

Social and Affordable Housing Fund (SAHF)

Financier & Equity Investors Briefing

NSW Treasury

22 November 2017 / 13:00 – 14:15

52 Martin Place

Level 7.16 Luna Park



**The
Treasury**

1

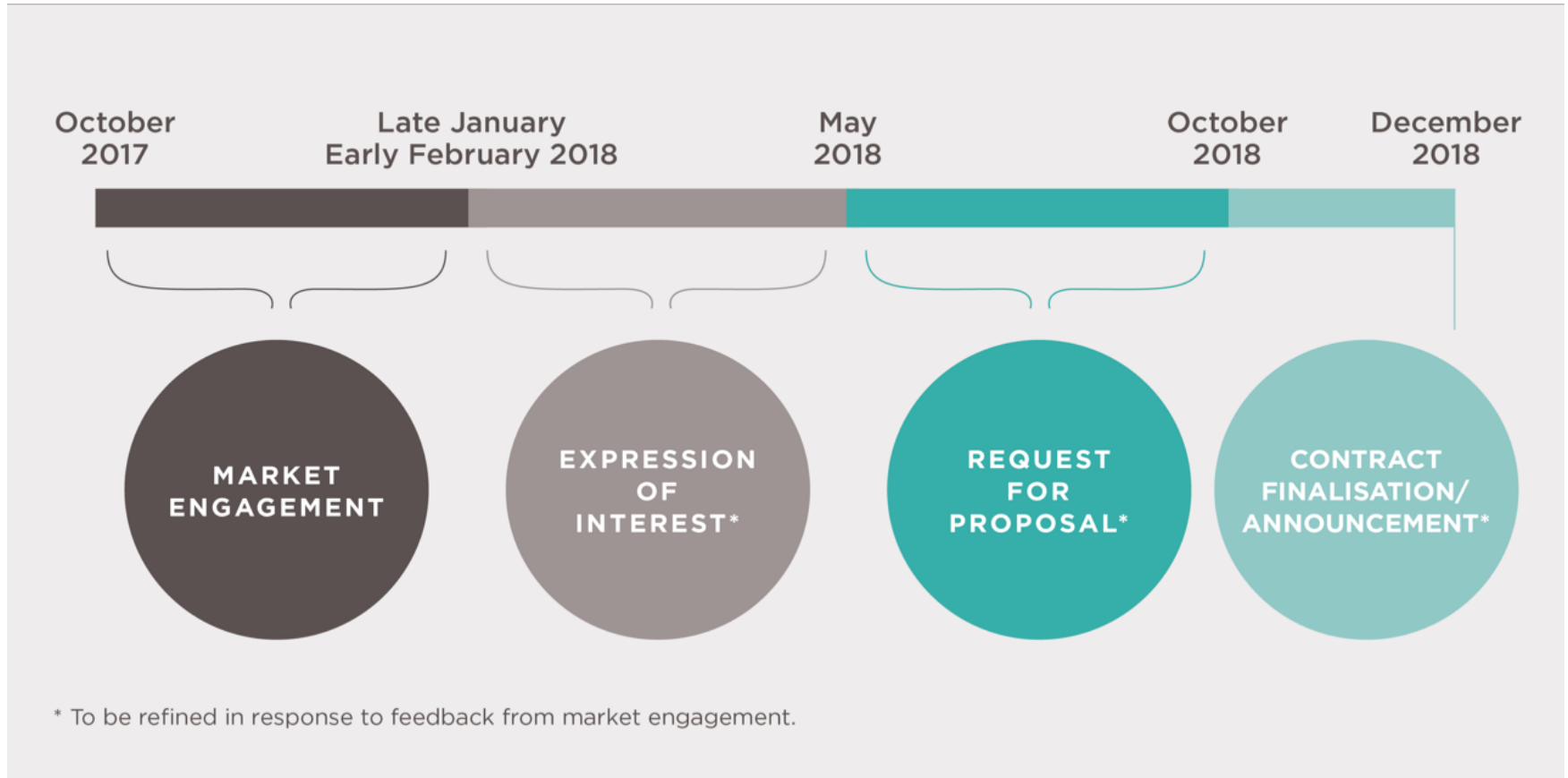


Welcome

Philip Gardner – Deputy Secretary, Commercial, NSW Treasury

Procurement process

Today is not your last opportunity to engage with the SAHF 2 project



AGENDA

01

Welcome

02

**Overview of
the SAHF
program**

03

Next steps

04

Questions



The purpose of today's event

- To provide an overview of the Social and Affordable Housing Fund (SAHF) to help inform you about the SAHF opportunities
- To raise awareness of opportunities for partnerships between private and not-for-profit organisations
- To respond to feedback on SAHF Phase 1 and, in particular, specific areas of interest to this group
- SAHF Phase 2 progress to date and next steps
- A forum for you to table questions

2

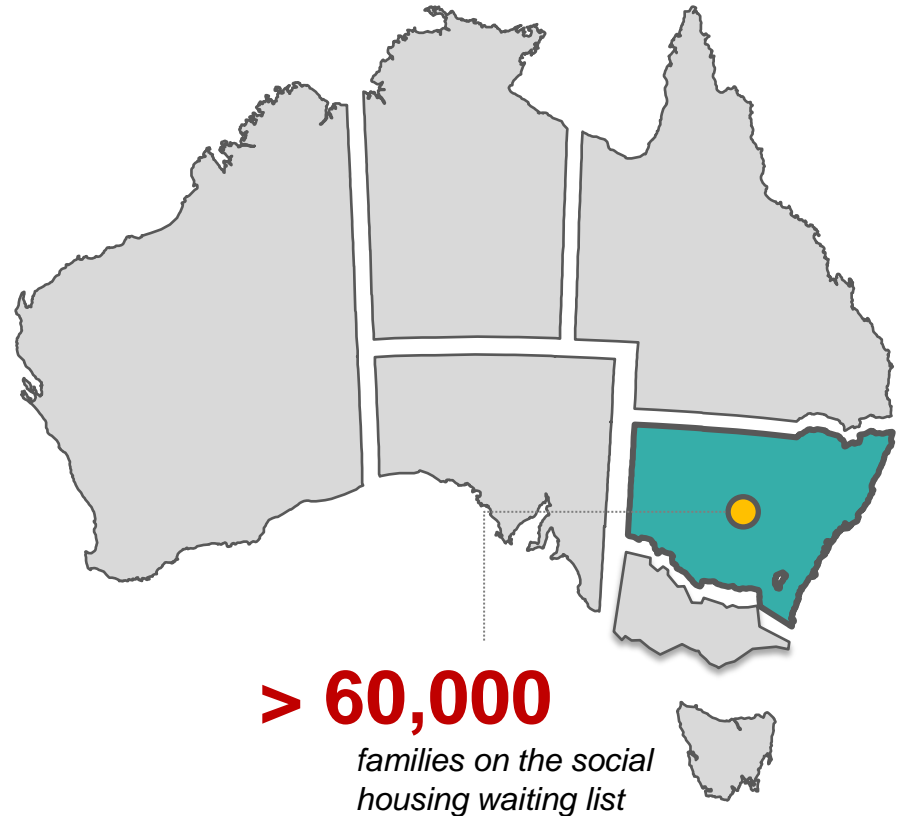


Overview of the SAHF program

Kitsa Papadopoulos – Director, NSW Treasury

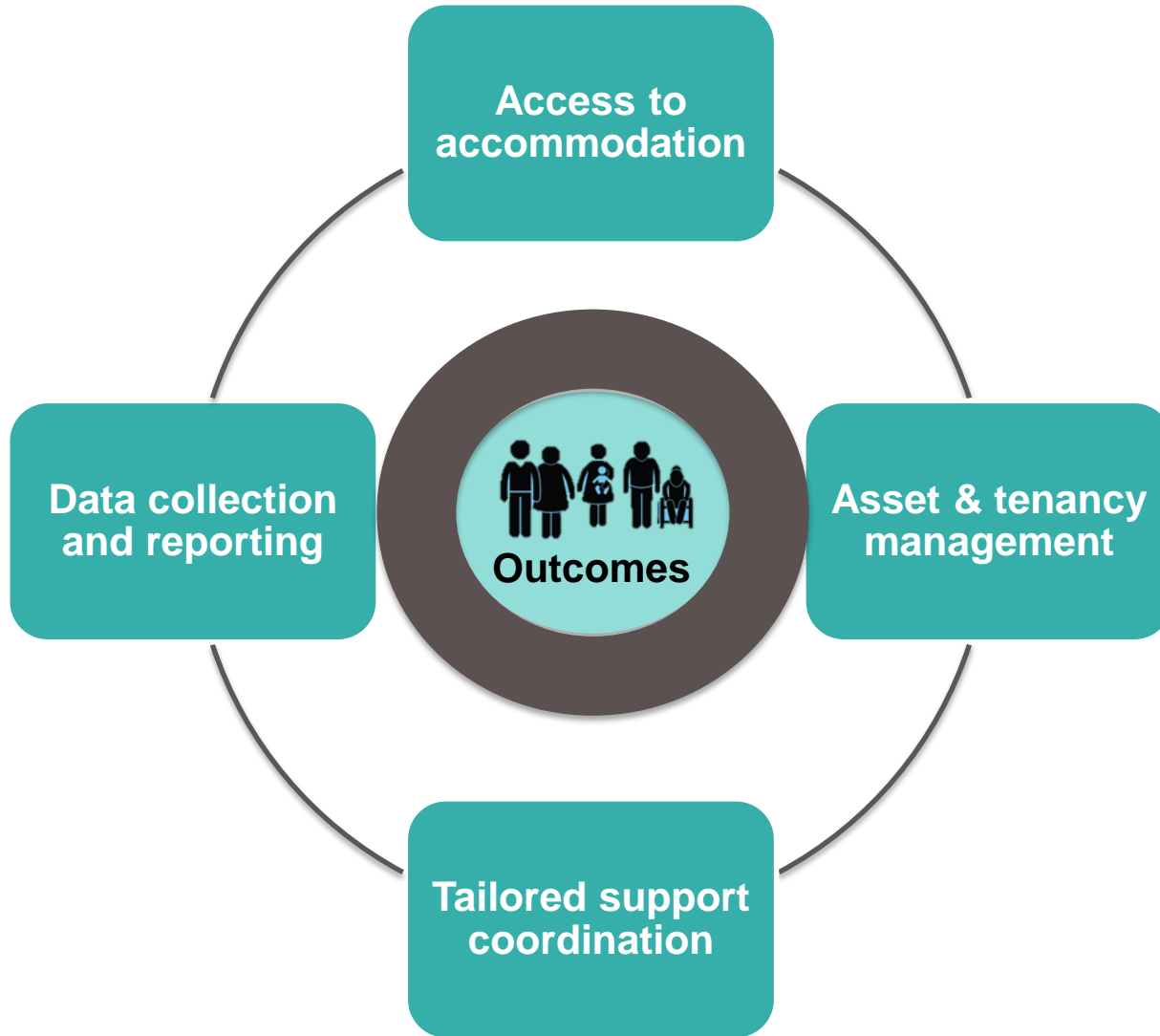
What is the Social and Affordable Housing Fund?

- The SAHF is a NSW Government initiative to help boost the supply of social and affordable housing in NSW
- It is one of a number of new approaches designed to increase the supply of social housing dwellings, and to make the social housing system more sustainable in NSW
- An outcomes-focused model, which was developed with input from an Expert Advisory Committee chaired by the NSW Council of Social Service (NCOSS) and Infrastructure Partnerships Australia (IPA) following a memorandum of understanding signed by the then Premier, NCOSS and IPA in March 2015



Service packages

Purchasing services rather than building and owning



SAHF 2 objectives

To help boost the supply of social and affordable dwellings in NSW

- **Increase the supply of social and affordable housing**
- **Unlock land contributions**
- **Increase the social and affordable housing options for vulnerable households (e.g. women aged 55 years and over)**
- Facilitate innovation through partnerships
- Deliver high quality services that achieve better life outcomes for tenants and represent value for money
- Promote regional areas
- Contribute to the NSW Government's social housing strategy
- Promote evidence building and continued reform

SAHF key commercial principles

- **Purchaser** – Department of Family and Community Services (FACS)
- **ServiceCo** – a variety of models are possible, including consortia. Likely to require participation from Non-Government Organisations (NGOs), Community Housing Providers (CHPs), developers and investors
- **Service approach** – can be a number of service packages across different locations to deliver the required outcomes (e.g. 500 metro dwellings, 200 regional dwellings)
- **Timing** – services provision commencing within a 1-3 year period of financial close
- **Services contract** – up to 25 years
- **Payment structure** – periodic fixed payments for the provision of services which will be linked to key performance indicators
- **Monitoring and reporting** – to be delivered against an outcomes framework
- **Asset ownership** – at no stage does the Government own the dwellings. They will always remain the assets of the contracted proponents

Elements of a ServiceCo

A successful ServiceCo will bring together the following key elements



Revenue stream

Reliable revenue stream made up of three key components

Rent

- Rent paid by the tenant



Commonwealth Rent Assistance

- CRA is a non-taxable income supplement payable to eligible people who rent in the private or community housing rental markets
- CRA rates and thresholds can be found via the [Commonwealth Department of Social Services](#)



Monthly Service Payment

- An abatable monthly service payment is provided for up to 25 years, reflecting the gap between existing revenue streams and the overall cost of providing the service package

SAHF dedicated for social & affordable housing initiatives

Legislative quarantined and transparent funds

- **Security and assurance:** The introduction of the *SAHF NSW Fund Act 2016* creates a ring-fenced structure, which ensures that the funds are quarantined for social and affordable housing initiatives
- Should the fund out-perform the longer term, the excess earnings will go towards further social and affordable housing proposals
- **Separated funding:** The SAHF expenditure is not within the Family and Community Services (FACS) budget. Therefore, funding is dedicated and not open to reprioritisation by FACS or Ministers
- **Transparency and accountability:** Payments from SAHF NSW will be made in a transparent manner with the annual financial reports being published on the Treasury website and subject to audit by the Auditor-General

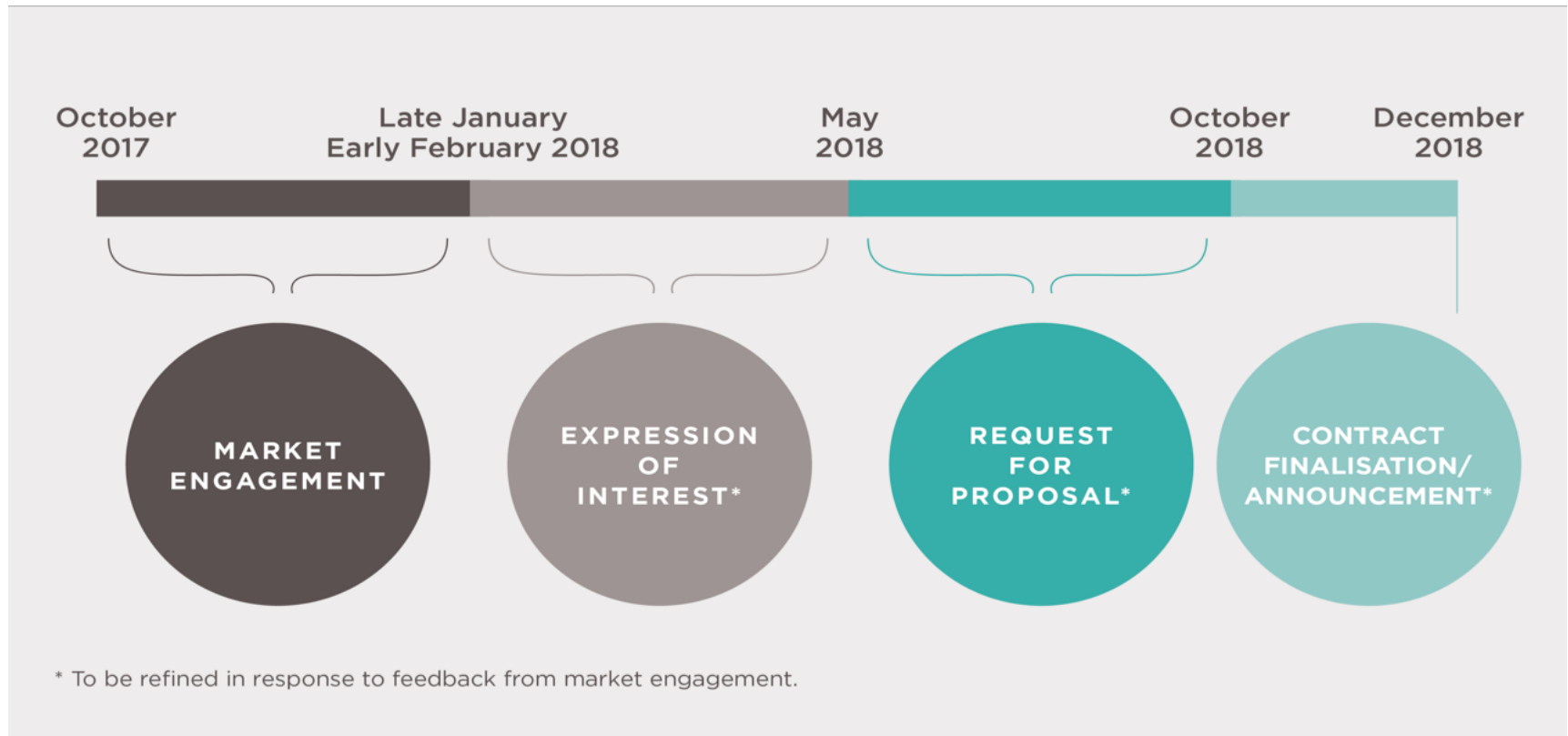


3



Next steps

Next steps



- Any additional questions, please email SAHF@facs.nsw.gov.au
- If you have not done so already, please ensure you register your interest via the FACS portal (<https://www.surveymonkey.com/r/SAHFPhase2>) to ensure you are kept informed on SAHF 2 updates



Thank you!