

Housing Legislation Amendment Bill 2022

| | |
|----------------------------|--|
| Submission No: | 2 |
| Submitted by: | Homes for Homes |
| Publication: | Making the submission and your name public |
| Attachments: | See attachment |
| Submitter Comments: | |

16 November 2022

Housing Legislation Amendment Bill 2022
Community Support and Services Committee
Queensland Parliamentary Service
Parliament House
Corner George and Alice Streets
Brisbane Qld 4000

Homes for Homes submission on the Housing Legislation Amendment Bill 2022

Homes for Homes welcomes the committee's invitation to make a submission on the inquiry into the [Housing Legislation Amendment Bill 2022](#). We appreciate the opportunity and give our full support to the Housing Legislation Amendment Bill 2022 to enable Homes for Homes to operate in Queensland.

Executive summary

We commend the Honourable Leeanne Enoch, Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts, for introducing the Housing Legislation Amendment Bill 2022 (Bill) into the Queensland Parliament on 27 October 2022, enabling the establishment of Homes for Homes in Queensland.

Homes for Homes does not compete with any policy, rather it compliments the work being undertaken by all levels of government to increase the supply of social and affordable housing.

To improve the financial sustainability of the social housing system, a new source of sustainable funding is required - Homes for Homes is that new source of sustainable funding.

The Homes for Homes model is simple – we raise funds from voluntary tax-deductible donations as part of the existing property transaction process, then leverage both the money raised and existing expertise in the community to increase the supply of social and affordable housing – benefiting those who are homeless or in housing stress.

While Australia is certainly not alone in facing a structural undersupply of social and affordable housing, meeting the challenge will require a substantial upscaling of investment in the sector.¹ In its recent statutory review of the operation of the National Housing Finance and Investment Corporation Act 2018, the Australian Government estimated a total capital investment in excess of \$290 billion would be required to close the supply gap over the next two decades.²

¹ McKinsey Global Institute, *A blueprint for addressing the global affordable housing challenge*, McKinsey and Company, 2014.

² Statutory review of the operation of the National Housing Finance and Investment Corporation Act 2018, p 30.

We commend recent announcements in additional investment in social housing across state and federal governments, however commitments still fall well short of the estimated total capital investment required.

As a new source of funding for social and affordable housing supply, Homes for Homes is well positioned to help the Queensland Governments policy objective of increasing the supply of social and affordable housing.

Conservative economic modelling show that if just 3% of residential properties registered with Homes for Homes by 2050, Homes for Homes could realise over \$200 million in donations from Queenslanders. Homes for Homes grants these funds to Community Housing Providers through an open tender process to create new social and affordable housing for the most vulnerable in our community.

By amending the Housing Act to allow the recording of an Administrative Advice noting the existence of a voluntary donation deed under which landowners agree to donate percentage of the sale price of their property to Homes for Homes, donations raised in Queensland will be used to increase the supply of social and affordable housing within Queensland. Money raised in the state, stays in the state.

Addressing homelessness through increasing the supply of social and affordable housing in Queensland.

Tackling the shortage of social and affordable housing in Queensland is a key component of the Queensland Housing Strategy 2017-2027, with over 21,000 people homeless each night, while many, many others live in serious housing stress. The problem is too big for any one government or organisation to solve alone - a whole-of-community approach is needed.

Housing has the power to break the cycle of poverty. All people have a right to safe and secure housing, yet Queensland has a shortage of 157,400 social and affordable homes, which is expected to grow to 254,300 by 2036.

The flow on effects makes this shortage one of Queensland's biggest social issues, and one which is exacerbated with more and more people experiencing housing stress. The cost of doing nothing is significant.

At its most basic, housing satisfies people's fundamental need for shelter from the elements. However, a house serves many other needs that allow people to function effectively.

A recent University of Technology Sydney (UTS) study found that people experiencing homelessness rely more heavily on the health, justice, and welfare systems. Once an adult is housed, the cost saving to government is between \$23,000 to \$44,000+ per year which is more than \$1 million over a lifetime. With these costs increasing every year and the number of taxpayers decreasing due to our ageing population, the only sustainable solution is for Australia to increase its supply of safe and secure housing.

Ongoing donations raised through property transactions deliver an increase in housing supply, for now and for future generations. Homes for Homes is a recurrent funding stream generating



private sector funding that can be used alongside the Queensland Government's \$2.9 billion commitment over 4 years to social and affordable housing outcomes.

This can be achieved at no cost to government. Individuals and property developers can register properties with Homes for Homes at no cost.

Homes for Homes is a sustainable funding stream designed to deliver an increase in social and affordable housing. Funds are raised via owners agreeing to register properties with Homes for Homes, enabling a tax-deductible donation of 0.1% of the sale price donated to Homes for Homes at the time of sale. The use of an Administrative Advice registered on the property title acts as a gentle reminder of the owners promise to donate at the time of sale. The donation flows seamlessly through the settlement disbursement process. Donations from each property sale will remain in Queensland. Donations are pooled and funding is granted to housing providers to increase supply of social and affordable housing.



1. Homes registered



2. Properties sold



3. Funds donated



4. Money distributed



5. Homes created

Often individuals are unsure how they can make a difference to end homelessness - a seemingly insurmountable problem. Homes for Homes provides a simple and meaningful way for the Queensland community to contribute.

Innovative initiatives that encourage the entire community to come together and make a difference to support those on the margins are an important contributor to boost the supply of social and affordable housing.

Once a home or development is registered, it continues participating in Homes for Homes, encouraging all future homeowners to donate when they sell, until a property owner elects to withdraw.

The power of the Homes for Homes initiative is its ability to be applied to the entire housing system - from existing dwellings to new developments - as the core premise is simply to encourage small donations on property sales which accumulate into billions.

Homes for Homes provides additional value to the sector with no financial outlay required by government and no associated risk.

Donations = increased supply of housing

Homes for Homes is a new source of funding, not a builder. When sufficient funds have been raised in Queensland, housing providers will be invited to apply via an open tender process.

Homes for Homes has established Investment and Housing Advisory Groups who review grant applications and provide recommendations to the Homes for Homes Board to maximise impact from funds granted.

Homes for Homes has already increased social and affordable housing supply, granting \$1.14 million to 10 social and affordable housing projects, housing 53 people, with a further \$140,000 to be granted before the end of 2022.

Our experience across four grant rounds has shown that funds granted by Homes for Homes had a multiplier effect of 1:8. For every \$1 granted, Homes for Homes unlocked \$8 for the community housing sector. Typically, we have funded the crucial 10-20% equity component of a community housing project, which has meant that Homes for Homes is the key to more projects securing additional finance and becoming a reality.

Leveraging the multiplier effect means Homes for Homes' grant funding can be spread across more social housing projects – creating more homes to help end homelessness.

Governance

Homes for Homes is robustly governed.

Established by Australia's largest and most successful social enterprise, The Big Issue, Homes for Homes is a not-for-profit company, limited by guarantee and endorsed as a Deductible Gift Recipient. All donations are tax deductible. Homes for Homes benefits from the knowledge, expertise, and networks of industry leaders.

Homes for Homes is independent from the finance, property, and community housing industries.

The Homes for Homes Board is responsible for authorising funding allocations to social and affordable housing providers. To assist in making funding decisions, the Board leverages the knowledge and expertise of an industry-based Investment Advisory Group and Housing Advisory Groups.

Homes for Homes Board

Sonya Clancy AM (Chair), Chief People Officer, Bank Australia
Carolyn Viney, Chief Development Officer, Vicinity Centres
Paul Kearney, CEO, Kearney Group
Steven Münchenberg, Managing Partner, Blackhall & Pearl
Wendy Fromhold, Director, WFConsulting

Homes for Homes Investment Advisory Group

Sonya Clancy AM (Chair), Chief People Officer, Bank Australia
Andrew Penn, former CEO, Telstra
The Hon Anna Bligh AC, CEO, Australian Banking Association
Ian Smith AM, Joint Managing Director, Bespoke Approach
Peggy O'Neal AO, Chancellor, RMIT



Sally Herman, Non-Executive Director
Simon McKeon AO, Chancellor, Monash University
Terry Campbell AO, Senior Chairman, Goldman Sachs

Homes for Homes Housing Advisory Groups

Each state/territory Housing Advisory Group is made up of a panel of cross sector experts specific to their state/territory. Members are listed at www.homesforhomes.org.au/governance.

Developer support

In addition, Homes for Homes has the support of many developers who operate across Australia.

Since launching in 2015, Homes for Homes has 40 developers who have committed projects nationally. The 30-year projection of donations flowing from these developments alone exceeds \$50 million. Beyond our publicly recognised property partners, Homes for Homes is also in discussions with a further 60+ developers.

The Green Building Council of Australia have included Homes for Homes as a leadership challenge in their Green Star rating system. Developers can apply for up to two Green Star points when they include Homes for Homes in their projects. This type of incentive is a win-win for both Homes for Homes and the developer.

Government support

Homes for Homes is engaging state and local governments, statutory agencies, and industry associations across Australia to explore inclusion of its mechanism in the planning process.

Moreland City Council were the first council in Australia that formally endorsed Homes for Homes. Homes for Homes is embedded within their design excellence scorecard. Developers who commit to Homes for Homes via the scorecard are fast-tracked through the planning process.

LWP, a Western Australian developer are working in conjunction with state government to rollout Homes for Homes on all joint venture projects.

DevelopmentWA are favourably weighting proponents who participate in Homes for Homes when tendering for a development located at Shenton Park, minutes from Perth's CBD.

Integrating Homes for Homes across residential developments provides a sustainable and long-term source of new funding to support the creation of social and affordable housing in Australia.

A path forward ...

Homes for Homes is an innovative model that has the capacity to raise substantial funding to increase the supply of social and affordable housing in Queensland.

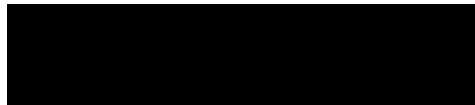
After working in the industry for close to 30 years, the desire to resolve homelessness is certainly not the issue. Financial investment is what's needed to deliver on this desire.



Homes for Homes is delighted to be considered as a core component of the Queensland Government's 10-year housing strategy through the amendment of this legislation.

Again, we thank the Community Support and Services Committee for providing the opportunity to make a formal submission on the Housing Legislation Amendment Bill 2022.

Yours sincerely

A solid black rectangular box used to redact the signature of Steven Persson.

Steven Persson
CEO, Homes for Homes and The Big Issue