



Fact Sheet No.3: Conditioning Social and Affordable Housing

Version 1 – Issued 20 March 2024

This fact sheet provides an overview of new provisions in the Economic Development and Other Legislation Amendment Bill (the Bill) to enable the Minister for Economic Development Queensland (MEDQ) to condition social and/or affordable housing outcomes as part of a Priority Development Area (PDA) development approval.

What are the new conditioning powers?

To increase the delivery of social and affordable housing outcomes in PDAs, the Bill confirms the ability for the MEDQ to impose conditions on a PDA development approval that relate to the:

- supply of social housing
- supply of affordable housing
- payment of a monetary contribution in lieu of social housing and/or affordable housing.

Why do we need this change?

The proposed changes position Economic Development Queensland (EDQ)¹ to be able to:

- increase housing supply, diversity, and provision of quality social and affordable housing across the State.
- build capacity across government and the housing sector to deliver social and affordable housing outcomes in a flexible manner.
- leverage government funding and expertise to maximise industry capability, alternative delivery models and funding sources.
- deliver within accelerated timescales.

How will the new conditioning powers be applied?

The PDA development instrument (i.e. PDA development scheme) is the document that will translate this new power into implementation. A development instrument may include requirements related to the supply of social housing and/or affordable housing or a requirement for a monetary contribution to be paid in lieu of the supply of social and/or affordable housing. The new powers will enable the MEDQ to include this requirement in a development approval.

PDA development applications in areas that require the supply of social and/or affordable housing will be assessed to consider whether they can meet their obligations through the delivery of the required housing or via a monetary contribution.

Monetary contributions will be used to provide social and/or affordable housing elsewhere in the same local government area. EDQ will seek to leverage these funds to maximise the delivery of social and/or affordable housing whether that is through:

- an EDQ housing project.
- the transfer of funds to Department of Housing, Local Government, Planning and Public Works (DHLGPPW) for a housing project.

¹ The Minister for Economic Development Queensland (MEDQ) as the corporation sole is the legal entity under the *Economic Development Act 2012*. However, for ease of reference, when addressing the day to day operations of the MEDQ, Economic Development Queensland is used throughout the fact sheet.





- redirecting the funds to a developer to deliver a housing project.

In specific circumstances, the developer may also seek to enter into a Housing Agreement with the MEDQ.

What is a Housing Agreement and how does it provide flexibility in meeting the social and affordable housing requirements?

A Housing Agreement is a voluntary agreement that may be entered into with the MEDQ, to offer an alternative pathway for a developer to meet their social and/or affordable housing requirements in lieu of the delivery of the conditioned housing or monetary contribution.

Example

A developer has two proposed developments (Developments A & B) within a PDA that requires social housing, affordable housing, or a monetary contribution in lieu of housing.

The application for Development A does not include any social or affordable housing, but the application for Development B is proposed to be delivered by a Community Housing Provider and includes sufficient social and affordable housing to meet the total social and affordable housing requirements for both sites.

Having assessed both applications, the MEDQ could approve Development A, subject to a requirement for a monetary contribution in lieu of any supply of social and affordable housing, and Development B with the proposed provision of social and affordable housing.

With the MEDQ's consent, the developer could then enter into a Housing Agreement with the MEDQ to waive the monetary contribution for Development A on the grounds that it will be delivering Development A's required amount of social and affordable housing on Development B.

The Housing Agreement would be drafted to ensure the increased obligations for Development B are fulfilled or a monetary contribution is paid.

When will the new conditioning powers be applied?

For these conditions to be imposed the relevant PDA development instrument will need to include specific requirements for the supply of social housing, affordable housing, or a monetary contribution in lieu of the supply of social and/or affordable housing. This will be tailored to each PDA based on need and location and in consultation with DHLGPPW in relation to suitability for social housing.

Certain PDA development schemes already include requirements for the provision of social and affordable housing. In these PDAs, processes have been established to ensure development meets these requirements. EDQ will continue to apply these established processes until such time that EDQ amends the relevant PDA development scheme, in consultation with DHLGPPW, to change the requirements for social and/or affordable housing or to introduce the option of paying a monetary contribution in lieu of providing housing.

Any proposed amendment to an existing PDA development scheme will be publicly notified, allowing interested stakeholders to have a say before any new obligations are imposed.





Key Features of the Bill

- A PDA development instrument can include requirements relating to the supply of social housing, affordable housing, or a monetary contribution in lieu of the supply of housing.
- Conditions may be imposed on PDA development approvals that relate to the supply of social housing, affordable housing, or a monetary contribution in lieu of the supply of housing.
- Where the MEDQ collects funds for social and/or affordable housing in lieu of supply by the developer, these funds must be spent in the same local government area in which they were collected.
- A Housing Agreement may be entered into to offer an alternative pathway for a developer to meet their social and/or affordable housing requirements rather than the delivery of the required housing or via a monetary contribution.

What are the Amendments?

Proposed Amendments ²	
<i>Economic Development Act 2012</i>	<p>The Bill inserts provisions into the <i>Economic Development Act 2012</i> (the Act) to enable the conditioning of social and/or affordable housing including:</p> <ul style="list-style-type: none"> • Amending the main purpose of the Act to include the provision of diverse housing, including, for example social housing and affordable housing. • Providing that a PDA development instrument may include requirements that relate to the supply of social housing, affordable housing, or a monetary contribution in lieu of the supply of housing. • Providing that a PDA development approval may include conditions that relate to the supply of social housing, affordable housing, or a monetary contribution in lieu of the supply of housing, but only if the relevant PDA development instrument provides for requirements relating to the condition. • Providing for a Housing Agreement to override a condition requiring the payment of a monetary contribution in lieu of the supply of housing based on a suitable alternative provision of social and/or affordable housing.

Further information

For more information, please contact Economic Development Queensland via EDQ@dasilgp.qld.gov.au

² 'Proposed Amendments' table provides an overview of the amendments. For further detail refer to the Economic Development and Other Legislation Amendment Bill 2024.

