



Government of Western Australia
Department of Communities



Regional Grants Round via Calls for Submission Guidance Note for Community Housing New Builds

March 2024

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Introduction

1.1 Background

The Department of Communities (Communities) is eager to support and fund Non-Market Housing projects in regional Western Australia. The Call for Submissions (CFS) process is part of several initiatives that are seeking to carry forward this mandate.

Non-Market Housing proposals can be submitted through the established Call for Submissions from Community Housing Providers (CFS-CHP) which launched on 19 September 2023.

The State Government has committed to a delivery target of 4,000 new social housing dwellings as part of a broader \$2.6 billion funding boost. A **Regional Grants Round has commenced for regional projects that may be submitted under the above Call for Submissions process**. As announced by the Minister for Housing on 15 March 2024, **the Regional Grants Round will comprise up to \$50 million in grants available** under the CFS process to help increase the supply and diversity of new and refurbished community housing across regional Western Australia.

The Regional Grants Round is underpinned by the following strategic drivers:

- **Demand for community housing in regional locations:** Regional areas have a strong need for community housing, challenging delivery dynamics and a continued need for increased supply to address waitlist demand.
- **Limited and increasingly costly private rental market stock** which is limiting options for low-income individuals and households. A range of complex factors are driving these market conditions.
- **Increased costs to deliver new or upgrade existing dwellings** due to regional price variations, exacerbated by the availability of trades and labour conditions.
- **Prospective pipeline of projects in regional locations:** Communities is aware that there is a commitment to grow the supply of community housing in regional WA and that CHPs are actively progressing proposals.

The targeted focus of the Regional Grants Round is in response to significant demand and the above drivers for delivery in regional areas.

Registered CHPs are eligible to lodge submissions for consideration of **regional grant funding for both new builds and refurbishments**.

1.2 Overview

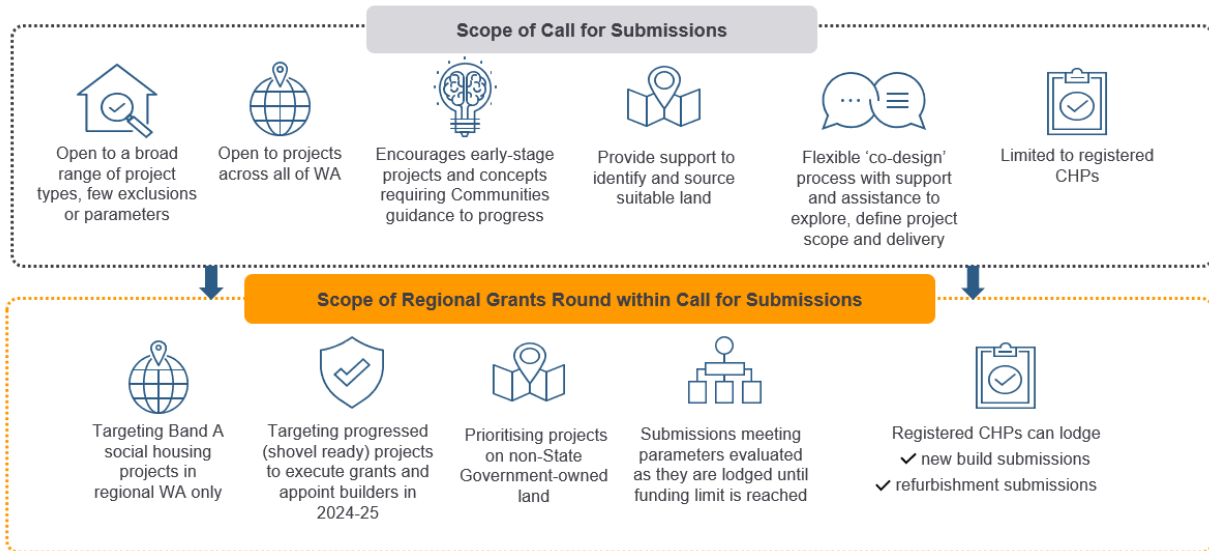
The Regional Grants Round provides funding for regional community housing projects (new builds and refurbishments) lodged through the Call for Submissions process by registered CHPs. These projects will ideally be sufficiently progressed towards development approval (DA) and builder/ trades appointment, to contribute to the timely upgrade and delivery of community housing. Communities is furthering its successful relationship with registered CHPs by making grant funding available for the delivery of new community housing the following regional areas:

- South West
- Great Southern
- Wheatbelt
- Goldfields
- Midwest-Gascoyne
- Pilbara
- the Kimberley.

1.3 Scope of the Regional Grants Round within the Call for Submissions

The Department’s CFS process seeks to work with Respondents to support the development of housing projects that align to Communities’ requirements. Currently, all registered CHPs are invited to submit proposals. The CFS-CHP process is open to projects across WA, including in metropolitan, regional and remote locations.

The scope of this Regional Grants Round funding opportunity, however, is limited to regional locations only and is outlined in the diagram (in orange) below:



1.4 Key parameters of the Regional Grants Round for new builds

The Regional Grants Round applies to new builds and refurbishment projects in regional WA only. The table below provides the parameters for the new build projects seeking funding through the Regional Grants Round:

| Parameter | Regional new builds |
|---------------|--|
| Use of funds | Capital cost of new dwelling construction. Up to 5% of the grant funding can be used for the procurement of external professional consultancy services, such as project management. |
| Housing type | Restricted to community housing for Band A tenants in accordance with the Community Housing Income and Asset Limits (CHIAL) Policy 2024 . |
| Eligibility | Registered CHPs under the WA Community Housing Regulatory Framework. |
| Land | Sourced by Respondents (owned or secured tenure). |
| Project stage | Advanced, with <ul style="list-style-type: none"> ✓ land secured ✓ DA submitted or approved ✓ tendering approach and schedule confirmed or market (builder) quote received. Builder appointment within three months of grant execution will be a condition of the Grant Agreement. |

| Parameter | Regional new builds |
|---|--|
| Project size | No minimum or maximum dwelling yield. |
| Grant size | No capping in place, in line with the 'Call for Submissions' process. |
| Community housing tenure term | Long term tenure commensurate with the level of investment sought via a grant. |
| Role of Communities during the various phases including project definition, enablement and delivery | Assistance, support, advice, and enablement will be provided by Communities as required (as specified in the CFS-CHP documentation). |

2. Submission and evaluation – new build proposals

2.1 General submission requirements

Respondents with projects that meet the above parameters for new builds in regional WA are encouraged to lodge submissions as per the requirements for the CFS process, specifically the [CFS-CHP Part 1 Guidelines](#), [CFS-CHP Part 2 Submission Form](#) and [CFS-CHP Part 3 Terms & Conditions](#).

Respondents must first contact Communities to discuss and define projects to determine whether they meet the eligibility requirements of the Regional Grants Round, prior to submission.

Registered CHPs can visit the Department of Communities [website](#), or email CFS-CHP@communities.wa.gov.au for more information.

Further details Respondents should be aware of are as follows:

- The evaluation criteria and submission form requirements – as stipulated in the Part 1 Guidelines and Part 2 Submission Form documents – will apply for eligible projects under the Regional Grants Round in addition to the requirements detailed in Section 2.2 below.
- CHPs must be registered under the WA Community Housing Regulatory Framework to be considered eligible for a grant application. Noting submissions involving multiple organisations, including those involving an unregistered CHP or provider of support services, are permitted, provided that the Primary Respondent is Registered.
- Respondents are encouraged to lodge submissions with projects in regional WA that are progressed to Development Application stage (as a minimum) and have a valid builders quote (or Quantity Surveyor estimates as a minimum).
- The Evaluation Process is non-competitive, and submissions received will be evaluated on merit to determine which submissions, in the sole opinion of Communities (and at its absolute discretion), offer the best outcomes which align with Communities broad objectives, requirements and preferences as outlined in the corresponding CFS-CHP Part 1 Guidelines. Communities will evaluate submissions in line with the CFS timelines as and when they are received. Funding is currently limited, therefore; Communities recommends that interested Respondents lodge their submission (s) as soon as practical for consideration. Additional information, clarifications and undertakings may be completed by Communities as part of the evaluation process. Following Communities internal processes and determination, Respondents will be notified of the outcome in writing.
- A bespoke Grant Agreement template has been developed for new build projects, for the Regional Grants Round, that addresses key requirements relating to due diligence. These considerations specifically relate to supporting advanced or “shovel ready” projects (including for example, the

status of builder appointment as a condition to payment and acquittal). Respondents that contact the Communities' Call for Submissions inboxes, for the Regional Grants Round, may request a copy of this Grant Agreement template for consideration prior to lodging a submission.

2.2 Specific submission information for new build projects

2.2.1 Entity type

Respondents must be a Registered CHP under the WA Community Housing Regulatory Framework.

Communities will consider submissions from a single entity, partnership or consortium. The lead Respondent must be an eligible entity and provide details on how a grant will be managed under a partnership or consortium arrangement.

2.2.2 Community housing occupants

Communities is seeking new build proposals that provide suitable living for community housing occupant groups including but not limited to Aboriginal and Torres Strait Islander people, seniors, people living with disability, families and singles having trouble accessing housing.

Community housing occupants must meet Band A eligibility limits as per the [Community Housing Income and Asset Limits \(CHIAL\) Policy 2024](#). Crisis and transitional accommodation is not eligible under this Regional Grant Round – New Builds; however, is an eligible form of housing under the existing CFS-CHP process.

2.2.3 Land

Respondents may provide a submission for a new build project on land that is:

- a) owned or controlled by the Respondent and
- b) in a location in regional WA (as set out in section 1.2) where there is a demand for social housing.

Successful Respondents will be expected to manage the asset for at least 20 years for the purpose of community housing post completion of construction. An agreement between the successful Respondent and Communities will be negotiated and form part of the Grant Agreement.

2.2.4 Housing type and configuration

Communities will consider a range of dwelling types for Band A social housing that meet the requirements as set out in this Guidance Note including detached, villa, terraced, single and double storey housing configurations, group housing and multi-level apartments.

All developments should ideally align with the below characteristics:

- a) be efficient in design to minimise costs and achieve value for money.
- b) be well-designed in terms of layouts, elevations and specification that are oriented to employ passive solar design principles.
- c) be designed to minimise waste and able to meet [Smart Waste criteria and management](#).
- d) provide dwellings that – at a minimum – meet the Liveable Housing Australia (LHA) Silver level design guidelines.
- e) align where possible to the [Western Australian Buy Local Policy 2020](#) and comply with relevant Australian Standards, [National Construction Code](#), [Disability \(Access to Premises - Buildings\) Standards 2010](#) and [Health Act 1911 \(WA\)](#) as related to the build and
- f) achieve a minimum 7-star Nationwide House Energy Rating Scheme (NatHERS) rating.

2.2.5 Project management costs

Project management costs can be incorporated into submissions. Up to 5% of the grant funding can be used for the procurement of external professional consultancy services, such as project management.

2.2.6 Exclusions

A grant issued through the Regional Grants Round cannot be used for the following activities:

- purchase of land
- tenant relocation costs
- non-market housing outside the Band A social housing requirements of the CHIAL Policy 2024
- student accommodation
- facilities for the service of alcohol
- facilities for the purpose of gambling
- property or tenancy management services
- staff salaries and training and
- non-land-based facilities.

2.2.7 Information to be included in Regional Grants Round submissions

For projects to be considered for Regional Grants Round funding, Communities requires the following additional/complementary information from Respondents:

- a) Evidence of a current Development Approval (DA) issued by the relevant local government and the plans, reports and documentation that formed the basis of the approval OR the plans, reports, documentation and evidence demonstrating that the proposal is sufficiently progressed to enable an application for DA to be lodged (or equivalent).
- b) Details of the project timeline including the estimated time and completion dates to deliver the planning and construction phases.
- c) All supporting costing information – including a breakdown of capital costs supported by a current builders quote or Quantity Surveyor estimate.
- d) Evidence of how the build will meet social housing demand and the approach for the proposed management of dwellings post completion for the duration of its long-term use for the purposes of community housing.
- e) Evidence of a procurement plan and tendering schedule. For example, evidence could comprise a commitment letter between the Respondent and their nominated builder, past experience delivering social housing and/or details that a quote / procurement process has been undertaken.
- f) Description and evidence of other funding sources contributing to the proposal (if applicable) including project activities or costs that have been, are being, or will be funded by other Commonwealth programs or State, or local government bodies.
- g) The Respondent's last two (2) full years of audited financial accounts and strategic plan.
- h) Evidence of land ownership.
- i) If land is secured through a management order or lease or equivalent, evidence of approval to:
 - build and manage asset ownership post completion and
 - secure the new dwelling(s) for community housing for a term commensurate with the level of investment being sought via a grant.

The above information should be provided within the Project Explanation Report lodged with the Submission Form, and evidence attached as Appendices.

2.2.8 New Build Grant Requirements

Subject to a submission being approved for grant funding through the CFS process, Respondents should be aware of the following:

Claims and payments

Progress payments allow Communities the opportunity to review project status and the builder's work before it has reached practical completion and resolve any issues as and when they arise. The use of milestone-based payments linked to specific stages or completion of activities provides identifiable project monitoring opportunities.

Respondents undertaking detached, villa, terraced, single and double storey housing construction may receive their grant payments based on the following milestones:

- Stage 1 – If the builder has already been appointed, upfront payment made once the Grant Agreement has been signed, Communities has obtained ministerial and all other internal approvals, the Respondent has secured the required tenure to the land and the works will commence under the building contract within 90 days of signing of the Grant Agreement (20%).
- Stage 2 – Commencement of base and frame (25%).
- Stage 3 – Achievement of lock up and commencement of fit out (45%).
- Stage 4 – Achievement of practical completion (and issue of occupancy permit, if applicable) (10%).

OR

- Stage 1a – Upfront payment made once the Grant Agreement has been signed, Communities has obtained ministerial, and all other internal approvals and the Respondent has secured the required tenure to the land (10%).
- Stage 1b – Payment upon confirmation of builder appointment supported by appropriate documentation (10%). Building contract must provide for the works to commence within 90 days of execution of the Grant Agreement.
- Stage 2 – Commencement of base and frame (25%)
- Stage 3 – Achievement of lock up and commencement of fit out and (45%)
- Stage 4 – Achievement of practical completion (and issue of occupancy permit, if applicable) (10%)

Milestone payments for Respondents undertaking multi-storey apartment construction will be agreed prior to grant execution based on the construction approach and the builder's contract.

Evidence of build progression will need to be supplied to Communities to release milestone payments. As noted in [section 1.4](#), builder appointment within three months of Grant execution will be a condition of the Grant Agreement.

Respondents may wish to propose an alternative grant payment milestone structure, which will be considered by Communities prior to the commencement of the grant agreement.

Project reporting requirements

As a condition of grant funding, Respondents must comply with project monitoring and reporting requirements, including:

- Status reports to provide an update on progress, updating proposed, forecast and actual dates for project milestones, flagging risks and issues, and providing the required evidence when payment milestones have been met. Reports should be provided at the cadence specified in the Grant Agreement.
- Advising Communities in advance of key milestones and providing opportunities for public communication of these milestones.
- Advising Communities of scope changes (relating to time, cost and project scope) by completing and submitting a variation form.
- Site inspections, meetings and teleconferences with Communities staff or representatives if required.
- Production of building contracts, receipts and/or invoices when requested.

Extension of project dates or variations of approved grants

Communities acknowledges that project scopes and dates can change throughout the duration of a project. Respondents will be required to follow a request for variation process when requesting an extension or variation of their project, and approval of variations is not guaranteed.

3. Definitions

Community Housing means housing for people on a very low, low, or moderate income or for people with additional needs that is delivered by non-government organisations.

Community Housing Provider means an organisation that provides Community Housing. Any reference to Community Housing Providers (CHPs) in this document should be taken to mean those Registered, unless otherwise specified.

Community Housing Regulatory Framework means the administrative system of registration and regulation for Community Housing Providers established by Communities.

Contract means the or any legal Contract(s) between the Respondent(s) and Communities that is proposed or executed to facilitate any outcomes associated with a Submission and the CFS-CHP. This does not include a Memorandum of Intent or Memorandum of Understanding or similar.

Evaluation Process means the process outlined in this Guidance Note by which Communities may consider and Evaluate Submissions.

Grant, Grant Agreement or Agreement. Due to the varied and complex nature of funding arrangements across government, it is somewhat difficult to clearly define a Grant, but in general terms 'a Grant is a financial assistance arrangement made for a specific purpose or project'.

Non-Market Housing is an umbrella term that typically means forms of housing not available in a typical private market process and includes, but is not limited to, Social Housing, Key Worker Housing, Service Worker Housing, Government Regional Officer Housing, and Local Government Officer Housing.

Primary Respondent means the Community Housing Provider that is the lead Respondent and authorising party of any Submission that may be partnering with another CHP. The Primary Respondent is the primary point of contact and lead party with respect to any correspondence in relation to a Submission.

Project Explanation Report is a succinct report/package provided by the Respondent as part of the Submission (not to be confused with the Submission Form), addressing the Project Evaluation Criteria. Whilst no page limit applies, Respondents are encouraged to limit the Project Explanation Report to 20 pages or less.

Project Evaluation Criteria means the criteria listed in the CFS Guidelines that will influence any CFS Determination in the Evaluation Process.

Registered (and conversely unregistered) means the same as that as defined in the Community Housing Regulatory Framework.

Respondent means the legal entity/entities lodging, or considering lodging, a Submission in response to these Guidelines.

Shovel Ready refers to a construction or development project that is prepared to begin work immediately upon receiving approval or funding. It implies that all necessary approvals, permits, funding and logistical considerations have been completed and works can commence.

Social Housing is an umbrella term that refers to all housing that is targeted towards low-income households and provides a subsidy that tenants pay no more than 25% of their income on rent and is generally used to describe both public housing provided directly by Communities and community housing provided through partnership/agreement with CHPs.

Submission means a formal response submitted to Communities in response to and in accordance with this Guidance Note.