



STANDING COMMITTEE ON HEALTH, AGEING AND COMMUNITY SERVICES  
CHRIS STEEL MLA (CHAIR), ELIZABETH KICKERT MLA (DEPUTY CHAIR), VICKI DUNNE MLA,  
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**Inquiry into referred 2016–17 Annual and Financial Reports  
ANSWER TO QUESTION ON NOTICE**

Asked by MR MARK PARTON MLA:

Community Services Directorate Annual Report, Housing ACT and the housing portfolio responsibility

In relation to Housing ACT pages 78 -103 and the housing portfolio responsibility generally.

1. In relation to Strategic Indicator 3, Table 17 and Figure 18 at page 80:
  - a. What are the support services discussed in these tables and charts;
  - b. Are these provided to public housing tenants or to the homeless or to those on the social housing waiting list;
  - c. How many people were provided with this assistance in 2016-17; and
  - d. What were the results from providing this assistance, eg reduced rental rebates, moving into part time or full time employment - or transition from public housing into private housing etc?
2. Page 81 of the CSD report (under the 'Our Response' heading), states there were 10,640 public housing tenancies. What were the numbers in this figure:
  - a. In receipt of the age pension;
  - b. In receipt of a Disability Support Pension;
  - c. Largely or totally dependent on some other form of benefit payment (eg New Start Allowance);
  - d. In part time employment;
  - e. In full time employment;
  - f. Paying rent set at 25% of assessable income; or
  - g. Paying a higher level of rent?
3. At page 81 under the 'Our Response' heading, the report states 591 new tenancies were created to house 1,381 people:
  - a. How many additional public housing dwellings were built or purchased to accommodate these tenancies;
  - b. How many of the 591 new tenancies went into public housing and how many went into community housing;
  - c. If there were not 591 new dwellings created, what were the sources or categories of accommodation dwellings for the 591 new tenancies; and
  - d. How many public housing tenants moved out of public housing and into the private rental market or property market in 2016-17?
4. The report at page 84 Table 18, talks about capital upgrades funding for floor coverings and new kitchens and the like. In this regard:
  - a. If a tenant lodges a request to have rotting or severely moulded carpet replaced, how long does it take for Housing ACT to replace the floor coverings; and
  - b. And if a tenant advises that they have a lice infestation or other invasive vermin problems, then how long will it usually take for those sorts of problems to be remedied?

5. Regarding the Capital Delivery Program at page 85 and Capital Works in Progress at pages 222 and 255 of the CSD report:
  - a. What does Housing ACT spend capital funds on;
  - b. How much capital spending was achieved in 2016-17;
  - c. What is your capital spending allocation for 2017-18 and for each year across the Forward Estimates;
  - d. How many new dwellings were brought on line by Housing ACT in 2016-17;
  - e. What are the delivery targets for new public housing dwellings in 2017-18 and for each year of the Forward Estimates;
  - f. Are these dwellings all for public housing or do some get handed over to community housing providers;
  - g. What number of new dwellings in each year are for replacement of existing stock and what is the number for net additions to the housing stock;
  - h. How much of Housing ACT's 2016-17 capital funding was sourced from sales of public housing properties and how much was obtained from appropriations or other sources;
  - i. What have been the sales revenue figures and numbers of dwellings sold for the past four years up to and including 2016-17;
  - j. What are the expected sales revenue figures and numbers of dwellings planned to be sold for the 2017-18 budget and for each year of the Forward Estimates; and
  - k. Do all proceeds from housing sales get allocated to capital funding for purchase or construction of new housing?
  
6. The CSD report pages 89-91 and Table 22 discusses and reports on new contract services arrangements:
  - a. Could the Minister provide a list of these contractors and the services provided by each provider; and
  - b. What is the duration and value of each contract?
  
7. It is notes at page 222 that Housing ACT had \$44.828 million in cash as at 30 June 2017:
  - a. What caused the run down from \$55.880 million in the previous year;
  - b. What factors enable Housing ACT to accumulate these sorts of holdings; and
  - c. How many times does this balance turnover in each year?

YVETTE BERRY MLA: The answer to the Member's question is as follows:–

1.
  - a. Support services include: accommodation, assistance to sustain housing, mental health services, family services, disability services, drug/alcohol services, legal/financial services, immigration/cultural services, domestic violence services, other specialist services, and general services.
  - b. All support services can be accessed through OneLink by those who are homeless or at risk of homelessness. This may include those in public housing.
  - c. In 2016-17, there were 4,585 clients supported by homelessness services over the year.
  - d. Of those who needed income assistance when entering homelessness services, 90.1% of ACT clients had an income source after support.

Of the 111 young clients aged 12 to 18 years who needed education and/or training assistance, 73.1% were enrolled in formal study or training at the end of support in the ACT.

After support, 46.3% of clients who needed assistance with employment or training and 41.8% of Aboriginal and Torres Strait Islander clients who needed assistance with employment or training were employed or enrolled in education or training after support.

Of the 1,938 clients requiring assistance to obtain or maintain independent housing, 68.1% were in independent housing after support.

The data for Strategic Indicator 3 is in response to homelessness services only, the data does not capture the effect on rental rebates or the transition of tenants from public housing to the private market.

2.

- a. 1,963 households.
- b. 2,701 households.
- c. 3,540 households have the majority of their income from statutory payments.
- d & e. 1,606 households have the majority of their income from either salary or business income, it is not possible to determine whether the work is part time or full time employment.
- f. All tenants are required to pay rent. The amount of rent payable for each tenancy is the lower of the market rent or an amount equivalent to 25% of the assessable household income.
- g. Single clients that are incarcerated, and only receive a statutory payment, are charged rent at \$5 per week (peppercorn rent). Whilst they are incarcerated they are not eligible to receive income from Centrelink, so in effect they are paying more than 25% of income.

3.

- a. During 2016-17, Housing ACT delivered 72 new dwellings through the annual Capital Program, with 52 being delivered through construction and a further 20 dwellings by purchase. In addition, a further eight blocks of land were purchased upon which new public housing will be constructed.

With the exception of nine new dwellings constructed for Karinya House for Mother and Babies all were delivered to provide accommodation for public housing tenants.

- b. 591 tenancies went into public housing. No tenancies went into community housing.
- c. The original source of the properties for new tenancies were:

Purchased	100
Constructed	157
Other / Unknown	3

The properties range from 57 years old to new.

- d. 28 households moved into home ownership, 147 households moved into private rental and 82 households moved to a nursing home or aged care facility.

4.

- a. Housing ACT has a response matrix that sets out reasonable timeframes for various categories of work depending on the situation. The responsive maintenance matrix allows for works orders that have a timeframe from 4 hours to 20 days. In the event that any matter is considered a health, safety or security risk, an urgent works order (4 hours) is generally issued to make safe. After this process, a more planned approach is taken to rectify the issue, including addressing the cause of the problem. This process would also apply to carpets.
- b. It is difficult to give a definitive timeframe to remedy pest infestations as each case and each type of pest can vary in the treatment required. Under the tenancy agreement between Housing ACT and the tenant, pest control (except in the first three months of the tenancy) is generally the responsibility of the tenant.

5.

- a. Housing ACT spends its capital funding on the construction of new dwellings; the purchase of new dwellings or land to support construction; to undertake major upgrades or refurbishments of existing properties (e.g. kitchens and wet area upgrades) and for the repayment of the principal of previous Commonwealth Government loans under the former Commonwealth State Housing Agreement.
- b. Housing ACT expended \$48.349 million in capital funding during 2016-17.
- c. Housing ACT's budget for capital expenditure for 2017-18 is \$57.874 million. The budgets for capital expenditure for the Forward Estimates are as follows:
  - 2018-19 budget for capital expenditure is \$42.6 million.
  - 2019-20 budget for capital expenditure is \$43.6 million.
  - 2020-21 budget for capital expenditure is \$44.599 million.
- d. A total of 72 new dwellings were brought on line during 2016-17 under Housing ACT's Capital Program. This included 52 new properties delivered through construction and a further 20 through purchase.
- e. Housing ACT has a target of delivering 88 new public housing dwellings in 2017-18 which comprises of 53 new dwellings through construction and 35 new dwellings through purchase. For the Forward Estimates Housing ACT has the following delivery targets for new public housing dwellings:
  - In 2018-19, a total of 135 new dwellings are forecast to be delivered under Housing ACT's annual capital program. 125 delivered through construction and 10 through purchase.
  - In 2019-20, a total of 81 new dwellings are forecast to be delivered under Housing ACT's annual capital program. 67 delivered through construction and 14 through purchase.
  - In 2020-21, a total of 81 new dwellings are forecast to be delivered under Housing ACT's annual capital program. 67 delivered through construction and 14 through purchase.
- f. All new dwellings being delivered in 2017-18 and the current Forward Estimates are for public housing. There are currently no capital projects identified for delivery for community housing providers.

On occasion community organisations, under Housing ACT's Housing Asset Assistance Program (HAAP), are provided new or replacement properties from Housing ACT, to support their delivery of support programs for identified vulnerable target groups.

- g. The Housing ACT annual Capital Program seeks to renew and revitalise the public housing portfolio to better meet the needs of tenants. This is achieved through the sale of older inefficient properties and the revenue generated from sales is then used to replace, upgrade or add to the public housing portfolio. In addition to the replacement of stock, the annual program seeks where possible to also increase the size of the portfolio.

Under the 2017-18 Capital Program, Housing ACT estimates a net increase of four additional dwellings. For the forward estimates, which are primarily based on financial forecasts and don't include a detailed construction or purchase program, the estimated net results are as follows:

- In 2018-19, Housing ACT forecasts a net increase of 20 dwellings.
  - In 2019-20, Housing ACT forecasts a net reduction of 1 dwelling.
  - In 2020-21, Housing ACT forecasts a net reduction of reduction of 1 dwelling.
- h. During 2016-17, Housing ACT's Capital Program received a total of \$56.793 million in revenue receipts. This was made up of \$48.584 million from property sales, \$7.934 million from Government appropriation and \$0.275 million in Insurance recoveries.

- i. The sales revenue figures and number of dwellings sold for the period 2013-14 to 2016-17 are as follows:
  - In 2013-2014, Housing ACT sold 88 dwellings (including 1 block of land) for sales receipts of \$38.135 million.
  - In 2014-2015, Housing ACT sold 77 dwellings (including 1 block of land) for sales receipts of \$39.151 million.
  - In 2015-16, Housing ACT sold 89 dwellings for sales receipts of \$36.765 million.
  - In 2016-17, Housing ACT sold 58 dwellings (including 2 blocks of land) for sales receipts of \$36.065 million.
- j. The forecast sales and associated revenue targets for 2017-18 and the forward estimates are as follows:
  - In 2017-18, Housing ACT has a target of 69 sales estimated to raise sales receipts of \$37.6 million.
  - In 2018-19, Housing ACT has a target of 102 sales (which includes the provision of 33 dwellings substituted under the Public Housing Renewal Program) estimated to raise sales receipts of \$38.625 million.
  - In 2019-20, Housing ACT has a target of 69 sales estimated to raise sales receipts of \$39.650 million.
  - In 2020-21, Housing ACT has a target of 69 sales estimated to raise sales receipts of \$40.675 million.
- k. All revenue received from the sale of Housing ACT dwellings is used to provide capital funding for the Housing ACT annual Capital Program. As outlined in the response to Question 5(a) above, Housing ACT spends its capital funding on the construction of new dwellings; the purchase of new dwellings or land to support construction; to undertake major upgrades or refurbishments of existing properties (e.g. kitchens and wet area upgrades) and for the repayment of the principal of previous Commonwealth Government loans under the former Commonwealth State Housing Agreement.

6. Refer to Attachment A.

7.

- a. The decrease of \$11 million in cash holding was mainly due to the net cost of services and outlay on the capital program to maintain and increase public housing stock.
  - The net cash outflow from operations was \$4.5 million meaning Housing ACT incurred higher expenses than revenue received in order to provide a range of services to those most in need.
  - The net cash outflow was \$9.9 million for the capital program.
  - Repayment of loans from the Commonwealth of \$4.7 million.
  - The above was partially offset by capital injection of \$7.9 million from the government.

For further details please also refer to the cash flow statement on page 225 and 226 of the 2016-17 Community Services Directorate Annual Report.

- b. Housing ACT requires a minimum of \$30 million of liquidity to ensure payments can be made without delay due to the nature of its business. As well as the daily expenses, Housing ACT needs to accumulate sufficient amount of cash to meet significant outlays due at various times throughout the year. For further details please also refer to the cash flow statement on page 225 and 226 of the 2016-17 Community Services Directorate Annual Report.

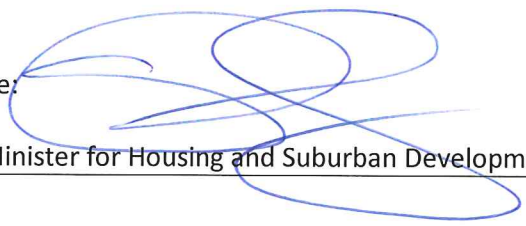
Housing ACT has an annual Capital Program of between \$35 million and \$45 million mainly funded by proceeds from sale of properties which may be held for a period of time until it is required for purchase of properties or construction projects.

As at 30 June 2017, \$10 million was held in trust by four conveyancing solicitors who act on behalf of Housing ACT for purchase of properties.

- c. In 2016-17, Housing ACT received a total of \$184 million mainly through government appropriation, rental receipts, bank interest and sale proceeds. In turn, it spent \$195 million on supplies and services, employees, funding the homelessness sector, capital program and repayment of Commonwealth loans.

Approved for circulation to the Standing Committee on Health, Ageing and Community Services

Signature:



Date: 19/12/17.

By the Minister for Housing and Suburban Development, Yvette Berry MLA