

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MoU) is between the NSW Government, Infrastructure Partnerships Australia (IPA) and the Council of Social Services of New South Wales (NCOSS).

The NSW Government has announced it will seek a mandate at the 2015 election to lease 49 per cent of the state's electricity transmission and distribution assets.

This Memorandum recognises that the lease of the poles and wires creates new funding capacity that can be used for core infrastructure, including social and affordable housing.

In this context, the parties to the Memorandum commit to work together to develop and refine a dedicated fund that will facilitate up to \$1 billion in new social and affordable housing stock to support vulnerable households.

NCOSS is the peak body for the social and community services sector in New South Wales. As a signatory, NCOSS will provide an independent and expert understanding of social policy issues relevant to social and affordable housing.

IPA is the peak body for Australia's infrastructure sector. As a signatory to this MoU, IPA will provide expertise in public policy and infrastructure partnerships that lead to improved social outcomes.

This MOU outlines the general nature and scope of the proposal, as follows:

- The parties will explore the creation of a new dedicated fund to facilitate circa \$1 billion in new social and affordable housing stock.
- The scheme will seek to leverage additional contributions from the not for profit, faith and commercial sectors to increase the quality and capacity of the NSW social and affordable housing sector.
- The eventual scheme will be limited to the provision of new stock, and will specifically exclude the refurbishment of existing stock.
- Criteria will be established such that the fund's sole purpose will be the achievement of social and affordable housing outcomes as defined by the NSW Government.
- The parties acknowledge that this fund is to be enabled by the increased financial capacity of the State from the lease of the New South Wales poles and wires businesses, and is therefore contingent on that outcome.
- The parties acknowledge that the purpose of the fund is to facilitate social and affordable housing proposals that would otherwise not be viable.
- It is envisaged that the fund will only fast-track or facilitate proposals in which proponents have land or other assets available to be leveraged.
- A potential model for consideration could include the successful *Local Infrastructure Renewal Scheme*; although this MOU signals that a suite of models will be considered.
- The parties acknowledge that the development of the fund aims to improve the economic feasibility of potential social and affordable housing projects, and that private finance will be involved to increase the scale and impact of the fund.
- The parties expressly acknowledge that the scheme's sole purpose will be to better achieve social and affordable housing outcomes and not to improve commercial advantage.

- The parties acknowledge that the fund will be considered within and developed alongside broader reforms affecting social and affordable housing, including the Premier's Innovation Initiative, the Social Housing Discussion Paper, the Sydney Metropolitan Strategy and others.
- The parties acknowledge that this MoU marks the beginning of a collaborative process between the parties to consider innovative options for the reform of social housing, consistent with the NSW Government's broader directions in social housing policy.
- It is envisaged that the collaborative process will be ongoing, with the parties committing to continue to work together on social and affordable housing reform, as a priority.

Any proposal developed from this MoU will be implemented in accordance with appropriate standards of probity and in accordance with any applicable laws and policies.

In particular, the parties acknowledge that this MoU is not intended to give rise to any exclusive or favourable treatment of any party or any undue advantage in any future competitive processes that may be involved in implementing the proposal.

The NSW Government's counterparties in this MoU are not-for-profit policy organisations with no commercial interests in the development of the incentive mechanism.

The counterparties acknowledge that they will assist the NSW Government in consultations with housing proponents and the financial sector.

Although this MoU does not constitute or create any legally binding obligations (whether at law or in equity or otherwise), it constitutes a statement of the genuine and mutual intentions of the parties with respect to its contents.

The parties acknowledge that this MoU does not contain references to all matters that will need to be considered in developing the proposal, but that the parties will each act in good faith and adhere to principles of probity and, where appropriate, commercial confidentiality in pursuing the proposal.