

APPENDIX 3

NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN – SOCIAL HOUSING

Schedule C

Social Housing

NATIONAL PARTNERSHIP AGREEMENT ON THE NATION BUILDING AND JOBS PLAN

PRELIMINARIES

- C1. The Social Housing Initiative represents a commitment by the Commonwealth Government and State and Territory Governments to significantly increase the supply of social housing throughout Australia and provide much needed accommodation to many disadvantaged Australians, particularly those who are homeless or at risk of becoming homeless. It supports existing initiatives that have previously been agreed by the COAG in November 2008 to improve social and indigenous housing and reduce homelessness.
- C2. Through this initiative the Commonwealth will commit funding of \$6.4 billion over the years 2008-09 to 2011-12. Over this period, around 20,000 additional social housing dwellings will be built together with around 2,500 existing public housing dwellings being refurbished so that they can remain available for occupancy, further increasing the net social housing stock.
- C3. Funding will be allocated to states generally on a per capita basis, subject to jurisdictions submitting suitable proposals that meet the requirements of the initiative.

OBJECTIVES, OUTCOMES AND AGREED REFORMS

Objectives

- C4. The Initiative will contribute to the overarching Objective of the National Affordable Housing Agreement:

“All Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation”.
- C5. The specific objectives of this Initiative are as follows:
 - (a) to increase the supply of social housing through:
 - (i) new construction; and
 - (ii) the refurbishment of existing stock that would otherwise be unavailable for occupancy.

- (b) to provide increased opportunities for persons who are homeless or at risk of homelessness to gain secure long term accommodation; and
- (c) to stimulate the building and construction industry, both through funding additional dwellings and increasing expenditure on repairs and maintenance. This will help stimulate businesses which supply construction materials and help to retain jobs in the industry.

Outcomes

- C6. Through this initiative the following key outcomes are expected to be achieved:
- (a) within three years around 20,000 new social housing dwellings will be built primarily for people who are homeless or at risk of homelessness;
 - (b) dwellings built will meet the needs of people on public housing waiting lists, including age and disability pensioners, Indigenous people and women with children escaping domestic violence;
 - (c) new dwellings will provide around a 50 per cent reduction in the waiting time for people with high housing needs on public housing lists and a reduction in the number of low income households paying more than half their income in rent;
 - (d) 75 per cent of the new dwellings constructed through this initiative will be completed by December 2010;
 - (e) around 2,500 existing public housing stock will become available that would otherwise become unfit for occupation; and
 - (f) this initiative will provide an immediate stimulus to the building and construction industry .

Reform directions

- C7. In addition to the key objectives and outcomes of this initiative, the allocation of funding to each jurisdiction under the initiative will be contingent on the jurisdiction agreeing to implement a number of reforms in the social housing sector and making a detailed progress report to COAG by December 2009. These reform directions will include:
- (a) integration of public and community housing waiting lists;
 - (b) better social and economic participation for social housing tenants by locating housing closer to transport, services and employment opportunities;
 - (c) implementation of support arrangements to assist social housing tenants to transition from social housing arrangements to affordable private rental and home ownership as their circumstances change;
 - (d) reducing concentrations of disadvantage through appropriate redevelopment to create mixed communities that improve social inclusion;
 - (e) introduction of a national regulatory and registration system for not-for-profit housing providers to enhance the sector's capacity to operate across jurisdictions;

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- (f) increased transparency through the establishment of consistent and comparable accounting and reporting standards across jurisdictions that allow clear and objective assessments of performance that meet public accountability requirements;
 - (g) social housing providers to be subject to independent prudential supervision to protect public investment in the sector;
 - (h) improved tenancy management and maintenance benchmarks for social housing;
 - (i) improved efficiency of social housing including through better matching of tenants with appropriate dwelling types and the introduction of rent-setting policies that reflect the type of dwellings occupied by tenants;
 - (j) Introducing contestability in the allocation of funds to encourage a range of new providers and create diversification in the not-for-profit sector to enhance the ability of providers to offer housing options to a broader range of client types;
 - (k) leveraging of government capital investment to enhance the provision of social housing;
 - (l) better use of government owned land to provide more affordable housing opportunities for low income earners; and
 - (m) improved procurement practices that promote competition between proponents and provide participation opportunities for small and medium enterprises.

ROLES AND RESPONSIBILITIES OF GOVERNMENT

- C8. To realise the objectives and commitments of this initiative, each Government has specific roles and responsibilities, as outlined below.

Role of the Commonwealth

- C9. The Commonwealth will be responsible for allocating the total agreed level of Commonwealth funds to the states for the social housing proposals that are approved for funding through the initiative. The Commonwealth will:
- (a) provide a National Coordinator to oversee the measures;
 - (b) make final decisions on which proposals will receive funding; and
 - (c) negotiate and have responsibility for the management of an implementation plan with each jurisdiction that sets out the proposals and funding that will be supported through the initiative. An agreed implementation plan will need to be in place before any funding can be released through the initiative. The implementation plan will be amended as necessary to reflect additional funded proposals.

Role of the States

- C10. States will be responsible for identifying social housing projects within their jurisdiction that are already in their development pipelines and can be brought forward and be

completed before 30 June 2010. These projects will be funded through Stage 1 of the new construction element of the initiative.

- C11. States will be responsible for undertaking a competitive process to determine suitable social housing projects to be funded through Stage 2 of the new construction element of the initiative for 2009-10 onwards.
- C12. States will be responsible for identifying social housing dwellings within their jurisdiction that are not suitable for occupation and would be suitable for refurbishment through the repair and maintenance element of the initiative.
- C13. States will identify, manage and report on Commonwealth approved construction projects and Commonwealth funded repair/ maintenance programs in their jurisdiction.

IMPLEMENTATION

C14. The Initiative will comprise of two elements as follows:

(a) Element 1 – New Construction

Through this element, the initiative will support the construction of new social housing dwellings that will be managed through two distinct stages:

- (i) Stage 1 will provide funding for social housing projects within jurisdictions that are already in their development pipelines and can be brought forward so that around 6,500 dwellings will be started in 2009 and will be completed before 30 June 2010
- (ii) Stage 2 will provide funding for social housing projects following the completion of a competitive process to be conducted by each jurisdiction to identify suitable projects in the market. It is expected that around 3,500 dwellings will start in 2009 and a further 10,000 in the first half of 2010, and they will be 75 per cent completed by December 2010.

(b) Element 2 – Repair and Maintenance

Through this element, the initiative will support the refurbishment of existing social housing dwellings that are not currently suitable for occupation so that they can add to the social housing stock in each jurisdiction. The repairs and maintenance will all be started in 2009.

C15. Element 1 – New Construction (Stage 1)

States will be provided with an indicative funding allocation for this Stage and will be required to provide the Commonwealth with proposals for funding by 15 March 2009. The Commonwealth will assess the proposals against the key requirements of the initiative and subject to proposals meeting the key requirements, jurisdictions will receive approvals by 1 April 2009.

C16. Element 1 – New Construction (Stage 2)

States will be provided with an indicative funding allocation based generally on a per capita basis for this Stage and will be required to provide the Commonwealth with

proposals for funding by 30 June 2009. Each jurisdiction will be required to undertake a comprehensive process to identify suitable proposals in the market for funding and provide information to the Commonwealth on the approach that was taken and a summary of the process. As with Stage 1, the Commonwealth will assess the proposals against the key requirements of the initiative and subject to proposals meeting the key requirements, jurisdictions will receive approvals by 30 August 2009.

C17. Element 2 – Repair and Maintenance

States will be provided with an indicative funding allocation for this element, based generally on a per capita basis, and will be required to provide the Commonwealth with proposals for funding by 15 February 2009. Proposals will need to clearly demonstrate that the existing social housing dwellings were unsuitable for occupation and would otherwise remain unoccupied or sold off without the additional funding. The Commonwealth will provide approvals by 1 March 2009.

KEY REQUIREMENTS FOR PROPOSALS TO BE FUNDED UNDER ELEMENT 1 – NEW CONSTRUCTION

C18. Proposals for funding under Element 1 of the initiative will be assessed against the following key requirements:

- (a) increase the supply of social housing dwellings within a jurisdiction;
- (b) having regard to reforms listed at C7 (a), (b), (c), (d), (h), (i) and (k), and in line with the report to COAG on reforms by December 2009;
- (c) increase the allocation of housing to people with highest needs on public housing waiting lists;
- (d) facilitate or support the transition of persons who are homeless or at risk of homelessness to secure, long term accommodation;
- (e) adhere to universal design principles that facilitate better access for persons with disability and older persons;
- (f) constructed dwellings are environmentally sustainable; and
- (g) promote activity in the short term using a variety of procurement arrangements, including spot purchases of house and land packages, purchases 'off the plan'.

KEY REQUIREMENTS FOR PROPOSALS TO BE FUNDED UNDER ELEMENT 2 – REPAIR AND MAINTENANCE

C19. Proposals for funding under Element 2 of the initiative will need to demonstrate that dwellings to be refurbished under the initiative:

- (a) would be otherwise uninhabitable without an upgrade; and
- (b) are located in areas that will support the economic and social participation of tenants.

REPORTING

- C20. Each state will provide a report to the Commonwealth every three months detailing:
- the status and progress of each new social housing project within their jurisdiction that has been funded through the initiative;
 - the location of dwellings that have been constructed or refurbished through the initiative and their availability for rental; and
 - the tenant profile for each dwelling that is occupied following construction or refurbishment funded through the initiative.
- C21. The Commonwealth will use this report to measure the progress of proposals against the agreed implementation plan.

FINANCIAL ARRANGEMENTS

Funding

- C22. As the cost to the Commonwealth Budget is intended to be one-off, any ongoing administration, maintenance or co-investment costs associated with the expenditure are to be borne by the States.

- C23. Element 1 – New Construction

The following funding amounts will be available for this element of the initiative:

Stage	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
Stage 1 & 2	60	3,872	1,744	312	5,988

- C24. Element 2 – Repair and Maintenance

The following funding amounts will be available for this element of the initiative:

	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
	200	200	-	-	400

- C25. Total Funding Available

	2008-09 (\$m)	2009-10 (\$m)	2010-2011 (\$m)	2011-12 (\$m)	Total (\$m)
Total	260	4,072	1,744	312	6,388

Payment Schedule

- C26. The Commonwealth and each State and Territory will negotiate a payment schedule for each element of the Initiative once the first funding proposal has been approved. The schedule will be amended as necessary where additional proposals are funded through the initiative.