



**nsw Federation of
Housing Associations inc**

Federation Bulletin



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NSW Budget 2013/2014

NSW Treasurer Mike Baird today declared that the three themes of the 2013/14 budget are “jobs, housing and infrastructure”. The Federation is pleased to see the priority accorded to housing, but would like to see a much stronger commitment to supporting low and moderate income households in NSW. The Government has set aside significant funding for infrastructure projects to activate new housing supply, as well as additional taxpayer support for first home buyers. However, without the right funding mix and policy settings, there is nothing to ensure that new supply increases housing affordability.

According to the budget papers, the number of social housing tenancies is forecast to decline during the coming year, as are expenditures on new social housing supply and maintenance.

Land and Housing Corporation (LAHC), which owns the majority of the social housing portfolio, projects capital expenditure of \$280 million next year, down from \$331 million projected in the 2012/13 budget. This will fund the commencement of 276 dwellings and the completion of 379 dwellings, which is around one third of the level of 2012/13. Next year’s social housing maintenance expenditure of \$158 million is down 20 percent on the \$195 million set aside for the current year.

Similar reductions in capital expenditure are forecast in the forward estimates: at budget time a year ago LAHC was projecting expenditure across the four year forward estimates period of \$1.44 billion; now the forward estimates project just \$1.1 billion of expenditure. LAHC’s capital expenditure in 2013/14 appears to be predominantly funded by asset sales of around \$190 million. This represents a significant disposal or redevelopment program, which will require close consultation between the Government, social housing tenants, housing peaks and the community housing industry.

Also disappointing is the scarcity of information provided in the budget papers. The Government no longer reports on the number of new social housing tenancies which have been delivered this year or which are projected for next year. While there are projected figures for new social housing dwellings to be completed in 2013/14, the budget papers no longer provide any performance information on new dwellings completed in previous years. There is also no longer any information provided on the number of affordable housing tenancies funded under the National Rental Affordability Scheme (NRAS).

The Federation welcomes the Government’s confirmation that funding for existing NRAS rounds – including the recently announced “shovel ready” round – is included in the budget. However we are concerned at the Government’s continued silence on participation in round five of NRAS, which closes in just seven weeks.

On a positive note, the budget papers indicate continued support for Aboriginal

Housing, including increased expenditure for the construction of new dwellings, maintenance works, and funding to support capacity building (\$149 million next year, up from \$131 million in 2012/13).

There is also mention of \$36 million of funding from the Department of Family and Community Services for 196 dwellings for vulnerable clients, to be managed by the community sector. The Federation looks forward to hearing more details about this project. In addition, the budget papers show a commitment of \$66 million for community housing headleasing, and a commitment of \$52 million for private rental products.

The Government has arranged a briefing next week on the housing aspects of the budget. We will provide a more detailed bulletin to members following the briefing.

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