



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

BUDGET ESTIMATES 2009-2010

QUESTIONS ON NOTICE

General Purpose Standing Committee No. 5

Housing, Western Sydney

Friday 18 September 2009

Answers to be lodged by: Wednesday 14 October 2009

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Hearing date	Portfolio	Answer to be lodged by
17 September 2009	Primary Industries, Mineral Resources	13 October 2009 [21 days]
17 September 2009	Commerce	13 October 2009 [21 days]
17 September 2009	Climate Change and the Environment	13 October 2009 [21 days]
18 September 2009	Energy	14 October 2009 [21 days]
18 September 2009	State Development	14 October 2009 [21 days]
18 September 2009	Water, Regional Development	14 October 2009 [21 days]
18 September 2009	Housing, Western Sydney	14 October 2009 [21 days]

Questions relating to the portfolios of Housing and Western Sydney

18 September 2009, 4.30 pm – 6.00 pm

Questions from Ms Hale

1. Gas Metering at 99 Lilyfield Road, Lilyfield
 - a. Is the Minister aware that Jo Daniels a tenant in the complex, has received a gas bill for \$532.43, for gas usage in a one-bedroom flat, over a 90-day period, which is due for payment on September 14?
 - b. Does the Minister accept the usage of 297 megajoules a day on this Bill cannot possibly be accurate, as Daniels' bill for the same time last year was 27 megajoules? Does this indicate there is something terribly wrong with how gas is metered in the complex?
 - c. Is the Minister aware that tenants in the complex have had their gas cut off, and Ms Daniels is now thinking of doing the same, and purchasing a gas bottle and camp stove as she is sick of overinflated gas bills, and has been to Energy and Water Ombudsman , AGL, the Department and your office, with no improvement in the situation?
 - d. When will Housing NSW put in a new gas system that individually meters gas use accurately in this building?
 - e. The tenants have been given keys so they can provide readings of the gas meters for their units. However tenants are still concerned that the gas system in the building has produced wild variations in estimated use and huge bills, from time to time, in some cases up to \$600. It has come to light that a report was undertaken on the water heating system in 2005 by Steven Beletich Associates that recommended that modifications be undertaken to reduce the gas consumption of the hot water system Why was this report not acted on despite the numerous complaints from tenants to Housing NSW and EWON since 2005? Will the Minister now agree to act on the recommendations of this report so that the gas water heating system is modified or replaced?
 - f. Will Housing NSW stop installing these types of hot water systems?

2. Future of Waterloo Social Housing
 - a. What is going to happen to the HNSW properties in Waterloo? Are there any plans to sell any Housing NSW land to private interests?
 - b. Are there plans to sell the Housing NSW land in or around the 3 storey walk-ups for infill development?
 - c. Are there plans to demolish old terraces for example in Raglan Street?
 - d. Are there plans for infill development in between the Banks and Cook buildings on George/Pitt Sts or between the Marton and Solander buildings on the Waterloo Green?
 - e. What community consultation is being planned for residents in the affected areas?
 - f. Even though rumours have been rife in the area for years have tenants fears been addressed or are plans and the consultation process still vague?
 - g. When will residents be informed as to what the plans are and how they will be affected by any upgrades?
 - h. What are the plans for the walk up flats around Walker St?
 - i. What is happening with the land that was slated for private redevelopment along Elizabeth Street opposite Redfern Park?

3. Market rents

- a. Is it the case that market rents have been calculated more frequently, meaning that working tenants paying market rent are facing bid rent increases, eg. in the Leichhardt area of 15% one year then 16% the next?
- b. Isn't it the case that those increases are approximately double the private rental increases, in percentage terms in the Leichhardt area?
- c. Would some tenants, although working, find double digit rent increases difficult to pay?
- d. Would it be better to revalue market rents more often, thereby avoiding big jumps in market rents for working tenants?
- e. Why are market rents different for very similar flats in the same block?

4. 7-41 Cowper Road, Wollomooloo

- a. I refer to Housing NSW's property at 7-41 Cowper Road, Wollomooloo. One rumour doing the rounds at Cowper St complex is that the building will be demolished. Are there any plans to demolish this building?
- b. Why did Housing NSW attempt to rent out one unit in the complex on the private rental market? I have not received an adequate explanation as to what the thinking was behind this?

5. Recruitment

- a. Is it the case that Housing NSW is having trouble recruiting staff with a rumoured shortfall of 30% of positions advertised going unfilled?

6. Joanna O'Dea building, Camperdown

- a. Are there any plans to demolish the Joanna O'Dea complex within the next few years?
- b. If so, what is planned for the site?
- c. Will the residents be assured appropriate housing in the same area?

7. Housing NSW, LandCom and Cornish Group

- a. Has Housing NSW or LandCom ever had any contractual arrangements with a company called Cornish Group?
- b. If yes, will you make the details of the contracts available?

8. Health impacts of air pollution in western Sydney

- a. What steps has the government taken to ensure proper monitoring and reporting of air pollution levels in the hot spots in western Sydney?
- b. What targeted strategy has the government developed and implemented to reduce air pollution in the hot spots identified in the west of Sydney?
- c. What research has the government initiated since the report of the parliamentary inquiry into the health effects of air pollution in the Sydney basin (GPSC 2 Nov 2006) to identify groups at risk from air pollution in western Sydney's hot spots?
- d. Given the significant air pollution problems in western Sydney, why has the government refused to implement the recommendation that environmental pollution control legislation be amended to include a specific duty of care on organisations to ensure that their activities minimise health effects on the community and the environment?
- e. What steps has the government taken to develop a testing regime for ultra fine particle pollution in western Sydney?
- f. What steps has the government taken to reduce fine and ultra fine particle pollution in western Sydney?

- g. Has the government recommenced regular monitoring of air toxic substances in western Sydney? If not, why not?
9. Housing stress in western Sydney
- What figures does the government have of the level of mortgage defaults in western Sydney over the last twelve months?
 - What proportion of renters in western Sydney are spending more than 30% of their income on rent?
 - How many blocks of land are currently available for an immediate sale and commencement of building in the western Sydney growth centres?
 - What affordable housing requirement will the government place on new land releases in the growth centres?
 - What strategy does the government have for meeting the affordable housing requirement?
10. Tenancy at 61 Lancaster Parade Bateau Bay NSW 2261
- A complaint was made against the tenant of this Housing NSW premises by her neighbour. Subsequently a notice of termination was issued by the Housing NSW Legal Services team, dated October 10th 2008.
 - Which officer of Housing NSW initially fielded this complaint?
 - What specific steps were taken by that officer, or any other officer of Housing NSW, to verify details of the complaint?
 - What steps were taken to ensure the tenant had appropriate support and assistance in responding to the complaint?
 - Was the matter ever referred to the Joint Guarantee of Service (JGOS) committee?
 - On March 11th 2009, the Central Coast Tenants Advice and Advocacy Service, acting for the tenant, lodged a "Request for Review of Decision" in accordance with Housing NSW's "Appeals and Review of Decisions" policy (EST0015A). This request referred to the "Good Neighbour" policy (EST0013A) and requested details of how this policy had been observed prior to issuing the notice of termination. To date there has been no response to this request. What is the explanation for this failure to respond to a "request for review of decision"?
 - On June 12th 2009 the Central Coast Tenants Advice and Advocacy Service, acting for the tenant, received a response to an application to the Housing Appeals Committee (HAC). This response stated that "the Good Neighbour Policy is a guideline only and is not bound by procedural issues pertaining to decisions as such".
 - What is the distinction between a Housing NSW Policy and a Housing NSW Guideline?
 - How do tenants, their advocates and the community in general distinguish a "policy" from a "guideline" in the published policies of Housing NSW?

Questions from Mr Pearce

11. Subject Area: Nation Building and Jobs Plan – Economic Stimulus (The Commonwealth's Social Housing Initiative) - REPAIR AND MAINTENANCE PROGRAM
- Can you explain to the Committee how the NSW Government defines the term "Social Housing". Does this include housing provided by the community housing sector? Not for profit organisations, HousingNSW, etc. Can you provide the Committee with the total number of dwellings under each category for the last 5 financial years, the projected number of dwellings held in this financial year, and forward years?

- b. Can you indicate to the Committee whether the NSW Government funds the repair and maintenance of all social housing in NSW? If not, what other funding sources are available to undertake minor and major repair work to these dwellings? Please outline to the Committee the repair and maintenance process. Is this ongoing routine maintenance, or only at request of tenants? What statistic data is collected relating to the level of repair and maintenance? Can you provide details to the Committee for the last 3 financial years:
 - i. Categories of repairs
 - ii. Average cost.
 - iii. Number of dwellings serviced.
 - iv. Total funding allocated to repair and maintenance.

- c. Can you inform the Committee the total number of public housing dwellings in New South Wales prior to the commencement of the Australian Government's Nation Building and Jobs Plan? How many additional dwellings are expected to be delivered as a result of:
 - i. Additional Commonwealth funding
 - ii. Additional State funding

- d. Please inform the Committee whether the NSW Government is currently behind in its repair and maintenance schedule for public housing.
 - i. What benchmark/KPI does Housing NSW use to measure this?
 - ii. What is it currently – how often is this recorded (eg: quarterly)?
 - iii. It is reported to the Minister? How often?
 - iv. Is this reported through to the Commonwealth through the State Housing Agreement or any other mechanism (COAG)?
 - v. Did the NSW Government seek assistance from the Commonwealth to undertake repairs and maintenance work on 31,146 dwellings?

- e. Please tell the Committee how many dwellings have been lost due to a lack of maintenance in the last 5 years?
 - i. How many have been lost all together.
 - ii. How is this reported, if any figures were reported at all.
 - iii. What process does the Department go through before a house is demolished.
 - iv. Will this same process apply to dwellings falling under the Nation Building and Jobs Plan.
 - v. Do you know how this compares to other States? Is there a benchmark or target set for renewal of dwellings.
 - vi. Are you currently meeting that target.
 - vii. How will the Nation Building and Jobs Plan impact on this.

- f. If the basis of the repairs and maintenance funding has been to prevent dwellings from being lost to the public housing system it would be reasonable to assume that the types of works involved would be repairs to kitchens, bathrooms, leaky roofs. Can you provide confirmation to the Committee that these are the types of repairs and maintenance proposals that are being carried out with the Australian Government NBJP funds. If this is the case, can you explain to the Committee why it also been mentioned, in various media releases that painting and other minor works have also been undertaken. How is it possible that these works could be considered necessary to prevent dwellings from becoming uninhabitable. Does it not appear to be a case of the Commonwealth coming

- to the aid of the NSW Government to fix a large backlog of maintenance work that was simply ignored by years of inaction by the current government.
- g. The Australian Government has allocated the NSW Government \$130.4 million for the repair and maintenance component of the Nation Building and Jobs Plan. \$65.2 million was allocated for the 2008/09 financial year. Please indicate to the Committee how much of this funding has currently been expended? Can you indicate to the Committee what proportion of the 2009/10 financial year (also can you confirm to the Committee whether this figure is also \$65.2 million) has been received from the Australian Government.
 - h. From the information tabled by the Prime Minister in the Australian Parliament, the geographical distribution of the repair and maintenance projects appear to be widespread. Projects are distributed in areas such as inner Sydney, western Sydney, northern and southern Sydney and regional areas. Can you indicate to the Committee whether any significant areas of public housing have been excluded from these repair and maintenance upgrades? If so, which areas have missed out. Is there a reason why areas have failed to attract this essential maintenance? Can you explain to the Committee what criteria was used to determine those areas that were to be submitted to the Australian Government as part of the NSW Government's proposals.
 - i. Has the NSW Government completed all repair and maintenance projects funded under the Australian Government's Nation Building and Jobs Plan. If so, which areas are yet to be completed. When does the NSW Government intend to have all projects completed? Is there a timeframe for the NSW Government to expend all Australian Government funding under this stimulus program? Has there been a requirement for the NSW Government to provide regular progress reports to the Australian Government in respect to the Repair and Maintenance component of the NBJP. Has the NSW Government met all of its obligations under this reporting framework. If not, why?
 - j. You will be aware that the Australian Government provides the NSW Government with specific purpose payments under the National Affordable Housing Agreement. In previous years, much of this funding has traditionally been allocated towards repairs and maintenance of the public housing stock. Given the NSW Government has in the 2008/09 and 2009/10 financial years, received \$130 million from the Australian Government for the repair and maintenance of public housing assets, how does it propose to utilise its current year funding allocation under the NAHA.
 - k. There has been some concerns voiced about the way that projects have been allocated to contractors under the NBJP. Can you explain to the Committee the way that the repair and maintenance projects on 7,800 dwellings has been managed? One would assume that this would have involved engaging a large number of contractors? What process were followed to find building contractors? Did Housing NSW engage existing building contractors or were new contractors engaged. If new contractors were engaged was there a tender and selection process followed.
 - l. Can you indicate to the Committee what proportion of the \$130 million in funding that was provided to the NSW Government by the Australian Government has actually been used for the physical repair and maintenance of public housing (ie. allocated towards the costs of supplying materials and labour)? Are you aware of any Commonwealth funding

being used for administration costs, local government levies, application fees and the like. Can you inform the Committee whether the NSW Government has applied any fees for services in the delivery of any housing repair and maintenance projects.

12. NEW CONSTRUCTION (STAGES 1 AND 2)

- a. Can you indicate to the Committee the numbers of public housing dwellings that have recently been lost from public housing stocks because of demolitions to make way for new construction. Please confirm to the Committee if the published figures for new dwelling construction have taken into account those dwellings that have been lost due to demolition?
- b. Can you indicate to the Committee whether any Commonwealth Government land been gifted to the NSW State Government as part of the Social Housing Initiative? If so, what land has been gifted? Are you aware of any State government taxes and/or charges that have been levied in respect of any gifted land?
- c. Can you provide confirmation to the Committee that all of the new dwellings that are being constructed under the Social Housing Initiative being constructed in accordance with the environmental standards prescribed by the Commonwealth Government guidelines (specifically the 6 star energy rating, energy efficient lighting and hot water systems, water tanks and ventilation systems)? If not, what has been the number of dwellings that do not meet the guidelines? What are the reasons for these dwellings not meeting the guidelines?
- d. Can you indicate to the Committee whether the NSW Government has made any spot-purchase of new home and land packages in the implementation of 'Element 1 – New Construction' of the Social Housing Initiative. If so, how many house and land packages were purchased. In which locations were these houses purchased. What was the average price paid for any spot purchases. If this method was used, can you indicate to the Committee why this method was considered to be a more efficient method of implementing the Social Housing Initiative compared to other methods.
- e. The Social Housing Initiative is an economic stimulus designed to create and support jobs. On 6 July 2009 the NSW and Commonwealth Ministers for Housing and the Prime Minister made an announcement about a housing development underway in Greenacre. The development was under construction and will provide 24 new social housing dwellings. This development has been claimed to support 63 direct and indirect jobs. Can you inform the Committee, what was the breakdown of these jobs between direct and indirect. How many of these direct jobs are bricklayers, how many are concreters, how many are carpenters, how many are excavation workers, and apprentices. Can you inform the Committee what the NSW Government considers to be an indirect job. Please indicate to the Committee what is the formula employed by the NSW government to report on the number of direct and indirect jobs that are supported by these construction projects?
- f. Dwellings built under Stage 2 of the New Construction element of the Social Housing Initiative are required to incorporate design features for people with disabilities. An exemption process has been factored into the Commonwealth guidelines where the inclusion of these design features would result in excessive delay to the delivery of the

- projects. Can you indicate to the Committee whether any such exemption to these design standards has been sought by the NSW Government? If exemptions have been sought, can you indicate to the Committee the number of dwellings that have been subject to the exemption.
- g. Can you explain to the Committee the selection process that the NSW Government followed for the implementation of Stage 2 New Construction of the Social Housing Initiative. Can you indicate to the Committee whether there an open tender process conducted to select contractors. If so, please tell the Committee how many responses were received to the call for tenders? Was there a selective tender process? Can you inform the Committee about the criteria that was used to decide the construction proposals that were accepted by the NSW Government? Can you inform the Committee whether any proposals submitted during the tender process were rejected? If so, how many and on what basis were proposals rejected?
- h. Construction projects may be exempt from the provisions of the Environmental Planning and Assessment Act 1979 if they meet certain criteria. Approvals may be fast tracked under Section 23 of the Nation Building and Jobs Plan (State Infrastructure Deliver) Act or the State Environmental Planning Policy (Infrastructure) 2007. Have any housing projects been granted approval by either of these means. If so, how many and can details of those projects be provided to the Committee. Of those which do not qualify for either of these exemptions from Part 4 of the Environmental Planning and Assessment Act, which types of proposals will require a Development Application? Can you indicate to the Committee whether these development applications will be assessed and determined by local councils or the Department of Planning?
- i. Can you indicate to the Committee if local communities will be provided with the opportunity to comment on housing proposals under the Social Housing Initiative. Can you inform the Committee if it is the Government's intention that the majority of housing projects will be expedited, including waiving the need for normal notification/consultation processes with local communities and neighbours?
- j. Please explain to the Committee if the NSW Government has developed any processes or policies that will be used to find tenants to occupy these new social housing dwellings? Will priority access be given to families, couples and individuals on the waiting list for public housing? Can you indicate to the Committee if homeless persons be provided with long term accommodation under this initiative. Please indicate to the Committee whether consideration has been given to how the homeless be provided access to the services they need to cope with any underlying health problems they may be suffering (medical, mental, substance abuse, etc)?
- k. Can you indicate to the Committee any steps that HousingNSW has taken to inform local government of the planning reforms applying to the Social Housing Initiative. Please provide confirmation to the Committee that local government authorities were informed about projects under Element 2 of the initiative (being the repair/maintenance) within their jurisdiction. Please provide confirmation to the Committee that local government has been consulted on developments that are being carried out under Element 1 – New Construction of the initiative within their jurisdiction. Can you indicate to the Committee

whether any changes were made to the New South Wales Government's NBJP Guidelines following receipt of any concerns that were raised by local government authorities.

- l. Please indicate to the Committee if any exemptions to building standards contained in building codes and planning regulations (for example the Building Code of Australia, disabled access requirements, bushfire standards, heritage guidelines, contaminated land regulations or energy efficiency regulations) been allowed in respect of new construction projects under the Social Housing Initiative. If so, how many exemptions were given and please provide details to the Committee of those exemptions if possible.

- m. Please indicate to the Committee the number of Orders under Section 23 of the Nation Building and Jobs Plan (State Infrastructure Delivery) Act 2009 that have been issued for social housing projects. Will details of any such orders be published in the NSW Government Gazette or on the NSW Government's Nation Building website? If not, why not?

- n. Please indicate to the Committee whether there are processes are in place to prevent the NBJP Act being used for projects that have not been funded by the Australian Government under the Social Housing Initiative? Can you inform the Committee whether the NSW Government has any intention to continue to bypass normal planning and environmental regulations for non NBJP activities that are carried out by HousingNSW? Can you provide confirmation to the Committee that the Nation Building and Jobs Plan (State Infrastructure Deliver) Act 2009 be repealed upon all of the Australian Government funded projects being completed? If not, why not?

- o. Please indicate to the Committee whether the NSW Government provides monthly progress reports to the Australian Government under the Social Housing Initiative. If progress reports are provided do those reports outline the key milestones in the implementation of the stimulus, such as construction starts, completions etc. Could you please provide to the Committee the number of social housing dwellings that were commenced and the numbers that were completed for each month between April and August 2009.

	April 09	May 09	Jun 09	Jul 09	Aug 09
Dwellings Commenced					
Dwellings Completed					

- p. On 5 June 2009 the NSW Housing Minister announced the names of the 9 companies that had been contracted to act as Development and Project Managers to assist the NSW Government deliver the 6000 extra social housing dwellings for New South Wales. These businesses were necessary to deliver the second stage of the stimulus involving more than 5,200 dwellings. Please indicate to the Committee how many of the social housing projects with funding approved by the Australian Government have been allocated to each of those companies.

	Business	Region	Number of Dwellings
1	ARUP	Western NSW	
2	AAP	Sydney	
3	Bovis Lend Lease	Hunter Valley/Newcastle	
4	Capital Insight	Northern NSW / New England	
5	Coffey Projects	Sydney	
6	Crown	Sydney	
7	McLachlan Lister	Sydney	
8	Thinc	Southern NSW / Illawarra	
9	TSA	Sydney / Central Coast	

- q. The Housing NSW website indicates that project management consultants looking for work are encouraged to make contact with the above firms. The Minister's media release of 5 June 2009 quotes one of those businesses "reflecting the need to ensure that government funding permeates through to small and medium sized businesses, TSA management is working with small to medium sized contractors and consultants in the Central Coast region as well as Sydney based groups". Can you indicate to the Committee what procedures have been put into place, through contractual arrangements and the like, to ensure that when these companies select other businesses to participate in construction projects, those selection processes are fair and equitable. Can you provide confirmation to the Committee that the dealings of these companies subject to the anti-corruption scrutiny of the Independent Commission Against Corruption (ICAC).
- r. How many applicants are on the waiting list for accommodation in Ryde?