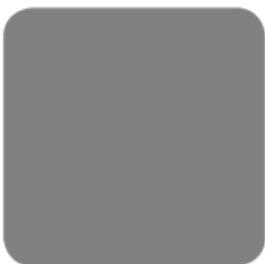
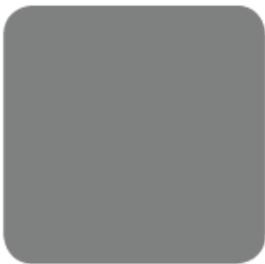




**SHELTER TASMANIA  
SUBMISSION TO THE STATE GOVERNMENT  
BUDGET PROCESS 2015-16**





GPO Box 848 Hobart TAS 7001

P | 03 6224 5488

M | 0419 536 100

E | [eo@shelertas.org.au](mailto:eo@shelertas.org.au)



[www.shelertas.org.au](http://www.shelertas.org.au)



**ShelterTAS**  
Housing and Homelessness Peak

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## About Shelter Tasmania

Shelter Tas is an independent, not-for-profit, housing peak organisation funded by the Department of Health and Human Services. Shelter Tas is the key body that represents the interests of low to moderate income housing consumers, social housing providers and homelessness services across Tasmania.

Shelter Tas' membership consists of a wide range of organisations, including tenants' groups, community housing providers, homelessness and crisis accommodation services, local government organisations and researchers, as well as individuals and services that are interested in housing and homelessness issues.

The Shelter Management Committee consists of 12 elected members from a range of Tasmanian agencies. Collectively they provide Shelter Tas with a broad knowledge base and have widespread experience on issues facing homeless people and people at risk of homelessness, low income housing consumers and affordable housing providers.

Shelter Tas is part of a network of State and Territory Shelter organisations and is a member of National Shelter, the Community Housing Federation of Australia and Homelessness Australia.

For more information on Shelter Tas, go to [www.shelertas.org.au](http://www.shelertas.org.au).

This submission is based on consultations with Shelter Tas members and other key stakeholders and has been endorsed by the Shelter Management Committee. Shelter Tas is pleased to present this submission to the State Government's budget process for 2015-16.

Shelter Tas is happy to discuss any of the recommendations in this document. If you have any queries, please contact:

Pattie Chugg, Executive Officer

Ph: 03 6224 5488

E: [eo@shelertas.org.au](mailto:eo@shelertas.org.au).

## Overview of Recommendations

Shelter Tas has developed recommendations for the 2015-16 Budget development process in consultation with our members and key stakeholders. The recommendations include cost-neutral opportunities, and investments that will support Tasmania's future. Meeting the need for affordable, appropriate, safe and secure housing for all Tasmanians will deliver long-term benefits in areas such as health, education, employment and justice.

There are four areas of recommendations. **Sustainable Funding for the Housing and Homelessness Sector** deals with funding programs, innovations and emerging opportunities. **Consumers First** makes recommendations to support consumer-led services, and to enhance outcomes for consumers of housing and homelessness services. **Gaps in the System** contains recommendations based on our members' identification of current and projected unaddressed needs. **Joined Up Issues** presents recommendations that reflect the intersection between housing and other policy areas, and matters of general concern to the community sector.

# Housing Affordability & Homelessness in Tasmania

All Tasmanians depend on affordable, appropriate, safe and secure housing to sustain health and well-being, and to enable social and economic participation. However, the Tasmanian community faces a shortage of affordable, appropriate housing.

Tasmania is experiencing a housing affordability crisis. According to 2011 Census data, 14,618 Tasmanian households were in housing stress. Housing stress describes a household in the lowest 40% by income that spends more than 30% of its income on rent or mortgage payments. The Commonwealth Government's Reform of the Federation White Paper 2014 notes that "for most Australians, housing costs are the largest regular expense to be met from household income."<sup>1</sup>

Tasmanian households are among the poorest in Australia. Median incomes are approximately \$100 per week less than the national average<sup>2</sup> and 30.7% of households survive on less than \$600 per week. In 2011, approximately one in four Tasmanians relied on income support payments.<sup>3</sup> Although Tasmanian house prices remain relatively low, home ownership remains out of reach for those on fixed, low or insecure incomes. Last year, the public housing waiting list increased from 1,853 applicants to 2,227 applicants, and this result may "demonstrate an increase in demand due to economic conditions and constrained affordability in the housing market."<sup>4</sup> It is vitally important to address the shortage of affordable housing in Tasmania.

In 2011, on Census night, 1,579 people were homeless in Tasmania. Of all Australian States, Tasmania has the highest proportion of people with the greatest risk of homelessness.<sup>5</sup> Pressure on services for people experiencing or at risk of homelessness is increasing. According to a 2015 Productivity Commission Report, increasing numbers of people are being turned away from Tasmanian Homelessness Services.<sup>6</sup>

Reforms in the housing and homelessness sector are continuing. These include the Better Housing *Futures* initiative with transfer of 4,000 properties from public to community housing sector management, and Housing Connect now provides a one stop shop for Tasmanians accessing housing assistance and support. The Tasmanian Affordable Housing Strategy is due for completion mid-2015. The housing and homelessness sector is challenged by funding pressures and continued uncertainty around major agreements. The cessation of the National Rental Affordability Scheme (NRAS) cut crucial housing supply. The National Partnership Agreement on Homelessness (NPAH) is due to expire in June 2015, and future funding remains unconfirmed.<sup>7</sup>

Investment in affordable housing is investment in Tasmania's future. Research identifies a positive relationship between housing and workforce participation that leads to long-term savings.<sup>8</sup>

<sup>1</sup> Commonwealth of Australia *Reform of the Federation White Paper, Issues Paper 2, Roles and Responsibilities in Housing and Homelessness* 2014

<sup>2</sup> Australian Bureau of Statistics, *QuickStats* 2011: Tasmania.

<sup>3</sup> Australian Bureau of Statistics, *QuickStats* 2011: Tasmania.

<sup>4</sup> Productivity Commission, 2015. *Report on Government Services: Housing* p. 58.

<sup>5</sup> NATSEM *Geographical Analysis of the Risk of Homelessness* June 2013, p52. Risks include: low education levels, poverty, housing stress, overcrowding, domestic violence.

<sup>6</sup> Productivity Commission, 2015. *Report on Government Services: Housing* p. 58. See also <http://www.examiner.com.au/story/2847868/homeless-turned-away-as-shelters-overflow/?cs=95> (accessed 29 January, 2015.)

<sup>7</sup> As at 30 Jan 2015.

<sup>8</sup> A Dockery et al. *Housing assistance and economic participation* AHURI Final Research Paper, Australian Housing and Urban Research Institute, Melbourne, 2008, p 98. Cited in *Reform of the Federation White Paper, Issues Paper 2, Roles and Responsibilities in Housing and Homelessness* p 1.

## A – Sustainable Funding for the Housing and Homelessness Sector

**Recommendation A1: That the State Government continue to match funding, along with the Commonwealth Government, for the National Partnership Agreement on Homelessness over the next four years.**

The National Partnership Agreement on Homelessness (NPAH) has enabled new innovative services to address and prevent homelessness in Tasmania.<sup>9</sup> This agreement is due to expire in June 2015. Last year a transitional one year agreement was put in place, yet once again services face uncertainty of funding with no clear direction while State and Commonwealth negotiations continue. This creates anxiety for our clients and workforce, and our homeless services are unable to plan ahead. Shelter Tas encourages the State Government, in partnership with the Commonwealth, to commit to a four year NPAH agreement and give homelessness services the certainty they need to plan and effectively deliver housing and support to vulnerable people.

**Recommendation A2: That the State Government deliver the election commitment to negotiate to extend the repayment term for Tasmania’s Housing Debt to the Commonwealth Government, freeing up \$8 million a year to be used for capital funding for new affordable housing and crisis accommodation.**

Each year, Housing Tasmania repays half the funding they receive from the commonwealth (\$32 million) in debt repayments (\$16 million). As identified in the election commitment, extending the repayment term can free up \$8 million per year, which is a substantial resource for the housing and homelessness sector.<sup>10</sup>

**Recommendation A3: That the State Government adopt and fund a Tasmanian Rental Affordability Scheme, based on best practice and successful outcomes from the formerly funded National Rental Affordability Scheme.**

The National Rental Affordability Scheme (NRAS) delivered positive outcomes in Tasmania. NRAS provided 10 year incentives to investors to supply rental properties discounted by at least 20% from market rent. Joint Commonwealth and State funding delivered 707 new affordable properties in Tasmania, with more than 900 projected for completion by June 2016.<sup>11</sup> The public, private and community partnership model delivers housing investment, provides employment, and is a flexible and effective way of delivering much needed affordable housing. The defunding of NRAS leaves Tasmania without a program to improve the supply of affordable housing. The demonstrated success of NRAS in Tasmania can be expanded with a State-based scheme following the best practice of this model.

<sup>9</sup> Report of the Auditor-General, No. 8 of 2012-13 National Partnership Agreement of Homelessness.

<sup>10</sup> <http://www.tas.liberal.org.au/sites/default/files/policy/Community%20sector.pdf>

Accessed 29 January, 2015.

<sup>11</sup> DHHS NRAS [http://www.dhhs.tas.gov.au/housing/about/national\\_rental\\_affordability\\_scheme](http://www.dhhs.tas.gov.au/housing/about/national_rental_affordability_scheme)

Accessed 27 January, 2015.

**Recommendation A4: That the State Government commit to funding the implementation of key recommendations outlined in the Tasmanian Affordable Housing Strategy 2015-2025.**

Shelter Tas, as a key stakeholder, welcomes and supports development of the *Tasmanian Affordable Housing Strategy 2015-2025*. The Strategy will address the full spectrum of housing from home ownership to affordable rental, public and community housing and crisis accommodation over the next decade. The Strategy is due for completion in June 2015 and will then inform development of a series of comprehensive implementation plans across a range of portfolios. Implementation is the critical stage of the project. As yet there has been no budget allocation for implementation of the Strategy's recommendations. To ensure that the Strategy achieves its intention of increasing access to, and appropriateness of affordable housing and improving support for vulnerable Tasmanians, Shelter Tas calls on the State Government to commit funding in forward estimates for the next five years to enable implementation of the Strategy's key recommendations.

Costing will follow the delivery of the Strategy and its key recommendations (June 2015).

**Recommendation A5: That the State Government work with key stakeholders to review a range of subsidy, incentive and rent setting options which will enable the financial sustainability and growth of the community housing sector.**

Rent setting holds the key to the two major elements of the affordable housing equation, the viability and sustainability for social housing system and liveability for tenants. It is time to examine and advise on rent setting in light of the Commission of Audit Prepared for the Federal Government, McClure Welfare Review, and Henry Tax Review and to ensure the sustainability and growth of the community housing sector in Tasmania.

The Community Housing Federation of Australia (CHFA) argues that the current model for rent setting being used by many community housing tenancies (25% of the tenant's income, plus 100% of CRA) contains a number of risks for providers and tenants.<sup>12</sup> For instance, it is financially unviable to house young people due to the very low rate, and potential suspension of Youth Allowance.

The *Australia's Future Tax System* review recommends a "high-need housing payment ... be paid to social housing providers for their tenants who have high or special housing needs".<sup>13</sup> Alternatively, if providers have the capacity for mixed tenancies (from very low to moderate incomes) they can generate a higher income stream and offset or cross-subsidise the lower incomes.<sup>14</sup> Current proposals for moving people out of social housing as their incomes increase would jeopardise this model.

The implementation of the NDIS places additional expectations on the community housing sector that it will provide for tenants with a range of permanent physical, mental and psychological needs. However, there is still no identified additional funding allocated for capital works via disability services, and organisations will need to raise this income through other means.

Reviewing subsidy, incentives and rent setting options in light of these pressures and trends is necessary to develop a model that will enable financial sustainability and growth in the community housing sector in Tasmania.

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<sup>12</sup> CHFA, *Symposium Report*, Recommendation no.14.

<sup>13</sup> Treasury, *Australia's Future Tax System: Final Report*, Chp 12.

<sup>14</sup> CHFA, *Symposium Report*, p5.

**Recommendation A6: That full title of 33% (one third) of the Housing Tasmania stock currently managed by community housing providers under Better Housing *Futures* be transferred equitably to those providers, with the proviso that it is retained as affordable housing.**

Growth in the community housing sector can be generated through the transfer of title of a proportion of stock from the Director of Housing to the not-for-profit managing organisation. Title enables providers to borrow against property and improves financial strength. Strategic use of these funds will diversify the range and location of social housing stock across the state to better meet Tasmania's housing needs. Increased building, renovation and maintenance of stock would boost employment in the construction industry.

A report commissioned by National Shelter finds that to maximise potential for growth by leveraging against title, a provider would need to own title to approximately one third of transfer stock.<sup>15</sup> The Report also states that the Tasmanian Treasury does not consider there would be any significant impact on the State balance sheet if titles were transferred to community providers.<sup>16</sup>

It is essential that tenants' rights are protected, and that former public housing stock remains as affordable housing if title transfers take place.

**Recommendation A7: That the State Government investigates the possible expansion of the HomeShare and Streets Ahead schemes to a model similar to the Keystart program in WA which will enable more low income households in Tasmania to purchase their own home, at minimum risk.**

Home ownership for people on low incomes is extremely difficult to achieve and sustain. Loan repayments are only one of the costs of home ownership, and interest rates are unstable. People in the lowest 40% bracket of disposable household income experience the highest rates of housing stress, and have the highest rates of defaulting on mortgage payments.<sup>17</sup>

The HomeShare and Streets Ahead schemes have facilitated the purchase of 1,593 properties since 2001, making these both very valuable programs. Economist Saul Eslake, and Queensland Shelter, recommend the Western Australian Keystart Home Loan Scheme as a valid, safe option for low-income buyers.<sup>18</sup> Like HomeShare, Keystart offers a range of ownership packages, including shared ownership (Department of Housing owning up to 40%).

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<sup>15</sup> CHFA, *Symposium Report*, Recommendation no.18.

<sup>16</sup> National Shelter "Financial Impacts" Draft report – to be released. p10.

<sup>17</sup> AHURI Evidence Review No. 038 (2013) "Who Defaults on their Mortgage and Why".

<sup>18</sup> Eslake, Saul (2013) "50Years of Housing Failure" *Prosper* Sept. 3.

[www.qshelter.asn.au](http://www.qshelter.asn.au)

[www.keystart.com.au](http://www.keystart.com.au)

## B – Consumers First

### **Recommendation B1: Immediate resolution of the minimum standards component of the Residential Tenancy Act Amendment Bill.**

Minimum standards had been agreed through a comprehensive process of consultation, were included in the Draft RTA Amendment Bill, which passed through both Houses of Parliament, and was due to commence on 1<sup>st</sup> October 2014. The standards will provide much needed certainty for both tenants and landlords. Shelter Tas suggests either:

- a commitment by Government to enacting the Bill in full, or
- if change is desirable, a conventional oven be the minimum standard for cooking appliances (replacing the lower standard of a microwave oven).

### **Recommendation B2: That any income from interest accruing from bonds held by the Residential Deposit Authority (RDA) be used for the benefit of tenants.**

The RDA funds are held in trust for tenants and any income generated through interest needs to be used to provide tenant services and support when required. The Department of Justice reports the following amounts:<sup>19</sup>

#### **Rental Deposit Authority Account**

Balance at 1/7/2013:	\$32,395,000
Add Net Transactions	\$2,473,000
Balance at 30/6/2014	\$34,868,000

In 2010, the interest rate on RDA deposits was 2.75%, whereas ‘big-4’ business accounts were yielding 4.75%. In the absence of the latest figures for RDA deposits (assume balance as at 30/6/14), if the differential between the present Government rate and the commercial “big-4” savings rate is:

- 1%, then this would yield \$348,680 of extra interest
- 1.25%, then this would yield \$435,850 of extra interest
- 1.5%, then this would yield \$523,020 of extra interest.

This interest could be used to fund enforcement of the minimum standards, to provide extra resources for tenancy organisations such as the Tenants’ Union, Centacare Housing and Tenancy Services, and to enhance the Private Rental Assistance Scheme.

### **Recommendation B3: That information about the total amount of money held by the Rental Deposit Authority (RDA), the number of bonds it commences each year, the average value of these bonds, and the amounts that are private rental and social housing rental, be regularly reported and made publicly available.**

The RDA could provide valuable data about the state of the private rental market and trends and changes over time. Information about RDA holdings each quarter or each year from its inception and into the future would become an invaluable resource for evidence-based policy and analysis.

<sup>19</sup> Department of Justice *Annual Report 2013/14*, p.234

**Recommendation B4: That the State Government address the issue of bond and rent assistance for community housing tenants (and Special Residential Facility tenants) on low incomes who are currently ineligible for Private Rental Assistance, through consultation with Housing Tasmania, Community Housing Providers, Housing Connect and other key stakeholders.**

Private Rental Assistance (PRA) is one of Housing Connect's early intervention programs, often helping people who would otherwise become homeless. It provides eligible people on low incomes with one-off financial assistance for bond, rent in advance, rent in arrears or removalist's costs. PRA is not available for people in or moving into properties owned by the Director of Housing. However, with the introduction of Better Housing *Futures*, over 4,000 public housing properties have been transferred to management by community housing providers. Properties managed by Community Housing providers, unlike their public housing counterparts, now require a 'standard' bond payment and rent in advance. However, the property titles remain with the Director of Housing, so these tenants are not eligible for PRA.

Excluding these community housing tenants from PRA generates inequities and hardship for tenants. This is an unintended consequence of the Better Housing *Futures* transfers. A large number of tenants across the state now require high levels of support from Housing Connect Services, due to ineligibility for PRA.

There is a need to amend the PRA guidelines to ensure equity for tenants, so that those in Better Housing *Futures* properties who need to pay a bond are treated the same as other bond payers in the private rental market. The PRA scheme will need additional funds to implement this fairer arrangement. One potential source of funds would be the interest accruing from bonds held by the Residential Deposit Authority (see Recommendation B2), which is held in trust to be used for the benefit of tenants. Consultation is needed to resolve this issue in a way that ensures equity, remains affordable and avoids any unintended adverse consequences for tenants, services and other key stakeholders.

**Recommendation B5: That Housing Tasmania, in consultation with the sector, investigate the rent setting policies in Shelters (Type 3 services) throughout Tasmania to ensure equity and identify and implement best practice standards and benchmarks.**

Currently, rent setting practices vary between Shelters. Transparent and consistent standards will embed consumer protection for all users of Shelters and ensure equity for clients across the State. Shelter Tas recommends establishing benchmarks that will enable consistent delivery of positive outcomes and value for money.

**Recommendation B6: That the State Government commit to funding Housing Tasmania to implement a consumer engagement strategy for people experiencing homelessness, based on *The consumer engagement project – hearing and listening: Developing a consumer engagement strategy to foster the active participation of people who are or have been homeless.*<sup>20</sup>**

Housing Connect, Better Housing *Futures* and the Tasmanian Affordable Housing Strategy need to be complemented by a well-researched consumer engagement plan for Tasmania. While Government, service providers and consumers have an interest in and commitment to engaging people who use services, the expertise and knowledge of people who experience homelessness remains untapped. Although directly consulting and involving consumers in their services is already best practice adopted in various health and disability cultures, currently in Tasmania people who experience homelessness have few opportunities to participate in the design and delivery of the services they use.

Shelter Tas is pleased to announce there is a new report, based on Tasmanian research and consultations, named *The consumer engagement project – hearing and listening: Developing a consumer engagement strategy to foster the active participation of people who are or have been homeless* that is due for release in March 2015. The report presents strong evidence not only of the benefits for government, service and consumers but also of how to implement an effective consumer engagement strategy for the homelessness sector, with possible extension to the housing sector.

Consumer driven services and choice require investment in a planned strategic way to foster and enable long term returns, such as better service and outcomes for consumers and greater efficiencies. Shelter Tas recommends investment in the recommendations of the Consumer engagement project.

Costing will be available when the Report is delivered in March 2015. A provisional figure for the mid-range option is \$150,000.

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<sup>20</sup> Draft *The consumer engagement project – hearing and listening: Developing a consumer engagement strategy to foster the active participation of people who are or have been homeless* (Release due March 2015).

## C – Gaps in the System

**Recommendation C1: That the State Government ensure the housing needs of people with disability identified in the Tasmanian Affordable Housing Strategy can be met by actively negotiating with the Commonwealth to make resources available for modifications and new stock.**

As the NDIS roll out proceeds, demand for affordable and appropriate housing for people with disability will increase. It is projected that 4,700 people in Tasmania will need targeted housing that is affordable and appropriate to their support needs.<sup>21</sup> Existing level and type of stock cannot meet this demand. There is an urgent need for the State Government to work with the Commonwealth to secure capital funds to increase the supply of accessible and affordable housing appropriate for people with disability.

**Recommendation C2: That the State Government commit to a suite of housing options for people with disability, including shared equity; social housing (public and community providers); private rental and home ownership.**

People with disability have diverse needs and resources, so diverse options are needed to ensure they can live independently. Public-private and community partnerships may provide opportunities to identify the most efficient and effective ways to deliver modifications for renters and home owners and to increase the supply of appropriate accessible housing stock.

**Recommendation C3: That the State Government ensure a minimum amount of social housing stock is appropriately accessible and available to people with a disability.**

The shortage of affordable housing for all vulnerable groups in the Tasmanian community is well known. Housing Tas projects a shortfall for 4,700 people with disability by 2019.<sup>22</sup> Ensuring that a minimum amount of social housing stock is appropriate and available to people with a disability provides much needed clarity to all stakeholders.

**Recommendation C4: That the State Government work with the Commonwealth government to implement a specialist aged care housing model similar to Wintringham suitable for the Tasmania context.**

Tasmania's population is aging, and an increasing number of older Tasmanians are at risk of experiencing homelessness. It is timely to develop a specialist aged care housing model for these Tasmanians. Wintringham ([www.wintringham.org.au](http://www.wintringham.org.au)) is a highly successful model operating in Melbourne that works with homeless and financially disadvantaged older people.

An important difference from other homelessness services is the majority of Wintringham's funding is Federal aged care funding. Clients and residents are elderly and treated as part of the aged care services system. Wintringham charges lower than the standard aged care fee, set at 79% of the aged pension. However, its identification as a housing service enables Wintringham to use a whole-of-government approach.

A timely response to the ageing of the Tasmanian population and increased number of older people experiencing homelessness is to develop and implement a similar model customised for Tasmania.

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<sup>21</sup> Fact sheet *Housing needs of NDIS participants* provided by Housing Tasmania.

<sup>22</sup> Fact sheet *Housing needs of NDIS participants* provided by Housing Tasmania.

**Recommendation C5: That the State Government fund a project to identify best practice options for appropriate crisis and transitional accommodation options for young people, including 13-16 and 17-20 year olds, and to identify appropriate exit options that provide them with stable and appropriate housing and support in the longer term.**

Lack of appropriate housing for young people in crisis is a long-standing, unresolved issue in Tasmania, and is a highly complicated area. The Tasmanian Youth Housing and Homelessness Group (TYHHG), is a collaboration between Shelter Tas, YNOT, and representatives from youth shelters and services State-wide, and is ideally placed to undertake the work of identifying best practice, successful models and locally appropriate options for housing young people in crisis.

While this recommendation requires investment, vulnerable young people who are homeless or at risk of homelessness require appropriate housing and support if they are to remain engaged in education, training and employment, and outside the criminal justice system. The recommendation is therefore cost effective in the long term.

**Recommendation C6: That the State Government fully funds the construction and staffing of a supported accommodation facility for young people who are at risk of or experiencing homelessness in the North West.**

Shelter Tas welcomed the State Government's budget commitment of \$511,000 to purchase an appropriate location for a youth supported accommodation facility in the North West. Shelter Tas, as a member of TYHHG, has lobbied for a North West facility similar to successful Thyne House in Launceston, which is a supported Youth Accommodation Facility that provides stable long-term accommodation for up to 30 young people between 16 and 25 years. Thyne House also supports young people to connect with services and engage in employment, education and training opportunities. In the South, Trinity Hill is currently under construction and will provide stable accommodation for 46 young people on low incomes, as well as accommodation for 16 young people living with a disability. The proposed facility would provide much needed accommodation and equity for vulnerable young people in the North West.

**Recommendation C7: That the State Government provide funding to address unmet need for crisis and transitional accommodation for:**

- **Families with children and men with children (no purpose built accommodation)**
- **Young people in the North of the State (no purpose built accommodation)**
- **Young mothers and their children (insufficient purpose built accommodation).**

The recent Productivity Commission Report states that an increasing number of people are turned away from homelessness services in Tasmania.<sup>23</sup> Shelter Tas' members consistently report a shortage of transitional support and accommodation services for young people in the North of the State, for young mothers and their children and for families and men with children throughout the State. The shortage of Type 3 crisis accommodation for families with children and men with children was noted by KPMG in 2012.<sup>24</sup> It remains unresolved. Funding to address these unmet needs is critical.

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<sup>23</sup> Productivity Commission *Government Services Housing and Homeless Report* 2015. See also <http://www.examiner.com.au/story/2847868/homeless-turned-away-as-shelters-overflow/?cs=95> (accessed 29 January, 2015.)

<sup>24</sup> KPMG Support and Accommodation Assistance Review *Final Report*, 2012, p1.

**Recommendation C8: That resources are identified to provide affordable, appropriate, safe and secure housing solutions for people experiencing mental illness.**

The State Government's current project *Rethink Mental Health* seeks to achieve better outcomes for Tasmania's mental health consumers, their families and carers. Housing needs to be a key consideration for any reform of services for Tasmania's mental health consumers, as it is part of the social infrastructure that is essential for improving outcomes. Shelter Tas recommends consultation with the housing sector to identify and quantify housing need and to deliver appropriate and affordable housing resources to this group.

**Recommendation C9: Provide funding for research into increasing longer term private rental options that meet the needs of older renters and landlords.**

Secure housing is a significant contributor to health and well-being for older Australians. Recent National research has identified limited availability of suitable and affordable rental properties to meet existing and projected demand from older renters.<sup>25</sup> In Tasmania in 2011, 21% of older people aged 65+ years were counted at home in households experiencing housing stress, and, 63.7% of Tasmanians aged 65+ years live under the poverty line of \$400 per week, compared with just over 30% of all Tasmanians.<sup>26</sup> A growing number of older Tasmanians rely on private rental, but there is no Tasmania-specific research and no information about how to support 'ageing in place' for tenants. Tasmania is the fastest aging and lowest income state in Australia. The need for evidence based strategies in this area is urgent.

Council on the Ageing (COTA) and Shelter Tas have scoped a project to map supply of private rental accommodation in Tasmania, identifying tenancy options and other support that meets the needs of older renters and to work cooperatively with stakeholders including landlords and real estate agents to identify best practice for older tenants. State Government funding of \$80,000 over two years would enable Shelter Tas and COTA to deliver this research in partnership.

Cost is estimated at \$40,000 in budget year 2015-16 and \$40,000 in budget year 2016-17. While this is not cost neutral, the health and well-being benefits of aging in place for the increasing number of older renters in Tasmania will generate significant savings in the health budget in the longer term.

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<sup>25</sup> AHURI report *Preventing first time homelessness amongst older Australians* June 2014

<sup>26</sup> 'Facing the Future: A baseline profile on older Tasmanians' – COTA 2013. page 77.

## D – Joined Up Issues

### **Recommendation D1: Ensure that affordable housing is integrated as a key consideration in all government portfolio areas.**

Affordable housing is a critical element in planning for Tasmania's future, and needs to be a key consideration wherever new infrastructure, transport, urban and regional development, health, justice, and education are proposed. Housing is a fundamental human need, and is the foundation for the social and economic lives of citizens. As affordable housing is essential for social and economic outcomes, it is important that the Tasmanian Government and policy makers integrate the consideration of affordable housing.

### **Recommendation D2: That all Tasmanian local governments develop an active affordable housing policy and investigate the possibility of using planning incentives and rates and stamp duty concessions to increase new affordable housing.**

Shelter Tas sees the current moves towards amalgamating local councils as an opportunity to encourage innovative and locally appropriate ways to increase the stock of affordable housing.

### **Recommendation D3: That the State Government provide adequate funding beyond the forward estimates to meet obligations up to 2019/20, as stipulated by the Equal Remuneration Order.**

Previous governments did not include the total cost of the nine instalments, due over eight years to 2020 in forward estimates. It is critical that adequate indexation is maintained in order to achieve effective service delivery in the community sector. Many community sector organisations will be unable to cover ERO costs alone, which will impact on their ability to maintain services, strengthen the workforce or retain skilled staff. Shelter Tas acknowledges that the final three installments carry a significant financial burden, but this will need to be costed into future budgets in order to complete the obligations of the ERO.

### **Recommendation D4: Indexation be linked to CPI and annual wage increases.**

In recent years, the State Government has offered annual indexation of only 2.25%. Fair Work Australia wage increases have been approximately 2.9% to 3.3% over the same period. Other business expenses have increased by between 3% and 5%. As a result, there has been an effective decrease in funding of 1% to 2% per year, which erodes service delivery. Indexation needs to match the real costs of service delivery.