



**SUBMISSION TO THE PRODUCTIVITY COMMISSION REVIEW OF
THE NATIONAL HOUSING AND HOMELESSNESS AGREEMENT
SHELTER TAS, MARCH 2022**



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29 March 2022

Submission to the Productivity Commission Review of the National Housing and Homelessness Agreement

About Shelter Tas

Shelter Tas is Tasmania's peak body for housing and homelessness services. We are an independent not-for-profit peak organisation representing the interests of low to moderate income housing consumers, community housing providers and Specialist Homelessness Services across Tasmania. We provide an independent 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 affordable, appropriate, safe and secure housing 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.

Our submission

Shelter Tas appreciates the opportunity to contribute to the Productivity Commission Review of the National Housing and Homelessness Agreement (NHHA). We support the submissions from national peak bodies National Shelter and the Community Housing Industry Association (CHIA), and our submission provides data from Tasmania, focusing on the critical shortage of affordable rental housing in Tasmania.

In particular, we join the calls for

- The 2023 NHHA to drive net increases in social and affordable housing to a minimum of 10% of all residential dwellings.
- A National Housing Strategy with an emphasis on meeting the housing needs of low to moderate household through the increase of supply and provision of adequate supports for homelessness services in light of increasing demand.
- The NHHA to provide additional funding of at least 20 per cent for specialist homelessness services, to meet the growing demand for emergency accommodation and support services and recurrent staffing costs
- The NHHA to address the dire shortage of First Nations housing, and to deliver the adequate and appropriate housing for First Nations people in all states and territories.
- Improve housing security for renters.

Housing pressures have increased dramatically in Tasmania since the last NHHA

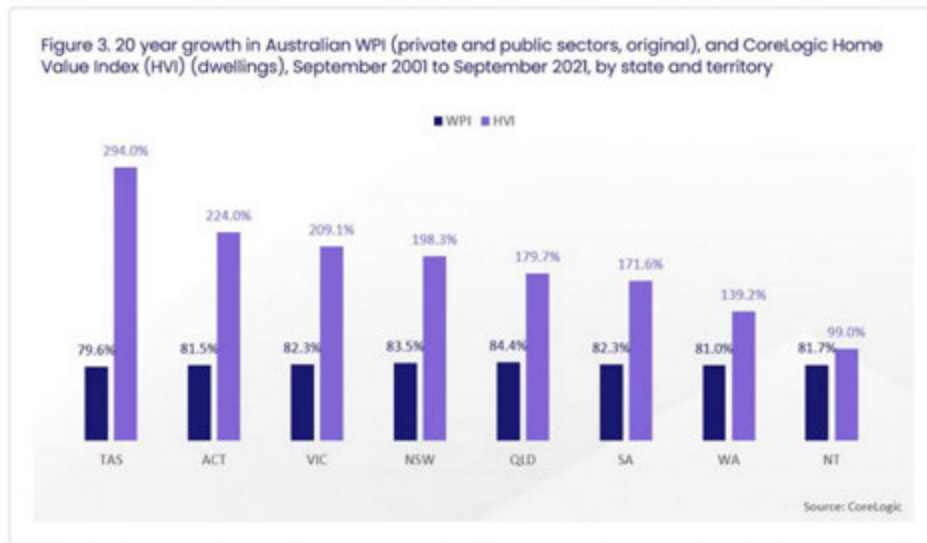
Since 2018, during the period of the current NHHA, the cost of housing in Tasmania has seen unprecedented growth in both purchase prices and rental prices. Higher rental costs have the greatest impact on households earning lower incomes. Housing stress and hardship have increased for many Tasmanians, and Tasmania is in a state of perpetual housing crisis.

In Tasmania, as in other parts of Australia, there is a chronic shortage of affordable rental options for people on low and moderate incomes. The NHHA is the appropriate mechanism to address this issue, because expanding the level of social and affordable housing depends on the active participation of both State and Commonwealth governments. Only the Commonwealth government has the tax revenue and the borrowing strength to underpin the necessary investment in more homes for Tasmanians and Australians in need.

Since 2018, on the standard measure that compares income to rental cost¹ Hobart has been Australia's least affordable capital city for renters. Hobart has been in the top two capital cities for unaffordable rentals since the National Rental Affordability Index began in 2015. This chronic lack of affordable rental housing, National Rental Affordability Scheme (NRAS) agreements expiring, and Airbnb impacts has led to increasing numbers of people experiencing housing stress and homelessness across the state.

The number of households renting in Tasmania increased by 18% (from 45 600 in 2008 to 54 000 in 2016), with 2021 Census data likely to show a further increase.

According to CoreLogic's November 2021 report Tasmania's wages have seen the lowest increase in the country over the last 20 years, and house purchase prices have seen the highest increase over that period.²



Tasmania has a high proportion of people receiving social security payments and Tasmanian workers earn lower wages than the Australian average. The average weekly ordinary time earnings for an adult working full time are \$206.70 lower in Tasmania than the national average (Tasmania: \$1541.70, Australia: \$1748.40, ABS stats for Nov 2021).³ Throughout Tasmania there is a widening gap between people's incomes and housing costs. With an ageing population, and 1 in 4 Tasmanians living with a disability, on this trend this gap will continue to widen. Over 120 000 Tasmanians now live in poverty.⁴

On Census night 2016, 1 622 Tasmanians were experiencing homelessness and we expect to see a higher number in the 2021 Census figures. The latest report (December 2021) from the Australian Institute for Health and Welfare (AIHW) shows that every day in Tasmania, 46 requests to specialist homelessness services go unassisted – this number has almost doubled since the 2016-17 financial year when 25 requests for assistance were unmet each day.⁵

As the cost of housing outstrips people's incomes more and more households are left in rental stress and facing the risk of homelessness. This problem in Tasmania is amplified because the private rental market is shrinking. In 2021 the Anglicare Rental Affordability Snapshot reported only 729 properties advertised for rent across Tasmania.

¹ <https://www.sgsep.com.au/projects/rental-affordability-index>

² https://www.corelogic.com.au/news/how-much-has-house-price-growth-outstripped-growth-wages?utm_medium=email&utm_source=newsletter&utm_campaign=20211122_propertypulse

³ <https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release#state-and-territory>

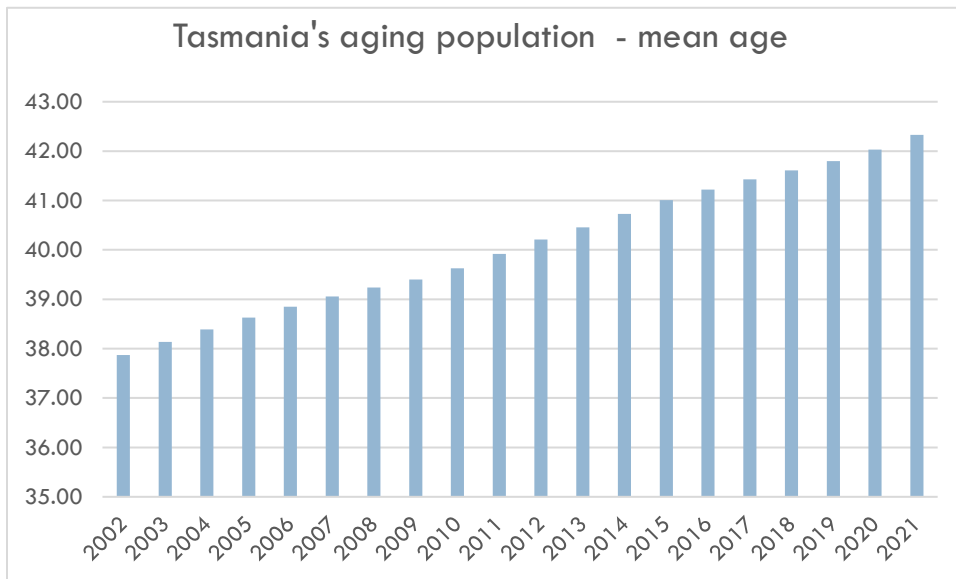
⁴ <https://www.tascoss.org.au/120000-tasmanians-live-in-poverty/>

⁵ <https://www.aihw.gov.au/getmedia/0351fdb4-07f1-4ed8-9685-3ff0c668ff6f/aihw-hou-322-tas-factsheet.pdf.aspx>
<https://www.aihw.gov.au/getmedia/c58999e7-db14-42ad-937e-d7880359e9ea/shs-2016-17-tas-factsheet.pdf.aspx>

Eight years earlier, in 2013, the Snapshot reported 2 677 properties advertised. In 2021 in Tasmania’s Southern Region (which includes Hobart) there were only 433 properties advertised as available to rent, compared with 1304 in 2013.⁶ This shrinking private rental market leads to greater scarcity, intense competition and higher prices.

The shortage of affordable rentals is driven by many factors, including the conversion of residential properties to short stay accommodation in all regions of Tasmania.⁷ At the same time, Tasmania’s population is increasing and house prices are surging yet home ownership rates are declining.⁸ This means people are renting for longer before being able to purchase a home, and as a result there is even more pressure on the private rental market. If these trends continue, higher proportions and greater numbers of people will be life-long renters in Tasmania, and the need for stable, secure affordable social housing will continue to grow.

Tasmania’s population is aging, and is the oldest of all States and Territories.



More than one-third (34.7%) of Tasmania’s population is aged over 60, compared with the national rate of 28.5%.⁹ This means Tasmania has growing numbers of smaller households living on low and fixed incomes, who are increasingly exposed to housing hardship due to increased rental costs.

This also means that many people on lower and fixed incomes with limited capacity to increase earnings are at risk of homelessness at a stage in life when the importance of stable housing for aging in place is essential.

Since 2017 the growing waiting list for social housing in Tasmania has reflected increased need across the community, driven by the tight and expensive private rental market with reduced vacancy rates and rising rents. Demand for social housing has increased, with over 4 000 households on the Housing Register since March 2021 (with 4355 households registered as at January 2022).¹⁰ Shelter Tas supports state initiatives, such as the development of the *Tasmanian Housing Strategy* and increased investment in social housing.

The new NHHA needs to reflect the housing crisis in Tasmania, and commit to lifting the current level of social housing at 6.2% to a level of at least 10% of all residential dwellings.

⁶ <https://www.anglicare-tas.org.au/research/anglicare-tasmania-rental-affordability-snapshot-2021/>

⁷ <https://cbos.tas.gov.au/topics/housing/short-stay-accommodation-act>

⁸ <https://www.corelogic.com.au/reports>

⁹ <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/jun-2021#states-and-territories> Table 4 and Table 6.

¹⁰ https://www.communities.tas.gov.au/_data/assets/pdf_file/0024/199113/Housing-Dashboard-December-2021.PDF

Shelter Tas has advocated for this target in Tasmania since 2018 and, along with National Shelter, we recommend it as a national target.¹¹

Since the last NHHA was negotiated Tasmania has experienced extraordinary changes in the costs of housing. It is no longer a cheap place to rent or buy. This rapid change in Tasmania's private rental market has squeezed more people out of private rental, and increased the demand for social housing. Older people, people living with a disability and single person households are some of the most vulnerable to this pressure. Turn away rates from emergency services have nearly doubled, and more people are living in housing stress and hardship. The Federal Government's financial contribution through the NHHA needs to be recalibrated to meet current and future need.

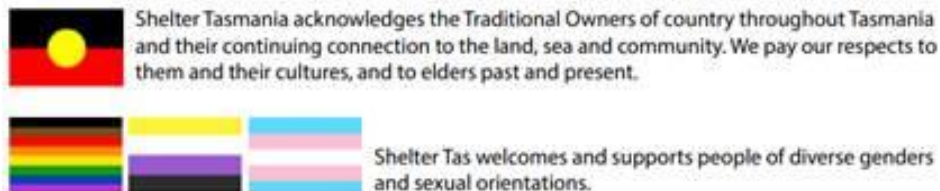
All levels of government – national, state and local – have a part to play in addressing this crisis and ensuring that all Tasmanians have a safe, secure, appropriate and affordable place to call home. The Federal Government, through the NHHA, needs to increase its investment to create more social housing and ensure adequate emergency responses supports for people at risk of homelessness.

For further information on this submission, please contact

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¹¹ https://sheltertass.org.au/wp-content/uploads/2021/03/Shelter-Tas-2021-22-Budget-Submission_final.pdf