



Kristina Keneally MP

Monday, 21st March 2011

Mr Tony Harris
Acting Parliamentary Budget Officer
NSW Parliament
Macquarie Street
SYDNEY NSW 2000

21/3
11:22 AM

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policy documents:

- *Protecting NSW rural and regional communities*
- *Providing homes and caring for the vulnerable*
- *Fairness for your neighbourhood*

These policy documents outline our ongoing commitments in key areas of government.

Please find attached a copy of these policies outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

Kristina Keneally
Premier of NSW
Leader of NSW Labor Party





Providing homes and caring for the vulnerable

March 2011



Kristina
Kenealy

Providing homes and caring for the vulnerable

Access to safe, affordable accommodation is a basis for a good quality life. It is the foundation stone for families and accessing education, jobs and the services.

Yet, for many vulnerable people in our communities, finding a home can be a difficult challenge that cannot be met without help and ongoing support from the government and the community.

At the heart of this NSW Labor Housing Policy is caring for the vulnerable. Care for the sick, the frail aged, people living with disabilities, young people without family support and women and children fleeing domestic violence. For these people, the support and help we provide in finding a home can make a world of difference.

The NSW Government continues to work in partnership with the Federal Government and the community sector to provide social housing. We have set a target of 30,000 social housing properties to be transferred to community housing providers by the end of 2016.

NSW is leading the country in delivering on the Nation Building Economic Stimulus Plan with the Federal Government. As of January 2011, 75 per cent of the 6,400 homes under this plan have been completed on time and on budget.

Almost 50 per cent - 3,100 new homes – will be built in regional and rural locations providing more housing for people in need and creating jobs in each of the communities that the development is taking place.

The stimulus is supporting 7,000 jobs for the people of NSW, and was vital in helping to keep the State out of recession and moving forward during the Global Financial Crisis and beyond.

Importantly, the stimulus has also focused on delivering more homes to senior citizens, people with a disability and to low income earners living in these areas.

In addition, NSW leads Australia in providing social housing and assisting with accommodation. We manage more than 144,000 social housing properties with a total asset portfolio worth more than \$31 billion.

With these properties we provide more than 350,000 people with safe, decent accommodation. That is a proud record, but we are always striving to provide more.

I'm proud to present NSW Labor's Housing Policy. It outlines our extensive achievements in the areas of homelessness, social and affordable housing, and our real and effective plans for the future, based on our previous experience and success.



Kristina Leneally

What this policy means for our community

This policy is about:

- The continued delivery of new homes, high standard properties for the most vulnerable members of our community.
- Urban renewal of housing estate areas, focused on the delivery of new, environmentally sustainable, high quality housing and a better social mix.
- Reducing homelessness in our community through a continued total government approach under the NSW Homelessness Action Plan.
- Increased supply of affordable housing under the National Rental Affordability Scheme; and
- Continued innovation in the housing sector to meet the future challenges of ageing, increased population and inequality.

ACTION:

Leading the country in delivering on the Nation Building Economic Stimulus Plan

- Continue to roll out the \$1.9 billion National Building Economic Stimulus Plan creating employment and keeping construction jobs and investment in NSW.
- In December 2010 we reached our target having 75 per cent of the 6,400 homes completed on schedule and on budget with full completion of the program by March 2012.
- Almost 50 per cent – 3,100 new homes – will be built in regional and rural locations providing more housing for people in need and creating jobs in each of the communities that the development is taking place.

Efficient Planning Instruments

- Continue to cut red-tape and the administrative hurdles associated with the roll out of more housing

More Affordable Housing for NSW

- Continue to supply more than 2,000 affordable dwellings for people across NSW through the National Rental Affordability Scheme

Mortgage Assistance for Families

- Continue to help struggling families cope in tough times by helping them keep their homes – building on the 1,500 households, which have already received assistance.

Growing the Community Housing Sector

- Continue to lead the country in the development and expansion of the Community Housing sector – setting target of 30,000 social housing properties will have been transferred to community housing providers by the end of 2016.

Reducing Homelessness by 2014

- Continue to deliver innovative solutions for homeless people under the \$284 million NSW Homelessness Action plan in partnership with the Federal Labor Government
- Rolling out 10 locally tailored Homelessness Regional Action Plans across NSW – the only State to do so in Australia. We have developed Homeless Regional Actions Plans for: the Central Coast; the Hunter; the Illawarra; South East NSW; New England/North West; the North Coast; Western NSW; the Riverina / Murray; Greater Western Sydney; and Coastal Sydney.

Innovation and New Ideas

- Pursue innovative, market based solutions to the housing shortage in NSW such as the 'Homes for Homes' model creating a fund to collect charitable donations from the sale of private homes for the construction of accommodation for low income families or homeless people.

Urban Renewal

- Continue to invest \$1.4 billion renewing major housing estate areas across NSW, focussing on new investment models, Public Private Partnerships and the achievement of better social mixes in communities

Aboriginal Housing - Continued delivery of reform to the sector

- Continue our \$100 million investment in the 'Build and Grow' strategy designed to streamline and reinvigorate the sector through consolidation of organisations and upgrading of homes
- Work with the Federal Government under the Remote Indigenous Housing National Partnership to construct 310 new houses in remote areas of NSW over 10 years for Aboriginal people.

Youth Scholarship Programs

- Labor will promote the Youth Scholarship Program providing opportunities to youth in social housing and improving their commitment to education. We're increasing the number of \$2,000 scholarships each year with 200 to be awarded this year to assist with education costs.

Labor and Housing

The NSW Labor Government has a proud record in delivering housing to those most in need in our community – the frail, the aged, the disabled and those families struggling to make ends meet.

We manage more than 144,000 social housing properties with a total asset portfolio worth more than \$31 billion.

With these properties we provide more than 350,000 people with safe, decent accommodation.

We stand proud of our record, but we're striving to deliver more.

A re-elected Keneally Government will never abandon those people in our community most in need of our help. This is central to what Labor stands for – looking after those who need help to look after themselves. Through this Housing Policy we will continue to do just that.

We will continue to innovate and explore new models in the housing sector to ensure that the increasing need for housing can be managed into the future. This includes renewing housing estates across NSW and creating a new social mix in those communities.

Our Challenges

There is an ever growing need in our community for accessible and affordable housing. This continues to place pressures on the Government budget and we face challenges in meeting the often diverse range of needs and accommodation required.

The demographic challenges of an ageing population will place pressure on the housing sector, and will require the Government to develop new and innovative ways to ensure people are equipped to stay in their homes as they get older, surrounded by the services and community links that they need.

Homelessness continues to be an ongoing and significant problem in our community. The calibre of any society is measured by the way it treats its most vulnerable members.

It is a challenge we must tackle head on. Homelessness requires comprehensive service delivery and creates significant costs in other portfolio areas for Government, in law enforcement, anti-social behaviour, criminal justice and emergency health services if it is not managed effectively.

A continued focus on renewing older housing estate areas is also required to ensure a more balanced social mix of public and private homeowners and stronger communities.

Our Record

LABOR

- 6400 new homes are being built under the Nation Building Plan. This \$1.9 Billion investment is supporting 7,000 jobs for trades-people and sub-contractors as well as 513 apprentices plus 32 Indigenous apprentices. A further 132 apprentices and 87 Indigenous apprentices under the Repairs and Maintenance program have been created.
- Under the Older Persons strategy, NSW Labor Government invested \$420 million to build or buy new dwellings for older people. This will increase the stock to 30,000 dwellings for older people over four years, and a further 2,500 properties will be added from the NBESP.
- The NSW Labor Government has reduced water usage drastically, with social housing tenants saving over 2.5 billion litres of water. As of September 2010, 120,000 properties have been retro-fitted with water saving devices.
- In 2009/10 NSW households were assisted by the NSW Labor Government through RentStart – Housing NSW provided \$41 million for bond assistance, advanced rent and rental arrears. In 2010/11 \$31 million has been allocated to continue assisting NSW families during hard times.
- The NSW Homelessness Action Plan has committed \$284 million to tackle homelessness in NSW.
- In 2009/10 more than 44,000 people in need were assisted with temporary accommodation provided by Housing NSW.
- Urban Renewal of housing estates, including: a \$66 million program to improve public housing estates in Mount Druitt, Claymore, Bathurst-Orange, Macquarie Fields, Dubbo, Killarney Vale/ Bateau Bay/Tumbi Umbi and Wagga Wagga.

OPPOSITION

- No policy position on Housing.
- A previous election commitment to evict 'full rent' payers from their homes and onto the street.
- No policy on addressing homelessness.

- One Minto – The redevelopment of more than 1000 properties in the Minto public housing area, this will integrate a mix of 30 per cent public and 70 per cent privately owned houses, furthering efforts to de-concentrate public housing.
- A 15 year project has been given the green light to renew Bonnyrigg Housing Estate. There will be 2332 dwellings with 699 for public housing.
- The Riverwood and Kamira Court Villawood Urban Renewal Projects will create more than 1000 private and publicly owned housing units.
- Continuing the Transformation Strategy of the West Dubbo public housing area, the sale of homes and land to owner occupiers will continue, with the relocation of former residents.
- The National Rental Affordability Scheme has increased the supply of affordable housing and reduces the costs for low and moderate income households. In NSW funding for 2,083 new dwellings in high need areas have been approved, further assisting NSW families.
- Community Housing stock has increased under the NSW Labor government, growing from 13,000 in 2007, to 30,000 homes by 2016.

Leading the country on delivering Nation Building Economic Stimulus Plan

As of January 2011, 75 per cent of the 6,400 homes under this plan have been completed on time and on budget.

Almost 50 per cent -- 3,100 new homes -- will be built in regional and rural locations providing more housing for people in need and creating jobs in each of the communities that the development is taking place.

The stimulus is supporting 2,000 jobs for the people of NSW, and was vital in helping to keep the State out of recession and moving forward during the Global Financial Crisis and beyond.

Importantly, the stimulus has also focused on delivering more homes to senior citizens, people with a disability and to low income earners living in these areas.

ACTION:

- Continue to roll out the \$1.9 billion National Building Economic Stimulus Plan creating employment and keeping construction jobs and investment in NSW - in January 2010 we reached our target having 75 per cent of the 6400 homes completed on schedule and on budget with full completion of the program by March 2012. (Almost 50 per cent will be built in regional and rural locations.)

Efficient Planning Instruments

The NSW Labor Government has responded to housing supply constraints by delivering State Environmental Planning Policy (Affordable Rental Housing) 2009 (the SEPP), used where developments are no larger than 20 units in size and 8.5 metres in height.

The NSW Labor Government seeks to ensure that social housing developments are compatible with neighbouring developments, compliant where possible with Council guidelines and are not adversely identified by their form as social housing.

We're making sure that local communities are involved and consulted about new projects in their areas and balance these concerns against the need for timely delivery of new affordable housing in NSW.

To improve the SEPP's performance a review is currently being undertaken by Planning NSW.

During the review a technical paper was placed on exhibition, consultation was carried out with councils, community members, housing and building groups and a range of other stakeholders.

A number of suggestions in relation to granny flats, studio apartments, boarding houses and low-rise development near public transport and town centres were made and will be considered as Planning NSW develops recommendations that will shape the Affordable Rental Housing SEPP into the future.

ACTION:

- Continue to cut red tape and the administrative hurdles associated with the roll out of more housing

Affordable Housing

The National Rental Affordability Scheme (NRAS) provides incentives for the delivery of new rental homes. The incentive is jointly provided by the Federal and NSW Governments for ten years, and may comprise a one off grant payment, tax offsets or services in kind.

Every year for ten years the Federal Government will contribute \$6,855, while NSW will contribute \$2,285, for every NRAS home.

To date, the NSW Labor Government has funded 2,083 new NRAS homes. This has attracted Federal Government funding of \$125 million and has triggered private construction investment of more than \$430 million.

Currently, future NRAS allocations to NSW are being negotiated with the Federal Government.

ACTION:

- Continue to deliver new affordable dwellings for people across NSW through the National Rental Affordability Scheme in partnership with the Federal Labor Government

Mortgage Assistance

The NSW Labor Government recognises that some homebuyers may need support to keep up with their mortgage and retain ownership of their home.

Housing NSW will provide up to \$20,000 in mortgage assistance over a maximum period of one year. Assistance is provided to people who may be experiencing temporary difficulties with their loan repayments due to unemployment, accidents, illness or some other crisis.

Repayment to Housing NSW is essential but applicants will be given assistance to determine repayment schedules.

ACTION:

- **Continue to help struggling families cope in tough times by helping them with their mortgage so they can keep their homes**

Growing the Community Housing Sector

About 30,000 social housing properties will have been transferred to community housing providers by the end of 2016.

Growing the housing sector will provide more affordable rental housing to those in need and provide applicants with a greater choice of housing providers. This plan unlocks the power of the non-government sector and assists the Government in assisting as many people in need as possible with housing.

Electronic notification through *Housing Pathways* allows people who have applied for housing assistance to be able to receive offers from any social housing provider in NSW. This will encourage greater efficiency in administration across the public and community housing sector and make it easier for people in need to obtain the services that they need.

A re-elected Keneally Government will continue to push for the national implementation of our leading Community Housing model.

ACTION:

- Continue to lead the country in the development and expansion of the Community Housing sector

Reducing Homelessness by 2014

Together, the NSW and Federal Labor Governments are making a record \$284 million investment in tackling homelessness in NSW.

We are working to reduce homelessness in NSW by seven per cent by 2014 and will honour our commitment under the National Partnership Agreement on Homelessness to shift away from crisis accommodation to the 'Housing First' model that equips homeless people with skills to sustain tenancies.

We will continue rolling out 10 locally tailored Homelessness Regional Action Plans across NSW – the only State to do so in Australia. We have developed Homeless Regional Actions Plans for: the Central Coast; the Hunter; the Illawarra; South East NSW; New England/North West; the North Coast; Western NSW; the Riverina / Murray; Greater Western Sydney; and Coastal Sydney.

We have asked our stakeholders what was needed, and we have tailored our program to deliver those specific regional needs.

We will complete the delivery of our Common Ground model project in Camperdown which will provide long term housing and support, rather than crisis intervention alone. This approach will include on-site support 'wrap-around' services that will focus on social integration through a social mix of tenants.

Our efforts on homelessness are overseen and complemented by the Premier's Council on Homelessness, a peak roundtable organisation that comprises of key stakeholders and includes formerly homeless people. The Council provides stakeholders direct access to the highest level of decision-making in the Government.

ACTION:

- Continue to deliver innovative solutions to homelessness under the \$284 million NSW Homelessness Action Plan in partnership with the Federal Labor Government
- Rolling out 10 locally tailored Homelessness Regional Action Plans

Innovation and New Ideas

Through “Homes for Homes” and other programs – NSW Labor will continue to pursue innovative, market based solutions to the housing shortage in NSW.

A re-elected Keneally Government will fund a business case for the creation of the ‘Homes for Homes’ model of funding new community housing.

“Homes for Homes” utilises a model that seeks to collect voluntary contributions of 0.1% of sale price from private home sales.

These funds are then consolidated and used to finance the construction of new community housing, available to low income families and homeless people.

Our partnership with ‘The Big Issue’, community housing providers and various other stakeholder groups will ensure efficient management of the program and construction.

This program will assist in funding and boosting the supply of affordable housing, easing pressure on the resources of other NSW Government agencies that address homelessness.

ACTION:

- Continue to pursue innovative, market based solutions to the housing shortage in NSW such as the ‘Homes for Homes’ model including funding a business case.

Urban Renewal

A re-elected Labor Government will continue investing \$1.4 billion to “de-concentrate” housing estates, focusing on achieving a better ‘Social Mix’ of private and social housing.

Housing NSW is currently undertaking major housing estate renewals at:

- Bonnyrigg;
- Minto;
- Glebe;
- Telopea;
- Riverwood Villawood; and
- Airds / Bradbury.

This will revitalise socially disadvantaged estates characterised by poor amenity and design, as well as providing new affordable home ownership opportunities.

The renewal of amenities, infrastructure, and community assets will not only renew communities, but will unlock the value of Housing NSW asset holdings in surrounding estate areas and raise further capital for other renewal efforts.

NSW Labor has a comprehensive urban renewal of housing estates plan. This includes a \$66 million program to improve public housing estates in Mount Druitt, Claymore, Bathurst-Orange, Macquarie Fields, Dubbo, Killarney Vale/ Bateau Bay/Tumbi Umbi and Wagga Wagga.

We are redeveloping more than 1000 properties in the Minto public housing area. This will integrate a mix of 30 per cent public and 70 per cent privately owned houses, furthering efforts to de-concentrate public housing.

A 15 year project has been given the green light to renew Bonnyrigg Housing Estate and there will be 2332 dwellings with 699 for public housing.

The Riverwood and Kamira Court Villawood Urban Renewal Projects will create more than 1000 private and publicly owned housing units.

Funds will be re-invested in first class social housing across NSW through a 'salt and pepper' approach to development, leading to seamless and engaged communities.

Urban renewal will have positive effects on the overall government budget by reducing cost burdens on other portfolios such as health, policing and corrective services.

A re-elected Keneally Government will continue its exploration of the zero net cost de-concentration models through the use of 'high value' Housing NSW estate sites. This would involve no up-front investment from Government and no net loss of social housing stock.

ACTION:

- Continue to invest in renewing major housing estate areas across NSW, focussing on new investment models, Public Private Partnerships and achieving a better social mix in communities

Aboriginal Housing – Continuing Reform

Aboriginal people in our society continue to suffer from some of the worst rates of homelessness and associated poor social outcomes.

The reform of the Aboriginal Housing sector is central to the policy of providing Aboriginal people with safe, affordable and decent accommodation.

We have been making a record investment of \$100 million in our innovative 'Build and Grow' strategy designed to improve outcomes in Aboriginal housing.

We will honour our commitments made to Federal Labor Government under the Remote Indigenous Housing National Partnership, which will result in the construction of 310 new houses in remote areas of NSW over 10 years for Aboriginal people.

ACTION:

- Continue our \$100 million investment in the 'Build and Grow' strategy designed to improve outcomes in Aboriginal housing
- Work with the Federal Government under the Remote Indigenous Housing National Partnership to construct 310 new houses in remote areas of NSW over 10 years for Aboriginal people

Youth Scholarship Programs

The NSW Labor Government believes in the importance of education. We will continue to deliver opportunities for young people to participate in education, so that they can access the best possible opportunities.

We recognise that families living in social housing could use extra financial support to help their children get an education. The Housing NSW Youth Scholarship Program has increased the number of scholarships each year with 200 to be awarded by 2011.

Recipients under this program receive \$2,000 to assist with the costs of education. This program goes a long way to make positive changes to the educational prospects of those living in social housing.

ACTION:

- Continue the Youth Scholarship Program that gives opportunities for youth in social housing to get a better education – increasing the number of \$2,000 scholarships each year with 200 to be awarded this year to assist with education costs



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