

REPORT ON THE DEVELOPMENT, STRUCTURE AND OPERATIONS OF THE NSW SOCIAL AND AFFORDABLE HOUSING FUND

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EXECUTIVE SUMMARY

Purpose and Content of the Report

The NSW Government has agreed to provide \$1 billion worth of new funding to provide additional social and affordable housing stock to support vulnerable households in NSW - the Social and Affordable Housing Fund ('the Fund or 'SAHF').

In keeping with the requirements of the MoU between NSW Treasury (Treasury), the New South Wales Council of Social Services (NCOSS) and Infrastructure Partnerships Australia (IPA), and the timeline for the development of the Fund, this is the Report prepared by NCOSS for discussion by the Expert Advisory Panel before presentation to the Government.

The Fund is due to be established and to be ready to receive Expressions of Interest (EoIs) early in 2016 and operational by March 2016.

This Report contains:

- Consultations with expert stakeholders including those who will take a lead role in the process (IPA, major funding bodies, Local Government, developers, major housing providers - including Community Housing Providers [CHPs] - and service providers) and housing researchers. The consultations sought feedback in two key areas.
 1. Social policy, key principles and outcomes required for the development and delivery of successful and sustainable social and affordable housing;
 2. A sound financial structure and operation for the Fund to ensure leverage and sustainability and an increase in the stock of social and affordable housing in NSW.
- Other engagement strategies and activities to ensure robust, risk free outcomes.

The Consultation Process

Individual and group consultations were undertaken with approximately 100 regional and urban expert stakeholders including representatives of the social sector, community housing providers, consumers, developers and infrastructure specialists, institutional investors, banks, social housing finance advisors, urban planners, social housing researchers and Ministerial Advisors.

Consultations were supported by published research and an examination of successful and innovative, international social and affordable housing schemes.

Outputs of the Consultations

All stakeholders emphasised the critical state of social and affordable Housing in NSW and the need for the development of a comprehensive NSW Housing Policy containing targets and other requirements for an increase in social and affordable housing.

Additional and more specific feedback representing the stakeholders' areas of expertise was collated and presented in the two key areas noted above:

Social Policy Principles and Requirements for the SAHF

The following principles were identified by expert stakeholders as requirements, if the Fund is to achieve its objectives as set out in the MoU.

- Universal and smart design
- Innovation in design and diversity of stock
- Appropriate location with access to 'wrap around' services such as employment, public transport, health, recreation etc.
- A priority on 'housing first' approaches (as in Common Ground)

- Changes to, and state-wide consistent planning and zoning requirements to facilitate inclusionary zoning, size, density, innovation and fit-for-purpose buildings
- Security of tenure for clients
- Effective supports and incentives to assist clients to move along a pathway or continuum from social housing to affordable housing and joint ownership or ownership
- Identification and addressing of specific regional social needs
- A community education strategy to reduce and or remove stigmatisation and address the NIMBY syndrome
- A fit-for-purpose evaluation model which measures social outcomes and social worth over time and can be set against financial costs.

Structure and financing of the Fund

It became clear through the consultations that greater private investment- particularly institutional investment - would be required if the Fund was to meet its desired objectives. In addition to this key ingredient expert stakeholders emphasised that the success and sustainability of the Fund would be best achieved by creating a financial model, or models, that embrace the following:

- Permanency and certainty of investment
- The capacity to recycle funds i.e. repayment of debt back into the Fund for new projects
- Strategies to facilitate greater capital raising by NGOs – in particular by CHPs - via a specialist financial intermediary to pool the sector's debt demand into a straightforward, diversified investment structure.
- Encouragement of private investor-NGO partnerships so that applicants have more opportunity to bring land or other assets to the table for 'fast tracking' of projects.

Two particular models were identified through the consultation processes. They were:

For rental housing, a package of:

- Housing supply bonds (e.g. New South Wales Housing Supply Bond)
- Grant funding
- Low or no interest loans operating as a revolving construction debt facility.

For homeownership:

- Shared Equity

Stakeholders emphasised that these should all be seen as components of the one package, and must all be adopted together for the 'package' to work. They pointed to where this model had been successful internationally in increasing the percentage of social and affordable housing as a component of privately owned housing stock.

The Report sets out the details of the structure and operations of a housing supply bond, its advantages in encouraging greater private – especially institutional – investment, and the interrelationships between each of the three components of the model for rental housing (social and affordable) i.e. a housing supply bond, grants and low or no interest loans. It emphasises the role of an independent financial intermediary in ensuring the model's success, and the role of government – at least in the early stages – through the provision of a guarantee or partial guarantee.

The shared equity model for home ownership is similarly explained in terms of creating a pathway for clients from social housing to affordable housing, and/or from affordable housing to shared equity and the positive impact this can have not only on the lives of clients, but on the leverage of the Fund.

This second model proposes increased support and financial incentives for clients wishing to progress towards greater independence, and the setting aside of some of the money from the Fund to establish a 'safety net' should mortgagees get into trouble. This fund or pool of money can be used by Equity Providers to provide assistance to mortgagees, with any withdrawals repaid into the Fund when problems are alleviated, or upon sale of the property.

Stakeholders agreed that the 'market' alone could not address the backlog of social housing in NSW and that there would always be some need for government to fund social housing.

Access to land

Access to and affordability of land was identified as a major development barrier for CHPs and some other NGOs, particularly since the MoU states that consideration be given to fast tracking of projects bringing land (and other assets) to the table.

Stakeholders agreed that in addition to providing a guarantee, or part guarantee, for institutional investors in particular, the government could facilitate the Fund's capacity to provide more social and affordable housing through increased investment by CHPs, other NGOs and the private sector by:

- Reviewing and strengthening SEPP 70 (Affordable Housing Policy) so that all local councils must incorporate affordable housing conditions as set out in the SEPP – recognising the challenges and possible backlash some councils will face from their communities
- Releasing government-owned land for development, possibly through peppercorn rent or reduced land valuation/infrastructure charging incentives to social/public/affordable housing providers
- Using regulatory measures (such as idle-land regulations) to unlock private land, assembling or readjusting land to allow development to occur in a more cost effective sequence
- Working with, and providing incentives for those community sector organisations holding land so that land can be accessed and released for social and affordable housing
- Reducing the cost of government-owned land to non-profit housing providers if that land is to be used for social and affordable housing projects.

Fund Governance

The Fund is likely to be observed closely. Its governing body will need to demonstrate good practice in structure and operations, including; a skills- based board with representation from the social, financial and development sectors; high levels of transparency; documented governance protocols; and clear reporting lines to the NSW government.

Conclusion

The development of the Social and Affordable Housing Fund was received with great enthusiasm by all stakeholders consulted. They understood that the equivalent of \$1 billion of social and affordable housing stock would not, alone, address the additional housing stock required in NSW. However, they felt that the Fund would provide an opportunity to incorporate evidence-based good practice in social and economic policy, and to create an entity which would not only be innovative and achieve its objectives, but would highlight the leadership of the NSW government in the development of new models of social and affordable housing – models which could then be replicated more broadly.

PURPOSE AND CONTENT OF THIS REPORT

The NSW Government has agreed to provide \$1 billion worth of new funding to provide additional social and affordable housing stock to support vulnerable households in NSW - the Social and Affordable Housing Fund ('the Fund' or SAHF).

In keeping with the requirements of the MoU between NSW Treasury (Treasury), the New South Wales Council of Social Services (NCOSS) and Infrastructure Partnerships Australia (IPA) - and the timeline for the development of the Fund - this is the Report prepared by NCOSS for discussion by the Expert Advisory Group before it is presented to the NSW government.

The Fund is due to be established and to be ready to receive Expressions of Interest (EoIs) early in 2016 and operational by March 2016.

This Report contains:

- High level feedback from the consultations undertaken thus far (see below), including those who will take a lead role in the process (IPA, major funding bodies, Local Government, developers major housing providers - including Community Housing Providers [CHPs] and service providers) and housing researchers;
- Feedback gathered on:
 - The central questions regarding the development process such as Fund design, Fund sustainability, financial mechanisms, sustainable outcomes and innovation, social housing pathways rather than destination models
 - Other engagement strategies/ activities to ensure robust, risk free outcomes.

THE CONTEXT - THE SIZE AND NATURE OF THE PROBLEM

The growing problem of housing unaffordability in Australia generally, and in NSW specifically, is well known and has been the subject of many publications and much research and discussion over the last decade in particular.

In the most recent Australian Council of Social Services (ACOSS) Community Survey, in response to the question 'What are your priorities for growth in services to benefit people on low incomes?', the highest priority was – as it had been in previous surveys – affordable housing¹.

Although the current 'investor housing boom' has reignited the discussion and debate about affordability through the lens of high house prices and rents, the problem is both long term and structural.

In this context the following facts are salient:

- Housing markets in NSW have failed over time to deliver sufficient affordable stock to meet the needs of lower income and disadvantaged households
- The increasing proportion of households unable to access home ownership has put pressure on a declining supply of affordable rental housing
- Social housing supply has been unable to keep pace with demand, despite recent initiatives

¹ See 'ACOSS Australian Community Sector Survey', p.22, 2014.

- Current levels of funding cannot generate the required increases in the supply of affordable rental housing
- Two defining characteristics of rapidly expanding affordable housing sectors overseas – product diversity and private investment – have not been achieved to any significant extent in NSW (or in Australia generally).

This situation is made worse by the winding back or withdrawal of the Commonwealth from its role and partnership with the States in the provision of affordable housing, and the recent rejection of the key policy changes needed to change this situation recommended by the Senate's Affordable Housing Inquiry (in May, 2015).²

In NSW it is estimated that 60,000³ households are on the social housing waiting list with over half of low income renters and purchasers experiencing housing stress.

According to the Centre for Affordable Housing (the Centre), people on low incomes living in rental housing are some of the most vulnerable people in the community and are at the highest risk if there is any tightening of supply, or price increases in the private rental market - which is the case at the moment⁴.

The Centre also recognises that households struggling to pay housing costs experience a range of related issues that further erode their ability to meet costs and impact on other aspects of their lives. These include:

- living with unmanageable levels of debt, further exacerbating housing vulnerability
- working long hours to pay for housing
- travelling long distances to work or services
- living in overcrowded or substandard housing
- going without essentials such as adequate food, heating, medication or education
- missing out on other opportunities because housing costs are too high relative to income.⁵

While this situation exists across NSW, according to the feedback from experts participating in the Regional Workshop, unaffordability is greatest in urban areas – in Sydney in particular where the median house price is now \$1m and rents for low to medium income private renters are increasingly out of reach of all but a relatively few citizens.⁶

² 'Out of reach? The Australian housing affordability challenge', the Senate Economics References Committee, Commonwealth of Australia, 2015.

³ Flood J. and Baker E. 'Australia's changing patterns of home ownership, Issue 133 December, Australian Housing and Urban Research Institute 2010. These authors argue that Australia's share of social housing is not only low but is declining by international comparisons and VCOSS estimates that funding to the social housing sector has decreased by 53 % in real terms over the last 15 years (See VCOSS Insight; Vol 6).

⁴ At the time of writing this Report the most recent ME Bank Household Financial Comfort Index Report was published. The index was based on a survey of 1,500 households and is not limited to social or affordable housing clients. Key findings included:

- Household Financial Comfort Index dropped 6% to 5.41 out of 10
- Confidence in ability to cope with financial emergencies (loss of income) fell 11%
- Renters feeling the financial pinch with overall comfort down 12%
- Comfort with savings falls 9% and comfort with household income fell 6%
- The proportion who felt it would be easy to get a new job within 2 months fell 9 points

⁵ 'Why do we need to be concerned about housing affordability? Centre for Affordable Housing, <http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/About+Affordable+Housing/Why+do+we+need+to+be+concerned+about+housing+affordability.htm>

⁶ The Centre for Affordable Housing notes that the 2011 ABS Survey of Income and Housing estimates that over 50 percent of low to moderate income private renters were in rental stress, up from 41.4 percent in 2007/08 where housing stress is defined as spending more than 30% of their gross household income on rent.

This includes, in particular, many low paid essential workers who cannot afford to rent near their place of employment and are having to commute over longer and longer distances or seek other employment.

For all these reasons the NSW Government's (circa) \$1b Social and Affordable Housing Fund is a tremendous initiative that has been warmly welcomed. Realistically the Fund alone cannot solve the housing affordability issue in NSW given the size and scope of the problem. Nevertheless it can act as a catalyst and as a stimulant to bring together expert thinking and ideas about how it can be used to maximum effect, alongside broader reforms, to deliver new social and affordable housing stock to support vulnerable households within the requirements of the MoU.

THE SOCIAL AND AFFORDABLE HOUSING FUND

- The NSW Government has agreed to provide \$1 billion worth of new funding to provide additional social and affordable housing stock to support vulnerable households in NSW - the Social and Affordable Housing Fund ('the Fund' or 'SAHF').
- The focus of the Fund is on social housing (i.e. on the provision of accommodation for those with *the greatest need and experiencing greatest disadvantage*). However, it is acknowledged that there must also be opportunities for affordable housing options for low income families and essential workers such as nurses, teachers etc. who are increasingly being priced out of the market, and some scope for shared equity, and/or a pathway into ownership to support leveraging options for the Fund. It is expected therefore that there will be a gradient of different forms of supply to meet different needs, including social housing.
- On 12 March 2015 the NSW Government signed a Memorandum of Understanding (MoU) with the NSW Council of Social Service (NCOSS) and Infrastructure Partnerships Australia (IPA) to work together to develop and refine the SAHF.
- NSW Treasury is the NSW Government agency with responsibility for leading the implementation of the Premier's commitment to the SAHF becoming operational by March 2016.
- The SAHF 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.
- Separate stakeholder consultations and engagement processes are in place in relation to each of these initiatives, and will continue to operate alongside the MoU to provide the Government with a range of stakeholder views and expertise across the broad program of reform.
- As the peak body for the social and community services sector in NSW, NCOSS is required under the MoU, to provide an independent and expert understanding of social policy issues relevant to social and affordable housing and to provide those findings to the government.

- In meeting the requirements of the MoU, NCOSS has drawn on the expertise of its member organisations and the broader social and community sector, including in particular, but not limited to, community housing providers.
- Both regional and urban NCOSS members and social sector organisations have been consulted.
- NCOSS has also sought the advice and drawn upon the expertise of other relevant organisations and individuals who can provide sound and independent advice on the financial structure and operations of the SAHF - in particular advice relevant to those structures and operations that will maximise the capacity of the SAHF to leverage assets that can be reinvested in new stock, and that will therefore ensure the sustainability of the Fund.
- The consultations undertaken for this Report included not only social policy experts and social sector representatives but also institutional investors, financiers, developers and bankers, and those community housing providers who have had experience in developing and delivering housing developments with a social outcome focus.

THE CONSULTATIONS

1. The Context

In undertaking the consultations the following requirements set out in the MoU were taken into account:

The Fund must demonstrate success in two key areas:

- Improved social outcomes for clients;
- The capacity to leverage additional contributions from the not-for-profit, faith and commercial sectors to ensure sustainability and increase the quality and capacity of the NSW social and affordable housing sector.

Other requirements also given consideration with respect to the consultation process included:

- The purpose of the Fund i.e. to facilitate social and affordable housing proposals that would otherwise not be viable
- The aim of the Fund to i.e. to improve the economic feasibility of potential social and affordable housing projects, and the recognition that private finance will be involved to increase the scale and impact of the fund
- The limitation of the Fund to the provision of new stock only, specifically excluding the refurbishment of existing stock
- The fast tracking or facilitation only of those proposals in which proponents have land or other assets available to be leveraged
- Prioritisation of social outcomes over commercial advantage
- Current and broader reforms affecting social and affordable housing, including the Premier's Innovation Initiative, the Social Housing Discussion Paper, the Sydney Metropolitan Strategy and others.

2. The Process

The consultation process primarily included capturing feedback from those with demonstrated expertise and experience in:

- The provision and management of social and affordable housing stock
- Infrastructure, finance and development (private sector and NGO)
- Social (housing) policy
- People living in social and affordable housing.

Several of those consulted, especially CHPs, had both expertise and experience in more than one of these areas.

The MoU partners (NCOSS and IPA) identified those stakeholders they felt had the requisite expertise and experience. Invitations were issued by NCOSS and three half day workshops involving 85 participants were held. Each workshop had a particular focus and a set of initial topics to be addressed, followed by a broader discussion. Participants could elect to participate in one or more of these workshops:

Workshop 1: Finance, infrastructure and development;

Workshop 2: Provision and management of social housing and affordable housing – including case work with clients – and social housing policy;

Workshop 3: A combination of the two categories of expertise and experience, but with a focus on the needs of regional NSW.

Participants were invited to present submissions to NCOSS following the workshops and the workshop facilitators were invited by participants to follow up after the workshops if further information was required. Participants also recommended other social and affordable housing experts whom they felt would provide valuable feedback that would assist in structuring the Fund in such a way that it would meet its purpose and objectives. Where it was possible to do so these experts were also consulted, particularly, but not only those who had been invited to attend the workshops but were unable to do so.

Immediately prior to the Workshop NCOSS had organised a series of experts to undertake consultations with additional stakeholders who did not attend the workshops, but whose input was considered to be important. They included:

- Social housing tenants
- Local government providers
- Infrastructure and private developers
- Community housing providers

These pre-workshop consultations were specifically intended to provide additional feedback that would be useful for workshop attendees to consider, and, if relevant, to discuss. Each 'expert' was provided with specific questions for which feedback from respondents was sought, however respondents were also given the opportunity to provide any additional feedback they felt was relevant to the subject of the consultation, and their experience relevant to that subject.

The results of these consultations were presented to participants at the commencement of each workshop.

A social impact specialist from Social Ventures Australia presented to Workshop 1 a brief document designed to stimulate discussion by outlining possible levers/options to stimulate new social and affordable housing stock. Options were ranked according to the presenter's view of their leverage capacity.

Consultations were also held with the Senior Advisors to the Minister of Planning.

The next section of the Report contains a summary of the views of those consulted.

OUTPUTS OF THE CONSULTATIONS

The MoU stresses the need for the Fund to provide improved social housing and **improved social outcomes** for tenants. It also requires that the Fund be sustainable and not a 'one off spend'. To achieve this second objective it was acknowledged that additional investment from the private sector will be required, as will a financial structure which both encourages that investment, and provides the desired **economic outcomes** - including the capacity for reinvestment in the Fund to ensure its sustainability.

Those stakeholders with a primary focus on social policy requirements, including the design, appropriateness and location of new social and affordable housing stock in addition to improved social outcomes for clients - mainly comprised representatives of the social or non-government sector. They included *peak bodies* representing a range of socially or economically disadvantaged groups who require not only appropriate and affordable housing (including social housing) but who may also be in a situation where they have high needs, and require a range of social supports simply to ensure that they can sustain their social housing tenancy, let alone move into affordable housing or joint ownership.

Another group of non-government stakeholders with a strong focus on social outcomes were the Community Housing Providers (CHPs). CHPs both develop affordable housing stock and manage approximately 30,000 tenancies in NSW.⁷ They are becoming an increasingly sophisticated sector with respect to the financing and delivery of social and affordable housing, in addition to their historical role as tenancy managers.

The second group of stakeholders consulted were primarily concerned with the structure, operations and financing of the Fund so that it could meet its leveraging and sustainability requirements. They mainly comprised experts in social bond financing, bankers, institutional investors, private sector developers and again, CHPs and some large social sector NGOs⁸. The outputs of the consultations undertaken for this Report, reflect the views interests and expertise of both groups i.e. a primary interest in *social* and *economic* outcomes. However in presenting the Report in this way it is important to emphasise that there are overlaps between the interests, expertise and experience of the two groups, and in their views of how the Fund could best achieve its objectives. Indeed, as noted above, some

⁷ See 'Leveraging Change', NSW Housing Federation 2015. The Federation points out that in the latest AIHW survey 39% of community housing tenants indicated that they were 'very satisfied' with their landlord. This is almost double the same level of satisfaction for public/social housing tenants.

⁸ Some stakeholders consulted have an interest in and are engaged in both the delivery of social and economic outcomes. As an example many CHPs and some larger non-government social organisations are financiers and developers of social and affordable housing and have an equal interest in providing the support that will result in the best possible social outcomes for their tenants. It is important to point out here however that managing affordable housing tenancies, a fundamental role for CHPs, is not the same as the provision of the specialised case management support required to ensure that many high need social housing tenants are able to sustain their tenancies, let alone be able to progress from social housing into affordable housing.

organisations such as CHPs are both not-for-profits with a social purpose, and, increasingly, developers and financiers.

1. Policy framework for social and affordable housing

The overarching feedback from both groups of stakeholders highlighted their view that there was a need for a State-wide NSW Housing Policy which would include social and affordable housing, and which could provide a *framework* to inform and guide the structure and operations of the Fund - and the NSW Government's broader Social and Affordable Housing Strategy.

Respondents agreed that the social and affordable housing component of the broader NSW Housing Policy, in particular, should incorporate both a whole of government and whole of community approach to the expansion of social and affordable housing in NSW. Such a policy, stakeholders felt, should also contain a *vision* and *targets* for social and affordable housing in NSW. It should set out the role of the NSW government and, where possible, the relationship between the State and Commonwealth governments and that of the private sector in the financing, delivery (including access to land and planning) of desired outcomes and expectations for the social and economic sustainability of the housing sector.

Respondents also felt that there needed to be a review of what constitutes 'affordability' – especially in Sydney where house prices and rents are at an all-time high.

In the absence of a Social and Affordable Housing Policy, stakeholders identified the following social needs that they felt the Fund should incorporate and/or address if it was to meet identified social policy requirements and achieve the desired social outcomes for clients in the context of the MoU.

2. Social need and social policy

Understandably, each of the stakeholders representing or advocating for different groups of community members requiring social or affordable housing (e.g. older people, Aboriginal people, young people, people with a disability, people with mental illness, people from diverse cultural backgrounds, women escaping DV etc.) presented cogent arguments about the priority of the housing needs for the groups they represented. While this is understandable, it was also agreed that the most important issue was to recognise the *overall need* for more affordable housing, especially social housing, and the universal principles that should be incorporated in all forms of social and affordable housing delivered through the Fund.

These principles included:

Universal and smart design

Universal design involves the design of buildings, products and environments so that they can be used by the widest range of people possible e.g. older people, people with disabilities and people without disabilities. Respondents agreed that universal design principles should be incorporated into all new stock.

Similarly stakeholders felt that smart/eco- friendly principles⁹ should be used in the design and delivery of all new social and affordable housing stock. They argued that incorporating smart/eco-friendly design did not have to add to the cost of the building, that it was more economically and environmentally efficient, and that over time it would reduce costs as repairs and maintenance cost, and that costs of utilities would also be lower.

In the case of both universal and smart design stakeholders indicated, on the basis of their experience, that it was far more costly to retrofit than to incorporate these elements in the design and delivery of new stock.

Specific elements of smart/eco-friendly design identified by stakeholders included:

- Energy efficient design, lighting, heating, drying, access to outdoor space, rooftops and balconies
- Audio and visual privacy in multi-unit dwellings
- Open space to support community engagement.

Innovation in design and diversity of stock

Respondents argued that the problem with social and affordable housing in NSW is not simply a lack of stock, it is a lack of appropriate 'fit for purpose' stock to meet the needs of a diverse client group. They also argued that greater diversity of stock, like other proposed strategies and changes that stakeholders saw as assisting in achieving the Fund's objectives, cannot be discussed in isolation from issues such as planning controls, land availability, urban density and Fund financing, to mention just a few.

The NSW Government and not-for-profit affordable housing providers are already looking at and/or implementing innovative design such as new generation boarding houses, student housing models, studios, secondary dwellings and Foyer Models for young people requiring transition from out of home care.

Stakeholders emphasised that the Fund should undertake further research into innovative social and affordable housing design, including housing that incorporates a diverse range of 'fit for purpose' products to address what is a growing and diverse client population.¹⁰ This should be done in the context of adequate financing and availability of land and an easing of planning controls and other inhibitors such as limitations on apartment/studio size for the purposes of lending.

Stakeholders were keen to emphasise however that any easing of planning controls should not be at the cost of compromise on the quality of stock provided.

⁹ Smart buildings are those that deliver useful building services that make occupants productive (e.g. illumination, thermal comfort, air quality, physical security, sanitation, and many more) at the lowest cost and environmental impact over the building lifecycle.

¹⁰ For example see the Media Release from Atira Women's Resource Society, Thursday August 13, 2013. Atira Women's Resource Society is a not-for-profit organisation committed to the work of ending violence against women. It is based in Vancouver British Columbia, Canada. Atira has recently completed Canada's first Recycled Shipping Container Housing Project and has another one underway. There are 12 units in the complex on a standard city lot in Vancouver – a city that is experiencing the same inflated housing prices as Sydney. Atira notes the following facts: Hard construction costs were C\$82,500 per unit; The studio units range in size from 280 – 290 square feet (26-27square metres) net living area; The units are fully self-contained, with kitchens, bathrooms and in-suite laundry; The development meets all current building codes and in some case exceeds code, e.g. insulation and sound transference. The container housing complex was a part of a larger project which involved the, including the heritage restoration of Imouto Housing for Young Women next door total cost was \$3.3 million and provides 31 units of non-market housing.

Stakeholders also recognised that, for both social and economic reasons, development projects must include different types of properties in the mix e.g. social housing through to rented affordable housing, shared equity, and potentially home ownership, and should be underpinned by an 'incentive driven pathway' to assist those clients who can, and who wish to, transition from social to affordable housing and potentially to joint or individual ownership.

It was suggested that innovation and diversity could be achieved in different ways (see below: inclusionary zoning and availability and access to land). For example through developer incentives, or by applying a percentage of stock that must be for social housing, for affordable housing, and for sale at full market price.

Location and the need for 'wrap around' services

Stakeholders were unanimous in their view that if both improved social outcomes and reduced economic costs were to be achieved new stock must be located in areas where there is adequate infrastructure such as access to transport, education, employment, health services. They argued that building more affordable housing on the urban fringes was not an answer to the affordability issue, as these areas rarely had adequate infrastructure or employment opportunities, and were at risk of generating greater social problems and isolation – all of which have associated economic as well as a social costs.

There was a recognition that there is a growing trend toward higher density housing in Australia.¹¹ While stakeholders saw this as a positive sign, they expressed concern that this may not necessarily mean that in areas where there were not already adequate support services - both social and physical - additional services would be automatically be incorporated with the delivery of more social and affordable housing stock. If this did not occur, they argued that it would simply mean higher density with more people experiencing the impacts of poor infrastructure.

Stakeholders' feedback on the importance of access to infrastructure and services is supported by research findings presented both in submissions to the recent Senate Economic References Committee Inquiry into Housing affordability in Australia¹² and the feedback from social housing clients to the NSW Social Housing Discussion Paper¹³.

While the existence of 'wrap around services' was identified as an important factor in the acquisition of those skills and qualities that would build independence and assist all clients to move along the pathway from social to affordable housing, it was identified as a particularly critical issue for certain social housing client groups. Among these were older people wanting to 'age in place', people with a disability, single parent households with children, young people, and clients with complex needs such as mental health issues or drug addiction. It was pointed out that for many in this last category (i.e. clients with complex needs) the existence of, and access to, support services, accompanied by good case management – not simply tenancy management – often made the difference between sustaining a tenancy and returning to the streets.

Inclusionary zoning

Inclusionary zoning or ('inclusionary housing' as it is sometimes known) is a planning mechanism to ensure that social, or more commonly affordable housing, is not excluded from a particular location because of environmental planning controls or market forces

¹¹ See Reserve Bank of Australia, 'Submission to Senate Economic References Committee' p.10, 2015.

¹² Senate Economics References Committee op. cit. Chapter 7, pp. 95-104.

¹³ 'What we heard: A summary of feedback on the Social Housing in NSW Discussion Paper', FACS, 2015.

(dwelling costs). The provisions are included in the planning instrument that sets the zones for land use in the relevant locality.

Provisions that allow for 'inclusionary housing' in certain specified circumstances exist in New South Wales. They were inserted in the Environmental Planning and Assessment Act in 2000 (sections 94F and 94G). In addition, a state environmental planning policy (State Environmental Planning Policy – SEPP 70 Affordable Housing - Revised Schemes) was introduced in 2002 to validate some existing schemes of this nature. However, in NSW the history of inclusionary zoning is a chequered one. There remain qualifications and limitations to the introduction of inclusionary zoning other than in certain circumstances with some consent authorities.

Respondents felt that the Fund could be an excellent vehicle for supporting and fast tracking Eols that met all other requirements, and which incorporated inclusionary zoning.

Education of the Community

It was recognised by those consulted that the introduction of inclusionary zoning could serve as a catalyst for community resistance (i.e. the NIMBY syndrome) against local councils in particular – even if those resisting were doing so without any prior experience or evidence of the effects of a diverse housing mix.

It was agreed that if more social and affordable housing was to be mandated, or provided in other ways in a mixed development – something that stakeholders supported – there would need to be a greater focus on an educational strategy or campaign that could reduce or remove any community fear and resistance. Stakeholders provided examples of where such campaigns had been successful and agreed that some resources from the Fund should be set aside to develop such a strategy.

Security of Tenure

Security of tenure was an issue raised in the consultations with social housing clients in particular, and in the context of achieving the Fund's social outcomes for clients. While this is a general issue across all areas of social and affordable housing, it was identified as having particular significance for older people (to facilitate ageing in place) for people with a disability, and for Indigenous people.

Since 23 October 2006 most clients housed by FACS are offered a two, five or ten year lease which is reviewed before the end of the lease term.

- Ten year leases are for clients with ongoing housing and high support needs that are unlikely to decline.
- Five year leases are for clients with housing and support needs that will most probably continue in some form over the next five years.
- Two year leases are for clients:
 - With transitional or temporary support needs that will probably decline over the next two years or
 - The client's continuing need for social housing is unclear over the next five years because the household's financial circumstances may improve.

Respondents said that short term leases result in a feeling of insecurity and argued that they often felt that clients were disadvantaging themselves in attempting to improve their circumstances. On the other hand the argument is made that clients can become

dependent on social housing and make little or no effort to make positive changes in their lives.^{14,15}

This is a complex but an important issue, particularly as one of the aims of the Fund is to focus on facilitation of a pathway from social housing into affordable housing and potentially shared equity and private ownership. Currently the social housing system provides limited pathways to independence and the average tenure in social housing is long and increasing, with more than 50% of tenants living in public housing for 10 years or more.¹⁶

Importantly, the NSW Government is aware of the complexities and the increased stresses that clients report when they attempt to transition from social into affordable housing¹⁷ and has identified additional strategies to support clients to transfer out of social housing into the private rental market and ultimately, for some, into joint or individual ownership¹⁸.

To the extent that it can, outside or over and above the context of the current government requirements and incentives, stakeholders felt that the Fund needed to explore and incorporate the most effective options for providing effective support for clients who wish to move from social housing to affordable housing.

They also felt that support would still be required for those who had made the transition and that if, because of some unforeseen incident such as loss of employment, they were forced to return to social housing they should be given that opportunity within a designated period (say two years) rather than automatically going to the bottom of the waiting list of 60,000.

Regional needs

Expert regional stakeholders identified several issues that they would like to see the Fund address.

In particular they expressed a concern about large 'city-based developers' coming to regional areas to build social and affordable housing stock in circumstances where they brought in their own building teams, used little or no local labour, had little or no connection with the local community, and left as soon as 'the build' was completed.

Regional stakeholders felt that:

- There was sufficient development expertise in regional areas to deliver appropriate stock at an economically competitive price

¹⁴ See for example:

<http://www.housing.nsw.gov.au/Forms+Policies+and+Fact+Sheets/Policies/Types+and+Length+of+Lease+Policy.htm#acfattalol> and Fitzpatrick, S. and Pawson, H. 'Ending Security of Tenure for Social Renters: Opening the Door to 'Ambulance Service' Social Housing'?, City Futures Research Centre, UNSW

¹⁵ In 2012–13, just under 10 % of total public housing properties across Australia became vacant, with some inter-jurisdictional variation. Around half of these vacancies were caused by tenant-initiated exits. Research undertaken by AHURI in March 2015 states that '*Most working age social renters—including those in paid employment and paying full or close to full market rent—hoped to stay in social housing permanently or many more years, largely due to constraints and concerns related to affordability and security of tenure in the private rental sector*'.

¹⁶ 'Social Housing in NSW: A discussion paper for input and comment', FACS, 2015 p.6.

¹⁷ Ibid, pp. 15-20.

¹⁸ Current options and assistance available through Housing NSW include Tenancy Facilitation, Private Rental Brokerage Service, Tenancy Guarantee, and Rentstart (Bond Loan, Advance Rent, Temporary Accommodation and Tenancy Assistance).

- Part of any contract should be to use local labour, where that labour was sufficiently qualified
- The Fund should also be used as an opportunity to leverage the learning and experience of young local people in regional areas – i.e. to develop skills and support apprenticeships through the opportunity to achieve accredited training outcomes. Where appropriate this could also include clients - as a preparation for employment, and to develop some of the capacities required for independent living.
- The most important measure of success regarding social outcomes for clients in regional areas was the availability and sustainability of local partnership-based services. This needs to be built in to any application or EoI process.

Evaluation

Stakeholders were well aware of the opportunities the Fund offered - particularly the opportunity to engage private sector funding - to deliver innovative fit-for-purpose design and to improve social outcomes for clients. For these, and other reasons, such as the viability and sustainability of the Fund, it was considered important to ensure that an appropriate and robust evaluation model (or models) that could measure social value and social worth as well as economic value, was built into the Fund's operating guidelines. This could be an SROI based evaluation method, another 'fit for purpose' evaluation model, or a combination of different models to monitor and measure different situations and outcomes.

While client satisfaction surveys of tenants in social and affordable housing exist, they are rarely robust and are not designed to determine the relationship between, and measure the value of, the social return on the investment against the economic return of that investment.

Stakeholders pointed out that while they were aware of data on the economic investment in support services for people in social housing compared to the social worth of that investment,¹⁹ they were unaware of any such evaluation of the cost effectiveness and benefits of the supports provided to those clients making the transition - or who have recently made the transition - from social to affordable housing. They felt such an evaluation could assist in understanding what is needed for that transition to be successfully sustained.

Given the importance the Government has attached to the pathways for client independence,²⁰ and the social and economic benefits derived from such independence, stakeholders felt that evaluation of Fund projects which aim to foster that pathway could also make a significant contribution to achieving the government's broader social and affordable housing objectives.

¹⁹ See for example the evaluation of the Mission Australia Michael project 'The Michael Project, 2007 – 2010: New perspectives and possibilities for homeless men' Mission Australia, 2012.

²⁰ See as an example the discussion of Pillar 1: A social housing system that provides opportunity and pathways for client independence in the Government's social housing discussion paper, 'Social Housing in NSW: A discussion paper for input and comment', pp. 13-21.

STRUCTURE AND OPERATION OF THE FUND

1. Financing for leverage

There was a great deal of discussion about the most appropriate and effective financial models for achieving the objectives of the Fund with respect to:

- Increasing the supply of social and affordable housing
- Leveraging the fund to ensure its sustainability,
- Meeting the social needs identified by expert social sector stakeholders.

Those with both experience and expertise in how the Fund might be structured to achieve these objectives included CHPs, bankers, social impact experts, developers, representatives of large NGOs and institutional investors.

In undertaking these consultations it became clear that the success and sustainability of the Fund would be best achieved by creating a financial model, or models, that would:

- Have the Fund kick-start affordable housing delivery throughout NSW by providing the essential ingredients to encourage more investment
- Encourage greater private investment - especially institutional investment²¹ - by offering permanency and certainty of investment
- Ensure a recycling of funds i.e. repayment of debt (see below) back into the Fund for new projects
- Build the financial capacity of CHPs by facilitating capital raising by not-for-profits via a specialist financial intermediary to pool the sector's debt demand into a straightforward, diversified investment structure
- Encourage private investor/NGO partnerships so that applicants have more opportunity to bring land or other assets to the table for 'fast tracking' of projects.

2. Private/Institutional investment

All stakeholders agreed that there is currently insufficient finance - both public and private - for affordable housing investment, relative to the growth in demand in NSW.

There was also agreement - particularly amongst those experts whose focus was the structure of the Fund - that institutional investment provides an effective and secure source of finance to achieve long term growth in affordable housing - along with other public and private sources which have emerged in one-off trials or loans.

Potential institutional investors explained however that, with the cessation of NRAS, there was currently little incentive for them to invest in this 'class of asset'. Nevertheless, they saw the Fund as an excellent opportunity to explore more innovative approaches to financing to ensure that leveraging, sustainability and other objectives of the Fund were achieved.

Institutional investors explained that fundamental to their investment in affordable housing was the need for **certainty** i.e. a steady return on their investment over a long period of time, plus a recurrent opportunity to invest in an asset class over time, rather than being stuck holding an 'orphaned asset' when policy underpinnings change. While the return they receive might be slightly lower than their investments in other asset classes, they

²¹ Any large scale ('pooled') investment from corporates, pension/super funds, unit trusts etc.

argued that this could be offset by the stability of their returns over a long period of time. Any government-underpinned reduction in risk, therefore, would have a commensurate reduction in required return, thus reducing interest rate and preserving more funding for actual housing.

The main challenge to greater institutional investment identified through the consultation process was the uncertainty of government policy settings, including the concern that if a government, of any political hue, in power was able to offer the required certainty, there was always the risk that a change of government could also mean a change in those settings and the withdrawal of the required long term stability. They saw bipartisan political commitment as essential to the stability and sustainability of the Fund.

Institutional investors made it clear that they were seeking long term partnerships with housing providers/CHPs, but only where that partnership could offer the long term security required. They felt this would not be achievable without some sort of government guarantee or tax incentive, which they also felt, given the growing financial sophistication of CHPs, and with long term investment stability guaranteed, would involve very little, if any, risk for the Government.

Stakeholders explained that government guarantee schemes, or alternate forms of incentive, such as tax breaks, to address the supply of affordable housing have been established successfully in a number of countries including the UK²², Ireland the United States, Austria, New Zealand, Switzerland and the Netherlands²³. They also noted the recommendation of the Senate Economics References Committee (2011) that the Australian Government should examine ways to create incentives for investment in a social bond market in Australia, including the feasibility of tax exempt income returns, a government top-up on social bond coupons in the form of either cash or tax credit and the use of government guarantees.

Having said this, some respondents felt that while CHPs know their market well and many are already, or are becoming, increasingly highly sophisticated operationally and financially, as potential partners they would like to see more CHPs focus even more strongly on operational efficiency, and be more accountable and transparent with respect to their tenancy management and their resultant client social outcomes.

3. Financial Structure of the Fund

In presenting the financial options for the structure and operation of the Fund several other initiatives were reviewed. These included:

- The Premier's Innovation Initiative²⁴
- The Social Housing Discussion Paper
- The Local Infrastructure Renewal Scheme
- A Plan For Growing Sydney (2014 Metro Strategy).

²² While the current UK Government has introduced changes to the financing of affordable housing in a challenging economic environment e.g. lower government grants, government guarantee schemes remain and support capital market financing of debt and bonds and Housing associations have been able to achieve deals which while lower than in earlier years are still approximately 85-150 points over the London Interbank Offered Rate (LIBOR).

²³ See also Lawson, J et al. 'Enhancing affordable rental housing investment via an intermediary and guarantee', AHURI, Paper 220, April 2014, plus the positioning paper published prior to this which detailed international precedents: 'Positioning Paper: No. 156: The use of guarantees in affordable housing investment—a selective international review': http://www.ahuri.edu.au/publications/download/ahuri_53019.

²⁴ Several stakeholders we consulted had already applied to the Premier's Innovation Initiative.

Two financial models for the operation of the Fund were identified through the consultation processes. They were:

For rental housing, a package of:

- Housing supply bonds (e.g. New South Wales Housing Supply Bond)
- Grant funding
- Low or no interest loans operating as a revolving construction debt facility

For homeownership:

- Shared Equity

Stakeholders emphasised that these should all be seen as components of the one package, and must all be adopted together for the 'package' to work.

Model for Rental Housing

A New South Wales Housing Supply Bond

Housing Supply Bonds²⁵ (HSBs) are designed to reduce the cost of funding available for CHPs below that which is currently available from the private commercial bank sector and, thereby, enhance their capacity to increase the supply of affordable housing²⁶. Bonds are also designed to extend the term of senior debt for rental housing projects beyond the current 3 – 5 years that commercial banks have offered to affordable operators. This will increase efficiency and certainty for CHPs and security of tenure for tenants.

A New South Wales Housing Supply Bond (NSWHSB) supported by the government, either through a government guarantee or tax incentives, is not intended to make excessive claims on government funds. Indeed, as experience elsewhere has shown, with the right regulatory and monitoring mechanisms in place such bonds have very little, if any, impact on government finances.

A NSWHSB would not be a replacement for existing forms of housing assistance for affordable rental housing, rather it would aim to complement and extend the value of such public subsidies in order to increase the long-term supply of affordable housing.

While increasing the amount of affordable rental housing, some form of rent assistance would still be needed to ensure affordability outcomes for tenants of affordable rental housing, and to assist with repayment of the bonds over their (presumed 10+year) life span. It is important to note however that a NSWHSB is an innovative and efficient solution to rental housing's senior debt component, *but does not stand on its own*. Rather it has been identified as one financial instrument (together with equity funding and construction funding) to assist with the achievement of this objective presented by expert stakeholders.

²⁵ A bond is a debt security issued by governments and private companies to meet their financing needs, or issued by an intermediary based on a pooled portfolio of borrowers and assets as proposed here. While bonds have many different characteristics, they all involve the obligation to make regular payments over a defined term to bond holders. Bonds may be interest-only, paying 'coupons' at regular intervals, or amortising as with conventional property mortgage debt. On maturity, any outstanding principal of the bond is redeemed. The yield to maturity is determined by all interest payments received plus any gain or loss on the purchase price of the bond if they are traded. In general, the higher the yield, the greater the risk. Investors buy bonds to receive regular interest payments and to diversify risk in their portfolios, often favouring 'fixed-interest' bonds to balance more speculative investments.

²⁶ Although the focus here is on using CHPs as delivery vehicles, as they have lower cost structures and are aligned with the Fund's social purpose, it is also possible that private providers could also participate as long as they abide by applicable regulatory framework that underpins these financial mechanisms.

A brief explanation of how a NSWHSB would work is set out below.²⁷

The fundamental principle behind housing supply bonds is that the investment in rental housing is investment in a stable **cash flow, not in property value escalation** per se. A critical element here is that the rental housing is sufficiently well managed so that it has a secure annuity-style income profile rather than a speculative, higher-risk property gamble. This distinction is central because security of rental tenure is just as important to a government's driver of workforce mobility/economic competitiveness as it is to the community housing industry's mission of achieving housing stability.

The two main features of the housing bond concept as presented in the consultations are:

- The creation of an appropriate specialist independent financial intermediary (IFI), and,
- Government credit support in the form of a limited guarantee.

The Role of the Independent financial intermediary (IFI)

The independent financial intermediary supports the fundamental concept of *pooling* upon which housing bonds are based. Its role would be to link suppliers of capital (e.g. private institutional investors) with appropriate investment opportunities and to create aggregation benefits and efficiencies through lower transaction and search costs.

The IFI would need to have specialised knowledge of the not-for-profit housing industry²⁸; to be able to critically assess its business model, and to ensure adherence to regulatory requirements. With respect to the crucial regulatory discipline, this is already provided by NSW's implementation of the National Regulatory System for community housing, established in 2014. Specialised knowledge would be important in ensuring further efficiencies by strengthening financial management practices across the sector - thus providing another level of security for the investor.

In addition to pooling loan demands the IFI would ensure a smooth pipeline of projects and bond issues and would provide a credible source of investment data and track record to investors and providers concerning investment risk and likely returns.

A further role of the independent financial intermediary could be to assist in making providers 'investment ready'. It would provide access to funds for smaller players, thereby helping to maintain diversity in models of provision and help promote greater competition within the industry. The IFI can be newly formed as an 'arm's-length agency' of government or of the housing industry.

The Role of the NSW Government

The **government guarantee** or credit support (e.g. in the form of tax breaks) is necessary to overcome initial 'new-market hesitance' towards an asset class that has no track record of institutional investment. Because super fund asset advisors have no performance history of pooled rental housing assets to review, and little familiarity with the in-built risk reduction of community housing's national regulation system, a government guarantee or similar credit support would be necessary to bridge this gap until a new asset class of housing bonds was

²⁷ This explanation was contained in the submission presented by the NSW Federation of Housing Associations. For a detailed explanation of the development and implementation of a NSWHSB see J. Lawson et al. 'Housing Supply Bonds—a suitable instrument to channel investment towards affordable housing in Australia?', Australian Housing and Urban Research Institute', May 2012, and J. Lawson et al 'Enhancing affordable rental housing investment via an intermediary and guarantee', Australian Housing and Urban Research Institute, Paper 220, April 2014.

²⁸ Lawson et. al *ibid.* point out that while international experience indicates that there could be a variety of models for the IFI, a not-for-profit specialist intermediary is likely to be more cost effective.

established. Such a guarantee may only be needed for five to seven years until the market takes off.

A government guarantee would reduce the risk of investing in the bonds and would therefore bring down their interest rate. A lower interest rate would mean a given rental cash flow could then support more bond debt, thus reducing the gap.

As noted above, research has indicated that a well-structured, limited guarantee would not need to be reflected on government balance sheets, and consultation with ratings agency government risk analysts reveal that the magnitude of housing bond credit support proposed would not impact State or Commonwealth credit ratings.

The crucial link to be made here is that **rental housing is key state infrastructure**, and should be planned and financed as such. Those consulted noted that the use of government guarantees for key economic infrastructure is well-documented and confirmed by the Commonwealth government as recently as the 2014 budget, and that the NSW Government's understanding of available and affordable rental housing as key state infrastructure was confirmed earlier in 2015. Long-term debt instruments like bonds are therefore an appropriate step, together with other funding sources, in providing this much-needed infrastructure.²⁹

Grant Funding

Bond finance will part-fund new social and affordable housing, but there will also be a need for seed equity in the form of assets or land to underpin this senior debt. Some limited **grant funding** targeted specifically at community housing providers to enable this equity transfer could be sourced from the Fund, and act as a further catalyst for private leveraging.

Clearly for any grant program to make a contribution to the achievement of the Fund's objectives, there would need to be specific regulations established to manage risk, and the establishment of an independent governance body to ensure that those regulations were adhered to.

Without pre-empting how a grant system may work, priority could be given to those applicants who formed a consortium or collaborative partnership which increased their capacity to deliver on the specified project with minimum risk. One suggestion presented for consideration was a partnership consisting of all or some of the following:

- A Community Housing Provider
- A Developer/Construction Company (committed to the delivery of social outcomes as well as buildings)
- Social service providers (e.g. Aged care, Indigenous people, people with a disability etc. depending on the focus of each project)
- Local government

One of the potential challenges for grant funding (and for low interest construction loans – see below) is the preference in the MoU that land or other assets be brought to the table in order to fast track a project.

²⁹ In drafting this Report, and following feedback from stakeholders, we also reviewed the use of Social Impact bonds, however the conclusion was that that this type of bond was more suited to social services rather than bricks-and-mortar, and unduly complicated for use in this industry. A NSW Housing Supply Bond is most likely to be able to be 'jump started' using the Fund, and is best suited to expanding social and particularly affordable housing through scale and with little or no impact on the government budget. See Shelter NSW Brief #55: <http://www.sheltersw.org.au/publications-new/policy-papers/financing-housing-supply/426-social-impact-investment-housing-shelter-brief-no-55>.

While it is possible that local government and/or a development company may own land, for CHPs access to land is a major barrier, even though they may have development experience. As noted above, other than the large secular NGOs, or faith based NGOs, few social service providers own land, and a developer who owned land, or who could afford to purchase land at market price could, in theory, apply to the Fund for a grant without collaborating with a CHP or a social service provider.

For these reasons the regulations for any grant structure would need to be carefully thought out so that the aims of the Fund could be achieved, while not disadvantaging any party.

For example, several stakeholders suggested that the NSW Government could provide the land³⁰ and /or could provide existing buildings on government land requiring redevelopment (see below pp. 20-22).

Unless the total assets (i.e. grant and land/infrastructure on land) provided through the grant matched the cost of the project there would still be a need for the parties in the partnership to seek private finance. Again this presents a potential problem for CHPs who have argued that the cost of accessing private capital markets has been a barrier to their capacity to deliver more affordable housing.

A further consideration for any grant program may be to prioritise those applications which

- can demonstrate that they will be delivering additional affordable housing, mixed with social and market buildings and/or
- will deliver in a regional area where there is a known deficit of social and affordable housing – especially if some or all of the builders are from the local community.

Low/no interest loans - a revolving construction debt facility

The third component of this financial model which would enable CHPs and other social sector NGOs to gain access to development funds at a rate of interest that was affordable, would be to set aside a portion of the Fund for low interest, or no interest loans during the construction period. These loans could then be repaid or 'taken out' by the housing supply bonds and therefore recycled for new construction projects.

The aim and the benefit of this model compared with a grant or partial grant is that it would assist in leveraging and building the sustainability of the Fund by ensuring that when the loan is paid in full at completion, the funds are returned to the SAHF and reinvested in new projects.

Again, as with the grant model above, stakeholders pointed out that careful underwriting would be required to ensure the feasibility of rental housing projects and the certainty that the loan would be paid in full in the required timeframe. This could involve a competitive process reviewing status of planning approvals, construction oversight and adequate contingencies. This contestability is important so that only the most viable and feasible projects are financed by experienced, capable housing non-profits. Applicants would also need to agree to the requirements clarifying their financial and legal responsibility in the event of a default on the loan.

There would also need to be requirements as to which applicants would be eligible to apply for the loan (e.g. CHPs, consortia made up of CHPs and other parties such as

³⁰ Two recent examples where CHPs acting as developers have been able to access land include BlueCHP's partnership with NSW FACS and Lend Lease building on ADI land at St Mary's in Sydney and Bridge Housing's partnership with the City of Sydney utilising NRAS and land owned by the City of Sydney.

developers, other financiers) and what applicants would be required to bring to the table in order to qualify for the loan, let alone to qualify for fast tracking the project. For example there could be a requirement that only projects involving a diversity of housing types, i.e. social, affordable and market priced would be eligible for construction finance. A further requirement might be that the project would already be competitively successful in securing the long-term Housing Supply Bond finance in a subsequent pooled bond issue, so that repayment of the construction finance would be ensured with the proceeds of those bonds.

Financial shared equity model for home ownership

The shared homeownership option was proposed specifically to assist individuals and families confronted with the lack of affordability in the housing market. The high cost of both buying and renting homes in NSW (in particular in Sydney) means that many tenants in the rental market find it difficult, not only to afford home loan repayments, but also to save enough money for a deposit to buy a home. In a typical shared homeownership scheme an individual / family would purchase a percentage of the home and the remaining part (usually not less than 25%) would be bought/owned by a not-for-profit housing organisation.

Those financiers suggesting this model evidenced the positive discussions they had held with CHPs in both NSW and other States. They argued that there is significant interest in the provision of a structure that would accommodate such a progression for tenants who can afford it.

The NSW Shared Homeownership Working Group, which is co-convened by Regional Development Australia Sydney and the NSW Federation of Housing Associations members, several of whom participated in the consultation, have researched and developed a specific proposal 'Doors to Homeownership'. It contains documents explaining how this sort of scheme could work, and also practical information and tools for both providers and potentially-interested homeowners to decide whether the arrangement would be appropriate for them.

The main target tenants for such a solution are 'key workers' who are on relatively low incomes and unable to save for a deposit, but are able to afford repayment of a mortgage. This addresses the dilemma increasingly facing groups such as key workers in Sydney, where property prices are so high by comparison with rural NSW and with some other States. It will be critical therefore to ensure that a shared homeownership scheme is properly targeted at those most in need and provides the assistance required for the purchaser to secure a deposit. In NSW, unlike other jurisdictions, the First Home Owners Grant requires that all owners are 'natural persons'. An amendment to the legislation is recommended by the community housing providers consulted.

The proposal recommends setting aside some of the money from the Fund to establish a 'safety net' should mortgagees get into trouble. This fund or pool of money can be used by equity providers to assist mortgagees, with any withdrawals repaid into the Fund when problems are alleviated, or upon sale of the property.

This pool of money would also act as risk mitigation for banks that are, understandably, cautious in the face of a new product. It would also encourage the provision of programs to fund new building for affordable housing. The amount in the 'shared equity fund' could have a starting point of, say, \$20M, which can then be leveraged. Again the detailed Application Guidelines, the terms and conditions of use of the shared equity fund, its desired outcomes etc. would all need to be negotiated and developed in greater detail.

AVAILABILITY AND ACCESS TO LAND

The MoU states that ‘.....the fund will only fast-track or facilitate proposals in which proponents have land or other assets available to be leveraged’.

Stakeholders, both the representatives of the social sector and those with expertise in the structure and leverage of the Fund, pointed out that very few, if any, CHPs or social sector organisations owned (or had access to) land they could afford to purchase. Some large NGOs do own land, especially, but not only, those who are faith-based. Some of these organisations are also CHPs which means that they are able to build on their own land, manage tenancies and provide necessary case management and support services. Such organisations will also potentially be advantaged in terms of application to the Fund and fast tracking of their projects as they can bring land and other assets to the table.

It was also pointed out by stakeholders that some faith based NGOs were either holding on to their land in order to maximise its value, or were not sure exactly how to best use the land they owned.

Several stakeholders explained that because the NSW government, understandably, desired to maximise the financial return from the sale of government land, whether or not the profit from the sale was invested in social outputs, this meant that government land was also out of reach for all but large private developers. However, expanded calculations and interpretations of ‘return’ might assist with this black-and-white land limitation.

Current tabulations of NSW government land value are very conventional, relying solely on typical property valuer methodologies. The consultations confirmed that the transfer of government-owned land in desirable areas would be the most effective leverage for private affordable housing development. However, the NSW Land and Housing Corporation’s (LAHC) calculation of ‘fair market value’ is based on conventional valuation methodology based on traditional profit-maximisation comparables or discounted cash flow approaches. These return metrics do not calculate longer-term government savings in terms of better educational and health outcomes from stable housing achievement, or more effective use of social housing assets when there is a viable pathway for current long-term tenants to transition to the private affordable market and recycle a dwelling through the long waiting list.

Perhaps the LAHC’s valuation of its assets return could capture some of the social value considerations recently instituted by law by the UK government.³¹ Monetary ‘value’ could be placed on development which provides a social housing tenant mobility, and is therefore returned to LAHC in return for sale of land for ‘pathway’ housing development, that is a stepping-stone to tenure of affordable private rental, or even shared equity ownership, as a step between social housing and the private market.

³¹ The *Public Services (Social Value) Act 2012* (UK) came into force in January 2013: <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Several stakeholders suggested that if the NSW government wished to expand social and housing stock **and** ensure that those accessing the Fund, especially CHPs, could afford to bring land to the table it should undertake all, or some, of the following:^{32,33}

- Review and strengthen SEPP 70 (Affordable Housing Policy) so that all local councils must incorporate affordable housing conditions as set out in the SEPP³⁴ – recognising the challenges some councils will face from their communities (See 'Education of the Community' p.11)
- Release government-owned land for development, possibly through peppercorn rent or reduced land valuation/infrastructure charging incentives to social/public/affordable housing providers
- Use regulatory measures (such as idle-land regulations) to unlock private land, assembling or readjusting land to allow development to occur in a more cost effective sequence
- Mandate that all government land and land held by government authorities sold for medium density new development must either:
 - Incorporate inclusionary zoning (for example the development between Bridge Housing and the City of Sydney where of the 495 new units, 153 will be for social housing and 95 for affordable housing, with the remainder (247) being sold at market price to private purchasers)
 - include a set percentage of units specifically for social and affordable housing as has occurred in South Australia³⁵
- Work with, and provide incentives for, those community sector organisations holding land so that land can be accessed and released for social and affordable housing
- Reduce the cost of government-owned land to non-profit housing providers if that land is to be used for social and affordable housing projects.

³² See McKinsey Global Institute (MGI) – 'A blueprint for addressing the global affordable housing challenge', October 2014. In this report MGI pointed out that the issue of access to land is the most important instrument available to stakeholders in the delivery of affordable housing – unlocking land at the right location.

³³ The Planning Institute of Australia (PIA) in its Housing Position Statement 2010, p.2, argues the importance of access to affordable land for housing providers and states that '*Brownfield sites and intensification must be targeted and take preference over fringe greenfield sites wherever possible because these areas tend to be located within housing markets of high demand, are better serviced by infrastructure and public transport, and are accessible to jobs, education and services. Reducing the need for new greenfield land release can preserve biodiversity and agricultural land and promotes more efficient infrastructure expenditure.*'

³⁴ Currently it is possible for councils to avoid inclusionary zoning or 'negotiate around' SEPP 70 by, for example, reducing the developer contribution for a large sq. meterage e.g. for a new generation boarding house, so that there is a disincentive for the developer to proceed.

³⁵ Gethin Davison et.al 'Affordable housing, urban renewal and planning: emerging practice in Queensland, South Australia and New South Wales', AHURI, UNSW, November 2012. On p.2 of the Report it states that: 'In 2006, landmark amendments to South Australia's Development Act 1993 enabled local plans to include provisions for affordable housing. This operationalised a state affordable housing target announced in 2005, for achieving 15 % affordable housing in new development areas, including 5 % high needs housing. The planning provisions were initially restricted to the redevelopment of government sites, but are increasingly applied when major new residential areas are released or rezoned to allow higher density development'.

ALIGNING SOCIAL POLICY AND FINANCING FOR SOCIAL AND AFFORDABLE HOUSING

While the Fund is intended to explore innovative financial models that will expand new social and affordable housing stock in NSW it also needs to take account of social policy requirements in achieving its overall objectives. These requirements, identified by expert stakeholders, are set out in the first section of this Report (See pp.7-12).

The development of an appropriate financial structure for the Fund also provides an opportunity to consider ways in which innovative housing models and social and demographic requirements that meet the needs of the most disadvantaged and vulnerable can be aligned. Some of these models could include:

- Independent living/aging in place with transition to aged care models for older people, particularly older women who are the fastest growing cohort at risk of homelessness
- Supported housing models for people with disability - particularly in the context of the National Disability Insurance Scheme (NDIS)
- 'Housing First' models such as Common Ground that provide a mix of affordable housing and social housing with 'wrap around support services' for those who are unlikely to be able to build the independent living skills that will enable them to move from social housing into affordable housing
- Long-term housing options for Aboriginal people and families³⁶
- Innovative models - such as the Foyer Model for young people
- Exit planning with long term housing options for people exiting institutions and at risk of homelessness.

Not all of these models are new, however others are, and yet others, like the Foyer Model, are still in the early stages of development, although initial research – particularly with respect to the Foyer Model – is indicating that early outcomes for young people are positive.³⁷

While the Fund is not a 'silver bullet' and cannot, alone, address the social and affordable housing deficit in NSW, the Expression of Interest (Eoi) guidelines for applicants could specify that priority will be given to projects that not only bring land and other assets to the table, but that ensure that social policy requirements and social outcomes, as well as sound financial modelling, has been taken into account.

³⁶ See Fotheringham, M. Housing Indigenous Australia - Insecure tenancies. Fotheringham, AHURI. Fotheringham cites research that demonstrates that tenancies in public housing for Indigenous tenants are shorter in duration than for non-Indigenous and Indigenous households in public housing are more likely to be evicted than non-Indigenous (Flatau, P. et al 2005) and that In 2004, Indigenous Australians comprised 16% of all clients of the Supported Accommodation Assistance Program although they comprised only 2.3% of the Australian population (See Memmott, P. and Nash, D. 'Indigenous Homelessness', in Chamberlain, C. et. al. eds. *Homelessness in Australia*, Ch. 8, 2014).

³⁷ While Foyer Models are popular in Europe they have been slower to take off in Australia. Because they are a 'live in' model of accommodation with a strong emphasis on focus on education and/or employment of young people - as well as life skills - they are best suited to young people between 16-25 not able to live at home, and need to be located where educational facilities – such as TAFES – or employment opportunities can be accessed. However despite a slow start there is growing evidence that Foyers a delivering positive and sustained outcomes for young this cohort of young people.

FUND GOVERNANCE

The consultation process and the feedback from stakeholders regarding the possible structure of the Fund have assisted greatly in identifying the qualities that will be needed for its effective governance.

The Fund will need to be governed by a skills-based Board which will report directly to the NSW Government.

The Fund will be observed closely, especially as it is a new initiative operating in a domain which is important - economically and socially - to both the government and to the community of NSW. In addition, the Fund has been tasked to achieve both social and financial outcomes, and to be innovative in achieving its objectives.

Therefore, at the very least the members of the Board will need to be independent, transparent and accountable in undertaking their governance roles and responsibilities.

The Board should have representation from the government and from the social, financial and development sectors (including the signatories to the MoU). Most importantly, those representatives will need to have extensive experience and expertise in the areas they represent including, in particular, social policy and social structure, expertise in relevant forms of private, social and affordable housing, or other investment, and an understanding of the culture and operations of government and of the private sector.

Any Expert Working Groups should report directly to the Board.

CONCLUSION

This Report sets out the feedback received from a range of expert stakeholders who were consulted regarding their views on the best way to ensure that the SAHF achieves its overall objective of adding to the supply of social and affordable housing within the context of the requirements set out in the MoU between the NSW Government, NCOSS and IPA.

Broadly, those requirements are that the Fund is able to be leveraged and is not intended to be a 'one off' tranche of funds, and that relevant social policy issues and social needs are addressed as part of the Fund's operating principles.

Following the consultations with experts in the community/social sector, the Report has set out the key social policy issues relevant to social and affordable housing. Many of these issues— with respect to social housing in particular – reflect the feedback received by the government in its 'Social Housing Discussion Paper'.³⁸

The feedback received by stakeholders consulted for this Report was based both on their awareness and understanding of a growing evidence base and on their experience, both of which indicate that social dislocation and ongoing disadvantage occur if social outcomes for clients are not given the priority they deserve. They were also keen to highlight that this will result in both economic and social costs for the NSW government.

³⁸ 'What we heard: A summary of feedback on the Social Housing in NSW Discussion Paper', FACS, 2015. op.cit.

Stakeholders acknowledged that facilitating a pathway from social housing to affordable housing was important for both social and economic reasons and suggested that applicants should address this in their Eols. However, they also recognised that there would always be people who were unlikely to be able to make the changes and gain the independent living skills that would facilitate their transition from social housing.

While in mixed developments some of the cost of social housing can be offset through the rent from affordable housing, the development of shared equity schemes, and the sale of market price buildings, stakeholders pointed out that the Fund can only do so much and that there will always be a need for governments to contribute substantially to the cost of social housing.

Many of the social policy issues identified raise some challenges for the government and for the Fund, however, they also present opportunities to incorporate these social requirements in a set of operating principles, as the Fund's development and operational guidelines are further refined over the next few months, especially with respect to the Eol guidelines for applicants.

There was a high level of agreement from both 'groups' of stakeholders that incorporation of the social policy issues set out in this Report, and their impact on the delivery of improved social outcomes for clients, were just as fundamental to the successful operation of the Fund as was the provision of new housing stock.

It was emphasised by stakeholders that a robust evaluation framework needs to be developed so that an evidence base which identifies the value of the incorporation of the social policy issues identified in this Report can be documented, and which can assist the NSW government to put in place the policies that will best achieve its social and economic objectives with respect to social and affordable housing.

There was universal agreement from stakeholders whose experience, expertise and focus was on the strategies for attracting sufficient investment to achieve the required increase in stock, and on the leveraging of that investment, that there was a need for far greater levels of private - especially institutional - investment in this market. They also agreed however, that to achieve the required levels of investment, the NSW government would need to play a more pro-active role, not only through the provision of guarantees (possibly for 5-7 years until the market takes off) or other incentives, but also through enabling changes in current planning and zoning requirements, and in land access – especially in government owned brownfield and infill urban areas. This has occurred in other countries which have had success in increasing the percentage of social and affordable housing stock to a sizeable proportion of the total housing stock.

Two interrelated financial models were presented as examples of how the Fund could be structured to achieve the economic objectives required by the government – one for renting and one for home ownership. Stakeholders agreed that although the existence of a housing supply bond (HSB) was fundamental to the engagement of private investors, other strategies would also be needed. These strategies should be incorporated as part of one 'multi layered' package.

Access to land, as well as to private finance, was identified by CHPs in particular as a substantial barrier to their ability to deliver more social and affordable housing. Even where affordable and appropriate finance could be acquired through partnerships with private investors, the cost of land in urban 'brownfield' and 'infill areas' with sufficient infrastructure, such as access to transport, employment, education and recreation was an inhibitor.

All stakeholders recognised the need for a whole of government NSW Housing Policy which also included a detailed policy for social and affordable housing (including targets) which addresses the issues identified by expert stakeholders in this Report.

In conclusion, the development of the Social and Affordable Housing Fund was received with great enthusiasm by all stakeholders consulted. While they understood that the equivalent of \$1 billion of social and affordable housing stock would not, alone, address the additional housing stock required in NSW, they felt that the existence of the Fund provided an opportunity to link evidence-based good practice to social and economic policy, and to create an entity which would not only be innovative and achieve its objectives, but also highlight the leadership of the NSW government in the development of new models of social and affordable housing – models which could then be replicated more broadly.

APPENDIX 1 - MOU

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 % 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.

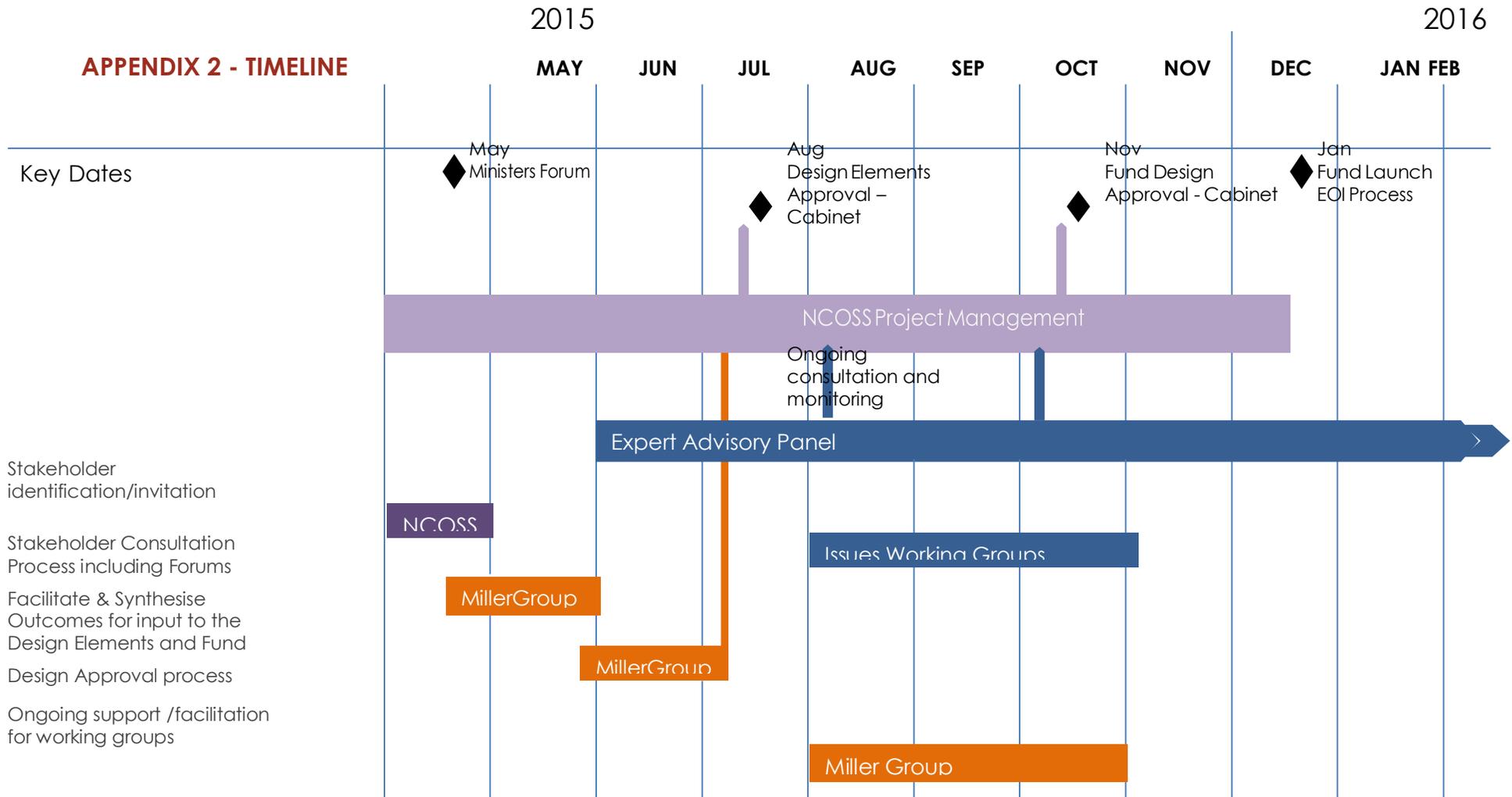
The NSW Government's counterparties in this MoU are not-for-profit policy organisations with no commercial interests in the development of the incentive mechanism.

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.

APPENDIX 2 - TIMELINE



APPENDIX 3 - GLOSSARY OF TERMS

Concepts and terms

'Affordable housing' is a widely used term that includes both generic and more specific meanings. In this report the term is used to refer to housing that is procured directly by not-for-profit providers using a mix of public and private finance for renting at rates that are below market levels to low and moderate income households in housing need. The potential to facilitate pathways to home ownership for tenants is also recognised as an affordable housing activity of providers, although this is not occurring to any extent in Australia yet.

The term **'social housing'** is used in this study to refer to an existing portfolio of housing (around 5 % of the Australian housing system) that has been financed mainly with public funds, is owned largely by state and territory governments and is managed mostly by state housing authorities (85%), with the remainder managed by a plethora of mostly small community based providers. Lack of growth in social housing over the last decade and loss of other forms of low cost housing have contributed to growing numbers of low income households in housing stress.

'Not-for-profit' housing providers are defined as being independently incorporated, not-for-profit but commercially savvy organisations that invest in, develop and own housing for a core social purpose (broadly, to provide appropriate secure and affordable rental housing and to support their tenants) and to reinvest any proceeds of their activities in expanding their core business.

ACOSS	Australian Council of Social Service
AHURI	Australian Housing and Urban Research Institute
CHP	Community Housing Provider
EoI	Expression of Interest
FACS	Family and Community Services
HSB	Housing Supply Bond
IFI	Independent Financial Intermediary
IPA	Infrastructure Partnership Australia
LAHC	Land and Housing Corporation
MoU	Memorandum of Understanding
NCOSS	New South Wales Council of Social Service
NDIS	National Disability Insurance Scheme
NGO	Non-government Organisation
NIMBY	Not In My Backyard
SAHF	Social and Affordable Housing Fund
SAHP	Social and Affordable Housing Policy
SEPP	State Environmental Planning Policy
VCOSS	Victorian Council of Social Service

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APPENDIX 5 - LIST OF STAKEHOLDERS CONSULTED

Alan Brennan	Pathfinders Inc. - Armidale
Allison Heller	City of Sydney
Anna Chubb	Office of Minister for Planning
Anne Pratt	HOME in Queanbeyan
Adam Farrar	Shelter NSW
Anna Bowden	Social Outcomes
Andrew McAnulty	Link Housing
Andrew Tyndale	Grace Mutual
Bill Randolph	Australian Housing and Urban Research Institute
Billie Sankovic	Western Sydney Community Forum
Brian Murnane	St Vincent de Paul Society
Carrie Hamilton	Housing Action Network
Ceirwen Kirk-Lennox	Urban Growth NSW
Charles Northcote	BlueCHP United
Charlotte Young	Warrina Women and Children's Refuge
Charmaine Crowe	Combined Pensioners and Superannuants Association
Charmaine Jones	Inner Sydney Regional Council
Chris Lacey	The Housing Trust
Craig Johnston	Shelter NSW
Ed McCarthy	Central Coast Community Council
Elizabeth Teece	Aged and Community Services
Felicity Reynolds	Mercy Foundation
Gary Moore	Parramatta Council
Gillian Cohen	Domestic Violence Support Management
Hal Pawson	Australian Housing and Urban Research Institute
Helen Karathomas	NSW Federation of Housing Associations
Helen Wood	Uniting Care
Ivan Jimal	Contractor
James Allardice	Habitat for Humanity NSW
Janelle Goulding	City West Housing
Janet Chappell	Urban Growth NSW
Jenna Bamborough	Pt. Macquarie Hastings Domestic and Family Violence Service Specialist Service
Jessica Fell	Inner South West Community Development Orgn.
Jo Sheen	Community Sector Banking
Julie Foreman	Tenants Union
John McCormack	Office of the Minister for Planning
John McKenna	North Coast Community Housing
John Nicolades	Bridge Housing
Ka Kai Ng	Being - Mental Health & Consumer Advisory Group
Kate Finch	People With a Disability Australia
Katherine McKernan	Homelessness NSW
Kerry Jones	The Australian Centre for Social Innovation
Kylie Lindsay	Wesley Mission
Larry Mendelowitz	CIVEO
Lee Liewes	Hunter - Nova Women's Accommodation & Support
Lesley Robson	Sector Connect - Narellan
Maja Frölich	NSW Federation of Housing Associations
Marg Kaszo	Southern Cross Community Housing
Marianne Doherty	The Benevolent Society

Marika Kontellis	Northside Community Forum
Mark Peacock	Social Ventures Australia
Mary Perkins	Shelter NSW
Melanie Chynoweth-Holland	Far West - Compass
Mendel Kastel	Jewish House
Michael Schultz	Intereach Limited – Deniliquin
Michelle Cannane	FACS
Mike Scott	Treadstone
Maura Boland	The Insight Partnership
Nicola Lemon	Hume Community Housing Association
Nicky Sloane	Illawarra Forum Inc.
Patrick Flynn	Mission Australia (currently Social Ventures Australia)
Paul Gray	AbSec
Peter English	Dubbo Interagency
Peter Quarmby	Community 21
Rita Tratt	Older Women's Network
Robyn Preece	FACS
Rad Krvavac	Global Clean Energy Finance
Ruth Simon De Costa	Dtarawarra Aboriginal Resource Unit (Tenancy)
Ruth Thompson	Mid-Coast Communities
Samuel Valderrama	CIVEO
Sandra Sutalo	Catholic Social Services
Serena Ovens	Physical Disability Council of NSW
Shalla Thomas	Coffs Home Mods
Simone Stuart	Illawarra Forum Inc.
Stacey Mier	Sydney University
Stephen Powter	NSW Treasury
Sue King	Anglicare Sydney
Tony Davies	Northern Rivers Social Development Council
Trevor Wetmore	St George Community Housing
Trish Evans	Northern Rivers Social Development Council
Vanessa Lesnie	Social Outcomes
Vivienne Milligan	Australian Housing and Urban Research Institute
Wendy Hayhurst	NSW Federation of Housing Associations
Zoe Peters	Infrastructure Partnerships Australia

Additional consultations were undertaken in the following areas by expert stakeholders

Consumers - Tenants and occupants of Social Housing
 Local Government
 Private sector developers and financiers
 Community Housing Providers