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Q Shelter Response to the Queensland State Budget

Dear Colleagues,

Overview

Q Shelter's State Budget submission always includes a range of measures across themes such as:

- Housing supply
- Planning system reforms
- Support including \$20million for tenancy sustainment support programs
- Workforce capacity and capability
- Strengthening the voices and influence of people with lived experience of housing need and homelessness.

This year's Q Shelter submission moved more decisively to articulate preventative upstream measures to ensure the overall health of the housing system as well as preventative support. We effectively proposed ways of increasing the pipeline of housing while reducing the pipeline of people emerging into homelessness through intensive preventative measures that are both systemic and at the level of the individual or household.

Last year's State Budget delivered a significant commitment to housing growth under three streams of activity. Despite this, the first 12 months of delivery has had some challenges and so we analyse the housing measures this year along with a forward plan of how to influence increased spend in the future.

It is important to note that this year's State Budget sees an expansion in support services. The budget is a big win for improved support measures across DFV, young people, community centres and mental health. The State Government is to be commended for 'values in action' with such considered measures which have important impacts for the prevention of homelessness by addressing underlying causes.

Housing supply

There is no new funding for social and affordable housing capital projects in this Queensland State Budget which doesn't reflect either surging demand or community sentiment. Budget papers instead restate funding available under Queensland Housing

Investment Growth Initiative.

The Budget does include \$5million over two years to support the capacity of the community housing sector to participate in funding opportunities through the Housing Investment Fund.

The Budget papers include mention of \$541.3 million in 2022-23 for government managed rental rebates which support 54,700 households reflecting only limited increases in the last five years.

Young people

Q Shelter's policy proposal suggested specific measures and targeted capital funding to respond to the needs of young people experiencing homelessness. The Budget includes \$29.8 million over four years and \$10million per year ongoing to support initiatives that address youth homelessness. This reflects capacity to implement a youth homelessness policy and also funded measures that support the implementation of that policy. Q Shelter will continue to support Queensland Youth Housing Coalition's role in leading the development of policy and service delivery models that positively address the needs of young people.

Q Shelter commends the increase in the age that young people exit care. Involvement in the child protection system is a significant indicator of the risk of homelessness. Increasing the age provides much greater support at a vulnerable life stage. There is still vital work to implement protocols and practices that prevent any young person exiting care being homeless even at the age of 21.

Domestic and Family Violence

Q Shelter is engaged in activities to improve the housing outcomes of women and children experiencing domestic and family violence. Enhanced funding for support and implementation of measures to address coercive control are welcome. Q Shelter will continue to work on capability-building activities across the community housing sector and private real estate industry to support responses to DFV that achieve tenancy sustainment.

Community centres

The budget includes new investment in community centres after historically low investment almost since their inception in Queensland. Q Shelter commends the enhancement of core funds and the addition of more Community Connect workers. There is funding for new community centres including at Yarrabilba and in Rockhampton.

Many people searching for housing, visit their local community centre for help. They are an important point of access where people can also become involved and connect with others. This investment will strengthen local access to services and support. Some of this investment is also to address social isolation which we know can have a significant impact on people experiencing homelessness as well as tenants in social and affordable housing. The total investment in this area of \$125.6 million is very welcome. The community and neighbourhood centre sector is to be congratulated for a sustained effort to achieve this investment after decades of effort and dialogue.

Improved mental health services

Increased funding for mental health infrastructure and service delivery is very welcome. Mental health is a key driver of vulnerability to homelessness and housing insecurity. Q Shelter has had input to the Inquiry into Mental Health proposing improved support services to ensure people with mental health challenges can find, get and keep housing. We will be working to provide input to how enhanced mental health support programs funded by the State in this budget, can include scope for the mental health workforce optimally supporting positive housing outcomes and the sustainment of tenancies.

Investing in trunk infrastructure

The Budget includes **\$200 million** for the essential infrastructure needed for more new communities across South-East Queensland. A new Growth Acceleration Fund has been created to support the delivery of priority trunk infrastructure needed to develop new communities. Given the need for a pipeline of new homes, investment the acceleration of infrastructure enabling new residential communities to emerge is positive. This investment is across two funds:

- **Catalyst Infrastructure Fund:** The Catalyst Infrastructure Fund (CIF) of \$150 million in equity funding infrastructure needed to develop new communities
- **Growth Acceleration Fund:** a new \$50 million fund to support the delivery of priority trunk infrastructure. \$15million is allocated to Caboolture West.

Where to next for investment in housing supply

Q Shelter called for an increase in the Housing Investment Fund as well as capital funding for affordable housing projects that would enable CHPs to develop diversified portfolios and to also meet the needs of people upstream.

It is important to reflect that the case for additional funds for the HIF and for the development of affordable housing in this budget will be stronger if we can address implementation issues with QHIGI and seriously accelerate delivery.

We can all work together to address a number of challenges to speed delivery of QHIGI and open up new opportunities for investment by the State and other partners including by:

- Reviewing the procurement process to ensure optimal efficiency
- Finalising the Master Agreement and Capital Funding Agreement to ensure certainty for CHPs and optimal policy settings enabling them to grow
- Negotiating a policy framework that elevates the role of CHPs and provides optimal conditions for leveraging finance
- Progression of rent-setting policies to support the viability of CHPs, and which will improve the capacity to service debt for growth projects
- Clear policy and investment in affordable housing. This highlights policy debate about the relationship between social housing and affordable housing products, all of which help to meet the needs of people in housing stress or homelessness. We need to move beyond a binary proposition about diverse housing types and have policy commitments to both social and affordable housing to address diverse needs
- A Government leadership role on 'whole of housing system' interventions that galvanise intersecting elements with the goal of meeting total population demand for housing
- Interventions that help address supply chain and labour force constraints

- Resourcing and implementing an Industry Development Plan that addresses organisational and systemic challenges
- Private rental system interventions that genuinely target empty properties and the short-term rental market to ease vacancy rates.

Rising costs including interest rates, bond rates and wage costs are all a material threat to the delivery of QHIGI. Any delays to implementation of projects will cause further rising costs and the genuine risk of reduced yield from the investment already committed.

The budget does include \$5million over two years to support the capacity of the community housing sector to participate in funding opportunities through the Housing Investment Fund. Q Shelter's submission included significant proposed measures to support the strength and profile of the community housing sector.

Q Shelter is already engaged with Queensland Treasury, CHIA Qld and Aboriginal and Torres Strait Islander Housing Queensland to advance an Industry Development Plan which must not only invest in individual and organisational capability but drive solutions to the ongoing systemic barriers to growth. This will require resolution of an enabling policy framework that recognises the synergised role of social and affordable housing in meeting community needs.

We are looking to Homes Victoria to understand how the housing build there was underpinned by investment in industry development. We can't expect to implement \$1.9billion in growth projects and engage with a new Housing Investment Fund without attention to policies and strategic projects that address systemic barriers the plague the industry while also ensuring access to tools, resources, expertise and workforce development to ensure implementation succeeds.

The three peaks were already in meetings to progress an Industry Development Plan. As NRSCH emerged in 2013-2014, there was also a significant amount of work on industry development led by the Department. It was the subject of considerable engagement with the Sector. It is time to triangulate the approach by Homes Victoria, the previous work in Queensland and current sector views to accelerate an Industry Development Plan that does some immediate things to support material progress while medium and longer-term approaches are articulated, staged and resourced.

As budget preparations accelerate from October 2022, our challenge as peaks and as a sector is to influence a more enabling policy framework while also accelerating growth projects to demonstrate the capacity is there to do more.

The scale of the crisis is immense which is why Q Shelter's policy submission articulates an intersecting range of measures. Some would make a considerable difference to supply without additional capital funding. For the sake of households who need solutions now, it is essential to revisit all possibilities with an open sense of inquiry.

On the positive side, enhanced support delivered through community centres, child protection systems, youth homelessness sector, the DFV sector and the mental health sector will make a significant difference. Q Shelter will be working across these systems to ensure programs of support are housing literate and geared to help as many people upstream sustain a tenancy. Nearly 60% of all services that refer into the Service

Integration Initiative come from outside of the community housing and specialist homelessness system. Greater support and enablement of those services to respond to housing needs and work within a tenancy sustainment framework can make a significant difference to reducing the pipeline of people who are edging towards homelessness.



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