



Recognising and upholding excellence in local government

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7 December 2022

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cc. Mr Jason Hunt MP
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Dear Premier

RE: OSCAR Recommendations on Addressing Housing Affordability and Availability and Pursuing Strategic Directions arising from the Housing Summit November 2022

The Organisation Sunshine Coast Association of Residents (OSCAR) welcomes the conversation about and range of actions suggested to identify issues and possible solutions to the current housing crisis facing the community across the state. We congratulate the State Government on taking this issue seriously.

OSCAR is a non-partisan and not-for-profit umbrella/peak organisation covering resident and community organisations on the Sunshine Coast and Noosa local government areas (LGAs) in South East Queensland.

OSCAR currently has 30+ member groups from the Pumicestone Passage to Noosa and from the Coast to the hinterland and ranges.

OSCAR aims to support member organisations by:

1. Advocating to local and state government and the public on policy issues that are of regional significance and of concern to our members;
2. Acting to resolve issues of strategic or region-wide relevance that are referred by member organisations;

3. Representing the member organisations on region-wide matters of interest to the community;
4. Maintaining awareness and responsiveness through frequent and regular ordinary meetings and dialogue with member organisations; and
5. Practising professional, honest and ethical conduct.

Further information about OSCAR can be found on our website at: <https://www.oscar.org.au/>

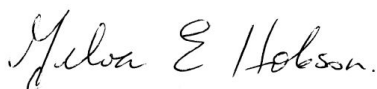
Consistent with our aims listed above and the significance of the current housing situation at a strategic and practical level and of both State and Regional importance, we have taken the liberty of offering our feedback on this topic for your consideration.

By holding the Summit the State is acknowledging that Queensland is experiencing a housing availability, affordability and diversity crisis and that significant strategic intervention will be required to address the various elements of the crisis. OSCAR has taken the liberty of offering feedback on this topic for your consideration.

Our process in providing this feedback has involved: viewing both the live-streaming of the summit and a detailed analysis of the opportunities/proposal suggested by panel members; analysis of the ideas, suggestions and propositions put to the summit; our responses to the various suggestions made by attendees; and considering possible strategies that were not addressed by the Summit itself. We are concerned that the temptation will be to move too fast to try to fix the crisis and in the process risk making decisions which trade-off short term results for longer term societal and environmental costs. The reality is that it will probably take a decade to address all the issues so considering and implementing short, medium and longer term strategies and actions is advisable.

The following recommendations largely relate to short-term responses, that is, the low hanging fruit and the commencement of mid and long-term initiatives. These journeys need to be initiated as soon as possible as part of addressing the housing crisis. These journeys can and must be an integral part of all preliminary consultations with the community about revisions to regional plans and Council planning schemes and planning for PDAs. The SEQ regional plan and many Council schemes are scheduled for revision in the next few years, and planning for existing and new PDAs will be occurring, so there is some urgency for the State and Councils to gear up for those journeys.

Yours sincerely



Melva Hobson PSM
President OSCAR
Organisation Sunshine Coast Association of Residents

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OSCAR Recommendations on Addressing Housing Affordability and Availability Crisis

Pursuing Strategic Directions arising from the Housing Summit

November 2022

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1 Effective cooperation between levels of government and the community coordinated by a high level State Housing Taskforce

OSCAR recommends that:

- 1. over the next year the State should work cooperatively with the Australian Government, Councils and the other sectors to develop targets, strategies and action plans aimed at fully aligning housing supply with demand over the next 10 years;*
- 2. a well-resourced Strategic High Level Cross Agency Housing Taskforce be established (reporting to the Premier, DP, Parliament and the community) to refine, develop and coordinate the implementation of various outcomes from the Summit; and*
- 3. the State Government negotiate with the Australian Government e.g. about extending the NRAS scheme beyond 2026; and co-funding the repair and refurbishment of housing on Aboriginal and Torres Strait Island community land .*

Effective cooperation between the State, Federal Government, councils, the community sector and the urban development and construction industries was a common theme of the Housing Summit.

The above recommendations are necessary to focus the attention of State agencies on housing related policy and program matters and actively pursue cooperative strategic planning with the Federal Government and non-government sectors. One such example of this is the anticipated end date of 2026 for the National Rental Affordability Scheme (NRAS) which offers both affordable and supported housing by government and Not for Profit (NFP) organisations.

2 Maintaining a consistent sustainability focus in all planning decisions

OSCAR recommends that:

- 1. the Economic Development Act be amended to include an ESD purpose statement comparable to the Planning Act so that there is a consistent approach to sustainability outcomes in decision-making under both Acts.*

While the focus is on housing availability, affordability and diversity issues, the State should not lose sight of the broader sustainability issues such as: Universal Housing design; efficient and effective sustainable housing design as illustrated in the Sunshine Coast Regional Council Design Book; creating accessible, liveable, well serviced urban developments; avoiding and minimising environmental impacts; and suitable responses to mitigation, adaptation and resilience aspects of Climate Change. In making any housing recommendations relating to the planning and development system the State must therefore follow the ecological sustainability principles of the Planning Act 2016.

It has been suggested that EDQ can play a major role in influencing housing affordability and diversity outcomes, presumably via Priority Development Area declarations brownfield and greenfield urban development projects. We agree that is potentially possible, for example, by: incorporating more diverse housing types, more social and community housing and more medium density in the remainder of the Caloundra South/ Aura PDA and via the structure and detailed planning for Caboolture West and Beerwah East (should it be declared a PDA).

However, we emphasise that EDQ is not currently required to address broader sustainability issues in planning and developing its projects and this could explain why there is criticism coming from many quarters about the quality and liveability of its urban development projects and level of community satisfaction. The Economic Development Act lacks an ESD purpose statement of the kind found in the Planning Act. We recommend that be rectified by amending the ED Act to include an ESD purpose statement comparable to the Planning Act so that there is a consistent approach to sustainability outcomes in decision-making under both Acts.

3 Queensland population growth management and settlement strategy

OSCAR recommends (strongly) that:

- 1. the State seriously consider pursuing a Population Growth Management and State Settlement Pattern Strategy; and*
- 2. full community consultation be undertaken at both the State Strategic and Regional Plan level.*

Matt Collins from the Planning Institute of Australia QLD suggested developing a Queensland population growth management strategy and a State Settlement Strategy focusing on the capacity of regional coastal and inland centres to accommodate a greater share of forecast rapid population growth and using the levers available to governments and the private sector to determine how, when and where urban development will occur in QLD. Adopting such a strategy has been debated for decades without any resolution. The housing crisis and other related considerations suggests it's time to revisit such a strategy.

Arguably it is not sustainable to continue trying to accommodate 80 percent of State population growth in SEQ when Queensland is fortunate enough to be a big state with a long coastline and numerous inland and coastal towns and regional cities with potential to sustainably take a larger share of population and urban growth. SEQ is heading towards a 200km long congested conurbation with a population of around 4 million. Brownfield and greenfield urban development in SEQ is creating progressively more complex sustainability, liveability and infrastructure and services funding challenges.

We strongly recommend that the State seriously consider pursuing a Population Growth Management and State Settlement Pattern Strategy. It can be an extension of the existing regional planning processes occurring under the Planning Act to include an overarching statewide strategic direction that informs and influences regional planning.

Full and appropriate community consultation must be undertaken at both the State Strategic and Regional Plan level to ensure that communities across the state understand the reasons for adopting the new approach to population and urban growth management and understand what the advantages will be for each regional area.

4 Meeting SEQ targets for medium density housing

OSCAR recommends that:

1. *the causes of the failure to deliver SEQ targets for medium density housing be identified and determine how that can be rectified.*

Matt Collins also pointed to the failure to deliver SEQ targets for medium density housing and proposed several ways to increase housing diversity including an opt-in code (details not elaborated), tiny houses, micro-lots, and various medium density housing types up to 3 storeys (the “missing middle” - duplexes, triplexes, townhouses, cluster houses, terrace row houses etc). The UDIA and others questioned whether the SEQ Urban Footprint (UF) is fit for purpose, suggesting a review of the Plan be carried out, and very likely seeking an expansion of the UF. While we do not oppose reviewing how the Plan is performing, we suggest there is a need to thoroughly consider what factors are in play and how they can be addressed before any premature and ill-advised actions are considered.

The failure to achieve SEQ medium density targets partly explains why the potential population and housing capacity of the SEQ Urban Footprint is not being fulfilled. Probable explanations include:

- a. insufficient development constraints analysis has occurred in preparing the SEQ Regional Plan and that this results in lower yields of lots and dwellings than expected in greenfield and brownfield sites.
- b. failure by governments and developers to deliver infrastructure and services required to support development in a timely and coordinated way.
- c. development of lots and dwellings and their release onto the market is deliberately slowed to maximise developer returns.

Each of these three explanations need to be unpacked to identify the causes of the problems and how they can be rectified, for example, would additional revenue raising by the State improve its ability to fund and deliver the infrastructure and services required to support development in a timely way, including big ticket items such as transport, health, education and social housing?; should development approvals mandate the timing of development stages and release of lots and dwellings to the market?; how can development constraint methodology and development yield analysis be improved? This is definitely a priority job for the Strategic High Level Cross Agency Taskforce recommended above.

Any proposed increase in the SEQ UF should only be permitted where it aligns with environmental best practice principles. We are experiencing significant climate change and development should not be permitted in flood plain, coastal erosion or high impact bush fire zones. Engineering solutions to 1:100 areas may now be outdated and ineffective, as indeed may be the 1:100 planning concept generally. Climate change exacerbation of natural hazards suggests the need to move to more risk-averse planning principles and methodology e.g. adopting a Probable Maximum Flood level benchmark instead of the current 1:100 year event.

5 Addressing community resistance to increased density caused by poor historical development experiences

OSCAR recommends that:

1. *Governments, the development industry and urban and regional communities need to embark on a journey about sustainable population and urban growth, including reasons to accept increased urban densities, compact urban form, greater housing diversity and mixed use developments, increased use of public and active transport, and embracing the opportunities of a low carbon urban future - rather than business as usual continuing low density urban sprawl, car dependency, loss of agricultural land, and loss of environmental values and rural landscapes;*
2. *Governments and the urban development industry address the resistance, cynicism and opposition by the community to medium and higher densities in urban infill and brownfield development based on many examples of bad medium and higher density development; and*
3. *the urban development industry should be required to deliver far better building and urban design outcomes to help overcome community resistance to increased density.*

Based on the strength of several recent Sunshine Coast community campaigns against medium and higher density development projects, we also agree with the PIA QLD on another aspect of why medium density housing targets in the SEQ Regional Plan are not being met.

There is significant market resistance and community opposition to increased urban densities, especially brownfield urban infill, which arises because the community sees so many bad examples of medium and higher density development and so few examples of well designed, attractive, liveable, increased density developments. The community is also rightly sceptical that the necessary open space and supporting infrastructure and services will be delivered by governments and developers. The need for profitable developments is understood and appreciated but any development should not be undertaken to the detriment of the community who live in or propose to live in a particular area.

Governments and the urban development industry clearly need to turn this situation around by requiring and delivering far better building and urban design outcomes. This will necessitate amendments to the Planning Act, more prescriptive development codes that can't be sidestepped by development applicants, and producing a number of demonstration projects across the region incorporating good built and urban design principles.

However, in addition to the above actions, we strongly support the PIA position that is clearly necessary for governments and the development industry to take urban and regional communities on a journey about sustainable population and urban growth of the kind described in italics above.

6 SEQ Regional Plan

The SEQ Regional Plan has a major influence on future outcomes for SEQ, including the split between greenfield development and urban consolidation, major infrastructure proposals, and it sets many of

the housing numbers and parameters to be met by local Councils. The proposed review of the Plan is of great interest to the community, including the role it will play in addressing the housing crisis.

It was interesting during the summit to hear Cr Mark Jamieson in his role as President of LGAQ quote the statistics that there were 100,000 approved developable blocks across the state with 60,000 of those in SEQ. An analysis of how this has occurred and whether this is “land banking” or slow release of developed lots should be undertaken as part of the SEQRP review.

OSCAR recommends that:

- 1. the community and LG are informed of the Urban Footprint and SEQ RP review timelines, the outcomes of the reviews, and ensure that the process for the next Regional Plan for SEQ is available months before it commences;*
- 2. ecologically sustainable development outcomes guide the development of the SEQRP; responsiveness to Climate Change impacts are ensured, and that unrealistic expectations of SEQ UF development yields are avoided. Any extensions to the UF should **exclude** land subject to significant development constraints – notably development on floodplains or on other high risk natural hazard locations, locations likely to be significantly impacted by Climate Change, valuable farmland, and valuable biodiversity and scenic landscape areas. All existing inter-urban breaks should be retained; and*
- 3. to improve public consultation processes and community engagement the State should undertake a program of preliminary consultation and analysis prior to preparing and releasing a Draft RP. This could include discussion papers on key issues such as land banking, the proposed strategic directions of the RP, submission opportunities, public displays, websites, surveys, focus groups, roundtables with key stakeholder groups etc. The outcomes of the consultation process should be publicly available.*

7 Targets for social and community housing

The State already has a range of state and regional population growth and demographic projections and information about unmet demand for social, community and emergency housing. This information can be used to calculate likely demand for the number and type of social, community and private housing units over various timeframes on a state-wide and regional basis. Finer detail is provided via Council housing need assessments and implementation plans.

OSCAR recommends that:

- 1. the Taskforce recommended in Section 1 should work with industry and community sectors to set appropriate targets State targets for social, community and emergency housing and action plans to achieve them. Targets improve transparency and accountability in government performance;*
- 2. the present percentage of total housing stock that is government funded and managed social and community housing is far too low and needs to be substantially increased;*

3. *the State Government consider mandating percentages of lots and dwellings for forms of social and affordable rental housing on development sites as part of cost-sharing with the development industry; and*
4. *the State undertake a wide-ranging review over the next year of fair and reasonable increased revenue raising options in relation to the housing, property and urban development industry sectors. The review should be coordinated by the Premier's Department and include public submission opportunities on an initial options discussion paper to ensure that interested stakeholders and the community at large can have their viewpoints considered.*

The current situation is the result of decades of under-funding of forms of social housing and over-reliance on the development industry and investors to deliver private owner-occupier and rental housing in appropriate numbers and diversity. The housing crisis represents a major market failure on several scores.

Social welfare groups such as QCOSS are proposing increases in social housing funding and supply that are unlikely to reliably eliminate the wait lists on the Housing Register and keep pace with additional demand arising from demographics (e.g. older women) and demand from interstate and overseas migration.

Funding increases and proposed construction rates announced by the State are similarly unlikely to be able to match supply with growing demand for social housing over the coming decade. Over a decade there could be targets to progressively increase the proportion of all housing stock that is state funded and managed housing and another target for Community Housing Providers.

Revenue sources need to be found to enable the State to significantly improve its social housing performance to meet the targets. Some options include targeted increases in land taxes (e.g. on short-term accommodation properties), "betterment taxes" on appreciation in land value arising from development approvals, and improving revenue from higher and more diverse infrastructure and services contributions paid by the development industry.

The implications of these and other revenue raising options need to be carefully assessed individually and how they interact with other existing and possible new revenue raising options and investor activity.

8 Secondary Dwellings / Granny Flats

OSCAR recommends that:

1. *the State permit (for 3 years) for owner-occupiers to rent existing secondary dwellings to non-family members subject to satisfying planning and building regulations, but conditional on the granny flats **only** being used for long-term rental i.e. no short-term accommodation rentals such as Air BnB;*
2. *this process to be reviewed after 3 years to consider extension;*

3. *many existing approved granny flats we suspect are already being used illegally for short-term accommodation rental, so recommend that Councils review current usage of these approved dwellings and end short-term rental in these situations;*
4. *a related 3 year initiative to permit applications for new secondary dwelling planning and building applications to be lodged by owner-occupiers to enable additional granny flats to be created for long-term rental be introduced. As these are small dwellings (60 to 90m²), they will be subject to fewer building material and skilled labour shortage issues than building larger dwellings; and*
5. *State & Councils consider limiting the number of new granny flats permitted in each planning locality to avoid adverse infrastructure and liveability outcomes.*

NB: Any such increased usage of secondary dwellings to facilitate social and affordable rental housing must occur without exacerbating parking inadequacies that are an increasing issue for example on the Sunshine Coast.

9 Addressing building materials supply and skilled trades issues

OSCAR appreciates that housing construction activity will likely be constrained for the next two years by materials supply and skilled trades issues. This suggests there will be relatively few opportunities to achieve major outcomes in the short-term, but some possibilities are raised below.

Address building material shortages and skilled labour issues that are slowing new house construction and repair and renovation rates and reducing affordability – issues raised by the Treasurer and others at the Summit.

Shortages of soft and hardwood timbers cannot be rectified for many years and training of additional skilled trades and bringing in skilled trades from overseas will also take years.

Supply chain disruptions on imported manufactured products are likely to continue for many years suggesting import replacement strategies are necessary.

Factory manufactured housing could be the key to quickly expanding social, community and private rental housing and more affordable owner-occupier housing.

OSCAR recommends the following short and medium term responses-that:

1. *wherever possible replace timber building materials (studs, joists, trusses, bearers, sleepers, claddings, mouldings etc.) with alternative materials such as steel, aluminium, concrete, masonry, MDF, plastic and other renewable products;*
2. *encourage more local manufacture of these and other building materials to reduce reliance on imported products - Incentives could be offered to new start-up companies and for expanding existing manufacturers where economically viable;*
3. *significantly increase factory manufactured housing: pre-fabricated dwelling components, tiny houses, granny flats, demountable/relocatable buildings, complete manufactured*

homes, and modular pods suitable for co-housing, cooperative and other housing applications;

- 4. mandate a significant proportion of new social and community housing to be factory manufactured to help produce more social housing quickly, potentially at lower cost, which will assist in reducing the backlog and growing demand for social housing – and stimulate investment and growth in this industry;*
- 5. in order to increase housing diversity and affordability, develop and adopt planning instruments that facilitate tiny houses, demountables, small houses and various other types of manufactured homes within brownfield and greenfield developments; and*
- 6. A review the Manufactured Homes (Residential Parks) Act be conducted to ensure it can facilitate a wider range of manufactured dwelling land uses and that tenancy rights and financial security issues are appropriately safeguarded.*

Factory manufactured housing can efficiently apply computer assisted technologies, reduce waste building materials, reduce on-site construction time and weather-related delays, reduce skilled labour requirements, increase efficient use of skilled trades, and potentially reduce overall housing costs.

Incentives such as subsidies could be given to new start-up companies and for expanding existing factory housing and demountable building companies.

Requiring a significant proportion of social and community housing to be factory produced will also help kick-start the rapid development of the manufactured housing industry.

Smaller manufactured houses, including those that are on skids and relocatable, are suitable for the growing demographic requiring social housing – over 55 years, especially women, with few financial resources and locked into the private unaffordable rental market.

Some examples of different styles of housing include: micro lots for tiny houses and small 1 and 2 bedroom dwellings; cluster housing; larger manufactured house estates similar to those seen in some “over 50s” centres and retirement villages, owner-occupier and build to rent in estates and within estates; and temporary use of suitable public and private land for demountable building estates pending decisions about long-term land use.

Pre-fabricated and manufactured housing is also ideal for unmet affordable housing demand on Aboriginal and Torres Strait Island community land and remote urban locations.

10 Housing disadvantages that Aboriginal and Torres Strait Island communities face

OSCAR recommends that:

- 1. all levels of government urgently address the significant multiple housing disadvantages that Aboriginal and Torres Strait Islander communities face compared with the wider community e.g. over-crowding, discrimination in public and private housing, homelessness, low home ownership, uninhabitable houses needing repairs;*

2. *Federal and Queensland Governments negotiate joint funding of the cost of repairing and refurbishing about 500 houses on Aboriginal and Torres Strait Island land to make them habitable; and*
3. *Queensland advocate that the Commonwealth reinstate an earlier program of direct funding to Aboriginal and Torres Strait Island community organisations for the construction of dwellings on community land by the organisations and for onsite trade skills training of community members to overcome local skills shortages. Dwelling design should be undertaken with the full participation of the community and its elders (present and emerging), must embrace local indigenous community living arrangements, and incorporate relevant climate and sustainability considerations.*

11 Existing government social and community housing stock

OSCAR recommends that:

1. *there be better management of existing government social and community housing stock to minimise vacancies and Church and charitable housing providers be encouraged to do the same;*
2. *churches, other charitable entities and Local Government urgently review their landholdings and buildings to identify opportunities for new housing development and the re-purposing of existing buildings for housing uses; and*
3. *there should be increased and continued ongoing support for non-government entities active in the provision of housing and notably ongoing support for occupants.*

These recommendations require: quickly repairing and refurbishing stock, and maximise effective use of the accommodation capacity of the stock by better matching dwelling size to household size.

The State should facilitate these outcomes where appropriate through planning, development approval and funding assistance.

12 Student hostel accommodation

OSCAR recommends that:

1. *more university student hostel accommodation is constructed where suitable land is available on campus or at locations readily accessible to campus via public transport.*

This is necessary to address plans to increase university student places, given the forecast return of overseas students, and the poor availability and affordability of private rental housing for students.

Financial and other incentives may be required given the financial position of some universities, especially smaller regional universities. The State and Councils must collaborate with universities on the need and suitable location, planning and development approval process matters, and the justification for any incentives being sought.

13 Loss of rental properties

Research by Sunshine Coast and Noosa Councils and anecdotal evidence in this region suggest that use of former residential and rental properties for short-term rental such as BnBs has occurred on a significant scale over the last 5 to 10 years. The very high financial returns on short-term rental is clearly the driver behind this trend. While the State is continuing to consider whether this is an issue it needs to address, we conclude it is certainly an issue in our tourism oriented region, and we suggest that would also be the case in all other tourism destination regions of the state.

The number of vacant properties at the recent Census may be a significant indicator of use as a holiday home or short-term rental.

Under the Planning Regulation 2017, short-term accommodation is defined as:

- a) *means the uses of premises for –*
 - (i) *providing accommodation of less than 3 consecutive months to tourists or travellers,*
 - or*
 - (ii) *a manager’s residence, office, or recreation facilities for the exclusive use of guests, if the use is ancillary to the use in subparagraph (i); but*
- b) *does not include a hotel, nature-based tourism, resort complex or tourist park.*

Short-term accommodation appears to be an issue across the state and very complex.

For example, under the *Sunshine Coast Planning Scheme 2014* (the Planning Scheme), short-term accommodation is currently an inconsistent use (i.e. not intended to occur) and subject to Impact assessment in the Low density residential zone and Rural residential zone. In other zones, such as the Medium density residential zone, High density residential zone, Tourist accommodation zone, centre zones and Rural zone (where for a farm stay or not more than 8 holiday cabins), short-term accommodation is generally a consistent use and subject to Code assessment. In some cases the provisional level of assessment for short-term accommodation is varied in local plan areas, such as the Golden Beach Local plan area and Maroochy North Shore Local plan area.

Bed and breakfast, which falls under the use definition of Home-based business, is generally Accepted development in most zones, subject to meeting the requirements of the Home-based business code under the Planning Scheme.

It should be noted that dwelling houses established under former planning schemes (e.g. *Maroochy Plan 2000* and *Caloundra City Plan 2004*) may have existing use rights for short term holiday letting/short-term accommodation. If existing use rights are established, that use has the right to continue and cannot be made unlawful by amendments to an existing planning scheme or the introduction of a new planning scheme.

It is our understanding that the Queensland Government established an industry reference group, which provided advice to the Government on managing short-term accommodation in Queensland.

Generally it was considered that short-term (transitory) accommodation matters would be best managed by councils.

This means that there is no consistency between Local Government Areas (LGAs) and that a Local Government is left to deal with and wear any consequences of any legal challenge or community backlash in relation to any decisions made. It also means that generally any regulations made by a LG is dependent on preparation of a new Planning Scheme, generally a one in 10 year process and Local Law arrangement such as that undertaken by Noosa Shire Council's, new Local Law relating to Short Stay and Home Hosted accommodation. ,

Urgent action is required to bring some consistency into the Planning Act and Regulations across the state to ensure that short-term rental properties are suitably located, fairly rated and that wherever possible short-term rental properties are returned to owner-occupier or long-term rental uses.

OSCAR recommends that:

- 1. Treasury and State Development Urgently complete the reviews of the reasons for the apparent loss of 20k rental properties (such as use by owner for working from home, holiday home use, being held for sale or use as short-term/transitory accommodation); and*
- 2. the State Government develop, within 12 months a consistent state-wide approach to the regulation of short-term letting under the Planning Act and the Economic Development Acts.*

This could include provisions such as:

- a) in cooperation with Local Governments, review the implications for any regulation of existing use rights for short-term holiday letting/short-term accommodation and provisions to continue such use and at what point they might expire;*
- b) encouraging LG to amend Planning Schemes as required, and provide substantial penalties for non –compliance by owners. This should be supported by adequate State and Council media releases and other notifications to the community about the changes and the reasons for the changes; and*
- c) consider whether there should be limitations on the number of short-term rentals permitted in some zones given that they individually and collectively can cause noise, car parking and other local amenity issues, are not regulated as heavily as the mainstream commercial tourist accommodation industry, and may not pay industry promotion levies.*

Urgent action is required to ensure as many short-term rental properties as possible are quickly returned to owner-occupier or long-term rental uses.

14 Build to Rent

Build to Rent appears to be a useful mechanism for some early progress.

OSCAR recommends that:

- 1. the results of pilot programs should be released as soon as possible, and be used to guide a scale-up of these projects;*
- 2. additional Pilot Projects should be undertaken by governments and various types of institutional investors, philanthropists, and Community Housing Providers;*
- 3. any incentives should be conditional on the building being for long-term rentals only, not short-term accommodation;*
- 4. incentives should also be conditional on security of tenancy support, affordability over time, and incorporation of sustainable building and urban design principles. Incentives should **not** sacrifice such principles; and*
- 5. location will often be critical to the success of such projects e.g. access to public and active transport, local shops and government and community services, especially where social and community housing is included.*

15 Reduction in the thresholds for terminating the Body Corporates

The UDIA sought a reduction in the thresholds for terminating the Body Corporates of buildings, presumably to facilitate renovations or demolitions.

OSCAR recommends that:

- 1. further detail & public consultation is required, including relevant community NGOs, to ensure that vulnerable owner-occupiers and renters are not displaced or disadvantaged, and that other unintended consequences are assessed and addressed e.g. significant alteration of amenity and local character.*

16 Co-housing and cooperative housing

We are surprised that there was very little mention of co-housing and cooperative housing opportunities at the Housing Summit. Architects and planners are keen on trialing these innovative forms of housing, which are well established in Europe and attracting increasing interest in Australia. There are examples in the ACT, Hobart, Melbourne and NSW Northern Rivers which could be considered. Modular and manufactured housing is readily applicable and potential uses are diverse, including low cost retirement and supported social, transitional and community housing, affordable rental and owner-occupier housing. Cooperatives could be facilitated by allocating land or lots on private sector and PDA urban development sites e.g. through a competitive bidding process.

OSCAR recommends that:

- 1. the high order Strategic High Level Cross Agency Housing Taskforce (as per Recommendation 1.1) gather and review examples of Co-housing and cooperative housing across the country and if available overseas (Europe), sharing research with the community as a whole; and*
- 2. the Taskforce make recommendations to the State government re how and where such housing could occur in Queensland and what changes to the Planning Act and/or Economic Development Act would need to be made to facilitate such style of housing in Queensland.*

17 Tenancy laws

OSCAR supports the proposed reforms to tenancy laws to ensure long term tenancy, security of tenancy and rights to modify rental accommodation with landlord approval. However, the performance of these tenancy 'reforms' should be monitored given that if they prove too onerous they may become a disincentive to private investment in long-term rental housing.

Given the long term decline in owner-occupied housing and the rise in the level of those locked into the rental market, we support the proposed reforms to tenancy laws (subject to the qualification in the recommendation above). Secure, affordable housing is fundamental to individual and community wellbeing.

18 A thorough review of performance of the First Home Owner Grants Scheme

OSCAR recommends that:

- 1. a thorough review by Treasury and the Taskforce of the benefits and risks of the current Grants scheme;*
- 2. the review consider the comparative benefits and risks of alternatives, including alternatives focussed on greater assistance to higher need groups; and*
- 3. acting on review recommendations including, if necessary, termination of the current scheme and redistribution of scheme funds to a better performing scheme or schemes.*

The overwhelming view of housing experts and economists is that First Home Owner Grants schemes force up house prices, reward existing property owners and investors, and do not improve the prospects of first home owner aspirants relative to wealthier buyers and investors. There is also the risk that some financially marginal first home owners who are encouraged by the availability of a grant to enter the housing market can face significant mortgage stress when confronted by higher interest rates or reduced household income.

We understand the intent of the proposal to refocus the Grants scheme to give higher grants to higher need groups. However, in view of the above criticisms of grants schemes, we consider that the current Grants scheme itself should be thoroughly reviewed by Treasury and the Housing Crisis

Taskforce to determine whether the scheme is actually beneficial to those aspiring to buy their own first home.

As there was little attention paid to alternative ways of assisting higher need groups at the Summit, the proposed review of the Grants scheme should also include an analysis of alternatives to a grants scheme and their comparative benefits and risks - including options that can be better targeted at higher needs groups and be more effective in meeting their needs. E.g. a well-designed shared equity scheme of the kind introduced by the Federal Labor Government could be quite effective in securely raising owner-occupier housing levels in targeted higher need groups if operated at greater scale than the Labor scheme.

If the review identifies better performing alternatives to the current Grants scheme, the scheme should be terminated and the associated funds redistributed to the most effective alternative scheme or schemes.

19 Wellcamp Airport accommodation facility

OSCAR recommends that:

1. *The State Government Identify suitable short and longer term uses for the Wellcamp Airport accommodation facility e.g. accommodation for domestic and foreign students, migrant farm workers, supportive community housing providers, emergency and transitional housing and low cost retirement villages, prioritising public transport, local amenity development and liveability support.*

20 Evaluate housing consequences of Covid & pursue Commonwealth policy matters that were not discussed at the Summit

OSCAR recommends that:

1. *a research evaluation into implications of Covid for housing stress, housing diversity demand and supply be undertaken;*
2. *the State Government look out for opportunities to acquire social, community and affordable rental housing arising from Covid disruptions;*
3. *dialogue with the Australian Government about housing-related policy levers **not** explored at Summit should be undertaken **initially** by the Strategic High Level Cross Agency Housing Taskforce, reporting back to the State Government and the wider community; and*
4. *the State should seek solutions to the housing crisis via ministerial meetings and to also consider seeking the support of the Commonwealth for holding a multi-sector National Housing Crisis Summit as soon as practicable.*

Covid has produced a number of disruptions in our lives, and will continue to do so in many ways.

Research suggests an estimated 20% of people in Australia have altered their expectations of housing and where they want to live.

Working at home and remote working have opened up opportunities to move location and change the type of home lived in - such as moving from the inner city to a middle or outer suburb, move from the capital city to a rural or regional town, and move to Queensland from another state. The future of large CBDs as retail, hospitality and office building hubs is even in question given the increase in working from home and reduced need to live in or commute to the CBD.

Over the last few Covid years the Sunshine Coast has attracted very large numbers of interstate migrants and those relocating from other parts of Queensland, which has added additional stress to existing residents trying to find appropriate affordable owner-occupier or private rental housing. Inadequate supply of affordable housing has become more extreme than pre-Covid forcing many more existing residents to leave the region or into transient accommodation and homelessness.

There is demand from those now working from home for both larger, more flexible family houses and larger, flexible apartments. Smaller houses, apartments, granny flats and retirement villages will be attractive for some of our ageing and aged population wanting to downsize from family houses that are now in such great demand. A diversity of small one and two bedroom accommodations is required given our average 2.5 person household size, our ageing population and affordability issues compounded by Covid. At the other end of the spectrum there is demand for large, multiple bedroom homes for ATSI and other community groups wanting to live in multi-generational households and avoid health issues arising from overcrowding.

The development industry and State and Council planning has always struggled to supply an appropriate diversity of housing relative to demand, including social and community housing, aged and single person accommodation, and for those with special needs. Covid will undoubtedly further complicate planning the supply of a more diverse demand than existed pre-Covid.

It is unclear in many cases how the Covid induced disruptions will unfold, but the State and Community Housing Providers should be on the lookout for opportunities to overcome some of the unmet demand for social, community and emergency housing and for more affordable rental accommodation e.g un or under-utilised commercial, retail and warehouse buildings in the CBD which could be repurposed for housing and small, limited flexibility city apartments and similar buildings could be acquired for social and community housing.

Recent news reports have made mention of the “reverse move” following Covid, where some interstate Covid arrivals are now moving back to Victoria and NSW with recently purchased properties being put back on the market. These, where suitable could be acquired for social and affordable housing and long-term rental.

What wasn't discussed at the Summit – pursuing Commonwealth policy levers

Finally, Covid has produced a “churn” in population movement and housing demand and supply across Australia, which is part of the reason for our housing affordability and availability crisis across the state. However, Covid has also been the catalytic trigger for a housing crisis that has been brewing for decades for many reasons.

Unfortunately the Housing Summit did **not** explore the latter reasons for the crisis, despite these in many cases being potentially more important keys to addressing it than those actually raised at the Summit – notably policy levers in the Commonwealth jurisdiction such as migration intake rates, home loan eligibility rules, generous tax concessions for owning and selling rental properties, tax distributions to the States that underpin State budget capacity, post-secondary education,

manufacturing industry policy, and the Commonwealth's primary responsibility for Aboriginal and Torres Strait Island matters.

We suggest that the State Housing Crisis Taskforce should initiate dialogue with the Commonwealth about where there is scope for Commonwealth strategic and policy actions that can assist with aspects of the housing crisis in Queensland and nationwide. This should include the possibility of holding a multi-sector National Housing Crisis Summit. The Taskforce should then report to the State and the wider community on possible actions to pursue, including the National Summit.

Queensland by itself and in collaboration with other states and territories has the ability to influence Commonwealth housing policy levers via periodic and special meetings between Commonwealth and State and Territory ministers.

The peaking of inflation and interest rates in the months ahead will produce a spike in the housing crisis shortly afterwards, so OSCAR suggests this provides the opportunity for Queensland to pursue such strategic dialogues with the Commonwealth about where it can contribute to resolving housing crisis issues.

A complete response to address immediate, mid-term and long-term solutions to the housing crisis is multi-faceted and any solution should not be to the detriment of the community. Full, open, frank and ongoing engagement with community should be a hallmark of any process.