

QCOSS Position Statement on Housing

Our position

Queensland Council of Social Service (QCOSS) has developed this Position Statement in collaboration with key housing stakeholders following the publication of our “*QCOSS Housing Policy Review*” in March 2018 (QCOSS, 2018). QCOSS believes that everyone has a fundamental right to housing. Yet not all Queenslanders have access to stable, affordable and accessible housing.

- Housing is more than physical shelter, it allows for safety, security, privacy, identity and social inclusion.
- Access to affordable housing is a foundation on which Queenslanders can build stable, socially engaged and productive lives.
- Stable housing positively influences the welfare of households, including health and wellbeing, education, employment, economic and social participation outcomes.
- There are diverse, positive housing stories, experiences and solutions in Queensland communities.
- Housing must be prioritised as shelter, before being a speculative investment. Treating housing primarily as a commodity distorts housing markets and policies, negatively impacting on housing affordability.

Recommended actions

The QCOSS housing framework is a holistic, integrated and comprehensive response to declining housing stability and affordability across the housing continuum. QCOSS asks:

1. **Establish housing leadership** – All levels of government take joint ministerial-level responsibility for a national strategy, funding agreement, independent research and supply body to deliver integrated, evidence-based policy responses, implementing all domains in this framework.
2. **Reform tax incentives** – Progressively limit investment tax incentives, (including negative gearing and CGT discounts), and divert savings to the supply of social and affordable housing. Transition stamp duty to a land tax, end first home buyer schemes, and implement betterment taxes.
3. **Increase incomes** – Implement policies that increase employment and wages. Increase income support including increasing Newstart and CRA for low income households.
4. **Reform and invest in social / affordable housing** – adequately fund social and affordable housing. Relaunch an improved affordable housing investment subsidy to focus on new dwellings. Support community housing financial and social sustainability, investigate stock transfers, simplified administration, subsidies and diverse tenant allocations. Implement targeted shared equity schemes.
5. **Improve land planning** – place-based planning for adequate infrastructure, transport, access to economic and social opportunities and climate change adaptation. Implement inclusionary zoning.
6. **Empower renters** - Address the power imbalance between landlords and tenants by improving legal protections for tenants including the prompt return of bonds, more secure tenure, removing eviction without reasonable grounds, implementing minimum standards and capping rent increases. Fund advocacy services and tenant participation initiatives.
7. **Reform homelessness programs** - Properly fund homelessness services, transition to ‘Housing First’ rapid re-housing in long term housing with wrap around support services to sustain tenancies.
8. **Implement inclusive design and supply** - Implement secure, indexed funding for disability housing, remote housing, DFV shelters, mental health and other supported and emergency accommodation. Improve indigenous housing outcomes by addressing discrimination, overcrowding, and culturally inappropriate design. Support accessible housing through universal design, independence and fit out. Implement inclusive housing solutions for seniors, youth, migrants and refugees. Reform regulation to facilitate diverse, alternative, community-based housing solutions.

Rationale

Australian housing is a complex, interconnected social, economic and political system, involving individual, community, business and government values and choices. This is impacted by a range of social and economic policy measures including employment, transport, taxation and income support, as well as traditional housing policy areas of rental tenancies, housing finance and construction and social housing. As a result, housing needs a holistic, integrated and comprehensive policy response.

Access to stable, affordable and accessible housing is under significant, sustained pressure because of:

- **changing housing demand** – Population growth is not the only contributor to overall housing demand. Relationship breakdown, domestic and family violence, and an ageing population all contribute to a significant increase in single person households, and demand for differently configured stock.
- **escalating cost of home ownership** – Real house prices have quadrupled since 1970, increased by 250 per cent since 1990, and by nearly 50 per cent since 2008. The ratio of median housing deposit to median wages has increased from 3.3 years in 1981, to over 8.2 years to earn a deposit in 2017.
- **widespread housing stress** – Defined as those on low incomes (bottom 40%) spending more than 30 per cent of their income on housing. Across Australia there are only three properties that are affordable for a single person on Newstart. Only households with at least two minimum wages can afford to rent from the Brisbane private rental market without being in housing stress. Housing stress along with other cost of living pressures leads to *'sacrificing other basic living needs to pay the rent – things like eating enough, using public transport, heating or cooling their home'* (Anglicare, 2018).
- **long social housing waitlists of mostly high needs applicants** – The Queensland social housing register indicates there were 29,636 people on the waitlist as at June 2017, (DHPW, 2017a). The current (2017-18) average waiting time is 7 months for Queensland government-owned and managed social rental housing for clients in very high or high need (DHPW, 2018). (It is much longer for moderate and low needs clients.) Social housing tenants are often given a limited number of offers and if declined, risk losing their place on the waitlist.
- **insecure rental tenure** - State and territory governments do not have unified or best practice tenancy laws. The best approach to assuring tenants' security is to allow landlords to terminate on prescribed grounds only. Australia is one of the few countries with regulated tenancies that allow eviction without grounds. Enabling security of tenure also involves regulating rents, which cannot be done effectively if tenancies can be readily terminated. (Martin, Hulse, et al, 2018).
- **increasing levels of homelessness** – In Queensland in 2016, there were 21,670 people experiencing homelessness, which is 46.1 persons per 10,000, up from 43.9 in 2011, (ABS, 2018). More than 280,000 Australians were supported by homelessness agencies in 2016–17, with 30% of clients' needs going unmet (PCA, 2018).

These crisis points are connected and have a flow-on affect throughout the housing system regardless of housing needs. Generous investment tax breaks contribute to escalating house prices, and so increase pressure on private rentals. The lack of affordable private rentals contributes both to increased homelessness and to longer social housing waitlists, (which are also impacted by insufficient funding and supply of social housing). Longer social housing waitlists contributes both to increased homelessness, and to a congregation of high needs, which negatively impacts on individual and social wellbeing, increasing costs of needed support services.

Ineffective policy responses are exacerbating housing stress. These include:

- **housing as a speculative investment commodity** – Housing policy has been distorted by prioritising housing as a speculative investment commodity, over the human right of shelter. Speculative investors entering the housing market, have contributed to rising real house prices (Duncan, Hodgson, et al, 2018; AIHW, 2017).
- **impact of tax treatment** – Tax incentives have a substantial impact on the equity and efficiency outcomes of Australia's housing system, with the greatest assistance going to high-income and high-wealth households (AIHW, 2017). The distorting treatment of negative gearing and capital gains tax are an underlying cause of speculative inflation in the housing market (Martin, Hulse, 2018).

- **focussing exclusively on supply** – The lack of affordable housing is a leading cause of homelessness. However, the solution is not simply to ‘build more houses’, which do not instantly ‘trickle-down’ to affordable dwellings located close to jobs and transport. There are an increasing number of second homes and under-utilised homes (Pawson, Randolph, et al, 2015), including twice as many vacant dwellings as there are people experiencing homelessness (Cashmore, 2015; Fitzgerald, 2015).
- **first home owner schemes help owners not ownership** – Multiple studies have shown that first home buyer schemes contribute directly to further price inflation (AIHW, 2017; Yates, Ong, et al, 2017; Daley & Coates, 2018).

Affordable housing delivers benefits across all of the domains of the QCOSS Wellbeing Framework. In fact higher satisfaction with housing is linked to higher life satisfaction. (Frontier Economics, 2014)

- **Affordable living** - affordable housing improves employability for new tenants.
- **Family and connectedness** - affordable housing improves adult socialising and child development following home improvements, as well as increased feelings of safety.
- **Lifelong learning** - overcrowding negatively impacts on educational outcomes for children, for example from the negative impacts on health or by reducing the support available from parents.
- **Health** - improved housing reduces problems with self-care, anxiety and depression. Raising the quality of the home (for example: improved heating; reduced damp and mould), results in fewer doctor’s visits.
- **Safety** - decent housing can help crime prevention, especially for young homeless people.

Detailed recommendations

The following policy responses necessarily engage all three levels of government, as well as private, not for profit and academic organisations. Increasingly, local communities are also developing innovative place-based responses to housing needs. The QCOSS housing framework is a holistic, integrated and comprehensive response to declining housing stability and affordability.

1. Establish housing leadership

Context: *Fragmented housing system left to the market, lacking policy and program coordination, funding and priority. This leads to poor housing outcomes of decreasing affordability, and increasing housing stress, insecurity, social housing waitlists and homelessness. This impacts negatively on people’s social and economic wellbeing.*

Recommended actions:

- *Federal, State and Local:* governments partner to take joint responsibility in delivering integrated, evidence-based policy responses, implementing all eight domains in this policy framework.
- *Federal:* establish a Federal Housing Minister and develop a National Housing Strategy. Establish a Housing Research and Supply Council, that is an independent Statutory Body with power to collect relevant housing data, commission independent modelling, require housing impact statements from relevant federal departments and hold States to account for housing supply and land planning.
- *State:* continue to implement the *Queensland Housing Strategy* including ongoing research and consultation with the sector through the Queensland Ministerial Housing Council. Support the Housing and Homelessness Research Alliance and the housing supply expert panel to collect data and commission research for informed decision-making and evidence-based policy development. Sustain funding of AHURI’s National Housing Research Program.
- *Federal:* properly subsidise the supply of social housing and fund homelessness services through the National Housing and Homelessness Agreement (NHHA).
- *Federal and state:* provide properly indexed, ongoing funding for tenant, shelter and homelessness peak bodies to represent stakeholders, to do research and to advocate on policy.

Outcome: *Holistic, integrated policy and program response to declining access to stable, secure and affordable housing, significantly improving housing outcomes and building a foundation for people’s social and economic wellbeing.*

2. Reform tax incentives

Context: *Generous property investment tax incentives (overwhelmingly benefiting wealthier taxpayers) distorting the housing market, leading to speculative inflation, reducing housing affordability and exacerbating inequality.*

Recommended actions:

- *Federal:* reform generous, distorting tax incentives. Limit negative gearing, (that is, tax deductions on passive income from assets earning capital gains), to the income received from those assets. Phase in a reduction of the Capital Gains Tax (CGT) discount from 50 per cent to 25 per cent, for individuals and trusts. Reinvest the proceeds in capital and operating costs of social and affordable housing to improve affordability across the housing continuum for both renters and homeowners.
- *State:* transition transactional stamp duty to a wider land tax that will improve affordability, and end untargeted, inflationary first home buyer schemes.
- *State and Local:* implement betterment taxes to capture windfall gains from land rezoning.

Outcome: *Housing prices stabilised, increased availability of affordable housing across the range of housing types.*

3. Increase incomes

Context: *Wage stagnation, unstable employment increasing, income support below poverty line, rental assistance inadequate, all decreasing access to affordable housing.*

Recommended actions:

- *Federal and state:* increase employment and real wages including minimum wage increases, lower the cost of living through improved concessions framework, protect workers in the gig economy.
- *Federal:* increase Commonwealth Rent Assistance (CRA) by at least 30 per cent for low-income households accessing the highest rate of CRA.
- *Federal:* increase Newstart Allowance by at least \$75 per week.

Outcome: *Improved access to affordable housing through increase incomes.*

4. Reform and invest in social / affordable housing

Context: *Increasing shortfall in social and affordable housing, inadequately funded housing programs (capital and operating). Long social housing waitlists of mostly high needs applicants. Lag time from planning, construction to occupancy.*

Recommended actions:

- *Federal:* further funding and investment in social housing capital and operating costs is needed to reduce affordable housing shortfall and social housing waitlists, committing to an additional capital funding of \$750 million in the first year, growing to \$10 billion over 10 years.
- *State:* fund the construction of at least 53,000 new social and affordable housing dwellings over the next decade. Support community housing sustainability across all three tiers of the National Regulatory System for Community Housing (NRSCH). This includes financial sustainability by investigating stock transfers to NRSCH tier one providers, but support all three tiers through simplifying eligibility criteria, social housing register, rent policy, program specifications and reporting requirements (applied equally to public housing). Investigate direct subsidies to Community Housing Providers (CHPs). It also includes the sustainability of community housing developments, so they are socially sustainable with funded tenant participation (see '6. Empower Renters' below), diverse tenant allocations to reduce congregation of high need (reliant on reducing waitlists), and better integration with support services.
- *Federal:* The National Housing Finance and Investment Corporation (NHFIC) Bond Aggregator is welcome but alone insufficient to meet demand. Re-launch an improved rental affordability investment subsidy to supplement NHFIC, to replace and learn from the strengths and weaknesses of the discontinued National Rental Affordability Scheme (NRAS) and to focus on new dwellings.
- *State:* implement shared equity schemes targeted towards people on low incomes.

Outcome: *Reduced shortfall of social and affordable housing, sustainable community housing sector, increasing access to social and affordable housing.*

5. Improve land planning

Context: *Land is closely related to housing regarding title, design, financing, taxation and location. Uncoordinated land planning, land zoning not adequately accommodating employment, transport or other infrastructure requirements. Rezoning windfalls not reinvested in affordable housing.*

Recommended actions:

- *State and local:* engage in participatory, place-based planning and co-design.
- *State and local:* ensure transport, employment, infrastructure, climate change adaptation (flooding risk, insurance impact) requirements are central in land planning and zoning of new developments.
- *State and local:* implement properly regulated inclusionary zoning / mixed tenure schemes, (such as five per cent social and 15 per cent affordable), so new developments have a mix of private and affordable housing.
- *State and local:* consider social and affordable housing in any government land disposal process.
- *State and local:* see '**2. Reform Tax Incentives**' above for betterment tax.

Outcome: *Access to adequate quantity of appropriately located land for affordable housing.*

6. Empower renters

Context: *Poorly regulated private rental market based on a power imbalance that favours landlords over tenants. This leads to insecure tenure, unstable and unfair tenancies, and inconsistent and inadequate maintenance and property standards.*

Recommended actions:

- *State:* **make rental properties a home** by improving privacy (longer notice times), more secure tenure, (preventing evictions without reasonable grounds), minimum property standards (including energy efficiency and healthy housing) and permitting pets and minor tenant modifications.
- *State:* **make renting fair** by improving legal protections, including fairer tenancy agreements and fairer processes (for example, improving urgency and response times by QCAT and tenancy databases).
- *State:* **make renting affordable** by capping rental increases, promptly returning bonds (unless there is a substantiated claim) and enforcing timely and consistent passing on of water bills.
- *Federal and state:* negotiate nationally consistent tenancy standards for all the above.
- *State:* adequately fund and promote tenant education, advice and advocacy. Implement tenant participation initiatives including policy co-design, using community development and public participation principles to engage and empower tenants.

Outcome: *Safe, secure, adequate properties, with fairer and sustained tenancies and empowered tenants. Balancing tenants' rights to a private home with those of owners' property rights.*

7. Reform homelessness programs

Context: *increasing levels of homelessness, and high level of need for homelessness services, with insecure funding and a disconnect between housing supply and wrap around support services.*

Recommended actions:

- *Federal and state:* properly fund homelessness services (secure, long term, indexed), and integrate with housing services in the NHHA.
- *State:* transition homelessness services to a 'Housing First' approach, (whilst maintaining necessary short-term crisis accommodation), to rapidly re-house people in long term, stable housing. Sustain their tenancies with wrap around support services focussed on local needs, community connections, living skills and social integration, with particular attention to vulnerable groups including women and children escaping DFV and elder abuse (see '**8. Inclusive Design and Supply**' below). Work closely with child protection services to prevent inappropriate removals due solely to lack of housing.

Outcome: *Reduced homelessness, homelessness services transitioned to integrated, best practice of 'housing first' approach.*

8. Implement inclusive design and supply

Context: *Lack of secure funding for (generalist and specialist) housing services targeted at those experiencing vulnerability (for example, mental health, domestic and family violence, youth, ex-prisoners, indigenous, remote, seniors and disabilities), discrimination, dispossession, overcrowding and inappropriate design in indigenous housing, limited implementation of universal design in new dwellings, inadequate supportive pathways for seniors to downsize positively, and barriers to alternative forms of community-based housing.*

Recommended actions:

To ensure access to appropriate housing as a human right for all Queenslanders means implementing all of the above seven domains. In addition, specific groups of people experiencing vulnerability also benefit from targeted, (but integrated), initiatives.

- *Federal:* properly fund the National Partnership on Remote Housing (NPRH) in Queensland. Add Indigenous housing measures to the Closing the Gap refresh.
- *Federal:* properly fund accessible housing for people with disabilities, not just approved Specialist Disability Accommodation (SDA) within the NDIS.
- *State:* maintain Remote Housing (NPRH) funding without reducing social housing funding. Establish a new Indigenous body and action plan to improve housing outcomes for Aboriginal and Torres Strait Islander people, including addressing discrimination, dispossession, exploitation, overcrowding and culturally inappropriate design (following appropriate design framework for remote Indigenous housing). Reduce the preventable Rheumatic Heart Disease (RHD) by addressing overcrowding and unhygienic housing conditions in remote communities.
- *State:* implement recommendations of the QDN 'Going for Gold' report, including universal design (Livable Housing Australia Gold Standard) for all new housing, (not just NDIS Specialist Disability Accommodation). Provide pathways out of congregate care 'group homes'. Remove barriers to implementing home modifications and assistive technologies in rental housing.
- *Federal and state:* properly fund emergency DFV emergency accommodation and support services, integrating with child protection services to prevent removals due solely to lack of suitable housing.
- *State:* implement the 2016 'Queensland: an age-friendly community' action plan including implementing innovative 'age in place' developments, universal design standards and appropriate downsizing transitions for seniors.
- *State:* investigate and implement appropriate diverse, respectful and inclusive, community-based, specialist housing solutions including for youth, LGBTQI+, CALD, migrants and refugees, people experiencing mental illnesses (including those living with hoarding and / or squalor issues), former prisoners, and those living in remote or regional communities.
- *State:* reform regulation to facilitate diverse, alternative, innovative and community-based housing approaches and design, for example, regional housing co-ops, tiny houses, share houses, not-for-profit real estate and other marginal, (yet safe, stable and affordable) housing.

Outcome: *Diverse specialist and alternative housing and pathways supported and funded adequately.*

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