

## Affordable Housing

Access to secure, appropriate and affordable housing remains one of the most pressing issues for many low-income Tasmanians. Tasmania's private housing affordability has dropped sharply in recent years, due not only to rising prices overall but also to growing dwelling size. Unsurprisingly, public and community housing still face high demand, with no drop in current waiting lists predicted to occur soon; homelessness services are also struggling to accommodate those in need. Meanwhile, public housing tenants suffer, and stock runs the risk of deteriorating, due to Housing Tasmania's lack of adequate funds to keep up with maintenance.

### **TasCOSS calls on all candidates and parties to make a commitment to:**

1. Spread repayments of Housing Tasmania's historical debt to the Commonwealth across the Tasmanian Government for four years, giving Housing Tasmania space to wipe out its maintenance backlog and to stimulate the building sector through the construction of new aged/disability-friendly dwellings.
2. Expand the HomeShare and Streets Ahead schemes and explore the West Australian Keystart model to support low-income Tasmanians into home ownership.
3. Provide separate crisis accommodation for homeless 13 to 16 year-olds to shelter this vulnerable group from negative influences from older groups and to meet their age-specific developmental, social and emotional needs.
4. Develop a State Policy on Affordable Housing to encourage the supply of new affordable dwellings.

**1 Spread Housing Tasmania's Commonwealth debt repayment across government for four years.** Housing Tasmania struggles under its continuing debt to the Commonwealth Government, repayment of which will continue to rip approximately \$17 million a year—almost half of annual Commonwealth funding to the State for housing—out of the agency's budget until 2042.

The Tasmanian Government should put into place a mechanism for spreading debt repayments across government for four years. Such a move would free up Housing Tasmania to assist its tenants, address maintenance issues and protect its assets.

Furthermore, it would put Housing Tasmania in the position to stimulate the building sector through the construction of new dwellings to address the 2,000+ applicant waiting list.

**2 Expand HomeShare and Streets Ahead and explore Keystart.** The security of home ownership is one of the best sustainers of resilience, but house prices and home loans are out of reach for many low-income Tasmanians.

The successful HomeShare and Streets Ahead schemes deserve expansion, whether in their existing forms or through the adoption of some of the mechanisms provided by the West Australian low-deposit Keystart Home Loan Scheme,<sup>1</sup> recommended by economist Saul Eslake and Shelter Tasmania as a valid, safe option for low-income buyers.

**3 Provide separate crisis and transitional accommodation for homeless young people aged 13 to 16.** Youth shelters in Tasmania currently accommodate young people between the ages of 13 and 20 (in the case of crisis services) or 18 (in the case of transitional services).

This situation is highly unsuitable for younger teenagers, who are at strong risk of negative influences from older youths in crisis and who have specific developmental, social and emotional needs. The situation is made worse in the north of the state by a lack of transitional accommodation options for young people, leading to long stays in crisis accommodation.

TasCOSS supports Shelter Tasmania's call for separate accommodation for this age group.

**4 Develop a State Policy on Affordable Housing.** Rising house prices in Tasmania have been accompanied by an increase in average dwelling sizes—31% in the last 15 years—putting additional upwards pressure on prices; at the same time, the range of housing sizes available has decreased.<sup>2</sup>

Meanwhile, Tasmania remains the only state in Australia that has no mechanism in the spatial planning system to encourage the development of affordable housing.<sup>3</sup> In the absence of a uniformly applicable high-level policy directive, affordable housing will continue to be a low priority for developers.

A State Policy on Affordable Housing would be an efficient, cost-effective, equitable, economical mechanism for encouraging the development of affordable housing and for mandating spatial planning strategies that promote housing affordability.<sup>4</sup>

*Responsibility for this electoral material is taken by Tony Reidy, TasCOSS Chief Executive, McDougall Building, Ellerslie Rd, Battery Point 7004*

<sup>1</sup> See: <http://www.keystart.com.au/>

<sup>2</sup> Royal Australian Institute of Architects (Tasmanian Chapter) 2007.

<sup>3</sup> See, for example, South Australian Government, 'Housing Plan for South Australia,' March 2005, which had already delivered more than 2000 commitments for new affordable housing as of June 2011 ('Housing Strategy for South Australia: Green Paper,' p. 36).

<sup>4</sup> See TasCOSS (2011), *Social Inclusion Principles for Spatial Planning in Tasmania*, [www.tascoss.org.au](http://www.tascoss.org.au)

## Affordable Housing: *facts, figures and definitions*

### *Price and size rises*

- Between 2005 and 2011, Tasmanian **housing prices increased by 50% -10%** more than incomes in the same period.<sup>1</sup>
- In the decade **2001-2011, Hobart house prices rose 200%** - the highest capital city rise in Australia.<sup>2</sup>
- According to a recent poll, 70% of Hobart residents felt that rising house prices were not a good thing for Australia—the highest figure among capital cities in the nation.<sup>3</sup>
- At the same time that Tasmanian house prices have risen, the size of houses in the state has increased considerably—31% over the past 15 years—putting **upward pressure on prices**; meanwhile, the range of housing sizes available has decreased.<sup>4</sup>

### *Prices now*

- In 2010-2011, **only 13.8% of properties sold or built across Tasmania were affordable to a low-income household** (within the two lowest income quintiles) and even this figure is too generous for those on the lowest incomes.<sup>5</sup>
- Of the 2,677 properties available for private rental throughout the state on 13-14 April 2013, **fewer than 10% were affordable for Tasmanians on pensions** and fewer than 15% for people working for the minimum wage.<sup>6</sup>
- As of 30 September 2013 there were **2,229 applicants on the Housing Tasmania waiting list**, with a current average waiting period for Category 1 (high need) applicants of 19 weeks and a 2013-14

target average waiting period for all applicants of 41.5 weeks.<sup>7</sup>

### *The impact*

- In 2009-2010 (the most recent available figures), **29% of Tasmanian renters were experiencing housing stress**—the highest state-wide percentage in Australia—as well as **18% of first home buyers**.<sup>8</sup>
- Between 2006 and 2011 **Tasmanian levels of rough sleeping increased by 27.9%**, and the number of people in temporary accommodation more than doubled. In 2011, the rate of unmet demand for short-term or emergency accommodation was approximately 22%, compared to a national average of 19.4%.<sup>9</sup>
- Tasmania's situation in relation to housing is not unique. A recently released ACOSS study shows that nation-wide, community service organisations identify improving housing availability and affordability as the top policy priority. Over 60% of the study's respondents listed housing and homelessness services among those for which their clients had the highest need, and **60% of housing and homelessness services reported that they were struggling to meet demand**.<sup>10</sup>

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- <sup>1</sup> Australians for Affordable Housing (2011), *Australia's Broken Housing System*. [www.housingstressed.org.au](http://www.housingstressed.org.au)
- <sup>2</sup> National Housing Supply Council (2011) *State of Supply Report 2011*, Table 5.1.
- <sup>3</sup> <http://www.heraldsun.com.au/money/most-australians-disagree-rising-house-prices-are-a-good-thing/story-fni0cms4-1226799251099>
- <sup>4</sup> Royal Australian Institute of Architects (Tasmanian Chapter) 2007; Paul Johnston, architect, personal communication.
- <sup>5</sup> COAG Reform Council (2012), *Affordable Housing 2010-2011: Comparing Performance Across Australia*, Statistical Supplement, Table NAHA 2.1.
- <sup>6</sup> Anglicare Tasmania (2013), *Rental Affordability Snapshot 2013*. 'Affordability' was defined as taking up less than 30% of a household's income. Calculation of income included potential assistance through the Commonwealth Rent Assistance scheme. "Fewer than 10%" is generous phrasing: rates of affordability were as low as 1% for a single person on Youth Allowance or NewStart or a single parent with one child over the age of 8 on Parenting Payment Single.
- <sup>7</sup> DHHS (2013) *Your Health and Human Services Progress Chart*, June, pp. 22-23; Parliament of Tasmania (2013) *Budget Paper No. 2, Government Services*, Vol. 1, Table 5.4.
- <sup>8</sup> Australians for Affordable Housing (2011), *Housing Costs Through the Roof*. [www.housingstressed.org.au](http://www.housingstressed.org.au)
- <sup>9</sup> COAG Reform Council (2013), *National Affordable Housing Agreement: Homelessness 2011-2012: Comparing Performance Across Australia*, pp. 24, 30.
- <sup>10</sup> Australian Council of Social Service (2013), *Australian Community Sector Survey 2013, National Report*. [www.acoss.org.au](http://www.acoss.org.au)