



**Australian Federation of
Disability Organisations**

Addressing Australia's Cost of Living Crisis

**Submission to the Select Committee
on Cost of Living**

28 March 2024

Primary author/s:

Rebecca Rudd
Coordinator – Policy and Submissions

Reviewed & approved by:

Ross B. Joyce
Chief Executive Officer

Table of Contents

ABOUT AFDO 3

ACKNOWLEDGEMENT 4

1. INTRODUCTORY COMMENTS 5

2. SUMMARY OF RECOMMENDATIONS 6

3. IMMEDIATE ACTIONS TO ADDRESS COST OF LIVING CRISIS 9

4. SYSTEMIC CHANGES TO BE IMPLEMENTED OVER THE LONG TERM..... 14

5. CONCLUDING COMMENTS..... 17

AFDO consents to the publishing of this submission inclusive of email contacts.






AFDO Ltd. 2024

CC BY-NC-SA: AFDO provides materials it has developed under a Creative Commons Licence.

This license allows reusers to distribute, remix, adapt, and build upon the material in any medium or format for non-commercial purposes only, and only so long as attribution is given to the creator (AFDO). If you remix, adapt, or build upon the material, you must license the modified material under identical terms.

CC BY-NC-SA includes the following elements:

- BY  – Credit must be given to the creator
- NC  – Only non-commercial uses of the work are permitted
- SA  – Adaptations must be shared under the same terms

About AFDO

The Australian Federation of Disability Organisations (AFDO) is a Disabled People's Organisation (DPO) run by and for people with disability, reaching over 4 million Australians. We are a representative organisation for population based and disability specific communities and the pre-eminent national voice representing people with disability across Australia and internationally.

Our Members are national and state disability advocacy organisations run by and for people with disability and their families, representing Australians with disability. Our vision is to achieve a community where people with disability can participate in all aspects of social, economic, political, and cultural life.

Our Members:

Advocacy for Inclusion Inc. - ACT	Arts Access Australia
Autism Aspergers Advocacy Australia	Blind Citizens Australia
Brain Injury Australia	Deaf Australia
Deafblind Australia	Deafness Forum Australia
Disability Advocacy Network Australia	Disability Justice Australia
Disability Resources Centre - Vic	Down Syndrome Australia
Enhanced Lifestyles - SA	Physical Disability Australia
People With Disabilities WA	Polio Australia
South West Autism Network - WA	Women With Disabilities ACT
Women with Disabilities Victoria	National Mental Health Consumer & Carer Forum
Advocacy WA	All Means All
AED Legal Centre - Vic	AMAZE - Vic
Arts Access Victoria	Aspergers Victoria
Disability Advocacy & Complaints Service - SA	Explorability Inc - SA
Multiple Sclerosis Australia	Leadership Plus - Vic
National Union of Students - Disabilities Dept.	National Organisation for Fetal Alcohol Spectrum Disorder
TASC National Limited	Star Victoria Inc
Youth Disability Advocacy Service - Vic	Tourettes Syndrome of Australia

Acknowledgement

AFDO acknowledges Aboriginal and Torres Strait Islander people as the traditional custodians of the land on which we stand, recognising their continuing connection to land, waters, and community. We pay our respects to the peoples of the lands on which these operate and to their respective Elders past and present. We also pay our respects to the traditional owners of all lands on which we operate or meet around the country.

AFDO acknowledges people with disability, particularly those individuals that have experienced or are continuing to experience violence, abuse, neglect, and exploitation. We also acknowledge their families, supporters, and representative organisations and express our thanks for the continuing work we all do in their support.

1. Introductory comments

The Australian Federation of Disability Organisations (AFDO) welcomes the opportunity to provide further comment on the current cost of living crisis and thanks the Select Committee on Cost of Living for their consideration of this submission.

In our previous submission to this Inquiry, we considered some of the causal factors that have contributed to the current crisis and the impact it has had on people with disability, who remain more likely to be negatively impacted than those without disability. We also explored two key mechanisms through which the crisis could be alleviated – housing and income support.

With respect to the Committee's request for any further submissions to be solutions-focused, this submission will expand on our previous work by considering both actions that could be implemented in the short-term to provide immediate relief, as well as systemic changes to be implemented over the long-term to safeguard against future economic uncertainties.

The current cost of living crisis is indicative of broader systemic societal and economic issues, created through decades of intentional policy decisions. While there are immediate measures that can be taken to alleviate the crisis and provide relief in the short-term, addressing its root causes will demand broader and more profound changes. Implementing such changes will require bold political leadership, yet they are essential for securing a safe future for both people with disability and Australians as a whole.

2. Summary of recommendations

1. Review the rate of Commonwealth Rent Assistance every 12 months and increase in line with inflation and increased cost of living expenses, so that it better meets the needs of low-income renters who are at greatest risk of experiencing housing insecurity and homelessness.
2. Introduce an immediate national rent freeze until such time as the worst of the current crisis has passed.
3. Introduce nationally consistent rent regulation legislation that ties the national rent price index with the median wage index and limits rent increases to no more than once every 12 months.
4. Address deficiencies in tenancy rights, including prevention of sharp rent increases, in line with *Recommendation 7.37* of the Disability Royal Commission.
5. Implement appropriate restrictions on short-term rental providers tailored to the areas where the demand is strongest and to a level that will incentivise landlords to return properties to the long-term rental market, thereby increasing rental stock and reducing competition and prices for tenants.
6. Introduce bans on no-fault evictions from private rentals.
7. Introduce vacancy taxes for houses not currently in the private rental market that remain unoccupied for a designated length of time
8. Increase funding for tenancy advocacy in line with *Recommendation 7.36* of the Disability Royal Commission.
9. Immediately begin construction of new builds and retrofitting of existing builds to increase the supply of social housing to the level required to address both listed and projected demand of people who are unsuited to or unable to live in the private rental market without undue hardship.
10. Prioritise offering a variety of fit-for-purpose dwellings and locations that include consideration of accessibility, amenities, and community so that different needs and cohorts can be catered for through the social housing system.
11. Ensure new social housing construction incorporates the Gold Standard of the Liveable Housing Guidelines. This addresses the high proportion of people with disability who will live in social housing to serve to relieve pressure on the NDIS Specialist Disability Accommodation funds, which was only ever designed to cater to a small proportion (approximately 6%) of NDIS participants. This would also allow for better community access for people with higher disability support needs.

- 12.** Commission research into how accessibility, universal design principles, and adaptability can be retrofitted at a mass scale into the existing housing stock that makes up the bulk of housing available to people with disability.
- 13.** Support people with high and complex disability support and housing needs to access high quality Specialist Disability Accommodation (SDA).
- 14.** Federal Government take a leadership role in ensuring all State and Territory Governments conduct an audit of all their respective government-owned social housing stock, including old disability housing and Specialist Disability Accommodation, to determine whether it meets the needs of current and future residents with disability or accessibility requirements.
 - a. Those properties that do not meet needs require the development of a comprehensive plan and funding for updating and redesigning through a process of co-design with people with disability and their representative organisations, to ensure the models meet their housing and accessibility needs.
- 15.** Federal Government take a leadership role in ensuring all state and territory governments commit to a program to retrofit and modify a percentage of existing social housing to a minimum accessibility threshold, to increase the supply of secure, affordable, and accessible housing over short to medium-term timeframe for people with disability.
- 16.** Federal Government take a leadership role in ensuring all states and territories commit to adopting the minimum mandatory access standards in the National Construction Code within a reasonable timeline.
- 17.** Establish an independent body to review all social security payments to above the recognised poverty line with annual indexation to a minimum of the growth of CPI, ensuring they are sufficient to enable all people to live with dignity and to fully participate in community, social, and economic life.
- 18.** Align the eligibility criteria for the Disability Support Pension in accordance with Australia's human rights obligations under article 28 of the CRPD. These criteria must account for disabling barriers in society rather than being limited to medical assessments of the impact of impairments on functional capacity.
- 19.** As a matter of critical urgency, increase income support payments – in particular, the Disability Support Pension and JobSeeker Allowance (for those with Mutual Obligations Removed) – to bring the standard of living of households with members with disability in line with the standard of living of similar households without disability.

- 20.** Federal Government to ensure Department proactively provides unsuccessful Disability Support Pension applicants with referrals to appropriate services that can provide financial information and assistance, particularly with regards to potential payments to which they may be entitled, and guidance on how to access and apply for other appropriate financial assistance and payments.
- 21.** Reject austerity measures in favour of increasing government expenditure on social welfare programs and income support.
- 22.** Realign negative gearing legislation to remove the perverse outcomes on housing stock availability.
- 23.** Significantly reduce capital gains tax discounts to remove the perverse outcomes on housing stock availability.
- 24.** Introduce stricter regulations on foreign property investment to open up properties for longer term rental or increased stock availability for sale.
- 25.** Reform housing policy beyond current entry and exit paradigms to reconceptualise social housing as a valid long-term housing option, in line with *Recommendation 7.36* of the Disability Royal Commission.
- 26.** Increase taxes and levies on multinational corporations extracting Australian natural resources, particularly fossil fuels.
- 27.** Establish a sovereign wealth fund, as seen in Norway and other countries, and redirect profits from fossil fuel extraction to the fund.

3. Immediate actions to address cost of living crisis

Though comprehensive systemic change will be required in order to fully address the cost-of-living crisis, there are short-term measures that can be taken in the interim to offer immediate relief while longer-term solutions are pursued.

3.1. Housing – short-term

While global events have undoubtedly contributed to rising inflation, as we explored in our previous submission, the fact remains that a primary contributor to Australia's cost of living crisis is the soaring cost of housing; a situation that has been created through decades of short-sighted and neglectful housing policy by successive governments.

As the Committee is undoubtedly aware, Australia is currently in the midst of an unprecedented housing affordability and availability crisis. Many Australians live in housing that is precarious, uncomfortable, unaffordable, and inaccessible; and for people with disability, many are denied any real degree of choice over where or with whom they must live.

People with disability are disproportionately affected by the national housing crisis, as is made readily apparent by the available data.¹

We know that lack of affordable housing is a major cause of poverty for all demographics, Individuals who cannot access affordable, secure, and appropriate housing are at risk of serious adverse consequences including homelessness, poorer health outcomes, and lower rates of education and employment.

These negative outcomes ultimately result in significant governments expenditure that could have otherwise been avoided through proactive policy action.

While the situation at present is dire, there are a number of actions that can be implemented to provide immediate relief to those experiencing housing insecurity.

3.1.1. Reform the private rental market

Australia is currently experiencing a severe rental crisis, wherein a shortage of affordable rental properties has resulted in ever increasing competition for available tenancies, causing rental rates to rapidly increase across widespread jurisdictions.

While there is certainly a supply gap of affordable houses, any effort to effectively address this crisis must also consider the extra demand and pressure caused by historical and current policy regarding the buying and selling of houses on the private real estate market.

With fewer people able to afford their own homes, more are forced into renting, which only further increases demand and has greatly contributed to the general unaffordability of the private rental market.

1. Review the rate of Commonwealth Rent Assistance every 12 months and increase in line with inflation and increased cost of living expenses, so that it better meets the needs of low-income renters who are at greatest risk of experiencing housing insecurity and homelessness.
2. Introduce an immediate national rent freeze until such time as the worst of the current crisis has passed.
3. Introduce nationally consistent rent regulation legislation that ties the national rent price index with the median wage index and limits rent increases to no more than once every 12 months.
4. Address deficiencies in tenancy rights, including prevention of sharp rent increases, in line with *Recommendation 7.37* of the Disability Royal Commission.
5. Implement appropriate restrictions on short-term rental providers tailored to the areas where the demand is strongest and to a level that will incentivise landlords to return properties to the long-term rental market, thereby increasing rental stock and reducing competition and prices for tenants.
6. Introduce bans on no-fault evictions from private rentals.
7. Introduce vacancy taxes for houses not currently in the private rental market that remain unoccupied for a designated length of time
8. Increase funding for tenancy advocacy in line with *Recommendation 7.36* of the Disability Royal Commission.

3.1.2. Increase the supply of social housing as a matter of urgency

Due to decades of underinvestment by successive governments, there now exists a chronically low supply of social housing, and long waiting lists prevent people from being able to access social housing in a timely manner.

As of June 2022, the national social housing waitlist numbered 174,600.ⁱⁱ Expanding access to supportive social housing and crisis accommodation, through both increasing supply with new builds and retrofitting what is already available to be more accessible, remains the best approach to preventing homelessness.

9. Immediately begin construction of new builds and retrofitting of existing builds to increase the supply of social housing to the levels required to address both listed and projected demand of people who are unsuited to or unable to live in the private rental market without undue hardship.
10. Prioritise offering a variety of fit-for-purpose dwellings and locations that include consideration of accessibility, amenities, and community so that different needs and cohorts can be catered for through the social housing system.

3.1.3. Increase availability of accessible housing

For people with disability, lack of accessible housing is also a critical issue, and one that is further exacerbated by inconsistent adoption of the minimum mandatory access standards in the National Construction Code among the states and territories.

Currently, all states and territories excluding Western Australia and New South Wales have agreed to a timeline for the adoption of the standards.

Lack of accessible housing means people with disability are either unable to find suitable accommodation, are forced to make modifications at their own cost or forced to live in more expensive housing that is accessible - all further adding to their financial burden.

11. Ensure new social housing construction incorporates the Gold Standard of the Liveable Housing Guidelines. This addresses the high proportion of people with disability who will live in social housing to serve to relieve pressure on the NDIS Specialist Disability Accommodation funds, which was only ever designed to cater to a small proportion (approximately 6%) of NDIS participants. This would also allow for better community access for people with higher disability support needs.
12. Commission research into how accessibility, universal design principles, and adaptability can be retrofitted at a mass scale into the existing housing stock that makes up the bulk of housing available to people with disability.
13. Support people with high and complex disability support and housing needs to access high quality Specialist Disability Accommodation (SDA).
14. Federal Government take a leadership role in ensuring all State and Territory Governments conduct an audit of all their respective government-owned social housing stock, including old disability housing and Specialist Disability Accommodation, to determine whether it meets the needs of current and future residents with disability or accessibility requirements.

- a. Those properties that do not meet needs require the development of a comprehensive plan and funding for updating and redesigning through a process of co-design with people with disability and their representative organisations, to ensure the models meet their housing and accessibility needs.

15. Federal Government take a leadership role in ensuring all state and territory governments commit to a program to retrofit and modify a percentage of existing social housing to a minimum accessibility threshold, to increase the supply of secure, affordable, and accessible housing over short to medium-term timeframe for people with disability.

16. Federal Government take a leadership role in ensuring all states and territories commit to adopting the minimum mandatory access standards in the National Construction Code within a reasonable timeline.

3.2. Income support

Income support payments play an integral role in ensuring income security and enabling realisation of the rights to social security and social protection.

They serve as a critical mechanism through which poverty can be directly alleviated, allowing the promotion of social and economic wellbeing, inclusion, and participation.

This is especially true for people with disability, who face greater barriers to meaningful and accessible employment and incur additional disability-related expenses.

17. Establish an independent body to review all social security payments to above the recognised poverty line with annual indexation to a minimum of the growth of CPI, ensuring they are sufficient to enable all people to live with dignity and to fully participate in community, social, and economic life.

18. Align the eligibility criteria for the Disability Support Pension in accordance with Australia's human rights obligations under article 28 of the CRPD. These criteria must account for disabling barriers in society rather than being limited to medical assessments of the impact of impairments on functional capacity.

19. As a matter of critical urgency, increase income support payments – in particular, the Disability Support Pension and JobSeeker Allowance (for those with Mutual Obligations Removed) – to bring the standard of living of households with members with disability in line with the standard of living of similar households without disability.

20. Federal Government to ensure Department proactively provides unsuccessful Disability Support Pension applicants with referrals to appropriate services that can provide financial information and assistance, particularly with regards to potential payments to which they may be entitled, and guidance on how to access and apply for other appropriate financial assistance and payments.

3.3. Avoid austerity measures

AFDO strongly cautions the government against introducing austerity measures or further raising interest rates as a means of lowering inflation. Austerity measures – such as reducing public expenditure, cutting social welfare programs, and increasing taxation of low and middle-income earners – are not a viable solution, as they often exacerbate economic inequality and hinder long-term recovery efforts, while disproportionately impacting those most vulnerable, including people with disability.

Additionally, austerity measures tend to dampen consumer spending, thereby stifling economic growth and prolonging the crisis. Instead of fostering resilience, austerity measures deepen economic hardship and social divisions, undermining prospects for sustainable recovery.

Therefore, alternative approaches emphasising targeted investment, progressive taxation, and social support systems are crucial for addressing the cost-of-living crisis in a fair and effective manner.

21. Reject austerity measures in favour of increasing government expenditure on social welfare programs and income support.

4. Systemic changes to be implemented over the long term

In addition to the short-term measures explored in the previous section, there are a number of critical systemic changes that must be implemented over the long-term to effectively combat the ongoing cost of living crisis while safeguarding against future economic uncertainties.

4.1. Housing – long-term

Australia's housing affordability crisis has been created through decades of government negligence and disregard and solving it will demand nothing less than radical policy reform that ultimately foments an entire cultural shift in the way in which we as a nation conceive of property ownership.

4.1.1. Disincentivise property as a vehicle for investment and wealth generation

The current policy landscape heavily privileges property investors purchasing multiple houses over first home buyers.

Policies such as negative gearing and discount of capital gains tax have been the biggest contributors over the long-term to Australia's housing affordability crisis, which in turn affects the unaffordability of private rentals.

These policies create incentives to use existing housing stock as an investment by both private and commercial landlords, effectively favouring the purchase of existing properties for use as private rentals or short-term letting.

In turn, this cannibalises the home-ownership market, and has a flow-on effect on housing affordability, particularly for first home buyers. If Government is to make any progress in addressing this crisis, it must first remove the existing incentives that make property such an attractive investment.

22. Realign negative gearing legislation to remove the perverse outcomes on housing stock availability.
23. Significantly reduce capital gains tax discounts to remove the perverse outcomes on housing stock availability.
24. Introduce stricter regulations on foreign property investment to open up properties for longer term rental or increased stock availability for sale.

4.1.2. Reconceptualise the role of social housing

Government policy often approaches social housing as a transitional step for tenants on their journey to ultimately re-entering the private housing market, or nursing homes if elderly. While it may be beneficial for some tenants to regain their capacity to engage with the private housing market, this is not always viable, and especially not for those with complex needs.

The role of social housing for people with disability on low incomes should be both long-term and based on servicing those in greatest need. In this sense, social housing is not only a part of our national infrastructure, but a necessary component of the caring economy.

One fundamental change that could begin to improve the current situation would be to reconceptualise social housing as a valid, long-term housing option, as can be seen in many European nations, such as the Netherlands.

This would entail moving beyond our existing entry, transfer, and exit paradigms, and instead considering multiple pathways for different people under various circumstances, and accepting different start and end points, including social housing as an acceptable – and in some cases, ideal – final destination.

25.Reform housing policy beyond current entry and exit paradigms to reconceptualize social housing as a valid long-term housing option, in line with Recommendation 7.36 of the Disability Royal Commission.

4.2. Universal basic services

The cost of living crisis seen in both Australia and across the globe is a natural consequence of a free market economy that prioritises maximising corporate profits over social progress and the fulfillment of basic human needs. In truth, the real crisis is one of wealth distribution; a fact reflected in the record profits that continue to be posted by energy companies, while more and more individuals struggle to pay their power bills.

In order to truly effect change, profits need to be redirected into the basic services necessary for survival. One method of achieving this is the provision of universal basic services, which could significantly alleviate the cost-of-living crisis by ensuring access to essential needs without financial burden.

By guaranteeing universally accessible services such as healthcare, education, housing, and transportation, individuals and families could substantially reduce their expenditure on these vital necessities. Moreover, universal basic services can contribute to greater social equity and cohesion by ensuring that everyone, regardless of income level, has access to the same essential resources.

This approach not only addresses immediate financial pressures but also fosters long-term resilience and societal wellbeing, ultimately mitigating the root causes of the cost of living crisis.

4.3. Enable Australians to benefit from our natural resources

Though Australia is rich in natural resources, including oil and gas, the majority of this wealth is immediately taken offshore by multinational corporations, who are granted generous tax concessions by government.

Ordinary Australians see little benefit, while continuing to incur the environmental costs associated with extracting fossil fuels and other resources.

Tax cuts to oil and gas companies in Australia are often justified as measures to stimulate investment, promote economic growth, and support the energy sector. Advocates argue that reducing taxes on these industries encourages exploration, development, and extraction of natural resources, which can lead to increased production and export revenues.

Additionally, proponents suggest that tax incentives help maintain the competitiveness of Australia's energy sector in the global market and attract foreign investment.

However, the ultimate result of such policy is to disproportionately benefit large corporations and multinational conglomerates, contributing to wealth inequality and undermining efforts to transition to renewable energy sources. In other countries, such as Norway, policy is instead designed to maximise long-term benefits for its citizens while managing natural resources as sustainably as possible.

By increasing taxes and levies on oil and gas, Australia could similarly funnel this revenue into a sovereign wealth fund and ensure the financial security of its citizens for generations to come.

25. Increase taxes and levies on multinational corporations extracting Australian natural resources, particularly fossil fuels.

26. Establish a sovereign wealth fund, as seen in Norway and other countries, and redirect profits from fossil fuel extraction to the fund.

5. Concluding comments

Australia's current cost of living crisis underscores deep-rooted systemic societal and economic challenges, shaped by decades of deliberate policy choices. While immediate measures can provide temporary relief, lasting solutions will demand comprehensive and systemic change.

Addressing these issues necessitates bold political leadership to safeguard the wellbeing of both people with disability and Australian society as a whole. Only through concerted efforts towards transformative reforms can we ensure a more equitable and sustainable future for all.

Submission Contact:

Name: Rebecca Rudd

Title: Coordinator – Policy and Submissions

M: 0493 123 269

E: rebecca.rudd@afdo.org.au

ⁱ Australian Institute of Health and Welfare (2022) *People with disability in Australia*, Accessed 2 May 2023. <<https://www.aihw.gov.au/getmedia/3bf8f692-dbe7-4c98-94e0-03c6ada72749/aihw-dis-72-people-with-disability-in-australia-2022.pdf.aspx?inline=true>.>

ⁱⁱ Australian Institute of Health and Welfare (2023) *Housing assistance in Australia*, 14 July, Accessed 27 September 2023. <<https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/contents/households-and-waiting-lists>.>