

Shelter Tasmania

Submission to the
Tasmanian Government's
State Budget Process

2008-2009

Shelter Tasmania is an independent community organisation
committed to the principle of accessible, affordable,
appropriate and secure housing for every person and
the elimination of homelessness



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Introduction & Context

Shelter Tasmania is pleased to participate in the State Government's community consultation and presents its 8th successive State Budget Submission. Shelter's submission for 2008-9 reflects the issues raised by the membership and endorsed by the Shelter Management Committee with recommendations on both housing and homelessness.

In is important to note housing affordability is getting worse for more Tasmanians.

Even though the Tasmanian housing system works well for most Tasmanians, there are an increasing number of households suffering from unaffordable housing or homelessness. In Tasmania 26,000 households, or 10.6% (Harding et al 2004), are in housing "housing stress" (defined as having to pay over 30% of income in housing cost), with some in "extreme housing stress" paying more than 50% of their income in housing cost. The majority (52%) of these stressed households are in the private rental market, and another 36% are in the process of purchasing their own home. Both groups are vulnerable to increasing housing costs. A recent survey undertaken by Shelter (Shelter Tas 2007a) found that all tenants except those in public housing were paying over 30% of their income in rent with some as much as 80%. In addition to these stressed households, the 2001 census found that 2,415 (Chamberlain 2001) persons were homeless. These households represent the ultimate failure of our housing system.

The crisis in affordable housing across Tasmania, leading to increasing numbers of Tasmanians living in stress, has been well researched and documented. Extensive background papers were developed as part of the Tasmanian Affordable Housing Strategy 2004-8 (Housing Tasmania 2003). Each year Shelter, along with a number of community organisations, submits to Treasury a detailed document outlining the statistical evidence of increasing housing cost, and the impact this lack of affordable housing has on services and those Tasmanians on low and moderate incomes (Shelter Tas 2006). This is why affordable housing is the first priority for a range of community organisations in this year's budget submissions.

The revised Tasmania Together now incorporates a range of housing affordability benchmarks. Shelter congratulates the Government on their inclusion and recommends that for those benchmarks to be reached by 2010 more funding for affordable housing is needed in this Budget. Public policies and programs that seek to ensure adequate and equitable access to affordable, appropriate and secure housing are a critical part of broader strategies to reduce poverty, improve living standards, and create sustainable communities. Improved economic and social outcomes for people cannot be realised without a solid performance in the area of housing.

Housing also plays an important role in facilitating access to employment, social, and other services. It is vital that the State Government continues to pursue a range of measures to increase the supply of affordable housing across the state, while providing improved mechanisms to protect low-income housing consumers and build the capacity of the community sector to enable it to take a greater role in the provision of affordable housing.

Shelter calls on the State Government to consider the recommendations put forward in this submission. Shelter would like the opportunity to speak to the Budget Sub-Committee regarding the issues raised and recommendations.

About Shelter

Shelter Tasmania is an independent not-for-profit housing peak organisation funded by the Department of Health and Human Services as a 'Housing Consumer and Provider Peak Body Service'. Shelter Tasmania is the key body that represents the interests of low to moderate income housing consumers and housing providers across Tasmania.

Shelter's membership consists of a wide range of organisations across Tasmania such as: tenants groups, community housing providers, homelessness and crisis accommodation services, local government, research organisations and a range of individuals and services interested in housing and homelessness issues. Shelter is an affiliated member of National Shelter and is part of a network of organisations representing consumer issues in relation to housing and human rights. The Council of Homeless Persons (Tasmania) is a subcommittee of Shelter. Shelter Management Committee is made up of 12 elected members from across Tasmania. The Management Committee members represent a range of agencies and individuals with a broad knowledge and experience of issues facing low income housing consumers and housing provision.

Shelter aims to provide an effective Tasmanian voice on housing and related issues by fulfilling the following objectives:

- To promote and maintain the right of every person to access affordable, safe and secure long term housing that they identify as appropriate to their needs.
- To promote and maintain the right of every person to housing of a quality which enhances people's health, well-being, dignity and life opportunities.
- To promote the benefits of public and community housing in the community and across all levels of government.
- To publish, research, collect and disseminate information on matters relating to the provision of housing, particularly for people on low to moderate incomes.
- To create opportunities to support, establish, resource and co-ordinate non-government organisations and agencies with similar interests and objectives to the Association.
- To promote opportunities for members of the community to access housing provision free from discrimination due to age, gender, ethnicity, health status or disability.
- To promote and support consumer and community participation in decision making in relation to their housing and to promote access to avenues of appeal across all housing tenures.
- To provide a structure that enables the members to inform policy development in a manner that is consistent with the objectives and visions of the association and also reflects the needs of homeless people and people who live in poverty or on low incomes.
- To provide a structure that enables the members to inform policy development in a manner that is consistent with the objectives and visions of the Association and also reflects the needs of homeless people and people who live in poverty and on low incomes.

Summary of Recommendations

1. Affordable Housing - Social Housing

Recommendation 1.1

That the Tasmanian Government provide \$30 million per annum in recurrent funding to Housing Tasmania to drive social housing reform. This would include:

- An increase in the overall supply of social housing to maintain 6% of overall housing stock.
- Measures to ensure the sustainability of Housing Tasmania's operations.
- Appropriate maintenance of social housing properties.
- Increasing the capacity for development and expansion of community housing.

Recommendation 1.2

That the Tasmanian Government fund the \$30 million per annum social housing reform package in part by the incorporation of Housing Tasmania's \$17 million per annum debt to the Commonwealth into general government debt.

Recommendation 1.3

That the Tasmanian Government appoints a Social Housing Ministerial Advisory Committee, to oversee social housing reform and appraise and inform housing policy, procedure and practice.

Recommendation 1.4

That the State Government fund research into the issues of concentrated disadvantage and unemployment in our broad acre public housing, that will identify what structural changes are required to make these successful, sustainable mixed communities.

Recommendation 1.5

That a 3 month "rent increase freeze" policy be implemented by Housing Tasmania for public housing tenants who gain regular employment AND that a tenants' awareness campaign be launched in partnership with this change.

Recommendation 1.6

The rent freeze increase should be extended to community housing tenants in consultation with community housing providers.

2. Private Rental Programs

Recommendation 2.1

That the Tasmanian Government retain the funding initiatives as per the first stage of the Affordable Housing Strategy regarding resources for private rental tenancy support services aimed at assisting low-income Tasmanians to either seek or maintain private rental market.

Recommendation 2.2

That the Private Rental Tenancy Support Scheme be extended to work statewide with public housing tenants.

Recommendation 2.3

That the Private Rental Support Scheme be extended to cover community housing tenants on low incomes.

3. Enhanced Capacity of the Community Sector

Recommendation 3.1

That a Community Housing Development Officer be funded in the office of Shelter Tasmania.

4. Consumer Protection in the Private Rental System

Recommendation 4.1.1

That a state-wide housing standards code be developed in consultation with building industry bodies, local government and non-government tenant organisations, and that these standards be incorporated into Tasmanian legislation.

Recommendation 4.1.2

That the standards code covers heating, fixtures, power, water, fire regulations, plumbing, security, mold and other concerns essential to habitable living standards.

Recommendation 4.1.3

That the Residential Commission is empowered to:
issue orders to landlords to comply with these standards, and to specify a time period; and
order that a landlord be liable for relocation costs if these are incurred by a tenant whilst the housing standard code is enforced.

Recommendation 4.1.4

That it be a criminal offence to offer a sub-standard dwelling for rental.

Recommendation 4.2

That a single tribunal is established to hear all disputes arising from tenancies, be it for public or private rentals.

Recommendation 4.3

That the State Government provide funding to expand shopfront tenant advocacy services into the North and North-West region.

Recommendation 4.4

That the State Government enables legislation so that mid-lease rent increases on private rentals be capped at the Housing Consumer Price Index.

Recommendation 4.5

That, in the event of a default or foreclosure, tenants are given the same rights as when a property is sold in normal circumstances.

5. Home Ownership

Recommendation 5

That the Tasmanian Government expand the scope of shared equity home ownership assistance beyond public housing stock to incorporate other properties and land packages, while ensuring appropriate financial and consumer safeguards to assist people on low incomes to access and maintain home ownership.

6. An Improved Planning System

Recommendation 6.1

That the State Government prioritises the implementation of the proposed statewide planning scheme for promoting affordable housing.

7. Responses to Homelessness

Recommendation 7.1:

That Tasmania develops a comprehensive Homelessness Strategy.

Recommendation 7.2

That the State Government increase its recurrent funding to SAAP services by 30 % (an additional \$2.8 million in 2007-8 and indexed thereafter) to address unmet need.

Recommendation 7.3

That SAAP services are appropriately funded to meet the needs of children.

Recommendation 7.4

That the State Government initiates a consultative mechanism for SAAP services and community housing providers to look at long term supported housing.

Recommendation 7.5

That appropriate resources be allocated to continue the three SAAP Regional Forums on a regular basis.

8. Migrant and Refugee Housing

Recommendation 8.1

That additional funds be allocated to the Private Rental Tenancy Support Service (PRTSS) to increase capacity to work specifically with refugee and migrant communities to find housing and maintain tenancies in the private rental market.

Recommendation 8.2

That funding is provided for bi-cultural staff from the main refugee communities to be employed by existing SAAP support services on an 'on call' basis.

Recommendation 8.3

That public housing and, where possible, community housing providers build or purchase more 4 and 5 bedroom houses, with emphasis on larger bedrooms.

The Ongoing Crisis in Affordable Housing

The context

Shelter and its members are concerned that the lack of access to affordable housing is a deep and significant problem facing Tasmania. We need comprehensive and sustained action by Government, as well as in the business and not-for-profit sector, essential to reduce the ongoing economic and social damage that is being caused.

Shelter's members' main concern is that lack of secure long term housing for low-income Tasmanians is reaching a crisis. The Housing and Supported Accommodation Service System (SAAP) is based on a continuum of support from homelessness to housing. This is no longer effective: the system is blocked due to the lack of affordable housing to exit people from crisis and transitional housing. This is reinforced by statistical evidence of increasing housing costs in Tasmania collated for *Housing: Building a Better Future*, the Tasmanian community sector policy position (to be released 16 October 2007).

Between May 2000 and May 2007

- house prices in Hobart rose 142%, house prices in Launceston rose 167% and house prices in Burnie rose 88%;
- rents increased across all types of properties in all regions; and
- across the state the vacancy rate in the private rental market has fallen to under 3% (REIT 2000, 2007).

NATSEM estimates some 26,000 Tasmanian households, or 10.6% of the population, are in housing stress (Harding et al 2004).

Between 2001 and 2006, the number of applicants on the public housing waiting list rose by 62% (SCRGSP 2003, 2007).

Between 2001 and 2005, the number of adults seeking support from crisis housing services rose by 28%, and between 2002 and 2005 the number of children accompanying them rose by 39% (AIHW 2007).

Research shows that some groups of people are particularly vulnerable to problems with housing because they experience a range of complex issues in addition to being on a low income. These groups include refugees, people with disabilities, people with serious mental illnesses, older people, indigenous people, young people and children. Existing housing services are limited in how they can respond to the additional needs of these groups by resource constraints and by the shortage of affordable housing.

Shelter is supportive of the Government's funding of the Affordable Housing Organisation and its goal of building 700 homes, and is interested in monitoring its progress. This in itself, however, is not sufficient and is only one initiative of many that the Government can support.

With the Commonwealth State Housing Agreement due to expire in mid 2008 it is crucial that the State Government now prepares Tasmania for what may happen post 2008 and have strategies in place to sustain the social housing system.

Shelter's members call on the Government to continue the strong Labor tradition of investing in a robust and sustainable public housing system. The public housing system is the structural base needed for a Tasmanian affordable housing system.

1. Affordable Housing - Social Housing

Recommendation 1.1

That the Tasmanian Government provide \$30 million per annum in recurrent funding to Housing Tasmania to drive social housing reform. This would include:

- An increase in the overall supply of social housing to maintain 6% of overall housing stock.
- Measures to ensure the sustainability of Housing Tasmania operations.
- For appropriate maintenance of social housing properties.
- Increasing the capacity of development and expansion of community housing.

Estimated Cost:

\$30 million per annum.

Lead Agency

Department of Treasury and Finance

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Recommendation 1.2

That the Tasmanian Government fund the \$30 million per annum social housing reform package in part by the incorporation of Housing Tasmania's \$17 million per annum debt to the Commonwealth into general government debt.

Lead Department:

Department of Treasury and Finance

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Recommendation 1.3

That the Tasmanian Government appoints a Social Housing Ministerial Advisory Committee to oversee social housing reform and appraise and inform housing policy, procedure and practice.

Lead Agency

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 8: Open and accountable government that listens and plans for shared future.

Summary:

Social housing which is made up of both public and community housing is an important provider of affordable and secure housing for tenants. It is the only tenure that, due to its rent structure, guarantees people do not pay more than 30% of their income in rent, thus ensuring they will not be living in housing stress.

Over the past decade the level of funding for social housing has dropped by 30% in real terms (National Shelter 2007). Between 1996-97 and 2004-5 Commonwealth State Housing Agreement (CSHA) based funding to the States, by the Commonwealth, fell by 18.4. In the same period matching funding from the Tasmanian Government fell by 19.3% (FACSIA 2007).

Added to the pressure of the overall pool of funding of the CSHA reducing, Housing Tasmania's capacity to fully utilise all the funding from the CSHA is hampered by the fact that it is required to return \$17 million of funding to the Commonwealth each year in repayment for a housing debt incurred when the CSHA was provided as a loan instead of a grant. This means that each year almost 70% of Tasmania's grant is returned to the Commonwealth (Housing Tasmania 2003a). Despite years of lobbying to both the State - to move the debt to general debt - and to the Federal Government - to waive the debt to free up much needed funds to Housing Tasmania - by Shelter and other community organisations, the debt remains. This results in the effect that the building of new public housing by Housing Tasmania is not seen as viable, thus less affordable housing is available and there is less money for other programs.

According to the Tasmanian Bilateral Agreement 2003-8, there are currently 11500 public housing stocks housing around 30,000 Tasmanians. Tasmania also has a small community housing sector of just under 500 stock with 47 different providers. Social housing is close to 6% of the Tasmanian housing stock. There are, however, still 2 600 people on the public housing waiting list.

Shelter submits that the retention and expansion of social housing stock is crucial to addressing the affordable housing crisis in Tasmania. Social housing stock levels need to be maintained and resourced at a sustainable level. Currently public housing is sold, as well as transferred to the not-for-profit sector for crisis and community housing. The State Government needs to invest more in the social housing system to keep it viable, replacing lost stock by spot purchasing or building new stock.

The appointment of a Social Housing Ministerial Advisory Committee would assist in overseeing the social housing reform package. Since the disbanding of the Affordable Housing Strategy Reference Group in December 2005 there has been no structural mechanism for the community, private and local governments sectors to come together and work with the Government on new ways of thinking to expand the affordable housing market and strengthen sector capacity.

Improving Public Housing Areas

Recommendation 1.4

That the State Government fund research into the issues of concentrated disadvantage and unemployment in our broad acre public housing, that will identify what structural changes are required to make these successful, sustainable mixed communities.

Lead Department:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 5: Vibrant, inclusive and growing communities where people feel valued and connected.

Goal 8: Open and accountable government that listens and plans for the future.

Summary

Due to Housing Tasmania's policy of increasingly targeting public housing to those with the highest needs, very few people access public housing now unless they are on very low incomes or have other major problems. This has severely adverse impacts on the quality of life and opportunity in many public housing areas throughout the state. The cost of managing tenancies, and the rent which

public housing authorities can charge, creates real problems for sustaining public housing. Most public housing authorities are incurring substantial operating deficits and owe very large amounts on previous loans from the Commonwealth. The outcomes of housing policies have created many areas now occupied only by people on low incomes. Shelter's members are increasingly concerned about the economic and social impact this is having on those communities.

Change is needed. We need to know what the key factors are which make sustainable and successful communities where people want to live, and how that can be applied to Tasmanian public housing estates. Urban renewal and social mix for public housing estates was thoroughly researched for Stage 2 of the Affordable Housing Strategy under the Master Partner Project which Shelter participated in. Even though Stage 2 is no longer proceeding there is valuable data that can be built on that was generated from that project.

Incentives for Public Housing Tenants

Recommendation 1.5

That a 3 month rent increase freeze policy be implemented by Housing Tasmania for public housing tenants who gain regular employment AND that a tenants' awareness campaign be launched in partnership with this change.

Recommendation 1.6

The rent increase freeze should be extended to community housing tenants in consultation with community housing providers.

Lead Agency:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 8: Open and accountable government that listens and plans for the future.

Goal 9: Increased work opportunities for all Tasmanians.

Summary

Shelter is aware that the Tasmanian Bilateral Commonwealth State Housing Agreement 2003-2008 states the need to develop strategies to reduce workforce disincentives for social housing tenants. On this topic Shelter has consulted with members, public housing tenant groups and interstate public housing bodies. It was agreed that the current policy of increasing rent when tenants enter employment is a disincentive to work. Tenants commented on the need to have a catch up time to pay debts and that often work is casual and part time only. In NSW the Department of Housing have adopted a policy of freezing rent when people first enter employment for 3 months. NSW tenant groups also noted that this policy needs to be advertised more widely so all tenants are aware of it.

2. Private Rental Assistance

Recommendation 2.1

That the Tasmanian Government retain the funding initiatives as per the first stage of the AHS regarding resources for the successful expanded Private Rental Support Service (PRSS) and the Private Rental Tenancy Support Service (PRTSS) aimed at assisting low-income Tasmanians to either seek or maintain private rental tenancies.

Lead Agency:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary

Tenants on low incomes within the private rental market are finding it increasingly difficult to find or maintain housing, particularly within the current climate of high rents and low vacancy rates. Latest data from the Real Estate Institute of Tasmania shows the current vacancy rate is 2.% statewide (REITA July 2007). High rents are placing increased financial stress on households, and the low vacancy rates are causing tenants on low incomes difficulty in accessing private rental in an increasingly competitive market. These households are at greater risk of entering homelessness.

The State Government has recognised the importance of supporting a range of initiatives to assist low income people to access and maintain private housing. As part of the Affordable Housing Strategy (AHS) Stage 1 additional funding was proved for:

- Enhancement of the Private Rental Support Scheme targeted to assist 2,560 applicants by December 2005, as noted by the Auditor-General. Normally this assistance is a one off payment towards a bond, rent or the cost of moving house. The Affordable Housing strategy allocated additional funding to expand eligibility for the PRSS.
- The AHS also provided funding for the Private Rental Tenancy Support Scheme (PRTSS). This program employs tenancy support workers around the State to provide advice to tenants to help them maintain their accommodation. A recent evaluation of the program shows they have exceeded targets set by Housing Tasmania.

The funding for these schemes expires in June 2008. Shelter calls on the Government to maintain these programs which have now become an indispensable part of delivering essential housing assistance for low income Tasmanians.

Recommendation 2.2

That the Private Rental Tenancy Support Service be extended to work with public housing tenants statewide.

Estimated Cost:

\$120,000 per annum Statewide.

Lead Agency:

Department of Health and Community Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary:

The Private Rental Tenancy Support Service (PRTSS), funded through the Affordable Housing Strategy until 2008, provides education and support to Tasmanians on low incomes within the private rental market. The support provided by PRTSS is aimed at increasing the ability of tenants to maintain successful tenancies and security of tenure.

Public housing tenants are currently excluded from accessing the support of PRTSS. Shelter members are concerned about the public housing debt many tenants incur. Often they are suspended from reapplying for public housing but cannot access private rental, so end up homeless. Should the PRTSS target group be broadened to include public tenants, the support and tenancy education provided would assist these tenants in developing living skills, stabilising "at risk" tenancies, increasing the tenant's ability to access the private rental market, and decrease the risk to Housing Tasmania's revenue.

Bond Assistance for Community Housing Tenants

Recommendation 2.3.

That the Private Rental Support Scheme (PRSS) be extended to cover community housing tenants on low incomes.

Lead Agency:

Department of Health and Community Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 8: Open and accountable government that listens and plans for a shared future.

Summary:

This is the fourth year Shelter has put this recommendation to the State Government. We have been informed this will be introduced but to date there has been no official notification.

Currently community housing tenants are excluded from accessing the PRSS scheme. Shelter has consistently lobbied Housing Tasmania to change the PRSS eligibility guidelines to include low income community housing tenants. This policy change has wide support from members, including tenants, community housing providers and the Private Rental Support Services (PRSS).

The Need to expand bond assistance to community housing tenants will increase as more community housing and alternative housing model options become available, such as the Tasmanian Affordable Housing Limited (TAHL). Shelter aims to foster the development of community housing as a viable, affordable and secure option for people in housing need, and therefore resubmits this recommendation.

3. Enhanced Capacity of the Community Sector

Recommendation 3.1

That a Community Housing Development Officer be funded in the office of Shelter Tasmania.

Estimated Cost:

\$90,000 per annum indexed, \$360,000 over 4 years

Lead Agency:

Department of Health and Community Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 8: Open and accountable government that listens and plans for the future.

Summary:

Community housing is a relatively under-developed housing option in Tasmania. Shelter and its members have advocated for several years it has the potential to play a much greater role in addressing the affordable housing crisis in Tasmania. Shelter advocates that it is crucial to develop and sustain a strong community housing sector in Tasmania. But first, the Tasmanian community sector needs to have in place the necessary infrastructure to build that capacity, so it can realistically increase the housing options for Tasmanians. This includes increasing the funding of Shelter to expand its role as the peak housing body for affordable housing providers and low income housing consumers.

Shelter is well placed to work collaboratively with Housing Tasmania to build the

necessary capacity across the community sector to develop and maintain community housing options. Shelter has strong links and is recognised by the national community housing bodies as the community housing peak body for Tasmania. Our membership covers the range of community housing providers in Tasmania. They include Housing Associations, Housing Co-ops and a range of community tenancy providers. Shelter has hosted community-housing consultations for both the Community Housing Federation of Australia and the National Community Housing Forum, including the Roundtable on Public Private Partnerships and Risk Management for Community Housing Providers.

Shelter has developed - through our governance, membership, office facilities and communication system - a solid base to now expand our role into a community housing resourcing body.

Shelter sees the training of the community sector to be a priority. We need to assess what skills are already in the sector and then determine the process to improve skills. Shelter has had preliminary talks with training organisations regarding improving skills in tenancy, asset and financial management, legislation, governance and strategic management.

Shelter Tasmania has also worked in partnership with the National Community Housing Forum on National Community Housing Standards to promote the importance of the standards and accreditation for community housing. We now need extra resources to take this work forward. Shelter is the only housing peak in Tasmania. Our representative role encompasses a wide range of housing and homelessness services and consumers.

To create and sustain more affordable housing we need comprehensive and sustained action by government, as well as in the business and not-for-profit sector. In order for the community sector to play a significant role, however, the peak body, Shelter Tasmania, requires a Community Development Officer to liaise with the sector and to ensure that the knowledge, expertise and capacity of the sector is fully captured and built upon. This would add value to the establishment and implementation of the Trust. Funding Shelter to employ a Community Development Office would give Shelter the capacity to work on the following:

- Growth Strategies for the community housing sector.
- Risk management for community housing providers.
- Skills audit of the community sector.
- Consult with the community sector to compile training needs for them in relation to tenancy management.
- Work with registered training organisations to deliver an accredited training module.
- Build on the Shelter web site comprehensive information on community housing in Tasmania.
- Development of Tasmanian community housing standards in line with the National Standards.
- Develop appropriate learning materials.

4. Consumer Protection in the Private Rental System

In 2001 private rental properties housed 17.3% of all households in Tasmania (Housing Tasmania 2003). While private rental housing has historically been a transitional tenure – a stepping stone towards home ownership - this has changed. As housing prices have soared, the opportunity for many Tasmanians to become home owners has diminished. Vacancy rates in rental properties are consistently low, and low cost rentals are increasingly hard to come by. As the rental market tightens, and the demand for properties increases, so does the

opportunity to offer poor and sub-standard housing.

Clearly, strong emphasis needs to be given to the private rental sector. In particular, Shelter believes it is crucial that there is a policy and legislative system which protects and supports low-income and disadvantaged Tasmanians who are renting privately

The Need for Minimum Standards

Recommendation 4.1.1

That a state-wide housing standards code be developed in consultation with building industry bodies, local government and non-government tenant organisations, and that these standards be incorporated into Tasmanian legislation.

Recommendation 4.1.2

That the standards code covers heating, fixtures, power, water, fire regulations, plumbing, security, mold and other concerns essential to habitable living standards.

Recommendation 4.1.3

That the Residential Commission is empowered to:

issue orders to landlords to comply with these standards, and to specify a time period; and

order that a landlord be liable for relocation costs if these are incurred by a tenant whilst the housing standard code is enforced.

Recommendation 4.1.4

That it be a criminal offence to offer a sub-standard dwelling for rental.

Lead Department:

Department of Justice: Consumer Affairs and Fair Trading

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 8: Open and accountable government that listens and plans for a shared future.

Summary:

The absence of minimum standards of accommodation in the private rental sector poses a real risk to the health and safety of a significant number of tenants, particularly those on lower incomes. Many tenants live in premises that are in a state of disrepair, and tenant workers around the state commonly deal with premises that are substandard (Blunden 2004). Too often "cheap" rent and substandard conditions go hand in hand, and it is unacceptable that the already inadequate supply of accommodation at the lower end of the market should be particularly subject to such conditions.

Shelter Tasmania believes that specific minimum standards regarding both tenancy management and the physical condition of rental properties should be developed to protect tenants. Uniform provisions would help to enable a stricter enforcement of standards, and would contribute towards improved living conditions for tenants. The basic right of tenants to appropriate living standards must not be ignored.

Ability to enforce such standards is also crucial if they are to be successfully converted from legislation to practice. Consumer Affairs and Fair Trading must be

empowered to enforce standards through specific legislative provisions.

Establishment of an Independent Housing Tribunal

Recommendation 4.2

That a single tribunal is established to hear all disputes arising from tenancies, be it for public or private rentals.

Lead Department:

Department of Justice: Consumer Affairs and Fair Trading

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 8: Open and accountable government that listens and plans for a shared future.

Summary:

At present tenancy disputes are heard by the Residential Tenancy Commissioner, the Minor Civil Claims Division of the Magistrates Court and, for public housing tenants, the internal appeals structures of Housing Tasmania. This system is confusing for tenants and, in matters involving concurrent jurisdiction, duplicates many services. A single tribunal would provide a streamlined approach to dispute resolution that would improve understanding, knowledge and handling of tenancy issues for tenants, landlords, government bodies and legal practitioners.

The interest collected from the lodging of security deposits (bonds) with the Residential Deposit Authority (Bond Board) could be used to help fund this single tribunal. If so, the source of the funding should be reflected in a reduced application fee for tenants.

Recommendation 4.3

That the State Government provide funding to expand shopfront tenant advocacy services into the North and North-West region.

Lead Agency:

Department of Health and Human Service: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary:

At a NW Shelter members meeting held in July 2007 a number of issues were raised around the private rental market. Support services raised concerns about the poor standard of the properties rented, the significant number of absentee landlords, and unprofessional behaviour by landlords. Due to the lack of affordable housing and a competitive private rental market many tenants are too scared to raise issues around their tenancies, due to fear of eviction. Currently the Tenants Union which provides advocacy and services can only provide face to face advice in Hobart. The lack of their services in the North and North West means that tenants are often unaware of their rights under the Residents Tenancy Act or are too fearful to assert those rights.

Shelter recommends that the Tenants Union's funding be increased to enable a full time worker in the North and Northwest.

Recommendation 4.4

That the State Government enables legislation so that mid-lease rent increases on private rentals be capped at the Housing Consumer Price Index.

Lead Agency:

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary:

Shelter members have reported large increases in rents imposed on tenants during their current leases, leading to financial hardship. At present, if there is provision for a rent increase in the lease agreement, the landlord may increase rents every 6 months during the tenancy period. A tenant may challenge a rent increase that is excessive. The application fee to the Magistrates Court is \$42.35. The only issue the court is specifically directed to consider is the 'general level of rents'. A professional valuation to provide evidence of the market rent for the premises in question may cost a tenant between \$300-\$500, which is not recoverable, even in the event of a successful application.

There is evidence of many extreme rent increases demanded from tenants. Recent examples include a 150% rise from \$100 to \$250 per week in Devonport and a \$100 rise from \$180 to \$280 per week in Hobart.

In effect, any rent increase may be granted and housing affordability is not taken into consideration when determining rent increases. Therefore, a household could move from a manageable level of rent, through the 'housing stress' level into 'housing crisis' during a tenancy, without changes in their income.

Property owners are in the advantageous position of knowing that the costs and inconveniences associated with uprooting a household are high, and many tenants will not challenge the rise through the court process. Tenants do not have a right to break the lease as a result of the rent increase unless they are willing to face costs of finding new tenants and paying rent until new tenants are found.

It is reasonable for a tenant to know the approximate cost of rent throughout the tenancy when signing a lease agreement. We submit therefore that a maximum rent increase of Housing CPI increase is fair for both Tenant and Landlord. If there are considerable changes in circumstances, there may still be the option of seeking a rent increase through an impartial body. Landlords have a relative position of power against tenants due to the relative scarcity of housing and the essential nature of shelter, and therefore it is logical to place the onus of justification upon the landlord. The fact that most commercial leases cap rent increases at an agreed rate provides evidence of the type of contract reached when there is an equivalent power relationship between the parties.

A list of factors will help all parties, including arbiters, to determine fair rent increases (and decreases) and give greater certainty to the process. To conclude, Shelter recommends that rents may only be increased by the Housing CPI during the tenancy. Increases may only take place every twelve months, and only if stated in the lease agreement. If a landlord requires an increase in excess of the Housing CPI, then the onus is placed on the landlord to justify the excess increase. A list of prescribed factors would be taken into consideration for rent increases (and rent decreases) in excess of the Housing CPI.

Recommendation 4.5

That in the event of a default or foreclosure, tenants are given the same rights as when a property is sold in normal circumstances.

Lead Department:

Department of Justice: Consumer Affairs and Fair Trading

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary:

Shelter members are reporting that they are dealing with people needing housing due to increased mortgage defaults from both former owners and tenants. Figures just released by the Supreme Court show home repossessions have doubled from 66 in 2005 to 146 in 2006 (Mercury 2007). Shelter recommends that tenants in fixed period leases continue their leases until the end of tenancy, as stated in their residential tenancy agreement, regardless of who has ownership of the property. Tenants in non-fixed leases should be given 90 days notice when a property is foreclosed or defaulted on by a landlord.

If a tenant has a lease and the title of the property they are renting is transferred to another owner, the lease is unaffected. However, Section 42(1)(e) and (f) of the *Residential Tenancy Act 1997* allows property owners to order vacant possession due to foreclosure (section 86 of the *Land Titles Act 1980*) or the default of a mortgagor (section 78 of the *Land Titles Act 1980*) and that a tenant has 28 days notice from service of the notice.

Tenants should have a right to continue their legally binding contract regardless of the ownership of the property. Therefore, 42(1)(e) and (f) of the *Residential Tenancy Act 1997* should be repealed. The result of this for a foreclosed or defaulted property is a continuation of a fixed term residential tenancy agreement, and the option for a landlord to give 28 days notice to a tenant (under Section 43(1)(b) of the *Residential Tenancy Act 1997*) on a non-fixed term residential tenancy agreement. Further, Section 43(1)(b) of the *Residential Tenancy Act 1997* should be amended to extend the notice period from 28 to 90 days.

5. Home Ownership

Recommendation 5

That the Tasmanian Government expand the scope of shared equity home ownership assistance beyond public housing stock to incorporate other properties and land packages, while ensuring appropriate financial and consumer safeguards to assist people on low incomes to access and maintain home ownership.

Lead Department:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Summary:

Shelter Tasmania believes that many people on low incomes, like society as a whole, aspire, to own their own home; therefore, it should be a realistically achievable goal. As mentioned previously, the increase in house prices in Tasmania, especially as a proportion of household incomes, has placed home ownership for many low income people out of reach. Shelter is also concerned about the increasing number of mortgage defaults.

In the 2007-08 State Budget a new Home Ownership Assistance Program Shares Equity Scheme was announced. The scheme allows those eligible to purchase 75% of the equity in a home while the Director of Housing retain ownership of the remaining 25%. This scheme is to come into effect in December 2007 and is limited to ex-public housing stock. Shelter supports the Government's homeownership schemes and the proposed new equity schemes to help those on

low incomes purchase a home and, in doing so, ensures they have appropriate protection as a buyer. Shelter recommends that existing homeownership government schemes and proposed home equity schemes be extended to community housing tenants who wish to purchase their home, with the proviso that the community housing provider can replace stock, as well other properties outside of ex-public housing stock.

Members have concerns about the capacity for the low income owner to keep up payments and understand the contractual obligation of a mortgage. Therefore, Shelter supports the range of Home Ownership programs funded by the State Government while recommending additional funding to community based advocacy and financial counselling services to provide appropriate support and advice to new and existing clients of these programs. This would assist in managing the risk that many low income households experience with a long term mortgage.

6. An Improved Planning System

Recommendation 6

That the State Government prioritises the implementation of the proposed statewide planning scheme for promoting affordable housing.

Lead Departments:

Department of Primary Industries Water and Environment

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 8: Open and accountable government that listens and plans for a shared future.

Summary:

Shelter supports the need to link planning and development policies and processes to affordable housing targets. The framework for National Action on Affordable Housing (NAAH) released in August 2005 states in commitment 2, to be fulfilled by June 2006, that a national approach be developed for defining affordable housing need at geographical levels and how it can be reflected in planning policy and regulation (Framework for NAAH 2005). The Review of the Affordable Housing Strategy identified planning as an area that has yet to show any progress.

Affordability of housing is affected by special planning and supply in the form of zoning in planning schemes, which in turn impacts on housing prices. Research, overseas and in Australia, suggests there are planning regulations that assist in increasing affordable housing. Developer contributions and zoning requirements have been implemented to compel developers to contribute to affordable housing. Shelter also believes that Governments - especially State and Local - should have clear policies around the sale of Government land and buildings, to ensure that developers contribute to affordable housing. This can be by requiring that new residential developments contain a proportion of affordable housing or contribute to an affordable housing fund.

The recent Housing Plan for South Australia has committed to developing initiatives across the planning system, in partnership with the Minister for Urban Development and Planning, to ensure affordable housing forms part of all substantial new housing developments (South Australian Government 2006). The Government has targeted a minimum of 10% affordable housing and 5% high need housing in all significant new development. This has fostered the environment of the private and community housing sectors working together on

new partnerships.

It was also identified by the Planning Institute of Australia (Tasmania) 2005 that the relation between State, regional and local planning is critical to increasing the supply of affordable housing and creating livable communities, not just housing. It is not only the planning system which hinders the promotion of affordable housing, but a combination of the stakeholders across the system. This is not to deny there is a vacuum at the regional planning level. It was recommended that a regional plan provide a framework for implementing Government policy and delivery of Public Private Partnerships that can give a buffer from the vagaries of a simple market-led development approach by individual council areas.

7. Responses to Homelessness

Recommendation 7.1:

That Tasmania develops a comprehensive Homelessness Strategy.

Recommendation 7.2

That the State Government increase its recurrent funding to SAAP services by 30 % (an additional \$2.8 million in 2007-8 and indexed thereafter) to address unmet need.

Recommendation 7.3

That SAAP services are appropriately funded to meet the needs of children.

Recommendation 7.4

That the State Government initiates a consultative mechanism for SAAP services and community housing providers to look at long term supported housing.

Recommendation 7.5

That appropriate resources be allocated to continue the three SAAP Regional Forums on a regular basis.

Lead Agency:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 8: Open and accountable government that listens and plans for a shared future.

Summary:

At the time of the 2001 census, it was estimated that 2,415 people were homeless in Tasmania. This figure was up by 400 from the 1996 census. Another way to measure homelessness is expressed as a rate per 10,000 of the population. In 2001 the rate for Tasmania was 52 per 10,000; in 1996 it was 43 per 10,000. Of the 2,415 people homeless in Tasmania on census night in 2001, only 314 people (13%) were staying in services funded through the Supported Accommodation Assistance Program (SAAP). Shelter members report increasing high turn away rates from their Services. For instance, Hobart City Mission in the past 6 months turned away 48-65 families who were homeless per month. Hobart Women's Shelter, from 1 July 2007 to 1 October 2007, received 174 requests for accommodation (with 189 accompanying children), but could only accommodate 17 women during that time.

The Supported Accommodation Assistance Program (SAAP) is the major National and State program responsible for homelessness and is jointly funded. There are

currently 37 SAAP services in Tasmania.

Need for a Homelessness Strategy

The National Evaluation of the Supported Accommodation Assistance Program 1V (Erebus Consulting Partners 2004), collated the results from consultations with key stakeholders, data and other key reports. In challenges for the future the central issue was that SAAP, on its own, could or should not be expected to do it all, with the vast array of issues that make up homelessness.

It is important, therefore, that in identifying drivers of homelessness, both ends of the continuum must be considered. Not only is it imperative to examine the paths to homelessness, but also the ways in which factors inhibiting the path out of homelessness can be addressed. The evaluation highlighted the lack of a coherent whole-of-government approach to addressing the structural factors that contribute to homelessness, at the policy and programmatic level, and of addressing the complex needs of individuals.

To this end, several States and Territories are developing, or have developed, a Homelessness Strategy to address the complexity of issues. Tasmania is yet to develop such a strategy.

Service Delivery

Shelter's members identified the need for additional funding for SAAP, as well as several gaps across the state in services. These include a lack of support and housing options for people with complex needs. This ranged from short term to especially long term supported housing. They also identified certain household types that, when they are not adequately catered for, are more likely to lead directly to homelessness. High priority needs should be given to children and carers, and people with severe mental illness. Service members also noted the need for clear direction on who is responsible for these individuals and families, and for clear responses to be put in place. Research released last year by the Council of Homeless Persons recommended that all SAAP family agencies need to be capable of working with children at an appropriate level, even where this may be an exceptional case. All SAAP agencies should be supported and resourced to do this. (Brown, K 2006)

People who may be the responsibility of several departments, due to the complexity of their needs, slip through the silos of departmental responsibility with an outcome of homelessness.

Consultation with the Sector

It is vital for the community sector to work in effective cooperation with all tiers of government. The Department of Health and Human Services reforms set out within the 'Get Fit' program are now being implemented. Part of these changes saw SAAP move to Housing Tasmania with the aim to provide closer alignment to the Crisis Accommodation Program and consolidate as a range of tenancy programs. It provides the opportunity to develop a continuum of services from homelessness, through emergency accommodation, transitioning into more long term secure accommodation.

Shelter members - many who are SAAP service providers - note the need for not only short term accommodation but also the crucial importance of long term secure housing for their clients. Shelter believes better outcomes can be achieved if Housing Tasmania has a structured and regular consultation mechanism with the community sector, to work on strategies for exit points for SAAP clients. In light of the DHHS Reforms members seek the continuation and ongoing resourcing of the 3 SAAP Region Forums. A recent Shelter meeting with members in Devonport (June 2007) highlighted the need for consultation with North West

SAAP providers and the particular needs of remote and rural communities. Shelter, as a statewide peak, is well placed to assist and provide stakeholder advice on the consultation requirements of the SAAP Sector.

8. Improve Migrant and Refugee Housing Services

Recommendation 8.1

That additional funds be allocated to the Private Rental Tenancy Support Service (PRTSS) to increase capacity to work specifically with refugee and migrant communities to find housing and maintain tenancies in the private rental market.

Recommendation 8.2

That funding is provided for bi-cultural staff from the main refugee communities to be employed by existing SAAP support services on an 'on call' basis.

Recommendation 8.3

That public housing and, where possible, community housing providers build or purchase more 4 and 5 bedroom houses, with emphasis on larger bedrooms.

Lead Agency:

Department of Health and Human Services: Housing Tasmania

Links to Tasmania Together:

Goal 1: A reasonable lifestyle and standard of living for all Tasmanians.

Goal 2: Confident, friendly and safe communities.

Goal 5: Vibrant, inclusive and growing community where people feel valued and connected.

Summary

Shelter members and services provide a range of services for people from different cultural and linguistic backgrounds. The chronic shortage of affordable and appropriate housing is partially experienced by migrants and refugees in our community. While representing a small group, the unique circumstances, especially of homeless refugees, places additional pressures on service resources compared to the general homeless group. Refugees and migrants have difficulty accessing affordable housing and support needs. Service providers have difficulty assisting this group due to cultural and language barriers, as well as what service providers describe as 'government policy restraint'. Even though migrants and refugees can access mainstream services Shelter members highlight the need for more specialist services for migrant and refugee needs.

Shelter members working with migrant and refugees noted the importance of specialised education services that empower refugees to settle in Tasmania and gain 'house hunting' and 'independent living' skills. There are gaps in the current mainstream services to provide such a service. Shelter members noted the need for more bi-lingual workers to work with mainstream service providers, rather than using interpreters to foster personal trust to be developed between the client and the bi-cultural worker, or between the service provider and the bi-cultural worker.

There is a chronic shortage of housing for migrants and refugees, especially larger homes. Many refugee families have many children. Some of them prefer to share bigger bedrooms amongst several people rather than have one small bedroom per person. Yet, as noted by the Auditor General, Housing Tasmania is realigning its stock because demand for 3 bedroom houses has reduced and demand for 2 bedroom properties has increased. The realignment is based on a break up of current stock, and to the waiting list, by bedroom requirement.

Currently community housing providers have very few larger houses. Due to the difficulty of migrants and refugees accessing housing in the private rental market there needs to be an increase in the supply of culturally appropriate housing from both public and community housing providers.

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