New finance gives NSW community housing a clean energy boost

CEFC lends up to $60 million to improve community housing energy efficiency

The Clean Energy Finance Corporation has reached agreement with St George Community Housing (SGCH) to lend up to $60 million to develop high performing energy efficient homes.

SGCH will use the CEFC finance to improve energy efficiency, directly benefiting tenants through lower electricity bills.

Initiatives made possible through the CEFC finance include improved insulation, window glazing, LED lighting, energy efficient appliances, smart meters and solar installations in SGCH’s new and existing properties where such measures will lead to significant energy savings.

SGCH is the largest community housing provider in New South Wales, housing over 8,300 people in 4,300 homes. Community housing is part of the New South Wales social housing sector, with 140,000 households living in social housing and a further 59,500 approved applicants on the waiting list. The social housing system aims to assist low income and disadvantaged households to secure access to affordable rental accommodation.

“The CEFC is able to make finance available over a longer period, allowing the benefits of lower operating costs to be passed on to the tenants. This model will help make such investments more appealing for the housing sector to meet growing needs for more sustainable social housing.”

Oliver Yates
CEO, Clean Energy Finance Corporation

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THE PROJECT

The $60 million CEFC investment will allow SGCH to build over 200 new energy efficient homes, mainly in Sydney’s south.

The new properties will be built to a minimum 4-star Green star rating or a 7-star rating under the Nationwide House Energy Rating Scheme (NatHERS).

CEFC finance will also be used by SGCH to upgrade some of the 4,300 properties it already owns or manages to improve their energy efficiency and lower tenants’ energy bills.
THE FINANCE

The CEFC is lending up to $60 million to a subsidiary of St George Community Housing.

The CEFC’s 10-year finance is enabling SGCH to build homes at a significantly better energy rating than would otherwise have been possible. The new homes will be well above the minimum building standards for New South Wales.

The loan to SGCH is the first of its kind for the CEFC, which is aiming to demonstrate the potential for a community housing sustainability program.

Sustainable initiatives are better value if they are designed into a building at the outset, rather than post construction. In this program, the costs of energy efficient construction are borne by the developer, while the benefits are shared with the tenant.

This financing program is based on the CEFC making longer-term finance available, helping make such investments more appealing for community housing developers.

As part of the project, SGCH will document the energy efficiency and green procurement opportunities that were considered and included in the building design to help with the ongoing management of its portfolio.

The Nationwide House Energy Rating Scheme (NatHERS), administered by the Department of Industry and Science, provides a reliable way to estimate and rank the potential thermal performance of residential buildings.

It is a method of demonstrating compliance with minimum energy efficiency standards for new residential buildings outlined under the National Construction Code.

The system can be used to determine the efficiency of a design of an existing or yet-to-be-built home and give it a star rating of between 0 and 10, allowing for different sized houses and climates to ensure nationwide consistency.

The Green Building Council of Australia developed the Green Star system, which evaluates the environmental design and construction of new buildings, new fit outs and master-planned precincts.

Typically, Green Star certified buildings use 66 per cent less energy and produce 62 per cent fewer greenhouse gas emissions than average.

“CEFC's long term finance of energy efficiency projects will not only improve the lives of social and affordable housing tenants, it will also mean reducing SGCH’s operating costs. The more we can save on energy costs, the more we can reinvest into housing for those most in need.”

Trevor Wetmore
SGCH Acting CEO
The benefits of greener homes go beyond the immediate cost and emissions savings.

According to the Green Building Council of Australia, the better ventilation and indoor environment quality of greener housing has a positive impact on the health and wellbeing of residents.

“Because these dwellings will use less energy our tenants will be less impacted by rising energy bills, while the sustainability of our overall portfolio will improve through a reduction in carbon emissions.”

**Trevor Wetmore**
SGCH Acting CEO

**St George Community Housing** is a not-for-profit community housing provider with 30 years’ experience in providing housing assistance to those most in need. The largest community housing provider in New South Wales, SGCH houses over 8,300 people in 4,300 homes.

Community housing providers (CHPs) are registered organisations that offer subsidised rental housing for very low to moderate income households. In New South Wales, CHPs own 6,000 dwellings and manage 27,000. New South Wales has Australia’s largest social housing system, with more than a third of all social housing dwellings.

In addition to core housing services, SGCH works in partnership with Government agencies and support partners to provide a range of initiatives to improve the lives of tenants such as training, education, employment and community engagement opportunities.
“Improving the energy efficiency of low income households in social housing will help improve affordability, climate resilience and create a better living environment for tenants. People on low incomes are particularly impacted by rising energy prices, but they lack the capital for energy efficiency upgrades and are more likely to own inefficient appliances.”

Oliver Yates
CEO, Clean Energy Finance Corporation

The Clean Energy Finance Corporation (CEFC) invests using a commercial approach to overcome market barriers and mobilise investment in renewable energy, energy efficiency and low emissions technologies.

Since its inception, the CEFC has committed over $1.4 billion in finance to investments in clean energy projects valued at over $3.5 billion.

The CEFC invests for a positive financial return, with its more than 55 direct investments and 34 projects co-financed under aggregation programs expected to achieve a positive net benefit for the taxpayer. These projects help to improve energy productivity for businesses across Australia, develop local industries and generate new employment opportunities.

The CEFC operates under the Clean Energy Finance Corporation Act 2012. More information is available on our website www.cleanenergyfinancecorp.com.au

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