

ESTIMATES 2007

Question on Notice

Housing

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12 Burke Housing

Social Housing

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 339 –

1. Why has there been a total drop of \$1.604million in the cost of the provision of social housing services from \$106.149 million in the 2006-07 estimated outcome to \$104.545 million for budget 2007-08;
2. Where are the significant efficiency savings within services in areas such as maintenance, tenancy management and other affiliated housing services;
3. Where has the \$1.604 million been re-invested into the provision of support and resources in the delivery of social housing services in the ACT.

MINISTER HARGREAVES: The answer to the Member's question is as follows:–

1. The decrease of \$1.604 million in the cost of the provision of social housing services from \$106.149 million in the 2006-07 estimated outcome to \$104.545 million for 2007-08 is due to the one-off costs in 2006-07 associated with the cost of redundancies and the transfer of staff provisioning costs (\$1.630m), the decrease in grant outlays as projects were completed (\$2.038m) in 2006-07 and lower property write-off and demolition costs and bad and doubtful debt costs (\$2.469m); offset by higher salary and wage costs associated with the enterprise bargaining agreement, indexation of property and administrative costs (\$3.664m) and higher depreciation with the increase in building values from the March 2007 revaluation (\$0.869m).
2. The efficiency savings within services areas include lower employee costs, reduced repairs and maintenance expenditure and administrative expenditure as well as lower grants to community housing providers, as their funding was aligned to the benchmark payments for tenancy support and property management services.
3. Any savings in outlays are invested into the provision of social housing either through increasing the supply of dwelling units or increased support services to tenants.

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Housing – Strategic Priorities

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 337, in relation to Strategic Priorities 2007-08 –

1. How is Housing ACT continuing to improve service delivery by better aligning resources to focus on tenant needs, and ensuring that tenancies are sustainable and that tenants are able to access community and other support services;
2. What components of the Public Housing Asset Management Strategy is Housing ACT now implementing to rejuvenate or replace public housing to better meet tenant needs;
3. What rebuilding of public housing has occurred in rural areas such as Pierces Creek, Uriarra Crossing and Mount Stromlo; How many properties has Housing ACT re-built at each of these sites;
4. What changes to the Public Rental Housing Assistance Program are now in place to develop and implement the guidelines for managing a) the revised tenure arrangements, b) revising the sale to tenant program, c) implementing the shared equity scheme, and d) developing and implementing the regulatory framework for community housing;
5. How will the provision of \$0.750 million in transitional funding over the next three years assist Community Housing Canberra Limited to refocus its efforts to become an affordable housing provider;
6. What is the ‘stairwell model’, how does it assist to co-locate young people on low income within defined areas in multi-unit complexes; Which Housing ACT complexes are these tenants predominantly residing in; How many tenants are identified as being involved in the ‘stairwell model’;
7. What is the new housing information system; When will it be implemented; How much will it cost to implement and what impact will it have on improving information flow in Housing ACT.

The answer to the Members question is:

1. Housing ACT has implemented a new service delivery model through its Gateway Services Unit for applicants for public housing and tenants seeking to transfer. This model is designed to comprehensively assess a clients needs and ensure adequate supports are in place prior to the allocation of public housing.

Annual client service visits are made to all tenants. Where any emerging issues with maintaining the tenancy or the property are identified those tenants are

referred to client service coordinators. The client service coordinators will initiate referrals and links to community agencies.

Housing ACT provides funding to agencies such as CARE and Welfare Rights & Legal Centre, to assist tenants maintain their rental account and understand their tenancy obligations. Protocols are also in place with a number of Government and non Government agencies eg Community Linkages programs, Domestic Violence Crisis Service, Rape Crisis Centre and Mental Health Services, to ensure a collaborative approach to assisting tenants. Housing ACT also funds two programs, one Northside and one Southside aimed at assisting tenants to sustain their tenancies.

2. The Public Housing Asset Management Strategy is being implemented by Housing ACT. The accommodation standards of the portfolio are being maintained through the total Facilities Management contract with Spotless. The suitability of the portfolio for the needs of public housing tenants is being improved by the sales and acquisitions program. This includes sale to tenants, the auction sales process and spot purchase and construction programs. It considers factors such as dwelling size, configuration and location. The value of the portfolio is being protected by improving the financial returns from the redevelopment of housing stock such as the joint venture redevelopment of multi unit properties.
3. Housing ACT has entered into a contract with the Village Building Company for the construction of 17 public housing residences at Stromlo and anticipates contracting for the same number of residences at Uriarra once the contract for the development of that village has been executed. The majority of the residences at Stromlo will be completed prior to Christmas 2007 with the remainder becoming available in early 2008.
4. The PRHAP was last emended in July 2006 and is fully implemented. No further changes are anticipated. The shared equity scheme will be implemented through contracts with the finance providers and through Operational Guidelines. The regulatory framework for Community Housing will be implemented through legislation.
5. The provision of \$0.750 million in transitional funding over the next three years will assist Community Housing Canberra Limited to move towards becoming an affordable housing provider. It will fund the difference between the rental income received by CHC from tenants on a rental rebate (paying 25% of accessible income) and that received from tenants on an affordable rental (generally 74.9% of market rent).
6. The stairwell model co-locates young people on low incomes within a defined block or 'stairwell of flats within a multi-unit complex. The stairwell model provides support from a community agency and allows young people to build supportive networks to enhance a sense of community and safety. The stairwell model once fully implemented, will accommodate up to 21 young people, head tenanted by community organisations including Barnados and Lowana.

7. The new housing information system is a replacement for the existing “Homenet” system that records, maintains and manages information on tenancies and properties. It was installed in 2000 and will not be supported by the provider beyond 2008.

Negotiations are still to be finalised with the preferred tenderer but the likely cost of the software is between \$2m and \$3m, with annual support costs under \$500,000.

The new system, is a full web-enabled, browser based package and will provide a fully integrated workflow management system, routing information and tasks according to Housing ACT’s business rules and providing a versatile reporting tool.

14 Burke Housing

Housing - Business and Corporate Strategies

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 338, in relation to Business and Corporate Strategies –

1. How is Housing ACT directing resources and develop strategies towards reducing homelessness and exclusion for the Territory's most vulnerable people and thereby help to build a stronger and more cohesive community.
2. How much does it cost Housing ACT each year to conduct the tenant satisfaction surveys and implement a communications strategy to better inform tenants and the community about Housing ACT's services.
3. What services are Housing ACT integrating with other parts of the government and the community sector to better match service delivery needs of its clients; What forms of cost savings are being achieved as a result of integrating services with other government or community sector agencies; How much has been saved in the 2006-07 financial year.

MINISTER HARGREAVES : The answer to the Member's question is as follows:-

1. In June 2006 a range of reforms were introduced to the Public Rental Housing Assistance Program (PRHAP) to sharpen the Program's focus on those in the ACT community in most need of housing assistance.

These reforms included a reduction in the qualifying income criteria, a tightening of the ACT residency requirements, and major changes to the priority allocation system. Under the new priority system applicants with the most critical needs are currently being housed within three months.

Improved co-ordination between support agencies ensures that the supports are available at the commencement of the tenancy and can continue during the tenancy whilst the tenant requires support. The provision of stable, appropriate and affordable housing enables the tenant to fully participate in the cultural life and benefits of the community, to access education, health and employment opportunities and in this way, Housing ACT is helping to build a stronger and more cohesive community.

2. The cost to Housing ACT of the tenant satisfaction survey varies depending on whether the survey is part of the National Social Housing Survey conducted every two years by the Australian Institute of Health and Welfare on behalf of all jurisdictions; or a local survey conducted every alternative year by Housing ACT.

The cost of the 2006 local tenant satisfaction survey (public housing only) was \$76,280. This survey included qualitative and quantitative components.

The cost of the 2007 National Social Housing Survey – public housing is \$30,091 and community housing is \$22,323. These surveys are quantitative surveys only.

The cost of Housing ACT's newsletter and its contribution to the Department's *Community Partners* insert in the Chronicle is \$20,590.

3. Unlike landlords of private properties in the ACT, Housing ACT provides significant support to our tenants, particularly those with special needs. This support includes working closely with a number of government agencies and the community sector. Within Housing ACT we endeavour to match properties that are suitable for people with high and complex needs, and people with drug and alcohol dependencies and low incomes. We work collaboratively with Disability ACT to provide support for people with mobility impairment, disabilities and people with mental health issues; and we provide homes specially modified to cater for people with disabilities. We engage with the Office for Children, Youth and Family Support to support children at risk and their families. We also work closely with SAAP to provide a seamless service delivery to our clients from homelessness and housing. Housing ACT's service delivery is also supported through our presence in the Child and Family Centres and in ACT Shopfronts.

The objective of this integration of services is not to provide savings but to improve the quality of our service to our clients.

15 Burke Housing

Housing - Strategic Indicators

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 340-41, in relation to Strategic Indicators –

1. Strategic Indicator 1. refers to the percentage of tenants allocated from priority allocation categories. How is Housing ACT set to achieve an increase of around 5 per cent from 80 per cent in the budget 2007-08 to the estimated figure of around 85 per cent estimate for 2011-12;
2. If the focus of public housing priority allocations on housing those most in need within 90 days, what impact has this prioritisation of allocation had on the allocation of properties to tenants remaining on the lower priority waiting lists;
3. Strategic Indicator 2. refers to overall tenant satisfaction standing at around 70 per cent. What is Housing ACT doing to reduce concentrations of disadvantage, poverty and exclusion in order to maintain social housing that helps build safe, healthy and cohesive communities.

MINISTER HARGREAVES: The answer to the Member's question is as follows:–

1. The new priority allocation system introduced on 1 October 2006 established new needs categories, including the priority housing category. The priority housing category is limited to 150 applicants at any one time and was established to identify applicants that required expedited assistance within a three-month period. To date, Housing ACT has exceeded the 80% of priority applicants housed within the 90 day target.
2. The changes to the public housing allocation system have significantly improved waiting times for priority applicants, but it has also improved waiting times for other categories. Waiting times for the highest needs category have decreased from an average of 217 days on 3 July 2006 to 67 days on 25 June 2007. Waiting times for the second highest needs category have decreased from an average of 773 days on 3 July 2006 to 255 days on 25 June 2007.
3. Public housing stock is located throughout the Canberra community using a 'salt and pepper' approach. This approach seeks to provide appropriate housing choice and to prevent concentrations of disadvantage and poverty. Housing ACT assists with the social connectedness of public housing tenants through tenant participation activities, including the Joint Champions Group, and community development activities funded under the Community Linkages Program. Under this program funding is also made available for tenant initiated grants that allows tenant groups and associations to run social and skills development activities. In addition, support agencies work with tenants on an individual basis, including at multi-unit complexes.

Housing - Rent increase

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 350-51 –

1. User charges, non ACT Government, states that “the increase of \$2.366 million in the 2006-07 (from \$65.127m to \$67.493m) estimated outcome from the original budget is due to additional rents received from the increase in market rents and lower than anticipated rebates”. How many more a) market renters and b) tenants on rental rebates are now identified by Housing ACT by the end of the 2006-07 financial year as opposed to 2005-06;
2. There is an increase of \$4.766 million in the 2007-08 Budget from the 2006-07 estimated outcome (from \$67.493m to \$72.259m), due to the increase in market rents for 2007-08 following the re-assessment of market rents and the indexation of tenant pensions (\$3.866 million) and the recovery of water consumption costs from public housing tenants (\$0.9 million). How will the trend of an increase in market renters affect further re-assessment of market rents; If there is a trend of an increase in revenue from market renters, how will this be sustained if there is also a trend emerging of a steady decline in the number of full market renters in public housing.
3. The average value of rental subsidy had increased from \$132 in 2003-04 to \$145 per week in 2004-05. What was the average value of rental subsidy in a) 2005-06, and b) 2006-07.

MINISTER HARGREAVES: The answer to the Member’s question is as follows:–

1. The number of tenants not in receipt of a rebate in 2006-07 is 1,721, compared to 1,660 in 2005-06. The number of tenants in receipt of a rebate in 2006-07 is 9,450, compared to 9,534 in 2005-06;
2. Any increase in the percentage of tenants paying market rent and not in receipt of a rebate will generally increase revenues to Housing ACT as the increase in market rents will flow through as rental receipts. However, an increase in market rents may mean that the tenant becomes eligible for a rebate and the full amount of any market rent increase will not flow through as increased revenue. Increasing rental revenues will occur each year simply as a result of the indexation of tenant household assessable incomes for tenants in receipt of Centrelink benefits, as 25% of that income become payable as rent;

3. The average value of the rental subsidy in 2005-06 was \$144 and \$158 in 2006-07.

17 Burke Housing

Social Housing Services

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 342, in relation to Output 1.1: Social Housing Services –

1. Part d) indicates that the annual number of client service visits conducted by Housing ACT was targeted for 10,450 in 2006-07, yet the estimated outcome for 2006-07 was 10,250. Why did the drop of 200 occur;

How is the department going to reach the expected target for 2007-08 of 10,450 visits;

2. Part f) indicates that the average cost per dwelling of public housing estimated outcome for 2006-07 was \$8,897, with the expectation this cost would be \$8,871 in 2007-08. How does this average cost compare to the cost of delivering social housing services conducted by other providers such as community housing providers;

What forms of comparative analysis has Housing ACT conducted on this cost factor to include any research on issues such as property maintenance, tenancy management and the delivery of social housing services in the public housing sector compared to the community housing sector.

MINISTER HARGREAVES : The answer to the Member's question is as follows:–

1. Part d) The Output measure for CSV visits is 10,450 in 2006-07. To ensure this target is reached the scheduling of visits is managed over a 12 month period. To achieve this target a total of 870 visits needed to be completed each month. At the time the estimated outcome was determined there was a slight decrease in the number of visits achieved due to operational requirements and property access availability. However it is now expected that approximately 10,350 visits will be achieved in 2006-07.

Housing ACT will maintain a CSV scheduling system in 2007-08 to achieve the target of 10,450 visits.

2. Part f) The average cost per dwelling of public housing expected in 2007-08 is \$8,871. The average cost per dwelling of public housing compares favourably to the cost of delivering social housing services conducted by other providers such as community housing providers. The cost of community housing providers is estimated for the Report on Government Services each year and the estimated cost for community housing is slightly higher than the cost of public housing. This supports earlier analysis undertaken comparing the cost of public housing with that for community housing providers.

18 Burke Housing

Housing - Operating Statement

JACQUI BURKE MLA : To ask the Minister for Housing, In relation to Budget 2007-08 Paper 4, page 346, in relation to the Operating Statement –

1. Why did total revenue jump from \$94.816million in the 2006-07 budget to \$99.85million 2006-07 estimated outcome;

Why is Housing ACT anticipating another expected jump of revenue for 2007-08 budget to reach \$107.488million;
2. Why did the operating result end up being revised from -\$9.106million in the 2006-07 budget to -\$5.548million estimated outcome for 2006-07;
3. Why has Housing ACT expected a significant improvement in the Operating Result that displays an expected \$5.234 million for 2007-08 budget, as opposed to the -\$5.548 million Operating Result, estimated outcome for 2006-07.

MINISTER HARGREAVES: The answer to the Member's question is as follows:–

1. Total revenue increased \$5.035 million from \$94.816 million in the 2006-07 budget to \$99.85 million 2006-07 estimated outcome as a result of higher rental receipts, higher interest receipts and higher recoveries from tenant responsible maintenance charges, reimbursement of the cost of redundancies by the Government and other recoveries.

In relation to the expected revenue increase to \$107.488 million in 2007-08 please refer to pages 350 and 351 of Budget Paper No. 4 for 2007-08.

2. These variances are explained in more detail on pages 351 and 352 of Budget Paper No. 4 of the 2007-08 Budget.
3. The significantly better Operating Result for 2007-08 of \$5.234 million than the 2006-07 estimated outcome of -\$5.548 million (Operating Loss) is explained at pages 350 – 352 of Budget Paper No. 4 for the 2007-08 Budget.

20 Foskey Housing

Fraser Court

DR FOSKEY: To ask the Minister for Housing:

In relation to housing arrangements in Fraser Court:

1. Can the Minister confirm that units at Fraser Court allocated to previous tenants will continue to be public and social housing when those tenants vacate?

MINISTER HARGREAVES: The answer to the Member's question is as follows:—

The tenants at Fraser Court have been advised that they will be given the opportunity to return to Fraser Court. It is anticipated that between 12 and 20 tenants will want to return. The dwellings they return to will be owned by the Commissioner for Housing.

21 Foskey Housing

ACT Shelter

DR FOSKEY: To ask the Minister for Housing (point 1):

In relation to the work of ACT Shelter:

1. What is the Minister's view of the Housing is a Human Right project?
2. Does the Minister believe that the Housing is a Human Right project complements the objectives of the Homeless Strategy, namely those of increasing awareness around issues of homelessness and housing insecurity? (redirect to Minister for Disability and Community Services)

MINISTER HARGREAVES: The answer to the Member's question is as follows:–

1. What is the Minister's view of the Housing is a Human Right project?

This project is community based and being conducted independently of Government. I welcome any effort to reinforce the Government's belief in the importance of human rights. .

The government is working towards having a variety of different housing options that are both affordable and accessible. The ACT government has made housing affordability for both buying and renting private properties flexible with a variety of options to make it easier for people on low to middle incomes. Packages include shared equity schemes, land rent and stamp duty concessions.

22 Foskey Housing

ACT Shopfronts

DR FOSKEY: To ask the Minister for Housing:

In relation to the closure of Housing ACT shopfronts:

1. Is the Minister aware of concerns raised by various agencies regarding the closure of a number of ACT Housing shopfronts?
2. Does the Minister recognise these agencies have increased workloads as a result of these changes?
3. If so, will the Minister consider increasing the funding accordingly?

MINISTER HARGREAVES: The answer to the Member's question is as follows:—

1. No, however as part of good customer service, the Director Housing ACT wrote to community organisations asking them to identify and quantify the impact of the changes to Housing operations on their services so that Housing ACT could identify any improvements needed to its services. Responses are due in mid July 2007.
2. I will be briefed on the responses provided to the Director Housing ACT in late July 2007.
3. Any service improvements required will primarily impact on Housing ACT and will be achieved within budget.

305 Housing Burke

CSHA Funding

JACQUI BURKE MLA: To ask the Minister for Housing, In relation to the Commonwealth State Housing Agreement (CSHA):

1. What was the total amount of Commonwealth funding received under the CSHA in 2002-03; 2003-04; 2005-06?
2. What proportion of this funding was spent on administration costs for each of those years?

MINISTER HARGREAVES: The answer to the Member's question is as follows:–

1. 2002-03 - \$24.593m
2003-04 - \$18.438m
2005-06 - \$18.589m
2. The proportion of funding spent on administration costs for each year has been estimated to be approximately 1.9% of total ACT and Commonwealth funding, based on a strict interpretation of costs to administer the grants and report to the Commonwealth, not including any work related to service delivery.

QTON - TFM contractual arrangements

[MR STEFANIAK] : To ask the Minister for Housing

In relation to : TFM Contractual arrangements within Housing ACT

How much money has the TFM contract saved to date?

MINISTER HARGREAVES] : The answer to the Member's question is as follows:—

Planned maintenance is more cost effective than responsive maintenance and improves the quality of public housing over time. In 2004-05 Housing ACT spent 60% of the maintenance budget on responsive maintenance and 40% on planned maintenance. In 2006-07 we have turned this around to achieve 60% on planned maintenance and 40% on responsive maintenance. In 2007-08 we estimate that we will spend approximately 70% of the budget on planned maintenance and 30% on responsive maintenance, achieving far better value for money from our available maintenance dollar.

Holding the Schedule of Rates price for 2006-07 saved us an estimated 5% of the responsive budget or \$525,000.00.

In relation to the rebate on paint and floor coverings products, apart from improving the quality of paint, carpet and carpet underlay to improve tenant outcomes and the longevity of the products, we have achieved a total rebate of about \$44,000 over the past two years. This allows a further 12 properties to be carpeted or 14 properties to be internally painted or 16 properties to be externally painted, at no cost.

On top of the rebate, Spotless the TFM Contractor have negotiated a paint purchase price of around 30% less than that trade price. The higher quality carpet is now purchased at just under the previously, lesser quality, carpet price.

In relation to our recently negotiated arrangements with the New South Wales Department of Commerce, we expect to save an estimated \$120,000 to \$150,000 in 2007-08 on the cost of the paint and carpet and continue this into future years.

400 Housing Burke

QTON - Tenant debt

MRS BURKE : To ask the Minister for Housing

In relation to : Tenant Debt

What is the level of debt for (a) rental debt (b) sundry debt (relating to tenant responsible maintenance

MINISTER HARGREAVES: The answer to the Member's question is as follows:—

As at 18 June 2007, tenant rental debt totalled \$1,261,756.18.

As at 18 June 2007, tenant sundry debt (relating to tenant responsible maintenance) totalled \$1,244,708.64.

401 Housing Burke

QTON - Medical leave

MRS BURKE : To ask the Minister for Housing

In relation to : Medical Leave

How many Housing staff are on long term medical leave?

MINISTER HARGREAVES : The answer to the Member's question is as follows:–

The are no Housing ACT staff currently on long term medical leave. A report was compiled on 27 June 2007 to capture all unscheduled absences taken over the last three, six and twelve months. The data did not highlight any staff on long term medical leave.

Over the past 12 months, unscheduled absences in Housing ACT have decreased with staff taking an average of 8.58 days over the 12 month period.