

# MINISTER FOR HOUSING, AND MINISTER FOR TOURISM

## OVERVIEW

<i>Agency</i>	<i>2007-08 Budget \$m</i>	<i>2008-09 Budget \$m</i>	<i>Variation %</i>
<b>Payments to Other Government Bodies Under the Control of the Minister</b>			
Total Expenses .....	529.3	582.7	10.1
Capital Expenditure .....	...	...	...
<b>Aboriginal Housing Office</b>			
Total Expenses .....	74.3	79.4	6.8
Capital Expenditure .....	13.5	13.5	...
<b>Home Purchase Assistance Fund</b>			
Total Expenses .....	17.5	17.0	-2.7
Capital Expenditure .....	...	...	...
<b>Total, Minister for Housing, and Minister for Tourism*</b>			
Total Expenses .....	<b>583.3</b>	<b>639.5</b>	<b>9.6</b>
Capital Expenditure .....	<b>13.5</b>	<b>13.5</b>	...

\* *The Ministerial total has been reduced to exclude recurrent amounts paid from Payments to Other Government Bodies Under the Control of the Minister to the Aboriginal Housing Office.*

In addition to the agencies listed above, the Minister is also supported by the Department of State and Regional Development (section 19) for the Tourism portfolio area.

## PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

Payments through the Housing Policy and Assistance Program will assist almost 428,000 people in housing need. The Department of Housing, which operates under the auspices of the *Housing Act 2001*, and the Aboriginal Housing Office, which operates under the auspices of the *Aboriginal Housing Act 1998*, will use these payments and internal funding sources to provide support to:

- ◆ Government-subsidised housing managed by public, community and Aboriginal housing providers to approximately 321,000 people
- ◆ approximately 4,500 crisis accommodation places for nearly 29,000 people and
- ◆ financial assistance to approximately 78,000 private renters and homebuyers.

## RESULTS AND SERVICES

The Department of Housing is one of the largest providers of social housing in Australia, delivering a range of housing options to people in need in the community. The work of the Department of Housing is driven by its purpose to help build a stronger community. The Aboriginal Housing Office works with Aboriginal communities to meet the housing needs of Aboriginal people. The Department of Housing and the Aboriginal Housing Office focus on achieving the four major results outlined below:

- ◆ Homeless people have access to housing and support services to sustain a tenancy.
- ◆ Social housing is appropriate for client needs, including the needs of Aboriginal people.
- ◆ Social housing is integrated into communities.
- ◆ Access to affordable housing is improved.

Key services provided by The Department of Housing to contribute to these results include:

- ◆ working with other departments, agencies and other organisations to address homelessness in New South Wales
- ◆ managing the NSW public housing portfolio
- ◆ funding and regulating community housing and crisis accommodation
- ◆ managing Aboriginal public housing for the Aboriginal Housing Office
- ◆ developing policy and supporting relationships to increase access to affordable housing across New South Wales
- ◆ providing policy advice to government and managing the *Housing Act 2001* and associated legislation and

- ◆ providing a range of products and services to assist people to move into private rental and home ownership.

Funding provided through the Housing Policy and Assistance Program facilitates sub-programs delivered by the Department of Housing and the Aboriginal Housing Office, such as housing supply, asset management and other assistance programs.

The key services provided by the Program, and the way in which they are expected to contribute to these results, are set out in the following table:

Service Group	2008-09 Budget Expenses  \$m	Results			
		Homeless people have access to housing and support services to sustain a tenancy	Social Housing is appropriate for client needs, including the needs of Aboriginal people	Social housing is integrated into communities	Access to affordable housing is improved
Housing Policy and Assistance	582.7	✓	✓	✓	✓
<b>Total Expenses Excluding Losses</b>	<b>582.7</b>				

## RECENT ACHIEVEMENTS

### Reshaping Public Housing

The Department of Housing is focused on increasing efficiency while maintaining core client services and programs. In 2007-08, the Department of Housing continued to progress the Reshaping Public Housing reforms announced in 2005. These reforms are designed to ensure a fair, more efficient and effective public housing system capable of meeting current and future demands. Key aspects of these reforms include:

- ◆ a focus on the allocation of public housing based on need
- ◆ changes to public housing leases to match duration of need
- ◆ introduction of a standard water charge which has significantly reduced water consumption
- ◆ the Housing and Human Services Accord to ensure appropriate support services for tenants

- ◆ realignment of the asset portfolio to better meet the needs of clients and
- ◆ a more planned approach to asset maintenance

### **Living Communities Program: Bonnyrigg**

One of the Department's innovative approaches to community renewal is the Living Communities Program, which harnesses community, government and private sector participation to renew large public housing sites.

Effective from 20 October 2007, the Department's first Public Private Partnership project was handed over to Bonnyrigg Partnerships and the management transferred to St George Community Housing, to undertake the redevelopment of Bonnyrigg. Bonnyrigg Partnerships comprises Becton Property Group Limited, Westpac Banking Corporation Limited, St George Community Housing Association and the Spotless Group.

Bonnyrigg Partnerships is responsible for the finance, design and construction of all the new homes, together with tenancy and facilities management services for social housing. The construction of public and private housing, as well as parks and community facilities, is expected to take around 15 years.

## **STRATEGIC DIRECTIONS**

### **NSW Planning for the Future - New Directions for Community Housing**

*NSW Planning for the Future: New Directions for Community Housing in NSW 2007-2012*, sets a new vision for community housing in New South Wales. It provides the opportunity for an expanded community housing sector that offers responsive housing services to more people in need, delivers more affordable housing and contributes to the development of stronger communities.

Growth is central to this vision, with an aim to increase the supply of community housing from 13,000 to 30,000 dwellings over ten years. Initiatives to support this growth strategy include:

- ◆ piloting long term leases with a number of community housing providers to give them greater income security to raise private finance to build or buy more homes and
- ◆ establishment of a \$50 million Affordable Housing Innovations Fund to be released by competitive tender to the sector.

## **Social Housing for Older People**

In line with directions in the delivery of social housing for older people announced by the Premier in April 2006, the Department of Housing's 2008-09 capital budget includes \$114.8 million for provision of new homes for the elderly. This investment is part of the Department's commitment to reconfigure its social housing stock to ensure it meets future demand. This new direction will also reduce social isolation by frail older people and see an increase in partnerships with other agencies to deliver housing combined with support for older tenants.

The Department of Housing is also allocating \$4 million over four years for the Care Call program announced by the Government in March 2007. Care Call is a program to regularly contact frail and aged tenants living alone in public housing.

## **Homelessness Initiative**

The Department of Housing will invest \$38.8 million over five years to build 155 new dwellings under the Commonwealth Government's A Place to Call Home strategy to address homelessness. This strategy will see homeless families and individuals move directly into these homes instead of going to refuges.

## **Other Initiatives**

The Department of Housing is also implementing or continuing the following major strategic redevelopments:

- ◆ West Dubbo Transformation: this is a staged re-development of public housing in West Dubbo to break down concentration and offer home ownership to first home buyers. It will also provide better and more appropriate housing for clients who are relocating to other parts of Dubbo.
- ◆ Living Communities Program Minto: this involves the staged redevelopment of approximately 1,000 properties in the Minto public housing area in Sydney's South West. The aim of the project is to renew the suburb of Minto with a mix of public and private housing.
- ◆ Building Stronger Communities Program: \$66 million will be spent over four years to deliver stronger, more vibrant and supportive communities for social housing tenants in six major locations covering 18 public housing areas.
- ◆ Inner West Redevelopment Strategy: this will result in 228 new homes in Sydney's inner west.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

In 2008-09, \$582.7 million will be provided for the Housing Policy and Assistance Program. This comprises \$311 million from the Commonwealth Government and \$271.7 million from the NSW Government. These figures may vary depending on the level of Commonwealth funding that will be received under the next housing agreement.

A further \$221.2 million will be contributed from the Department of Housing and the Aboriginal Housing Office's internal sources. The total budget of \$803.9 million for the Department of Housing and the Aboriginal Housing Office will be applied across the areas of housing supply, asset management for existing dwellings and other housing programs for people in housing need.

### ***Housing Supply Program***

The housing supply program of \$415.1 million will fund new capital works, works in progress, and existing and new leased housing in the public, community and Aboriginal housing sectors. This includes:

- ◆ \$268.5 million for public housing which will fund the commencement of 893 new dwellings, the completion of 813 dwellings, continuation of 2,990 existing leases and the addition of 76 new leases from the private market
- ◆ \$122.7 million for community housing (excluding crisis accommodation) which will fund the commencement of 374 new dwellings, the completion of 333 dwellings and subsidies for 5,737 existing leases and 45 new leases
- ◆ \$8.7 million for crisis accommodation which will fund the commencement of 24 new dwellings, the completion of 14 dwellings and 250 existing leases and
- ◆ \$15.2 million for the Aboriginal Housing Office (AHO) which will fund the commencement of 29 new dwellings and the completion of 29 more to be managed by the AHO, and two additional new dwellings to be managed by the Aboriginal community housing sector

The initiatives under the program facilitate a staged reconfiguration of the social housing portfolio to more accurately meet the tenant profile. In total, 1,312 better configured dwellings will be added to the social housing portfolio through capital completions or purchases (1,191 units) and leasing from the private market (121 units). This will be offset by a number of demolitions, sales and conversions during the year.

### **Asset Management Program**

To improve the standard of housing stock, allocations of \$195.8 million, \$8.9 million and \$23.6 million will be made to public, community (including crisis) and Aboriginal housing respectively, for improvements to dwellings. Improvements range from minor repairs to major upgrade works. Asset management improvements also contribute to community regeneration of public housing sites.

The asset management program includes a sizeable investment in the removal of the maintenance backlog. Maintenance backlog removal is being implemented in phases over a number of years.

### **Other Programs**

The Government assists disadvantaged and lower income people renting in the private rental market. In 2008-09, \$25.8 million will be available to fund Rentstart, a program that provides financial assistance in the form of a rental bond and in some cases upfront rent. Under the Special Assistance Subsidy program, \$10.1 million will assist eligible people with disabilities and people living with HIV/AIDS to access the private rental market.

Through the Mortgage Assistance Scheme, the Government provides short-term help eligible homeowners experiencing temporary difficulties with home loan repayments due to unemployment, having suffered an accident, illness, or some other crisis.

The Aboriginal Housing Office will allocate \$7.9 million to fund non-asset related programs, such as resourcing of Aboriginal community organisations and providing sector support. A further \$10 million will be provided for the Aboriginal Communities Development Program.

## **ABORIGINAL HOUSING OFFICE**

The Aboriginal Housing Office (AHO) is a statutory authority with an all Aboriginal board, established in 1998 pursuant to the *Aboriginal Housing Act 1998*. The AHO plans and administers the policies, programs and asset base for the delivery of Aboriginal housing in New South Wales. This includes resource allocation, sector-wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal housing sector.

The AHO manages and delivers an annual Aboriginal housing program, and develops and implements a range of financial and resourcing strategies. In addition, the AHO has an important role in facilitating and improving training and employment opportunities for Aboriginal people.

## **RECENT ACHIEVEMENTS**

Recent policy developments that will impact the AHO's activities include:

- ◆ the AHO's Sector Strengthening Strategy, which includes the development of policies and initiatives to reform the Aboriginal community housing sector, the introduction of a regulatory framework for Aboriginal community housing providers, and better targeting of existing resources and funding and
- ◆ the re-negotiation of the Commonwealth-State Housing Agreement and the Indigenous Housing and Infrastructure Agreement.

Total expenditure in 2007-08 is forecast at \$75.6 million.

## **STRATEGIC DIRECTIONS**

The three key strategies that underpin the AHO's activities are Sustainable Services, Sustainable Growth and Sustainable Assets. The AHO's annual Aboriginal Housing Program, which allocates resources and funding within the Aboriginal housing sector, is developed in consultation with key stakeholders, including Aboriginal communities and Aboriginal community housing providers.

Program funding is directed towards long-term sustainable housing outcomes in Aboriginal communities, as well as immediate housing need, repairs and maintenance, and asset management. Specific strategies include assisting Aboriginal community housing providers to become viable and sustainable. This is achieved through a range of capacity building programs for providers and their staff; assisting them to develop asset management plans for acquisitions and repairs and maintenance; and the roll out of effective models of management.

The AHO's strategic directions are set out in its Strategic Plan for 2005-06 to 2007-08, and are closely linked to:

- ◆ the State Plan
- ◆ the *Aboriginal Housing Act 1998*
- ◆ the national indigenous housing policy *Building a Better Future: Indigenous Housing to 2010* and

- ◆ the Commonwealth-State Indigenous Housing and Infrastructure Agreement, 2005-06 to 2007-08.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

In 2008-09, the AHO's total expenses are budgeted to be \$79.4 million. This includes:

- ◆ \$17.6 million for repairs and maintenance works to AHO-owned dwellings
- ◆ \$15.5 million in grants for repairs and maintenance works to community-owned dwellings
- ◆ \$10 million for the housing component of the Aboriginal Communities Development Program
- ◆ \$7.9 million for resourcing community organisations, sector support and training and
- ◆ \$2.2 million in grants to Aboriginal communities for dwelling construction and acquisitions.

### **Capital Expenditure**

In 2008-09, the AHO's capital expenditure will be \$13.5 million, comprising:

- ◆ \$13 million to complete 29 works in progress and to commence 27 new dwellings and
- ◆ \$500,000 for office plant and equipment.

## **HOME PURCHASE ASSISTANCE FUND**

The Home Purchase Assistance Fund was established by Trust Deed in 1989 to support and administer government home purchase assistance programs. Income earned by the Fund's investments is used to meet shortfalls in the HomeFund Scheme and other programs supporting home purchase. The Department of Housing oversees the management of the Fund.

## **RECENT ACHIEVEMENTS**

Rationalisation of the HomeFund scheme structure is now well advanced with consolidation of 29 FANMAC mortgage trusts into a Master Trust that currently holds 732 mortgages.

## **STRATEGIC DIRECTIONS**

The management of the Fund continues to be focused on risk containment, prudent asset investment, cost minimisation and the careful administration of borrowings. Within this structure, the Fund's key objective is to maintain sufficient levels of capital to meet its HomeFund support obligations. These HomeFund support obligations have reduced significantly in recent years, and the financial structure of the Fund will be reviewed in line with the Fund's future obligations. The matured long term investments are currently reinvested in short term investments.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total expenses are budgeted at \$17 million in 2008-09. This includes \$15.8 million for interest expense on borrowings and \$700,000 for funding of Master Trust shortfalls on HomeFund mortgages guaranteed by the NSW Government.