

# SOCIAL AND AFFORDABLE HOUSING NSW FUND BILL 2016

*First Reading*

**Bill introduced on motion by Ms Gladys Berejiklian, read a first time and printed.**

*Second Reading*

**Ms GLADYS BEREJIKLIAN ( Willoughby—Treasurer, and Minister for Industrial Relations) (10:12):** I move:

That this bill be now read a second time.

I am pleased to introduce the Social and Affordable Housing NSW Fund Bill 2016, which delivers on an election commitment but, more importantly, ensures that this Government is planning for the future when it comes to the very important task of providing adequate social and affordable housing. The bill provides for the establishment of the Social and Affordable Housing Fund, which sets aside dedicated, ring-fenced funding for social and affordable housing in this State. The fund will be called the SAHF NSW Fund, or the SAHF. We made an election commitment to deliver more social housing stock and we are making good on that promise. This new fund will allow us to unlock new homes for those who need them most and to support the most vulnerable in the community.

The New South Wales Government launched the SAHF in January, and I acknowledge the contribution of the Minister for Family and Community Services, and Minister for Social Housing. The SAHF is a major new innovative initiative in the approach to the way social and affordable housing is delivered in this State. In its first phase the SAHF will target delivery of up to 3,000 additional social and affordable homes, helping to reduce waiting lists for vulnerable families. The request for proposal for phase 1 of the SAHF closed on 17 August and received a strong market response. Request for proposals were issued to the shortlisted applicants on 6 May, and the evaluation process is now underway.

At present, social housing developments face a funding gap between the rental stream they receive from tenants plus government subsidies and the revenue required to sustain a commercially viable project. The Social and Affordable Housing Fund will provide a long-term revenue stream to plug this gap and encourage private and non-government organisations [NGOs] to team up to develop housing projects. The SAHF will be set up with \$1.1 billion in seed capital from the Government and will provide much needed investment certainty to the sector. The Government's investment arm, TCorp, will invest the \$1.1 billion and the returns will go towards social and affordable housing projects in the form of a stable 25-year income stream.

By establishing the fund in legislation we are setting up a ring-fenced structure. Funds are quarantined for social and affordable housing, funding not only the current program but also future initiatives. Should the fund out-perform over the longer term, the excess earnings will go towards further social and affordable housing programs. Proponents for phase 1 have been asked to put proposals forward that achieve social outcomes for tenants. The Government will pay for a package of services for up to 25 years that provides access to accommodation, asset management and tenancy management services, coordination of support services tailored to each tenant, and performance and data monitoring.

This outcomes-focused model has been developed in consultation with the NSW Council of Social Service [NCOSS]. I thank them for the input and encouragement they provided during the consultation about putting this important piece of policy forward. I also note the contributions of Infrastructure Partnerships Australia following a memorandum of understanding signed in March 2015. The Government is determined to facilitate innovative, value-for-money, service-driven outcomes that are going to help those people who need it most. Private investors, NGOs and

landholders will now have more opportunities to work together to boost our social and affordable housing stock through this new fund.

Section 5 of the bill sets out the purpose of the fund. This includes setting aside funds to create new social and affordable housing stock, deliver associated services and achieve social outcomes for tenants. The fund is financially sustainable over the long term. The Government's goal is to preserve and grow the capital whilst funding social and affordable housing. By enshrining the fund in legislation the Government is sending a strong signal to the market of permanency.

This innovative ring-fenced financial structure shows the long-term vision and commitment of the Government to the sector. Payments from SAHF NSW will be made in a transparent manner with the annual financial reports being made publicly available and subject to audit by the Auditor-General. This bill provides the Government with a dedicated fund for the social and affordable housing sector, enabling access to social and affordable housing and, importantly, support services for the most vulnerable in our community. I trust that all members of this House will commend this bill and I look forward to ongoing debate. I commend the bill to the House.

**Debate adjourned.**

PAIRS

Grant, Mr T

Hoenig, Mr R

**Motion agreed to.***Bills***SOCIAL AND AFFORDABLE HOUSING NSW FUND BILL 2016****Second Reading****Debate resumed from 21 September 2016.**

**Mr BRAD HAZZARD (Wakehurst—Minister for Family and Community Services, and Minister for Social Housing) (16:20):** I support the Social and Affordable Housing NSW Fund Bill 2016. I note that the member for Keira will be speaking as the shadow spokesperson and will follow me. I thank him for his courtesy in that regard. This bill is particularly important for the New South Wales community. It is a reflection of this Government's commitment to try to support the most vulnerable in our community. The Government, under the leadership of Premier Mike Baird, is seeking to initiate new ways to provide services and infrastructure to the most vulnerable. Many of the most vulnerable are those who cannot afford to have a roof over their head.

I note the work that was done prior to the last election that involved the NSW Council of Social Service [NCOSS] and Tracy Howe with input from the Infrastructure Partnerships Australia, which understood the Government's commitment to ensuring there is more housing for the vulnerable—the people who need social housing and affordable housing. She worked and put up proposals on behalf of NCOSS to the Government, and the Government, under Premier Baird, acknowledged the very substantive input of NCOSS. We come from different places but, in effect, we have the same vision, which is to try to support people who need a roof over their head and to provide additional services that are critical to vulnerable people who cannot afford housing and often are not in a position to enter into any type of commercial arrangement, either purchasing or leasing.

The majority of people who were in social housing 20 to 25 years ago were low income workers, but that has changed in the past 20 to 25 years. Many more people now have great challenges in their lives—it may be drug or alcohol dependency, domestic violence, mental illness or a combination of all or any of those factors. What we do know is that many people are more vulnerable now than they were 20 to 25 years ago when need and enter social housing. The great challenge for any government is to provide more social housing.

When the former Labor Government had some fiscal problems—and I think they were being addressed in question time today—it did what governments do from time to time, and that was it decided it had to sell down some of its assets. It decided to sell off public housing—now called social housing—to maintain the revenue flow. I will not pass comment on that except to say that that made it more difficult for this Government to provide more social and affordable housing. With the background of the work that was done by NCOSS, Tracy Howe and others in the lead-up to the election, we were very committed and remain very committed to providing additional social and affordable housing.

In 2009 all the States and Territories in the Commonwealth realised that they had to do more in terms of how we manage housing. For that reason all the States and Territories and the Commonwealth agreed that roughly 35 per cent of all social housing would be transferred to the community housing sector. In the past week we made some announcements on that. That is an important component, but this particular fund also feeds into the objectives that the Government set out in January this year in its policy document entitled Future Directions. Those of us in Government wanted more social housing, more pathways for avoiding or transitioning out of social housing and a better social housing experience for our tenants. Those objectives cannot be achieved unless we have innovative ways of delivery more housing.

The Government has committed to delivering \$1.1 billion core funding to this fund to enable the interest that is attracted by those funds to go into supporting the construction of new homes. At present the Government is aiming to build approximately 3,000 homes off the income that is expected from the fund. That is a big ask and a big challenge, but unless the Government sets its ambitions and targets high, it may not achieve all that it—and the Opposition—wants to achieve, and that is to try to get thousands of new homes for the most vulnerable in our community. Under the model being delivered through this legislation the Government will pay for a package of services for up to 25 years including access to accommodation, asset management and tenancy management services.

The model will also include the delivery of coordinated support services that will be tailored to each individual tenant's needs, which, as I said earlier, can often be complex. Performance and data monitoring will

also be key to the package of services delivered. The program drives the formation of new commercial partnerships between community housing providers, the not-for-profit sector and the private sector to deliver effective services that build on the strength of each sector. Key features of the Social and Affordable Housing Fund [SAHF] include a minimum target of 70 per cent social housing with the remainder to be affordable housing; and tailored support coordination for household members to assist them to achieve greater independence.

As I said earlier, the SAHF was developed under a memorandum of understanding between Infrastructure Partnerships Australia—and I acknowledge the work done by Brendan Lyon—and the NSW Council of Social Service. I have acknowledged Tracy Howe's incredible contribution. The Government and these two organisations consulted with other private and not-for-profit sector stakeholders to develop this model. Market response to the Social and Affordable Housing Fund has been incredible. We have had 24 expressions of interest involving more than 80 entities from not-for-profits and the private sector as well as from partnerships between the two sectors. Nine submissions were shortlisted and are now being evaluated by a team of experts. Although I am the Minister, I do not get involved in the tendering process for obvious reasons of probity.

The contracts for successful proposals are expected to be awarded following the conclusion of that evaluation process. It has been a remarkable effort by many to look at new ways of delivering social housing and better outcomes for the most vulnerable. The Government is hoping that this model can deliver up to 3,000 homes, but practical issues may arise along the way that may reduce that number. I hope there will be practical issues that will produce even more. At the same time the Government has also launched its Future Directions policy, which aims for approximately 23,000 new or renewed homes in the social housing sector by relying on the model that goes out to the private sector and asks what can be done with this particular taxpayer asset—that is the land and the old housing.

What can be done in this particular area? Can we get more social housing as well as private housing? One of the first models was in Riverwood. I acknowledge that the work was started by the Labor Government under former Premier Morris Iemma. He and I have had chats about those issues and there were practical issues that did not quite reach the heights we wanted to reach. We have learned from the Labor Government under Premier Iemma and how he dealt with those issues. It was a good outcome for the community of Riverwood. Kentucky Drive is the location if anyone is interested in going for a drive to have a look. We believe we will provide thousands of new homes over the next few years for those people who really need them. All members in this place want to see that positive outcome. We will also be working with community housing providers to provide the wraparound services that are important to vulnerable tenants.

**Mr RYAN PARK (Keira) (16:30):** I lead on behalf of the Opposition in debate on the Social and Affordable Housing NSW Fund Bill 2016. I acknowledge my colleague the member for Bankstown and shadow Minister for Social Housing for the work she has done in preparing for the debate on this bill and for the work she continues to do across the State advocating for people in social and public housing. I say from the outset that the Opposition will not oppose the bill, which introduces a program for funding to deliver new social and affordable houses. The aim of this fund is to reduce the waiting list for social housing by providing capital for community housing providers to build, own and maintain properties. In the electorate of Keira and the broader Illawarra region, which I represent in this place as the shadow Minister, social housing is a real challenge. It is no doubt a challenge across the State, but we are well served in the Illawarra by organisations such as the Illawarra Housing Trust. The chair of that trust is my good friend and a former member of this place, the Hon. David Campbell. That trust is held in great esteem. The member for Bankstown and shadow Minister for Social Housing has found working with many of them to be extremely rewarding in relation to the services they provide to the broader community.

Currently social housing faces a funding gap between the rental stream that is received from tenants plus the subsidies provided by taxpayers and the revenue that is required to sustain a commercially viable project. The Social and Affordable Housing NSW Fund is designed to address that gap to ensure that the waiting list, which is growing daily, is reduced. It aims to do this by providing the capital for community housing providers to build, own, and maintain the properties. The department will not own any of the stock built under this fund. Only phase one of the program is currently underway, which was launched in January this year with calls for expressions of interest. The Government has only now introduced a bill to provide for the establishment of the fund. Following the closure of the expressions of interest phase, nine consortia were shortlisted and issued with a request for proposal. Following the evaluation of those proposals, the Government intends to award successful consortia 25 year service agreement contracts. It is expected that those agreements will be awarded soon and we hope it is as early as this month.

This fund aims to provide a long-term revenue stream to plug the gap and encourage private and non-government organisations to team up to develop housing projects. I am also delighted that the Leader of the Opposition made the issue of social housing a key plank of his budget reply speech. He understands as well as

anyone that this is a major issue from not only a social perspective but also an economic and budgetary perspective. Social housing impacts on the budget and we want to ensure that as a community we can provide housing to those who are unable to enter the private market on their own. This fund will be set up with \$1.1 billion in seed capital from the Government and will provide investment to the sector. The investment arm of the Government, TCorp, will invest the \$1.1 billion and the returns will go to social and affordable housing projects in the form of a stable 25 year income stream. This equates to approximately \$44 million per year for 25 years. As discussed earlier, the aim is to deliver approximately 3,000 additional social and affordable homes. No doubt the member for Bankstown will take note of the rollout of those additional homes.

I wish to talk briefly about clause 5 of the bill, which sets out the purpose of the fund, which includes setting aside funds to create new social and affordable housing stock and the delivery of associated services and social outcomes for tenants. Clause 13 deals with delegation. The Minister may delegate the exercise of any function of the Minister under this Act to the Secretary of the Treasury or any person employed in the Treasury; or any person employed in a public service agency prescribed by the regulations. Importantly, there will be a review of the Act, as outlined in clause 16. The Minister is to review this Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives. The review is to be undertaken as soon as possible after the period of five years from the commencement, and a report on the outcome of the review is to be tabled in each House of Parliament within 12 months of the end of that period.

The Minister talked about the engagement of the NSW Council of Social Services [NCOSS] and Infrastructure Partnerships Australia. I acknowledge the work of those stakeholders. The member for Bankstown outlined in my discussions with her that Wendy Hayhurst, from the Federation of Housing Associations, has also looked at this legislation and has provided some input. In particular, we believe that stakeholders are pleased to see that the bill does not set any restrictions on the amount of funding that can be deposited or withdrawn, which leaves the door open for future expansion of the project beyond phase one.

At some point in time we all face challenges. The challenge of this Government is not only the construction of new social and affordable housing but also the maintenance of that stock. We will be facing real challenges in ensuring that the current regime of maintenance of public housing stock is delivered more efficiently and more effectively. All members in this Chamber can tell some harrowing and horrific stories about the lack of maintenance in the public housing sector across this State. Given the state of the budget as a result of a booming property market, the Government has a responsibility to ensure that some of that money goes back to providing housing to the most vulnerable. I know the member for Bankstown feels strongly about this issue because her electorate has a high proportion of public housing. She has been an incredibly strong advocate for people who often do not get a strong and fair voice in this place. The Opposition will not oppose the bill. We will look carefully at the rollout and implementation, but we will not stand in the way of investment that provides housing to those in our community who need it most.

**Dr GEOFF LEE (Parramatta) (16:38):** I speak in support of the Social and Affordable Housing NSW Fund Bill 2016. The purpose of the bill is to amend legislation to bring into effect key aspects for the future direction of the social housing strategy of this Government, which is aimed at delivering an improved and expanded social housing sector.

It also delivers on a 2009 Council of Australian Governments agreement to transfer up to 35 per cent of social housing to the community sector.

Few electorates in New South Wales would have a greater amount of social housing than Parramatta. I think it is in the top 10 of electorates in terms of social housing. Parramatta faces the difficulties, opportunities and challenges that social housing provides. The issues include providing enough social housing, making sure that it is suitable for the people that use it, and making sure that it is in an appropriate state of repair.

This is an important piece of legislation that allows for expansion in the number of community housing providers and for the transfer of houses to the community sector through long-term leases over 25 years. I have talked about this to a couple of representatives of community housing providers. They were very excited about the opportunities that they will get from the certainty of long-term 25 year leases, which will allow them to plan for the future and have long-term income streams. This will help them with their financing.

This legislation will help community housing providers and their tenants, because community housing providers are also very good at providing wraparound services for their clients. Some of the people in social housing need more than just a place to live. Many have behavioural issues, dependency issues, psychological issues and financial issues—a whole range of issues—and many housing providers offer wraparound services for individuals who may need counselling, training, help finding a job or help solving difficult, complex problems.

Tenants will also benefit because community housing providers will have more money to maintain and improve the dwellings.

I take this opportunity to speak about a wonderful project in my electorate of Parramatta at Telopea. Telopea is a fantastic suburb that is three or four kilometres from the Parramatta central business district [CBD]. It has a concentration of social housing. There are some 640 dwellings in the suburb and the New South Wales Government is probably the biggest landholder in that area. It was wonderful that before 2011, when he was a member of the Opposition, Brad Hazzard came out to look at Telopea. He saw it as a great opportunity to look at ways of revitalising Telopea.

Telopea is a suburb where 99.9 per cent of the residents are wonderful people who want to live decent lives and make a great community. As everyone knows, there are some people who do not want to obey social rules. They tend to smash up the suburb and give it a bad name. The Minister for Family and Community Services, and Minister for Social Housing, Brad Hazzard, has brought the Social and Affordable Housing NSW Fund Bill 2016 to this House and through this legislation something will be done about revitalising Telopea. In fact, the Government has a great plan to redevelop the whole suburb. The plan will result in the replacement of social housing which has reached the end of its economic life cycle with brand new social housing. It will deliver an increased amount of social housing, an increased amount of affordable housing and private housing.

This master plan looks at delivering a cohesive community with an integrated program that will benefit everybody in the area. We will have more people in social housing, which will result in some challenges in its delivery but we have already drafted the plan. I commend Anne Skewes and everybody from NSW Land and Housing on their dedication. That body has had an office on site for close to six months, taking people's ideas, which has resulted in an ambitious draft master plan.

The suburb will be serviced by the new light rail. The plan will result in a village-type atmosphere with a new, expanded shopping centre and a village piazza. I am sure, Mr Deputy Speaker, that you would want to move into the new Telopea village. The light rail will go into the Parramatta CBD, with regular services every 10 minutes during peak hour. The Government will deliver an extra 3,500 to 4,500 homes over the next 20 years in a 70-30 split, with 70 per cent private housing and 30 per cent of housing being social and affordable. This will replace the aged, outdated social housing which makes one shudder to look at. Those houses are 50 or 60 years old and they have not been well maintained. If I had to spend all day and all night sitting in one of those houses looking at the walls I would be depressed but this plan will deliver brand new housing stock for people who deserve it. People deserve to live in decent houses, and this will change the suburb.

This Government understands that, as part of this larger master plan—we are finalising the master plan at the moment—we need to do more than provide social housing. So this Government will provide new and improved streets providing better access. Many people in Western Sydney will use the light rail but just about everybody needs a car to get around, especially those who are working. It is a sad reality that many people in the eastern suburbs of the city do not understand that in the western suburbs we need cars. But there is more: The Government is going to deliver new parks, plazas, cafes and shops. People need the opportunity to enjoy outdoor recreation so the Government is going to spend a lot of money on parks and on creating a vibrant community that people will be proud to live in. As a part of that there will be an upgrade of Sturt and Acacia parks and the retention of mature trees.

Over the last six months we have held community forums to seek comments from the public. The most frequent comment about the area was about the beauty of its mature trees. Those trees will be integrated into the plan. The library will be replaced with a bigger library and the community centre and its spaces will be replaced. This development is welcomed by the community. I have held a couple of open forums involving the NSW Land and Housing Corporation, inviting the community to give their impressions on what we are going to do. We want to hear from people in the community so that we can get it right. We have only one chance.

This is a project that I have been championing for the last five years and we are nearly at the point where we have the master plan right. It is very controversial to launch such a large project but it is a wonderful opportunity to improve the social housing through a public-private partnership, teaming up a private home construction company with a community housing provider. In fact, it is an opportunity to deliver better social housing in an integrated, cohesive community. It would be great, in another three years—or some time in the future—to come back to this Chamber and report about where we have go to with respect to this project. The Social and Affordable Housing NSW Fund Bill is especially important because it provides an opportunity not only for the Telopea master plan project to proceed but for a lot of housing around the State to be transferred to community housing providers. It will give community housing providers the chance to expand their scope of works and will provide them with reliable income streams over the next 25 years so that they can reinvest that money in servicing the people who need and deserve social housing. I commend Minister Hazzard, his staff and the whole department on bringing forward this important legislation.

**Ms TANIA MIHAILUK (Bankstown) (16:48):** During my contribution to debate on the Social and Affordable Housing NSW Fund Bill 2016, I speak in my capacity as the shadow Minister for Family and Community Services and shadow Minister for Social Housing. As indicated by the shadow Treasurer, the Opposition will not oppose this bill. I take this opportunity to thank the shadow Treasurer for leading on behalf of the New South Wales Opposition, for his considered words and for his very firm commitment to dealing with the challenge faced by the State, which is housing un-affordability. The bill is a simple administrative measure that will provide for establishment of the Social and Affordable Housing Fund [SAHF] as a ringfenced entity in the Special Deposits Account under the control and management of the Minister for Family and Community Services, and Minister for Social Housing. In the words of Paul Keating, "God help us!"

My main concern relates to the Minister having full control of the fund. I will leave that issue to one side for the present. Perhaps time will tell whether I am wrong. The Opposition will support any initiative that promotes the growth of social and affordable housing stock. The situation faced by the people of the State when it comes to the affordability of housing in our major cities has reached crisis point. The scale of the challenge faced by New South Wales is immense. Presently in the city of Sydney the median price for a home hovers around \$1 million, which clearly puts property acquisition out of reach for so many young people and families. We know that because first home buyers now make up a mere 13.2 per cent of the total market for lending to purchasers of property. The proportion of 25 to 34 year olds who own their own home has fallen dramatically from 62 per cent to 42 per cent in the past few years.

All of those factors push up prices along the housing continuum, drive up the social housing waiting list to more than 60,000 households, which affects approximately 120,000 people, and stretch out the waiting list to decades in many places. When it comes to the adequate provision of social and affordable housing, much more work remains to be done. I place on the record of this House my concerns about the current make-up of the SAHF. The Social and Affordable Housing NSW Fund Bill 2016 is intended to provide for the establishment of the Social and Affordable Housing Fund. Despite originally pledging the SAHF in March 2015 before the most recent State election, the Government only now has introduced the bill to establish the fund. The fund will aim to deliver 3,000 new social and affordable housing properties to reduce the waiting list for social housing by closing the revenue gap between rental tenancy income and the costs of sustaining commercially viable affordable housing projects.

An amount of \$1.1 billion will be invested by the NSW Treasury Corporation, which is referred to as TCorp and which is the investment arm of the New South Wales Government. Returns from the fund will be used to fund approved projects. At present, only phase one of the project is underway. Expressions of interest were taken between January and March this year. Requests for proposals were made to organisations and consortiums in May and they closed in August. Services agreements are expected to be completed and awarded this year for a period of 25 years. I note no information is forthcoming from the Treasurer or the Minister for Family and Community Services, and Minister for Social Housing about any plans for, or commitments to, future phases. Phase one is intended to deliver 3,000 homes. I suspect—and only time will tell—that, given the structure of the fund, that number may not be met and there will be a substantial shortfall between the numbers promised and the numbers delivered. I hope I am wrong. I note that while 3,000 homes are certainly better than nothing, it will barely touch the sides in terms of the quantum of housing needed in this State.

The NSW Federation of Housing Associations believes approximately 100,000 new social and affordable houses are needed over the next 20 years, which is close to 5,000 homes a year, just to prevent the social housing waiting list from blowing out even further. In other words, over 25 years this fund will build less social and affordable housing per year than is already needed this year. Given the SAHF will be established as an investment fund seeking returns in the market, there is every possibility that the returns will not be substantial enough to generate the funding required to deliver 3,000 homes a year in 20 years. I note the Treasurer's commitment in her second reading speech that, should the fund outperform over the long term, additional earnings will go towards further programs that share the aims of the fund.

I therefore ask the Treasurer: Should the fund underperform over the long term, does the Treasurer intend to step in with additional revenue to support the objects of the fund, or will the quantum of houses to be built be reduced, should the fund generate sub-par returns? I ask the Treasurer to respond to that during her reply. I also ask the Treasurer to indicate in her reply the Government's position as well as whether the Government has received any advice about the level of return it may expect from the fund, and the investment strategy that will be adopted to generate the returns required to fund approved projects. Housing affordability is a major pressure in our metropolitan areas, but it also affects the whole of the State.

The Government must commit the proceeds of SAHF towards projects in rural and regional areas and ensure that our regions receive their fair share of investment in social and affordable housing. I note that issue was raised earlier by the member for Keira. It is the Opposition's understanding that any consortiums that engage with the SAHF must provide a minimum of 500 dwellings with at least 200 of those built in rural and regional

areas. I ask that the Treasurer confirm that during her reply. The New South Wales SAHF cannot be just a Sydney-focused fund. It is important that social housing dwellings are built in rural and regional areas of New South Wales.

I turn now to specific provisions of the bill. Clause 5 sets out the purpose of the fund, which is to provide funding to promote any of the objects of the Housing Act 2001 or the Community Housing Providers (Adoption of National Law) Act 2012, including setting aside funds to create new social and affordable housing stock, deliver associated services, and achieve social outcomes for tenants. I ask the Treasurer to indicate why the Government has not drafted this bill to ensure that the purpose of SAHF is also to meet the objects of the Aboriginal Housing Act 1998 stated in section 3 (a): "to ensure that Aboriginal people and Torres Strait Islanders have access to affordable and quality housing". The Aboriginal Housing Act is a key pillar of the legislative framework around housing. It is remiss of the Government to ignore it. If there is a good reason for the Government having done so, I ask the Treasurer to detail that reason in her reply.

Clause 6 nominates "that the Minister is to control and manage the Fund." The Labor Opposition believes that the Minister must therefore be accountable and should make public the manner in which he intends to manage and administer this fund. Clause 12 obligates the Minister to produce an annual report that details payments from the fund. The bill includes a requirement that an audit of the fund be carried out by the Auditor-General and that that report must be made available within six months of the end of each financial year to which it relates. The Government must commit to ensuring that that report also will detail the number of dwellings constructed, the number of tenants supported, and details of investments and returns generated by the fund. Clause 16 requires the Minister to review the Act to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives. The review is to be undertaken every five years.

Further clarification is needed about the future of the stock once the service agreements expire at the end of the 25 year period. Given that for-profit corporations have entered into consortiums with community housing providers, what assurances do the people of New South Wales have that the properties, which will have been built with the assistance of public funds, will be held in perpetuity by community housing providers and used to provide social and affordable housing on an ongoing basis? Will there be a requirement for all consortiums to contain a registered tier one community housing provider? I ask the Treasurer to indicate that in her reply. [*Extension of time*]

Furthermore, should a non-government-organisation participant in a consortium choose to withdraw from its respective consortium at some point in the future, will there be an obligation for the properties to remain as social and affordable housing dwellings? This is a very important point. I think the Treasurer should respond to that question also during her reply. It is quite possible that even at this stage some community housing providers, who indicated an interest earlier in the year, may not have remained in their respective consortiums.

The possibility remains that for-profit companies will be able to flip these properties at a profit after 25 years of appreciating land values. This is an unacceptable scenario.

I will conclude with some further remarks about the scale of the challenge we face. While \$1.1 billion is not small change, it remains a pittance compared to the level of investment required to solve the housing affordability crisis. So far we have seen neither hide nor hair of the Government's commitments to future stages of the Social and Affordable Housing NSW Fund [SAHF]. While the door is left open for further investment in the fund, this Government's faith rests firmly in a sort of supply-side fundamentalism. Without a clear commitment to addressing the many portfolios which impact housing affordability—that is, planning, Treasury, Fair Trading, as well as my own portfolio of social housing—a real solution to the housing crisis in this State is merely a pipe dream.

Housing unaffordability manifests in a number of ways such as in the social dislocation caused by families uprooted by economic pressures and driven to the urban fringes just to afford to survive, in the pressure placed on road and public transport infrastructure by increased journey times and in lost productivity arising from the lack of low and moderate income essential service workers living in our inner cities. In order to solve these incredibly complex challenges, we need innovative solutions. To that end, I encourage the Government to assess the objects of the SAHF within the full remit of the Housing Act 2001 and the Community Housing Providers (Adoption of National Law) Act 2012, as well as the Aboriginal Housing Act 1998. There is a broad range of potential uses for the fund within those objects including employment and support and ensuring that registered community housing is developed as a viable and diversified component of the New South Wales social housing sector, as well as supporting the provision of registered community housing for people on a very low, low or moderate income.

In closing, I take this opportunity to acknowledge the work of the NSW Federation of Housing Associations and to thank Wendy Hayhurst and John McKenna from the federation for their helpful advice with

respect to this bill. I also take this opportunity to acknowledge the Minister for Family and Community Services, and Minister for Social Housing and Tracy Howe from the NSW Council of Social Service [NCOSS]. I have worked with NCOSS on many campaigns including seven ways to reduce poverty in this State. NCOSS is attuned to the needs of residents of this State and tries to make a difference by working with the Government and the Opposition to ensure that addressing poverty is always front and centre of government deliberations. It does not surprise me that NCOSS played an integral role in demanding that the Government take seriously social and affordable housing in this State.

It is the most vulnerable people in this State who require the support provided by social and affordable housing, and it is their interests that the SAHF must serve. I will watch with great interest as the tenders are issued in due course and I will follow how the consortiums perform. I look forward to seeing these homes being swiftly built, and I hope to be one of the first people to read the first annual report once it is made available, as this bill requires. The Auditor-General will audit the SAHF and I expect that report to be issued shortly after the tenders are issued. I commend the bill to the House.

**Dr HUGH McDERMOTT (Prospect) (17:03):** I speak in debate on the Social and Affordable Housing NSW Fund Bill 2016. New South Wales has a social and affordable housing crisis. Public housing waiting lists stretch beyond 20 years in the electorate of Prospect alone, with approximately 10,000 people—women, men, children, the elderly and the disabled—on this list. Steeply rising property values have almost destroyed the commercial viability of private rentals to tenants subsidised by the New South Wales Government. Therefore the need for the New South Wales Government to invest in social and affordable housing should not be underestimated.

Under this bill, the Government aims to deliver some 3,000 new social and affordable houses to reduce the waiting list for social housing properties by providing capital for community housing providers to build, maintain and own properties. In the electorate of Prospect alone 3,000 houses would not be enough to meet the needs of those on the waiting list, but it is a start. Five housing providers have been named; however, the Baird Government has not identified where the new social and affordable houses will be constructed. We have heard that a certain number of these new houses will be constructed in regional areas, but as a representative of a community in Western Sydney I say to the Government that those houses are needed in Western Sydney. I have said that the planned 3,000 new homes would not be sufficient to meet the need in my electorate alone, but the rest of Western Sydney and regional areas such as Newcastle, Wollongong and Port Macquarie desperately need more new social and affordable houses. Furthermore, the New South Wales Treasury Corporation will invest \$1.1 billion into social and affordable housing contracts, with a \$44 million per annum return on investment. I am pleased that the Government is investing this money to get a decent return on that investment.

Section 5 of the bill sets out the purpose of the fund, which includes setting aside funds to create new social and affordable housing stock, deliver associated services and achieve social outcomes for tenants. This is a welcome, although overdue, policy. Furthermore, despite calling for expressions of interest into partaking in the proposed program in January, the Baird Government has only just introduced this legislation to establish the fund itself. This means that the Baird Government has sat on its hands for some 10 months, acknowledging the problem but shamefully being slow to act. Of course, there should be very careful optimism in regard to this bill. As a financial investment, the Treasury Corporation may sell its stake, or withdraw funding fairly abruptly, should government policy change. Social and affordable housing stakeholders must continue to watch the Government like a hawk, just as the Opposition will, to ensure that any small changes to investments do not unfairly impact on the lives of people who live in the proposed social and affordable housing investments.

Nonetheless, the flexibility can also be used for good. As there are no restrictions on the amount of funding that can be deposited or withdrawn, future expansion beyond phase one is possible, and a promising proposal. I would encourage the Government to follow this path. The Baird Government desperately needs this bill to salvage its reputation with those in social housing as well as those involved in the social housing sector. However, the Baird Government should not get away with its track record to date on social housing. Many tenants experience high rates of crime in their neighbourhood, prolonged waits for simple maintenance of their homes and a lack of investment in government services available to them.

The Baird Government also needs to understand the difficulty of the lives of those who rely on governments to provide housing. I will give a few examples of these people. Just last week, a 70-year-old homeless Assyrian-Australian, who could barely speak English, presented himself to my electorate office seeking help to find housing. He had been living in his car and was destitute and desperate. He had approached Housing NSW and had been given a form and then told to look for private housing on his own. How can anyone who is vulnerable and barely speaks English succeed in the hunt for private real estate? When the New South Wales Government continues its move towards becoming a social and affordable housing investor, rather than an owner and operator, care must be taken to ensure that people like the man I have just spoken about do not fall through the gaps.

Maintenance of housing is also a major problem that is not being adequately addressed by the Baird Government. Another example I will give involves a man in Pendle Hill, who has had an ongoing issue with the bathroom in his home not being adequately waterproofed. Many requests to Housing NSW have been largely ignored, and the gentleman has been left without any idea of whether his bathroom will be fixed despite requests from my office to follow up his concerns, which have also been mostly ignored.

People should not be subjected to this kind of treatment just because they live in social housing. They deserve the dignity of having promised maintenance work done to an acceptable standard with clear communication. But unfortunately there are still more horror stories about social and affordable housing in my electorate of Prospect alone and these stories are endemic across the State. These include Housing NSW residents putting up with antisocial behaviour by housing drug addicts and those convicted of violent crimes next to senior residents; a tenant who has not had any repairs done to his kitchen for 30 years with cupboards falling off his kitchen wall; tenants not being able to use showers or bathrooms for weeks on end as contractors did not correctly complete the job the first time; and residents who have had a least four contactors out to look at the same job before a decision was made to complete the works.

Labor supports the bill but there are other issues that I need to raise. First, under clause 13 the Minister would have the power to delegate authority to an employee of Treasury with very little provision or oversight. Further, under clause 16 the Minister is to be granted the power to "determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate ...". This provides a significant amount of flexible power to the Minister without much scrutiny. Such decisions will barely be transparent and simply rely on the hope that the Minister does a good job.

As I have said, the New South Wales Opposition will not oppose this bill and welcomes further investments in social and affordable housing in New South Wales. However, the New South Wales Government must not just throw money at the problem and do nothing to ensure quality of homes and support services to vulnerable people in society. Those in New South Wales who rely on the Government to invest in their future homes deserve dignity and respect. I hope that additional housing will create the vibrant, safe communities which these residents—and residents in the Prospect electorate and throughout New South Wales—deserve. I commend the bill to the House.

**Mr GREG PIPER (Lake Macquarie) (17:10):** I contribute to debate on the Social and Affordable Housing NSW Fund Bill 2016 and state at the outset that I support the bill. I acknowledge the Government's efforts to provide adequate and affordable housing in this State. I also acknowledge the efforts of the Government and the Minister in this space as it is one of those areas in which sometimes one cannot take a trick. It is expensive to fix the issue and to satisfy demands that we have right across New South Wales. My observation of Minister Hazzard is that he is taking this matter seriously and I believe his efforts in this space should be acknowledged.

A number of speakers have also raised the issue of maintenance and the quality of public and social housing stock in New South Wales. It is a very real issue. I am sure—unless there is some extraordinary reason—that every member in this Chamber has a list of problems relating to properties in their electorates. Members from electorates such as mine that have a higher number of social housing properties would probably know that better than others. In my electorate we have large areas of public housing in Toronto West and problems around Bolton Point, Marmong Point and other areas throughout my electorate.

Today the member for Coogee tabled a report from the Public Accounts Committee, of which he is the Chair and of which both Temporary Speaker Evans and I are members. We have had a good look at this report. While there is no clear or easy solution, we have taken heart from our observations in the inquiry held a few months ago that many things are happening in this area and that we are in a significant period of change from which I hope residents and tenants in all electorates will benefit. I hope that members take the opportunity to read that report and take some heart from it.

While I acknowledge that the \$1.1 billion Social and Affordable Housing NSW Fund [SAHF] honours the commitment this Government made prior to the last election, I also acknowledge that it has widespread support within my electorate, particularly from those organisations that work hard to put a roof over the heads of many vulnerable families. Delivering this fund addresses at least part of the need and responds to calls over many years for more action in this area from non-government organisations and advocacy groups. I also acknowledge expert opinion that suggests the first stage of the SAHF would provide as many as 3000 much-needed additional homes for the socially or financially disadvantaged—but, as has been said by other speakers, that barely scratches the surface. However, on that basis I take the opportunity, as others have done, to draw attention to the need in my area of Lake Macquarie and indeed within the region.

I am very much in favour of providing new and upgraded public housing, not just in Lake Macquarie but also throughout the State. For varying reasons, many people would be unable to provide adequate accommodation

for themselves or their families without this assistance. Providing this assistance is a reflection of a mature and supportive community and, most importantly, it is an investment in the families and children who live in public housing. The latest data from Family and Community Services shows that the waiting lists for social housing in my electorate are among the longest and worst in the State, matched only by waiting lists in the neighbouring local government areas of Gosford and Wyong. I acknowledge that there are many other electorates with similar numbers. The current waiting time for a one-bedroom, two-bedroom or three-bedroom home in Lake Macquarie is more than 10 years and has been for a long time. It is only marginally better for those seeking a four-bedroom home. There is a large and growing population in Lake Macquarie, where many people choose to live because it is between the major employment areas of Newcastle and Sydney and because the great Australian dream of buying a home is somewhat cheaper there. That dream, however, is quickly evaporating as home prices soar in suburbs that have traditionally provided more affordable options.

The latest figures from property monitoring services Domain and RP Data show that the median house price in Lake Macquarie is now \$490,000. Double-digit annual growth has been the norm in some suburbs for many years. I acknowledge the member for Charlestown, who will probably speak after me, and her role as the former mayor of Lake Macquarie. She would understand the growth, demand and price pressures that are happening right around the area which, for many reasons, is a desirable area in which to live. Average incomes recorded by the Australian Bureau of Statistics in those same suburbs are well short of what is required to buy a house in that median range.

This all adds up to the fact that the great Australian dream is being pushed further and further away from young people and families. More and more people will have to rely on subsidised or social housing or find a way of putting an affordable roof over their heads. The SAHF is even more important because it will allow not-for-profit housing providers to deliver more housing stock as well as fund programs that will help people to transition from the public housing sector and buy a home of their own. At the moment, social housing providers are somewhat hamstrung in finding cash flows to bridge the gap between the rents they bring in, the administrative costs they shell out and the revenue required to boost new housing stocks. I believe this fund and the annual interest it accrues through sound investment—and I hope sound investment is exactly what we will get—will help them to find the seed capital they need to fund more housing and more programs to get people into their own homes.

The fund is broadly supported by the NSW Council of Social Service and the social housing providers in my electorate, but both they and I would like to see the first phases of the funding program specifically targeted to areas that are the most in need. As I have said, that includes areas such as Lake Macquarie and of course our neighbours in the Central Coast region, where housing shortages and worsening rates of housing affordability are having severe impacts on young people and vulnerable families. In conclusion, while there are some caveats on the issue, overall this can only be seen as a good move. I acknowledge that the Opposition is supporting this bill but is rightly flagging the need to make sure that a focus is kept on this, that the fund does deliver returns—but we need to roll it over and reinvest in social housing—and that we look for other opportunities as well, because this in itself will not resolve the situation for New South Wales.

**Ms JODIE HARRISON (Charlestown) (17:49):** The object of the Social and Affordable Housing NSW Fund Bill 2016 is to establish the Social and Affordable Housing NSW Fund for the purpose of providing funding for the delivery of social and affordable housing in New South Wales. The intention is that in its first phase the fund established by the bill will deliver up to 3,000 additional social and affordable homes for vulnerable families. As the member for Keira and shadow Treasurer and the member for Bankstown and shadow Minister for Housing said earlier in this debate, the Opposition will not oppose the bill. However, I will deal with it in the context of the experience of people living in my electorate of Charlestown.

Home ownership affordability and rental affordability is worsening, and there are long waiting lists for social housing and rising levels of homelessness. Having access to housing is a human right, and it is a government responsibility to ensure adequate housing is available for all. Every day, Housing NSW works under intense pressure to deliver services in New South Wales. The staff are under the pump with a backlog of maintenance issues and almost 60,000 families in desperate need of shelter. Over the years, waiting lists for public housing and transfers in the Hunter have only blown out further. It can take more than a decade to find suitable housing, especially if the request is for a specific area or type of home.

Earlier this year I made representations to Housing NSW on behalf of a constituent requesting a transfer. The young woman was concerned for her safety in her home primarily because of the intimidating behaviour of a single male neighbour. The application for transfer was approved on compassionate grounds. However, Housing NSW was unable to say how long she might have to wait until a suitable offer of accommodation would be made. It is wrong that in the meantime the young lady is left feeling fearful in her own home. These waiting times are simply unacceptable.

There is a shortage of affordable property in this State. There simply are not enough properties. The Government must maximise its current resources and use them efficiently. That is certainly what this bill seeks to achieve. The suburb of Windale in my electorate consists largely of social housing. Many properties are three-bedroom homes on quarter-acre blocks that are often occupied by single tenants. These underdeveloped blocks of land need to be utilised. However, at the same time, the fact that these tenants have considered these properties their home, and they have been encouraged to treat them as such for many years, in some cases decades, must be recognised and dealt with compassionately.

Earlier this year my office worked tirelessly to help a constituent with serious neighbour problems. The neighbour would harass people in the street, was trashing the property, and played loud music throughout the day making the situation unbearable. His nuisance behaviour caused his neighbours much stress and anguish. There is clearly a problem when a single person can live in a three-bedroom house on a quarter-acre property while there are families desperately in need of that type of accommodation. This is also an example of how the demographics of those seeking housing have changed. Fewer and fewer families are seeking housing; more often it is single people who are seeking one-bedroom units. Transforming a suburb like Windale from standalone homes to a mix of townhouses, apartments and single dwellings is not an easy process. People have lived in these houses their entire life; they are homes in which they have raised their children and watched them grow. The impact such a move would have on those families cannot be taken lightly or forgotten.

However, I have seen first-hand the transformational effect and boost in community pride that occurs when these isolated, old and rundown blocks are redeveloped. The new blocks of social housing units that have been developed are utilising the available land. They are built in a way that fosters a sense of community. The residents of one complex that I visited regularly got together, and continue to do so, to use the shared facilities, including a barbeque and an outdoor social area. The complex is on two levels, but it also has a lift, so it is fantastic for tenants who need that sort of accessibility. Too many housing properties in Windale are unoccupied because they need maintenance. A constituent who was fleeing domestic violence was left in limbo for months. She experienced ongoing delays because the house being provided for her needed to be repaired. In the meantime, she was moving between temporary and emergency accommodation, motels and friends' couches. Again, this is simply unacceptable.

Like all of us, social housing tenants deserve healthy and safe housing. However, residents in my electorate are facing rat infestations, flooding, mould and holes in ceilings. When I heard that the budget for planned housing upgrades in my electorate had been cut by more than \$300,000 in the 2016-17 budget I was deeply concerned. Fortunately, my staff and I have a great working relationship with Housing NSW, and its office next door to my electorate office. The staff are hardworking, dedicated and responsive. However, their job is made difficult when they are not provided with the resources they need.

Earlier this year, my office was contacted by a constituent called Lisa. The dwelling Lisa lives in with her six-year-old son, who has a disability, is infested with vermin, insects and black mould. When she moved in last October, she completed a condition report presuming that it would lead to the problems being fixed. Months later, Lisa was still working with Housing NSW to improve her living conditions. Living with the mould led her and her son to experience breathing issues. Doctors' reports were provided as evidence and they implored that something be done as soon as possible. Housing NSW staff worked hard and offered Lisa a new home. However, when she visited the new premises she found that, like her current house, it was covered in mould and the gutters were falling away from the roof. There are simply just not enough social housing properties available, and when one rarely does become vacant, all too often the conditions are just as bad as those the tenant was hoping to escape.

Martin, another social housing tenant, first contacted my office in November 2015. Martin's home was damaged in the tragic April 2015 Hunter storms. After contacting the Housing NSW call centre approximately 10 times trying to get the damage fixed, Martin, not knowing what to do next, contacted my office. I made representations on his behalf directly to Housing NSW. It was agreed that the issue had been drawn out and staff contacted Martin directly to organise the repairs. In January, Martin contacted my office again because his roof still was not fixed. Water was leaking through the roof into the hall light and the smoke detector. After my office contacted Housing NSW again, a tarp was placed over Martin's roof. In May, Martin again contacted my office because his roof still was not fixed. At that point, Martin had contacted Housing NSW more than 20 times and assessors had visited the property more than 10 times.

In the midst of Martin making repeated unfulfilled maintenance requests, the private maintenance contract for Housing NSW changed hands. That undoubtedly caused considerable delays. Martin was contacted by Housing NSW to inform him that contractors would be in touch to undertake minor repairs on his roof as an interim step until his roof is replaced. Martin again made contact in late June because his roof still was not fixed. My staff again contacted Housing NSW on his behalf. They were told that the expected time frame for approval was 1 July, and that once approved it was expected that the work would be completed in 20 days. It was only after

months of representations by my office to Housing NSW that Martin's roof was finally repaired. He received more than \$6,000 for 14 months of subsidised rent.

These are only a couple of the stories that I have encountered at my electorate office that highlight how badly underfunded social housing is in this State. It is appalling that some of the most vulnerable people in our community are living in unsafe and unhygienic conditions and that the Baird Government continues to give them little support. Lisa and Martin's stories highlight that underfunding basic maintenance leads only to higher future costs as small problems become significant structural faults. Maintenance backlogs are unacceptable and place huge pressure on tenants. Social housing does more than provide someone with a home, shelter and security. The State's social housing stock is a valuable asset that belongs to the taxpayers. It is in the Government's interests to invest in and to maintain this asset. This bill goes some way towards increasing social housing stock for the least fortunate. However, there is still a long way to go before adequate housing is provided for all. I welcome the 3,000 additional social housing dwellings that are proposed. It is a start, but we still have a very long way to go.

**Mr ALEX GREENWICH (Sydney) (17:29):** The Sydney electorate has significant social housing communities with estates in Woolloomooloo, Pymont, Darlinghurst and Millers Point, although it is diminishing in Millers Point. Before the last election I also represented social housing communities in Surry Hills, Chippendale and Ultimo. Stable low-cost housing is vital to people on very low incomes, especially those with a mental illness, those with a drug and alcohol problem, those suffering from trauma and abuse, and prisoners released back into the community. Providing a stable home to someone who is disadvantaged, frail or vulnerable can help that person get back on their feet; break the cycle of disadvantage; get treatment needed for general health, mental health, and drug and alcohol problems; avoid a life of crime; or simply feel safe and secure.

Social and affordable housing is a vital government service, and I welcome the new opportunities that the Social and Affordable Housing NSW Fund Bill 2016 will create for new social and affordable homes. The bill establishes the Social and Affordable Housing Fund, which the Government will finance through returns from \$1.1 billion worth of investments, to use on innovative projects that deliver new social and affordable homes. Funding will go to consortia of community housing providers, financiers, developers, landowners and other non-government organisations providing social and affordable housing to bridge the gap between costs and returns, and to help attract new investment in housing outside of government. Legislating the fund will ensure that in the future this new investment goes to social and affordable housing as opposed to consolidated revenue, with any change requiring an Act of Parliament.

The Social and Affordable Housing Fund is the main growth fund for social housing in this State, with Family and Community Services housing budgets generally focused on management of housing over expanding stock. Even the Communities Plus program, which aims to produce around 6,000 new social housing dwellings by redeveloping the Land and Housing Corporation's existing land, is financed by mixed tenure and increased densities, not new money. I strongly welcome the new investment into this often overlooked government function. The bill provides for appropriation of the fund from future State budgets, and I expect it will need regular top-ups to finance new dwellings on an ongoing basis. While an excellent start, we need more than the 3,000 new dwellings that will come out of the first round of funding, given housing has been neglected by successive governments for so long.

The fund is being financed from revenue from investment by the Treasury Corporation. I suggest the Treasurer consider other sources such as a budget appropriation. For example, an appropriation of \$800 million every 10 years for the delivery of around 2,000 extra dwellings annually could achieve 20,000 new dwellings over a 10-year period. The Treasurer could also review the purposes for which money from the Government's Waratah Bonds is used since it is currently limited to funding infrastructure projects. Much of the success of this fund is outside the framework of the legislation, and will rely on government implementation policies and procedures.

I understand the Government will take a flexible approach and is willing to support newly constructed houses, existing dwellings or redevelopments so long as an increase in social and affordable housing stock is achieved, with a minimum of 500 dwellings for metropolitan projects. I understand that a mix of tenure can be supported, provided at least 70 per cent of additional stock is social housing. Importantly, community housing providers will be expected to focus on tenant management to help tenants achieve their potential, which for some may include being able to earn enough to secure long-term private accommodation.

Security of tenure is one of the biggest concerns for tenants. Funding contracts will end after 25 years, after which properties can be sold or transferred to the private rental market. I understand that this reduces the risk for private investment and that the intention is to encourage consortia to reapply for contracts after they cease. However, many tenants will be concerned about their future as the end of a contract for their home approaches. I ask the Government to establish strong safeguards that ensure tenants are kept informed about their future tenancies and that if they must leave their home they are provided with similar housing within their communities.

In closing, I congratulate the Government on investing in new social and affordable housing stock and on encouraging an innovative approach to addressing the long waiting list for social housing. I support the bill.

**Ms JENNY LEONG (Newtown) (17:33):** On behalf of The Greens I speak on the Social and Affordable Housing NSW Fund Bill 2016. I am pleased to say I have taken on the Housing portfolio for The Greens NSW and acknowledge the tireless work of Jan Barham, my colleague in the other place, for her work in that portfolio area over a number of years. As has already been outlined, this bill establishes the Social and Affordable Housing NSW Fund [SAHF] to set aside \$1.1 billion of dedicated funding for social and affordable housing in New South Wales. This a plan by the Government to address the shortage of affordable and social housing. It is said that in its first phase it will deliver up to 3,000 homes. It will be used to manage the properties and the tenancies within them and to provide support services for tenants.

The Greens note that the returns from the fund will be reinvested into the social housing sector, and we welcome the creation of an ongoing income stream for the sector. Any investment of money in the housing crisis in New South Wales has to be welcomed. However, as the NSW Federation of Housing Associations, the Tenants' Union of NSW and Shelter NSW have all noted, this scheme will go only a very small way to addressing the housing crisis in New South Wales. Therefore The Greens will not oppose the bill. However, we highlight the fact that this initiative is not enough to address the housing crises we are facing in New South Wales. We must change our entire approach to address the housing crisis. It is an issue of intergenerational inequality and one that this House, this Parliament and this Government must address.

People in New South Wales earning very low to moderate incomes are increasingly unable to access affordable housing, particularly in Sydney. Demand for affordable housing consistently exceeds supply to a vast degree. This adds to the upward pressure on rents and house prices, and leads to a decline in the number of affordable properties available. This fund alone will not be enough to address the housing crisis. More investment is needed to boost the supply of social and affordable housing. We require a commitment to maintain public housing that has for many decades provided support to the most vulnerable in our community. According to the Anglicare 2016 Rental Affordability Snapshot there are now 59,000 approved applicants for social housing on the New South Wales housing register. In her second reading speech the Treasurer said that the intention of this housing fund was to plug a gap:

The Social and Affordable Housing Fund will provide a long-term revenue stream to plug this gap and encourage private and non-government organisations [NGOs] to team up to develop housing projects.

Given that this fund will deliver 3,000 new dwellings and the Anglicare 2016 Rental Affordability Snapshot shows that there are now 59,000 people waiting for social housing, it appears that the gap, while it may be plugged slightly, is not being plugged enough. A very large number of people will be left without social and affordable housing, even with the investment of this fund. It does not factor in a recent analysis from the University of Sydney, which projected New South Wales will have to provide 4,900 new affordable homes each year for 20 years just to maintain current wait lists. It does not factor in the increased demand for affordable and social housing in this State.

It is a disgrace that so many people in this State do not have a place to call home. It is a disgrace that this Government is claiming that it is now in the black when people are homeless in the streets of New South Wales and in the streets of Sydney. We see cuts to refuges. I do not measure "in the black" or "in the red" by figures presented by the Treasurer and this Government. I measure whether this Government is doing a good job by whether there are people sleeping homeless on our streets, trying to escape domestic violence, on crisis waiting lists who are not being provided with public, social or affordable housing. That is the problem in this State. The Government should not be patting itself on the back while our most vulnerable are not able to access the basic human right of safe, affordable and secure housing.

It is a disgrace that we have seen consistent approaches by successive governments in New South Wales to sell off public housing. It is a disgrace that we have seen the sell-off of public housing rather than investment in public housing. It is really disappointing that we do not see investment in housing included in the investment in infrastructure. Housing is as essential as education and health care, yet there is no recognition of the importance of investment in public housing or affordable housing in the same way as there is in the necessary infrastructure that should be part of what this Government delivers. Instead we see the sell-off of public housing, public housing under threat in Millers Point, the planned sell-off of the Sirius building and the impending relocation of residents in Waterloo. Residents are living under threat, not knowing what will happen as UrbanGrowth moves in to try to redevelop their area. We do not see the investment in public housing.

We see compounding problem of an ever-growing waiting list for social housing. We see private renters under pressure and we see housing affordability prices impacting on many in our community, especially young people. While we welcome the small steps taken by this Government to increase the availability of social housing

properties in New South Wales, we must ask the question about the type of developments that can be paid for by these funds. Importantly, which bodies can apply through the Government tender process to access these funds not only now but also in the future? While the first round tender process required each tender application to include at least one community housing provider as part of the project consortia, we are not aware of any ongoing regulation to ensure that eligibility for the project remains that way. We must ask: What protections are in place to ensure that for-profit developers and for-profit companies do not become the main beneficiaries of this fund?

We know that private companies are interested in getting their hands on this sector. On 14 August this year the *Sydney Morning Herald* reported that Serco has an interest in public housing in New South Wales. That is the same Serco that became infamous for managing Australia's offshore detention centres. According to the report, Serco told the Baird Government that community housing providers are too small to be efficient and that the State Government should follow the British model of outsourcing to larger management companies. It is interesting to note that the Minister for Social Housing met with Serco on 8 June this year and decided not to comment on the article that was published in the *Sydney Morning Herald* about Serco's interest in public housing in New South Wales. I ask the Treasurer to address those concerns in her response and to reassure the community that this fund will not be accessed by private companies, like Serco, in the future. We must ensure that this fund is set up to serve the interests of the public.

A Select Committee on Social, Public and Affordable Housing was initiated by my colleague Jan Barham, MLC. The inquiry was broad-ranging and consulted with many people in the sector. In 2014 it delivered 41 recommendations that clearly identified the alarming shortage of social and affordable housing across the State. However, the New South Wales Government failed to pick up many of those recommendations. A massive opportunity was lost in relation to inclusion rezoning, and the plans of UrbanGrowth, which still does not have targets for affordable housing for its new developments in the area. We need a housing system that gives priority to helping people access the right to safe, secure and affordable housing. We must remember that is a basic human right.

Without adequate housing, people are excluded from many areas of our society. They are deprived from the basic services and supports that are essential to their wellbeing. We must recognise that every person has the right to access affordable, safe, secure, healthy and community-orientated housing, which is a commitment of The Greens. We must also ensure that it is appropriately designed and located, and constructed in an environmentally responsible way. The reality is that we should not see this Government patting itself on the back until everyone in New South Wales has the ability to be in a safe, secure and affordable home. Only then should it congratulate itself. We do not oppose the bill, but there is a big gap between the 59,000 people on the waiting list and the 3,000 new homes that will be delivered as a result of this fund.

**Ms TRISH DOYLE (Blue Mountains) (17:42):** In speaking in debate on the Social and Affordable Housing NSW Fund Bill 2016, I note that to date governments of both political stripes have failed to create and maintain adequate public and affordable housing stock in this State. In its pursuit of excessive surpluses, the interest of Coalition governments has been to suppress housing stock and to exacerbate the housing affordability crisis in which New South Wales finds itself. It has to be said that the New South Wales Treasury is addicted to stamp duty. This week the Treasurer has been boasting about the cash reserves she has accumulated. Not only has this been done by overtaxing working class people, but also by sustaining cuts to vital services and government programs. We have a skills shortage in New South Wales and the State Government cuts TAFE. In turn, employers complain of a lack of workers for skilled trades. In response, the Federal Coalition Government approves ever more skilled migration to fill the gaps in the skill set of our domestic workforce.

In turn, this puts more pressure on the already scarce housing stock. Increased demand for scarce housing inflates prices, which in turn adds to the value of stamp duty receipts at the Office of State Revenue. In the meantime, the Baird Government barrels ahead—for no other reason than pig-headed ideology—with selling off public housing stock at Millers Point. It now wants to double down on that disgraceful legacy by turfing out the last remaining residents in the Sirius building at The Rocks. After flogging off publicly owned social housing, it tells us that it has the solution—it will pay the private sector to create new housing stock to make up for the shortfall it created when it sold it off. It will pay the private sector to create new housing stock to make up for the absurdity of a housing market that, year after year, outpaces wages growth and which, through its own actions, it has signalled it believes is already too strong.

While the Government relies on ever-increasing house prices to feed ever-growing stamp duty receipts, it wants to put a brake on wages growth. It has already given public servants in this State a wage cut every year for the past five years by limiting wages growth to 2.5 per cent. That is the vision of the Coalition for New South Wales—wages flatlining, housing prices rising exponentially year on year, gutting or selling off public housing, and transferring the responsibility to the private sector and big charity. The housing affordability crisis is forcing first home buyers to becoming first home landlords. The only homes that young people can afford to buy are those

they must then rent out to others. This in turn puts upward pressure on rents as investors look to equalise their rental income and investment mortgage costs. The whole housing market for renters and buyers continues to grow unabated and it is working class people on low and middle incomes who are the victims.

Currently around 105,000 people in Australia are homeless and approximately 28,000 of them live in New South Wales. More than half are under the age of 35. Instead of building additional public housing, the Government has chosen to leave it to the developers, yet when it comes to affordable housing and social justice, the market has failed to put people before profits and deliver housing stock that is affordable to renters and first home buyers. In the Blue Mountains, there is almost no public and social housing stock. The stock does not in any way meet the demand. As a result, there are long waiting times for prospective social housing tenants. Family and community service figures show waiting times as follows: more than 10 years for one bedroom properties; more than 10 years for two bedroom properties; five to 10 years for three bedroom properties; and five to 10 years for four bedroom properties.

I acknowledge the work done across my electorate by Wentworth Community Housing. I note it does the best it can with inadequate funding provided by this State Government, but it does its best nonetheless. I commend its current project, which is Heading Home-Ending Homelessness Here! The bread-and-butter efforts of my electorate office are assisting my constituents who are experiencing a housing crisis, as well as people facing homelessness or destitution as a result of ever-increasing housing costs. Lack of affordable housing is one of the major reasons people visit my office in crisis. According to Shelter NSW, New South Wales is currently facing a shortage of 100,000 affordable dwellings for families on low incomes. It is estimated that to address the social housing shortfall, the New South Wales Government must provide 20,000 affordable new dwellings over the next 10 years. This goes to show that the package on offer from the Baird Government is completely inadequate and unsatisfactory. The expert advice to the Government is: Build 20,000 homes. The response from Mike Baird is: Make do with 3,000.

In addition to increasing the availability of public and social housing stock, the Baird Government must increase funding for maintenance and repairs to ensure that public and social housing tenants enjoy timely repairs and regular maintenance of their property. Information contained in the recently released report from the Public Accounts Committee entitled "Management of NSW Public Housing Maintenance Contracts" highlights the points I have made.

There is a growing gap, it clearly says, between the costs associated with maintaining public housing and the maintenance budget. There is a large backlog of remedial works across this State. Recently one prospective social housing tenant in my electorate was referred to a vacant Housing NSW property. He was appalled when he got there. The windows were boarded up, cupboards were hanging off the walls, carpets and walls were filthy and the grass was knee high. He did not feel that it was a safe or fit place for him and his family. This is not an isolated incident. The Labor Party will support this bill, but only because it would be reckless of us to oppose it on the basis of its absolute inadequacy. It is true that something, however inadequate, is better than nothing. So we accept that this bill should be supported, but I believe we need a radical rethink around housing affordability in this State.

This morning, at an event facilitated by the Sydney Alliance, I met with young people, students, workers and housing crisis services. The Sydney Alliance is one example of an organisation that is campaigning for increased supply of social and genuinely affordable housing in New South Wales as well as legislation to level the playing field for young first home buyers to enter the housing market. Members of the alliance were out talking to parliamentarians. The Sydney Alliance's event showcased the remarkable efforts of a young student to bring housing affordability and homelessness into focus. Aryeh Berkovits is a 10-year-old student of Kesser Torah College in Dover Heights. Over the past few months, Aryeh has been working on a very special school project—the construction of a prototype shelter for homeless people. Aryeh hopes that one day it may be used to assist people in need, but in the meantime he wants to use his shelter to raise awareness of the problems of homelessness and housing affordability in our community.

This is commendable and impressive work, but it begs the question: Why has it fallen to a school student to demonstrate to the Government how unsustainable the current housing situation has become? The gutting of public housing stock in the inner city, and the mistreatment of public housing tenants, is not the answer. Likewise, this legislation is not enough of an answer. It is a start—phase 1—but not enough. The problem is that it is very likely that this represents the extent of the Government's efforts and its interests in this area. Government members will pat themselves on the back because they have found yet another way to transfer taxpayers' money to the private sector. The system the Government proposes is a fund of \$1.1 billion that will pay a dividend that in turn will be used to fund development of new housing stock. The Government has no intention of becoming the owners or operators of any new social housing stock.

What does this mean for these homes at the conclusion of the 25-year service agreement contracts? In terms of the lifecycle of a State Government, and the likely lifespan of this very hopeless State Government,

25 years is a long time—but it is shorter than the standard 30-year mortgage. So we are talking about housing that could very soon—relative to mortgaged homes and the even longer useful life of a dwelling—end up back in private hands. What guarantees are there that the private operators of these new dwellings will not seek to capitalise on their investment in 25 years by flogging them off? I support the bill, but I do not for one minute accept that this legislation represents an adequate solution to the absolute crisis in housing affordability that grips this State. We must do more.

**Ms PRUE CAR (Londonderry) (17:53):** Imagine for a moment a young mother. She is up against it in many ways. She is raising a few children in the Western suburbs—on Sydney's outskirts. It is hard enough to do that when dealing with the cost of living and day-to-day expenses, but she is living in public housing. The threats of violence from her next-door neighbour are really scaring her to death. They are a threat to her personal safety and the personal safety of her children. She applies to NSW Housing for a transfer, but this young mother is told that it will take at least two years for her to be rehoused. This mother is not a fictitious character. She is a constituent living in my electorate of Londonderry, who has come to me in desperation. Hers is but one of the many examples that we hear of every day as a result of Government inaction on social, affordable and public housing. Such examples are not uncommon; they are dangerously widespread.

I hear stories every day from people who have been waiting the better part of their lifetimes to get into social housing. Sydney's rental market is taking its toll, not to mention the unaffordability of buying in the Sydney electorate of Londonderry. Everyday my office is contacted by people who face chronic waiting times to be housed or rehoused. I do not use the word "chronic" lightly. Many are told that they will have to wait for up to 10 years. In fact, the member for Blue Mountains said that it was the bread-and-butter issue for her electorate office. I think there are many members in this place who would say the same thing. Inquiries about public and social housing could occupy almost two staff members in my electorate office. It is a crisis in New South Wales.

I make this brief contribution on the Social and Affordable Housing NSW Fund Bill, which the Labor Party will support. As we have heard, this bill will see the construction of more social and affordable housing, albeit an inadequate number. Three thousand new dwellings is a drop in the ocean—it is like throwing a cup of water on a bushfire—but I will never criticise the construction of new dwellings. Indeed, I welcome this legislation, because social housing in New South Wales is beyond a crisis point. It is a model that is, quite simply, utterly broken. Social housing in New South Wales is failing communities and tenants and, in the long term it is costing the State as we continue to continue to prop up an inefficient and antiquated model.

I think we all acknowledge that this is a complex policy area, because there is the need to consider the ever-growing housing crisis, sky-rocketing rents in the private market, and the scarce availability of social housing places. New stock is needed urgently, and it is pleasing to see that this is being addressed in this new initiative. As we have heard, this bill will deliver 3,000 new social and affordable houses by providing capital to community housing providers. The Social and Affordable Housing Fund will provide a long-term revenue stream to encourage investment in community and social housing. That is definitely a good thing.

What is most pleasing to me is that this bill will see the construction of new houses—stock is so crucial in putting a dent in this crisis—by providing capital to community housing providers. I am a big fan of community housing providers. Many community housing providers offer services within my electorate of Londonderry, and they do a brilliant job of providing housing and wrap-around services. I acknowledge the work of many of them. In fact, in my inaugural address I spoke at length about my experiences in coming to know firsthand about the many complex problems that social housing and public housing tenants face. I came to know about this by knocking on tens of thousands of doors during the campaign, and I have continued to experience it as I have gone about my job as the member for Londonderry.

The current system simply fails to deliver outcomes for people. It is a system under which it takes some tenants several months, at the very least, to have basic maintenance carried out, even if the faults pose serious risks to personal safety. I am currently trying to help a constituent who has been told by the doctors at Nepean Hospital that she is not to go back into her home because there is so much mould in her property that it poses a risk to her health. For people who are attempting to get onto the housing list, unfortunately all that can be offered is a lengthy waiting period of up to several years. Imagine living the experience of trying to get housing but learning that it will take years and years.

Not one member of this House would ever be able to imagine being put into that situation. Our entire approach to social housing must change. I certainly believe that handing over management responsibility to community housing providers could be one part of the solution.

The Labor Opposition has a policy of handing over 20,000 existing public housing dwellings to community housing providers, which I believe would be an excellent first step in addressing the deficiencies of the current model. If we are going to be realistic about this, we must acknowledge that the current model is not

working and has not worked for decades. Given the ongoing problems associated with social housing as well as the maintenance backlog and waiting times, title transfer is a model we should investigate seriously. The Opposition supports the bill but that support must be understood in the broader context of the social housing crisis in New South Wales that so many of my colleagues have referred to this afternoon. I have said it before but I will say it again: We are failing social housing tenants in New South Wales. We must make serious inroads when it comes to addressing the maintenance backlog and the huge and growing waiting list for social housing. We should be handing over more social housing titles to community housing providers, if we want to be real about dealing with the public housing crisis in this State.

**Mr JAMIE PARKER (Balmain) (18:00):** As the member for Balmain, I contribute to debate on the Social and Affordable Housing NSW Fund Bill 2016. As we heard from the member for Sydney, my electorate has incredibly high property values. When my parents first moved to Balmain after emigrating from the United Kingdom in the 1960s, my dad was a fitter who worked on ships in the Balmain shipyards. At that time, it was difficult to say that we lived in Balmain because people did not want to live in that area during the 1960s. But now, instead of being traditionally known as a working-class community, Balmain is a community in which there are incredibly high property values. There is an incredibly dense public housing community around my electorate office in Glebe. With thanks to the Whitlam Government and credit to it for its investment in public and social housing, my electorate has the Glebe estate, which is one of the most important communities in my electorate.

As my colleague The Greens spokesperson on social housing and member for Newtown, Jenny Leong, mentioned, The Greens will not oppose the bill because it is a step in the right direction. But, sadly, this bill represents merely a drop in the ocean when it comes to meeting affordable housing need. However, it has given members an opportunity to discuss issues in their electorates that specifically relate to the bill. In my experience, this issue has been ignored by both major political parties in government. Other members who have participated in this debate have acknowledged that. My experience over the past approximately six years both as a former mayor of the Leichhardt council and later as a member of this Parliament includes witnessing an incredible abdication of responsibility for social and public housing, firstly by the Commonwealth Government. The Commonwealth Government, when it comes to commitments over time, has continued to fail. We saw evidence of that in the Auditor-General's 2013 report, which stated that Federal investment continued to decline. The reaction to that decline by the State Government was to sell houses. The New South Wales Government has met operational cost shortfalls in the Land and Housing Corporation by selling properties.

As identified by the Auditor-General in 2013, that is straight-out cannibalisation. The Government cannibalised housing stock. As the Auditor-General also identified in that 2013 report, after 1996 there was a real flatlining of the number of public housing dwellings as a proportion of total stock, with the exception of a little blip associated with economic stimulus by the Rudd Labor Government. That really highlights the problem. Cannibalising housing stock to support operational shortfalls of the Land and Housing Corporation is a zero sum game and it intensifies the scarcity of property assets for which prospective tenants compete on the waiting lists. At present there are well over 100,000 people on the housing waiting list. Some members during this debate have said that some of their constituents have been on the waiting list for housing for two years. In the Balmain electorate, people can only dream about being on the waiting list for two years before receiving a social housing property.

I know that in the Balmain electorate the big challenge is the transition from social or public housing into affordable housing. A person living in a three-bedroom property in my electorate will pay rent in excess of \$1,000 at market rates. Therefore, the subsidy is incredibly high. How does that family transition out of public housing into a form of affordable housing? Even if that family is paying 20 per cent below the rental market rate, they still have to come up with approximately \$900 a week. It is incredibly difficult to provide transition. However, at least what we are seeing by the introduction of this bill is an attempt to provide for transition. But even if social housing stock is increased by 3,000 homes, that must be considered as a proportion of the 130,000 public housing dwellings in the State. Consideration of that additional 3,000 public housing dwellings against the background of 70,000 approved new dwellings indicates the woefully insufficient and tiny proportion of new dwellings that will be provided by the proposal outlined in this bill.

In one of the wealthiest countries in the world, people have a right to a home. Social housing has turned into a safety net for the poorest and most vulnerable people of the State. Interestingly, in the 1960s my parents, who are part of a working-class family, were offered public housing in Doonside that they declined to accept because it was far from my dad's workplace in Balmain. In those days, working-class families were offered public housing but currently working-class families have no opportunity to obtain public housing, which has turned into a safety net for people with the most complex needs. We need to move away from that. In other places around the world, such as Hong Kong, most of the housing stock is government-owned. In other jurisdictions, such as New York or European Union [EU] countries, government is engaged in the housing sector and actively intervenes in the housing sector to provide to people the right to shelter, accommodation, a home—a place to call their own. In

this State we have a developer model where it is left to the private sector, and the private sector has failed to deliver affordable housing in this State. This bill fails to provide the systemic change in the manner in which the Government approaches housing that the State needs.

While this bill is welcome, it is clear to me that it does not deal with one of the critical factors, which is maintenance. When the Labor Government left office in 2011, the cost of the maintenance and repairs backlog in public housing reached \$300 million so, essentially, the State was a slumlord. In my community, people say that their property is 50 years old, but there are social housing properties in my electorate that are 100 years old. Members can imagine the state of disrepair of those properties due to an enormous lack of investment. The Labor Government did what this Government is doing on steroids. The Labor Government determined to sell lots of houses, up to 1,000 a year, and scrimp on maintenance and repairs, thereby blowing out the maintenance and repairs bill to \$300 million. We are witnessing now those policies coming home to roost. I welcome the Minister's commitment of funds to this project, but maintenance is absolutely critical.

Today the Public Accounts Committee tabled a report into maintenance and examined new contracts. In my electorate of Balmain, Broadspectrum is a new contractor. The report demonstrates in absolutely unequivocal terms the complete failure of effective maintenance regimes over the past decade. Let us be honest: The maintenance regimes have not been effective. There have been major challenges. The volume of inquiries by people searching for public housing is enormous and amounts to four per household per year, or 500,000. Part of the reason for that is the high number of callbacks. We know from the most recent data that there have been 50,000 callbacks, which is crazy, and we also know that there has been a real problem with the manner in which former maintenance contracts were formulated. Spotless drove a truck through some of those loopholes.

The reason this legislation is important is that I hope it begins a debate about public housing. I call it public housing because most people do not know what social housing means and the tenants think that public housing means the Housing Commission. It is really important to begin a debate about housing. If we want to be a generous society and if this Government has zero net debt, it is an indictment on the Government that no cash is being invested in some of the most vulnerable people in our community. For the past goodness knows how many months we have been complaining about the treatment of greyhounds, yet we have people who cannot obtain accommodation. I do not need to reiterate all the stories that each member knows, but to my mind as members of Parliament we must commit to this as a critical social justice goal that we all should share.

We know from all the evidence about homelessness, substance abuse, alcoholism and domestic violence that the way to treat people who are in difficult situations is to provide them with a home. That has been witnessed in my electorate in the Common Ground Support Services project in Camperdown, which is based on the New York model. In an area of mixed properties that include affordable housing, social housing and homeless accommodation, the service says to homeless people, "Here is a key. Here is a place where you can go and live." That transforms homelessness. With wraparound services in a building provided by Mission Australia, people can transition from homelessness to a home and they are able to get their lives back on track.

Mr Temporary Speaker Notley-Smith, I know that you are very concerned about public housing tenants in your community. I looked at statistics recently and noted that in the electorate of Balmain 40 per cent of the inquiries received, excluding petition emails, are related to public housing. These public housing inquiries are from people who come through the electorate office door or ring the office or write to us via email or letter. This situation cannot continue. In truth this legislation represents an innovative approach to social and affordable housing, but the answer is that firstly, the State Government must engage with the Federal Government to get Commonwealth grants back to a sustainable level for the provision of social and affordable housing. We know that the Commonwealth Government has the capacity and the power when it comes to funding arrangements to invest in this sector. This Government should publicly call on the Federal Government to commit to deliver social and affordable housing in this State.

Secondly, this Government needs to invest in public and social housing by building more homes and to make up the maintenance deficit. This Government must build more social and affordable homes and maintain them as a strong proportion of all new dwellings. That means that properties must be built every year as our population increases. Finally, we need to support social housing tenants to make sure that people can transition out of public housing into affordable housing. That pathway is critical, because otherwise people are locked into public housing and there is no rational reason for them to get a job and move into another form of housing because such a move is simply financially unviable.

*[Business interrupted.]*

*Business of the House***SUSPENSION OF STANDING AND SESSIONAL ORDERS****Divisions and Quorums**

**Mr ANTHONY ROBERTS:** I move:

That standing and sessional orders be suspended to provide:

- (1) That no motions for the adjournment of the debate on the Building Professionals Amendment (Information) Bill or the Education and Teaching Legislation Amendment Bill be entertained for the remainder of this sitting.
- (2) That for the remainder of this sitting, no divisions be conducted or quorums be called.

**Motion agreed to.**

*Bills***SOCIAL AND AFFORDABLE HOUSING NSW FUND BILL 2016****Second Reading**

[*Business resumed.*]

**Ms JULIA FINN (Granville) (18:11):** I rise to make a contribution to the Social and Affordable Housing NSW Fund Bill 2016. The additional 3,000 new social and affordable housing properties are welcomed, but will go only a small way to reducing the enormous social housing waiting list, which stands at around 60,000 households for 130,000 properties. The bill establishes the Social and Affordable Housing Fund, which provides seed capital of \$1.1 billion for community housing providers to build, own and maintain properties. There are good reasons to do this. I am quite familiar with these challenges having worked for Housing NSW in the establishment and implementation of Housing Pathways a few years ago.

Community housing providers have the scale and capacity to deliver holistic support to their tenants and excel at supporting groups of tenants with special needs. But even more importantly, their financial structure means they can do some things that Housing NSW cannot do. For example, their tenants receive Commonwealth rent assistance, which public housing tenants do not receive. That means that 25 per cent of community housing tenants' incomes are worth more than 25 per cent of the income of a public housing tenant—money that can be invested in maintenance or additional dwellings. They can also take advantage of charitable tax exempt status.

The fund will establish a long-term revenue stream of about \$44 million per year, which is welcome. But much more needs to be done. In my electorate, the wait time for each dwelling type is over 10 years for all dwelling types except one-bedroom units, which have a five to 10 year wait. Eighteen months ago, when I was first elected, two and three-bedroom places had a shorter five to 10 year wait, so things are getting worse and not better. Hopefully, the Social and Affordable Housing Fund will make a bit of a dent in this. Maintenance is really problematic. There are 500,000 maintenance requests per year in New South Wales, although I am not sure how many are repeat requests that are regularly ignored. The separation between Housing NSW and the Land and Housing Corporation has only made this worse. Communications between the two entities are really problematic.

Every week I hear horror stories about housing maintenance. Some maintenance problems are really simple to fix, but if ignored result in far more expensive problems—like a tenant from Westmead who had a few tiles missing from his roof. He complained about it for years but to no avail. In the meantime, rain seeped in and damaged the ceiling, the carpets and the floor, causing thousands of dollars worth of damage while the relatively easy roof repairs were ignored. There was also a woman's home in Granville that was overrun by rats. She treated her accommodation many times at her own expense as Housing NSW was not responsive. She contacted my office and we contacted Housing NSW, and finally in February 2016 pest control attended her property, but only after this tenant had suffered for a very long time.

Another example is a 70-year-old woman from Guildford with multiple health issues who was without a working stove for almost three weeks. She contacted Housing NSW several times but it took the intervention of my office to have the matter fixed. A constituent from South Wentworthville reported to us a long list of issues that had not been dealt with until our office became involved. She had a blocked sewer in her backyard with a rat infestation. She needed new carpet in bedrooms, the front and back security doors replaced, internal and external painting, insulation, her hot water system to be repaired or replaced, a new stove, inoperable windows fixed and flyscreens on the windows she could open.

I have seen numerous examples of cracks in ceilings in dwellings across my electorate, which have been reported by the tenant previously but not acted on as well as numerous examples of cracking and subsidence of

room walls in South Wentworthville, which have been reported by tenants previously but not acted on. I have also seen examples in Guildford and South Wentworthville of water damage to carpets, which are not attended to for months and lead to health problems for tenants. Another example is in Merrylands where every time it rains water gushes into the home like a waterfall, causing great distress to the tenant and her young children. This week a tenant from Guildford complained that her plumbing leaks into the units below hers every time she uses the bath or shower. Her unit is less than 10 years old.

Some tenants have been told that the reason for no maintenance being done on their properties is that the Department of Housing wants to redevelop the property. But when they request a transfer, that too is denied. I understand that the Land and Housing Corporation owns many properties that are at the end or beyond the end of their economic lives. But they are also people's homes and those people deserve to live in safe, secure and watertight homes. I have spoken to dozens of people who have an urgent need for housing but have waited for years, and to transfer applicants. I have heard heartbreaking stories of people who can no longer walk up the stairs to their unit unassisted, but who must wait three to five years for a transfer. Another bewildering case is of a family who were taken off the transfer list despite their obvious overcrowding. A housing officer visited them and ascertained that they no longer wanted a transfer even though they only speak Arabic and the officer does not. It took months just to reinstate that family on the transfer waiting list. Issues with wait times for public housing and the lengthy waiting list for social housing are not unique to my electorate.

Today the Public Accounts Committee's report on the management of public housing maintenance contracts was released. It follows the Auditor-General's 2013 performance audit, "Making the best use of public housing", which examined the capacity of government agencies to meet changing public housing needs. It concluded that there was an increasing shortfall between the supply of and demand for public housing in the State. It also noted that the average cost for each dwelling rose from \$15,000 to \$27,000 per annum from 2003 to 2013, in many cases exceeding rental income.

The Public Accounts Committee found that despite a commitment to attending promptly to repairs for issues that affect the health and safety of tenants within between four hours and 20 days, there was evidence that it was often longer than 20 days. Certainly this has been the experience of many tenants who contact my office. The committee also found that the widening funding gap between increased maintenance needs and declining rental income was met by delaying maintenance and upgrading and selling off housing stock. This, of course, then affects the people on the waiting list by removing social housing properties from the pool of potentially available dwellings.

I have asked a number of questions on notice about social housing and, interestingly, none of them have been adequately answered. Instead I am directed to the Department of Family and Community Services [FACS] website that does not provide the level of detail I had sought, such as the number of vacant dwellings in my electorate, the number of properties with outstanding maintenance orders in my electorate, the number of tenancies and the specific average waiting times for housing. This is really disappointing. As there are hundreds of social housing dwellings in the Granville electorate, I would like to get a better understanding of the extent of the problems facing the tenants and applicants I meet with so often. Like others who have mentioned the volume of inquiries on social housing coming to electorate offices, for my office these housing inquiries are exceeded only by inquiries about local councils since the forced amalgamations.

I have also been concerned that much of the redevelopment of estates in recent years has not delivered additional social housing dwellings and, in many cases, has resulted in a net loss of dwellings. While I acknowledge the importance of building mixed communities where social housing tenants live alongside private rental and owner-occupied homes to overcome some of the structural long-term disadvantage we have seen with intergenerational poverty in traditional public housing estates, there has also been a wholesale loss of communities, such as the one in Millers Point. The redevelopment of both Waterloo and Telopea is so extensive it should be delivering more social housing dwellings, but it is not.

In relation to this bill, I have some concerns with clause 16—Review of the Act. It sets out the framework for a five-year review of the bill, which should occur. But at the outset, it requires the Minister to determine whether the policy objectives of the Act are still valid and whether the terms remain appropriate. This is something that should involve far more stakeholders than just the Minister to determine. It should be comprehensive and consultative. However, I do hope that this bill represents a new direction for this Government, facilitating the construction of new social and affordable housing rather than just selling it off. This is welcomed.

**Mr NICK LALICH (Cabramatta) (18:19):** I speak on the Social and Affordable Housing NSW Fund Bill 2016. The object of this bill is to establish the Social and Affordable Housing Fund for the purpose of providing funding for the delivery of social and affordable housing in New South Wales. The bill aims to introduce a program that will deliver 3,000 new social and affordable houses to take pressure off the social housing sector, which is bursting at the seams.

In my electorate of Cabramatta and throughout south-western Sydney, thousands of families struggle day after day, waiting and hoping for social housing. The vast majority of inquiries or visits to my office are from people seeking assistance with housing. Many of these require priority or emergency housing. About 10 years ago it was said colloquially that, if people needed public housing, they would have to wait for 10 years. That is right: A decade would pass before housing became available to our most desperate and vulnerable. These days housing applicants are told that they will have to wait 15 to 20 years. That is a huge chunk of someone's life spent waiting for something as important as where their family will rest their heads that night or indeed whether those heads will have something to cover them.

Currently social housing developments face a huge funding gap between the rental stream they receive from tenants plus government subsidies and the revenue required to sustain a commercially viable project. The 3,000 new properties promised by the Government will be built, owned and maintained by community housing providers. The department will not own any of this stock. The fund will be set up with \$1.1 billion in seeding capital from TCorp and provide certainty to the sector. The return on this must also be used to fund social and affordable housing projects. Unfortunately, more needs to be done: The sheer demand for public and community housing is so immense that this is just a drop in the ocean. There is no point using a brick to try to block a tsunami. If as legislators and representatives of our community we are unable to provide sufficient housing for people, we all must hang our heads in shame. There is nothing more fundamental for a person or a family than to have a roof over their heads. Housing needs to be driven up the priority list. Community housing providers should be provided with more support, such as the money from this fund, to build and establish more affordable housing.

Everything should be on the table from the Government when it comes to housing: financial incentives for investment for community and social housing providers, and training and education emphasis for the children of public housing and social housing tenants so that the cycle can be broken. I applaud any initiative that helps meet the demand for housing. I also pay tribute to community housing providers such as St George Community Housing and Hume Community Housing Association, and all the community housing providers that do an outstanding job in what is a very difficult environment. The Opposition does not oppose this bill.

**Ms GLADYS BEREJIKLIAN (Willoughby—Treasurer, and Minister for Industrial Relations) (18:23):** In reply: I thank all the members who contributed to debate on this very important piece of legislation: the members for the electorates of Wakehurst, Parramatta, Keira, Bankstown, Prospect, Lake Macquarie, Charlestown, Sydney, Newtown, Blue Mountains, Londonderry, Balmain, Granville and Cabramatta. I note the significance of this piece of legislation, which provides for the establishment of the Social and Affordable Housing Fund and sets aside dedicated funding to facilitate the delivery of social and affordable housing in this State. By enshrining this fund in legislation we are sending a strong signal to everybody who wants to participate in this process about the permanency of the fund and about the assurance the Government has given in relation to the fund. It will be established as a ringfenced financial structure following strong feedback we received, and again it demonstrates our long-term commitment to this sector. We are of course looking forward to ensuring that this fund delivers much-needed housing along with tenancy and asset management, social support programs and services.

In addition to noting all of the comments by members in this place, I reiterate that I acknowledge the support of the Opposition for this important legislation. I also want to stress that the Government has been in a position to establish and ringfence this fund because we have a very strong budget position and a very strong balance sheet. If we did not, we would not have these opportunities for the most vulnerable in our community. It is a significant milestone in the history of this State to be able to establish a permanent ringfenced fund which will see the delivery of much-needed housing to those most vulnerable. Again, I thank all members for their contributions and I look forward to receiving similar support in the other place. I look forward to being able to provide the community with an update, working with the Minister for Family and Community Services, Brad Hazzard, who I know made a contribution to this debate, in making sure that those most vulnerable are served best by the action that we have taken this evening.

**TEMPORARY SPEAKER (Mr Bruce Notley-Smith):** The question is that the bill be now read a second time.

**Motion agreed to.**

### **Third Reading**

**Ms GLADYS BEREJIKLIAN:** I move:

That the bill be now read a third time.

**Motion agreed to.**