

HOUSING: BUILDING A BETTER TASMANIA

A call for change from the Tasmanian community sector

DRAFT FOR DISCUSSION

These recommendations have been prepared by Anglicare, TasCOSS and Shelter as a draft for discussion only. We hope they generate some lively discussion within the sector about our future direction and about ways in which we can move through the housing crisis and embrace a better future. We hope that you will give us your ideas about how to strengthen these recommendations and that you will also give this vision for the future your support.

If you would like to comment on the draft or contribute additional information, please contact Kathleen Flanagan on 6213 3566 or k.flanagan@anglicare-tas.org.au

You can also indicate whether and how you would like to be involved in the **HOUSING: BUILDING A BETTER FUTURE** campaign by filling in the enclosed form and faxing it to Sophie Rigney on 6231 9589 (or phone or email Sophie on 6213 3577 or s.rigney@anglicare-tas.org.au for more information or to discuss things further)

This paper is an executive summary.

A detailed background to the recommendations and an overview of the housing system and the broader policy context are available on the websites of Shelter, TasCOSS and Anglicare. Comments on these longer papers will also be gratefully received.

www.shelertas.org.au (can't find them? call Shelter on 6224 5488)

www.tascoss.org.au (can't find them? call TasCOSS on 6231 0755)

www.anglicare-tas.org.au (can't find them? call Anglicare on 6213 3577)

August 2007

What is affordable housing?

The National Forum on Affordable Housing suggests the following definition for 'affordable housing': "Affordable housing is housing which is reasonably adequate in standard and location for a lower- or middle- income household and does not cost so much that such a household is unlikely to be able to meet other basic living costs on a sustainable basis" (NFAH, 2006).

Housing is affordable if a household is spending no more than 30% of their income on housing (National Shelter 2007). When a household is in the lowest 40% of income distribution and spending more than 30% of income on housing costs, the household is said to be in 'housing stress'.

Why do we need to act?

The recent housing boom has affected the whole housing market.

- Between May 2000 and May 2007
 - house prices in Hobart rose 142%, house prices in Launceston rose 167% and house prices in Burnie rose 88%;
 - rents increased across all types of properties in all regions; and
 - across the state the vacancy rate in the private rental market has fallen to under 3% (REIT 2000, 2007).
- NATSEM estimates some 26,000 Tasmanian households, or 10.6% of the population, are in housing stress (Harding et al 2004).
- Between 2001 and 2006, the number of applicants on the public housing waiting list rose by 62% (SCRGSP 2003, 2007).
- Between 2001 and 2005, the number of adults seeking support from crisis housing services rose by 28% and between 2002 and 2005, the number of children accompanying them rose by 39% (AIHW 2007).
- Research shows that some groups of people are particularly vulnerable to problems with housing because they experience a range of complex issues in addition to being on a low income. These groups include refugees, people with disabilities, people with serious mental illnesses, older people, Indigenous people, young people and children. Existing housing services are limited in how they can respond to the additional needs of these groups by resource constraints and by the shortage of affordable housing.

If we don't act now, the situation will get worse.

The research shows we need more houses on the ground: more social housing and more private rental. We need opportunities for low income earners to enter home ownership. We need affordable housing to be quality housing. We need adequately resourced services to support homeless people. We need housing policies that work for everyone, including people with special needs.

Social housing

Social housing includes both public housing, which is directly provided by governments, and community housing, which is funded by governments and provided by community organisations. Social housing is secure and affordable and provides people with a range of benefits. But the decision to target social housing to people in greatest need has led to a growing concentration of disadvantage among social housing tenants. Funding and stock levels have fallen considerably, and the system is struggling to be financially sustainable.

The Tasmanian community sector recognises that the delivery of a sustainable and viable social housing system is a complicated and difficult task that requires partnership and dialogue between government and the community sector. Pumping more funding into the system without addressing the issues it already faces will not fix the problems and will not lead to good outcomes for tenants. The community sector recognises that difficult issues we have not previously considered may need to be

addressed, such as changing the way in which rents are set and broadening the socio-economic mix of tenants in the system. However, if this is done, to ensure that the lowest income earners and other groups who are particularly vulnerable in the housing market still have access to social housing, there must be a commitment to increasing overall social housing supply.

The Tasmanian community sector is calling for:

- A secure and sustainable social housing system that has at its heart a commitment to increasing the supply of affordable housing. We are calling for a systemic and strategic way forward, addressing:
 - Housing Tasmania's \$27 million deficit, which is undermining its capacity to appropriately care for and manage its assets, support its tenants and respond to changing needs.
 - the lack of capacity in Tasmania's community housing sector to support expansion while retaining quality and sustainability.
 - the growing need for tenancy support among social housing tenants. Tenants facing complex problems need timely, appropriate and ongoing assistance so that these problems do not undermine their tenancies.
 - structural issues within the social housing system. We need to ensure that tenant mix, allocation systems, rental policies, administrative arrangements and support programs work together to enhance the responsiveness, capacity and viability of the system and the quality of the service provided to tenants.
 - the critical need to build the supply of social housing so that houses are available to the people who need them.
- The retirement of Housing Tasmania's debt to the Commonwealth to free up an additional \$17 million each year in core funding.
- Finalisation of Tasmanian Affordable Housing Limited (TAHL)'s funding agreement so that it can start to deliver on its promised 700 properties over four years. At the moment, TAHL is unable to sign any contracts with private investors because it doesn't have any funding to cover the cost of rent subsidies.
- An infrastructure development program targeting Tasmania's public housing areas, aimed at improving public transport networks, community services, shopping facilities and employment growth in those areas to support communities to overcome the consequences of concentrated and long-term disadvantage.
- A commitment to retaining security of tenure in the social housing system: research has shown security of tenure is important to tenants and improves their health and wellbeing. It also contributes to increased sustainability for the social housing system as a whole.
- Exploration of planning policy initiatives such as inclusionary zoning and increased density of development to help build a supply of well-located, sustainable, affordable housing in a range of areas.
- An integrated, strategic state-wide planning system that supports affordable housing initiatives.

Private rental

Although the private rental sector is supposed to provide people with greater flexibility and choice, most low income earners struggle with limited availability, unaffordable rents, insecure tenure, discrimination and social exclusion. Nevertheless, private rental is increasingly becoming a permanent form of tenure for many households.

The Tasmanian community sector is calling for:

- Large-scale investment in the provision of affordable private rental housing through initiatives like a National Affordable Rental Incentive Scheme, which would provide a subsidy to private landlords so that they could lease properties at affordable rents (see NAHS n.d.).
- A better deal for tenants in the private rental market, including longer, more stable leases and more certainty about rents.
- Proactive enforcement of the Residential Tenancy Act so that landlords cannot exploit vulnerable tenants without facing consequences.
- Additional funding for advocacy support for tenants in the private rental market so that they are able to effectively pursue their rights under the Residential Tenancy Act.

Home ownership

Australia prides itself on being a land of home owners, and the security and certainty of home ownership boosts health and wellbeing. But house prices are increasingly out of reach, particularly for low income earners. While there are programs to help low income earners into home ownership, these are being undermined by rising house prices.

The Tasmanian community sector is calling for:

- Ongoing support for low income home purchasers, so that if people run into difficulties they can be supported to keep their home.

- Improved consumer protection measures in relation to lending practices. Some Tasmanians have limited financial literacy which can lead to difficulties with contracts or leave them vulnerable to exploitation when they buy a home.
- The extension of targeted shared equity programs beyond public housing tenants to include low income earners living in other tenure types like the private rental market and community housing who may have the financial capacity to, with such support, buy their own home.
- Measures to support low income earners who wish to build rather than buy their first home. This will also contribute to increasing the overall supply of housing.

Housing quality

Poor quality of housing means a poor quality of life, and much of Tasmania's affordable housing stock, particularly in the private rental market, is in very bad condition. In addition, low income earners frequently live in areas that are isolated, poorly-served and characterised by disadvantage, which adds to the household's living costs and limits their access to services and to jobs.

The Tasmanian community sector is calling for:

- A legislative response to the problem of substandard housing through a review of the Residential Tenancy Act, including the incorporation of minimum housing standards, a program of regular inspections and stronger obligations upon landlords to ensure housing is maintained to its original standard.
- Programs of repair, retrofitting and safety modifications for existing housing and adoption of universal design principles (which make housing accessible for people with disabilities) and intelligent, sustainable, energy-efficient design for new housing, so that affordable housing is also sustainable for both its occupants and the environment.
- Infrastructure development alongside any affordable housing development, so that people moving into new affordable housing are linked up to jobs, shops, services and public transport.
- Urban renewal programs in public housing areas that improve amenity while maintaining support for all existing tenants.

Homelessness

Everyone has the right to adequate housing. The safety net for people without it is the Supported Accommodation Assistance Program (SAAP). SAAP services provide support, including access to crisis housing and shelters, for people who are homeless or at risk of homelessness. But services are underfunded, understaffed and under-resourced, and struggle to appropriately support all clients who need their help.

The Tasmanian community sector is calling for:

- Adequate resourcing for SAAP services so that they can increase staff numbers, reduce case loads to manageable levels and develop innovative, assertive responses to homelessness.
- An increase in the supply of crisis and transitional accommodation so that everyone who needs crisis housing can have access to shelter that is appropriate for them and their needs.
- Strengthened, formalised linkages, through a revitalised and expanded social housing system, between SAAP services and long-term housing for people moving on from homelessness.
- Legislative protection for people living in caravan parks. Caravan parks provide many homeless people with short and medium term accommodation, yet their rights are currently not legally protected, leaving many vulnerable to exploitation and poor treatment.

References

AIHW (Australian Institute of Health and Welfare) 2007, *SAAP National Data Collection Annual Report 2004-06: Tasmania supplementary tables*, SAAP NDCA Report Series 11, cat. no. HOU 159, AIHW, Canberra

Harding, A., Phillips, B. and Kelly, S. 2004, *Trends in housing stress*, paper presented at the National Summit on Housing Affordability in Canberra, 28 June 2004, NATSEM, Canberra

Industry Commission 1993, *Public Housing*, Report No. 34 (2 volumes), Australian Government Publishing Service, Canberra

NAHS (National Affordable Housing Summit) n.d., *Outline of proposed National Affordable Rental Incentive Scheme (The NARI Scheme)*, <www.housingsummit.org.au>

housing policy position – summary – draft 3

National Shelter 2007, *Australian Housing – A Fair Share: National Shelter Policy Platform 2007*, <www.shelter.org.au>

NFAH (National Forum on Affordable Housing) 2006, *Achieving a National Affordable Housing Agreement. Background Paper 2: Key Terminology and Indicators*, <www.housingsummit.org.au>

REIT (Real Estate Institute of Tasmania) 2007, *The Tasmanian Property Market, May 2007*, <www.reit.com.au>

REIT (Real Estate Institute of Tasmania) 2000, *The Tasmanian Property Market, May 2000*, <www.reit.com.au>

SCRGSP (Steering Committee for the Review of Government Service Provision) 2007, *Report on Government Services 2007*, Productivity Commission, Canberra