Innovation in Water, Property and Housing

Ministerial Travel report to the United Kingdom and Israel

January 2020
Minister’s Foreword

Our State is living through the most extreme drought and weather conditions in living memory. The impact of such conditions has been catastrophic, affecting the water supply and livelihood of communities across NSW. The recent bushfire crisis only catalyses our need to leverage insight from new partners to confront the challenge of improving the sustainability of our water resources, land and property assets on behalf of the people of NSW.

The opportunity to visit and learn from world leaders across areas such as water resilience, social housing and sustainability is invaluable. The ongoing relationships we build will continue to improve and inform existing programs and systems, providing added value to the NSW Government.

In November 2019, I had the opportunity to visit Israel and the United Kingdom, world leaders in both Water and Housing. This trip created an opportunity for the NSW Government to expand our knowledge on creating positive partnerships with investors and community. We discussed and explored options used from both countries on creating positive partnerships for affordable housing that could be leveraged to improve the current responses across the housing spectrum of NSW. We also looked at partnerships within water organisations that create positive water management that could improve outcomes for sustainable water supply in NSW. The establishment of such partnerships will help us to deliver housing and water outcomes that reflect the social, economic and environmental priorities in NSW.

Our delegation had the opportunity to meet with key stakeholders and to examine the success of social and affordable housing programs in the United Kingdom and Israel. We had the opportunity to assess the UK approach to build to rent, the construction of retail and commercial development by the Crown Estate and redevelopment of older housing stock to meet the diverse needs of new communities. We also had the opportunity to learn about Israel’s water management, monitoring and governance, including discussion on the importance of expanding capacities of desalination plants. We gained critical insight into the collaborative partnership between investors, Government and community that is needed to deliver sustainable social, economic and environmental policy outcomes.

It is critical that the NSW Government continues to investigate sustainable water and housing solutions, to ensure we build the partnerships needed to deliver improved social and affordable housing and in doing so consider the needs of diverse communities in their entirety. We must continue to protect and enhance our water resources through new technology and infrastructure investment to deliver for communities across NSW, but most importantly those communities on the frontline of drought.

I would like to express my gratitude to all our hosts from Israel and the United Kingdom. Your insight, knowledge and passion has provided significant value to our ongoing work. I and my colleagues have returned to NSW with added motivation to explore and apply the knowledge you have imparted. I look forward to working across the Water, Property and Housing portfolios to embed this knowledge and improve outcomes for communities across NSW.

The Hon Melinda Pavey MP
Minister for Water, Property and Housing
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Executive Summary

The Minister for Water, Property and Housing, the Hon. Melinda Pavey MP, travelled to Israel and the United Kingdom in November 2019 to engage with key stakeholders and gain comparative knowledge of issues relevant to the recently established Housing and Property Group and Water Portfolio. The Minister also signed a Memorandum of Understanding with the Israeli Government in relation to water resource management.

Minister Pavey was accompanied on the trip by her Chief of Staff, Jeffery McCormack, Group Deputy Secretary Housing and Property, Alison Frame, Deputy Secretary Water, Jim Bentley and Chief Executive Officer Water NSW, David Harris.

Objectives of the trip

Water Portfolio

The objective of the trip from the perspective of the Water Portfolio was to provide the Minister, the Deputy Secretary Water and the CEO Water NSW the opportunity to gain valuable insights into how different water utilities have improved performance, worked with stakeholders, and examine valuable water efficiency technologies in other settings, in order to help drive improvements in the NSW water sector.

A key event in the trip was the signing of the Memorandum of Understanding between the NSW Department of Planning, Industry and Environment – Water and the Ministry of Energy of the State of Israel to enhance knowledge-sharing and collaboration in water resource management.

Housing and Property Portfolio

The objective of the trip in relation to Housing and Property Portfolio was to provide the Minister and Group Deputy Secretary, Housing and Property the opportunity to gain insight into housing finance and innovation, sustainable urban renewal and placemaking and examine social and affordable housing projects.

The opportunity to travel to the UK and Israel supported the Housing and Property group purpose to improve the performance of government owned land and property in the delivery of economic, social, environmental and cultural outcomes.

Scope of the trip

- Engage relevant public and private sector bodies in both the Israel and the United Kingdom to gain comparative knowledge and insight into water infrastructure projects, regulatory and governance arrangements and efficient use of government owned land and property.
- Gain insight into the delivery of water utility and technology projects, mixed-use development, investment in the build to rent sector, social and affordable housing.
- Inspect projects and precincts and hear from a variety of practitioners and government officials to learn how cities across Israel, Scotland and England have:
  - leveraged innovations in housing and water to improve economic, social, environmental and cultural outcomes
  - leveraged government-owned property to develop sustainable urban renewal
  - incorporated innovation in housing design, density and diversity to create vibrant, diversified communities.
• To promote the NSW Government’s leadership in sustainability, water efficiency technologies and social housing programs.

• To examine comparative examples of cross-agency collaboration in the use of government owned land and property to maximise community benefit.

Summary of trip

In total the delegation attended twenty-four meetings, site inspections or events with key stakeholders across industry and government sectors.

In Israel (2-4 November) the delegation attended five meetings with representatives from Industry Groups or private companies, two meetings with non-government organisations, one meeting with a municipal authority, one meeting with a government agency and a meeting and signing ceremony with the Israeli Minister for Energy and Water Resources.

During their time in Scotland (5-6 November), the delegation attended a meeting with an industry peak body, undertook a site inspection of a regeneration housing project with a non-government organisation, met with the Scottish Minister for Local Government, Planning and Housing and attended a meeting with a government agency.

In London (7-9 November), the delegation attended four meetings/site tours with industry representatives, two meetings with non-government organisations, three meetings with government agencies and a meeting with a government regulator.
Key Outcomes and Findings

This trip provided the the Minister, staff and senior departmental representatives with the opportunity to:

- Meet with new stakeholders to share knowledge and insight from comparative experiences in the delivery of social and affordable housing, improved performance of government owned land and property, water utilities and technologies.
- Build upon existing partnerships with key stakeholders across Israel and the United Kingdom with the capacity to further improve the delivery of housing, property and water projects across NSW.
- Consider options to improve efficiency and quality in planning, delivery and built form outcomes for government led development projects across NSW by learning from the experiences of other jurisdictions.
- Use the experiences of Israel and the United Kingdom to inform the State Water Strategy currently in development, including recommendations for regulatory and structural reform.

The delegation notes that significant benefits could be leveraged from the application of knowledge learned from counterparts in the United Kingdom and Israel. The delegation notes that outcomes and findings should include further exploration on the adoption and viability of key projects and thought leadership, including:

- The operating model and structure of the UK Crown Estate, including successful adoption of commercialisation opportunities across energy, agriculture and mixed-use development in urban environments.
- Innovative approaches to sustainability by a diversity of stakeholders including:
  - The Crown Estate embedded sustainability approach, including total contribution methodology and adoption of circular economy principles;
  - Lendlease Elephant Park climate positive development, energy hub and net-zero carbon heat and hot water on a precinct scale.
- Adoption of wholistic approaches to affordability which go beyond the provision of housing to adopt a community-wide approach encompassing services, retail, amenity and infrastructure, including:
  - Co-locating services required for social and affordable housing tenants including ‘affordable precincts’ approach and below market rents for key services and retail businesses.
  - Affordable retail and business rents to expand employment, small businesses and affordable services within community developments to assist in diversity of community, tenure and services.
  - Replication and viability of Housing First Initiative (Scotland) to provide access to housing for at risk populations and co-location of support services.
- Additional areas of further exploration as discreet projects led by the Housing and Property Group should include:
  - Stakeholder mapping to identify key cluster and HAP group stakeholders to embed place-based development principles across development teams
  - Viability of co-design methodologies and governance models to support the diversity of mixed-use community development.
Water Delegation Overview

Israel

Israel is a world leader in water management, monitoring and governance as noted in the 2018 Augmentation of water supply for rural and regional NSW Report, which recommended that the NSW Government study Israel's innovative water management practices. Fostering ongoing collaboration and knowledge-sharing with Israeli counterparts provides an invaluable learning experience for the NSW Government so that we are better prepared to implement technology and infrastructure initiatives to respond to the drought crisis.

A highlight of the visit to Israel was the meeting with Minister Steinitz, Minister for Energy and Water Resources, Ambassador Cannon, and Giora Shaham, Director-General of Israel National Water Authority. At this meeting, Minister Pavey and Minister Steinitz signed a Memorandum of Understanding (MOU) on Water Resources Management and Development Cooperation on behalf of their governments.

The MOU will allow NSW and Israel to enhance cooperation at the national, regional and international levels in the field of Water Resources Management and Development by collaborating and sharing experience and expertise, and encourage activities such as the exchange of experts and study tours.

At that meeting the delegates also had informative discussion regarding the importance of climate independent sources of water. Israel is expanding its desalination capacity further, and this provides useful context for bulk augmentation decisions in NSW in the coming months.

The delegation held meetings with a diversity of other organisations representing different segments of the Israeli water sector, and explored a number of key issues related to the Minister’s Water portfolio, including ways in which the State could leverage new and innovative water efficiency technology in response to the current drought.

The Delegation met with TaKaDu, a global software company providing Central Event Management solutions for water and gas industries. TaKaDu provides technology to detect network events such as leaks or operational failures with the benefit of reduced water loss by 30% and reduction in repair cycles by 60%. The insight provided by TaKaDu will be leveraged by both Sydney and Hunter Water who are both trialling similar technology.

The delegation also examined the range of supply and storage options used in Israel and gained insight into how Israel has achieved the development of over 4000 projects of transfer and treatment systems and 62 mega project of reclaimed water facilities. The delegation explored the Israeli commitment to upgrade infrastructure by managing inter-ministerial committees, project budgeting by use of loans and grants and defining regulation requirements in the reclaimed wastewater sector.

The delegation also examined opportunities regarding water recycling, particularly in relation to user acceptance and initiatives to increase water supply. The delegation learnt that Israel has started national planning to increase the annual production of desalinated water by 2040 and has introduced managed corporations to upgrade infrastructure.

Insight was also gained into the ownership, funding and regulatory models used by Israel. Israel has established water and sewage municipal corporations that function as business entities, with the sole function to manage water and sewage systems. These systems are regulated and supervised by the Israel Water Authority and are maintained and developed using corporate revenues, loans and grants. The delegation was able to learn and gain critical insight into the governance of water as a public asset.

Additional insight was also gained into the drivers behind Israel’s success in promoting innovation in water technology. In particular, the delegation met with Israel’s national water company Mekorot Head of Innovation, David Balsar. This meeting provided knowledge of how Israel is working to develop new advanced solutions and technologies that can address significant challenges. The delegation learnt how
Mekorot established WaTech, the centre for Entrepreneurship and Innovation of water technologies. The NSW Government can leverage collaboration with WaTech to learn from their experience in implementation of advanced solutions via cooperation and collaboration with Israeli and international water entities. Additional knowledge could be gained from WaTech’s cooperation with start-up and well-established companies, research institutes, universities, technological incubators, investors and venture capital funds.

The delegation learnt from Israel’s experience in creating education programs regarding water technology starting with children through the Green Horizons programs all the way through to adults. The delegation gained further insight into the provision of affordable treated wastewater for agriculture. In particular, one of the largest water return enterprises in the world which provides the wastewater irrigation demands of Emek Hefer and of other northern regional councils. In Emek Hefer today, 80% of the agricultural crops are irrigated with recycled water.

The trip provided further valuable insight and knowledge into improved water management in very dry locations across Israel. In particular, Israel’s ability to produce water recycling to a standard close to drinking water quality that can be used for farming irrigation. The NSW Government should explore options to consider the methods used by Israel to efficiently re-use wastewater and the management of drainage and run off water to supply sustainable outcomes for consumers.

A brief summary of the individual meetings is listed below.

Start Up Nation Meeting, Israel-Australia Chamber of Commerce: Gained appreciation of the extent of recycled water for agriculture and the focus on technology innovation and leakage management

The Platform, Shana Krakowski, Director: Demonstration of the extent of technology innovation in Tel Aviv and how this extends to the water sector, and enabled consideration of how NSW can develop such an innovative culture

Hameniv Reservoir, Sally Levy, CEO: Achieved good understanding of the criticality of water efficiency and leakage, and enabled discussion of the importance of performance culture and how we can instil this in our utilities

TaKaDu, Amir Peleg, CEO: Provided a good opportunity to explore the potential for the TaKaDu system to help with leakage management in regional towns. We will explore the potential for Hunter Water to work with this technology.

Working dinner with industry guests including Mark Okon, Shafdan wastewater treatment plant, Danny Lacker, Head of Water Security and Emergency Division, Israel Water Authority: Opportunity to discuss how the Israeli water sector works and the institutional & governance arrangements, providing helpful context for improvement we are designing for NSW

Hagihon Jerusalem Region Water and Wastewater Utility: Emphasis on security of water systems especially cyber security, Israel’s necessary focus on security from terrorism provided useful reminders of the need to ensure our operation systems are secure

Afikei Emek Hefer - Agricultural Association Inc, Alon Heyman, CEO: Extensive use of recycled water for irrigation, 95% of wastewater is recycled overcoming discharge quality issues and supports water and food security

Watech, David Balsar, Head of Innovation: Opportunity to explore ways of working together in the interests of growing our technological innovation. Explored opportunities for collaboration including with the university sector and linkages between the UK, Israel & NSW to be facilitated through Mr Bentley’s visiting professorial positions in London & Newcastle.

Working dinner with industry guests including Ronen Hadash, CEO - Sorek Desalination Plant: Helpful discussion in the context of asset funding and ownership issues we need to address in planning the future of the bulk supply system for Sydney
Minister Pavey and Minister Steinitz sign a Memorandum of Understanding (MOU) on Water Resources Management and Development Cooperation
United Kingdom

The United Kingdom has a number of privatised water utilities, with independent price regulation, and this visit provided the opportunity to discuss with utilities, the regulator, and other groups to understand and learn from the experience of these organisations, and provide insights that will help the NSW Government improve service delivery from water utilities for NSW customers.

The delegation held the following meetings:


Peter Simpson, CEO of Anglian Water: Discussed how Anglian Water have driven a strong performance culture around demand management & leakage in spite of a challenging regulatory regime, through positive alignment of their shareholder who is a long-term investor with the focus on conservation and leakage, and good community service.

John Russell, Senior Director, Strategy and Planning at Ofwat: Ofwat is the economic regulator of the water sector in England and Wales. This provided helpful insight given the current work underway with the NSW Independent Regulatory Tribunal (IPART). Ofwat has in recent years changed its regulatory approach to be more based on resilience and customer service. The delegation also explored funding and regulation of the Thames Tideway Tunnel at the request of NSW Treasury.

Phil Stride and Matt Parr, Thames Tideway: Further examination of the tideway project, and how the tideway project was developed and financed, and the role of Thames Water which is the new owner of the asset, and Ofwat. The NSW Government will have the opportunity to follow up with the Tideway team should we decide to finance new bulk assets using a similar approach.

Michael Roberts, CEO, Water UK: Discussed the relative performance & regulatory issues of the four systems in place in the four nations of the UK. Helpful context for the reforms we are currently designing for water in NSW.

Professor Brian Collins, UK Collaboratorium for Research on Infrastructure and Cities (UKCRIC) and University College London (UCL): Explored potential for collaboration between NSW and the UK universities to support decision making for water and for other infra services in NSW. There will be opportunity to follow up with Prof Collins through Mr Bentley’s visiting professorship in Prof Collins’ Department at UCL.

Professor Brian Collins and Piers Clark, Chairman, Isle Group and Chair of World Water Fund: Discussed the potential for the Hunter Water membership of the World Water Innovation Fund to enable the NSW water sector to be at the forefront of innovative technology which will improve network performance especially in areas such as leakage.

Liv Garfield, CEO, Severn Trent Water and Piers Clark, Chairman, Isle Group and Chair of World Water Fund: Explored the potential for direct confidential working arrangements on innovation between Severn Trent & the NSW Government. Will follow up with the CEO in 2020 with a view to ensuring that the whole sector in NSW is able to benefit from innovative technology which we are able to prove between us.

In addition to these meetings, the delegation was able to examine the impact that water utility management can have on housing development during the meeting with Nicola Barclay from Homes for Scotland, and the delegation had a brief meeting with Learning Emergence to discuss how the learning power science has contributed to Hunter Water and Sydney Water’s “Love Water” conservation work.
Housing and Property Delegation Overview

The Platform (Israel)

The Platform Entrepreneurship and Innovation Center in a program initiated and supported by the Tel Aviv Foundation. The Platform was formed in South Tel Aviv with the vision of developing and promoting entrepreneurship and innovative Urban-Social initiatives to improve the quality of life in the Neve Shaanan and surrounding neighbourhoods.

Through the Platform, the Tel Aviv Municipality is harnessing Tel Aviv’s globally recognised start-up ecosystem and talent to disrupt the way cities are approaching these challenges. In addition, the platform serves as a capacity-building entrepreneurship centre for local communities, proving training and access to the tools of entrepreneurship which has the power to change lives and communities.

As a result of meeting with Shana Krakowski, Director of The Platform, the Housing and Property Group has developed insight into the unique governance and operating structure that supports the Platform’s collaboration with Tel Aviv Municipality and the Tel Aviv Foundation.

Opportunities for NSW

The Housing and Property Group will leverage this experience to explore how public-private partnerships can support entrepreneurship in low socio-economic communities, the provision of new mixed housing development, support services for low socio-economic and at-risk communities and social cohesion in diverse communities.

This insight can support the work of agencies such as Land and Housing Corporation and the Aboriginal Housing Office and assist in the improvement of outcomes for Aboriginal communities and social housing tenants. Building on insights gained from the Platform will also assist in improving social, community, employment, skills and training outcomes.
Innovation in Water, Property and Housing

The Minister for Water, Property and Housing, the Hon. Melinda Pavey, Group Deputy Secretary, Housing and Property, Alison Frame, Deputy Secretary Water Jim Bentley and CEO Water NSW David Harris meet with Shana Krakowski, Director of The Platform.

Jindas NGO urban regeneration

Jindas was founded in 2012 to enable social mobility, aiming to create communities of different income levels in the same residential area, who will benefit from a quality mix of community services and social housing solutions. Jindas specialises in advanced urban and economic planning, community engagement and co-design.

The organisation initiates and leads long-term rental housing projects and social services, through a model that creates cooperation between the public, industry and government sectors. Its operational partnerships include the State of Israel, local government, civil society, philanthropic organisations, and the business sector.

Jindas’ operational model aims to:

- Promote social mobility through a combination of middle to high income and disadvantaged populations in the same community.
- Recognises that accessible, secure and stable housing is only one aspect of community renewal.
- Provide development and support of schools; access to quality health services, community and commercial centres; environmental stewardship;
- view the entire public space as essential for long-term neighbourhood revitalisation.
- Promote leading urban regeneration processes emphasizing: building long-term rental housing units in old neighbourhoods.
- Assisting and motivating leadership in the long-established local community.
- Building trust and partnership among the various stakeholders.

The Delegation met with Founder and Chief Executive Officer Avital Blonder and Senior Partner Richard D Baron of Jindas NGO urban regeneration and gained insight into how Jindas achieves a balance of social outcomes and economic feasibility. The Delegation discussed Jindas’ planning model which considers architecture, develops spaces for education, health and culture, encouraging upper- and middle-class populations into old neighbourhoods.

The discussion also highlighted the importance of place-based development processes including establishment of a team to oversee social and community mapping, drafting of business plans and the evaluation of financial investment required to achieve community regeneration. Creation of housing and neighbourhood committees are conducted through open election processes.

Jindas also leads in development of long-term rental housing for social and affordable housing tenants in established neighbourhoods, including the development of public and community spaces by encouraging private developers to become involved in Israel’s oldest neighbourhoods. Jindas has also established key partnerships with government, industry and not-for-profit sector, looking at raising government budgets based on the business plans, and recruitment of long-term investors.

Opportunities for NSW

The meeting with Jindas confirmed that place based development of government owned land using a broad range of skills delivers improved outcomes for communities and governments.

Options that could be further explored by the Housing and Property Group that have been successfully used by Jindas include:
• Social and community mapping. This process creates a visual representation of design and leverages community involvement during the planning stages, broadening community engagement through neighbourhood committees' members and co-design workshops. Neighbourhood committee members would represent the community that will reside in the development to share input of services that the occupying residents feel are required.

• Integrating the needs of all demographics within new housing developments. This approach encourages diverse populations to live together, including the development of community social services, long term rentals, health facilities and education improving the social mobility of residents. This aligns closely with the Housing and Property group objectives for social, environment, and economical outcomes. These outcomes would be developed through consultation of all key stakeholders and community at the start of the planning process.

• Collaborative relationships between government, business sectors, civil society and philanthropic organisations, improved collaboration has the capacity to create communities that have access to all necessary services. By including Philanthropic involvement there is opportunity for grant funding to increase social and environmental outcomes that would benefit development outcomes.

Homes for Scotland

Homes for Scotland is the peak industry body for the home building industry in Scotland. They represent approximately 200 companies and organisations which significant proportion of affordable and private housing.

The organisation aims to foster the conditions necessary to enable the home building industry to prosper and make a significant contribution to Scotland's social, economic and environmental well-being.

Homes for Scotland works with industry partners to influence housing and technical policy agendas through research in modern construction methods, sustainable development and rental sector development. The organisation also seeks to influence government policy in building standards, infrastructure and procurement, skills and training. The organisation has established policy and planning committees to prioritise and influence national policy debates.

Homes for Scotland advocates for:

• An increase in housing production to meet housing demand and tackle house price inflation.
• Ensuring buyer access to mortgages for those who can sustainably afford them
• Local authorities to allocate sufficient effective land in places people want to live and develop practical solutions for infrastructure provision
• Highlighting the importance of new home development to sustaining local communities
• Encouraging more young people, especially females, into the industry across both trades and professions

The delegation met with Nicola Barclay, Chief Executive, Tammy Swift-Adams, Director of Planning, Jennifer Kennedy, Head of Public Affairs and Nikola Miller, Head of Planning Practice at Homes for Scotland to discuss housing supply challenges in Scotland. To address a diversity of housing needs, Scotland is now looking to an all-tenure approach to deliver appropriate housing for its growing population. Such approaches include planning policy reform, including the provision of long-term rental and pathways to home ownership.

Further insight was gained into the delivery of key Scottish housing initiatives including the Housing First Initiative which ensures those experiencing homelessness can be settled into suitable housing first, providing a stable environment from which to access the services they require.
The delegation were also able to discuss the provision of affordable housing in Scotland. Build to rent was established to ensure investors would receive a fair rental income upon occupancy, creating affordable housing for those who require it and a return on investment to encourage growth in the housing industry. This program has also seen investment into the country’s building industry which supports approximately 63,000 jobs.

**Opportunities for NSW**

The delegation gained insight into how comparative jurisdictions have mapped the various range of housing needs, including rent controlled, build to rent and social housing. The Housing and Property Group can leverage such experience in planning for the implementation of sustainable housing in major growth areas.

Additionally, HAP could also leverage the experience of Scottish counterparts to assess the viability of similar programs to the Housing First Initiatives. Such programs could dually compliment the Premiers Priority on Homelessness for at-risk people, whilst also collocating services that will be required once residents are in stable housing environments. Such an initiative could be designed to address at-risk populations, providing housing, stability and access to services, creating more positive outcomes for at-risk members of the community.

HAP could benefit from a further assessment of Scotland’s build to rent sector to examine which parts of the State would most benefit from investment. HAP could also learn from comparative assessment strategies and development programs which have delivered public value in line with affordability, social and environmental goals. Scotland has also been a leader in providing younger generations with opportunities to enter into trade and construction professions, including expansion of women in construction jobs and supporting development essential for the growth of building trades to secure long term employment. This experience should be leveraged by HAP to ensure the success of programs such as the Skills Exchange.

**Kevin Stewart Minister for Local Government, Housing and Planning**

The delegation met with Kevin Stewart MSP, Minister for Local Government, Housing and Parliament in the Scottish Parliament. Minister Stewart is a member of the Scottish National Party and has served as Minister for Local Government, Housing and Planning Since May 2016.

Minister Stewart has responsibility for key government initiatives which includes *More Homes for Scotland* which is investing £3.3 billion to deliver 50,000 affordable homes (a 67% increase in supply), of which 35,000 will be for social rent, by March 2021. The *More Homes for Scotland* program is supported by a Housing and Planning Delivery Framework, Affordable Housing Supply Program and the Housing Infrastructure Fund. The Housing Infrastructure Fund includes infrastructure loans available to non-public sector organisations and infrastructure grants available to local authorities and Registered Social Landlords (RSLs) to support affordable housing delivery. Minister Stewart is also responsible for *Housing Beyond 2021*, a government program commenced in 2018 to assess the future of housing and community development by 2040.

The delegation also learnt about the Scottish Housing First model which provides ordinary, settled housing as a first response for people experiencing homelessness with other disadvantage including mental illness, trauma, abuse, addiction and experience of local authority care and prison.

The Scottish Government has invested £6.5 million to address homelessness and assist 800 at risk people successfully maintain tenancy. Initial indications are that the program is a success with 80-90 percent housing retention rates after two years.

Additionally, the model includes the development of five-year Rapid Rehousing Transition Plans by local authorities and partners, which support the Housing First Model. The Plan reduces the time people spend homeless and in temporary accommodation, limiting the impact to health and wellbeing.
The delegation discussed the Scottish Government’s coordination with local government in the provision of new housing, affordable housing programs and expansion of mid-market rent and the experience of innovative funding and delivery models (Build-to-Rent, government guarantees and loans) for affordable housing.

**Opportunities for NSW**

The Housing and Property Group will be exploring opportunities to work directly with key stakeholders to explore options to replicate Scottish knowledge sharing programs such as the Housing Options Hubs. These Hubs bring together government, Council and relevant third parties to share information and promote best practice in homelessness prevention and response.

The Housing and Property Group will conduct further research into key Scottish housing initiatives including More Homes for Scotland, Housing Beyond 2021 and the Housing Infrastructure Fund to assess the viability of such approaches within NSW. Such approaches could support the development of additional affordable housing.

Additionally, further investigation will be conducted into the viability of adopting a similar approach to Scotland’s Housing First Approach. Not only does such a response closely align with the NSW Premier’s Priority to address state-wide rates of homelessness, it goes further in addressing the underlying causes and associated challenges experienced by at-risk populations.

**Sanctuary Housing, Anderston Regeneration Project**

The Anderston Regeneration Project is a five-stage, ten-year master planned development near Glasgow city centre. The project commenced in 2009 and has delivered 542 new, mixed-tenured affordable homes. The project received funding from the Scottish Government and Glasgow City Council.

Phases 1 & 2 of the project delivered 178 flats for social rent, with phase 3A and 3B delivering both 49 mixed-tenure homes (five town houses and 44 flats) and 109 flats.

A series of community benefit initiatives were delivered throughout the duration of the construction programme for Phases 1-3. Programs included the provision of jobs and training opportunities for the local community, access to the developer’s trade apprenticeship program, the provision of curriculum support and art projects with the local primary schools and donating to local charities and SME’s.

Phases 4 and 5 were completed in 2018 and provide an additional 206 new build flats, with mixed tenure of social and mid-market rent. Of the 206 apartments, 86 units have been provided for social rent whilst 123 units are for shared-equity/mid-market rent all delivered in a mix of two and three bedrooms.

The Herald Property Award is the second honour given to Phase 3A in recent months. Project architect Collective Architecture won the Large Scale Housing Development category at the Saltire Housing Design Awards, where judges praised the attention to detail, the finishes in the communal spaces, and the well-considered space standards among other aspects.

Sanctuary Scotland is one of Scotland’s leading housing associations with more than 6,500 homes within its portfolio. Sanctuary’s affordable housing portfolio includes general rented and sheltered accommodation. Sanctuary Scotland is a registered charity and not-for-profit organisation with surpluses reinvested into services, homes and neighbourhoods. Sanctuary Scotland was established in 1996 and is a member of Sanctuary Group, one of the UK’s leading providers of housing, care and commercial services.

The delegation had the opportunity to discuss a number of key issues including: the funding structure between city and federal partners, project governance, the off-site manufacturing process and time/cost efficiencies and rehousing process and similarities to communities plus.

**Opportunities for NSW**

The Housing and Property Group will be conducting further research into Sanctuary Housing projects, in particular how such projects have supported communities throughout redevelopment. This research will
also explore how such projects have achieved active transport links to improve connectivity between community and new amenities. This could support the Housing and Property Group in achieving better place creation, housing diversity and healthy placemaking outcomes.

The Housing and Property Group will investigate increasing the use of offsite manufacturing processes to assess the viability of such methodologies in the NSW context. Such processes may increase monetary and time productivity on new developments, look at how far from sites these manufacturing facilities can and should be from the development itself.

Further research will also focus on innovative funding models to address issues currently faced in NSW to provide affordable housing. Such research could compliment priority cluster deliverables to address housing need across the housing spectrum. A further area of research should investigate UK governance models, in particular the composition of group boards to oversee project governance. Such approaches could provide added value, ensuring a vast range of expertise and complimentary experience is brought into the development process with the added opportunity of achieving greater social, cultural and environmental outcomes.

**Our Place, Prince’s Trust Housing Project**

The Prince’s Trust is a charity in the United Kingdom founded in 1976 by Charles, Prince of Wales to help vulnerable young people get their lives on track. It supports 11 to 30-year-olds who are unemployed and those struggling at school and at risk of exclusion.

Our Place specialises in creating places that celebrate local identity, mixed uses, sustainable communities and walkable neighbourhoods. Our Place is currently regenerating urban sites in London and Norwich as well as creating entirely new settlements for 25,000 people in the South of England. Our Place focuses on innovative design, community engagement and investment in long-term placemaking.

*Dominic Richards*

Co-Founder and Chief Executive of Our Place, Chairman and Co-Founder, Prosper Education; former Vice Chairman and Director of The Prince’s Foundation for Building Community, Trustee of The Prince’s Trust Australia. Dominic is the co-Founder of Our Place with Sir Michael Hintze.

The delegation met with Dominic Richards to discuss the Glebe Project, a partnership between the NSW Land and Housing Corporation and the Prince’s Trust Australia.

The NSW Land and Housing Corporation (LAHC) and the Prince’s Trust Australia have come together to prepare a preliminary development proposal for two adjacent sites in Glebe (31 Cowper Street and 2A-2D Wentworth Park Rd). The proposal seeks to deliver:

- A showcase design, which responds to local character and illustrates how new housing can be sensitively introduced into an established inner-city environment
- A new 300 sqm multipurpose community hub, a retail opportunity and public domain improvements
- Skills development opportunities for young people through partnerships with local education and support service providers
- High-quality new housing (around 75 dwellings, with a mix of social, affordable and private housing) in buildings up to seven storeys.
- High environmental sustainability performance
LAHC manages the NSW Government’s social housing portfolio and is the owner of the two sites, which currently contain low-scale social housing.

Prince’s Trust Australia is a registered Australian charity established in 2013 under the guidance of His Royal Highness, The Prince of Wales, which seeks to foster sustainable communities, transform the lives of young people and support defence members and their families.

The delegation discussed the Glebe Project and the importance of contextual architecture in development. The aspects of the partnership were explored in detail. The Project was announced in November 2019.

Crown Estates

Crown Estates is a collection of lands and holdings within England, Wales and Northern Ireland belonging to the British monarch as a corporate entity. It is neither government property nor part of the monarch’s private estate. Crown Estate’s portfolio is overseen by the Crown Estate Commissioners, who exercise powers of ownership of the estate.

The Crown Estate has a value of £14.3 billion, operating as a real estate business with both urban and rural residential developments and retail, entertainment and commercial ventures. Crown estate also manages the seabed surrounding England, Wales and Northern Ireland working with stakeholders in energy, infrastructure and coastal management programs; whilst also managing agricultural and strategic lands.

In 2018/19 Crown State produced a net revenue profit of £343.5 million. Under the sovereign Grant Act 2011, the Crown Estate provides its entire annual surplus (net profit) to the Treasury. Crown Estate is managed by an independent Board with a responsibility under the Crown Estates Act 1961 to maintain and enhance the value of the estate.

The delegation met with Dame Alison Nimmo DBE, Chief Executive, Executive Board Member and Second Commissioner of the Crown Estate and discussed the transition of Crown Lands to Crown Estate under the Crown Estates Act 1961. The delegation learnt about how the Crown Estate is managed under the operating structure of a Board and the responsibility of Commissioners to submit an annual corporate plan to Treasury and provide payment of net income to Treasury as part of general government revenues.

Crown Estate operates as a statutory corporation operating on a commercial basis. The delegation sought insight into this operating structure and the governance of the Crown Estate, which is both governed by the Crown Estate Act 1961, voluntarily complies with the UK Corporate Governance Code, but also guidance from other government bodies as required.

The delegation gained insight into the Crown Estate’s organisational values commercialisation, integrity and stewardships and how such values impact the delivery of key projects and drives sustainable outcomes. Crown Estate has demonstrated a commitment to conscious commercialisation, assessing the performance of assets to deliver improved customer success across high end and localised retail and leisure facilities, leveraging the value of the UK seabed.

With regard to integrity and stewardship, the Crown Estate works closely with its key stakeholders and customers to ensure trust is at the forefront of its partnerships, whilst reflecting the heritage and history of the assets they manage. Stewardship is central to how the Crown Estate conceives of its responsibility to drive sustainable outcomes, particularly in the management and commercialisation of environmental assets.

The Housing and Property Group can take significant knowledge from the Crown Estates’ progressive approach to sustainability, asset management and proactive approach to creating new green space in urban environments, such as the Wild West End project. This project aims at enhancing biodiversity in London’s West End, encouraging wildlife, creating green corridors and improved liveability.
Opportunities for NSW

Crown Estate’s sustainability approach seeks to climate proof the business by 2030, achieve healthy places for customers and natural habitats and improve efficiencies by closing the waste loop and adopting circular economy principles across the business. The Housing and Property Group will similarly explore the opportunity to develop a sustainability strategy with particular focus on adopting circular economy principles to improve efficiencies and address waste reduction and resource use.

In addition, the Housing and Property Group will explore the feasibility of Crown Lands adopting a ‘conscious commercialisation’ approach in certain circumstances. This approach will assess the diversity of assets under the responsibility of Crown Lands, including both metropolitan and regional agricultural and environmental assets with full understanding of the Housing and Property Groups mandate to deliver improved social, environmental and cultural outcomes alongside the economic considerations which have traditionally driven commercialisation of government held assets. HAP will assess how such assets can be leveraged to achieve similar outcomes achieved by the Crown Estate, notably improving agricultural practice and ecological outcomes, creating opportunities for renewable energy solutions such as offshore wind (currently 11% of UK electricity is generated by offshore wind).
Lendlease Build to Rent Elephant and Castle Tour

Lendlease and the Canada Pension Plan Investment Board (CPPIB) established a UK Build-to-Rent investment partnership in 2018, with a sector wide investment target of £1.5 Billion. The partnership commenced with an investment of £450 million in new homes for private rent at the £2.3bn Elephant Park development in Elephant & Castle. The co investment model will see CPPIB will invest £350 million for 80 per cent and Lendlease investing the balance.

Lendlease has been working in partnership with Southwark Council since 2010 to deliver the regeneration project. The project is split across three sites and includes 3,000 new homes, 25% affordable housing, 6,000 new jobs (5,000 in construction and 1,000 post development), 2 acres of public open space, 50,000 square feet of workspace, and a construction skills centre. Elephant Park is the UK’s first climate positive development and includes development of an energy hub to provide net-zero carbon heat and hot water to all homes at Elephant Park.

The Delegation met with Victoria Quinlan, Managing Director, Investor Management, Stephanie Barbabosa, Head of build to rent, Iain Smith, Public Affairs and Stakeholder Engagement Manager, and Alicia Alli Graduate communications assistant and discussed how Lendlease determined the mix of social, affordable and private housing for rent and private sale. Lendlease has created 25% affordable housing with an even mix of social and affordable rent, they have also included rent to buy housing.

The delegation also discussed investment generated by the redevelopment. The project has created opportunities for 50 retailers with 10% affordable Retail rents and 38 Business, this creates productive employment in the Elephant park development, also throughout the development there has been opportunity for investors to be involved in build to rent opportunities.

The discussion also explored the Elephant and Caste Energy Hub. As noted, Elephant Park is the first climate positive development in the UK. The energy hub will include a combined heat and power plant to achieve carbon neutrality. Partnerships with energy and environment stakeholders were formed to deliver climate and environmental positive outcomes. C40 Climate positive development programme guidelines were also used helping to achieve a comprehensive roadmap on net zero carbon outcomes.

The delegation explored current UK tax policy, structuring and delivery mechanisms. Lendlease and the Canada Pension Plan Investment board partnered together to achieve the investment target of 1.5 Billion. The UK was able to attract investment in build to rent by lowering key infrastructure contributions. This experience presents the NSW Government with an opportunity to investigate tax thresholds for larger aggregated holdings and to examine existing tax policy barriers to promote Build to Rent projects.

Opportunities for NSW

The Housing and Property Group will explore options not only long-term housing in the build to rent sector, but also affordable retail and business rents to expand employment and affordable services within community developments. Research will be undertaken into initiatives similar to the Elephant Park development offering reduced affordable and commercial rents that may assist in diversity of community, tenure and services.

The Housing and Property Group will further research Elephant Park’s energy hub, working toward a goal of achieving climate positive developments. Elephant Park is utilising offset grid-injected biomethane for Electricity production, heat and steam production replacing the use of Natural gas, liquid natural gas and diesel, energy efficient housing, Parklands and sustainable active transport. Such outcomes can support key priorities such as the Premier’s Priority on greener public spaces.

The Housing and Property Group can leverage the knowledge gained from Elephant Park as the UK’s only project selected for the C40 Climate positive development Programme, which challenges green urban regeneration project models for large scale cityscapes. To achieve this the project provided a comprehensive roadmap demonstrating how the project will be net carbon neutral by 2025.
Toby Lloyd, Former Head of Policy, Shelter UK & Greenford Quays Site Tour

On the final day of the delegation’s trip to the UK, Group Deputy Secretary (Housing and Property), Alison Frame, undertook some additional housing-related meetings while the rest of the delegation attended meetings on water issues.

Ms Frame travelled to Hackney Wick in London where she met with former policy head for Shelter UK, Toby Lloyd, to see social and affordable housing development in the area around the Olympic site and to discuss challenges and housing outcomes associated with this housing investment. Mr Lloyd has also worked as the Housing Advisor to former Prime Minister, Theresa May, so was also able to discuss housing policy responses in the UK over the most recent term of government.

Shelter UK is a charitable organisation which leads advocacy to address homelessness and poor housing outcomes. The organisation provides advice and information to at risk people, whilst working with government to improve housing outcomes and legislative reform across the UK.

In particular Shelter UK provides personalised assistance to individuals, based on their housing needs. In addition, the organisation also provides free legal advice to assist those who may be facing eviction or who have lost their homes.

After visiting with Mr Lloyd in Hackney Wick, Ms Frame travelled to Greenford Quays, a major Build to Rent project in Zone 4 near Wembley by Greystar. Ms Frame met the development manager there and was taken on a tour to discuss the development and its funding and operating model.

Greenford Quays was recommended by the head of the Property Council in NSW who recommended a visit to this site as a great example of a large scale build to rent development that could be attempted in Sydney. The Housing Strategy currently being developed in NSW will specifically scope the potential for increased development of build to rent projects in NSW.

Opportunities for NSW

As the Sydney Olympic Park continues to deliver the Sydney Olympic Park Masterplan, insight gained from the transformation of London’s Olympic site is invaluable. The Housing and Property Group will further research London’s experience and opportunities for affordable housing development.

As noted, the NSW Housing Strategy currently under development will look at the potential for increased build to rent opportunities in NSW. The Housing and Property Group will conduct further research into Greenford Quays to understand the barriers to introducing comparable build to rent projects at scale in NSW.