

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

Answers to questions on notice

Sustainability, Environment, Water, Population and Communities portfolio

Supplementary Budget Estimates, October 2010

Program: Division or Agency: 6: Housing **Question No:** 98

Broad Topic: National Housing Supply
Council State of Supply 2009
report

Proof Hansard Page and Date Written Question
or Written Question:

Senator Payne asked:

1. How does the department plan to accommodate the extra residents as a result of immigration under the following scenarios set out in the National Housing Supply Council State of Supply Report (Page 18-19)?
 - a. Low growth household increase?
 - b. Medium growth household increase?
 - c. High growth household increase?

2. Given the National Housing Supply Council is constrained by a lack of data to analyse residential development in metropolitan areas, how does the department and the government plan to obtain information including:
 - a. Residential titles issued?
 - b. Information on smaller infill development held by state, territory and local governments?
 - c. More consistent data on land activities in the pipeline?
 - d. Analysis of factors affecting development risk and the relative price of various types of residential development?

Answer:

1. The Government is addressing housing supply through programs for affordable housing. These include the Housing Affordability Fund, the National Rental Affordability Scheme and the Building Better Regional Cities program. The Government is also developing a Sustainable Population Strategy to help address the economic, social and environmental implications of changes in Australia's population.

- 2a. Information on residential titles will be gathered with assistance from the Data Sub Group (DSG) of the COAG Housing Working Group - a group of Commonwealth, state and territory government officials established to provide the National Housing Supply Council with information on potential land supply and demand.

- 2b. Information on this issue will be gathered with assistance from the DSG, the Australian Bureau of Statistics and relevant state, territory and local governments.

- 2c. Information on this issue will be gathered with assistance from the DSG, the Australian Bureau of Statistics and relevant state, territory and local governments.

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- 2d. A significant amount of work has been undertaken on the above issues to date, including analysis on the relative price of various residential developments (please refer to Chapter 6: Adding supply through infill development, particularly pp 118-122 of the *State of Supply 2010* report).

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Program: Division or Agency: 6: Housing **Question No:** 99

Broad Topic: National Rental Affordability Scheme

Proof Hansard Page and Date Written Question
or Written Question:

Senator Payne asked:

1. How many NRAS project incentives have been awarded since the scheme began?
2. Please provide a breakdown by state and by capital city of the number of incentives awarded under the NRAS scheme.
3. Is it correct that Victoria has received twice as many incentives to date as NSW?
4. Have you investigated why Victoria has received twice as many incentives as NSW under NRAS? What can you conclude?
5. In reference to the comment from a spokesperson for NSW Housing Minister Frank Terenzini ('Essential city workers who can't afford to live in it', SMH 16 Oct 2010): "As the NRAS funding incentive ... is a flat rate it should be noted that NSW is structurally disadvantaged due to the higher land costs which make development projects less viable here."
 - a. Does the department agree that NSW is structurally disadvantaged under the scheme?
 - b. Are there any plans to vary the way in which the scheme operates in order to end this structural disadvantage?

Answer:

1. As at 20 October 2010, allocations and reserved allocations of NRAS Incentives total 17,594 nationally.
2. As at 20 October 2010, the number of allocations and reserved allocations in each state and territory is:

ACT – 1,154
NSW – 2,138
NT – 1,200
QLD – 4,862
SA – 1,304
TAS – 729
VIC – 4,348
WA – 1,859

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NRAS location data is derived using the ABS Remoteness Classifications of Major Cities, Inner Regional, Outer Regional and Remote. The following is a Major Cities breakdown as at 20 October 2010:

State	Major Cities
ACT	1,154
NSW	1,854
NT	0
QLD	3,329
SA	1,109
TAS	0
VIC	3,304
WA	607
Total	11,357

3. NRAS allocations and reserved allocations in NSW total 2,138. NRAS allocations and reserved allocations in Victoria total 4,348.
4. NRAS is a national scheme that calls for applications from across Australia. The number of allocations and reserved allocations offered across jurisdictions is the result of joint decision-making of the Commonwealth and states and territories about suitability of applications. Participation in NRAS in Victoria has been greater than in NSW due to the number of successful applications received for Victoria.
- 5a. Applicants make business decisions about a number of investment variables, including rental return, construction and investment costs and capital return. Around 87 per cent of Incentives allocated or reserved in NSW are for NRAS dwellings in major cities.
- 5b. There are currently no plans to amend or vary the Scheme.

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Program: Division or Agency: 6: Housing **Question No:** 100

Broad Topic: Housing Affordability Fund

Proof Hansard Page and Date Written Question
or Written Question:

Senator Payne asked:

1. How much money has been spent to date under the program?
2. How many development projects have been approved to date?
3. How many development projects have been completed?
4. Please provide a state-by-state breakdown, both of the amount of money spent and the number of developments approved.
5. Please provide a list of development projects that have been approved to date, as well as a list of developments that have been completed.
6. How do you measure the relative risk of each individual project?
7. How do you measure 'financial considerations including all relevant direct and indirect benefits and costs over the whole procurement cycle'?
8. When is Round 3 of the fund expected to open?

Answers:

1. Housing Affordability Fund payments, as at 22 October 2010, total \$132,482,288.
2. Under the Housing Affordability Fund 75 projects have been approved, of which 52 have an infrastructure component.
3. No Housing Affordability Fund project has been completed as at 22 October 2010.
4. The state breakdown of Housing Affordability Fund payments (as at 22 October 2010) and projects is provided in the table below:

State	Expenditure	No. of Projects
NSW	\$26,742,403	21
VIC	\$49,385,346	5
QLD	\$14,739,125	13
WA	\$9,480,222	15
SA	\$19,682,011	10
TAS	\$6,619,999	4
ACT	\$3,515,000	4
NT	\$2,318,182	3
Total	\$132,482,288	75

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5. As at 22 October 2010, a total of 75 projects have been approved for funding.

State or Territory	Project Proponent	Project Title
ACT	ACT Land Development Agency	Bonner
ACT	ACT Land Development Agency	Crace
ACT	ACT Land Development Agency	Harrison Gungaharra West
ACT	ACT Planning and Land Authority	eDA
NSW	Clarence Valley Council	Clarence Valley
NSW	Council of the City of Sydney	Facilitating supply in inner city Sydney
NSW	Delfin Lend Lease/St.Mary's Land Ltd	Northern Road
NSW	Delfin Lend Lease/St.Mary's Land Ltd	Ropes Crossing
NSW	Landcom	Edmondson Park
NSW	Landcom	Renwick Residential Development
NSW	Moree Plains Shire Council	Brigalow Drive
NSW	NSW Department of Housing	Rosemeadow Redevelopment
NSW	NSW Department of Human Services	Bolton Point Housing Scheme
NSW	NSW Department of Human Services	Claymore Urban Renewal
NSW	NSW Department of Human Services	Glebe, Cowper Street Affordable Housing Redevelopment
NSW	NSW Department of Human Services	Seven Hills Precinct Redevelopment
NSW	NSW Department of Planning	Bungarabee Residential Estate
NSW	NSW Department of Planning	eDA
NSW	NSW Land and Housing Corporation	Chester Hill Local Area Plan
NSW	NSW Land and Housing Corporation	Prospect Master Plan
NSW	NSW Land and Housing Corporation	Redfern Waterloo Master Plan
NSW	NSW Land and Housing Corporation	South Randwick Master Plan
NSW	NSW Land and Housing Corporation	Villawood Master Plan

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State or Territory	Project Proponent	Project Title
NSW	NSW Land and Housing Corporation	Wentworthville Master Plan
NSW	Redfern-Waterloo Authority	North Eveleigh Housing Project
NT	NT Department of Lands and Planning	eDA
NT	NT Department of Planning and Infrastructure	Johnston, Palmerstone Land Release
NT	NT Department of Planning and Infrastructure	Palmerston Land Release
QLD	Brisbane City Council	Infrastructure Charges Rebate Scheme
QLD	Gold Coast City Council	HAF Hybrid, Upper Coomera
QLD	Ipswich City Council	Walloon Sewer Trunk
QLD	Isaac Regional Council	Anne Street Development, Nebo
QLD	Local Government Association of Queensland	eDA
QLD	Mackay Regional Council	Plantation Palms Estate
QLD	Moreton Bay Regional Council	Peet Caboolture Riverbank Estate
QLD	SEQ Council of Mayors	Liveable Compact Cities
QLD	SEQ Council of Mayors	Next Generation Planning
QLD	SEQ Council of Mayors	Target 5 Days project
QLD	South Burnett Regional Council	Link Road Infrastructure, Kingaroy
QLD	Sunshine Coast Regional Council	Bli Bli
QLD	Sunshine Coast Regional Council	Palmview
SA	City of Adelaide	Sturt Street Living
SA	City of Charles Sturt	St Clair Development
SA	City of Salisbury	Dansie Crescent
SA	City of Salisbury	Salisbury Infill Residential Housing Development
SA	City of Salisbury	Walpole Road Paralowie Master Planning and Affordable Housing Development
SA	Local Government Association of South Australia	eDA
SA	SA Department of Families and Communities	Lochiel Park
SA	SA Department of Families and Communities	Medium Density Site Redevelopment

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State or Territory	Project Proponent	Project Title
SA	SA Department of Families and Communities	Woodville West
SA	Town of Gawler	Evanston Gardens
TAS	Housing Tasmania	Chigwell
TAS	Housing Tasmania	Wynyard
TAS	Local Government Association of Tasmania	eDA
TAS	TAS Department of Health and Human Services	Clarendon Vale
VIC	City of Ballarat	Precinct Structure Planning for the Ballarat West Growth Area
VIC	VIC Department of Human Services	Social Housing Redevelopment
VIC	Swan Hill Rural City Council	Robinvale Retirement Village
VIC	VIC Growth Areas Authority	Accelerated Precinct Structure Planning
VIC	Victorian Department of Planning and Community Development	eDA
WA	City of Armadale	Newhaven Town Centre
WA	City of Gosnells	Amherst Village
WA	City of Rockingham	Baldivis Town Centre
WA	City of Wanneroo	East Lansdale
WA	Shire of Serpentine-Jarrahdale	Planning Policies and Procedures
WA	Shire of Upper Gascoyne	Hatch Street
WA	Town of Kwinana	Medina Neighbourhood Centre
WA	WA Department of Planning and Infrastructure (National Coordination Office)	eDA (National Coordination Office)
WA	WA Housing Authority	Golden Bay Early Lot Release
WA	WA Housing Authority	Harrisdale Green Sustainable Village
WA	WA Housing Authority	Henley Brook Infrastructure
WA	WA Housing Authority	Sewer to Beachland, Crowther Street
WA	WA Land Authority	Broome North
WA	WA Land Authority	Mandurah Junction
WA	Western Australian Local Government Association	eDA

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Projects completed

No projects have been completed at this time.

6. The Department contracted KPMG to conduct risk assessments and financial viability assessments for each proposal submitted to the Housing Affordability Fund for Round One and Round Two.
7. The program's costs and benefits will be measured through a combination of performance against project milestones set in the funding agreements and a broad evaluation of the efficiency, effectiveness and appropriateness of the program in lowering the cost of building new homes.
8. No date has been set for Round 3 of the Housing Affordability Fund.

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Supplementary Budget Estimates, October 2010

Program: Division or Agency: 6: Housing **Question No:** 101

Broad Topic: National Housing Supply
Council travel budget

Proof Hansard Page and Date Written Question
or Written Question:

Senator Payne asked:

With regard to the travel budget of the National Housing Supply Council (answer to Community Affairs QoN 078 Budget Estimates):

1. What was the total travel bill of the NHSC for 2009-10?
2. Why was there a 17% increase in travel bills for the Council between 2008-09 and 2009-10 (to 31 May 2010)?
3. How much has the NHSC budgeted to spend on travel in 2010-11?

Answer:

1. Travel expenses, including flights, accommodation, cab charges, car hire and allowances, came to a total of \$124,402 in 2009-10.
2. An increase in travel expenditure from the 2008-09 to 2009-10 financial years was due to increased activities of the Council including meetings and consultations across different cities and in key regional areas.
3. Approximately \$150,000 is expected to be spent on travel related expenses in 2010-11.