

21 May 2024

Commencement of HAAPOLA Feedback
Planning Group
Department of Housing, Local Government, Planning and Public Works
Queensland Government
GPO Box 690
BRISBANE QLD 4001

Via e-mail: planning4housing@dSDLGP.qld.gov.au

To Whom It May Concern,

DRAFT PLANNING AND OTHER LEGISLATION AMENDMENT REGULATION 2024

Q Shelter welcomes the opportunity to provide feedback on the Draft Planning and Other Legislation Amendment Regulation 2024 ('the Amendment Regulation'). We commend the Queensland Government's efforts to improve housing affordability in Queensland, across a range of policy and investment areas, including the new Homes for Queenslanders' Plan, and through a variety of planning reforms and amendments.

We appreciate this Amendment Regulation is key to the implementation of the Queensland Government's strategy to increase the supply of affordable housing stock. We have supported the corresponding legislation, including the Housing Availability and Affordability (Planning and Other Legislation Amendment) Bill 2023, and the Economic Development Queensland and Other Legislation Amendment Bill 2024. They too seek to deliver more housing supply, affordability, and diversity to market.

However, we have consistently argued for clarity and specificity when it relates to the prescribed definition for 'affordable housing'. As such, we are concerned about the amendment and the proposed definition for affordable housing in the draft regulations. We are also concerned about the lack of certainty about an embedded role for Community Housing Providers to ensure affordability in perpetuity.

As a peak organisation working to ensure every Queenslander has a home, Q Shelter is aware of the acute shortage of social and affordable homes for people on lower-middle incomes.

We recognise the need for a healthy housing system that delivers enough homes to meet the population's needs. We are also aware that without clear and specific definitions of affordable housing, Homes for Queenslanders and other planning instruments such as the SEQ Regional Plan Update, may not deliver enough homes to meet the needs of people on the lowest end of the income spectrum.

In addition, while we commend that the State Facilitated Development (SFD) pathway will be available to registered community housing providers (CHPs) and projects that receive government funding, we are concerned about the inclusion of developments with dwellings offered 'below the typical market value' (new s43C(c)) and the lack of clear and transparent criteria for this subsection and how it will operate. Using language like 'below typical market value' leaves room for interpretation, lacking standardisation and making affordability vulnerable to market fluctuations which might contradict its intent.

Affordable housing definition

For absolute clarity, Q Shelter supports a definition of affordable housing that:

- is linked to household income, specifically targeted to households on low to moderate incomes (i.e. the lowest 40% of Australian household incomes), and ensuring they spend no more than 30% of their household income on housing costs.
- provides for enduring affordability through delivery via a registered community housing provider to ensure these dwellings are affordable in perpetuity; and
- is consistent across State Government housing policy, planning rules and regulations, and related funding programs.

We note the current definition in the Planning Regulation is:

'Housing that is appropriate to the needs of households with low to moderate incomes, if the members of the households will spend no more than 30% of gross income in housing costs.'

The proposal to replace this with *Affordable Housing Component* weakens the current definition and provides no guarantee that the housing delivered will meet the needs of households on the lowest 40% of the income spectrum. We are concerned this opens the way for the State to meet stated targets for affordable housing without adequate provisions to achieve affordable housing in perpetuity to low- and middle-income households who need access to rental homes.

Q Shelter understands that a range of mechanisms are needed to support affordability however the proposed amendments will not necessarily achieve affordable housing able to be accessed by households on the lowest 40% of the income spectrum.

Affordable housing percentage

There also appears to be no guidance in the draft regulations as to who would determine typical market value for dwellings in specific developments, the proportion of the discount required, timeframes, or compliance.

For example, as currently drafted, it is unclear if a dwelling with a 5% discount to market rent for three months would meet the proposed definition. Moreover, even substantial market rent discounts (more than 20%) to existing Build to Rent (BtR) projects in Brisbane are not considered affordable for most households, particularly low to moderate-income groups.

Without clarity and guidance for the use of a discount-to-market model, the extension of government powers created by the state-facilitated development pathway has the potential to result in substantial benefit for private developers, who can access an approval pathway that is free, has limited appeal rights, but may result in no net increase in the supply of affordable housing for lower income groups.

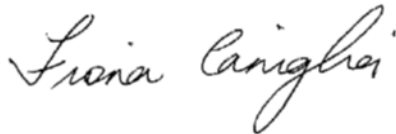
We also note that the affordable housing threshold for SFD is 15% of new dwellings in the development, as compared to the target of 20% of new dwellings in the recently updated *ShapingSEQ plan*. The inconsistency between the target in the regional plan and the enabling regulation raises concerns about alignment between policy, planning, and implementation.

Summary of recommendations:

1. Adopt a definition of affordable housing that refers to income levels (such as the lowest 40% of the income spectrum).
2. Enshrine the role of Community Housing Providers in the delivery of affordable homes or require other entities to enter into an agreement with a Community Housing Provider to ensure housing is 'affordable in perpetuity'.
3. Discount to market rent needs further definition and must be a significant discount to market rent, in perpetuity, to achieve the intent to deliver more affordable housing inclusive of household's significant barriers to the private housing market. An associated governance and compliance structure for 'discount to market' rent needs to seek guarantees of long-term affordability.

For more details about this submission, please contact the Policy & Strategic Engagement Manager at Q Shelter, Jackson Hills on (07) 3831 5900 or at Jackson.Hills@qshelter.asn.au.

Yours sincerely

A handwritten signature in cursive script that reads "Fiona Caniglia".

Fiona Caniglia
Executive Director
Q Shelter