



SHARED GROWTH DEPENDS ON HOUSING

**SUBMISSION TO THE STATE GOVERNMENT
BUDGET PROCESS 2020-2021**

Shelter Tas is happy to discuss any of the recommendations in this submission.

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**Tasmanian
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Shelter Tasmania acknowledges the Traditional Owners of country throughout Tasmania and their continuing connection to the land, sea and community. We pay our respects to them and their cultures, and to elders past and present.



Shelter Tas welcomes and supports people of diverse genders and sexual orientations.

INTRODUCTION

The 2020-21 State Government Budget Process takes place against a background of unrelenting pressure on Tasmania's housing system, with the greatest hardship felt by people on low and moderate incomes seeking to rent in the private rental market or left at risk of, or experiencing, homelessness. There are reforms underway through Tasmania's *Affordable Housing Strategy 2015-25* (TAHS), the *Affordable Housing Action Plan II 2018-23* (AHAP 2) and the review and reform of Housing Connect. Shelter Tas recognizes the good outcomes achieved by many initiatives and successful programs within the TAHS and AHAP 2, however, the current shortage means that more is needed. The State Government has stated that: *our vision is for a prosperous and sustainable Tasmania, where the economy, industry and communities flourish.*¹

We know that people can only flourish in their communities when they have appropriate, affordable, safe and secure housing. The Premier has acknowledged that a key challenge during the economic boom is to ensure that no Tasmanian is left behind without an affordable and safe place to live.² Our budget submission highlights the need to see housing as key infrastructure, and essential to achieve the Government's vision. Our submission proposes ways to ensure that all Tasmanians, regardless of their income or where they live, can share the benefits of a strong economy and that no one is left behind.

The relief of Tasmania's longstanding housing debt to the Commonwealth Government in September 2019 brings a very welcome boost to housing resources. At the same time, the need for affordable and social rental housing is increasing faster than existing programs can deliver. The pressures in the private rental market in all regions of Tasmania and the disruption caused by short stay accommodation have continued to accelerate, and there is no abatement in the demand and need for social housing.

Tasmania is experiencing a chronic shortage of affordable rental options for people on low and moderate incomes. Like other Australian jurisdictions, the state has seen the number of social housing dwellings lagging behind population increases, especially as Tasmania becomes increasingly popular as a housing destination for people from elsewhere. The 2019 Report on Government Services (ROGS) states: *over the past decade, the number of social housing dwellings [nationally] has increased by 29 930 (or 7.4%) - well behind population growth of 11%.*

As a small island state, relatively small changes within the private rental market can have a disproportionate effect. We also face diseconomies of scale.

Hobart is now the least affordable capital city in Australia.³ In Greater Hobart rents have become unaffordable for half of all rental households. Across Tasmania even people on moderate and average incomes are now struggling with the cost of renting. CoreLogic reports show that Hobart's median rent has now overtaken Melbourne, and there have been annual increases of 10% for several years now. Yet the income difference between Hobart and Melbourne is over \$30 000 per year. The median rental household income in Hobart is \$64 000, whereas in Melbourne the median rental household income is \$93 500, almost one half higher. The combination of high rents and the

¹ https://www.stategrowth.tas.gov.au/_data/assets/pdf_file/0011/199019/Our_Infrastructure_Future_-_30_year_Infrastructure_Strategy_Consultation.pdf

² http://www.premier.tas.gov.au/speeches/2019_state_of_the_state_address

³ *Rental Affordability Index 2019*. The Rental Affordability Index is an independent report produced by National Shelter, SGS Economics, Brotherhood of St Laurence and Community Sector Banking. <https://www.sheltertas.org.au/hobarts-worsening-rental-crisis-confirmed-by-latest-data/>

lowest incomes in Australia results in increasing housing hardship, and more Tasmanians experiencing and at risk of homelessness.⁴

Shelter Tas has long argued that housing is essential social and economic infrastructure. We note that this accords with the direction of the State Government. For example, Infrastructure Tas states: *in developing this strategy, ITas has adopted a broad definition of infrastructure that not only covers typical economic elements such as roads, rail, ports and utilities, but also incorporates social infrastructure as it relates to health, education, housing, tourism, and recreation.*⁵

The Tasmania Statement's commitment to "working together for the health and wellbeing of Tasmanians" is a call to expand our approach to housing and homelessness across the state. No Tasmanian deserves to live in housing stress, poverty or homelessness.

The Shelter Tas submission to the 2020-21 State Budget Process contains our recommendations for strategic directions and outlines the system gaps identified by our members that can be addressed within, or by supplementing, the TAHS and AHAP 2 framework.

This year Shelter Tas also proposes to expand our own resources from a small base of less than 3 full time equivalent core staff. The changed housing environment, increased media attention and the evolving policy landscape have significantly increased pressures on our organisation. Adding one policy/projects officer position will enable Shelter Tas to respond effectively to the expanding pressures of the external policy landscape; particularly, the need for advocacy, community engagement and expert advice to support affordable housing projects in the face of community opposition.

Our advocacy has contributed to the gain of \$157m from the waiving of outstanding public housing related loans from the Commonwealth Government, and our ask amounts to less than 1% of that windfall from 2020-23. For over 15 years, relief of the public housing debt has been our number one ask in budget submissions, election campaigns, and meetings with politicians and decision makers. We were delighted to see this work at last come to fruition in September 2019, with the decision to waive the debt. Alongside many others – including the State Government, media, other peak organisations, leaders and members of our community - Shelter Tas claims some credit for the waiving of the state's housing debt.

We are confident that a sensible investment by Government of less than 1% of these funds in Shelter Tas' proposal for one additional staff member will enable us to support the State Government's positive initiatives in the Tasmanian Affordable Housing Strategy and Action Plan II as we work together to make more affordable housing available to people who need it.

Our detailed budget asks are presented in the following sections:

- 1. The need for more affordable housing**
- 2. Adding a projects officer to Shelter Tas – 'NIMBY' Project and other initiatives**
- 3. Systemic measures**
- 4. Member priorities**
- 5. Outcomes for consumers: improving the private rental market and consumer voice**

⁴ ABS Census 2016.

http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/6?opendocument

⁵ https://www.stategrowth.tas.gov.au/_data/assets/pdf_file/0011/199019/Our_Infrastructure_Future_-_30_year_Infrastructure_Strategy_Consultation.pdf p6.

1. THE NEED FOR MORE AFFORDABLE HOUSING

The priority ask for this year's Budget Submission is for additional supply of social housing beyond current commitments. This is urgently needed to arrest the growing hardship being felt by so many, as evidenced by research, data and the experiences of our member organisations. Tasmania's deepening shortage of affordable and social housing has serious implications for the people and families affected by insecure housing and homelessness, and for the Tasmanian community as a whole. As the cost of rental housing continues to rise faster than incomes, it is harder for more and more working Tasmanians to find a home they can afford, and many low income and vulnerable Tasmanians are being left behind. Affordable, appropriate and secure housing underpins our economy's ability to attract and retain a skilled workforce. The shortage directly undermines our community's health, education and overall wellbeing.⁶

Shelter Tas welcomes the significant investment by the Tasmanian Government in the initiatives under the *Tasmanian Affordable Housing Strategy 2015-25* (TAHS) and we will continue to support the implementation of the second Action Plan. Since the commencement of TAHS in 2015, the housing situation in Tasmania has changed dramatically. Data consistently shows that housing stress in Tasmania is an increasing problem and that demand for social housing is growing much faster than supply. Tasmania has the lowest primary household income in the country. The *TCCI 2019 Tasmania Report* states that

*Total average weekly earnings in Tasmania were \$1 051 in May 2019, \$187 less than the average across Australia, and \$400 less per week than in the ACT (which has the highest total average weekly earnings).*⁷

We call for the State Government to set a percentage-based target for affordable social housing. The recently released *National Plan for Affordable Housing* by the Community Housing Industry Association (CHIA) sets targets to guide investment and action over the next decade to meet projected need.⁸ **Shelter Tas advocates for a medium-long term target for Tasmania of up to 10% of dwellings to be affordable social rental housing.**⁹

⁶ Productivity Commission (2016) *Productivity Commission Study Report, Overview Study Report*, Canberra, November 2016 accessed 5/12/16 at: <http://www.pc.gov.au/inquiries/current/human-services/identifying-reform/report>

⁷ TCCI Tasmania Report 2019 p 60. <http://www.tcci.com.au/Services/Policies-Research/Tasmania-Report>

⁸ <https://www.ahuri.edu.au/research/final-reports/306>

⁹ <https://www.communityhousing.com.au/national-plan/>

2. ADDING A PROJECTS OFFICER TO SHELTER TAS - 'NIMBY' PROJECT AND OTHER INITIATIVES

Local resistance to the building of new affordable housing and homelessness initiatives presents a significant barrier to new developments. This can create delays, meaning that people are waiting longer for the homes they need. At worst, the backlash means that a proposal is abandoned and a process of finding another appropriately located site has to start again.

Shelter Tas is uniquely placed to play a key role in understanding and addressing some of the challenges by drawing on our statewide network, community partners and years of expertise in housing and homelessness advocacy. We are highly experienced in working with stakeholders who have competing ideas and agendas, and have the skills and credibility to bring together people with diverse views and interests. In addition, we can draw on national networks to share the expertise of other jurisdictions.

We propose to undertake this work by adding a new full time Policy and Projects officer role to the Shelter Tas team. The NIMBY (Not in My Backyard) response is becoming a regular feature of community discussions about affordable and social housing initiatives, to the extent that it can delay and even derail proposals for much needed affordable housing. The new position would include taking a leadership role in changing the conversation around affordable and social rental housing, and developing a toolkit of resources to engage local communities. There is an urgent need to better understand and respond to local community concerns, to dispel the myths about inclusive housing, and to encourage a change in the narrative to one of welcoming the benefits of diverse and vibrant neighbourhoods.

The new role would also enable Shelter Tas to dedicate resources to a Good Growth Alliance that will explore innovative ways to share the uplift in housing value that at present is delivering benefits to some sectors of the community but increased hardship to others. We can learn how best to share benefits and deliver for all Tasmanians from other jurisdictions and from local stakeholders. It is important for Tasmania to capture and share the opportunities from our booming economy, and to follow the lead of other jurisdictions such as South Australia, Victoria and New South Wales to find optimal ways of capturing some of the increase in property and development values to contribute to the great need for affordable housing.¹⁰

Shelter Tas has the capability and the trusted reputation to play a substantial role in garnering community support for better housing outcomes for those Tasmanians most in need. We have demonstrated our credibility and effective advocacy over many years, including our consistent lobbying for the relief of Tasmania's housing debt to the Commonwealth Government. Our request for additional funding is less than 0.3% of the total housing debt amount that has been waived. We propose that this position would include other project responsibilities and initiatives and would continue for the duration of the current Shelter Tas funding agreement that ends in 2023.

Indicative cost of the proposed project officer is \$150 000 per year x 3 years, total \$450 000.

¹⁰ There is an opportunity for this initiative to align with section 2.2 of the 2019 *Agreement Between the Commonwealth and Tasmania – Waiver of Outstanding Housing Related Loans* "The Tasmanian Government agrees to consider and pursue reforms to facilitate the necessary local government planning and zoning reforms to support housing supply targets consistent with future population and economic growth projections."

3. SYSTEMIC MEASURES

Despite Tasmania's strong economic gains, too many Tasmanians are living in housing stress and hardship, and too many are at risk of or experiencing homelessness. The chronic shortage of affordable housing and the high cost of renting forces many low- and moderate- income earners to make impossible choices between essentials such as food and heating, or keeping their home. We have over 120 000 Tasmanians living in poverty.¹¹ Single parent families, young people and people living alone (including the elderly) are struggling with rents and essential costs of living. In contrast, other Tasmanians are enjoying a booming economy. Shelter Tas calls for the benefits of economic growth to be shared, first and foremost by ensuring that every Tasmanian has the home they need.¹²

It makes good economic sense to have a housing first approach and meet the housing needs of all Tasmanians. Benefits will be seen in health, education, justice and workforce participation. Strategic measures beyond the *Affordable Housing Strategy*, and the target of up to 10% of dwellings to be affordable social rental housing, are vital to achieve this.¹³ Shelter Tas has identified four systemic measures that go beyond the scope of the *Affordable Housing Strategy*, and will help to achieve its outcomes.

- 3.1 Shelter Tas calls for an integrated and comprehensive government approach that recognises housing as essential infrastructure, including a Housing Impact Analysis for all relevant policies such as population, tourism, student numbers, regional economic development and City Deals.
- 3.2 Introduce a visitor levy from short stay accommodation with revenue directed to social and affordable housing. This measure would be developed in consultation with stakeholders, and intended to balance the externalities that are currently passed on to the wider community.
- 3.3 Expand the current data and needs analysis being undertaken by UTAS within AHAP 2 to become a regular report that will better capture the fast-moving environment and enable decision makers to monitor evolving trends. In particular, there is a clear need to monitor the impacts on housing demand and affordability of post census housing and labour market changes, and to track how new and planned supply is affecting affordability. This report needs to be updated at least once per year.
- 3.4 Shelter Tas calls for the State Government to take a leadership role in reviewing and implementing national and international best practice approaches to ending homelessness, such as the *Homelessness Prevention Law reforms* enacted in Wales, Finland's Housing First model, and other relevant approaches that could be adapted and applied in Tasmania.

¹¹ TasCOSS 2018 <https://www.tascoss.org.au/120000-tasmanians-live-in-poverty/>

¹² See, for example, Saul Eslake *The Tasmania Report* 2018 available at <http://www.tcci.com.au/Services/Policies-Research/Tasmania-Report>

¹³ <https://www.communityhousing.com.au/national-plan/>

4. MEMBER PRIORITIES

From our members in the housing and homelessness sector we know that Tasmania is seeing an increase in both houselessness (people who only need a house) and homelessness (people who require specialised support to help them gain and maintain a safe and stable home). It is important to understand and respond to the different needs of these groups as we strive to achieve safe, secure, affordable and appropriate housing for all, and an end to homelessness.

Our targeted consultation with members has identified particularly urgent gaps for certain cohorts and regions. Addressing these needs will complement and add to the value of the *Tasmanian Affordable Housing Strategy 2015-25*, and *Action Plan 2019-24*. The additional funds needed by these initiatives could be drawn from cost savings or shared budgets in other areas such as health and justice, and by treating the costs of affordable housing and reduction in homelessness and housing hardship as an investment that yields economic return in areas such as health, education and social engagement. Where appropriate, funds can be drawn from the money no longer being allocated to repay the state's housing debt to the Commonwealth Government, approximately \$15m per year.

4.1 Strengthen investment in Community Housing

- (i) Invest the savings achieved from the removal of the outstanding housing-related debt to the commonwealth in additional affordable and social housing supply delivered by community housing providers.
- (ii) Extend the duration of Better Housing *Futures* agreements to improve the alignment with financial institutions. Present contracts are 10 years, but many financial institutions operate with a 15 year threshold. Aligning these timeframes would allow community housing providers to leverage more borrowing and deliver more new dwellings.
- (iii) Review and refresh the timeframes and flow of tenders and approvals for new builds to maximise efficiency in the current government procurement processes.
- (iv) Work with community housing providers, TasWater and TasNetworks to implement an expedited process for connecting utilities to affordable housing projects.

4.2 Mental health and alcohol and other drug (AOD) support for people, especially young people in crisis accommodation, and the workers who support them

Shelter Tas members report an urgent and escalating need for appropriate mental health pathways for people in crisis accommodation.¹⁴ More people with higher and more complex needs are presenting at shelters. Shelter Tas is extremely concerned about the growing risk to clients and workers. The situation reflects both a lack of resources and the lack of integration between mental health and housing/homelessness services. A clear response pathway that delivers appropriate support for clients and workers is needed urgently.

Young people, in particular, deserve access to therapeutic models that are appropriate to their needs. Tasmania still lacks a dedicated child and adolescent in-patient mental health unit, which is clearly needed to deliver care in an appropriate setting to young people who require this

¹⁴ Currently, as many shelters have a 'one worker model' if a client is in extreme distress, self-harming, or displaying behaviour suggesting acute mental ill-health, the only option is to call for police or ambulance. The expense and disruption of emergency service call-outs could in many cases be avoided if early intervention and support were in place.

clinical response. Young people also need appropriate rehabilitation options that will enable them to address alcohol and other drug challenges, including appropriate residential rehabilitation and aftercare that meet their needs.

We note the successes already achieved by the Housing and Accommodation Support Initiative (HASI) pilot in the south, where people experiencing significant mental health challenges are supported to sustain their tenancies. We encourage the State Government to consider fast-tracking a similar program for the north and northwest. This investment not only benefits tenants, who are able to maintain housing security and receive the mental health care they need, but also saves money through the decreased need for acute care and for additional housing and homelessness services that are needed if a tenancy is not sustained.

4.3 Improving housing outcomes for younger Tasmanians

Young people are particularly disadvantaged in the current competitive and expensive rental housing market due to lower incomes, discrimination and lack of rental history. Young people are overrepresented in the Specialist Homelessness Service System, and on the waiting list for social housing. 28% of homeless Tasmanians are less than 25 years old; nearly half couch surf or are in severely overcrowded housing.

Homelessness disproportionately affects young people and children (52% of all homelessness services clients).¹⁵ Young Tasmanians make up one third of the social housing waiting list.

Providing more affordable rental housing, increasing the housing options for young people, and securing the support needed to help them learn how to live independently are effective measures to avoid and reduce homelessness. To be successful, options for young people need to be developed in consultation with the community sector and ongoing operating funds need to be guaranteed.

(i) Extending the NYAC model to other regions

We note the effectiveness of the Northern Youth Accommodation Coalition (NYAC) model, and call for similar options to be developed in the south of the state.

- (ii) Maintaining a suite of options for young people experiencing or at risk of homelessness
- Shelter Tas welcomes the establishment of the Youth at Risk Taskforce. We also know that there is a gap in appropriate services for unaccompanied homeless children aged under 16 years. The gap in appropriate services for this cohort has long been identified by Shelter Tas and the members of the Tasmanian Youth Housing and Homelessness Group (TYHHG), and was articulated in parts of the *Tasmanian Affordable Housing Strategy* and *Youth at Risk Strategy*. With TYHHG, Shelter Tas calls for longer-term housing and assistance models to ensure all young people at risk who are not in 'out of home care' can be kept out of homelessness and supported to reach their full potential. Trinity Hill, Thyne House, Colville Place and Eveline House have demonstrated successful outcomes for young people, but as they all transition to the Education First Youth Foyer model we are concerned that the range of options for young people will narrow. We call for alternative pathways for any young people for whom Education First Youth Foyers are not the appropriate service, such as people who cannot access this single model. For example, those who are not eligible for any reason, young parents or people whose life

¹⁵ See Shelter Tas Fact Sheet *Housing in Tasmania* <https://www.sheltertass.org.au/>

skills are not well adapted to congregate living, those who have higher support needs, or who are managing mental health or drug and alcohol challenges.

(iii) Review of one worker model in youth emergency accommodation

While young people are in youth emergency accommodation shelters, they are currently supported by a one-worker model overnight.

Shelter Tas recommends that the one-worker funding model is reviewed, with consideration given to double staffing, especially overnight.

4.4 Improving housing outcomes for older Tasmanians

Nearly one in five people seeking assistance from Tasmania's homelessness services are aged over 55. In the 2016 Census, older people experiencing homelessness were growing both as an absolute number and as a proportion of Tasmanians experiencing homelessness.¹⁶ Older single women are particularly vulnerable, due to having lower levels of income and assets.¹⁷ Shelter Tas welcomes the commencement of Wirksworth in the south. This is based on the Wintringham model, which can draw on aged care funds. Shelter Tas encourages the State Government to deliver similar accommodation for older men and women in the north and northwest regions.

COTA and Shelter Tas recognise that there is a growing group of older Tasmanians reaching retirement years without owning their own home, and therefore facing increased housing insecurity and hardship. Shelter Tas and COTA propose a research project into how best to meet the needs of this cohort. For instance, a variation to the Homeshare and Streets Ahead models, or other shared equity models, could be designed for older clients. Current models available in Tasmania can exclude older people due to criteria such as bank loan eligibility and higher – though still modest – assets.

Shelter Tas recommends the establishment of a Wintringham model for the North and North West regions.

Shelter Tas recommends the State Government commits to ageing in place, by sustained investment to ensure Tasmania can meet current and projected demand for accessible, appropriate and affordable housing, and incentives for landlords to modify properties, to support people to remain in their homes.

Shelter Tas recommends the State Government funds a Shelter Tas and COTA research project to determine best practice options on shared equity models for older Tasmanians.

4.5 People on low and zero incomes who are victims/survivors of family and domestic violence

Our members who deliver Specialist Homelessness Services are sometimes called upon to house people who have no income at all. Often people with zero income are victims/survivors of family violence who are on temporary visas. Shelter Tas calls on the State Government to adopt and promote the recommendations of the *Blueprint for reform - removing barriers to*

¹⁶ http://www.sheltertass.org.au/wp-content/uploads/2018/03/2018-03-20-ST_FACT-SHEET_Homelessness-2016-Census.pdf

¹⁷ See, for example, *The Time of Our Lives Report* <https://www.lmcf.org.au/images/2016-Time-of-Our-Lives-Report-LMCF.pdf>

safety for victims/survivors of domestic and family violence who are on temporary visas. These recommendations have been endorsed by national organisations and organisations in every state, including Warrawee Women's Shelter, Engender Equality and Women's Essential Services Providers (WESP) in Tasmania.¹⁸

While some recommendations are outside the State Government's remit, others, such as enabling eligibility to access social and public housing and SHS services, could be implemented in Tasmania (South Australia already allows women on temporary visas to access social and public housing¹⁹). We note that as services rely on income-based rents, a funding supplement may be needed to manage the financial impact on the shelter. For the full list of recommendations for victims/survivors of domestic and family violence who are on temporary visas, please see <https://aifs.gov.au/cfca/2019/10/29/blueprint-reform-removing-barriers-safety-victims-survivors-domestic-and-family-violence>

Shelter Tas recommends the State Government adopts and endorses the recommendations from the *Blueprint for Reform removing barriers to safety for victims/survivors of domestic and family violence who are on temporary visas*.

4.6 Review rent and board funding model for SAFS for people on lowest incomes

Shelter Tas also calls for a review of the current Supported Accommodation Facility (SAF) funding model, to ensure that people on the lowest incomes, such as Newstart or Youth Allowance recipients, have sufficient funds remaining for other necessities such as payment of debt, support to partners, travel costs (for appointments or employment interviews) and many other day-to-day expenses. This is particularly vital for people who are seeking to build some resources to establish a new home and exit supported accommodation.

Shelter Tas recommends a review of the funding and rent model for people on the lowest incomes.

4.7 Crisis and longer-term accommodation in the northwest for single men and men with children

Even with the 8 units proposed under AHAP 2, there remains an urgent need for more crisis accommodation and support for single men and men with children in the state's northwest. We welcome these additional 8 units, but consultation shows higher demand and greater need, so we call for additional capacity. Existing options include the Oakleigh emergency accommodation, and family options include the Orana family unit in north, which is in high demand, and DIY Dads in the south. Funding needs to include capital expenditure and ongoing operational funding.

Shelter Tas recommends increasing and expanding crisis accommodation and longer-term accommodation options for single men and men with children in the northwest region.

4.8 Extending homelessness support

Hobart has seen a significant increase in visible street homelessness and rough sleepers during the last two years. There is a need for additional outreach and also resources to support people, especially those who face barriers to entering existing shelter systems (such as pet ownership,

¹⁸ Warrawee is a member of Shelter Tas, and Shelter Tas and Warrawee are both members of WESP in Tasmania.

¹⁹ <https://aifs.gov.au/cfca/2019/10/29/blueprint-reform-removing-barriers-safety-victims-survivors-domestic-and-family-violence> p 7.

debt, exclusions from services or not yet stabilised mental health or AOD challenges). The proposed **Safe Night Space** initiative from Hobart City Mission, the Salvation Army and the City of Hobart is an important response.

Shelter Tas recommends that funding be made available to extended hours for homelessness response to include overnight and over weekends.

4.9 Tasmanians with a disability

The National Disability Insurance Scheme (NDIS) does not address its clients' need for affordable housing in Tasmania. Only 7% of NDIS recipients will be eligible for Specialist Disability Accommodation. The remaining 93% of clients will depend on a mainstream housing response. The social housing waiting list is at 3 330 applications, and the average time to house priority applicants is over 60 weeks.²⁰ In addition to new social housing stock, Shelter Tas urges the State Government to facilitate the increased supply of suitable private housing by applying universal design principles to new housing developments through Tasmania's planning system.

To meet emerging need, Tasmania should:

- (i) Increase the amount of social housing stock to meet new demand emerging from Tasmanians with a disability, especially the 93% of NDIS recipients not receiving Specialist Disability Accommodation funding;
- (ii) Ensure there is no net loss of the existing public housing stock from the re-use of public housing for SDA accommodation; and
- (iii) Resource the additional tenancy support required of community housing providers for tenants for needs not currently funded within their NDIS support packages.

4.10 Equal remuneration and adequate indexation for the community sector

Shelter Tas has been informed by Communities Tasmania that the ninth and final tranche of the Equal Remuneration Order (ERO) wage increase will go through in December 2020. This will impact 2020-21 and every subsequent financial year. The full year effect of the December 2020 increase needs to be factored into the 2021-22 funding and all years following.

Shelter Tas seeks confirmation from the State Government that it will provide adequate funding beyond the forward estimates to meet its obligations as stipulated by the ERO; that the State Government confirm that ERO will be incorporated into base funding for all relevant organizations; and that future indexation will be linked to CPI and annual wage increases.

²⁰ https://www.dhhs.tas.gov.au/humanservicesstats/human_services_dashboard at 30 June 2019

5. OUTCOMES FOR CONSUMERS: IMPROVING THE PRIVATE RENTAL MARKET AND CONSUMER VOICE

5.1 Improving conditions in the private rental market

Renting in the private rental market is no longer just a short-term option. More people are renting for longer time. More than 40% of Tasmanian renters spend over 10 years in the rental market.²¹ The recent Choice report *Disrupted: the consumer experience of renting in Australia* reveals the lack of consumer protections. Despite paying thousands of dollars each year, tenants face unsatisfactory conditions and are often too afraid to complain. In this context it is crucial to maintain a well-functioning system that protects both tenants and landlords, and enables people who rent their homes to lead healthy, safe and productive lives.

Shelter Tas recommends:

- (i) A refresh and reset for the regulation of the private rental market. As more people are renting for longer, renting is no longer a transitional tenure. Tasmania has an opportunity to refresh the regulatory and cultural framework for private rental to ensure it is better adapted to the contemporary environment. (Shelter Tas would seek to use the proposed new project officer role to review best practice from other jurisdictions on rental frameworks.)
- (ii) The establishment of a working group with key stakeholders to modernise the Residential Tenancy Act and improve the tenancy security of all Tasmanians in private rental housing. This would assist Tasmania to align with best national practice on matters such as pets, digital rights, energy efficiency and emerging disruptive technologies such as apps for tenants and landlords.
- (iii) Additional resources for the Residential Tenancy Commissioner to ensure effective monitoring and enforcement of the *Residential Tenancy Act*, and to enable the Commissioner to undertake proactive inspections to ensure compliance with the minimum standards.
- (iv) An audit of the funds held by the Residential Deposit Authority, to ensure transparency about the holdings and uses of bond money, and the introduction of an annual report showing how these funds are allocated to the benefit of tenants.
- (v) Adequate funding for the Tenants' Union of Tasmania to ensure a sustainable model for legal representation of tenants across the state.

5.2 Support for existing tenants whose NRAS subsidy is ending

When the NRAS scheme ends, tenants will face a highly competitive and challenging private rental market, where rents have surged in recent years. To achieve or maintain housing stability in this environment, some will need additional assistance and support. Data indicates that there

²¹ Choice, NATO and National Shelter *Disrupted: the consumer experience of renting in Australia* 2018 <https://www.choice.com.au/money/property/renting/articles/choice-rental-rights-report-dec-2018>

will be 128 exits from NRAS in Tasmania in 2020, 300 exits between 2021 and 22, over 300 in 2024 and nearly 600 in 2026.²²

Shelter Tas calls for a review of the expiring NRAS, and its impacts on tenants. The review and plan would include investigation of whether a subsidy or other support will be needed to avoid housing hardship and homelessness as the NRAS scheme reaches its end.

5.3 Consumer voice: establish an independent consultation mechanism for consumers of housing and homelessness services

Shelter Tas and our members have identified an opportunity to develop an independent consultation mechanism for consumers of housing and homelessness services, which is a gap in the current *Affordable Housing Strategy* and *Action Plans*. This would be adapted from the current best practice model established in Victoria,²³ would incorporate co-design, emerging technology and digital communications, and would include:

- (i) a new initiative to incorporate consumer engagement in all service agreements in the housing and homelessness sector and assist services to develop a consumer engagement and feedback plan;
- (ii) a consultation mechanism for engagement with housing and homelessness service consumers so that decisions and policies can include a voice from ‘experts in experience’; and
- (iii) an independent complaints and feedback pathway for consumers of housing and homelessness support services.

Shelter Tas recommends an initial scoping project and development of a business case that would be undertaken over two years, in consultation with services, and including some trials, at a cost of one part-time worker \$140 000.²⁴

²² <https://www.communityhousing.com.au/post-nras/>

²³ <http://chp.org.au/services/pesp/>

²⁴ A more detailed proposal can be provided on request.

CONCLUSION

Housing is a crucial part of inclusive and strategic growth in Tasmania.

The Premier of Tasmania, the Hon Will Hodgman, has recognized that one of our biggest challenges is to “ensure this growth is shared across the State, delivering a better quality of life for all Tasmanians, regardless of where you live. We must find ways to ensure all Tasmanians are feeling the benefits of a strong economy, and that no one is left behind.”²⁵

To achieve this outcome, we need to boost supply of affordable housing, explicit plans that include housing across all government portfolios, and support from the whole Tasmanian community.

It is well known that affordable, appropriate and secure housing directly impacts our community’s health, education and overall wellbeing.²⁶ It underpins the growth of our economy by enabling people’s participation and productivity. Weekly average incomes in Tasmania are 25% (over \$300) less than the national average.²⁷ The 2019 Rental Affordability Index, which compares rents to incomes, continues to confirm Hobart as the least affordable capital city in Australia.²⁸

We need to build more affordable social rental housing as the absolute top priority for our state. This year’s budget submission from Shelter Tas presents strategic proposals that will strengthen our social fabric by delivering safe, secure, affordable, appropriate housing for all Tasmanians who are homeless, at risk, or in housing hardship.

²⁵ Premier’s 2019 *State of the State* address.

²⁶ Productivity Commission (2016). *Productivity Commission Study Report, Overview*. Canberra. November 2016 accessed 5/12/16 at: <http://www.pc.gov.au/inquiries/current/human-services/identifying-reform/report>

²⁷ ABS Census 2016.

http://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/6?opendocument

²⁸ The Rental Affordability Index is an independent report produced by National Shelter, SGS Economics, Brotherhood of St Laurence and Community Sector Banking. The November 2018 RAI Report is available at <http://www.sheltertas.org.au/wp-content/uploads/2018/11/RAI-Nov-2018-high-quality.pdf>



OUR VISION is for affordable, appropriate, safe and secure housing for all and an end to homelessness.

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