

National Housing Conference 2008

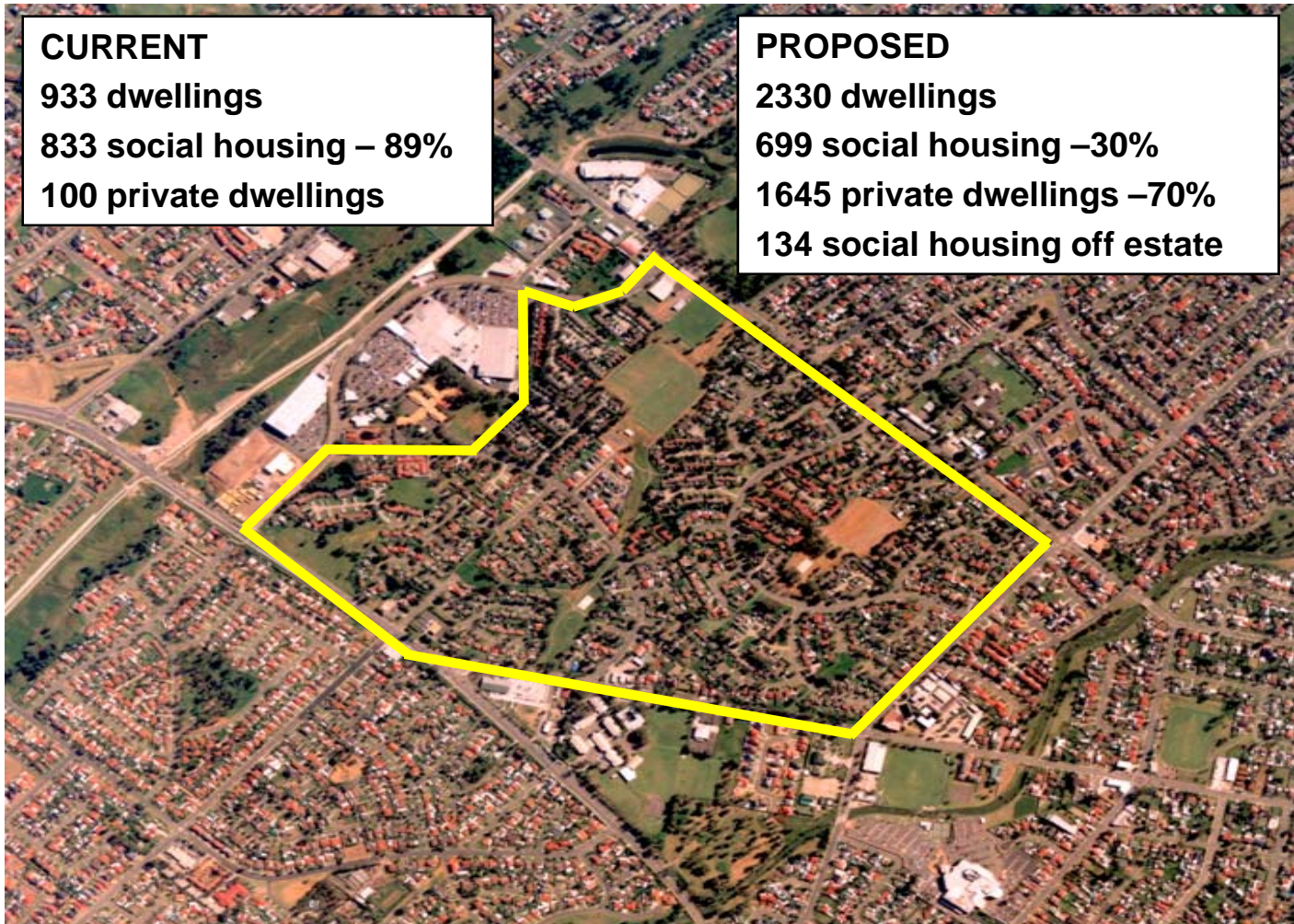


Bonnyrigg Living Communities: Concept to Contract
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Bonnyrigg Estate – Southwestern Sydney





Setting – Tenants

- Anxious because of negative impacts on other estates
- Distrust of government in estate redevelopment
- Concern about role of private sector
- Differing value sets between stakeholders
- Change causes anxiety
- Many have lived in home for 20 years or more



Setting – The Private Sector

- Little knowledge of social housing
- Limited social PPP experience
- Unknown appetite for social housing PPP
- Extensive development experience
- Contract maintenance and building works only
- No operational service delivery e.g. tenancy management
- not-for-profit community housing providers deliver operational services but generally not development



Setting – Public Private Partnerships

- No previous social housing PPPs in Australia
- PPPs not usually combined with large private property developments
- Typically 30 years – availability payment
- Successful for schools and hospitals
- Scope of prior social PPPs limited, for example:
 - school PPPs exclude teaching services
 - hospital PPPs exclude clinical services
- Scope would normally exclude tenancy management, but ...
 - community housing provides tenancy management



Approach

- Clear break from the past
- Sustainable physical and social renewal
- Clear objectives and values
- Clear communications
- Community involvement
- Expert advice and governance
- Optimal use of all sectors, including private
- Highly interactive commercial and community processes



Living Communities

- A new brand for a new approach
- Three **equally important** objectives -
 - renew the houses and public areas
 - build a stronger community
 - provide better services and opportunities for residents
- Objectives achieved
 - transparently
 - in partnership with the community, key stakeholders and private sector



Integrated PPP Scope of Works

- financing
- development planning and approvals
- works – public and private
- marketing and sale of private stock
- communications
- community engagement
- community renewal
- facilities management
- tenancy management
- tenancy support



Governance

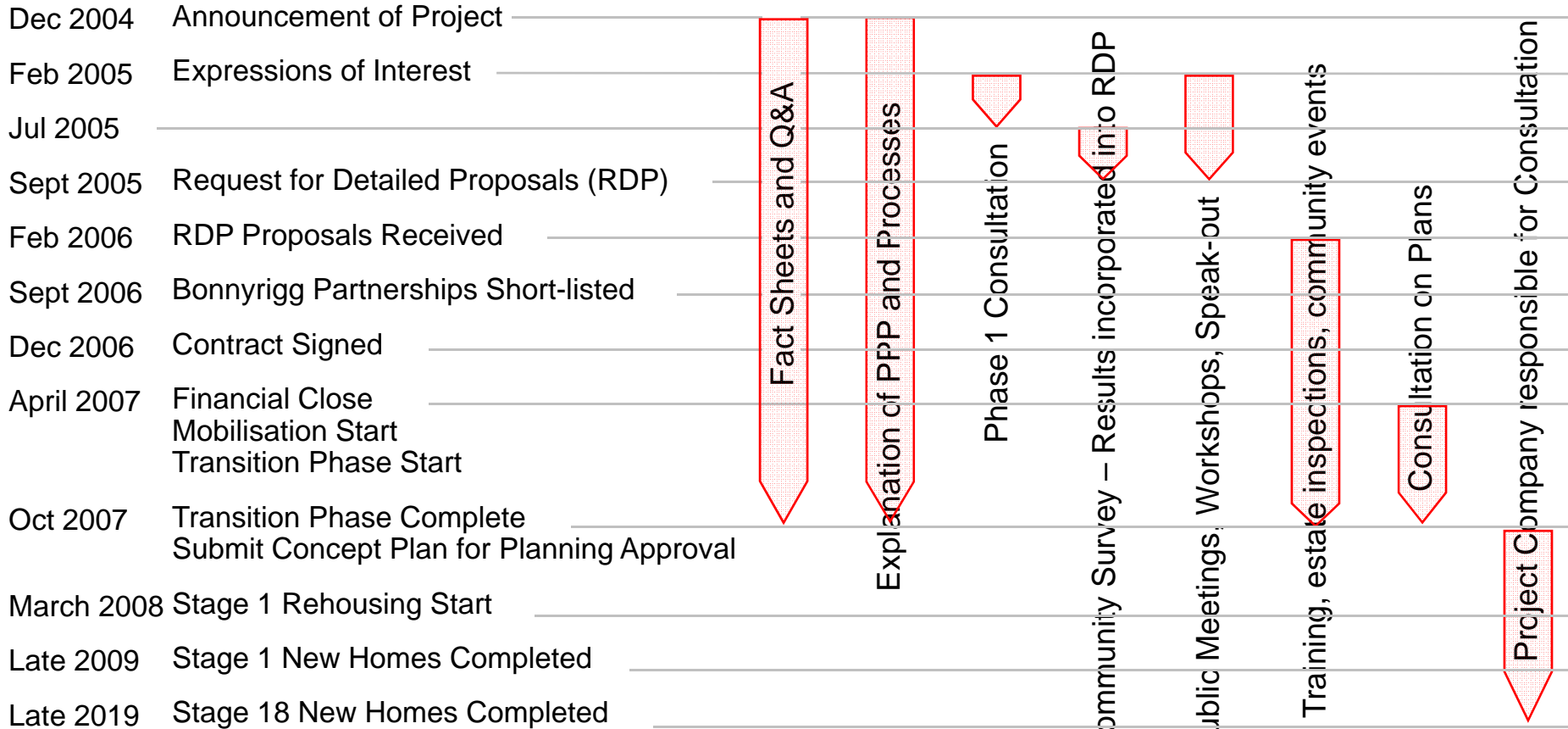
- Government Agencies Steering Committee
- Living Communities Consultative Committee
 - peak stakeholders and experts
- Community Reference Group
- Project Control Group
- Probity Auditor
- Risk Management and Audit Committee



Key Dates and Processes

Commercial Milestones

Community Processes





Key Contract Issues

- Lack of social housing knowledge
- Ensuring contract reflects project objectives
- clear risk allocation and accountability
- property development and PPP combined
- preserving tenant rights
- Hybrid social housing model - public housing policy delivered through community housing landlord as part of private sector PPP
- Policy impacts
- Legislative impacts
- Complex legal documentation



Status at February 2008

- 4 months of satisfactory PPP service delivery
- Services well integrated
- Concept plan lodged for approval in Nov 2007
- All service plans in place
- No significant teething problems
- Proven concept that PPP can be achieved in social housing
- While early days all signs point to success
- Private sector contribution is key