

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2014–15 ANNUAL REPORT HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
THURSDAY, 10 DECEMBER 2015**

**SESSION TWO  
HOUSING AUTHORITY**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Liz Behjat  
Hon Alanna Clohesy  
Hon Rick Mazza**

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<014> P/1

**Hearing commenced at 11.50 am**

**Mr PAUL WHYTE**

**Acting Chief Executive Officer, examined:**

**Mr JEREMY HUBBLE**

**Executive Director, Business Services, examined:**

**Mr STEVEN ALTHAM**

**Acting General Manager, Organisational Transformation, examined:**

**Ms TANIA LOOSLEY-SMITH**

**General Manager, Strategy and Policy, examined:**

**Mr LORNE O'MARA**

**Chief Finance Officer, examined:**

**Mr GREG CASH**

**General Manager, Service Delivery, examined:**

**Mr NIGEL HINDMARSH**

**Acting General Manager, Commercial Operations, examined:**

**The CHAIR:** On behalf of the Legislative Council Estimates and Financial Operations Committee, I would like to welcome you to today's hearing. Can you confirm you have read, understood and signed a document headed "Information for Witnesses"? I understand that some people may not be able to sit at the table who might be called forward, so can we also have you indicate whether you have read and understood the document. Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being reported by Hansard and a transcript of your evidence will be forwarded to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witnesses' request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting Parliament to review agency outcomes on behalf of the people of Western Australia and the committee values your assistance with this.

Do any of the witnesses wish to make an opening statement or should we go straight into question?

**Mr Whyte:** No.

**Hon STEPHEN DAWSON:** If I could turn to page 123 of the Housing Authority's annual report, and the section under the heading "State Government asset sales program", I have some questions around the current status or the progress in relation to both those dot points there—"securitisation of part of Keystart's loan book" and "a portfolio of Government Regional Officers' Housing stock". Specifically, I want to ask: has the securitisation or sale process started yet and have any tenders been awarded in relation to both?

**Mr Hubble:** Yes; in terms of the securitisation, that is actually a process led by Treasury. Housing has a support role in it, but it is probably a question directed to Treasury. There was an advertisement, I believe, recently for a lead consultant on that, and there was a media release on 26 November.

**Hon STEPHEN DAWSON:** I take your point that Treasury have the lead of it, but it is in your annual report, so I use the opportunity because it is in your annual report to ask you some questions, if you do not mind. In relation to the GROH housing sell-off, how will that occur and what work has happened so far in relation to that?

**Mr Whyte:** The Housing Authority has an annual program of asset sales, and GROH sales have been part of that for many years. The Housing Authority did a review of its stock and found that of the GROH stock we own, some GROH stock is surplus to needs, and that is because of the changing environment—different ups and downs within regional communities. There are a number of other GROH assets that may have reached the end of their useful life to be sold, and there is a potential to do a sale and lease-back of some GROH assets. That is still in the investigation stage.

**Hon STEPHEN DAWSON:** At this stage how much GROH dwellings have been earmarked for sale and is there a valuation of those properties that you can provide to the committee today?

**Mr Hubble:** We can provide an indication of what is currently in our forward estimates—is that the question that is being asked?

**Hon STEPHEN DAWSON:** Yes.

**Mr Hubble:** I would have to come back to you on the actual number of properties, but I can provide you with the dollar figures. For the current year, it is \$26.388 million; for 2016–17, it is \$15.876 million; for 2017–18, it is \$10.742 million; and for 2018–19, it is \$8.486 million.

**Hon STEPHEN DAWSON:** If you can by way of supplementary, Chair—if that is the appropriate way?

**The CHAIR:** We will make that B1, the information.

**Hon STEPHEN DAWSON:** That would be the number of dwellings. I presume that the authority has a list of those dwellings it is going to sell as well, at least for this current financial year. So, as part of the same supplementary, Mr Chair, could I have a list of those dwellings that are being sold as well?

**Mr Whyte:** Can I have clarification on that. In terms of the 2014–15 year, we can give the list of properties that were sold under the GROH program, and we can provide an update of that for the 2015–16 financial year to the extent to which we know those properties.

**Hon STEPHEN DAWSON:** That is perfect.

*[Supplementary Information No B1.]*

**Hon STEPHEN DAWSON:** Back to the securitisation of Keystart's loans, are you aware of how many current Keystart loans are likely to be affected as a result of the sale?

**Mr Hubble:** If I can perhaps talk in general—I cannot be specific—there are commercial reasons for that, and again we are not lead. The intention, as I understand it, and I think this was also reflected in the budget process, was that Keystart would remain the face of the loans and that the borrowers would still have that direct relationship with Keystart, and that it is more likely to be a financing mechanism rather than a direct transfer of a loan to an independent party.

**The CHAIR:** Why would there be a benefit in that? How does that accrue a benefit to the state by using the financing mechanism rather than a loan?

**Mr Hubble:** The third party would pay for that future income stream and the proceeds would be used to pay down debt.

**Mr Whyte:** If I can, the extent of the Keystart book, loan book, it is reflected in the state's gross debt calculation, so in terms of the calculation, or the determination, of the state's financial position and credit rating, Keystart debt is included as part of that. This would result in a reduction in that, so any securitisation or sale of loans would reduce the gross debt number.

**The CHAIR:** Have you, as an authority, done any work on the value of the book to you over the next 30 years in terms of income versus selling that income—the potential value of selling that income—or is that Treasury doing that work, because it strikes me that the way you have described it: yes, it reduces the gross debt, but it does not necessarily mean that the state is better off as a result of it?

<015> B/3 [11:59:27 AM](#)

[12 noon]

**Mr Whyte:** Certainly, it is Treasury that is leading that work but you would expect that someone purchasing those loans would factor in the return on those loans over the 20 or 30 years, so that will accrue to the state as well. A premium is paid for those loans to acknowledge the profit that is generated on those loans. That will be included as part of that.

**The CHAIR:** Yes, but you are suggesting that all you are doing is preselling the income stream rather than actually selling the loan book, are you not?

**Mr Whyte:** There is an element of the income stream that goes with selling the loan. If you sell the loan then you —

**The CHAIR:** You sell all the income stream.

**Mr Whyte:** You sell all the income stream.

**Hon STEPHEN DAWSON:** How many loans does Keystart currently have? That could not be commercial-in-confidence, if you can give me that figure, please?

**Ms Loosley-Smith:** That is 17 579.

**Hon STEPHEN DAWSON:** What is the value of those loans in total?

**Ms Loosley-Smith:** The total value of the loan book is \$4.24 billion.

**Hon STEPHEN DAWSON:** On the same page of that document there is a reference to the head office relocation. Has a formal process been launched to investigate that move to Fremantle, and what is the current status of that move?

**Mr Hubble:** Yes; there has been a formal process. Again, it is led by the Department of Finance. An expression of interest was called, I think, in August and the outcome of that, as I understand it, has gone to cabinet, or at least to the EERC. We are yet to be formally notified of the outcome.

**Hon STEPHEN DAWSON:** Is the authority anticipating a move happening in 2016, or do you simply not know?

**Mr Whyte:** Certainly, a move in 2016 would not be anticipated. Any move of the scale we would have for our head office would probably be three or four years off.

**Hon STEPHEN DAWSON:** On page 213, the paragraph talks about "Litigation in progress". In relation to the estimated \$210 000 of legal actions and claims involving asbestos-related illnesses—I have a few questions, so maybe the most appropriate person can answer them—how many matters are currently in progress? How long has each matter been under way? What is the current stage of the litigation process for each matter referred to? What is the nature of the legal proceedings of claims valued at \$15 000?

**Mr Whyte:** If I could, I would like to take those questions on notice. What I can say is that for a number of years the Housing Authority has been subject to claims for asbestos-related illnesses,

and there is a process that is worked through with government and the State Solicitor, and the Housing Authority makes a contribution to any claims. The majority of claims are segregated.

**[Supplementary Information No B2.]**

**Hon STEPHEN DAWSON:** Again, on the issue of asbestos, page 85 refers to asbestos management. Let me just ask the question: during the last financial year, a tender specifically to cater for asbestos inspections in remote Aboriginal communities was withdrawn and the department said inspections were expected to commence in July 2015. I want to know how many inspections in remote Aboriginal communities have taken place since July. Would that include inspection of asbestos-related issues?

**Mr Cash:** Can I take the exact number of inspections on notice? The process has been underway and is largely completed. We are now currently trawling through the data to assess exactly the properties where access was not available in the time that the people were in attendance at those communities, so we will come back on notice, please.

**[Supplementary Information No B3.]**

**Hon STEPHEN DAWSON:** I have a couple of other questions on this. I might ask them all. I am presuming they might have to be —

**The CHAIR:** Run through all of those and then I might move to another member.

**Hon STEPHEN DAWSON:** On the same issue, I want to know: was this the first asbestos inspection undertaken in remote communities; and, if not, when was the last one undertaken? I also want to know: What was the value of the tender? How many properties were included for inspection as part of the tender? Was there a pre-year build determined as part of the contract; and, if yes, what was the year? From asking questions in the Parliament—I asked questions earlier—a figure of 985 was given by the minister when asked about how many houses could potentially contain asbestos. Can I have that figure clarified? Finally, what communities were visited as part of the audit and were any other government buildings besides state housing included in the audit? I am happy to take some of that or, indeed, all of that on notice.

**Mr Cash:** We will answer all of that on notice.

**The CHAIR:** We will make that all part of B3.

**Hon RICK MAZZA:** Mr Paul Whyte, you are acting CEO at the moment. Has there been an indication when that position might be made permanent?

**Mr Whyte:** No; there has not been an indication of that being made permanent, but that is a matter for the Public Sector Commissioner and the minister to determine.

**Hon RICK MAZZA:** Thank you. There have been changes, obviously, with fire-prone areas and additional cost that would be involved in making sure that new dwellings anyway are compliant with the requirements. Has there been any work done on how much that will increase the cost of new housing for the department?

**Mr Whyte:** With the new fire regulations?

**Hon RICK MAZZA:** Yes.

**Mr Whyte:** It affects mostly our in globo land developments. A lot of those are in partnership—joint venture—with the private sector. We have had estimates in some circumstances that the costs could be between \$2 000 and \$10 000 per lodging where there is significant fire risk.

**Hon RICK MAZZA:** It will increase things a bit. On page 27 you talk about —

Reduction in cost of goods sold for the affordable housing program due to market conditions and deferment of Public Housing Stock Redevelopment Strategy sales ...

Can you give me a bit of commentary in relation to the reduction of the cost of goods sold from the affordable housing program?

**Mr Whyte:** Within the affordable housing program, this is more of a timing issue. The public housing stock redevelopment strategy is a three-year program going into the last year. The stock was completed this financial year and sold this financial year, so it was not booked as cost-of-goods sold until it was sold. That was the significant portion of that. In addition, with the affordable housing program, that includes sales to market and shared equity program. A similar situation occurred there where we had stock at 30 June that was not completed but would be sold the following year.

**Hon RICK MAZZA:** On page 29 you talk about wait times for applicants being higher. How many of those were in regional WA? I think there are 20 000 applicants. Do you have any idea how many were in regional WA?

**Mr Cash:** I can give those numbers possibly by region; if not, I can give it on notice. It is approximately 20 per cent of the waiting list, but on notice I will give the specifics.

**Hon RICK MAZZA:** Can we take that on notice, Chair?

**Mr Cash:** If you want that at 30 November.

**[Supplementary Information No B4.]**

**Hon STEPHEN DAWSON:** Chair, just on that one, can we have that broken down by your administrative areas as well?

**Mr Cash:** That is our regions?

**Hon STEPHEN DAWSON:** By your regions, yes; thank you.

**Hon RICK MAZZA:** Of the 2 720 priority-need applicants, how many of those are from regional areas?

**Mr Cash:** I will break that by region as well.

**The CHAIR:** That is all part of B4.

**Hon RICK MAZZA:** I refer to service 4 on page 30, where you talk about —

Savings were ... made on maintenance costs and redirected into construction to provide additional properties in regional areas ...

Can you outline what savings are actually made on maintenance costs and redirected into construction?

<016> I/C [12:09:32 PM](#)

[12.10 pm]

**Mr Cash:** It would be deferral of improvements and reinvestment in replacement or new stock as opposed to upgrading existing properties.

**Hon RICK MAZZA:** Sorry; a deferral on?

**Mr Cash:** We talked earlier about the potential sale of some assets, so if we are potentially planning to sell, we will sell rather than upgrade and potentially replace. There is some reflowing of funding.

**Hon RICK MAZZA:** Those ones that you are planning on selling, you are not upgrading them—that is where your savings are coming from.

**Mr Cash:** It is a dynamic.

**Hon RICK MAZZA:** I understand. Of those additional properties, how many were in regional WA?

**Mr Cash:** All of the GROH property folio is in regional WA.

**Hon RICK MAZZA:** Very good. I refer to page 49 and the developments in Capel, Geraldton and Albany. The Seacrest in Geraldton is nearing completion with some 1 200 lots. Could you give us a bit of an update on the project?

**Mr Whyte:** We have the member of the joint venture board here.

**Mr Altham:** I am Steven Altham, acting general manager of organisational transformation. For the purposes of this question, I am a member of the board of Seacrest. Sorry, I missed the question completely.

**Hon RICK MAZZA:** Just a bit of an update as to where you are up to. It will yield 1 200 lots when it has finished. I just wondered where we are at.

**Mr Altham:** We are currently selling stages 15 and 16. That is lots that are all developed. We have an existing stock currently of 59 blocks. Stage 17 is the final stage of the development, which is at the front scarp of Seacrest, which is a development on the road into Geraldton up on the scarp on the right-hand side, probably about six kilometres south. Stage 17 is to be developed and marketed.

**Hon RICK MAZZA:** My last question relates to page 83—tenants on notice over illegal use of premises. In the last paragraph you talk about the termination of 16 tenancy agreements in response to illegal activities. How many of those 16 tenancies were located in regional WA?

**Mr Cash:** I will need to take that question on notice.

**Hon RICK MAZZA:** If you could also include in that how many tenants were placed on probation in regional WA and are there still people on probation; and, if so, where?

**Mr Cash:** We will answer that to the best of our ability. The use of fixed term tenancies is something that we use when circumstances dictate, based on previous history. The extent to which we have recorded that as opposed to using it as a management tool, we will answer on notice.

**Hon RICK MAZZA:** Could you also include in that the type of illegal activities, not specifically but in general the type of illegal activities that require them to be terminated?

**Hon ALANNA CLOHESY:** I refer to the public housing stock redevelopment strategy—100 large vacant lots and 100 underutilised public houses to create 500 new houses. That is a three-year strategy. Where are those lots?

**Mr Hindmarsh:** They are spread all over the metro area. It reflects where the availability of underutilised lots are. We can give a specific breakdown if you require it, on notice.

**[Supplementary Information No B6.]**

**Hon ALANNA CLOHESY:** All of those will be sold on the open market?

**Mr Hindmarsh:** The strategy utilises the existing underutilised lots. We take 100 existing social housing properties and 100 vacant lots. We replace the existing social housing stock, so there is no net loss.

**Hon ALANNA CLOHESY:** Sorry; social housing or public housing?

**Mr Hindmarsh:** Public housing.

**Hon ALANNA CLOHESY:** So there will be 100 new public housing lots.

**Mr Hindmarsh:** To replace those that were demolished as part of the process. Then the remainder largely go to the affordable sales program, so they are offered at affordable price points.

**Hon ALANNA CLOHESY:** So in three years there will be 100 new public houses to add to the stock?

**Mr Hindmarsh:** Yes.

**Hon ALANNA CLOHESY:** Will they be replacing those that are currently being used or will they be considered in terms of the land?

**Mr Hindmarsh:** We are now through the program to the stage that all of those have been vacated so there are currently no public housing tenants in those properties. They have been vacated and largely demolished but by the end of the program, they will be replaced.

**Hon ALANNA CLOHESY:** In the next 12 months, how many new public housing dwellings will come on board and what sort of configuration and location?

**Mr Cash:** It is probably best if we give you that detail on notice.

**[Supplementary Information No B7.]**

**Hon STEPHEN DAWSON:** Member, on that point, did you ask about the year just gone?

**Hon ALANNA CLOHESY:** I am about to.

**Mr Hindmarsh:** I can give you the numbers now, just not the breakdown of the configuration.

**Hon ALANNA CLOHESY:** For the future?

**Mr Hindmarsh:** And the year just gone.

**Hon ALANNA CLOHESY:** You cannot give me the configuration for the year just gone on notice?

**Mr Hindmarsh:** I can give that on notice. I can give you the overall figures, just not the configurations.

**Hon ALANNA CLOHESY:** I will have both.

**The CHAIR:** That is all part of B7. Did you want to add something to that, Hon Stephen Dawson?

**Hon STEPHEN DAWSON:** I was keen to find out how many new dwellings were constructed in 2014–15 specifically for tenants who were on the public housing waitlist and the priority waitlist. If I am able to get that information by region as well, that would be great.

**The CHAIR:** That will all be part of B7.

**Hon PETER KATSAMBANIS:** I have a few questions. I was really pleased to be at the opening of the Abode apartments in West Perth, which was quite an innovative public–private partnership that allowed the department to leverage off private developers and possibly obtain better outcomes than they would have if they were working on that lot by themselves. Do you have any more projects like that in the pipeline; and, if so, where are they?

**Mr Hubble:** The state affordable housing strategy identifies developments like that as being key to the future of the provision of affordable housing. The government recently announced seven sites it has for transport-oriented development under the “Connected Living” banner. In terms of developments like Abode, they have become mainstream developments for us. Where the Housing Authority owns land, it seeks private sector capital and expertise to co-develop the sites and to take out of those sites units for public housing, some units for shared equity and some for affordable sale.

**Ms Loosley-Smith:** We have the sites that are being targeted to medium density, high density around the train stations. We also have a development using the same model you saw at Abode in Greenwood, so the old East Greenwood Primary School site. It was the same thing with Australand, now Frasers, where the government makes the land available, the private sector brings in the capital and the development expertise and then we retain a range of public housing shared equity and other things in the development.

**Hon PETER KATSAMBANIS:** What are the numbers in Greenwood? What is the mix of numbers?

**Ms Loosley-Smith:** It has just gone through planning approval now. I would not want to guess; I would have to take it on notice.



**Hon PETER KATSAMBANIS:** All right. Has it been approved? Has the planning approval come through?

**Ms Loosley-Smith:** It has been approved by the local government. I think it has WAPC endorsement, but please let me come back on notice.

<017> S/1 [12:19:07 PM](#)

**Hon PETER KATSAMBANIS:** Yes, obviously it is probably something that you should take on notice and see if you can provide me with the information. It is not an approved plan yet, then —

**[Supplementary Information No B8.]**

**Hon PETER KATSAMBANIS:** Has any consideration been given to the lots we were talking about before that have been disposed of to utilising those lots for similar developments or is it a case that they are single holdings that do not lend themselves to —

**Mr Cash:** The Connected Living sites are for that purpose; the seven sites that we making available is specifically for those sorts of partnership opportunities.

**Hon PETER KATSAMBANIS:** I understand that, but more broadly—I mean, we are disposing of property on the market and then sort of rolling them over into other properties. Do each of those sites, before they get disposed of, get looked at and assessed to see if we can get better utilisation of them?

**Mr Whyte:** Any sites that we have that are capable of redevelopment will be assessed through our asset management group and through our development committee, and we will seek to see whether or not we can achieve affordable housing outcomes on that site. Then we work through the best go-to-market strategy for it. In some cases, we may have been able to amalgamate three, four or five public housing dwellings, and it maybe that we cannot achieve affordable housing outcomes, so it will be sold to market directly. But in the main, most sites lend themselves to the co-development with the Housing Authority and the delivery of social and affordable housing.

**Hon PETER KATSAMBANIS:** Do you look at existing sites only when they have reached the end of their natural life or do you make a more holistic assessment and work out that perhaps, although there might be 10 years left in the existing buildings, you can get a much better outcome if you embarked on a development plan? How do you look at it?

**Mr Whyte:** That is certainly something that we have become aware of through the public housing stock redevelopment strategy—in particular where we have in situ tenants. The dwelling may have got near the end of its life, but the tenants may not themselves be through their process of living in the house. What we have learnt from that is that people are more willing to be more mobile if we can show them an alternative dwelling, and that has really taken us to another level in terms of properties that are not simply earmarked for 30 years. Then we go back and revisit them in 30 years, in particular where we own an adjoining site. It may be that one property has reached the end of its life but the other property has not, but overall it is better for us to actually redevelop that site. The public housing stock redevelopment strategy has required us to go through and assess all of our portfolio now. We are in the process of working with Treasury to establish a strategic asset management framework over all of our assets.

**Hon PETER KATSAMBANIS:** I do not want my next range of questions to be taken out of context. I am just looking at trying to compare what happens in public housing, compared to decisions that people may be making of their own volition in the private housing sector. In relation to mobility, are there any levers that drive mobility at different life stages of the cycle of the tenant? So that where a tenant may have been in a three-bedroom property as a family and they have reduced down either to a couple or a single person, what levers are there to encourage mobility and one of the constraints to encouraging mobility, including the availability of different types of stock?

**Mr Whyte:** I think I have got about four people who would like to answer this question. Perhaps I will defer to Greg first and then to Tania—Greg being from our service delivery area and Tania from our strategy area.

**Mr Cash:** There are a couple of different things that we do; some are pragmatic process arrangements about how we manage tenancies, and we seek to optimise the use of every single public housing property that we have got and maximise its applicability to the waiting list that we have got and the tenants who are in occupation. When somebody's life circumstances or household structure changes, we do seek to transition them to an alternative accommodation form, across a continuum of housing from crisis accommodation right through to homeownership. If somebody's financial circumstances improve and they no longer meet our eligibility criteria, we have a process in place to try to transition them to alternative affordable accommodation that meets their needs—whether that is private rental, homeownership, shared equity, whatever it might be. When somebody's household structure changes and the property is no longer suited to their needs—they had a family with children, and the children have now left—do seek to offer them and encourage them to relocate to something small.

There is a mismatch between our existing public housing portfolio and the dynamics of our waiting list. Demographic changes over the last 20 years have seen a significant shift to smaller households, yet the predominance in our public housing stock is three-bedroom. That is the normal Perth market as well. So, three and four-bedrooms are the predominant market situations—one and two-bedrooms, a far smaller amount. We take the opportunity to transition people to something smaller, if and when it makes sense for us to do so. In order to do that, though, you have got to understand that you are up-ending people who have had long-term situations in households and in properties and have a connection with the property. You have got to work sensitively, but we do try to encourage them to move as quickly and easily as possible and make that as smooth as possible.

**Hon PETER KATSAMBANIS:** What sort of encouragement tools do you use?

**Mr Cash:** We will do things like pay removal costs; we will pay reconnection fees—utilities charges. We may even on occasions help with short-term rental relief to a degree—if a couple of weeks free rent will help. We might do some smaller property improvements that might make it more comfortable for them. In the past we have done things like window coverings and that sort of thing. In some instances, we have new stock that has been available, they have been a good tenant, so we are able to offer them something new. In the public housing stock redevelopment program, there is an opportunity to say, "If you transition out of this old property that is no longer suitable to what the portfolio needs and the property has redevelopment potential, we will move you out and we might move you back into one of the new ones." Those are the sorts of things we do. It is a little bit of push-pull to try to encourage that. We are looking at other policy mechanisms, too, to encourage people to move and make use of the stock the best we can and optimise its use.

**Hon PETER KATSAMBANIS:** That is what I am looking at. I am looking at it from that perspective; making best use of the stock, and also providing best possible living conditions for people at stages of their life. Let me tell you, the private sector does not do it very well and there has been a lot of chatter around, federally in particular, on how you can encourage more of that—so it seems like you are doing some of that.

**The CHAIR:** Do you also allow people to have two-bedroom apartments where they might normally—seniors would only be offered a one-bedroom if they were on the list, but because they are relocating they get a two-bedroom?

**Mr Cash:** Ultimately, you are looking at trying to make the optimum use of whatever. You need to do whatever is necessary to make a better outcome. We have done some things in the past in individual cases where we have flexed our normal policy situation, as you talk about, or maybe give an extra bedroom, in order to free up a far bigger property. I can honestly say that in my past roles, I have moved somebody from a five-bedroom to a three-bedroom. Yes, the three-bedroom was still

under-occupied, ideally, but we got a five-bedroom that we could use for a far harder client to house than the predominance of the three-bedroom.

**Hon PETER KATSAMBANIS:** That makes sense.

**Mr Cash:** It makes sense, you know. It is a big system; you balance it out and try to get the dynamics right.

**Hon PETER KATSAMBANIS:** And you are dealing with those human emotions, as you say.

**Mr Cash:** Exactly.

**Hon PETER KATSAMBANIS:** Are you able to give me on notice, obviously, a break down by your administrative regions of the housing stock you hold by number of bedrooms, I guess, from studio to five plus; you do not have to give me the five, the six and the seven. It is studio, one-bedroom, two-bedroom through to five plus.

**Mr Cash:** Yes. I can certainly do that. If we do that on notice, we can give up-to-date numbers rather than some of the stuff we might have that is a few months out of date.

[*Supplementary Information No B9.*]

<018> A/3

[12.30 pm]

**Hon STEPHEN DAWSON:** If you can turn to page 73, Osprey Key Worker Village—one of my favourite places—I will ask some questions about that. I ask, initially, what is the current occupancy rate; what is the current weekly rental rate for the one, two and three-bedroom dwellings; and when was the last valuation of the village done, and what is the current valuation?

**Mr Whyte:** I can answer that broadly and then defer to Nigel for more accurate numbers. The current occupancy rate from my understanding is 60 per cent. The last valuation on the property was done at 30 June by the Valuer-General. I defer to Nigel for the current rental rates.

**Hon STEPHEN DAWSON:** Would Nigel be the appropriate person to tell me what the valuation was that took place on 30 June?

**Mr Hindmarsh:** The valuation of each individual property within the village?

**Mr Whyte:** The whole village was valued as one.

**Mr Hindmarsh:** The whole valuation, I will need to give you on notice, because I do not have that figure here. In terms of the breakdown of the rents, obviously we have a different breakdown for income levels. For income levels up to \$60 000, the rent is now 25 per cent of income for one bedroom, two and three-bedroom properties in both configurations. We have a breakdown for one bed, two bed, three-by-one and three-by-two, and for the income bracket nought to \$60 000, they are on 25 per cent of their income, and from \$60 000 to \$90 000, they are also on 25 per cent of their income, and we have ceilings for these as well. When you get to \$90 000 to \$120 000 income, it starts separating, so one and two beds are paying market rents; for three-by-one and three-by-two, they are paying 25 per cent of their income; and then at all income levels above \$120 000, they are paying market rent across all configurations.

**Hon STEPHEN DAWSON:** You will probably need to provide this by supplementary, but are you able to provide those to the committee the ceilings that you referred to?

**Mr Hindmarsh:** I have those ceilings here if you wish. For income levels from nought to \$60 000, the ceiling is up to \$285 per week. That is the ceiling they will pay at 25 per cent of income. For \$60 000 to \$90 000 income, it is up to \$300 per week for the one bedroom, up to \$400 per week for the two bedroom, and up to \$430 per week for the three bedroom, in both configurations. For the income limits from \$90 000 to \$120 000, we have a ceiling of \$300 per week for one

bedroom and \$400 for two bedroom. For the three-by-one, it is up to \$500 per week ceiling, and for the three-by-two it is up to \$550 per week.

**Mr Whyte:** The principle that works on is that people will pay the lesser of 25 per cent of income or market rent.

**Hon STEPHEN DAWSON:** Okay.

**The CHAIR:** Was there some document or something that you said you were going to take on notice at the very beginning?

**Hon STEPHEN DAWSON:** It was the valuation.

**Mr Hubble:** We can answer the valuation figure; we have that. It is \$93.96 million.

**The CHAIR:** Does that answer the question or were you going to provide some more detail by subcategory?

**Hon STEPHEN DAWSON:** No; that answers the question.

**The CHAIR:** Okay. Thank you.

**Hon STEPHEN DAWSON:** On the same issue, in relation to the agreement with Fleetwood for Osprey management services and ultimately the purchase of the village, what has been the total payment of all public moneys to Fleetwood, and am I able to get a breakdown of those payments—that is, purchase costs or management fees or rental payments? I am happy to take that on notice.

**Mr Whyte:** The cost to date being the cost to 30 June or the cost to —

**Hon STEPHEN DAWSON:** Ideally, the most recent number that you have—1 December. You can give me the figure for 30 June if you have it, but I suspect the costs have increased over the last six months.

**Mr Whyte:** Chair, I can provide that information to 30 November on notice.

**[Supplementary Information No B10.]**

**Hon STEPHEN DAWSON:** What are the vendor finance arrangements around the purchase of the village, and did the Housing Authority need to get Treasury's approval to do that or were you able to do that in your own right without Treasury's approval?

**Mr Whyte:** To answer the second part, the CEO of the Housing Authority had the ability to enter into that transaction without the Treasurer's approval. That is not to say that Treasury was not involved in the process—it was throughout—and it was advised of the intention to enter into that agreement, as was the minister. For the vendor finance arrangement with Fleetwood, it would be difficult to give you a quick answer because there are variable components to that. A lump-sum figure was agreed that was then repayable in 14 years' time, and the amount payable on the management fee was a variable based on occupancy. The interest is a variable based on the interest rate prevailing at the end of each quarter.

**Hon STEPHEN DAWSON:** It does sound fairly complicated. Is there a way that you can provide that to the committee—kind of a one-page document that sets out the variables—if that is possible or appropriate, so that we are aware of what all those variables are?

**Mr Whyte:** The key parameters of the arrangement can be provided. Be mindful of the commercial-in-confidence nature of certain aspects of the arrangements, and that for the information that we provide, we may need to seek Fleetwood's permission. But, to date, Fleetwood has been quite forthcoming and through parliamentary questions and other questions that have been asked has provided most of the detail that you are asking for in any event.

**Hon STEPHEN DAWSON:** Okay. Noting those concerns and limitations, if you are able to provide what you can to the committee, that would be good.

**[Supplementary Information No B11.]**

**Hon STEPHEN DAWSON:** When I was asking with the current occupancy rate, I meant to ask: are you able to provide me with what the occupancy rate has been for the last 12 months—say the last financial year—and the income that you have received, or that has been paid in rents, over that period too?

**Mr Whyte:** Yes, that can be provided, but I would suggest it is best provided on notice.

**Hon STEPHEN DAWSON:** I am very happy with that.

**[Supplementary Information No B12.]**

**Hon STEPHEN DAWSON:** Just a quick question. At page 72 there is an item about the Avon Village in Northam. I have a couple of questions in relation to that: What did the village cost? What are the anticipated completion and occupation dates? Have any occupants been arranged for the dwellings already; and, if so, what industries will they come from? Again, what is the anticipated rental structure for the one, two and three-bedroom properties?

**Mr Whyte:** The Avon Village was partly funded by the Housing Authority through royalties for regions funding. I will defer to Nigel Hindmarsh for further detail on that.

**Hon STEPHEN DAWSON:** Before you do, who paid for the other half? You said you paid partly. Who paid the rest?

**Mr Whyte:** Nigel can give the breakdown on that. The land was contributed by a private group.

**Mr Hindmarsh:** The balance was paid for by the Avon Community Development Foundation Inc in Northam—the ACDF. In terms of the rent setting model and eligibility, that is still being negotiated at this stage. The property is due to be completed in February 2016 and we are currently in an advanced stage of agreement with the ACDF, which will be managing the property on the rent setting model.

**Hon STEPHEN DAWSON:** What did the village cost to build, and what has your contribution been?

**Mr Hindmarsh:** The year-to-date expenditure has been \$3.147 million. ACDF Inc is putting in \$600 000 as their contribution, and our final contribution I believe was \$3.36 million, but I will have to take that on notice because I do not have that in front of me.

**Hon STEPHEN DAWSON:** It would be great if you could take that on notice.

**[Supplementary Information No B13.]**

<019> M/C [12:39:10 PM](#)

[12.40 pm]

**Hon STEPHEN DAWSON:** In relation to who might occupy the dwellings, was there any conversation about who these dwellings would service, what types of industry they would service, or simply that there was a need in the community and they would be available?

**Mr Hindmarsh:** The conversation with ACDF so far has indicated they are striving to bring in a range of businesses. They have not been specific about one particular area of industry that they are looking to target, but just recognising that there is a need to attract businesses to Northam and at the moment it has seen the lack of appropriate accommodation as a constraint.

**Hon STEPHEN DAWSON:** I have one final question on that. When did the negotiations start with the Avon Community Development Foundation Inc. Was it 2004, 2015 or whatever date it commenced?

**Mr Hindmarsh:** In terms of setting up the original agreement?

**Hon STEPHEN DAWSON:** Yes.

**Mr Hindmarsh:** I would have to take that on notice. This is a second evolution of this project. It was originally targeted at York and then a decision made about 18 months ago to change location to Northam because of a deemed change in the demand and need in the area. I will take on notice when we started negotiations.

**[Supplementary Information No B14.]**

**Hon STEPHEN DAWSON:** I refer to page 74, GROH housing and Pelago West—another of my favourite places! How many apartments in Pelago West are currently housing government officers and, probably by way of supplementary, if you are able to provide the current weekly rent for each of those apartments?

**Mr Hindmarsh:** We currently have 12 units in Pelago West and 21 in Pelago East. I have the breakdown for each of those in terms of current rents. Do you want me to go through it?

**Hon STEPHEN DAWSON:** Can you table it?

**Mr Hindmarsh:** I can table that.

**The CHAIR:** We can give it to one of the staff. Is there nothing in it you need to keep confidential and you are happy for it to be made public? We will get a copy to all members.

**Hon STEPHEN DAWSON:** Is the Housing Authority paying rent on any empty apartments; and, if so, how many apartments and what rent are we paying for those apartments?

**Mr Hindmarsh:** As far as I am aware, we currently have no vacant properties in Pelago, but I need to confirm that because the dates might be out.

**Hon STEPHEN DAWSON:** Again, on the same issue, when did the last review of rates take place and what was the last review of any recent review in terms of lowering the rents?

**Mr Hindmarsh:** The last review was provided by the Valuer-General in June 2015, which reflects the market value of the apartments as at July 2014. That is the methodology by which the Valuer-General undertakes those valuations. The result of that saw, in some cases, a significant decrease in the rents payable. The rents did vary because we do have private rentals in there as well as our own properties, which we are renting, so it was not quite the same case across the board.

**Hon STEPHEN DAWSON:** Are you able to provide by supplementary what those rents are?

**Mr Hindmarsh:** The rents that are on the table are the rents that have been set after the Valuer-General's —

**Hon STEPHEN DAWSON:** I do not suppose you have what the rents were prior to that valuation?

**Mr Hindmarsh:** I am afraid I do not.

**Hon STEPHEN DAWSON:** Perhaps, by way of supplementary, if you are able to provide that, that would be fabulous.

**Hon ALANNA CLOHESY:** That is two there: one you were going to provide further information on the Pelago vacancies; and then the second one that you have just asked.

**[Supplementary Information No B15.]**

**The CHAIR:** In terms of the issue around the sales of the loan book, have you been given any instructions, requests or directions about how you should be managing business until that occurs? Has there been any communication from the Treasurer or your minister whether or not you need to be doing anything or acting in any particular way regarding that loan book from the minister or Treasurer?

**Mr Whyte:** Certainly there has been no instruction or any discussion in regard to any change of our current business practice or our ongoing business practice.

**The CHAIR:** So you are still lending money.

**Mr Whyte:** We are still lending money and still working through the standard criteria. I would not expect that would change.

**The CHAIR:** The next one I want to talk about, you may recall at the last estimates hearing we had a little discussion about the impact of the loan guarantee fee being increased for you. At that stage you were not able to tell us how and what impact that would have on your finances. Are you now in a position to tell us, since we are now halfway through the year, what impact a 50 basis point increase in your loan book has on your dividend, income et cetera?

**Mr Hubble:** Yes, I can, although I might just seek clarification on something. The increase was 70 basis points.

**The CHAIR:** That is right; you did not have a loan guarantee fee previously because you were guaranteed anyway.

**Mr Whyte:** The Housing Authority had a loan guarantee fee. The loan guarantee fee applied to all debt, not to Keystart.

**The CHAIR:** Sorry, my apologies.

**Mr Hubble:** Keystart was previously exempt in the budget process. The application of 0.7 —

**The CHAIR:** So 70 basis points; I was being generous at 50, then.

**Mr Hubble:** Yes. The value of that at 70 basis points, we can quantify what that would have meant to the agency over the forward estimates. There has been some recent reconsideration of that, because the original position was based on the full loan book; the revised position is based on the new or the rolled-over loans, which substantially reduces the impact on the Housing Authority.

**The CHAIR:** Previously, I think it was about \$125 million estimated over four years; is that correct?

**Mr Hubble:** \$126 291 000.

**The CHAIR:** What is it now?

**Mr Hubble:** It is \$61.763 million.

**The CHAIR:** What impact does that now have in terms of your capacity to pay dividends over the forward estimates? Are you going to increase the rate that you charge residents on the Keystart loans as they rollover? How do you now manage that? One of the things that came out of the estimates last time was, basically, Treasury had booked \$125 million in its budget and there had been no actual changes to your budget. So, how does that now manifest itself in terms of that? We now know that Treasury has a \$65 million black hole in its budget because it is not going to get that revenue. What impact is that now going to have in terms of your budget figures as a result of having to find \$61 million. How does that translate into your budget? What changes now occur to your budget?

**Mr Whyte:** Changes to budgets will be disclosed in the midyear review and we are not in a position to announce or refer to those until they are announced by the government. The figures that Jeremy provided were submitted as part of that process. In terms of the funding for the net effect on the Housing Authority of that, it will be absorbed within the cost structure of the agency.

**Mr Hubble:** When the loan guarantee fee was introduced there was a clear directive that it was not to be passed on to Keystart borrowers; in fact, there is a disconnect between the cost of funds and what Keystart's lending policy is. You might recall that Keystart's lending policy is the average of the lending rates of the four majors.

**The CHAIR:** I think that was a decision of Treasurer Buswell to increase it to that in about 2010, was it not?

**Mr Hubble:** What happens to the cost of funds is disconnected somewhat to what borrowers are charged. Borrowers are charged based on what the average of what the market is charging.

**The CHAIR:** But your cost of funds may be completely different?

**Mr Hubble:** Correct. The loan guarantee fee essentially washes through housing and is worn, therefore, by Keystart so that figure that I have just provided to you, essentially, is borne by Keystart on the new loans. It will impact Keystart's ability to pay dividends back to housing to the future. We cannot quantify what that is because the securitisation process is also running at the same time. We have indicated in the midyear review what they think the distributions will be, but that may change based on the outcome of the securitisation.

<020> N/3 [12:49:24 PM](#)

[12.50 pm]

**The CHAIR:** That was my question. Effectively, going back six months ago now, I could not see how you could take \$125 million out of your agency and give it to Treasury and not have an impact on the dividends. Looking at the budget papers, I think the dividends from Keystart represent about 4.7 per cent of your income, so basically you have got to find \$61 million. Keystart either has to find efficiencies or their dividends will be affected by around \$61 million. That is over the four years, so around \$50 million per annum—is that correct?

**Mr Whyte:** When this was last raised at estimates, we responded by saying that Keystart also has retained earnings, and those retained earnings are applied to its capital adequacy. If there were to be a reduction in the loan book, that capital adequacy may not be required at that level that it is, so that could free up —

**The CHAIR:** Has the decision been made on the capital adequacy issues yet?

**Mr Whyte:** Not to my knowledge.

**The CHAIR:** So, at the moment you are only dealing with changes to your dividend outcome there?

**Mr Whyte:** I imagine it would be considered as part of the midyear review and also part of the securitisation process, which is yet to be completed. Deferring to Jeremy, Jeremy is a director of Keystart, so I have deferred to him to give you the direct answers.

**Mr Hubble:** The point the CEO just made is correct; that is, the distribution or the dividend paid by the company is a policy decision and can be influenced by retained earnings, depending on how much you hold back for other needs.

**The CHAIR:** And I think next year you have budgeted to hand over \$117 million in dividends, which is about surplus funds you have accumulated in Keystart, is it not?

**Mr Hubble:** The \$117 million would relate to the profit or the surplus generated that year, I think.

**The CHAIR:** No, I think there is a bit of a surplus, because it then drops back to \$68 million, which is what was estimated for last year and was a jump from \$56 million in the original budget.

**Mr Hubble:** Next year is, if you like, a special dividend.

**The CHAIR:** It was running at about \$56 million a year then I think you took some decisions that took it up to around to \$68 million, although I know last year you actually managed to squeeze it up to \$72 million, and then next year is a super year at \$117 million and then it is going to drop back to the average of \$68 million; is that right?

**Mr Hubble:** That is about right, although it is subject to change, depending on what happens with Keystart—APRA rules can influence that in terms of how much money is held back.

**The CHAIR:** APRA rules do not directly affect you though, do they?

**Mr Hubble:** They do not apply, but they are used in the policy setting.



**The CHAIR:** I do not disagree; you should be using APRA rules. I might move on from that one. In terms of the Keralup land, when were you first notified that you would not be able to develop east Keralup as part of the strategic assessment? Was that last financial year or this financial year? When was it first raised with you that it was a serious item that you might not be able to develop the east Keralup land?

**Mr Whyte:** The subject of east Keralup being used or considered as part of the strategic assessment process has been mooted for at least two or three years. In terms of whether or not it will be included, it is still not completely decided yet.

**The CHAIR:** I thought it had been now. I thought an announcement had been made that east Keralup will not be developed for housing.

**Mr Whyte:** We expect east Keralup will not be developed for housing, but until that agreement is actually ratified by the state and the commonwealth, it could be reconsidered for future use.

**The CHAIR:** Seriously, with the amount of fill you need to bring in, water management issues and Ross River virus?

**Mr Whyte:** Certainly, to develop Keralup has a lot of challenges, but things like technology and different practices have changed in the last five years and whilst the Housing Authority would support the government's position on setting aside Keralup as an environmental offset, that does not mean that the land is effectively quarantined or not usable for the purpose.

**The CHAIR:** All right, so it is still not finalised whether it is or is not going to be used for housing. Can you tell me what impact the discussions have had on the valuation of the land and maybe give me what value you have placed on east Keralup over the last five years?

**Mr Whyte:** Certainly, we can provide you with the value we are carrying in our accounts in accordance with the Value-General's valuation.

**[Supplementary Information No B16.]**

**The CHAIR:** The last valuation would have been the one that went into the 2014–15 financial year annual report; you would not have had it valued since then?

**Mr Whyte:** Correct.

**The CHAIR:** If we can get that valuation and then for the previous four years what you have valued it at.

**Mr Whyte:** Yes.

**The CHAIR:** If it is taken, what discussions have occurred about replacing that land with alternative land for housing for your authority? It is one of your major development sites, is it not, in terms of future housing supply for Perth?

**Mr Whyte:** A number of alternative sites are being considered and being raised, but they are subject to cabinet approval.

**The CHAIR:** Without divulging cabinet deliberations, is it expected that you will get a replacement of an equivalent amount of land to the Keralup east land?

**Mr Whyte:** Certainly we would expect that we would not be disaffected by the taking of Keralup in terms of affordable housing and land supply.

**The CHAIR:** Just to finish on that area, I refer to Keralup west, which is Karnup. Where is that development up to and have you resolved the differences with the transport agencies about helping fund the Karnup railway station, because it is based around the Karnup railway station to the south-east corner? Have you resolved the annual Golden Bay developments? Have you resolved the transport agency contribution towards the cost of the railway station?

**Mr Whyte:** My understanding is that we have not resolved that matter to date.

**The CHAIR:** Is Transport still making requests that you make a contribution to the rail infrastructure?

**Mr Whyte:** I think there was some discussion a couple of years ago about how we might fund the train station. To my knowledge there have not been any further advances on that.

**[Supplementary Information No B17.]**

**The CHAIR:** When do you expect—I think it is now called Keralup west, although I always thought it was Karnup—that development to be brought to market or started to be brought to market?

**Mr Whyte:** The opportunity to bring that site to market would be in the next three to five years.

**The CHAIR:** If you took it on notice, would you be able to give us a more specific date?

**Mr Whyte:** Yes.

**The CHAIR:** We will make that all part of B17.

**Hon STEPHEN DAWSON:** I go back to the 500 new apartments that are going to be created at the seven train station sites around the metropolitan area. While you have a number of dedicated public housing houses in each of those locations, has a figure been set aside for how much public housing will be set aside on each site?

**Mr Whyte:** The direct answer to that is yes. We expect public housing will be provided in each of those sites. The exact amount will depend on the proposals that we get. Each site lends itself to the provision of affordable and public housing, and our experience to date is that, without going through all the previous projects, when we vend the land into an arrangement like that, we have got some fairly high—we would not tend to take more than one in nine, but there are examples like One on Aberdeen, with one of the sites of the seven directly opposite that. Perhaps, Tania, you could give us of the metrics on that.

**Ms Loosley-Smith:** There some other developments we have done, which have been pilots, if you like, for this broader initiative. Let us go to Abode, the one the honourable member was at, in West Perth. There are 10 social housing units within a 77-unit apartment, so we typically make sure we take our one in nine, as well as usually having some retained ownership and shared equity for people, as well as, often, the NRAS stuff. The rest of it is sold to market, so you get a bit of a mixed community. We would be applying that same thing to the Connected Living initiative.

<021> E/1 [12:59:37 PM](#)

[1.00 pm]

**Hon STEPHEN DAWSON:** So I can presume if there are 500 units to be created, there will be 45 to 50 social housing units.

**Ms Loosley-Smith:** That is our aim, but it will, as the CEO said, depend on the proposals we get and the role we play. If we chose to take a more significant role in the development, we might significantly enhance the policy outcomes.

**Mr Whyte:** If I could, to add on to an answer that was given previously, the opportunity to pick up one and two-bedroom units and to help relocate people who are under-occupying is certainly something we are looking to achieve through these seven developments. Quite often, as Mr Cash mentioned, we may have to move someone into a three-bedroom premise from five bedrooms because there is simply not the supply of one and two-bedroom units. We are hoping that these sites will help deliver that alternative option for people in public housing.

**Hon PETER KATSAMBANIS:** Are any suggestions that the NRAS scheme might be either finished or significantly changed likely to change the mix and the financial viability around these projects and therefore the percentage that would come out as social and/or public and/or shared equity housing?

**Ms Loosley-Smith:** The cessation of the NRAS scheme by this current federal government does impact negatively on the broader affordability outcomes within a development because it removes a piece from the stock, which is discount market rentals. Depending on market uptake, it should not have an impact on metrics. If we still get the pre-sales, we still get the pre-sales; there just will not be the NRAS investors buying it, or there is someone else. Certainly, without an NRAS kind of scheme or some alternative, I do not think, through these initiatives, we could hope to see the 50 per cent affordability outcomes that we saw at One on Aberdeen, for example, in these other developments.

**The CHAIR:** NRAS has actually finished now, has it not?

**Ms Loosley-Smith:** We have still got some more NRAS to build.

**Hon PETER KATSAMBANIS:** But there is some tailing off, is there not?

**The CHAIR:** There is tailing off of developments that have already been approved, but there are no new developments.

**Ms Loosley-Smith:** Yes; there are no new approvals. Unless there is a replacement scheme, yes, affordability within anyone's developments will be affected.

**The CHAIR:** Just on that area about train stations, did the department have any discussions with the Public Transport Authority about integrating housing as part of the development of the Edgewater train station car park? Were there any discussions or options provided to incorporate housing as part of that development?

**Mr Cash:** Not that we are aware of.

**The CHAIR:** That is a great shame. It would have been a perfect site for it.

**Mr Whyte:** That is not to say that it has not and it has not occurred with another agency.

**The CHAIR:** We will make that B18 if you want to take that on notice as to whether or not you have had any discussions.

**[Supplementary Information No B18.]**

**The CHAIR:** Noting the time, I might have to bring it to a conclusion. The committee will email a transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, to you in the next couple of days. The corrected transcript will be requested to be returned within five working days of receipt. The answers to questions taken on notice will be requested by 11 January 2016. Any additional questions the committee has for you will be forwarded via the minister next week and will also be requested by 11 January 2016. You will note that the time to get your transcript back is only five days—that is just corrections—but the questions will be pushed into the new year because of the break. If your minister is going away, you may still want to get them to him before he goes on leave. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. In the event that you are unable to meet the due date, the committee expects that as many questions as possible are answered by the due date. If members have any unasked questions, I ask them to email them to the committee by midday on Monday, 14 December. On behalf of the committee, I thank you for your attendance today.

**Hearing concluded at 1.03 pm**