

SOCIAL AND AFFORDABLE HOUSING NSW FUND BILL 2016

First Reading

Bill introduced on motion by Ms Gladys Berejiklian, read a first time and printed.

Second Reading

Ms GLADYS BEREJIKLIAN (Willoughby—Treasurer, and Minister for Industrial Relations) (10:12): I move:

That this bill be now read a second time.

I am pleased to introduce the Social and Affordable Housing NSW Fund Bill 2016, which delivers on an election commitment but, more importantly, ensures that this Government is planning for the future when it comes to the very important task of providing adequate social and affordable housing. The bill provides for the establishment of the Social and Affordable Housing Fund, which sets aside dedicated, ring-fenced funding for social and affordable housing in this State. The fund will be called the SAHF NSW Fund, or the SAHF. We made an election commitment to deliver more social housing stock and we are making good on that promise. This new fund will allow us to unlock new homes for those who need them most and to support the most vulnerable in the community.

The New South Wales Government launched the SAHF in January, and I acknowledge the contribution of the Minister for Family and Community Services, and Minister for Social Housing. The SAHF is a major new innovative initiative in the approach to the way social and affordable housing is delivered in this State. In its first phase the SAHF will target delivery of up to 3,000 additional social and affordable homes, helping to reduce waiting lists for vulnerable families. The request for proposal for phase 1 of the SAHF closed on 17 August and received a strong market response. Request for proposals were issued to the shortlisted applicants on 6 May, and the evaluation process is now underway.

At present, social housing developments face a funding gap between the rental stream they receive from tenants plus government subsidies and the revenue required to sustain a commercially viable project. The Social and Affordable Housing Fund will provide a long-term revenue stream to plug this gap and encourage private and non-government organisations [NGOs] to team up to develop housing projects. The SAHF will be set up with \$1.1 billion in seed capital from the Government and will provide much needed investment certainty to the sector. The Government's investment arm, TCorp, will invest the \$1.1 billion and the returns will go towards social and affordable housing projects in the form of a stable 25-year income stream.

By establishing the fund in legislation we are setting up a ring-fenced structure. Funds are quarantined for social and affordable housing, funding not only the current program but also future initiatives. Should the fund out-perform over the longer term, the excess earnings will go towards further social and affordable housing programs. Proponents for phase 1 have been asked to put proposals forward that achieve social outcomes for tenants. The Government will pay for a package of services for up to 25 years that provides access to accommodation, asset management and tenancy management services, coordination of support services tailored to each tenant, and performance and data monitoring.

This outcomes-focused model has been developed in consultation with the NSW Council of Social Service [NCOSS]. I thank them for the input and encouragement they provided during the consultation about putting this important piece of policy forward. I also note the contributions of Infrastructure Partnerships Australia following a memorandum of understanding signed in March 2015. The Government is determined to facilitate innovative, value-for-money, service-driven outcomes that are going to help those people who need it most. Private investors, NGOs and

landholders will now have more opportunities to work together to boost our social and affordable housing stock through this new fund.

Section 5 of the bill sets out the purpose of the fund. This includes setting aside funds to create new social and affordable housing stock, deliver associated services and achieve social outcomes for tenants. The fund is financially sustainable over the long term. The Government's goal is to preserve and grow the capital whilst funding social and affordable housing. By enshrining the fund in legislation the Government is sending a strong signal to the market of permanency.

This innovative ring-fenced financial structure shows the long-term vision and commitment of the Government to the sector. Payments from SAHF NSW will be made in a transparent manner with the annual financial reports being made publicly available and subject to audit by the Auditor-General. This bill provides the Government with a dedicated fund for the social and affordable housing sector, enabling access to social and affordable housing and, importantly, support services for the most vulnerable in our community. I trust that all members of this House will commend this bill and I look forward to ongoing debate. I commend the bill to the House.

Debate adjourned.