



Nowhere to Go: Fixing Tasmania's Broken Housing System

TasCOSS 2026/27 Pre-Budget Submission



About TasCOSS

The Tasmanian Council of Social Service's (TasCOSS) vision is for one Tasmania, free of poverty and inequality where everyone has the same opportunity. Our mission is two-fold: to act as the peak body for the community services industry in Tasmania; and together, to challenge and change the systems, attitudes and behaviours that create poverty, inequality and exclusion.

Our membership includes individuals and organisations active in the provision of community services to Tasmanians on low incomes or living in vulnerable circumstances.

TasCOSS represents the interests of our members and their service users to government, regulators, the media and the public. Through our advocacy and policy development, we draw attention to the causes of poverty and disadvantage and promote the adoption of effective solutions to address these issues.

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Summary of Investment Proposals

In the 2026/27 Tasmanian Budget, TasCOSS seeks a commitment from the Tasmanian Government to:

1. Better reflect housing need by boosting the 10,000 homes and 2,000 social housing homes targets, and progressively increase social housing supply to 10% of all dwellings.
2. As part of the legislative review slated for early 2026, strengthen the *Residential Tenancy Act 1997 (Tas)* to provide better protections for renters including ending no-grounds evictions and limiting rental increases.
3. Introduce the promised short-stay levy as a matter of urgency and direct funds to homelessness services.
4. Ensure the Tenants' Union of Tasmania has adequate long-term, core funding to deliver essential legal services for renters in the North and North-West, at an estimated cost of \$300,000 per annum.

Fixing Tasmania's Broken Housing System

Tasmania is experiencing an unprecedented housing crisis that demands immediate and sustained government intervention. The shortage of affordable, safe and appropriate housing is causing significant hardship and generates substantial social and economic costs across our community, particularly for low income households, people experiencing homelessness, young people, older Tasmanians, and those living in regional areas.

While the challenges are significant and complex, solutions are within reach with sufficient political will and investment. The Tasmanian Government's *The Wellbeing Framework*, released in November 2025, commits to an ambitious housing outcome: ***"Tasmanians have access to safe, appropriate and affordable housing in well-designed communities and places,"*** such that:

- Everyone has a safe place to call home;
- Rental housing is affordable and available;
- Tasmanians can afford their housing without financial stress;
- Diverse housing options meet the needs of different households and life stages; and
- Homes are energy-efficient, accessible and comfortable to live in.¹

In order to deliver on this housing outcome, TasCOSS is calling on the Tasmanian Government to implement a comprehensive housing strategy that prioritises social housing development as an essential investment for all Tasmanians, strengthens protections for renters, and slows the growth of short-stay accommodation, especially in regional areas.

The Current Housing Crisis

Scale and Scope of the Problem

Tasmania's housing crisis has reached critical levels, with impacts reverberating throughout the community. Rental vacancy rates remain at historic lows across the state (below 0.5% in Hobart, Launceston and Burnie), creating intense competition for available properties.² This scarcity has driven rental prices to record highs, making housing increasingly unaffordable for low- to moderate-income households.³

The social housing waitlist continues to grow and has reached 5,380 Tasmanian households in October 2025, with Tasmanians waiting 18 months on average for appropriate accommodation.⁴ Many of these people are priority applicants with urgent

¹ Tasmanian Government (2025), [Tasmania's Wellbeing Framework](#), Department of Premier and Cabinet.

² TasCOSS, [Tasmania's State of Housing Dashboard](#).

³ Tenants' Union of Tasmania (2025), [Tasmanian Rents](#).

⁴ Home Tasmania (2025), [Homes Tasmania Dashboard \(October 2025\)](#).

housing needs, including families with children, people fleeing family violence, and individuals with disabilities or chronic health conditions. In September 2025, Housing Connect reported an 88% increase in people reporting homelessness and a 60% increase in children presenting with families.⁵

Homelessness has also increased significantly, with more Tasmanians sleeping rough, living in cars or relying on temporary accommodation with friends and family. Homelessness services report unprecedented demand, with many unable to accommodate all those seeking assistance.⁶ The profile of people experiencing homelessness has also shifted, with increasing numbers of older people, families and people in employment facing housing insecurity. Aboriginal Tasmanians continue to experience housing disadvantage at higher rates than the general population, but culturally appropriate, affordable housing remains scarce and unevenly distributed.

Economic and Social Consequences of Housing Stress

The housing crisis generates substantial economic and social costs beyond the immediate hardship experienced by Tasmanians who lack adequate housing. Housing insecurity contributes to poor health outcomes, increased demand for emergency services, reduced workforce participation and decreased educational attainment.

Children growing up in housing stress experience developmental challenges and reduced life opportunities. Employers report difficulties attracting and retaining staff due to difficulties with housing availability and affordability. Housing stress also affects community cohesion and social inclusion. Frequent forced relocations disrupt social connections, children's schooling and community participation, and separates people from employment opportunities and essential services.

Underlying Causes of Housing Stress in Tasmania

Insufficient Social Housing Investment by the Tasmanian Government

Decades of underinvestment in social housing have created a substantial shortfall between need and supply. While some new construction has occurred, it remains insufficient to address accumulated unmet need and ongoing demand.

In its most recent Housing Connect Snapshot, Anglicare Tasmania estimated that by 2032, there will be a shortfall of 8,400 social housing dwellings, with demand far outstripping supply, pushing more Tasmanians into homelessness.⁷

⁵ Anglicare Tasmania (2025), [Housing Connect Front Door Snapshot \(September 2025\)](#).

⁶ Anglicare Tasmania (2025), [Housing Connect Front Door Snapshot \(September 2025\)](#).

⁷ Anglicare Tasmania (2025), [Housing Connect Front Door Snapshot \(September 2025\)](#).

Rental Market Dysfunction

The proportion of the population renting their home has increased markedly in Australia in recent decades, with many people now likely to become lifelong renters.⁸ However, Tasmania's private rental market is characterised by limited supply, weak tenant protections and inadequate regulation.

Tenants face insecurity through short-term leases and no-grounds evictions. Rental bidding and discrimination are still occurring, despite being prohibited. Research conducted by Dr Peter Phibbs demonstrates that the rapid increase in short-stay accommodation in Tasmania has adversely affected rental availability and prices, with some locations popular with tourists particularly impacted.⁹

1. Substantially Increase Investment in Social Housing

Social housing should be viewed as an investment in essential infrastructure which brings social and economic benefits to all Tasmanians, rather than merely welfare spending:

“Provision of social and affordable housing infrastructure is necessary to protect vulnerable households from poverty, to build productive economies with good access to essential workers, and to create better neighbourhoods characterised by diversity and inclusion.”¹⁰

Hundreds of studies demonstrate the economic, social, and environmental impacts of the provision of secure, affordable and appropriate housing.¹¹

The provision of social housing is a sound investment for the Tasmanian Government, as it represents an excellent return on investment. The benefits of investing in social housing to people who are homeless or in housing stress cover both benefits to governments from reduced expenditure, as well as wider social and economic benefits. These benefits include:^{12, 13}

⁸ Parliamentary Library (2025), [Issues and Insights: Implications of Declining Home Ownership](#), Parliament of Australia, May.

⁹ Phibbs, P (2025), [Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets, 5th Update Since the Baseline Report](#), for Shelter Tasmania.

¹⁰ SGS Economics & Planning for Housing All Australians (2022), [Give Me Shelter: The Long-Term Costs of Underproviding Public, Social and Affordable Housing — Cost-Benefit Analysis Report](#), June.

¹¹ Oberklaid, S et al. (2022), [Housing Economics Analysis Final Report](#), Australian Housing and Urban Research Institute (AHURI), Melbourne.

¹² SGS Economics & Planning for Housing All Australians (2022), [Give Me Shelter: The Long-Term Costs of Underproviding Public, Social and Affordable Housing — Cost-Benefit Analysis Report](#), June.

¹³ Nygaard, C & Salari, M (2025), [Maximising Investment in Social and Affordable Housing in Australia: Part 1](#), Swinburne University of Technology.

Reduced expenditure by the Tasmanian Government:

- Reduced spending on health services, including Emergency Department admissions and treatment for mental health conditions worsened by housing stress.
- Reduced justice spending on criminal and anti-social behaviour worsened by housing stress.
- Reduced expenditure on police, ambulance services and justice responses to domestic violence, arising from people being more able to escape domestic violence.
- Reduced expenditure on homelessness services and emergency relief programs.

Reduced costs for Tasmanians experiencing disadvantage:

- Reduced housing costs.
- Reduced health expenditure for mental health conditions worsened by housing stress.
- Reduced expenditure on heating bills due to greater use of energy efficient social housing.
- Wellbeing benefits from tenure security and reduced housing stress.

Wider social and economic benefits to every Tasmanian:

- Greater human capital, including enhanced workforce participation, educational attainment, including Year 12 completion, and greater lifetime earning potential.
- Improved housing mix of tenures and price points, which supports community diversity and prevents spatial segregation.

The cost benefit ratio for social and affordable housing in Tasmania has been estimated at 1.8. That is, for every \$1 invested in additional social and affordable housing, \$1.8 would be generated in social and economic benefits.¹⁴ This analysis found the Tasmanian Government would achieve **budgetary savings of \$700 million in excess of their outlay on social and affordable housing provision**, if they stepped up investment to meet all the projected need by 2051.¹⁵

Despite these benefits, the National Housing Supply and Affordability Council (NHSAC) has found that state and federal governments have underinvested in social and affordable housing for decades.¹⁶ To correct this underinvestment, the NHSAC recommends that “governments should commit to a long-term target for social and

¹⁴ In comparison, the cost benefit ratio for the proposed Macquarie Point Stadium was estimated by Nicholas Gruen in January 2025 to be only 0.44-0.6.

¹⁵ SGS Economics & Planning for Housing All Australians (2022), [Give Me Shelter: The Long-Term Costs of Underproviding Public, Social and Affordable Housing – Cost-Benefit Analysis Report](#), June.

¹⁶ National Housing Supply and Affordability Council (2025), [State of the Housing System 2025](#), Australian Government.

affordable housing — to be as high as 10% of the housing stock — that minimises housing stress for low income households.”¹⁷

The Tasmanian Government must commit to sustained investment in social and affordable housing across the state. This requires significantly increasing funding for social housing construction through the 2026/27 Tasmanian Budget and over the Forward Estimates. This represents essential infrastructure investment, with long-term economic and social returns for Tasmania.

Recommendation: Better reflect housing need by boosting the 10,000 homes and 2,000 social housing homes targets, and progressively increase social housing supply to 10% of all dwellings.

2. Strengthen Rental Market Regulation and Tenant Protections

Tasmania needs a fairer rental market that better balances rights and responsibilities while providing greater housing security.

TasCOSS welcomes the Government’s intention to review the *Residential Tenancy Act 1997 (Tas)* in 2026. Key reforms needed include limiting rent increases to defined periods and reflecting genuine cost increases, eliminating no-grounds evictions, and strengthening rights for tenants to make minor modifications to their rental properties.

Recommendation: As part of the legislative review slated for early 2026, strengthen the *Residential Tenancy Act 1997 (Tas)* to provide better protections for renters including ending no-grounds evictions and limiting rental increases.

3. Reduce the Impact of Short-Stay Accommodation on Rental Affordability

There is a compelling need for the Tasmanian Government to introduce its promised short-stay levy as a matter of urgency.

TasCOSS is also calling for the revenue generated from the levy be directed to additional funding for homelessness services, rather than towards support for first home buyers, which risks driving up house prices even further.

Recommendation: Introduce the promised short-stay levy as a matter of urgency and direct funds to homelessness services.

¹⁷ National Housing Supply and Affordability Council (2025), [State of the Housing System 2025](#), Australian Government.

4. Adequately Fund the Tasmanian Tenants' Union to Better Protect Tenants

Tasmania's extremely low rental vacancy rates means that tenants are uniquely vulnerable to unfair or even exploitative treatment by landlords. This makes stronger legal protections for tenants even more imperative.

The Tenants' Union of Tasmania is not funded to deliver services adequately in the North and North-West which results in inequity based on location. Every Tasmanian tenant deserves access to legal advice and support to protect their rights.

If this additional funding prevents tenancy disputes from escalating to legal action or pushing tenants into homelessness, the return on investment for the Tasmanian Government is likely to be positive. This additional funding could even be viewed as an efficiency measure.

Recommendation: Ensure the Tenants' Union of Tasmania has adequate long-term, core funding to deliver essential legal services for renters in the North and North-West, at an estimated cost of \$300,000 per annum.



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