



TASMANIAN HOUSING STRATEGY EXPOSURE DRAFT

SHELTER TAS SUBMISSION, JULY 2023



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Community Housing
INDUSTRY ASSOCIATION

Shelter Tas is the Tasmanian branch of the
Community Housing Industry Association (CHIA)

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lutruwita/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.



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TABLE OF CONTENTS

About Shelter Tas	1
Our submission	1
Structure of our submission	2
Previous input to the Tasmanian Housing Strategy consultation	2
General comments and feedback	3
1. The need to strengthen ambition and targets.....	3
2. A gendered analysis of housing embedded into the Strategy	4
3. Increase recognition of Community Housing in the Strategy.....	4
4. Short-stay accommodation.....	6
5. Glossary and definitions.....	7
Responses to Exposure Draft questions	8
1. ‘Our way forward’ identifies several levers for achieving a more equitable housing system for all Tasmanians. Are there additional or alternative more important levers that you believe should be addressed?.....	8
2. Theme one identifies the need for ‘more homes, built faster’. Are there additional or alternative objectives you recommend for consideration?.....	9
3. Theme two centres on ‘affordability in the private market’. Are there additional or alternative objectives you recommend for consideration?.....	10
4. Theme three places ‘people at the centre’ of the draft Strategy. Are there additional or alternative objectives you recommend for consideration?.....	13
5. Theme four highlights ‘local prosperity’ as a priority. Are there additional or alternative objectives you recommend for consideration?	14
6. Are there other ways the government could make its actions and progress to meet the proposed objectives more transparent and accessible?	15
7. Do you have any comment on what this draft Strategy does well?	15
8. Is there anything you think the draft <i>Strategy</i> does not cover but should, or that it mentions but could be highlighted more?	16
Shelter Tas’ recommendations	18



Shelter Tas' Submission to the *Tasmanian Housing Strategy Exposure Draft*

About Shelter Tas

Shelter Tas is lutruwita/Tasmania's peak body for housing and homelessness services. We are a not-for-profit peak organisation representing the interests of low to moderate income housing consumers, Community Housing Providers and Specialist Homelessness Services across Tasmania. The sector we represent directly employs over 1200 people.

Shelter Tas provides an independent expert voice on housing rights and a link between the Tasmanian government and the community through consultation, research and policy advice. We work towards a fairer and more just housing system. Our vision is for affordable, appropriate, safe and secure homes for all Tasmanians and an end to homelessness. Shelter Tas is a member of National Shelter, and also represents the Community Industry Housing Association (CHIA) in Tasmania. All of Tasmania's Specialist Homelessness Services and registered Community Housing Providers are members of Shelter Tas.

Our submission

Shelter Tas is pleased to provide comments on the Tasmanian Housing Strategy Exposure Draft ('Draft Strategy').

As we have previously commented, the development of the Tasmanian Housing Strategy ('the Strategy') and its ongoing consultation process is a significant opportunity to take a longer-term view of the well-documented and chronic shortage of affordable homes in Tasmania, that leads to many Tasmanians living in housing stress and crisis.¹ The development of the Strategy is also timely, as it coincides with opportunities to align with Federal directions, including the new National Housing and Homelessness Plan, new Housing Accord, proposed Housing Affordability Future Fund (HAFF) and proposed national rental reform.²

As a peak body affiliated with several national organisations, Shelter Tas considers that it is very important to find consistencies between the Tasmanian Housing Strategy and the opportunities to work in partnership with both the State and Federal Governments. Tasmania can show leadership as a state that has a well-developed housing assistance system (through Housing Connect 2.0) and a mature and expanding Community Housing sector, which manages the highest proportion of social housing of all States and Territories.

As previously advised, Shelter Tas has collated a range of housing and planning models utilised interstate and overseas, that we can provide in more detail as the Strategy and Action Plans are developed and implemented.

An effective Strategy, together with its Action Plans will depend on the quality of consultation at every stage, and ongoing measurement of the implementation.

¹ Shelter Tas Submission to the State Budget Process 2021-22 <https://sheltertass.org.au/shelter-tas-submission-to-the-state-government-budget-process-2022-23/>

² https://budget.gov.au/2022-23-october/content/factsheets/download/factsheet_housing.pdf



Shelter Tas supports and appreciates the direction of the Strategy. At the same time, we note the lack of detail as to how ambitions and targets will be met.

Shelter Tas is calling for clear, ambitious and measurable targets to strengthen and give credibility to the Strategy and ensure progress and success over twenty years.

With respect to the development and implementation of Action Plans, we are calling for:

- Continuing full consultation with our sector at every stage,
- A commitment to adequate and realistic recurrent and capital funding, and
- Genuine co-design with Shelter Tas and our members, and other stakeholders where appropriate.

Structure of our submission

In this submission we will:

- List the previous input by Shelter Tas to the Tasmanian Housing Strategy consultation
- Provide general comments and feedback on the Exposure Draft
 1. The need to strengthen Ambition and Targets
 2. A gendered analysis of housing to be embedded into the Strategy, with evidence-based actions to improve housing outcomes for women, girls, and women with children
 3. The significant role of Community Housing is not recognised and not well explained
 4. The issue of short-stay accommodation is inadequately considered
 5. Errors in the Glossary and Definitions
 6. Innovations and system improvements – additional suggestions
- Specific responses to the questions asked in the Exposure Draft.

Previous input to the Tasmanian Housing Strategy consultation

Shelter Tas has provided the following input to the consultation process for the Tasmanian Housing Strategy:

- July 2022 – response to draft Discussion Paper
- September 2022 – consultation with Specialist Homelessness Services forum
- September 2022 – provided recommendations on data sources
- October 2022 – special Shelter Tas Policy Committee (SPC) meeting, sector consultation meeting
- October 2022 – template letter for SPC recommending focus areas to be included
- October 2022 – submission on the Tas Housing Strategy Discussion Paper
- 1 May 2023 – confidential comments on Tas Housing Strategy Exposure Draft (through the Minister’s Housing Reference Group)
- 22 June 2023 – special SPC meeting for sector consultation
- Ongoing discussion with Homes Tas leadership.

Our written submissions are available on the Shelter Tas website at www.sheltertass.org.au.



Overall, we appreciate the work that has gone into the Tasmanian Housing Strategy prior to the presentation of the Exposure Draft, including areas where Shelter Tas recommendations have been adopted.

In addition to previous feedback, we still have **recommendations** to improve the Strategy, as well as providing more detailed responses to the consultation questions.

General comments and feedback

1. *The need to strengthen ambition and targets*

Shelter Tas appreciates that *the Strategy* is being developed in an environment of a sustained housing crisis and increasing hardship across Tasmania. The Strategy clearly articulates many important challenges facing Tasmania's housing system, and the increasing numbers of people experiencing housing stress, precarious housing and homelessness. That said, the current draft is missing an opportunity to provide a genuinely inspiring and ambitious vision for Tasmania that can invigorate Tasmania's housing system as well as address the current crisis. Having Tasmania's first ever twenty-year housing strategy could deliver a generational reform to the delivery of homes for all Tasmanians, especially those who rely on social and affordable housing now and into the future.

Shelter Tas recommendation 1:

- *10% of all dwellings to be social housing with an additional 5% as affordable rental housing³*
- *Accurate and concise definitions of social and affordable housing to enable clear measurement and accountability*
- *Ensure that social housing delivered under the Strategy remains social housing in perpetuity*
- *Ensure that land release is counted separately from delivery of a home ready for people to live in, and not treated as equivalent to a housing outcome*
- *End homelessness in Tasmania, with measurable timely milestones, such as*
 - *reducing the numbers of people experiencing homelessness by 50% by the next ABS Census date (2026), and a further 50% reduction by the following ABS Census date, and*
 - *reducing the number of repeat instances of homelessness presentation at SHS by 50% in five years, and a further 50% in the following five years*
 - *making experiences of homelessness rare, brief and non-recurring*
 - *end homelessness for women and children escaping domestic and family violence*
- *Targets for reducing housing stress for tenants in the private rental market*
 - *measure current levels, and aim to reduce by 20% each year*
- *Address the instability and insecurity in the private rental market by developing a formula for fair limits to rent increases*
- *Establish stronger protections for tenants against excessive rent increases with a clear process of oversight and dispute resolution*

³ SGS Economics recommends 15% of total dwelling stock to be social and affordable housing. National Housing Assistance Policy April 2023, p 7.



- *Strengthen and empower Aboriginal owned and managed housing and homelessness services; and*
- *Introduce strategies to reduce and eliminate land banking, such as date limits to Development Approvals to combat land banking – so unused Development Approvals expire.*⁴

2. A gendered analysis of housing embedded into the Strategy (with evidence-based actions to improve housing outcomes for women, girls, and women with children)

The Tasmanian Housing Strategy needs a thorough analysis of the housing needs of women and their children. Shelter Tas recognises housing affordability, family breakdown, family and domestic violence, lower incomes and ageing as particular issues impacting the housing security of women and girls, including all people from LGBTQI+ communities who identify as being part of this cohort.

Shelter Tas and our members support the Strategy's recognition of the need for research into women's housing need across Tasmania. The Action Plans also need to contain clear measures for addressing gender issues in housing and homelessness, because evidence shows Tasmania's housing crisis has disproportionate impacts on women. Data from Tasmania's system of Specialist Homelessness Services shows there were 5,279 unassisted requests from men, and 13,934 unassisted requests from women – more than twice as many.

The proposed Tasmanian Housing Strategy and its Action Plans need a specific strategic focus on outcomes for women and children around housing appropriateness, availability, cost, safety and security.

Shelter Tas recommendation 2:

- *Specialised attention to women's housing needs (a gendered lens), especially for women and children escaping family and domestic violence*
- *Ensuring that new supply of social and affordable housing includes homes with 3 and more bedrooms to meet the needs of families and women and their children, especially those in housing stress, experiencing homelessness and escaping family violence.*

3. Increase recognition of Community Housing in the Strategy

The Community Housing sector is key to the success of the Strategy, as they manage over 9 000 properties, over half the social housing stock in Tasmania. The Community Housing sector is responsible for the majority of new social housing construction. However, the role and importance of Community Housing needs to be more clearly explained in the Housing Strategy, due their significant role in achieving the intentions of the Strategy over the next 20 years.

To maximise housing supply and deliver the best housing outcomes, a key proven approach is to involve Community Housing Providers as major developers. The inclusion of private investors and large-scale investors, such as superannuation funds, is an important opportunity. Shelter Tas is aware of significant work underway by the national peak body Community Housing Industry

⁴ See https://www.architecture.com.au/archives/news_media_articles/nsw-affordable-housing-strategy-does-not-go-far-enough



Association (CHIA), and can provide more information if needed. This includes work on subsidised housing for key workers.

Shelter Tas notes that Community Housing Providers deliver social housing as a build-to-rent model. We recommend investigating ways to expand this scope to facilitate balanced communities, mixed tenure types, and resilient and diverse neighbourhoods.

It is important to distinguish housing supply that needs a subsidy from supply that does not. All social housing needs a subsidy, because income-based rents from the lowest income earners do not cover the costs of delivering homes and supporting tenants. However, for-profit housing developers do not face this situation, and do not deliver homes for purchase or rent below cost.

As the recent AHURI report, *Private sector involvement in social and affordable housing* states:

Maximising these opportunities to increase new social and affordable housing supply through increased private involvement will require strong policy setting and regulation, efficient procurement processes, and adequate and ongoing ‘gap’ subsidy from government, particularly to serve those in highest need. Models should emphasise collaboration and partnership across the public, community, and private sectors, to build capacity throughout the housing industry. This collaboration should be guided by rigorous Australian Government, state and territory government and local government housing strategies. These strategies should identify long term demand for specialist, social, affordable and market housing and articulate clear delivery targets by market segment. These strategies must be underpinned by firm funding commitments and viable delivery mechanisms.⁵

Developing new ways to improve housing supply can include innovative partnerships with Community Housing Providers and the private sector that include cross-subsidy models. However, in order to ensure resources are directed towards homes for people most in need, rather than increasing profits of private developers, private involvement should be viewed as a way of extending, rather than replacing the subsidy to public housing low-income earners and those with special needs.⁶

Wherever governments are supporting new supply there is a need to manage the risk that these new properties will be diverted to short-stay accommodation rather than be retained as homes for Tasmanians. One possible option is that where any financial contribution is provided by the State Government, a covenant or caveat is placed on the title to the effect that it is not to be used for short-stay accommodation until 30 years have passed, or unless the subsidy is repaid. This would ensure that subsidies intended for local residents remain used for that purpose.

Value for money needs to be measured against these programs so that public funds deliver the best outcomes, including mixed developments with both private and social homes. The level of subsidy must support long term outcomes for Tasmanians, and care must be taken that investment in for-profit development does not leave a legacy of increased costs in the longer term.

In explaining Community Housing, it is important to distinguish housing supply that needs a subsidy from supply that does not, and the for-profit housing sector from the not-for-profit sector. All social

⁵ <https://www.ahuri.edu.au/research/final-reports/388>

⁶ <https://www.ahuri.edu.au/research/final-reports/388>



housing needs a subsidy, because income-based rents from the lowest income earners do not cover the costs of delivering homes and supporting tenants.

However, for-profit housing developers do not face this situation, and do not deliver homes for purchase or rent below cost. Recognising and building the role of Community Housing developers is vital to ensure people on low and moderate incomes can access affordable homes. Models should emphasise collaboration and partnership across the public, community, and private sectors, to build capacity throughout the housing industry, with a focus on the not-for-profit sector.

Shelter Tas recommendation 3:

- *Clearly articulating the role and value of Community Housing for Tasmania's housing system through the twenty-year period of the Strategy*
- *Identifying strategic areas to grow and develop the Community Housing sector, including workforce development*
- *A commitment to adequate funding for Community Housing Providers for construction, tenancy management and other support*
- *Investigating ways to expand the scope of the Community Housing Build-to-Rent model to facilitate mixed and balanced communities, mixed tenure types, and resilient and diverse neighbourhoods*
- *Developing a clear partnership approach with the Community Housing sector for delivering new homes and urban renewal projects.*

4. Short-stay accommodation

The impact of short-stay accommodation is well documented and noted in the Strategy. Clear evidence shows that the rise of short-stay accommodation has impacted the private rental market in Tasmania. Shelter Tas would like to see the Strategy provide a clear approach to managing these impacts.

Wherever governments are supporting new supply of residential homes, there is a need to manage a risk that these new properties will be diverted to short-stay accommodation, rather than retained as homes for Tasmanians.⁷ One possible option is that where there is any financial contribution from the State Government such as land tax reduction or first home purchasers grant, there is a covenant or caveat on the title that it is not to be used for short-stay accommodation until 30 years, or unless the subsidy is repaid (including an appropriate level of interest). This would ensure that subsidies intended for local residents remain tied to that purpose.

It is also important to note that developments that are built under residential zoning but used for short-stay accommodation gain benefits from being a commercial operation constructed under residential guidelines. Here too, appropriate strategic management is needed to ensure that commercial enterprises pay their way, possibly paying a levy or fee to support renters or other housing services.

⁷ https://sheltertass.org.au/wp-content/uploads/2022/01/STR-Baseline-Report-June-2022_FINAL-combined-files.pdf



Shelter Tas recommendation 4:

- *New dwellings that have received funds from Government should have a caveat placed on the title to ensure that they remain available for residential use, and are not converted to short-stay tourist accommodation*
- *Councils should be empowered to limit the use of entire homes for short-stay accommodation where there is a shortfall of homes for local people. As argued in previous submissions, this option should be linked to the rental vacancy rate, as an indicator of the ability of the rental market to accommodate essential workers*
- *Short-stay accommodation should be included in the Planning System to ensure that any displacement of local homes or loss of amenity can be managed⁸*
- *A review of the regulation of short stay accommodation, to ensure that the permit system delivers sufficient funds to ensure appropriate monitoring and compliance with permits and exemptions and that local decisionmakers are empowered to make place-based decisions to balance short stay visitor accommodation with the needs of local workers and residents for appropriate rental accommodation.*

5. Glossary and definitions

Affordable housing is not correctly defined, it appears that a definition for **accessible housing** has been **used in error**.

The link between Community Housing and social housing needs to be clearer. The glossary states that public housing is also referred to social housing. In Tasmania, both public and Community Housing are included as social housing, especially given the large proportion of social housing stock that has been transferred from public management to Community Housing management.

Homelessness – there are various definitions of homelessness used in Australia, Homelessness Australia provides a useful set of definitions of homelessness.⁹ The definition of homelessness chosen in the Strategy is not the one used by the Australian Bureau of Statistics (ABS).

Several years ago, the ABS moved away from the definition used in the Strategy (the Chamberlain 1992 definition), in favour of a definition that is informed by an understanding of homelessness as ‘home’lessness, not ‘roof’lessness. It emphasises the core elements of ‘home’ in Anglo American and European interpretations of the meaning of home as identified in research evidence (Mallett, 2004). These elements may include: a sense of security, stability, privacy, safety, and the ability to control living space. Homelessness is therefore a lack of one or more of the elements that represent ‘home’¹⁰.

For the Tasmanian Housing Strategy, we would recommend that the understanding of homelessness includes people living in insecure housing – those who are threatened with severe exclusion due to insecure tenancies, eviction, severe overcrowding and domestic violence.

⁸ <https://sheltertass.org.au/shelter-tas-submission-to-the-scoping-paper-for-draft-tasmanian-planning-policies/>

⁹ <https://homelessnessaustralia.org.au/about-homelessness/>

¹⁰ <https://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/4922.0Main%20Features22012?opendocument&tabname=Summary&prodno=4922.0&issue=2012&num=&view>



Shelter Tas recommendation 5:

- *The definition of affordable housing needs a clear metric, as is provided for social housing in the Draft Strategy. The standard definition of affordable housing is where a household in the lower two quintiles (40%) is paying less than 30% of their income for their housing costs (rent or mortgage). We suggest using the standard definition. If the Draft Strategy is using an alternative definition, this needs to be clearly explained and justified*
- *In the glossary and throughout the Strategy, discussions of affordability need to focus homes that low to moderate income households can afford*
- *Separate definitions and explanations are needed for affordable rental and affordable home ownership, including who are the target cohorts.*

Responses to Exposure Draft questions

- **Question 1:**
'Our way forward' identifies several levers for achieving a more equitable housing system for all Tasmanians. Are there additional or alternative more important levers that you believe should be addressed?

Community education around inclusive communities

There is increasing awareness in the community about the housing crisis, as it affects more and more Tasmanians. It is timely for the Strategy to initiate a community education program to support better housing outcomes for all Tasmanians, and address outdated NIMBY objections.¹¹ Changing the NIMBY (Not in my Backyard) mindset to YIMBY (Yes in my Backyard) requires a positive campaign to showcase the benefits of an inclusive community where people from all walks of life can share a healthy vibrant neighbourhood.

Shelter Tas recommendation 6:

- *Shelter Tas recommends committing resources to form a consortium of key agencies to work on building community support for housing diversity including higher density development, social and affordable housing.*

Housing in all policies

Shelter Tas has long argued that the Tasmanian Government would benefit from adopting a 'Housing in all Policies' approach, so that all major strategies and initiatives are viewed through a housing lens. Policies such as population and the employment and recruitment of workers in regional areas clearly have the potential for substantial impacts on housing demand. Major infrastructure developments can create additional demand for homes in the local area from interstate labour or Tasmanians moving to live near the work opportunities. It was suggested that as big projects are planned and designed, a 'housing legacy' could be part of the design, so that there is worker housing for the construction phase, and the homes remain for other people to use in the long term.¹² While Housing in all policies is mentioned,¹² and a list of other policy and strategy areas is included in Strategy, Shelter Tas would like to see much greater clarity about how this will be effective in practice, and who will be responsible for delivering, monitoring and evaluating the necessary work.

¹¹ The *Shelter Tas Submission to the State Budget Process 2022-23* contains a proposal for a grass roots program, to change the conversation from NIMBY to YIMBY. <https://shelbertas.org.au/shelter-tas-submission-to-the-state-government-budget-process-2022-23/>

¹² For a model, see the QShelter *Go for Gold* report on a housing legacy from the upcoming Commonwealth Games <https://thedeck.org.au/wp-content/uploads/2022/07/Go-for-Gold-Legacy-Report-Q-Shelter.pdf>



Shelter Tas recommendation 7:

- *A housing in all policies approach including a housing impact analysis for all major government strategies, including education, economic development, tourism and population.*
- *Clear identification of responsibility and accountability for timely and transparent housing impact analysis.*

❖ Question 2:

Theme one identifies the need for 'more homes, built faster'. Are there additional or alternative objectives you recommend for consideration?

Clearly there is an urgent requirement for swift delivery of housing solutions, especially for Tasmanian renters and those at risk of homelessness in the short and medium term, while waiting for the pipeline of new construction to be delivered. Innovative options, including shop-top accommodation and vacant buildings (especially vacant residential premises), can help to address the current crisis by identifying and better using existing properties. Spot purchase and a focus on infill and density improvements will expedite the supply of well-located homes.

Spot purchase is a valuable strategy for households with particular needs. For example, there is an extreme shortage of larger family homes of 4-5 bedrooms available for rent. Larger homes in the existing social housing portfolio are occupied, so additional dwellings are needed to meet current need. Our consultations around the state noted that when larger homes cannot be found, families are left stranded in unsuitable accommodation or need to stay in shelters for extensive periods of time because there is nowhere else to go.

Spot purchase may also be an appropriate pathway to address specific housing needs for people from CALD backgrounds, and people from refugee and migrant backgrounds. For example, some multigenerational households may benefit from larger or linked homes, and from culturally appropriate design informed by consultation with community members.

Shelter Tas supports the intent of including infill and density improvements in the Strategy to encourage well located homes. The Strategy and its action plans need to develop more clarity around the criteria and standards for infill development including a target proportion for social and affordable rental homes. Innovative options, including shop-top accommodation and vacant buildings (especially vacant residential premises), can help to address the current housing crisis by identifying and better using existing properties. Shelter Tas also recommends prioritising inclusionary zoning in the Planning System.

The 2019 Report *Towards infill Housing Development* provided to the Department of State Growth notes the "increased demand for well-located, affordable housing within the State's urban centres."¹³ The Report also notes:

A lack of affordable housing has the greatest impact on vulnerable groups within society, who are least able to access the private housing market. This includes people on low or fixed incomes and long-term renters. These groups form a high proportion of households across Tasmania. (P 20)

¹³https://www.stategrowth.tas.gov.au/data/assets/pdf_file/0019/216172/Toward_Infill_Housing_Development.pdf P3



To develop additional innovative housing options in response to Tasmania's ongoing rental crisis, Shelter Tas makes the following recommendations.

Shelter Tas recommendation 8:

- *Immediate investment in demonstration projects for new redevelopment and urban renewal projects such as shop-top accommodation.*
- *A grant program to fund and showcase well-designed affordable shop-top accommodation, and use of vacant office space or other well-located space targeted at low and moderate income renters and social housing tenants,*
- *Analysis of vacant homes and ways to incentivise use of vacant homes and office or commercial premises for people to live in, and*
- *Analysis and spot purchase of appropriate homes to meet the needs of particular cohorts such as larger families.*

• **Question 3:**

Theme two centres on 'affordability in the private market'. Are there additional or alternative objectives you recommend for consideration?

Private rental market

The worsening crisis for Tasmanians living in the private rental market demands immediate attention, and comprehensive reform across our rental housing systems. As ownership has become less and less affordable, a growing number of people are renting, with around one third of Tasmanians now making homes in the rental sector. Many of these households include school-age children, and a growing number of people are long-term renters who will rent through their entire life, including into retirement. Renting is not a temporary step: it is a way of life for many people whose ability to have a decent home is determined by the conditions in the private rental sector.

Across Tasmania insecure conditions and a highly competitive market makes rents more expensive and leads to increased practices of renting out marginal housing (such as informal rooms), overcrowding and sub-standard dwellings. Shelter Tas calls for 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 the private rental market to ensure it is better adapted to the contemporary environment. For example, as subleasing and the renting of individual rooms becomes more prevalent in the tight rental market the legal and regulatory system needs to be modernised.

While Tasmania's Residential Tenancy Act contains minimum standards for rental homes, the compliance system relies on renters to enforce the laws – despite having less power and being vulnerable to retaliation through eviction or rent increases. Government agencies should be better resourced to respond to and support tenant self-advocacy, while also pro-actively enforcing rental laws and applying penalties to deter non-compliance. Introduction of landlord registration (or licensing) schemes that provide greater transparency, accountability and data to our renting systems should be considered.

To improve conditions for renters, and provide much needed reform, governments need to consult with advocates with direct experience and knowledge of tenancy law, along with other key stakeholders. Most importantly they need to hear to hear directly from renters in the community. Renters have direct experience and important expertise about what is going wrong with the system, and have key knowledge that can help shape effective solutions.



Analysis by the Tenants' Union of Tasmania suggests that there are currently around 9 000 vacant properties across Tasmania that are potential homes for Tasmanians needing a place to rent.¹⁴ There are opportunities to develop innovative ways to encourage owners to make these homes available for rent, especially for people on lower incomes who are priced out of the current competitive private rental market. Other methods are also required to address the needs of particular cohorts or particular locations. For example, there is an extreme shortage of larger family homes of 4-5 bedrooms available for rent, and these are urgently needed by women and children fleeing family violence. Our consultations around the state have noted that when these homes cannot be found, families are left stranded in unsuitable accommodation or need to stay in shelters for extensive periods of time because there is nowhere else to go.

Shelter Tas recommendation 9:

- *A refresh and reset for the regulation of the private rental market, including modernisation of the Residential Tenancy Act.*
- *Consultation to inform improvements to the Residential Tenancy Act*
- *Alignment of Tenancy and Landlord law and regulations to best practice in other Australian jurisdictions.*

Shelter Tas also recommends under this Question (note that these recommendations are also listed under Recommendation 1 on page 3):

- *Targets for reducing housing stress for tenants in the private rental market*
 - *Measure current levels, and aim to reduce by 20% each year*
- *Address the instability and insecurity in the private rental market by developing a formula for fair limits to rent increases*
- *Establish stronger protections for tenants against excessive rent increases with a clear process of oversight and dispute resolution.*

Better data to monitor the state of the private rental market¹⁵

Tasmania lacks the key data needed to understand private rental market trends in Tasmania, and how they impact the demand for social and affordable housing, and increase pressures on homelessness services. Effective monitoring of the state of Tasmania's private rental market will be essential for successful implementation of the new Tasmanian Housing Strategy.

The Current Situation

Most State Governments across Australia provide a monitoring report (usually quarterly) on the state of their private rental markets.¹⁶ This is seen as an important role of State Governments in tapping their unique data sets accessed through their rental bond agencies, to provide an accurate and up to date picture of the state of the rental markets. This data is used by a variety of key stakeholders in the rental market which includes renters and potential renters, potential investors, banks, landlords, profit and not for housing agencies and other Government departments. To date, Tasmania has not provided a report that provides timely updates about the private rental market. Whilst many private sector agencies also publish private rental market data, these publications have a number of limitations. Rents from most private sector agencies reporting Tasmanian rents reflect advertised rents for properties rented through an online real estate portal (e.g. Domain or

¹⁴ See Submission from the Tenants' Union of Tasmania to this consultation.

¹⁵ Drawn from analysis by Professor Peter Phibbs, private communication.

¹⁶ Shelter Tas can provide a summary of this information that we developed earlier.



realestate.com). Advertised rents tend to underestimate actual rents in a boom and overestimate them in a downturn. The on-line real estate portals also miss out on properties that are advertised solely through a real estate agent.

The Tasmanian Real Estate Institute provides a Market Facts service and publishes rents by suburb. However, it appears it doesn't capture all rentals (look at the variations across years) and it doesn't differentiate by bedroom size. As a result, REITAS trend data can produce unrealistic trends. For example, its trend data shows rents decreasing for units in Hobart over time, when all other rental data – based on differentiating by bedroom size – shows the opposite trend. Real Estate Institute data also doesn't capture rentals that are managed by landlords directly.

Currently, a reliable source of rental data is produced by the Tenants Union based on data provided by the Rental Deposit Authority. However, for the purposes of completeness, clarity and transparency in the Strategy, it is important that the Government (Homes Tas) takes responsibility for reporting on and monitoring the private rental market.

Resources

Whilst the initial setup for the report will take some resources, maintaining it over time would become reasonably straightforward. Many State Government agencies now are just providing a data portal with the ability to generate reports. For example, NSW uses a statistical tool called Tableau to provide some query forms for users to complete, as well as providing the data downloaded into a spreadsheet every quarter. They do not provide commentary on the results other than some detailed notes describing their methods. The commentary is provided by other data users. Tasmania might like to adopt a similar approach. Alternatively, the relevant Tasmanian Minister might provide a commentary in a quarterly media release when the data is issued.

Key data

NSW provides a good template for the sorts of data required which includes:

- Median rents and rents for the first and third quartiles
- Total new bonds issued in the period
- Total Active bonds
- These are broken down by geography (eg LGA), house type and bedroom size.

Shelter Tas recommendation 10:

- *Establishing a system to monitor Tasmania's private rental market at quarterly intervals, based on best practice in other jurisdictions.*

Support for Community Housing sector

As explained above, it is important to distinguish housing supply that needs a subsidy from supply that does not, and the for-profit housing sector from the not-for-profit sector. All social housing needs a subsidy, because income-based rents from the lowest income earners do not cover the costs of delivering homes and supporting tenants. However, for profit housing developers do not face this situation, and do not deliver homes for purchase or rent below cost. Recognising and building the role of Community Housing developers is vital to ensure people on low and moderate incomes can access affordable homes. Models should emphasise collaboration and partnership across the public, community, and private sectors, to build capacity throughout the housing industry, with a focus on the not for profit sector.



There must be a very clear business case for supporting the private market which derives profit from its activities in preference to supporting community housing sector where profits are reinvested in community development, support for tenants and new homes.

Shelter Tas recommendation 11:

- *Subsidies for housing are focussed on supporting Community Housing sector where profits are reinvested in community development, support for tenants and new homes,*
- *All housing subsidies ensure the business case includes value for money for the community, long term housing benefits for tenants.*

❖ **Question 4:**

Theme three places ‘people at the centre’ of the draft Strategy. Are there additional or alternative objectives you recommend for consideration?

There is an important opportunity to strengthen consumer representation and roles across the suite of housing and support services, and the entire housing system in Tasmania. Greater investment and cultural change are needed to support participants and enable pathways so that the voices of service users inform the development of the services, policies and practices that will affect their lives. Shelter Tas has long advocated for establishing the Victoria-based Peer Education and Support Program (PESP) in Tasmania, including in a major report by Shelter Tas undertaken in 2015.¹⁷ People with lived experience can also be involved in community education about solutions to housing need and homelessness.

The successful implementation of a Housing First model, and of the Strategy in general, will depend on the housing and homelessness workforce that will deliver it. This includes adequate recurrent funding for support workers, and for the specialised professional development program run by Shelter Tas that helps to attract and retain the highly skilled workers needed in the sector (currently employing over 1200 people). Over the last eight years, Shelter Tas has facilitated a series of professional development and training sessions, including vicarious trauma, resilience training, and a trauma-informed approach to clients experiencing family violence, mental health, drug and alcohol and other challenges.¹⁸

The Tasmanian Housing Strategy needs to recognise the importance of the workforce providing emergency accommodation, support and tenancy services across the range of housing assistance programs. While this is a smaller sector than building and construction, the work is just as essential. A professional and trauma-informed workforce to support people who may have experienced family violence and other challenges is a critical part of the successful implementation of the Strategy.

The current housing and homelessness sector employs over 12 000 people statewide, and manages over 9 000 tenancies and approximately 50 specialist homelessness services. In addition, the expansion of the social housing sector by an additional 10 000 dwellings over 10 years will mean expansion of the skilled and professional workforce to support and sustain these tenancies.

Shelter Tas recommendation 12:

- *An advisory role for people with lived experience of housing need and homelessness to ensure their input to system design and ongoing improvements. A proposed program for*

¹⁷ https://sheltertass.org.au/wp-content/uploads/2018/12/CES_2015_NO-BUDGETCOVER.pdf

¹⁸ https://sheltertass.org.au/wp-content/uploads/2023/06/WDP-Evaluation-Summary_graphic-FINAL.pdf



upskilling and engaging consumer advocates is outlined in the Shelter Tas 2015 Report A Tasmanian Consumer Engagement Strategy.¹⁹

- Clearly articulate the need to attract and retain skilled workers into the specialist housing and homelessness workforce;
- Clearly recognise the need for specialist workforce development programs for the housing and homelessness sector, and to develop capability and capacity in all of the organisations who play a role in delivering social and affordable housing and homelessness services.²⁰
- Continue to fund the Shelter Tas Workforce Development Program for the housing and homelessness workforce.

❖ Question 5:

Theme four highlights ‘local prosperity’ as a priority. Are there additional or alternative objectives you recommend for consideration?

The rental market across all regions of Tasmania has never been more competitive or less affordable than in recent years. According to a national report released in April 2023, *Priced Out: an index of affordable rental for Australia’s essential workers*:

Over the years, Tasmania has become one of Australia’s most unaffordable rental markets. This is reinforced by our results (Table 12). As is typical of all capital cities, rents in Hobart would see all of the essential workers we profiled in rental stress. Yet this phenomenon is not restricted to Hobart, with rents out of reach across all of Tasmania’s five regions for all fifteen essential workers. It is important to remember that average incomes in Tasmania are the lowest of any Australian state or territory, which means that demand and competition for affordable rentals is likely to be fiercer in Tasmania than on the mainland.²¹

The analysis of local housing needs would need to include a gendered analysis (see Equity Economics Report, forthcoming) and an analysis of the impacts of short stay accommodation (see discussion above). The analysis needs to consider the needs of the whole community, workers of all ages, people aging in place, single people and families, and those not currently in the workforce, whether younger people or older people. Housing planning needs to have a long-term community building vision, for the twenty years of the Strategy, not just a short-term focus.

Shelter Tas recommendation 13:

Shelter Tas recommends a regional and local analysis of the impacts of housing shortages on workers. This is particularly important when major projects are under consideration, as a construction workforce can present major housing demand in a local area. Housing is also a key feature of attracting and retaining long term workers, including health care workers.

¹⁹ https://sheltertass.org.au/wp-content/uploads/2018/12/CES_2015_NO-BUDGETCOVER.pdf

²⁰ See for example, the Workforce Development Program delivered by Shelter Tas and funded by the Tasmanian Government for the last 8 years. See https://sheltertass.org.au/wp-content/uploads/2023/04/WDP-Evaluation-Summary_graphic-April17.pdf

²¹ <https://everybodyshome.com.au/resources/priced-out-an-index-of-affordable-rentals-for-australias-essential-workers/>



❖ Question 6:

Are there other ways the government could make its actions and progress to meet the proposed objectives more transparent and accessible?

Over the twenty-year life of the Strategy, to achieve better outcomes for Tasmanians, Homes Tasmania and the Tasmanian government and community will need to build and maintain a better understanding of the current (and changing) state of housing and homelessness in Tasmania and the drivers of homelessness and housing insecurity throughout Tasmania's cities and regions.

As noted above, Tasmania needs better monitoring and reporting on the dimensions of the private rental market, and bond holdings for both private and community housing tenancies. Identifying best practice from other jurisdictions will help to design an appropriate system for Tasmania, the NSW rental dashboard is a good model to start with.²²

The Action Plans will need to align to the measurable targets of the Strategy, such as halving rates of homelessness as reported in the ABS Census, so it can be clearly seen what difference the Strategy is making.

It is important to distinguish activities undertaken under the Strategy that are merely steps towards housing outcomes, from actual homes that people have been able to move into. For example, land releases are positive but do not in themselves provide a home for a person or family.

Reporting also needs to distinguish long-term housing outcomes for individuals and households from shorter term results. Housing security means that a person can remain in their home, a time limited tenure, such as six months, one or two years while very positive in the short term can leave a person returning to instability and the risk of homelessness at the end of that tenure. So, it is important to be clear about solutions that are long term and those that are not.

Shelter Tas recommendations for this Question:

- *Refer to the list of Shelter Tas recommendations 1 on page 3.*

❖ Question 7:

Do you have any comment on what this draft Strategy does well?

Shelter Tas welcomes the adoption of a Housing First approach in the Exposure Draft.

Housing First is the most successful model to ensure that episodes of homelessness are rare, brief and non-recurring. It is an approach where people who experience homelessness are assisted with a secure home, and level of support they need to live well. This means capital spending to provide the dwellings people need, as well as recurrent funding for wraparound support for as long as people need it, which will vary with circumstances. Evidence shows that a Housing First approach is the most effective pathway out of homelessness.

Shelter Tas recommendation 14:

- *Full implementation for a Housing First approach, including recurrent funding for support*
- *The Productivity Commission's Report into the National Housing and Homelessness Agreement, In Need of Repair, recommends targets for reducing homelessness, expanding*

²²https://public.tableau.com/app/profile/dcj.statistics/viz/Rentandsales_16849924917120/Rent?publish=yes



early intervention and prevention and Housing First-type responses. Shelter Tas supports these recommendations.

❖ Question 8:

Is there anything you think the draft *Strategy* does not cover but should, or that it mentions but could be highlighted more?

These recommendations listed below from our October 2022 submission²³ are still relevant.

Digital inclusion

There is an opportunity to consider the costs and needs of people living in newly constructed homes, such as digital inclusion. For example, NBN connection could be included in new housing stock as is the case for electrical connection and water. This could make a substantial improvement to digital inclusion in Tasmania, with particular education benefits for families with school aged children.²⁴

Shelter Tas recommendation 15:

- *Incentivise digital inclusion for all new dwellings.*

Quality of buildings, including energy efficiency

The quality and liveability of new homes is important, especially for people living on low incomes, because for many households, energy costs are second only to the cost of renting.

The consultations by Shelter Tas echoed and reinforced this consideration about the quality of buildings, and included considerations such as adequate storage within homes and using trauma-informed design principles to ensure homes are safe for women and children who are escaping from family and domestic violence.

Shelter Tas recommendation 16:

- *New homes need to be resilient to changing environments and must incorporate energy efficiency standards*
- *Quality of homes to meet people's needs including trauma informed design.*

Planning

Affordable housing needs to be included in all new developments, and Tasmania needs an Inclusionary Zoning system to support this. Progress for implementing the system could be staged, but with a mandatory process there can be certainty around requirements and fairness to all involved.

Shelter Tas recommendation 17:

- *Inclusionary zoning becomes part of the Tasmanian Planning System.*

²³ <https://sheltertass.org.au/shelter-tas-submission-to-the-tasmanian-housing-strategy-discussion-paper/>

²⁴ See for example, the WA digital inclusion project, and recent announcement in the Federal Budget.



Attention to cohorts with specific needs

The Action Plans will need specific attention to meet the needs of different cohorts over time, such as:

- members of the Aboriginal Community
- women and children, people living with disability
- people from migrant and refugee backgrounds
- groups experiencing housing stigma and discrimination, such as LGBTQIA+, younger tenants, and older people
- unaccompanied young people under sixteen experiencing homelessness need particular assistance to ensure safe and secure homes and the care they need to transition to transition to healthy independence.

The analysis needs to include demand for affordable, social and market-priced housing (rent and purchase) with clear targets for each category, underpinned by a funding commitment and delivery mechanism that includes support as well as bricks and mortar homes.

Shelter Tas recommendation 18:

As noted in Shelter Tas' previous submission to the Tasmanian Housing Strategy Discussion Paper²⁵, specific responses are required to be developed within the Strategy and Action Plans for the following cohort groups:

- *members of the Aboriginal Community*
- *women and children, people living with disability,*
- *people from migrant and refugee backgrounds*
- *groups experiencing housing stigma and discrimination, such as LGBTQIA+, younger tenants, and older people*
- *unaccompanied young people under sixteen experiencing homelessness.*

Ongoing evidence

Shelter Tas recommendation 19:

- *The Strategy needs to monitor new evidence for emerging issues.*

²⁵ <https://shelertas.org.au/shelter-tas-submission-to-the-tasmanian-housing-strategy-discussion-paper/>



Shelter Tas' recommendations

Recommendation 1

- 10% of all dwellings to be social housing with an additional 5% as affordable rental housing
- Clear definitions of social and affordable housing to enable clear measurement and accountability
- Ensure that social housing delivered under the Strategy remains social housing in perpetuity
- Ensure that land release is counted separately from delivery of a home ready for people to live in, and not treated as equivalent to a housing outcome
- End homelessness in Tasmania, with measurable timely milestones, such as
 - reducing the numbers of people experiencing homelessness by 50% by the next ABS Census date (2026), and a further 50% reduction by the following ABS Census date, and
 - reducing the number of repeat instances of homelessness presentation at SHS by 50% in five years, and a further 50% in the following five years
 - making experiences of homelessness rare, brief and non-recurring
 - end homelessness for women and children escaping domestic and family violence
- Targets for reducing housing stress for tenants in the private rental market
 - measure current levels, and aim to reduce by 20% each year
- Address the instability and insecurity in the private rental market by developing a formula for fair limits to rent increases
- Establish stronger protections for tenants against excessive rent increases with a clear process of oversight and dispute resolution
- Strengthen and empower Aboriginal owned and managed housing and homelessness services; and
- Introduce strategies to reduce and eliminate land banking, such as date limits to Development Approvals to combat land banking – so unused Development Approvals expire.

Recommendation 2:

- Specialised attention to women's housing needs (a gendered lens), especially for women and children escaping family and domestic violence
- Ensuring that new supply of social and affordable housing includes homes with 3 and more bedrooms to meet the needs of families and women and their children, especially those in housing stress, experiencing homelessness and escaping family violence.

Recommendation 3:

- Clearly articulating the role and value of Community Housing for Tasmania's housing system through the twenty-year period of the Strategy
- Identifying strategic areas to grow and develop the community housing sector including workforce development
- A commitment to adequate funding for community housing providers for construction, tenancy management and other support
- Investigating ways to expand the scope of the Community Housing Build-to-Rent model to facilitate mixed and balanced communities, mixed tenure types, and resilient diverse vibrant neighbourhoods



- Developing a clear partnership approach with the community housing sector for delivering new homes and urban renewal projects.

Recommendation 4:

- New dwellings that have received funds from Government should have a caveat placed on the title to ensure that they remain available for residential use, and are not converted to short-stay tourist accommodation
- Councils should be empowered to limit the use of entire homes for short-stay accommodation where there is a shortfall of homes for local people. As argued in previous submissions, this option should be linked to the rental vacancy rate, as an indicator of the ability of the rental market to accommodate essential workers
- Short-stay accommodation should be included in the Planning System to ensure that any displacement of local homes or loss of amenity can be managed
- A review of the regulation of short stay accommodation, to ensure that the permit system delivers sufficient funds to ensure appropriate monitoring and compliance with permits and exemptions and that local decisionmakers are empowered to make place-based decisions to balance short-stay visitor accommodation with the needs of local workers and residents for appropriate rental accommodation
- the needs of local workers and residents for appropriate rental accommodation.

Recommendation 5:

- The definition of affordable housing needs a clear metric, as is provided for social housing in the Draft Strategy. The standard definition of affordable housing is where a household in the lower two quintiles (40%) is paying less than 30% of their income for their housing costs (rent or mortgage). We suggest using the standard definition. If the Draft Strategy is using an alternative definition, this needs to be clearly explained and justified
- In the glossary and throughout the Strategy, discussions of affordability need to focus homes that low to moderate income households can afford, and
- Separate definitions and explanations are needed for affordable rental and affordable home ownership, including who are the target cohorts.

Recommendation 6:

- Shelter Tas recommends committing resources to form a consortium of key agencies to work on building community support for housing diversity including higher density development, social and affordable housing.

Recommendation 7:

- A housing in all policies approach including a housing impact analysis for all major government strategies, including education, economic development, tourism and population
- Clear identification of responsibility and accountability for timely and transparent housing impact analysis.

Recommendation 8:

- Immediate investment in demonstration projects for new redevelopment and urban renewal projects such as shop-top accommodation
- A grant program to fund and showcase well-designed affordable shop-top accommodation, and use of vacant office space or other well-located space targeted at low and moderate income renters and social housing tenants



- Analysis of vacant homes and ways to incentivise use of vacant homes and office or commercial premises for people to live in, and
- Analysis and spot purchase of appropriate homes to meet the needs of particular cohorts such as larger families.

Recommendation 9:

- A refresh and reset for the regulation of the private rental market, including modernisation of the Residential Tenancy Act
- Consultation to inform improvements to the Residential Tenancy Act
- Alignment of Tenancy and Landlord law and regulations to best practice in other Australian jurisdictions.

Recommendation 10:

- Establishing a system to monitor Tasmania's private rental market at quarterly intervals, based on best practice in other jurisdictions.

Recommendation 11:

- Subsidies for housing are focussed on supporting community housing sector where profits are reinvested in community development, support for tenants and new homes,
- All housing subsidies ensure the business case includes value for money for the community, long term housing benefits for tenants.

Recommendation 12:

- An advisory role for people with lived experience of housing need and homelessness to ensure their input to system design and ongoing improvements. A proposed program for upskilling and engaging consumer advocates is outlined in the Shelter Tas 2015 Report *A Tasmanian Consumer Engagement Strategy*
- Clearly articulate the need to attract and retain skilled workers into the specialist housing and homelessness workforce
- Clearly recognise the need for specialist workforce development programs for the housing and homelessness sector, and to develop capability and capacity in all of the organisations who play a role in delivering social and affordable housing and homelessness services
- Continue to fund the Shelter Tas Workforce Development Program for the housing and homelessness workforce.

Recommendation 13:

- Shelter Tas recommends a regional and local analysis of the impacts of housing shortages on workers. This is particularly important when major projects are under consideration, as a construction workforce can present major housing demand in a local area. Housing is also a key feature of attracting and retaining long term workers, including health care workers.

Recommendation 14:

- Full implementation for a Housing First approach, including recurrent funding for support
- The Productivity Commission's Report into the National Housing and Homelessness Agreement, *In Need of Repair*, recommends targets for reducing homelessness, expanding early intervention and prevention and Housing First-type responses. Shelter Tas supports these recommendations.



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- Quality of homes to meet people's needs including trauma informed design.

Recommendation 17:

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- Specific responses are required to be developed within the Strategy and Action Plans for the following cohort groups:
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 - unaccompanied young people under sixteen experiencing homelessness.

Recommendation 19:

- The *Strategy* needs to monitor new evidence for emerging issues.

Shelter Tas would be happy to discuss this submission and its recommendations further.

Please feel free to contact

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