Housing and Homelessness Peak

Submission to the State Government
Budget Process 2019-2020

Housing: The Essential Infrastructure

Shelter TAS
Housing and Homelessness Peak
Shelter Tas is happy to discuss any of the recommendations in this submission.
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INTRODUCTION

Shelter Tas is the peak body representing the interests of low to moderate income housing consumers, housing providers and specialist homelessness services across Tasmania. Shelter Tas is pleased to accept the Treasurer’s invitation to make a submission to the 2019-20 State Budget on behalf of our members and the housing and homelessness sector. This submission is informed by research and extensive consultation with our members across the social housing and homelessness sector.

Housing is essential social and economic infrastructure. It is the bedrock for people’s wellbeing, participation in work and community activities, and underpins the care of dependent children. No Tasmanian deserves to live in housing stress, poverty or homelessness.¹

Affordable, appropriate and secure housing directly impacts our community’s health, education and overall wellbeing.² It underpins the growth of our economy by enabling people’s participation and productivity. However, increasing numbers of Tasmanian households are experiencing rental stress due to the combination of high rents and the lowest incomes in Australia.³ Incomes in Tasmania are 25% (over $300) less than the national average.⁴ The latest Rental Affordability Index, which compares rents to incomes, again confirms Hobart as the least affordable capital city in Australia.⁵ In Greater Hobart, rents are now becoming unaffordable for half of all rental households.

Tasmania’s housing problem is much wider than Hobart. Regional Tasmania has overtaken regional NSW as the least affordable of the ‘rest of state’ areas analysed in the Rental Affordability Index.⁶ Increasing demand that is not met by new supply intensifies the competition for affordable well-located rental housing. About 27% of Tasmanian households, almost 40,000 households, and most low income households are renters.⁷ With more than one in four Tasmanians renting their home, the combination of rising rent and low income growth has created unprecedented hardship for many people.

Tasmania’s Affordable Housing Strategy 2015-2025, the Action Plan 2015-2019 and the second Action Plan 2019-24 (currently under development) provide an important strategic and co-ordinated approach to addressing the state’s housing needs. Shelter Tas welcomes the significant investment by the Tasmanian Government in the Strategy and looks forward to continuing to support the development and implementation of the second Action Plan. However, to respond adequately to rapidly increasing pressures in the Tasmanian housing market, the second Action Plan requires

¹ As noted in the 2019-20 Budget Priority Statement by our sister peak TasCOSS, housing is a basic essential that all Tasmanians need to achieve their potential.
detailed reporting of housing demand and outcomes at specific cohort/client and regional level. Detailed evaluation and reporting are needed to understand which policy actions work best and to inform the most effective policy responses.

The Strategy’s positive initiatives need to be scaled up significantly. The chronic shortage of affordable housing and 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. Single parent families, young people and people living alone, including our 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 and GST gains to be shared, first and foremost by ensuring that every Tasmanian has the home they need.

Clear trends continuing through 2018 all show that Tasmania is experiencing an ongoing housing crisis. The vacancy rate in Greater Hobart has reached a low of 0.3%, and there is a chronic shortage of affordable private rentals for people on low incomes across the state. Rising student numbers in Hobart, and increasingly in Launceston, are placing additional pressure on an already stretched housing system. Rents are increasing at unprecedented rates and rising numbers of Tasmanians are experiencing rental and mortgage stress. The social housing waiting list is at 3,216 applications, and the average time to house priority applicants is over 60 weeks. To alleviate the pressures on the housing system, Shelter Tas calls for an increase to the supply of social housing (public and community providers) as a proven way of ensuring housing stays affordable for tenants in the long term.

The 2019-20 Shelter Tas submission to the State Budget process has three sections. In Section 1 we call for the introduction of an integrated approach to housing issues across portfolios. Section 2 presents consumer-related initiatives, and in Section 3 we outline the priority asks from our members. These are opportunities to build on the work of the Tasmanian Affordable Housing Strategy 2015-25, where population cohorts or regional areas are in urgent need of targeted responses.

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11 During the last two years, international student enrolments at the University of Tasmania have increased from 3411 in 2016 to 5036 in 2018, an additional 1,625 students. In that time the University has built 750 new apartments. See http://www.utas.edu.au/social-change/publications/housing/tasmanian-housing-update-aug-2018 section 1.3and fig 1.5.


ACHIEVING AN ADEQUATE SUPPLY OF AFFORDABLE RENTAL HOUSING FOR TASMANIA

It makes good economic sense to meet the housing needs of all Tasmanians. There is an urgent need to boost the supply of social housing and address Tasmania’s rental affordability crisis, and to close the growing divide between those who are benefiting from the state’s economic boom, and those who are left behind. The Community Housing Sector has a proven track record in Tasmania, currently managing 6076 properties. The Better Housing Futures program has a strong record of supporting tenants and providing successful housing options to a diverse range of clients. Shelter Tas recommends drawing on the skills of Community Housing providers and their ability to attract large scale investment and development to address Tasmania’s housing crisis.

Shelter Tas has identified eight systemic measures that go beyond the scope of the Affordable Housing Strategy, and will help to achieve its outcomes.

1. The Tasmanian Government needs to direct additional resources (above current commitments) to increase the supply of social housing stock to a level that can meet our state’s escalating housing needs. The State Government can invest more in social housing by:
   a. investing the state’s stamp duty windfall from higher house purchase prices;
   b. negotiating the relief of Tasmania’s historic housing debt to the Australian Government, a legacy of the former Commonwealth State Housing Agreement, to free up funds to deliver more social housing;15
   c. introducing a visitor levy16 or nightly charge for short stay accommodation and directing the contributions collected towards affordable housing; and
   d. developing equity partnerships and co-investment models with the community housing sector to broker increased funds from the National Housing Finance and Investment Corporation, bond aggregator, and superannuation investment funds.17

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15 Each year the Tasmanian Government refunds half the state’s funding under the National Affordable Housing Agreement to the Australian Government, to repay an historic debt from the former Commonwealth State Housing Agreement. In 2016-17 this meant returning $15.7m of the $28.6m received. Tasmania is locked into this arrangement until 2042, when the debt will finally be paid out. Other states have significantly less debt relative to Tasmania, while South Australia and Victoria have succeeded in removing the debt from their housing budgets altogether.

16 “There may also be merit in giving further consideration to the suggestion of a levy on short-term tourist accommodation, as recently proposed by Airbnb and the Lord Mayor of Hobart. Although this proposal has been promptly rejected by both Government and Opposition, as well as by representatives of the tourism industry, such levies are commonplace in overseas tourist destinations, and may provide a means not only of funding additional tourism-related infrastructure investment, but also of demonstrating to the broader Tasmanian community that the benefits of rapid growth in tourism are being widely shared.” Saul Eslake, Tasmania Report 2018 p 80.

Tasmania’s property boom has delivered increased revenue to the State Government through stamp duty on sales prices. However, in response to higher prices, owners seek higher rents or divert properties to the short stay visitor market. Increased investment in social housing can alleviate these negative effects on renters.

The upcoming Federal Election is a perfect opportunity to negotiate the relief of Tasmania’s longstanding housing debt to the Commonwealth, with the support of the community sector. In 2018-19 Tasmania’s debt repayment was over $15 million.

A visitor levy or nightly charge is an additional source of revenue to ensure the benefits of the visitor economy are shared with the whole community. Revenue gained can be dedicated to increasing affordable housing, and support for people at risk of homelessness. Many international jurisdictions use this approach to offset the impacts of the tourist accommodation.

2. Tasmania needs more ambitious targets for increasing the supply of public and community rental housing.
   The TAHS 2015-25 provides short term project-based targets, but with increasing population and other pressures demand continues to outstrip supply. We call for the State Government to endorse a long term percentage based social housing target for affordable 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. Shelter Tas advocates a medium-long term target for Tasmania of up to 10% of dwellings to be affordable social rental housing.18

3. Implement 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.
   a. Make affordable housing an explicit planning priority in Tasmania’s planning legislation. The planning system has a significant influence on housing outcomes, impacting the nature of housing supply, type, size, location, accessibility and affordability. Ensure urban design, regional and local planning all include the delivery of affordable housing, as housing is essential infrastructure that shapes our lives and our communities, towns and cities.19
   b. Introduce a Housing Impact Analysis as a requirement for all relevant policies, including planning for increased enrolments at educational institutions.
   c. Update and strengthen the procedures for divestment of government land and buildings to ensure that wherever possible these assets are directed to affordable and fair housing solutions. Extend the period of time when government land is offered to other departments from 21 to 90 days before it is made available on the open market. Implement an agreement across government departments that housing will be treated as a top priority for the duration of the state’s housing crisis.

4. Strengthen the oversight and accountability measures for the Affordable Housing Strategy and second Action Plan
   Establish an independent Affordable Housing Action Plan 2 Oversight Group, using expertise from the community sector and other stakeholders. A genuine partnership model will ensure the expertise and on the ground experience from the community sector are available to support

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the Strategy and second Action Plan, and enable well-informed and timely responses to broader issues affecting the housing system, such as Airbnb and national initiatives.

5. **Establish a stakeholder group to work with government on managing the disruptive impacts of the rapidly expanding short stay accommodation sector.**

Shelter Tas is aware of the recent steps by the State Government to collect short stay data and strengthen compliance. Shelter Tas recommends the State Government establishes an advisory group including TICT, UTAS, Shelter Tas, LGAT, TasCOSS and government representatives charged to ensure best understanding, interpretation and use of this data and its wider context, and to develop strong evidence-based policy recommendations. This will benefit Tasmania directly and enhance the leadership role that the state’s introduction of strong data collection measures can provide to other jurisdictions.

6. **Ensure funding levels for Housing Connect and support services are aligned to increasing demand.**

A review of the Housing Connect system is underway. Members report that staff are experiencing increasing workloads. Client numbers are increasing, and more people have higher and more complex needs, while funding and resources have not kept pace. As an outcome of this review, Shelter Tas expects to see increased investment to support staff and services to assist clients appropriately, to deliver early intervention and prevention and better outcomes for clients. Measures may include:

a. Exploring efficiencies such as introducing online services, where applicable, to relieve pressure on Front Door services and enable more direct early intervention and client work rather than administrative tasks;\(^{20}\) and

b. Explore best practice for setting caseworker-client levels and ensure these are sustainable.

7. **Ensure homelessness and housing services are appropriately resourced in an environment of rapidly escalating demand and pressure.** Consult with the sector to develop and implement benchmarks for caseloads and support periods in crisis accommodation in the absence of national or state standards.

8. **Ensure new and emerging models such as Build to Rent (BTR) are appropriately regulated and targeted.**

New build to rent models are rapidly being introduced in the national marketplace. However, to ensure the models deliver affordable housing and maximum community benefit, Shelter Tas recommends any initiatives are developed and managed by community housing providers who focus on outcomes for Tasmanians most in need, in alignment with the principles of the *Tasmanian Affordable Housing Strategy 2015-25*.\(^{21}\)

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\(^{20}\) For example, NSW has delivered a range of digital initiatives, enabling more client facing services.

CONSUMER VOICE AND PROTECTIONS

1. **Key project funding to support Homelessness Week.**
   Homelessness Week is a national event that aims to address stigma, raise awareness, highlight the voices and experiences of people who have experienced homelessness and the issues they face, and promote the range of services in the homelessness sector that deliver positive outcomes. To build on the growing momentum of last year’s Homelessness Week in Tasmania, to foster collaboration between services, and to enhance the effectiveness of Homelessness Week in all Tasmanian regions, Shelter Tas requests funding of $45,000 per year for the next 4 years.

2. **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, incorporate co-design, emerging technology and digital communications, and would include:
   a. 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;
   b. 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
   c. an independent complaints and feedback pathway for consumers of housing and homelessness support services.

   Shelter Tas requests funding for the 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 $140,000.

3. **Improving conditions in the private rental market.**
   Renting in the private rental market is no longer just a short term option. More than 40% of Tasmanian renters spend over 10 years in the rental market. The very recent report *Disrupted: the consumer experience of renting in Australia* reveals that 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 flourish.

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22 To see the range of activities in Homelessness Week 2018 in Tasmania, please see www.sheltertas.org.au/homelessness-week-2018
23 This period of time aligns with the Shelter Tas Core Funding Contract. A more detailed proposal can be provided on request.
24 http://chp.org.au/services/pesp/
25 A more detailed proposal can be provided on request.
Shelter Tas recommends:

a. The establishment of a working group to modernise the Residential Tenancy Act and improve the tenancy security of all Tasmanians in private rental housing. This aligns with recommendation 1.2 from COTA’s Budget Priority Statement, and 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;

b. An audit of the funds held by the Residential Deposit Authority, to ensure transparency about the holdings and uses of bond money and introducing an annual report showing how these funds are allocated to the benefit of tenants; and

c. Adequate funding for the Tenants’ Union of Tasmania to ensure a sustainable model for legal representation of tenants across the state.
PRIORITY ASKS FROM OUR MEMBERS

There is clear evidence from research, data and member reports that since the Tasmanian Affordable Housing Strategy 2015-25 was initiated in 2014, the housing situation in Tasmania has changed dramatically. Our targeted consultation and survey show that particular groups and regions still need additional resources. These new proposals will complement and add to the value of the Tasmanian Affordable Housing Strategy 2015-25, and will require funds additional to those already allocated.

**Member Priorities:**

1. **Mental health support for 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. 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.

   This is a widespread issue affecting young people, people who have experienced family violence and men accessing homelessness services. There is an opportunity to pilot a response model in alignment with the Mental Health Council’s call for Centralised Mental Health Access Service (CMHAS). As MHCT notes, “The CMHAS will address known concerns expressed by various stakeholders including community members about the need for a centralised service providing advice and navigation around available supports and referral pathways preventatively, to support mental health literacy and access.” In addition, a comprehensive and well-resourced system will be crucial to deliver long term outcomes. The care model needs to follow individuals as they transition across housing types.

2. **Younger Tasmanians.**

   Young people are particularly disadvantaged in the current competitive and expensive rental housing market. 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.

   Shelter Tas supports YNOT’s call for the State Government to invest in a policy response and a continuum of services to address the care and accommodation needs of unaccompanied homeless children aged under 16 years in Tasmania. 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. Shelter Tas and TYHHG welcome the

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27 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 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.

28 **MHCT Budget Priorities Statement 2019-20.**

introduction of Colville Place (transitional housing for under 16s), but note that it is not designed for people needing longer term housing solutions. 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 and Eveline House have demonstrated successful outcomes for young people.

Shelter Tas calls for the establishment of three new Foyer housing models for young people, one in each region of the state.

3. 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. Older single women are particularly vulnerable due to having lower levels of income and assets. Shelter Tas welcomes the announcement of Wintringham-style accommodation in the south, which is a successful response to growing need and can draw on aged care funds. Shelter Tas encourages the State Government to develop a similar model to accommodate both men and women in the North and North-West regions. Along with our sister peak COTA, we recommend the State Government commits to sustained investment over the longer term to ensure Tasmania can meet current and projected demand for accessible, appropriate and affordable housing, and introduce incentives for landlords to modify properties to support ageing in place.

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

There is an urgent need for more crisis accommodation and support for men with and without children in the state’s north-west. This is a longstanding gap in the system. Successful models include Orana in the north and DIY Dads in the south. Funding needs to include capital expenditure and ongoing operational funding.

Shelter Tas recommends the establishment of a crisis accommodation facility and longer term accommodation options for men for the North-West region.

5. Extended hours for homelessness support.
Consumers have identified a need for additional support for people experiencing homelessness outside the current Monday to Friday office hours (9-5) system. From 5pm Friday to 9am Monday is a long time for vulnerable people to be without access to shelter and support services. Shelter Tas recommends exploring options for a ‘drop in facility’ to be delivered by extending hours of an existing service, provisionally as a pilot in the south and evaluated after a 2 year trial.

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32 One possibility would be to extend the hours of the Richmond Fellowship Connect In Centre currently open from Monday to Thursday, from 9am to 3pm.
6. **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 social housing waiting list is at 3,216 applications, and the average time to house priority applicants is over 60 weeks.\(^\text{33}\) 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 needs to:

- **Increase the amount of social housing stock to meet new demand emerging from Tasmanians with a disability, especially the 94% of NDIS recipients not receiving Specialist Disability Accommodation funding;**
- **Ensure there is no net loss of the existing public housing stock from the re-use of public housing for SDA accommodation; and**
- **Resource the additional tenancy support required of community housing providers for tenants for needs not currently funded within their NDIS support packages.**

7. **Family reunification.**

Families whose children have been removed for child safety reasons need a suite of responses to provide them with the stable accommodation and support necessary to enable reunification. **Shelter Tas supports the research-based proposals of Anglicare on ways to support these vulnerable cohorts.**\(^\text{34}\)

8. **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) will go through in December 2020. This will impact the 2020-21 and 2021-22 financial year. The full year effect of the December 2020 increase needs to be factored into the 2021-22 funding.

Shelter Tas requests the State Government confirms 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.

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