

**Senate Standing Committee on Environment and Communications
Legislation Committee**

Answers to questions on notice

Sustainability, Environment, Water, Population and Communities portfolio

Additional Estimates, February 2011

Program: Division or Agency: 6.1: Housing **Question No:** 74

Broad Topic: National Rental Affordability
Scheme statistics

Proof Hansard Page and Date 123 (21/2/11)
or Written Question:

Senator Ludlam asked:

Senator LUDLAM—I was going to ask you to go through the current status of NRAS, given that it has been pretty topical, but I will ask you to take on notice some questions to provide some metrics for tenanted dwellings. There are dwellings under construction, due to commence and recently approved, perhaps you can do that for the last three months, or whatever time lines you use. How many in total have been approved and how many at a six-star BCA standard? I understand that is fairly high, but would you give us some idea of that on notice.

Mr Shevlin—Yes.

Answer:

There were 2,830 tenanted National Rental Affordability Scheme (NRAS) dwellings as at 20 February 2011. In addition, there were 3,125 dwellings reported as under construction as at 20 January 2011, and an additional 1,797 were due to commence construction.

2,947 new Incentives were approved in December 2010 and January 2011, giving a total of 22,319 Incentives approved by 20 January 2011.

All NRAS dwellings are required to comply with state and territory Building Code of Australia standards. In April 2009 the Council of Australian Governments agreed to increase the required standard for all residential buildings to six-stars or equivalent – to be implemented by May 2011. Participants in NRAS must provide the Department of Sustainability, Environment, Water, Population and Communities with information regarding the energy efficiency and accessibility of their dwellings within three months of the recorded completion date of a dwelling. As at 20 February 2011, 294 completed dwellings were reported to have achieved a six-star rating, with 701 achieving at least a five-star rating.

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Additional Estimates, February 2011

Program: Division or Agency: 6.1: Housing **Question No:** 75
Broad Topic: Vacant dwellings in Australia
Proof Hansard Page and Date 123 (21/2/11)
or Written Question:

Senator Ludlam asked:

Senator LUDLAM—I am interested to talk about vacant dwellings and residential vacancies in Australian capital cities. The last figures that I am aware of come from the 2006 census. Is the department sitting on any information at all on the number of residential dwellings, which would bring that up to date? It is something in the order of 50,000 vacant dwellings in metropolitan Perth and there are similar high numbers around the country. Do you have anything that is more up to date than 2006?

Mr Shevlin—We have the 2006 data. The National Housing Supply Council has had a look at that data as well. They noted that the majority of those vacant dwellings are not actually located in areas where there is high demand. For example, you get a lot of vacant dwellings where there are a lot of holiday houses, so they are vacant but they are not, if you like, available for permanent tenancy.

Senator LUDLAM—That is interesting. I will ask you to also take these questions on notice. Can you provide us with a breakdown of as much information as you have on where they are and for what reason there is such an enormous number of vacant dwellings? I was a bit surprised to see the size of the numbers.

Mr Shevlin—We will certainly have a look and see what data we do have.

Answer:

The information on unoccupied dwellings that the department has access to is drawn from the 2006 census data. The National Housing Supply Council (the Council) published data on unoccupied dwellings in its 2nd State of Supply Report (2010 Report) using this source.

As indicated on page 37 of its report, the Council's analysis "has shown that most of these vacant dwellings are not located in the areas where demand-supply gaps exist. The areas with the lowest proportions of unoccupied dwellings are high-growth areas in, and in the immediate vicinity of, the capital cities. Comparing information for the capital city and the rest of each state, the non-metropolitan area consistently has a higher proportion of unoccupied dwellings (see Table 3.5). There were 1.8 times as many unoccupied dwellings in the non-metropolitan areas of the six states as in their capital cities. The areas with a high proportion of unoccupied dwellings are also those that are popular areas for holiday homes, such as the south coast of New South Wales and south-west Western Australia. The proportion of unoccupied dwellings is lower in capital cities and higher in the coastal areas surrounding capital cities."

The proportion of dwellings which are unoccupied for the capital city and the balance of the state for each of the six states is published in Table 3.5 of the 2010 Report which is reproduced below:

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Unoccupied private dwellings by capital city and balance of state for six states, 2006 (per cent)

	CAPITAL CITY	BALANCE OF STATE	STATE TOTAL
NSW	7.4	12.5	9.5
VIC	8.1	15.7	10.3
QLD	6.4	11.2	9.2
SA	6.9	18.5	10.3
WA	8.0	17.6	10.7
TAS	8.1	15.9	12.8
SIX STATES TOTAL	7.5	13.6	9.9

Information on the reason a dwelling is vacant has not been collected since the 1986 census. The Council has published 'reason for vacancy' based on 1976, 1981 and 1986 census data in Table 3.7 of the 2010 Report. This now dated information indicates that about one quarter of vacant dwellings are holiday homes. It also indicates that two to three percent of all housing stock is empty at any one time due to demolition, sale, refurbishment or re-letting. The proportion of unoccupied dwellings has been relatively constant since 1976 at between nine and ten percent of all dwellings (as shown in Table 3.6 of the 2010 Report).

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Program: Division or Agency: 6.1: Housing **Question No:** 76

Broad Topic: Land audit and affordable housing

Proof Hansard Page and Date 123 (21/2/11)
or Written Question:

Senator Ludlam asked:

Senator LUDLAM—Has there been a recent audit of the amount and location of government owned land that could be re-allocated to affordable housing?

Mr Shevlin—There is an annual land audit that is required. I will try to find the exact date for that.

Senator LUDLAM—On notice is fine. Would you also provide a list of government owned land by department, location and size? Finally, I bring you back to my question on vacant residential land.

Do you have any reasonably up-to-date metrics on vacant commercial space in our larges cities?

Mr Shevlin—I will have to take that one on notice.

Answer:

Government owned land

The Department of Finance and Deregulation has responsibility for administering the Commonwealth Property Disposals Policy and has provided the following information in response to the first two parts of the question:

Commonwealth agencies report their land holdings annually as part of the Commonwealth Land Audit. The Land Audit was updated between July and December 2010 and finalised in January 2011. As part of this process, agencies indicate which properties are surplus, and which of these are potentially suitable for release to meet housing and community outcomes. Land is not re-allocated to affordable housing, rather, where properties are surplus and are considered suitable for meeting housing needs, the Department of Sustainability, Environment, Population and Communities (DSEWPaC) assesses the potential for the land to provide affordable housing. This assessment informs the disposal strategy for the land.

The Department of Finance and Deregulation provides details of those surplus properties that will be made available for disposal in the short term on the Register of Surplus Commonwealth Land Potentially Suitable for Housing and Community Outcomes at <http://www.finance.gov.au/property/lands-acquisition/register-surplus-commonwealth-land.html>. The register is not a full list of surplus properties but is a list of those properties that are available in the short term. The details of those properties currently recorded in the register are provided below.

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State/Territory	Property*	Owner Agency	Site Area (approximate hectares)	Target Time for Release
ACT	Belconnen Communications Station, Baldwin Drive, Lawson	Department of Defence	149	2010-11
NSW	Former Naval Stores Depot, Spurway Street, Ermington	Department of Defence	16	2010-11
NSW	Ingleburn Army Camp, Old Campbelltown Road, Ingleburn	Department of Defence	309	2011-12
NSW	North Penrith, 'Thornton Park'	Department of Defence	43.7	2010-11
NSW	Nirimba Drive, Quakers Hill, Schofields	Department of Defence	146	2010-11
QLD	120 to 140 Meiers Road, Indooroopilly	CSIRO	7.2	2010-11
QLD	Ibis Avenue (Bruce Highway) Rockhampton	CSIRO	32.4	2010-11
QLD	233 and 240 Middle Street, Cleveland	CSIRO	2.7	2010-11
QLD	University Drive, Douglas (Townsville)	CSIRO	16.6	2010-11
SA	Elizabeth North Training Depot, Broadmeadows Road, Smithfield	Department of Defence	33	2013-14
VIC	Corner Colac and Henry Road, Belmont (Geelong)	CSIRO	6.37	2011-12
VIC	Graham Road, Highett	CSIRO	9.3	2011-12
WA	Part of the Artillery Barracks site, Queen Victoria Street, Fremantle	Department of Defence	0.6	2011-12

*In some cases, the whole site may not be available for development.

Commercial space

DSEWPac does not have data on vacant commercial space.

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Program: Division or Agency: 6.1: Housing **Question No:** 77

Broad Topic: Building Better Regional
Cities program

Proof Hansard Page and Date Written
or Written Question:

Senator Payne asked:

The department's incoming government briefing identified the funding provided to administer the Building Better Regional Cities program as \$3.05 million, an estimated \$4 million short of the funds required. What is the departmental funding for this program now that overall funding has been cut?

Answer:

Departmental funding remains at \$3.05 million. The Department of Sustainability, Environment, Water, Population and Communities will ensure that adequate resources are made available for efficient and effective delivery of this program.

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Program: Division or Agency: 6.1: Housing **Question No:** 78

Broad Topic: Housing Affordability Fund

Proof Hansard Page and Date Written
or Written Question:

Senator Payne asked:

The department's incoming government briefing stated that around 380,000 homebuyers will benefit from planning and development reform under the Housing Affordability Fund. Is this estimate still applicable based on delivery of the program to date?

Answer:

The estimate of 380,000 homebuyers expected to benefit from the planning and development reform projects under the Housing Affordability Fund is based on information provided by the project proponents. Given that the majority of projects are still in their early phases of delivery, the department has not sought to revise this number at this stage.

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Program: Division or Agency: 6.1: Housing **Question No:** 79
Broad Topic: National Rental Affordability Scheme
Proof Hansard Page and Date Written
or Written Question:

Senator Payne asked:

1. What changes have been made to the National Rental Affordability Scheme in light of the government's proposed capping of NRAS, followed by its commitment to restore but defer funding? What level of funding is expected to be required over the forward estimates and beyond? Have any other aspects of NRAS been changed, such as delivery deadlines?
2. The government announced that the NRAS scheme will now prioritise the remaining incentives to flood-affected areas. Is this solely a prioritisation of assessment, or will flood-affected areas, and states, receive priority over other areas should NRAS become oversubscribed?
3. The department's incoming government briefing stated that the 30 staff provided to administer NRAS as having their time monopolised by complex assessment, project delays, requests for variations and the need for a stringent monitoring regime. What level of staffing has the department now received to deal with these issues, and in light of the deferral of NRAS incentives?

Answer:

1. The Australian Government has capped the National Rental Affordability Scheme (NRAS) at 35,000 dwellings to be delivered by 30 June 2014, with 15,000 further Incentives to be available from 2015–16. As announced in the flood response package, the capping of NRAS at 35,000 dwellings by 2014 has generated savings of \$264 million over the forward estimates period.
2. Applications related to flood affected areas will be prioritised for assessment. Eligible applications from these areas that are supported by the relevant state or territory government will have first call on the balance of available Incentives.
3. There are currently 34 staff administering NRAS. The deferral of NRAS Incentives has had no impact on current staffing for administration of the Program.