quality control within the shipyard.

**CHAIR:** In terms of actual services offered to the public, can you provide the Committee with the number of services which have been cancelled since 1 July last year?

**Rear Admiral OXENBOULD:** I can provide you now with the services with respect to the last 12-month period up until the end of January. That is from February 2005 to the end of January 2006. Over that period Sydney Ferries Corporation provided 155,157 services, which is about 540 services each weekday, and over that same period there were 2,050 cancellations, which is about five to six cancellations a day. That represents 1.3 per cent of the services which are scheduled, so we have been achieving a record of 98.7 per cent of the services completed. It is also worthwhile considering and putting in perspective the cancellations. Some trips are cancelled and substituted by other ferries so that we can carry out training drills. This happens most days and the Manly route is a typical example where a freshwater class ferry may have its trips cancelled and that service will be met by a jet cat so that passengers who were planning to use the ferry service will have an alternate service. We will take the freshwater class from the Manly ferry service and allow it to carry out some training drills.

Training is very important to us at the moment. It is one of the areas where we are trying to concentrate, and it is important to provide these opportunities where we can. There are other things like weather, which we have no control over. If there are very adverse weather conditions like heavy seas across the entrance to Sydney Harbour or restricted visibility through fog or heavy rain, we have no control over that and those services need to be cancelled. Yesterday was an example with a stop-work meeting for the unions to meet to consider their employees' bargaining agreements and we lost over 100 services that day; 100 services had to be cancelled. There are some areas though—and I am certainly not saying there are not areas where we can improve—but there are breakdowns and there are services that we miss through crews not being available at the time, and that is where we are concentrating a lot of our effort at the moment, particularly in the morning. In the early morning and the start up and with fresh crews coming in to take over vessels, it is a time when we seem to be the most vulnerable. But overall the record of services is not bad.

**CHAIR:** How does that 98.7 per cent stock up from your knowledge? Are you able to put that into some perspective, or does your short period there not enable you to do that?

**Rear Admiral OXENBOULD:** Over recent years, those figures have been increasing. One of the reasons which could cause that to increase, and could have caused that increase, is the effort that we are trying to put into training at the moment and providing vessels to take them out of service so that we can use those to carry out practical training with the crews. So that would be causing an



increase in those cancellations. The cancellations that concern me are the ones where there is no backup, there is no alternative, and we leave passengers stranded somewhere. Sydney Ferries regrets it when that occurs and it is something we are trying to work very hard to eliminate.

**CHAIR:** Does Sydney Ferries have a fleet replacement strategy? If so, can you tell us about that?

**Rear Admiral OXENBOULD:** Some work was done quite a few years ago on a replacement strategy. I do not think it is current. I think it is work that we need to be doing now. We are in the process of putting in place a total asset management strategy which will include a fleet replacement strategy.

**CHAIR:** Are you aware of the last time Sydney Ferries had a fleet replacement strategy?

**Rear Admiral OXENBOULD:** I am not sure of the exact date. It is about five years ago that the plan was there. I can get that on notice for you but it was several years ago. I have seen that strategy but I do not believe it is current. We need to put in place a plan which leads to a simpler fleet with fewer classes of vessels within the fleet and a lot more commonality than we have in the fleet at the moment which would simplify both our training and logistics support needs.

**CHAIR:** Are there any plans right now to purchase any new vessels?

**Rear Admiral OXENBOULD:** No, there are no plans at the moment but we have some major projects under way with regards to the re-engining of some of our vessels. We are in the process of re-engining the first fleet class vessels and also the remaining vessels of the river cats, half that class of vessel was re-engined a number of years ago and that will complete that. That is a project of a bit over \$5 million.

**Ms LEE RHIANNON:** What impact will the introduction of Tcard services have on existing employee numbers at Sydney Ferries?

**Rear Admiral OXENBOULD:** I am not sure of that at the moment. Tcard is something I am learning a lot about very quickly and I am attending a shadow board meeting tomorrow and I have a lot of papers to read overnight but I did have a briefing on it yesterday from the chairman of the Tcard group. I do not think it will have a major impact on our staff numbers from what I understand at the moment, the staff numbers will remain about the same.

**Ms LEE RHIANNON:** The front-line customer service numbers will stay the same?

**Rear Admiral OXENBOULD:** That is what I mean. Although we expect there to be other places for people to obtain their Tcard and charge their Tcard with more funds, there will still be a requirement for us to have front-line services people to answer customers' queries and still be able to provide tickets at the wharf. It will be a long time before that changes.

**Ms LEE RHIANNON:** Could you take it on notice? After you have read the document and been to the meeting tomorrow and your opinion changes will you let the Committee know?

**Rear Admiral OXENBOULD:** Yes, I could.

**Ms LEE RHIANNON:** You may wish to take this question on notice. How many workers were employed by Sydney Ferries at the start of 2005, that is on the ferries, the wharves and in the maintenance section?

**Rear Admiral OXENBOULD:** I have the figures at the moment. I would like to caveat my answer, because there is a mixture of permanent, casual and temporary staff. The number of staff provided to me at the moment is that the total across the Sydney Ferries Corporation is 629. In answer to your question: in engineering there are 89, and that includes the staff at the shipyard; in the operations area, which are the masters, engineers, general-purpose hands and administrative section, there are 510; in the small areas within the safety environment and risk area there are about 5; in

training and development there are about 8; in corporate services and the chief executive division there are about 10.

**Ms LEE RHIANNON:** Those figures are as at today?

**Rear Admiral OXENBOULD:** Yes.

**Ms LEE RHIANNON:** I was asking about the start of 2005 to determine where jobs have gone?

**Rear Admiral OXENBOULD:** I do not think we have lost workers. In fact, we have gained quite a number of workers in this financial year because we have changed some of the work practices. We have reduced the shifts, where there were some 16.5-hour shifts for occupation health and safety reasons we have reduced those to 12-hour shifts, and that has required us to take on extra staff in operations, in the order of about 30.

**Ms LEE RHIANNON:** So there has been an increase in staff. Does the operations section cover maintenance work?

**Rear Admiral OXENBOULD:** No, that requires the engineers who are embarked on the vessels and there are some engineers within the administration of operations, in the managing of the fleet and liaising with the shipyard.

**Ms LEE RHIANNON:** Has there been a drop in engineers, or has it stayed the same or increased?

**Rear Admiral OXENBOULD:** It has stayed the same. In fact, we are recruiting in the engineering area and at the moment, particularly in the outer harbour runs for the Freshwater-class ferries. We have an active recruiting campaign running there at the moment.

**Ms LEE RHIANNON:** Do you outsource any of the maintenance work?

**Rear Admiral OXENBOULD:** Yes, some of the work at the shipyard is contracted out. One of the programs we have in place at the moment to overcome the availability issue, is to bring in some contractors. But there are sub-contracts for maintaining specific pieces of equipment, specific engines. If an engine is being taken out of a vessel and has to be rebuilt, the engine manufacturer would do that. We would not do that within our own shipyard.

**Ms LEE RHIANNON:** I am interested in how the negotiations are going on the enterprise agreement. What stage is that up to?

**Rear Admiral OXENBOULD:** They are all at a very critical stage at the moment. We have five enterprise agreements covering the eight unions. Yesterday the Maritime Union of Australia held a meeting and it stated that agreement had been reached. The union put to us a couple of changes it would like to be made to the enterprise agreement and we are reviewing that at the moment.

**Ms LEE RHIANNON:** There are a few outstanding items?

**Rear Admiral OXENBOULD:** Yes. The senior and salaried officers group agreement has been reached with the union. The Australian Maritime Officers Union enterprise agreement is still in the process of negotiation, it has not been put to the members to vote on as yet.

**Ms LEE RHIANNON:** You said that the number of workers has increased. Has the job description of any of the workers, particularly maintenance workers, changed so that they are expected to take on next operations?

**Rear Admiral OXENBOULD:** There has been a lot of work in the shipyard, as part of the improvement program in the shipyard, to redefine the roles of the management level, just beneath the general manager. They would have been some expansion in those roles because we are expecting a

greater level of supervision and management of those positions. We are in the process of recruiting for those six or seven positions at the moment.

**Ms LEE RHIANNON:** You are saying at the level of middle management to senior management there is an expectation to take on more jobs, not in the general work force?

**Rear Admiral OXENBOULD:** I am not aware of the impact on the general work force, or whether there is an impact.

**Ms LEE RHIANNON:** Could you take that question on notice?

**Rear Admiral OXENBOULD:** Yes I could.

**Ms LEE RHIANNON:** You spoke about the reasons for cuts to services. You mentioned heavy seas and fog. I was surprised to hear about the heavy seas, and that knowledge is anecdotal. Elderly people often say to me that they have been travelling on the ferries for years and these days it is very rare that they feel seasick or that ferry services are cancelled because of heavy seas. If you do not have the information, could you take this question on notice? What are the reasons for cancellation of services? How often is that due to heavy seas? How often is it due to fog? What are the reasons for and what are the numbers of cancellations?

**Rear Admiral OXENBOULD:** I am not sure that we have that information, but I will certainly take it on notice and find out. I certainly want to collect that information, it is what I am asking to be obtained and that we keep those figures.

**CHAIR:** A couple of times you mentioned the improvements at the Balmain shipyard. You have spoken about redefining the management roles, et cetera. Have any other improvements been made there since July last year?

**Rear Admiral OXENBOULD:** A very detailed independent study has been made of the shipyard. A plan has been developed, and that is in the process of being implemented at the moment. The main thrust is the issue of strengthening the middle management area and providing greater supervision. There are also initiatives with regard to the controlling of spares and logistics and stores which are used throughout the shipyard.

**CHAIR:** What is the cost of that so far? What is it estimated to be over a year?

**Rear Admiral OXENBOULD:** I have with me the chief finance officer of Sydney Ferries Corporation, Ms Wendy Hughes. She might be able to assist me in that regard. I believe we are looking for some cost savings through what is being implemented in the shipyard and the outcome of the enterprise bargaining agreement negotiations.

**Ms HUGHES:** I am the Chief Financial Officer. The cost of the actual review by KPMG, and in fact the implementation as well, will be about \$300,000 in total. We are expecting to save some money on that implementation.

**CHAIR:** From now on you should be saving some money.

**Ms HUGHES:** When it is implemented. It is in the process of being implemented. It is largely dependent on how long it takes to fill the management structure.

**CHAIR:** When do you anticipate the implementation to be complete?

**Ms HUGHES:** Hopefully by July.

**CHAIR:** On a different topic, the Sydney Ferries logo and badging has been changed. What was the cost of that when it last occurred?

**Rear Admiral OXENBOULD:** I do not have those figures at the moment, but I can take that question on notice.

**Ms HUGHES:** I am not sure that we actually record the specific cost of changing the logos. Usually they are rebadged as part of a broader repairs and maintenance program for a particular vessel.

**CHAIR:** You do not have a different line item for that?

**Rear Admiral OXENBOULD:** Changing logos and changing colours of vessels is implemented progressively when vessels come to the stage of being repainted anyway. There should be very little additional cost associated with changing livery colours or the logo.

**CHAIR:** Are any plans afoot to do a general change in the livery and logo?

**Rear Admiral OXENBOULD:** There is a shift to green and white. But some ferries will retain the more traditional colours of green and gold.

**CHAIR:** In relation to Birkenhead Wharf, has Sydney Ferries been advised when that wharf will be reopened?

**Rear Admiral OXENBOULD:** No, they have not, and this is really a matter for the local council or NSW Maritime or the Ministry of Transport, rather than Sydney Ferries.

**CHAIR:** You have no advice on that?

**Rear Admiral OXENBOULD:** No.

**The Hon. DAVID CLARKE:** Admiral, you were asked earlier about being seconded from the Maritime Board to Sydney Ferries for a period of six months. Have you detected within Sydney Ferries any concern that the Minister appears to be showing a lack of confidence within Sydney Ferries, that someone from within Sydney Ferries was not appointed as the new chief executive officer?

**Rear Admiral OXENBOULD:** No, I have not detected that. That question should be put to the Minister.

**The Hon. DAVID CLARKE:** Yes. Do you consider that there are people in Sydney Ferries and the managerial staff who would be capable of holding the position of chief executive officer?

**Rear Admiral OXENBOULD:** That will be tested, because we will advertise for the permanent chief executive officer in the next month or so.

**The Hon. DAVID CLARKE:** You do not know why that position was not advertised before?

**Rear Admiral OXENBOULD:** I believe I was approached because of my skill set that I was able to bring to the Sydney Ferries Corporation, but that is the only answer I can offer you. Otherwise the question should be put to the Minister.

**The Hon. DAVID CLARKE:** It was sort of taking from Peter to pay Paul, as it were.

**Rear Admiral OXENBOULD:** I have no comment.

**The Hon. DAVID CLARKE:** Earlier you mentioned 70 per cent availability. Did you mean availability of ferries or services? What did you mean?

**Rear Admiral OXENBOULD:** I was talking about the availability of the fleet, the number of ferries that are available at any one time. The fleet consists of 31 vessels. If there are 10 in the shipyard that means we have 68 or 69 per cent availability. That is 21 available to operate the services.

**The Hon. DAVID CLARKE:** So there has been about 70 per cent availability. For what period of time?

**Rear Admiral OXENBOULD:** It fluctuated. At the moment that is what it is running at, it is about 70 per cent. On some days it goes higher than that. At the moment it is pretty close to 70 per cent, but we are expecting three vessels to come out of the shipyard in the next day or so. That will bring it closer to the 80 per cent figure that we were looking for.

**The Hon. DAVID CLARKE:** Are you able to compare the availability rate with the rate of other ferry services within Australia and around the world?

**Rear Admiral OXENBOULD:** No, I have not done that work at the moment because I am dealing with the issues that I have at the moment. The Sydney ferry service is quite unique and there are not many like it around the world that run the type of routes we do over such a diverse and large harbour, so direct comparisons are not all that easy.

**The Hon. DAVID CLARKE:** It might also be unique in only having a 70 per cent availability rate too?

**Rear Admiral OXENBOULD:** I do not know; 70 per cent availability in the navy would have been pretty good some times.

**The Hon. DAVID CLARKE:** The navy is the navy and the ferry service is the ferry service. Do you think it would be a good exercise to compare the availability rate that we seem to be getting with Sydney Ferries with the availability rate in other ferry services? If it has not been done, would it be a good exercise to do that?

**Rear Admiral OXENBOULD:** Yes, I am a great believer in benchmarking. I am keen to benchmark and find out what is best practice and how we can strive to achieve it but I am also keen at the moment to resolve the issues and I have set a target to get over 80 per cent. With 80 per cent we can meet the scheduled services that we have got at the moment without having to rely on any charter vessel hire.

**The Hon. DAVID CLARKE:** Could you also check to see whether there had been any comparisons carried out in the past? One would be shocked if they had not been?

**Rear Admiral OXENBOULD:** And I would be shocked as well. I do not know what my predecessor has done and whether she has carried out that work.

**The Hon. DAVID CLARKE:** I understand you have only just come into the situation but could you take that question on notice and come back to us with whether any comparisons have been carried out with other services in recent years?

**Rear Admiral OXENBOULD:** I will attempt to.

**The Hon. DAVID CLARKE:** What is the status of the development and improvement of performance reporting for Sydney Ferries?

**Rear Admiral OXENBOULD:** I am not sure what you mean by the question.

**CHAIR:** The report from IPART last December on the determination of fares for Sydney Ferries, indicated that improvement was needed in the quality and reliability of Sydney Ferries' key performance indicators [KPI].

**Rear Admiral OXENBOULD:** And we have some work ongoing in that regard, which we will be looking to incorporate in our annual report and I am looking to refine the KPIs that we do report upon and the statistics that we do capture to use as a measure of our performance.

**The Hon. DAVID CLARKE:** And that is well advanced, is it?

**Rear Admiral OXENBOULD:** When you say, "well advanced", I am not sure. It is certainly something that I have been emphasising in the couple of weeks that I have been there. I am aware of some work which has been ongoing with regards to those KPIs and I think this is one of the most challenging areas for management in any organisation—to find out what are the real KPIs which measure the true performance of an organisation. I also find it one of the most intellectually challenging and demanding, so that is what we will be looking to do and incorporate that into the annual report that we produce next year.

**The Hon. DAVID CLARKE:** What improvements to reliability monitoring are anticipated by the implementation of this technology?

**Rear Admiral OXENBOULD:** The reliability is going to be generated from the fleet at availability. As I mentioned earlier, if you measure our reliability in meeting services at the moment, it is a very high percentage. It is 98.7 per cent that was achieved over the past year.

**The Hon. DAVID CLARKE:** What is the total cost of the repairs conducted on the MV *Collaroy* since 19 September last year?

**Rear Admiral OXENBOULD:** Approximately \$492,000.

**The Hon. DAVID CLARKE:** Does that appear to be an excessive amount?

**Rear Admiral OXENBOULD:** No, I do not believe so. There were some major concerns with regards to the control systems and some of the dissimilarities which existed between the *Collaroy* and the other three freshwater class, and I think it is appropriate that they be resolved and that is where this money has been invested.

**The Hon. DAVID CLARKE:** When were the faults identified in the *Collaroy's* control system rectified?

**Rear Admiral OXENBOULD:** They are in the process of being rectified at the moment. It is not so much the faults; it is the differences in the operating systems and to try to increase the reliability of the operating systems that are in the *Collaroy* and unique to the *Collaroy*.

**The Hon. DAVID CLARKE:** Is that vessel fit for service now?

**Rear Admiral OXENBOULD:** The vessel is in the process of being brought back into service. It has been out of service for over five months, as you would be aware. We are about to go through a series of trials of the control and machinery systems alongside the wharf and they refer to that as a basin trial. We will be carrying out that basin trial shortly. We will then be operating the vessel at sea to carry out some engineering sea trials on the vessel to check all the systems and all the modifications which have been made to the *Collaroy's* control systems. Then we will be doing some dedicated crew training before we put the vessel back into service.

**The Hon. DAVID CLARKE:** How many internal investigations have Sydney Ferries undertaken since 1 July last year?

**Rear Admiral OXENBOULD:** We have been subjected to a number of OTSI investigations but after each incident, which has been reported, we will carry out an investigation of it to find out what caused that incident and to make sure that we capture the lessons from that incident.

**The Hon. DAVID CLARKE:** How many internal investigations from whatever source have been undertaken since 1 July?

**Rear Admiral OXENBOULD:** From 1 July 2005 there have been four major incidents.

**The Hon. DAVID CLARKE:** They have required internal investigation?

**Rear Admiral OXENBOULD:** And external investigation.

**The Hon. DAVID CLARKE:** Would you agree that hardly inspires confidence in Sydney Ferries?

**Rear Admiral OXENBOULD:** I would agree that is too many major incidents and is what we are striving to reduce and to eliminate.

**The Hon. DAVID CLARKE:** Four is really unacceptable, is it not?

**Rear Admiral OXENBOULD:** As a member of the public I would be disappointed and I think that that is what we are suffering from at the moment. We have had a number of incidents over the last two years—in total nine—since February 2004 and that is a level which is beyond what we would like to have.

**The Hon. DAVID CLARKE:** Thank you for your honesty in answering that question. In reference to the OTSI report on the *Collaroy* collision with Circular Quay on 19 September last year, when will the CCTV be fully operational at Circular Quay?

**Rear Admiral OXENBOULD:** In fact, I think that was a recommendation from NSW Maritime. We do have CCTV there at the moment covering the wharfs and able to record most of the berthings.

**The Hon. DAVID CLARKE:** And is it fully operational at Circular Quay?

**Rear Admiral OXENBOULD:** No, it has been able to be used in some of the investigations and it is a system which was put in at around the time of the Olympic Games and we are finding that we have reliability problems with it at the moment and we have a program in our capital program at the moment to look at the upgrading and replacement of that system so that it is reliable.

**The Hon. DAVID CLARKE:** When you say you have reliability problems, how long have there been reliability problems?

**Rear Admiral OXENBOULD:** The network covers all the wharfs that we tend as well and with all of three weeks experience, this is checked out each morning and we get a report on those that are not operational. There seems to me to be an unnecessarily large number of the CCTV units which are not working and we had to call in the contractor to rectify those and some of those are taking too long to rectify.

**The Hon. DAVID CLARKE:** In regard to what you describe as "an unnecessarily large number", how long has that situation been going on for?

**Rear Admiral OXENBOULD:** Well, I can only talk about the last three weeks, and when I say "an unnecessarily large number", there is about half a dozen of the 40 wharfs that we use around the place where we are finding that the initial check—because when the controller comes into the control rooms, they go through a check of all the communications and all the CCTVs, and they make a report on that and that is the report that I receive each morning.

**The Hon. DAVID CLARKE:** Will you be able to get us the records of the periods that this system has not been fully operational?

**Rear Admiral OXENBOULD:** If you define fully operational as everything working, I think you would find that a very short time that everything has been working. It is a complex system. It covers the breadth of the harbour and the 40 wharfs. There is a system in place that when we determine and detect that a camera is not working, we get the contractor in straightaway to rectify that.

**The Hon. DAVID CLARKE:** And you would be able to get us those figures?

**Rear Admiral OXENBOULD:** Well, I am not sure what figures you want.

**The Hon. DAVID CLARKE:** Figures showing what elements of this system have not been operational in the past 12 months?

**Rear Admiral OXENBOULD:** That is a very broad question. I can provide you each morning—and I am sure that these records are kept but I get a report each morning and so do most of the senior management, of the log sheet from the control room, which lists this check that is carried out and the results of that check. We can provide you with a list of which cameras were not up at which time.

**The Hon. DAVID CLARKE:** I get a bit jittery when I hear that there is an unnecessarily large number of breakdowns in the system. That concerns me to a great extent.

**Rear Admiral OXENBOULD:** And it concerns us as well, which is why we have got a project in place at the moment to rectify the situation. We do not just leave the system down. We make sure that it is corrected and brought back online.

**The Hon. DAVID CLARKE:** Congratulations, because it seems as if you have a mammoth task ahead of you in doing that. When will safety back boards be made available at No. 6 Wharf at Circular Quay and the southern end of Manly Wharf?

**Rear Admiral OXENBOULD:** I think that is a question for NSW Maritime because they are the owners of those wharfs and it is their responsibility and they are recommendations which OTSI has made towards NSW Maritime.

**The Hon. DAVID CLARKE:** But would they not advise Sydney Ferries when they are going to be made available?

**Rear Admiral OXENBOULD:** Sydney Ferries does not use No. 6 Wharf.

**The Hon. DAVID CLARKE:** What about the southern end of Manly Wharf? Does it use that?

**Rear Admiral OXENBOULD:** Yes, but it is not an issue which we, as operators, have raised. It is an issue that OTSI has raised.

**The Hon. DAVID CLARKE:** So it is of no concern to Sydney Ferries that the safety back boards have not yet been made available at the southern end of Manly Wharf?

**Rear Admiral OXENBOULD:** I am not sure whether or not that is a true statement. I would have to check. I do not know the details of that particular operation well enough to be able to make that statement.

**The Hon. DAVID CLARKE:** Could you take that question on notice and come back to us?

**Rear Admiral OXENBOULD:** Yes.

**The Hon. DAVID CLARKE:** What changes, if any, have been made by Sydney Ferries in response to the OTSI report?

**Rear Admiral OXENBOULD:** Which OTSI report?

**The Hon. DAVID CLARKE:** Is there more than one OTSI report?

**Rear Admiral OXENBOULD:** Yes.

**The Hon. DAVID CLARKE:** Can you differentiate between the reports?

**Rear Admiral OXENBOULD:** They are all very detailed but OTSI has produced reports on the *Betty Cuthbert* collision at Cockatoo Island in February 2004; there was the *Lady Heron* incident in February 2004; there was the *Louise Savage* report of the incident on 12 May 2004; and an incident



with the *Collaroy* on 4 March 2005. Each of those reports has been published. There is also a further report on the *Betty Cuthbert* collision on 23 September 2005.

**The Hon. DAVID CLARKE:** I am glad you asked me to specify which one. I did not realise there were so many. Can you get us information on what changes have been made in response to all of those OTSI reports?

**Rear Admiral OXENBOULD:** We are in the process of implementing and reviewing those recommendations. Two of those reports have been published in the three weeks that I have been at Sydney Ferries so we are in the process of reviewing those and examining the recommendations and assessing their applicability.

**The Hon. DAVID CLARKE:** Can you take this question on notice and advise the Committee where we are at in respect of each of the recommendations suggested in those reports?

**Rear Admiral OXENBOULD:** Yes, I believe I can but I believe that it will take some time.

**Ms LEE RHIANNON:** I have a couple of questions that perhaps you can take on notice. When was the last time that Sydney Ferries initiated a new service?

**Rear Admiral OXENBOULD:** There have been two adjustments to services in the last six months, one of which was to Watsons Bay. From some of the customer surveying that we have been doing we learned that there was a requirement to increase the frequency of that service over the weekend. I believe the number of services has been doubled and the frequency halved. There was also an adjustment to the service at Cabarita, providing more frequent services to Cabarita.

**Ms LEE RHIANNON:** Apart from that adjustment to services, do you know of any new services? When was the last new service initiated?

**Rear Admiral OXENBOULD:** A service to Garden Island has been included as well since Garden Island has been opened to the general public.

**Ms LEE RHIANNON:** Are you considering introducing any other new services?

**Rear Admiral OXENBOULD:** I am not at the moment. My aim is pretty clear: to concentrate on safety and reliability of services and the availability of the fleet and to be able to meet the timetables that we have at the moment. I think that is the long-term project that we need to look at. We need to see how we can assess the services, how they can be improved and which routes might be more lucrative for us.

**Ms LEE RHIANNON:** Thank you.

**CHAIR:** Thank you. That concludes today's hearing. Rear Admiral Oxenbould and Ms Hughes, thank you for your assistance. We appreciate that you have made yourselves available today.

**The Committee proceeded to deliberate.**

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