



Partnering for Growth *with the community housing sector*

An initiative of the *Queensland Housing Strategy 2017-2027*



**Queensland
Government**

Foreword



Mick de Brenni MP

Minister for Housing and Public Works
Minister for Digital Technology
and Minister for Sport

Partnering for Growth marks an historic turning point in the delivery of social and affordable housing in Queensland.

At its heart, *Partnering for Growth* announces the unlocking of \$2 billion worth of investment in affordable housing.

These funds have been locked up in a low return investment portfolio as a result of settings established many decades ago.

Under the *Queensland Housing Strategy 2017-2027*, the Community Housing sector has been working with the Palaszczuk Government through Q Shelter to establish a mechanism that enables a once in a generation opportunity to unlock this significant funding potential that belongs to all Queenslanders.

The scale of growth will be informed by engagement with community housing providers, led by Q Shelter, which has already done a commendable job in capturing the shared intent of the sector in the Queensland Community Housing Prospectus.

This partnership is about more than simply accessing funds. It is about building a strong, responsive and commercially-minded community housing sector, dedicated to providing more sustainable housing options for Queenslanders in need.

This initiative is an integral part of the Queensland Government delivering key commitments in the *Queensland Housing Strategy Action Plan 2017-2020*.

The community housing sector is a critical part of the supply of housing in this great state of ours, yet we know that together, we can do more.

The Palaszczuk Government's priority, is to put foundations in place that will ensure that all parts of the sector, from homelessness support to affordable housing supply, are working to their fullest potential. That is the best way to ensure that everyone has a safe and sustainable roof over their head.

Partnering for Growth establishes a new era in which all housing providers will be enabled to partner with us in delivering on this growth agenda with genuine accountability for the outcomes we produce for Queenslanders.

This partnership particularly recognises the stewardship of our Tier 1 and 2 community housing providers in both setting the example, and the environment for growth in the sector, and I thank them and all providers for their efforts to date.

Our commitment to grow the community housing sector

All Queenslanders have a right to safe, secure and sustainable housing.

Affordability is the key to sustainability.

The demand for affordable housing continues to increase, placing Queensland households at risk of homelessness.

The Queensland Government funds and delivers a range of capital and services to ensure all Queenslanders have access to housing whether public or community housing, National Rental Affordability Scheme, homelessness services, RentConnect, Bond Loans and Rental Grants and home ownership.

We know there is still a need for additional social and affordable housing.

The *Queensland Housing Strategy 2017-2027* recognises the community housing sector as a key partner in achieving this growth. The strategy commits to providing 5,556 new social and affordable homes within 10 years to be delivered through a range of initiatives.

The opportunity now exists to rejuvenate the operating environment for delivering housing through the community housing sector. This will require the sector to leverage the significant investment provided by Government and organisations over the past decades. New social and affordable housing will support this growth while also improving services and outcomes for people in housing need.

In partnership we will continue to have a strong, capable community housing sector able to respond to the housing needs of Queenslanders.

We will develop a **person-centred** and **place-based** community and affordable housing operating environment.

We will provide modernised **funding arrangements** to ensure providers can **leverage growth** from existing Government investment.

We will **increase the supply** of community and affordable housing in Queensland managed by community housing providers.



Source: Department of Housing and Public Works

Responding to what we have heard

The community housing sector has told us that the current operating environment needs to be reformed, so the sector is well placed to continue to meet the housing needs of Queenslanders.

The sector asked for:

- a person-centred and flexible program that reduces regulatory burden
- a growth pipeline for community housing providers
- support of mixed tenure housing developments
- policy that supports the use of surplus funding and leveraging opportunities
- flexible Community Rent Scheme funding arrangements
- secure and flexible lease agreements that deliver person-centred housing responses and leverage growth
- capital assistance agreements that provide flexibility and enable growth
- funding incentives for greater coordination and integration of service support
- unlocking existing capital of over \$2 billion to fund new home construction

Snapshot of community housing in Queensland

94 registered community housing providers in Queensland:¹

4
tier one

9
tier two

1
tier three

12 local governments²



Community housing providers manage **13,197** properties in Queensland.⁴

Over **\$2 billion** in asset values, ready to be unlocked.



582

new households assisted by community housing providers in September 2018 with

91%

allocated to very high need and high need clients³



The community housing sector has had a **76%** increase in portfolio size over the past **10** years.⁵



In 2015-16 **17.4 percent** of Queensland households paid more than **30 percent** of their income in housing costs.⁶

¹ www.nrsch.gov.au/national_register

² www.hpw.qld.gov.au/aboutus/BusinessAreas/HousingServices/RegulatoryServices/QueenslandStateRegulatorySystemCommunityHousing/QueenslandStateRegister/Pages/default.aspx

³ Internal DHPW property and tenancy management system, as at September 2018

⁴ Community housing properties as defined by DHPW and provided from internal property and tenancy management systems, as at November 2018

⁵ ROGS data 2018

⁶ ABS 2017

Delivering on our commitment

Recently we have

Commenced delivery of the Housing Construction Jobs Program that enables community housing providers to build new housing supply.

Funded Community Rent Scheme providers for 18 months to 31 December 2019 and are progressing an evaluation of the program.

Approved projects for community housing providers to construct new community housing and affordable housing utilising surplus program funds.

Supported the development of the Queensland Community Housing Prospectus - *A time for Growth*

Established a strategic partnership with Q Shelter. Through this partnership, Q Shelter has delivered:

- a review of the Community Housing Rent Policy
- a review of insurance arrangements for department-owned properties managed by community housing providers
- a sector prospectus to demonstrate the value of the community housing system
- growth case studies completed that identify investment and growth opportunities.

Procured tenancy and property management services for youth foyers in Townsville and Gold Coast.

Over the next few years, together we will

Develop new person-centred and place-based housing response through a single community housing program and new affordable housing setting.

Provide a new operating framework that provides a clear position for community and affordable housing as part of the housing continuum.

Operationalise the new community housing framework.

Reform the rent settings for community and affordable housing.

Enable property equity to be realised and consolidated across funded properties.

Support the flexible use of program surpluses and rental income.

Work with providers to ensure place-based development plans are prepared to guide future growth.

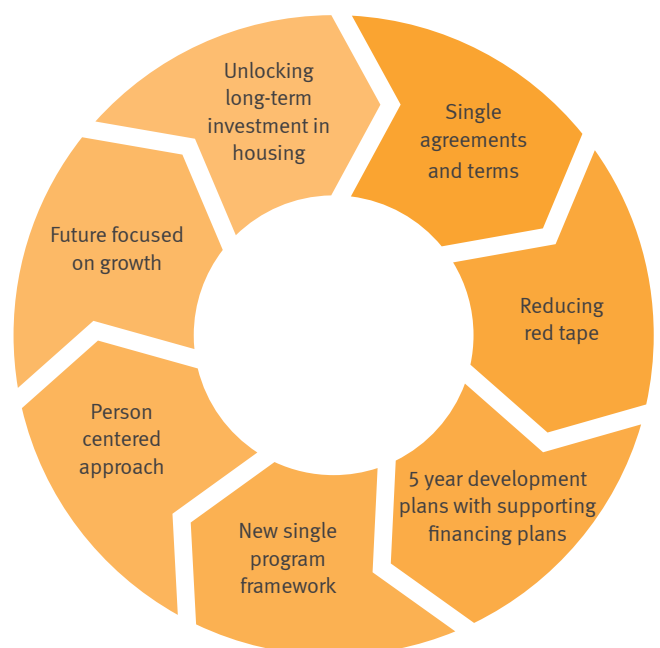
Reshape the Community Rent Scheme program to align with the *Queensland Housing Strategy 2017-2027*.

Encourage partnerships across providers to enable economies of scale.

Work together to develop a strategic approach to portfolio planning.



Source: Department of Housing and Public Works



Features of our new partnership

	Head of Agreement	We will work with community housing providers to set a clear, strategic five-year plan for growing affordable housing
	Financing and Development Plans	We will give community housing providers the opportunity to consolidate their equity, leverage existing investment and plan for development to produce a pipeline of new housing where it is needed
	Portfolio renewal and service agreements with master leases	We will provide community housing providers with the ability to renew their portfolio with sustainable operating structures

The pathway to growth



Delivering certainty and transparency



Flexibility to use assets to respond to client needs



Getting the settings right for growth



Delivering real solutions



Partnering for growth

Through partnership we will develop a new operating framework for community and affordable housing in Queensland. We will develop housing services that are person-centred and provide affordable and stable homes for Queenslanders.

We will provide



Person-centred, place based housing response

Together we will make it easier for people to access secure housing services that meet their needs.

To achieve this, we will develop new housing responses for community housing and affordable housing that are flexible and person-centred.



Increased housing supply

Through partnering with the community housing sector we will increase the supply of community and affordable housing to support Queenslanders in need. A clear investment strategy will be developed that positions the sector to leverage growth and access the National Housing and Finance Investment Corporation and Housing Construction Jobs Program.



New operating framework

Together we will implement a new community and affordable housing operating environment that enables streamlined service delivery and incentivises growth.

Department of Housing and Public Works

For more information call the Queensland Government
call centre on 13 QGOV (13 74 68) or visit www.qld.gov.au



**Queensland
Government**