

Regional Australia Committee

ANSWERS TO QUESTIONS ON NOTICE
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS PORTFOLIO
Fly-in fly-out work practices Inquiry



Date: 15 August 2012

Question No: 1

Hansard Page: 3

Topic: Rental Stress and the National Rental Affordability Scheme in fly-in fly-out communities

Ms Livermore asked:

Particularly those Western Australia ones [regions experiencing rental stress], do you have any figures on who the proponents of those projects are? Are they Council led or are they private sector developers?

Answer:

Participants delivering NRAS projects are a mix of for-profit and not-for-profit entities, and include building companies, developers and community housing providers.

There are two participants delivering NRAS homes in the north-west of Western Australia:

Foundation Housing Ltd (a not-for-profit entity) delivering homes in Broome; and

Questus Funds Management Ltd (a for-profit entity) delivering homes in Broome, Derby, Exmouth, Kalgoorlie, Karratha, Newman, Onslow, Roebourne, South Hedland and Tom Price.

Please list all other Branches/Agencies/Departments Consulted:

1. None

	Action Officer:	Cleared by:
Name:	Kath Mandla	Sean Innis
Position:	Branch Manager	Group Manager
Branch/Group:	Housing Affordability Programs	HHaMM
Work phone number:	02 6146 0144	02 6132 1222
Mobile phone number:		
Cleared by Group Manager	Yes <input type="checkbox"/> No <input type="checkbox"/>	Date:
		GM Initial

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Date: 15 August 2012

Question No: 2

Hansard Page: 5

Topic: The Housing Affordability Fund in fly-in fly-out communities

Mr Haase asked:

[With reference to the funding of residential infrastructure] is this the case [that the department, under the Housing Affordability Fund, has a contractual arrangement] with Landcorp in central Karratha where the 100 dwellings were provided for low-income earners?

Answer:

No, the Landcorp project in central Karratha is neither funded through the Housing Affordability Fund nor Building Better Regional Cities program.

Please list all other Branches/Agencies/Departments Consulted:

1. None.

	Action Officer:	Cleared by:
Name:	Kath Mandla	Sean Innis
Position:	Branch Manager	Group Manager
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Date: 15 August 2012

Question No: 3

Hansard Page: 7

Topic: The Housing Affordability Programs in fly-in fly-out communities

Mr Windsor asked:

Would you be able to give us a summary of those other programs and any examples of where there is real-life flow-through of cash, and how it impacts on the issue [of housing affordability]?

Answer:

National Rental Affordability Scheme (NRAS):

The National Rental Affordability Scheme (NRAS) is investing in affordable rental housing across Australia by offering financial incentives for 10 years to the business sector and community organisations to build and rent dwellings to low and moderate income households at a rate that is at least 20 per cent below the prevailing market rates. It aims to increase the supply of new affordable rental housing and reduce rental costs, while at the same time encouraging investment and innovative delivery of affordable housing.

The Government has committed to the construction of 50,000 dwellings by June 2016. The Scheme is to deliver 35,000 dwellings by June 2014, and a further 15,000 in 2015-16.

Under the NRAS, the Government has allocated 4,576 incentives for the construction of affordable rental properties in outer regional and remote areas across Australia.

3,443 incentives have been allocated to remote and regional areas of Queensland (1,797) and Western Australia (1,646) covering towns such as Karratha, Broome, South Hedland, Mackay and Gladstone.

The incentive is payable annually to approved participants as a Refundable Tax Offset or cash payment provided that all requirements are complied with, including that the dwellings are rented to eligible tenants at least 20% below the market rental rate. This results in a rental saving to the tenants.

The tables below provide NRAS incentive allocations in remote and regional areas of Queensland and Western Australia as at 31 August 2012:

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Queensland – remote and regional areas	Tenanted Dwellings	Total Dwellings to be delivered
Townsville and Surrounds, including: Belgian Gardens, Burdell, Charters Towers, Condon, Cosgrove, Deeragun, Douglas, Kelso, Kirwan, Mount Louisa, Thuringowa Central, Townsville City, South Townsville	277	905
Bundaberg and Surrounds, including: Avoca, Bargara, Branyan, Bundaberg, Bundaberg East, Bundaberg North, Bundaberg South, Bundaberg West, Hervey Bay, Kalkie, Kepnock, Moore Park Beach, Thabeban.	49	197
Emerald	0	60
Gladstone and Surrounds, including: Calliope, Gladstone, New Auckland, Telina	22	243
Mackay and Surrounds, including: Andergrove, Beaconsfield, Bucasia, Dysart, Eimeo, Mackay, Moranbah, Nebo, Ooralea, West Mackay.	10	392
Total	358	1,797

Western Australia – remote and regional areas	Total Dwellings scheduled to be delivered by June 2016*
Exmouth	40
Karratha	479
Broome	293
South Hedland	350
Onslow	160
Newman	146
Roebourne	100
Tom Price	40
Derby	20
Kalgoorlie	18
Total	1646

* No dwellings are currently completed and tenanted.

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Building Better Regional Cities (BBRC) Program

The Building Better Regional Cities (BBRC) program is an over \$112 million Australian government funding commitment that supports new housing development in regional cities. Through this program, the government invests in targeted, local infrastructure projects that support new infill or green-field housing developments in regional cities experiencing growth.

The program's objectives are to support an increase in the number of homes for sale or rent that are affordable in communities experiencing jobs and population growth and relieve the pressure on major capital cities, so that Australia can grow sustainably.

A total of 47 regional cities were eligible to apply for BBRC funding. Of the 36 regional councils that applied for the BBRC grant, 16 were successful in securing BBRC, which were announced by the Minister on 30 June 2012.

The successful Councils included Geraldton which would be the most likely to be affected by fly-in fly-out work practices.

In Geraldton, the BBRC funding will be used to assist in constructing roads that will bring forward the creation of 1,500 lots in the suburb of Karloo. By June 2016, 240 lots will be released as affordable lots through the provision of a \$25,000 rebate for low to moderate income households and an additional 12 dwellings will be sold as shared equity homes.

Housing Affordability Fund

The Housing Affordability Fund which is investing more than \$400 million over five years to help reduce the costs of housing-related infrastructure and planning, and thus reduce the costs of new homes for many Australians. The Housing Affordability Fund demonstrates the Commonwealth Government's commitment to working with state, territory and local governments, and the private sector, to invest in local solutions that lower the cost of housing for Australians and their families. It is stimulating the supply of new houses and making housing more affordable for low to moderate income earners.

The Housing Affordability Fund supports a number of projects located in areas impacted by fly-in fly-out work practices, including:

The Beachlands project at Geraldton which was allocated \$3.4m in funding. The funding will pay for sewerage infrastructure. The project will bring forward the development of 115 lots, of which 100 will provide savings of \$34,000 each. Sales are targeted at first homebuyers. As at August 2012, 31 discounted dwellings had been sold to eligible purchasers.

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The Anne St project in Nebo, central Queensland was allocated \$2.5m to construct the enabling infrastructure (roads, drainage, sewer, water and power). The project will create 73 lots, 63 of which will be sold with an average saving of \$51,000 each. Lot sales are due to commence in late 2012.

The Plantation Palms project in Mackay, central Queensland was allocated \$8.5m to construct a road and associated infrastructure. The project will bring forward the delivery of 1800 lots, 1000 of which will be sold at discounted prices to eligible purchasers. 600 lots will be sold with a discount of \$5,000 each and 400 lots will be sold with a discount of \$20,000. As at August 2012, 32 lots had been sold with a discount of \$5,000 to eligible purchasers.

Social Housing Initiative

The \$5.6 billion Social Housing Initiative is part of the Nation Building Economic Stimulus Plan. Over 19,700 new social housing dwellings are being built under the initiative with the assistance of the not for profit sector.

Over 19,000 have already been completed, with all dwellings expected to be completed as soon as possible. The new homes constructed through the Initiative are owned by public housing authorities and not-for-profit housing organisations and rented to high priority people on waiting lists.

The Social Housing Initiative is being conducted in partnership with state and territory governments.

The table below provides details on Social Housing Initiative Dwellings completed or currently under construction:

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Queensland	SHI Dwellings
Townsville	295
Bundaberg	147
Emerald	6
Gladstone	22
Mackay	67
Western Australia	SHI Dwellings
Karratha	3
South Hedland	2
Roebourne	9
Kalgoorlie	14
Queensland	SHI Dwellings
Townsville	294
Bundaberg	135
Emerald	6
Gladstone	22
Mackay	53
Western Australia	SHI Dwellings
Karratha	3
South Hedland	2
Roebourne	9
Kalgoorlie	14

Please list all other Branches/Agencies/Departments Consulted:

1. Social housing Initiative, Commonwealth-State Relations Branch, HHaMM Group, FaHCSIA.

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