Renters need safe and secure long-term solutions

It is always distressing to see people who are at risk of losing their stable rental homes. Too many Tasmanians are facing this trauma, with some recent examples highlighted due to the expiry of the National Rental Affordability Scheme. The Mercury and others have showcased the experiences of tenants who are losing their home of ten years. A program dedicated to delivering safe and affordable housing is ending with hundreds of Tasmanian tenants facing the fear of homelessness.

Why has this happened, and what can we learn?

Ten years ago, when NRAS was established, there was an optimistic forecast that the tenants could somehow manage a return to the private rental market when the scheme ended.

Right now, we can see the real-life consequences of private rental schemes that run out, leaving people at risk of homelessness. The National Rental Affordability Scheme provided ten years of security for tenants, but as this comes to an end, we see disruption and hardship for people who cannot afford Tasmania's tight and competitive rental market.

It is great to see in the Mercury 3rd June that a group of elderly Kingston residents will be able to stay in their homes, under a state government subsidised rental scheme. But we don't know what will happen when this subsidy ends.

Shelter Tas as the peak body for housing and homelessness has always advocated for long term solutions, rental homes that stay affordable in the long run. The not for profit community housing sector has a strong track record in delivering these homes, and housing security for tenants. Private rental schemes depend on the decisions and priorities of owners which can be very changeable. Market rents, as we know, have skyrocketed in recent years, rising far quicker than people's incomes.

Many Tasmanians depend on affordable rental homes. Increasing numbers of Tasmanians are renting, and for longer periods. The number of households renting in Tasmania increased by 18% from 2008 to 2016, (from 45 600 in 2008 to 54 000 in 2016), with 2021 Census data likely to show a further increase.

The chronic lack of affordable rental housing in the private rental market leads to increasing numbers of people experiencing housing stress and homelessness across the state. Every day in Tasmania, 46 people are turned away because the shelters are too full to fit them in. These experiences of hardship are reflected in the growing waiting list for social housing, currently over 4 400 households.

As the peak body for housing and homelessness across the state, we see two sides to Tasmania's property market. There are people growing their wealth from steep rises in house prices, and there are people struggling to find and pay for the home they need to rent. Since 2018, on the standard measure that compares income to rental cost, the Rental Affordability Index has shown that Hobart is Australia's least affordable capital city for renters.

Older people living on fixed incomes, pensions and benefits; long-term residents with attachment to community and place; people living with a disability; and single person households are some of the most vulnerable to the pressures of an unaffordable rental market.

Tasmania has a high proportion of people earning fixed incomes and Tasmanian workers earn lower wages than the Australian average. The average weekly ordinary time earnings for an adult working full time are $206.70 lower in Tasmania than the national average (Tasmania: $1541.70, Australia: $1748.40, ABS stats for Nov 2021).[1] Throughout Tasmania there is a widening gap between people's incomes and housing costs. Over 120 000 Tasmanians now live in poverty.[2]

And yet, our housing costs are some of the highest in the country, CoreLogic's Rental Report for April 2022 shows that over the last year, Hobart's median rent has risen by 8.7%. The median price for renting in Hobart is now $532 per week, compared with a national cost of $509. Melbourne's median weekly rent is $468, $64 per week lower than Hobart.[3]

Women and women with children are some of the hardest hit by housing hardship. When family violence shelters are full, women who may be survivors of family violence are forced to couch surf, live in their cars, or make do in hostels or short-term hotel rooms. Older women are the fastest growing group of people facing the risk of homelessness and presenting to our member services. Shelter Tas calls for a Women's Housing Strategy to address the growing numbers of Tasmanian women living in housing hardship and at risk of homelessness.

Many words written about the record house prices and rental returns in Tasmania. However, the conversation about housing needs to prioritise homes where Tasmanians can live. The expiry of the NRAS scheme clearly demonstrates the need to invest in the homes people need for every year of their lives, not just for two years or ten years. Long term solutions really are best for our community, and provide the best return on public investment.

With a new Federal Government, and major housing investment in last week's state budget, it is time to bring all levels of government together to stop the blame shifting and deliver the pathways with the support that people need to have housing security. An inclusive, fair and prosperous Tasmania means everyone has the home they need.

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Peak body for housing and homelessness services.

[1] https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release#state-and-territory
[2] https://www.tascoss.org.au/120000-tasmanians-live-in-poverty/
[3] https://images.insight.corelogic.com.au/Web/RpDataPtyLtd/%7bdeba730d-cc80-475c-891c-3e2572539969%7d_Quarterly_Rental_Review_Report.pdf?elqTrackId=5e4b0e8ec7044b73bb784ab50f08699f&elq=1e3c684317464a69809e5cafee00b0c9&elqaid=3675&elqat=1&elqCampaignId=2506&elqcst=272&elqcsid=327