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### **THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON HOUSING AFFORDABILITY MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON THURSDAY, 15 AUGUST 2019.**

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**Ms TANIA HUNT**, CEO AND **Ms JO HORTON**, PROJECT AND POLICY OFFICER, YOUTH NETWORK OF TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Ms Standen) - Thank you very much for appearing before the committee.

A committee hearing is a proceeding in parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom, without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to you by you outside the confines of the parliamentary proceedings.

This is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence.

I also want to advise that the House resolved to add a new term of reference to the committee's terms of reference for the inquiry, namely -

(ka) Regulation of rent price increases with particular reference to the ACT model.

You have the opportunity to speak to that if you wish while providing evidence.

I am Alison Standen, member for Franklin and Chair of this inquiry. This is Cassie O'Connor, member for Clark, who is our Deputy Chair; John Tucker, member for Lyons; and, another member for Lyons, Jen Butler. We are waiting for Joan Rylah who, I hope, will be joining us by phone.

**Ms HUNT** - My name is Tania Hunt. I am the CEO of the Youth Network of Tasmania.

**Ms HORTON** - I am Joanne Horton. I am the Project and Policy Officer of Youth Network of Tasmania.

**Ms HUNT** - Thank you for this opportunity to share some information with you with regard to housing affordability and availability for young Tasmanians.

You will note that we have chosen to respond to two terms of reference specifically, due to capacity and time constraints. We would like to talk to those in particular, but we're happy to take questions in other areas as well.

For us, what we can see happening at the moment is that young people are being significantly impacted by the lack of affordable, safe and available housing within Tasmania. We know that our

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young people are disproportionately represented in the state's homeless population, and a majority of our young people are experiencing financial hardship, which further compounds this issue. What we wanted to focus on are some of the reasons young people are experiencing housing stress, and then some of the housing, health and education impacts young people are experiencing.

It is no surprise that a majority of young people are very, very low-income earners. Some people are receiving a Newstart or Youth Allowance, which is incredibly low, and has not kept up with the cost of living. What we know for young people is that it is incredibly difficult to secure accommodation in the private rental market. We know there are significant numbers of young people on the social housing register, and we do not necessarily believe that they are being prioritised.

With regard to the private market, what young people are telling us is that it is incredibly difficult and almost unattainable, so we have young people who are on low income that cannot afford the weekly rent. What that then does is that they need to be creative; sharing with other people is quite significant for our young people, so it is not uncommon for young people to live in overcrowded dwellings, and to really go without essential services and basic healthcare, and the like, to be able to afford accommodation. Ultimately, our young people are significantly challenged and experiencing hardship at the moment, generally speaking.

**CHAIR** - Thank you very much for the time and effort that you have put into your submission. We do appreciate it, and it is wonderful to have the peak body representing young people in this state, because we do recognise the particular vulnerabilities of that cohort.

We have heard a little bit from Colony 47 about the Education First Youth Foyer model, and I note your statements around the possibility of preferential consideration. Would you like to elaborate on that, and some of the potential discrimination that you feel might be built into the system?

**Ms HUNT** - I would like to say, first and foremost, that we consider the Education First Youth Foyer a fabulous option for some young people.

**CHAIR** - Just pause for a second. Mrs Rylah, are you online?

**Mrs RYLAH** - Yes, I am.

**CHAIR** - Thank you, Mrs Rylah, for joining us. We have just had a brief opening statement from Tania Hunt and Jo Horton from the Youth Network of Tasmania (YNOT). Without going back over it, you haven't missed a great deal. Did you catch the introductory statement, Mrs Rylah?

**Mrs RYLAH** - I caught part of it. I don't think I got the first sentence or two, but I've been here most of the time, thank you.

**CHAIR** - I did not mean to imply it was not a wonderful overview.

**Ms HUNT** - That's fine.

**CHAIR** - When I said you did not miss much. Just checking. My question, Mrs Rylah, was around the Education First Youth Foyer model we heard a bit about yesterday from Colony 47, and inviting our participants to elaborate on any potential discrimination and prejudice.

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**Ms HUNT** - I want to say we do believe that the Education First Youth Foyer models are an excellent, viable option for some young Tasmanians, certainly those young Tasmanians that are willing or interested in participating in education and training. We think it is fantastic in that sense. What we have concern about is that we have a housing crisis. We have a lack of affordable and available housing and there are significant numbers of young people that would potentially be eligible for the foyer. What we are concerned about is that there is the potential for young people to be selected based on outcomes rather than need.

What we know is that there is some eligibility criteria around the youth foyers, so that young people need to be willing and keen to get an education and be willing to make a commitment to stay in education and training. What we know is that not all young people are in a position to engage in education and training. We have a lot of young people experiencing complex health issues. That can be anything from social to emotional difficulties, substance abuse, mental health, intellectual disability and educational difficulties. What we are concerned about is that there is a group of young Tasmanians who are highly vulnerable, who wouldn't necessarily be eligible for this type of supported accommodation and have no other options available to them. We know that this particular model is great for some young people. We know that it has had fabulous outcomes in Victoria, but we also need to acknowledge that there is quite a comprehensive housing and homelessness service system in place for young people in Victoria.

**CHAIR** - Accepting that highly vulnerable cohort at the one end, there must be some young people who are relatively independent and high-functioning, who would otherwise be welcome at the likes of the brokerage accommodation, particularly given that a number of our shelters are so stretched. I understand that brokerage accommodation is not a possibility for under-18s because part of the eligibility criteria that you need to be an adult, is that right?

**Ms HUNT** - I believe that to be true.

**CHAIR** - What I am describing in terms of the higher-functioning children, if I can say that, what are their options at the moment?

**Ms HUNT** - Quite limited. Are you talking about those who are currently homeless and are higher-functioning?

**CHAIR** - Yes.

**Ms HUNT** - It does depend where they are at in terms of experiencing homelessness -

**CHAIR** - Do you mean physically, where they are, regionally?

**Ms HUNT** - Their journey, not necessarily physically, but whether they have started to experience homelessness or whether it has been long-term homelessness, in terms of their options. There certainly are services available for those individuals. In Tasmania, the long-term supported accommodation that is available to young people does have some requirements toward education and training. What I would like to see is that we undertake a bit of a mapping exercise to really understand what is out there for young people and what are the gaps. Some of the initiatives in the Affordable Housing Strategy are fabulous and they need to be there but we need to see more of a coordinated strategy in responding to youth housing and homelessness. It really does depend where that young person is on their journey.

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**CHAIR** - In connection to education and training, where they are located does matter quite a bit as to accessible transport and all those sorts of things.

**Ms HUNT** - Absolutely, it does.

**Ms O'CONNOR** - Tasmania is a very regionalised state and the experience of young people in greater Hobart may well be different from the experience of a young person living in Deloraine or St Helens. Do you have any observations of the different experiences of housing vulnerability for people living closer to cities and living in regions in Tasmania?

**Ms HORTON** - Part of that will also come down to service accessibility, particularly in those regional areas if you have young people who are experiencing mental health issues or they are looking for support. There are very limited services that are available if they are out in Deloraine or if they are in St Helens. Some of them are moving into the greater Hobart or the Launceston areas to access the services they need for that support. With the current education models, especially in St Helens, we know the cohort around 16-years-old is moving to Launceston or Hobart to continue their studies and finish college. That is another pressure. They move into these large group houses with other students from that area, so there is a lot of movement going on that could be for education services.

**Ms HUNT** - There are some challenges and what we are seeing is that young people are moving further and further away from their homes but also from the city centres because they can't afford the rent or it is not available or accessible to them in the major areas. They are moving further out, which then has an impact in terms of transport and accessing other services.

**Ms O'CONNOR** - Some of the information I have received is that young people are particularly disadvantaged in the private rental market. It can be particularly hard for young people to secure a private rental and quite often that will be because they can only afford to share a home. Is that what you are hearing from the young people that you represent, that the squeeze is particularly tight on them in the private rental market?

**Ms HUNT** - Absolutely, we are. Given that there is such a significant shortage of housing, that young people have reported to us that they attend a rental open home and there are up to 30 people there. There is a real sense that families with young children and professionals are being prioritised over young people. We have heard some anecdotal evidence from our young people of feelings of stigma from landlords in having a young person rent a property. It is a concern and that is something we have heard.

**Ms O'CONNOR** - To your knowledge, is some of that need being picked up by Housing Tasmania or the community housing providers?

**Ms HUNT** - That is really difficult situation. what we know is that almost a third of people on the housing register are young people under the age of 25 but we also know that they are less likely to secure social housing. What we would like to see is young people prioritised for social housing. We don't think that is happening enough at this point in time and we believe they are highly vulnerable. There are some young people who are attempting to secure private tenancies who are currently on a wait list for social housing but we know that they are not being prioritised.

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**Ms O'CONNOR** - We don't have a particularly precise picture of what is happening to young people in the housing market but the information you are getting is that they are squeezed out of the rental market, it is hard to get a public housing home, they are not sure about the community housing sector and are at high risk of homelessness. Is there a hidden problem that we haven't comes to terms with or don't understand in enough depth?

**Ms HUNT** - In my opinion, yes. What we know in Tasmania is that youth homelessness is often hidden. We have young people who are couch surfing and moving between dwellings, so we don't have an accurate picture of the number of young people affected by homelessness.

**Ms O'CONNOR** - Do you think it is worsening and that it is becoming chronic?

**Ms HUNT** - I would say, yes.

**Ms BUTLER** - Something I pick up a lot in my constituent work is that there almost seems to be a culture of punishment of young people and that it is all about lesson teaching and you might hear things like 'it's a journey' and 'it wasn't all that easy for me, either'. Whether it is part of a stigma or culture that we have embedded in, I'm not sure.

**Ms O'CONNOR** - For generations too, though.

**Ms BUTLER** - It is certainly something that you hear a lot in constituent work when you are dealing with young people.

I was wondering whether you could run me through the current arrangement with the Newstart Allowance, the Youth Allowance, and the study allowance, and the dependency cut-offs for when young people are still apparently financially dependent on adults. I know it is all federal, but I am very interested in that system, because I don't understand how young people are meant to navigate it, let alone survive it at the moment.

**Ms HORTON** - We're not specialists in the federal space, but we do know there are limits. They need to be at least 16 to be able to be eligible for Newstart Allowance and for Youth Allowance.

**Ms BUTLER** - How much are those levels as well, just off the top of your head?

**Ms HORTON** - Well, on the top of my paper. We have for the Youth Allowance, the minimum for a single we would be looking at \$455 fortnightly; and for Newstart, which is for 22 years and above, \$555 fortnightly as a single adult.

There are anecdotal conversations we've had with service providers, where young people have had their benefits cut off, because they have missed appointments that they weren't aware of. Then there's an exclusion period. I'm not going to say the period because I'm not 100 per cent sure, but there is an exclusionary period, which is significantly more than four weeks, and they will not be able to receive benefits during that time. If they are studying full-time and they don't have another job, they are then significantly impacted financially in that space.

There's also an expectation of engagement with either work or study. Again, when we come back to what we're asking for, what we were talking about with the Education First Youth Foyer models, is if you have highly traumatised young people, it can be really hard to get them to engage

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with federal services like Centrelink, and then also to be able to engage with study and employment. Until that trauma is treated and they are -

**Ms O'CONNOR** - There's a therapeutic response?

**Ms HORTON** - That's exactly right. They need full wraparound-service care, and until that's met, they're not going to be able to engage with the level the federal government requires for them to be able to continue receiving their benefits. It's a roll-on effect.

**Ms BUTLER** - There is a dependency scenario with an age. When they get to a certain age they're seen as independent. It's not 18 if they're on Aus Study, or they're studying, or there's a dependency cut-off?

**Ms HORTON** - It also depends if they're living at their home with their parents. That will change any benefits that they can receive, but I'm not 100 per cent sure, so I wouldn't want to go further into that.

**Mrs RYLAH** - Thank you very much for your contribution to our hearing today, Ms Hunt. The question I have is, have you seen any impact on young people from the university's change of rules that only first-year students can be accommodated in the colleges and accommodation centres?

**Ms HUNT** - I missed part of that question, I'm sorry?

**CHAIR** - The question is around the university and its change of rules around accommodating only first-year students. Do you have any feedback in regard to that?

**Ms HUNT** - Yes. We had students contacting us during that period, where they had been told they were not going to have their accommodation offered to them moving forward, and that did have a significant impact, because you had a number of young people who had just found out that they didn't have any accommodation at university, and then they were required to find accommodation in the community.

We know that did result in some young people actually ceasing their tertiary studies. We had one young person who moved to Victoria to work on the family farm because he just could not find accommodation in Hobart. It did impact significantly at the time, and it does have the potential to impact, if this isn't addressed moving forward, for more young people.

**Mrs RYLAH** - I wondered if there had been any follow-up with the university to see if there can be a change in that ruling by YNOT or anyone else?

**Ms HUNT** - No, not at this point, there hasn't been.

**Mrs RYLAH** - Chair, this is a really important issue that we need to work on. Thank you very much.

**Mr TUCKER** - I listened with interest there. You talk about affordable and available housing outcomes, not need. I was wondering whether you could put anything to the committee in what you believe might be outcomes to try to find a solution to this crisis that we are in at the moment?

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**Ms HUNT** - That is a complex space. First and foremost, what is actually missing is engaging with young people about their lived experience and their need. Sometimes we make assumptions about what we think they do need, so I would like to see greater consultation with young people experiencing homelessness, or at risk of homelessness, to really understand what it is that they need, and what support can we offer them.

Importantly, what we need to do is work with those young people to co-design options that are suitable to them to meet their needs. We know that, taking up your point about stigma and perception, within the community there is a perception that young people choose to leave home and live independently, and good luck to them. However, what we do know is that the majority of young people leaving home have experienced trauma or family violence, so it's not possible for them to reunified with their family, in that context.

What we need to do is look at what options are available for them, but we need to ask them, and I think that really is lacking in terms of the youth voice, about their experience of housing and homelessness, and what exactly do they need? We need to engage with young people more effectively, but we also need to really look at what is out there, and what are the gaps, rather than plugging different holes. We need to have a bit more of a strategic, coordinated approach to youth homelessness in this state.

You have two ends of the spectrum. You have youth housing affordability and availability, where you have young people who are well engaged, well connected, engaged in education and training, but are really struggling to live independently and have their basic needs met - and then you have young people who, for a range of reasons, are living out of home, maybe experiencing homelessness, and are highly vulnerable and don't have the service and support options available to them.

What we would like to see, for young people experiencing complex issues and experiencing homelessness, is intensive supported therapeutic residential facilities to support recovery.

We need to work with young people where they are at. We need to meet their needs, and then we can start to think about engaging in education and training for some of those individuals.

Some young people are ready for that, some young people just are not, so what we want are options available to young people who don't have any prescribed criteria or eligibility around that. They have a right to have a home; they have a right to have a roof over their heads, and we need to be mindful of that when we are looking at solutions. But, absolutely, fundamentally, we need to connect with those young people, and I don't think we are doing that well enough.

**Mr TUCKER** - Following on from that question, the life skills of young people. When they are moving out of home, do you believe they have the life skills to be moving out of home, or should we be looking at trying to educate young people in life skills before they move out of home?

I think back to my own upbringing. I was in a boarding house for six years, but when I went to university, it was an eye-opener for me, the kids that had just left home arriving at the university and the way they behaved. I wondered if we could talk a little about your experiences.

**Ms HUNT** - There certainly is a role for supporting young people to develop life skills, but it does depend on the individual. Some young people have great life skills and they can live independently. They have had support and they have been engaged and connected with social

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support of the family. They are well placed to live independently. But we also know there are young people who have not had the same opportunities. We need to look at how we support young people to live independently once they secure housing and accommodation. There is a role for us to support young people in developing those skills, but it is not applicable to all young people - it just does depend.

**Ms HORTON** - Those supported-accommodation models work so well because they are providing support for their needs. Other young people could go onto the public housing register if they needed or go into private tenancies; no problem whatsoever. What we are talking about is another niche cohort of young people, who need that extra support because they have not received it.

**CHAIR** - I have two quick questions, one about fairness and one about equity. In terms of the waiting list for social housing, you talked about your suspicion that young people are not being prioritised, do you have any evidence that they are waiting longer? You said they are over-represented.

**Ms HUNT** - They are over-represented. Would you like to talk to that Jo, or would you like me to?

**Ms HORTON** - Yes, we just did a request for information through the Department of Health and Human Services. What we know is that in March they were receiving housing at an average of 66.7 weeks but that was for priority young people.

**Ms O'CONNOR** - That is people who are actually homeless.

**Ms HORTON** - The issue is that young people themselves are not being considered priorities. For early investment, you will have greater outcomes - if we can get them into a home, get them the support and care that they need and then get them back into education and employment if they need it, or just to continue support for them to go on with their studies and work. We would then be able to help support them to become fully engaged adults in society, rather than having to be dependent on the system.

**CHAIR** - To be clear on that stat of 66.7 weeks, is that for children under 18? Or is it young people under 24?

**Ms HORTON** - It would be 25 years and under and that would be for who holds the application. It would not be for a child under the application of a parent.

**CHAIR** - Thank you for the segue into fairness. You described a situation where young people are on very minimal benefits with possible exclusionary periods. What is the impact on families where these young people are in such stretched financial hardship?

**Ms HUNT** - There is a significant impact on families. There is an assumption that families will support their young person until they can find accommodation. This puts additional financial pressure and stress on families to support their young person while they are living at home.

**Ms HORTON** - It is not just financial stress; it is also emotional and psychological stress that the families are experiencing. We have young people whom we have been engaged with. We know they are on minimum wage, they are earning just outside of what would be acceptable to go on the



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housing register. After tax it still only works out to less than \$500 a week, so they are expected to have their own housing or private rentals.

In one case we have a young person who has a very complex mental health condition who cannot live in group housing. That is no longer an option after the last situation that they were in and they are now reliant on the parents. The parents are fully stretched to capacity and there is nowhere else for them to go.

**CHAIR** - When you say parents, my experience at the Smith Family was that of the vulnerable young people whom we were supporting through financial scholarships, 50 per cent came from single parent households and 70 per cent had no working parent.

**Ms O'CONNOR** - One of the key recommendations in your excellent and concise submission recommendation is to regulate the short-stay tourism accommodation industry. There is quite a bit of evidence on the record that short-stay accommodation is impacting on the private rental market particularly. It is clear that YNOT would support some form of regulation of the sector to ensure fewer properties are going over to short-stay accommodation and more are going into the private rental market. Do you want to elaborate on that?

**Ms HORTON** - We would definitely support it. We know that the environment for first home buyers is very different to what it was 10, 20, 30 years ago. Young people are being locked out of the private purchase market. Instead of being able to buy their first home, they're now being pushed into the rentals. Then we have the people who would not normally be able to purchase a home competing for the same sort of rental properties. We are driving up the market price. What it would look like would be well outside of our scope, but we would support it because we know that it has a massive impact on young people by increasing competition.

**Ms O'CONNOR** - It might also be regionally tailored. So, you have a different response where there is the most pressure which is in the greater Hobart market than you have in regions where you need to have that tourism economy flourishing.

**Ms HUNT** - Definitely.

**Ms O'CONNOR** - The new clause in the terms of reference relates to rent increases. We have had evidence from Shelter, TasCOSS, Anglicare that rents are going up in large jumps. In some cases, people are getting a rent notice to say that their rent is going up \$70 per week. It is pushing people out into homelessness. What is YNOT's view on some form of regulation of rent increases to ensure that you do not see landlords gouging or taking advantage of such a tight market.

**Ms HUNT** - We would support that. We have heard, anecdotally, that has been the case where there have been significant rental increases that have resulted in homelessness. We would definitely support the regulation of rent and further exploring what that could look like.

**Ms HORTON** - With the private rental market as it is, young people are already locked out. Even with putting caps on increases, it is not going to solve the issues they are experiencing now. So, while that would be a good added measure, there needs to be something to increase the supply to drive down the price initially.

**Ms BUTLER** - One of the compelling and repeated pieces of information we keep receiving is the lack of data. You mentioned it previously. When was the last time that a comprehensive

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study was conducted into how many young people in Tasmania, not just in Hobart, are experiencing rental stress or homelessness?

**Ms HUNT** - I am not aware of the last time that research was undertaken in this space, which is what we are advocating for.

**Ms O'CONNOR** - YNOT could undertake that research.

**Ms HUNT** - Absolutely we could, and we would love to.

**Ms BUTLER** - My second question was about pathways for young people moving into trades and other vocations other than traditional education areas. Are you receiving much interest in that area?

**Ms HUNT** - Yes, I would say we are. We have heard from young people who would like to take on opportunities for vocational education and training.

**Ms BUTLER** - Are the pathways clear, or could there be a lot of improvement in that area?

**Ms HUNT** - There could be a lot of improvement in that area. It's not clear and I believe there needs to be a greater investment in the vocational education and training space.

**CHAIR** - I am a bit confused about the picture for young people in rent. We know that one in four are renting. Is any data available about the portion of young people within that group who are renting? You have painted a picture of a number of young people unsuccessfully competing to get into the private market. I wonder whether they are in the private market to begin with and dropping out. We might have to go REIT or an organisation like that for data.

**Ms HUNT** - I think so. I think it's needed. We need to understand what it looks like for young people but we certainly don't have access to that information.

**Mrs RYLAH** - You state in your submission that the growth in rental prices in Hobart has surpassed growth in every other capital city in Australia and you refer to the CoreLogic information. Can you give me more detail over what period of time? When you work it out, rental prices have only increased at 3.84 per cent, which is much less than the price increase or the value of properties over that time. Can you give some detail on that?

**Ms HORTON** - That was over a 10-year period.

**Mrs RYLAH** - Okay. Are you saying that CoreLogic shows that growth in rental prices over that 10-year period has been greater in Hobart than any other capital city?

**Ms HORTON** - That's correct, yes.

**CHAIR** - We need to wrap up. Thank you so much for your forbearance as we have worked through technical issues. As I advised you at the commencement of your evidence, what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you are simply repeating what you said to us. Do you understand that?

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**Witnesses** - Yes.

**CHAIR** - Thank you, Tania and Jo, again for the work in your submission and your evidence today. It is much appreciated and it is good to have the youth voice.

**Ms HUNT** - Thank you for the opportunity.

**THE WITNESSES WITHDREW**

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**Mr JOHN STUBLEY**, CEO, HOBART CITY MISSION WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Mr Stubley, thank you very much for appearing before our parliamentary inquiry into housing affordability. Before you begin giving your evidence I would like to ask whether you received and read the guide sent to you by the committee secretary?

**Mr STUBLEY** - I did.

**CHAIR** - I need to reiterate some important aspects. A committee hearing is a proceeding in parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. Second, it is important you be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. Finally, this is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence. Do you understand?

**Mr STUBLEY** - I do.

**CHAIR** - Finally, I can advise that the House resolved to add a new term of reference to the committee's inquiry, namely, '(ka) regulation of rent price increases, with particular reference to the ACT model'. We certainly welcome any comments in regard to that.

Thank you very much for your time in putting together a submission and appearing before us. We know you have deep experience, particularly in the greater Hobart area and beyond and we welcome any input that you have for us today. We invite you to provide an overview before we go to questions.

**Mr STUBLEY** - Thank you. I have come about it from a slightly different angle. I am deeply involved with the sector and I have been involved in a number of forums and discussions. I am aware that various organisations will cover a lot of the points about affordability as a result of that. I am drawing on my prior life experience and have approached this more from the perspective of the broader environment and, at the risk of telling people how to suck eggs, the principles of demand and supply.

At Hobart City Mission we have done a fair bit of thinking in recent months around what could be done and what the solutions might be to the homelessness problem and the affordability problem. I need to keep things simple. I come back to the simple fact that there are not enough beds in Hobart, probably across the state, but my main focus is in Hobart. That is, beds for people who are looking for a house to rent, a house to buy, uni students looking for accommodation and it is tourists looking for a bed. There is a lack of housing across all those areas. Ultimately, with laws of demand and supply there is access, demand and supply, and the supply isn't there.

Underpinning that is a challenge for the building industry and the broader approval processes to respond quickly so, in a free market economy, supply will respond. The building industry is hampered by coming off as fairly low base. Our building industry has been quite depressed for a

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number of years, until probably three or four years ago. As a result of that they are struggling to grow at the rate needed to meet the demand. We have also seen a lot of commercial development being undertaken in the last three or four years, which the figures suggest has drawn builders away from the residential building market into the commercial market.

On top of that, I have been told anecdotally that the building industry has struggled with, I'd like to put it diplomatically, the capability of young apprentices coming out of TasTAFE. There is a sense that they are not job-ready. I was told that came about 20 years ago when TAFE went to a competency-based assessment, so they were coming out, dare I suggest, barely competent as opposed to job-ready. Builders who are already too busy don't want to or can't afford to spend the time teaching an apprentice from scratch, so that is one aspect.

Another aspect is that we might have an entrenched belief of NIMBYism, we don't like change and we don't like the idea of infill developments, or we might do in principle so long as it is not in our backyard. We don't really have a vision of how we want to see this city grow because we are looking at the need to grow quite dramatically. That is beyond what we currently have in place as a growth model. That is also hampered by a planning system that can be obstructive. You can have situations in which the planning department of the council will recommend a development for approval, but the council will stop the development because of objections.

Around 20 years ago - I know it is a long time ago but I think the principle applies - in a previous life, I was told by what I might call a well-connected entrepreneur that he was aware of \$100 million of investment leaving the state at that time. Developers had come to Tasmania, wanted to undertake developments - and I gather they were national developers - they looked at the planning schemes, the challenges and the time delays in getting developments through and they left. They knew it was going to be very difficult for them to get developments off the ground within our system. I don't have solution to that but we probably need a fairly broad conversation as a community and government as to how we want to see this city grow and have clear guidelines that give builders and developers clarity as to what they can do.

Housing affordability also needs special attention. There is no doubt that we have now left behind a group of lower-income individuals who just can't afford to rent a house. The private rental market is very clearly beyond their scope in the environment we are in. I am aware that some of the levers that got us to this situation are beyond the control of the state; negative gearing and capital gains incentives, and the major one that I suspect is completely untouchable is the sole and principal residence being exempt from capital gains tax.

As a country we have learnt that the best way the average family can get ahead is to invest money in a house, and a bigger and better house, and a lot of the wealth is caught in that. That has created a culture of home ownership in this country. I am not suggesting that is a bad thing but we are prepared to invest in houses quite solidly, which has potentially created demand for housing that is beyond what we would normally expect.

**CHAIR** - Thank you for that very comprehensive overview of the big picture. It is good to provide an overview of your perspective of demand, supply and so on. I am interested in your perspectives on public policy responses, and you would be aware that there is an Affordable Housing Strategy underpinned by action plans and emergency responses. Hobart City Mission is ideally placed to advise us as to how the \$5 million homelessness emergency response has helped this winter.

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**Mr STUBLEY** - It helps. What we are finding, being a part of the Housing Connect network, we are not able to source houses for the people we are commissioned to find accommodation for. We are using a lot of that brokerage funding to put them in hotel rooms and other temporary accommodation. As we can't find accommodation, we have case loads that are beyond what I believe are acceptable. There's probably an accepted benchmark of a case load of no more than 15 clients and our staff are running case loads of more than 30 clients. There are more clients coming through the door but they are not able to assist them into housing.

**Ms O'CONNOR** - That is a huge burden on staff.

**Mr STUBLEY** - It is a very big burden on staff.

**CHAIR** - You are not the first witness to flag that. Do you think the current public policy settings are adequate? What do we need to do to address this need?

**Mr STUBLEY** - In short, I don't think the public policy settings are adequate. I understand that the government's limited with the amount of funds it has available. The basis of my submission is that throwing money at these stopgap measures is not addressing the overall systemic challenge we've got.

**CHAIR** - Is there a sufficient urgency?

**Mr STUBLEY** - I don't believe there is. I'm concerned, and I outlined in my submission the number of dwellings being built, really broad and rough numbers, but they suggest that the need is outstripping demand on an ongoing basis. My concern is we're not in the middle of a housing crisis; we're only at the beginning of it. Until we're in a position in which we're able to start building properties to take the pressure off demand we're not going to see an improvement in the situation. I believe we're going to see it worsen.

**Ms O'CONNOR** - Thanks for that, Mr Stuble. In your submission you talk about builds and there is a quite confronting set of numbers. We have gone from, on average as a state over the previous 10 years, building around 2600 homes each year and, according to your information, we are now building around 2200 a year, in recent years. There is a significant drop in the supply of homes being built at the same time as the demand is increasing. Your submission points to some of the causes but do you want to tell us why you think that is happening?

**Mr STUBLEY** - The 2600 is an average over 10 years. The 2200 is the average of the last four, so the previous six must have been 2900 to have an average of 2600, if that makes sense. So, we have seen a drop from 2900 to 2200. My sense, and from what I've heard anecdotally is that it is largely due to the sudden increase in commercial developments three or four years ago. Suddenly, there was work that drew builders away from the residential area. You would generally find commercial work is seen to give a better return to a builder than residential. That comes back to the building industry not being able to grow quickly enough to meet the increased need for builders, if you like. Tradies are being drawn to the commercial sector.

**Ms O'CONNOR** - You also talk in the submission about the impact of short-stay accommodation on the availability of affordable rentals but you don't recommend any sort of regulatory response to the increase in short-stay accommodation in your recommendations. What is your view on how we might respond to the growing number of homes that are still going into short-stay and that, according to the university, we haven't yet hit peak Airbnb?

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**Mr STUBLEY** - I'm reluctant to support a concept of regulating that because you regulate that and put pressure elsewhere. You then have tourists who need somewhere to sleep because there aren't enough bed nights in hotels, so where are they going to find the bed nights? My sense of how you address the dramatic increase in number of properties going into short-stay accommodation is to get more hotels built. I'm sensing that what we are seeing happen is, particularly in the peak periods when there aren't enough hotel beds, the overflow goes into the short-stay accommodation. Again, you've created demand in that short-stay accommodation such that prices have increased and it makes it more viable for people to have their house on short-stay rather than long-term rental.

**Ms O'CONNOR** - That's an interesting observation because there are a number of jurisdictions which have made the move to regulate short stay. What they realised is that the locals are being pushed out of homes. Can't you see that the market is going to take a while to pick up the slack in the tourism sector, so some kind of regulatory response needs to be considered, given how long it will take to build the hotels?

**Mr STUBLEY** - I'm not sure what that response could look like. I certainly believe there needs to be regulation around quality and that it has council approval if, for no other reason, that people may well find that their insurance is invalid if it's not an acknowledged, recognised, council-approved short-stay accommodation premises.

I wonder what the outcome of that is in a market where there is a dramatic shortage of beds. There is always a consequence. If you have tourists coming to the state and they cannot find accommodation, what is the market response to that going to be? Do we end up with tourists living in their cars while they are down here on holidays because they thought they could just drive around and get accommodation. You, therefore, run the risk of damaging the tourism industry.

In my sector that is not my concern. The point of my submission is to try to contemplate what the overall systemic issues are and not how we address the smaller components of it. I take your point. I am not sure how it has worked in places like the ACT. I don't have a sense of that. I am concerned that trying to regulate short-stay accommodation to restrict the number of properties available is going to have implications elsewhere.

**Mr TUCKER** - With planning and development building approval processes, you say:

We note that when nation building economic stimulus plan funding was being made available in 2009 -

I think back to the pink bat saga with that one:

state government enabled fast-track legislation to assist circumvent normal, slow council approval processes.

And you go in on that a little further. Can you explain a bit more? When I was on council, we had a 42-day period for approval, but I think you are not talking about that 42-day approval, you are talking about the time before you get to that stage? Would I be correct?

**Mr STUBLEY** - I'm talking about the whole process. I'm talking a little bit from afar; I don't profess to be an expert in this space. I was responsible for building a \$4 million project with stimulus funding at the time. I saw how the fast-track process assisted that, though my memory is

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now a little bit faded. I guess the point I was trying to make is that surely there is something wrong with a system where if you want or need something to happen quickly, you have to override the council processes. To me, that suggests the council process is too onerous or too slow if that has to happen.

**Mr TUCKER** - A \$5 million limit has been suggested over the last couple of days. Anything above that goes straight to the Planning Commission. Is that what you are proposing?

**Mr STUBLEY** - I wouldn't profess to be over it enough to try to quantify. I am really raising a discussion point of it's something that warrants deeper consideration.

**Mr TUCKER** - Something else that has been coming out to me is that we seem to prioritise heritage over housing. Are you of that opinion as well?

**Mr STUBLEY** - I'm probably not in a position to comment on that.

**Ms BUTLER** - I wanted to talk to you further about your comments about the building and construction industry. Can you suggest steps that could be undertaken to improve the supply within that industry?

**Mr STUBLEY** - Helping builders take on more apprentices is a good start. I remember 20-odd years ago that most builders would have a few apprentices. Yet I get a sense now that they are reluctant to take on apprentices at all. I don't have firm data on that. It was a well-accepted pathway that you would go to TAFE and you would get an apprenticeship fairly easily.

**CHAIR** - There's been a drop by as much as 2000 apprenticeships over the last five years, not just in building and construction.

**Mr STUBLEY** - I'm probably not stating anything that is not broadly obvious in the media, but there has been the sense that in the modern world and in the future, children will need to have a university education. They are being encouraged to go to university more than to learn a trade. Part of the by-product of that is to ask: do we need to be a bit more balanced in how we educate children on career choices? I don't know that machines are ever going to build houses. I think there is always going to be a need for tradies.

**CHAIR** - And tradies can earn more.

**Mr STUBLEY** - That is right, especially in an environment where we clearly have a dramatic need for a lot more accommodation. There is probably an education piece around what children are told their career options might be at an earlier age.

**Ms BUTLER** - Back to that, and you'd see it a lot, that there's a tremendous gap. We have some of the highest youth unemployment rates in the country, yet we have an industry calling out for qualified workers. What do you think of some of the impediments to those pathways at the moment?

**Mr STUBLEY** - Part of the problem is we have multi-generation unemployment. I don't think I am suggesting anything that is not already known: that there's a whole category of our society that have been left behind, if you like. They are growing up in a family where Mum and Dad have never worked, and their grandparents have never worked, so there is no incentive for them to work.



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I suspect a lot of those kids are probably more inclined to a trade than a university-style education. There's a need to engage those youth more to try to convince them, if you like, that there is an appropriate career for them, and it doesn't have to be going to university.

**Ms BUTLER** - Thank you.

**Mrs RYLAH** - Thank you very much for your submission, John. It is interesting. I liked all of the recommendations, all that you have raised are valid. However, what I'd like to go to is in your opening comments. You believe that in the situation we are seeing now, affordability is the beginning of the problem. We have heard evidence - and I have certainly seen the evidence - that there is an indication that we are at the peak now; with all the projects coming on, that the area will decline. That is, the hotels are built, as more centres are being released, a number of areas are being impacted at this moment. Could you give me some more background on why you think this is the beginning and not the peak of the housing affordability issue?

**Mr STUBLEY** - It comes back to the figures around the number of properties currently being built at around 2200 a year. The numbers I outlined in broad terms around migration, international students, increased tourism, and the fact that when you look at net migration, ABS figures were 6500 people in the last year moved to Tasmania. That doesn't necessarily consider the fact that some of the people who left Tasmania were kids leaving Mum and Dad's nest, so they didn't free up a house, but those coming here do need a house.

**Ms O'CONNOR** - Can I get some clarity on that? Your submission also states that the international students who come here are not necessarily counted within those net migration figures. So, we are actually talking about a lot more people coming here.

**Mr STUBLEY** - That's right. On top of the 6500, you have 1000 or more additional university students each year. The Tourism Industry Council recently indicated they needed another 400 bed nights a year for the next 10 years, which all comes out of the broader supply of beds.

**CHAIR** - Yesterday, Alderman Thomas gave evidence that he counted close to 10 000 international students altogether. I think you're talking about the annual increases as opposed to the total number, aren't you?

**Mr STUBLEY** - Correct, absolutely.

**CHAIR** - He was talking about 5000 at the university and that number again in the private education sector. We are talking about very big numbers, any which way you cut it.

**Mr STUBLEY** - My logic is that 6500 migrants probably broadly equates to 2500 households, 1000 uni students, 400 additional tourism beds. Fundamentally, the 2200 dwellings we are building at the moment isn't keeping up with the increased demand. The basis of my contention is that demand is growing at a rate that is still outstripping supply and we aren't going to see the situation improve until supply exceeds demand.

**Mrs RYLAH** - Thank you for putting some numbers around, that was really helpful. In terms of the big picture, to take it a little further, you were talking about the approval processes, councils, doing DAs and all the processing around that. I gather you have had some experience and you might be able to answer this; what are the changes you think need to happen to the release of land and DAs to get these processes happening a lot faster?

## **PUBLIC**

**Mr STUBLEY** - The fundamental thing is absolute clarity as to what the rules are, that is you tick the boxes the answer will be a yes. Personally, I undertook a small land subdivision approximately 10 years ago. I was subdividing a piece of land off a very large residential dwelling plot my house was on. I met all the requirements of council beautifully and it went to the council meeting with a recommendation for approval. The council debated it for three-quarters of an hour on the basis of two or three objections by neighbours who were mainly concerned about their view. It was quite clear it was not going to be approved until one of the councillors pointed out that this was a DA application, not a building application, and that if they had concerns about heights and so on it was more appropriate to address those at the building application stage.

That is a problem where, in that instance, the development ticked all the boxes for approval, yet it was still quite likely that it wasn't going to be approved. That is not helping the building industry or developers address the problem. There is a need for affordable housing and that comes into the space of the government to take responsibility for, with the support of community housing providers but the broader response to take the pressure off the overall market is going to come from that private sector from the commercial sector. Clarity is probably my one-word answer.

**CHAIR** - In your observation in relation to short-stay accommodation, and I can understand your reluctance around regulation if only the hotels would be built, you have also painted a picture of an overcooked building and construction industry that is unable to respond in that way. There is probably more emphasis and priority on commercial development taking away focus on residential development and there seems to be an inherent conflict. If you accept that there is a market failure and if, as you say, we are at the beginning and not the peak of market failure, I am interested in the people who fall right outside that safety net. Hobart City Mission must be well placed to advise us, you have talked about case loads. What else can you tell us about the nature and circumstances of the people that are coming to your doors for help every day?

**Mr STUBLEY** - We support 2500 people with emergency assistance each year, basically that means that they don't have money and they don't have food. They aren't generally homeless but it includes people who are homeless. We are seeing an increase number of people who approach us, such that we are turning away half as many as we support. We are seeing more of what we call the working poor. Five years ago they were people who were living on government benefits and often had bill shock - an unexpected bill that meant they couldn't afford this week - but more and more we are seeing working people, some with a mortgage, who quite simply cannot make ends meet and, again, that might bill shock.

**CHAIR** - All ages, and I assume you are unable to provide much support outside of greater Hobart?

**Mr STUBLEY** - Our focus is greater Hobart. We are aware Launceston City Mission operate in the north so we have an understanding that we look after the south. Our focus is in the greater Hobart area. As to that age range, and I don't have numbers on it, my sense is that more young than older people are approaching us for assistance.

**CHAIR** - With your knowledge of the Launceston market as well, is the problem more acute in the greater Hobart area in your opinion?

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**Mr STUBLEY** - I don't have details on Launceston market other than what we hear in the press. The sense is that the challenge is more in the south than in the north. I think of the homeless population; the figures suggest that it is predominantly in the south that the homeless reside.

**Ms O'CONNOR** - We have a submission here from the Local Government Association of Tasmania, who are coming in shortly. It has a table of approval times for DAs and I am interested in your thoughts on this because the LGAT is really clear. They don't think that the fault sits with local government because, in terms of discretionary applications, the average approval time in the last year, 2016-17, was 34 days and that is under the 42-day statutory time frame and, for permitted applications, which have a 28-day statutory time frame, the average approval time is 15-16 days. Your concern about the way applications are going through local government, does it relate to approval times or does it relate to uncertainty over what is permitted? Do you agree that there is a necessity in a democracy that there is a right for public participation in planning decisions, and how do you balance that?

**Mr STUBLEY** - That's a good, challenging question. My main focus in that is the uncertainty of whether you will get approval.

**Ms O'CONNOR** - That is always a risk for developers, whether they will get approval.

**Mr STUBLEY** - Yes, and my concern is that if it is more of a risk in Tasmania than it is in other states, are we discouraging larger builders to focus in other states than in Tasmania? If you can get X, Y, Z through in other states more easily than in Tasmania, you are focusing those other states rather than Tasmania.

**Ms O'CONNOR** - Thanks for that. The new term of reference we have relates to rent increases. We are hearing a lot of testimony about rents soaring. Some people are receiving notices of \$70, \$80 or \$90 a week increases in their rents; long-term tenants being pushed out into homelessness. Does Hobart Mission have a view on how you might restrain, to some extent, these perpetual rent increases that are happening to tenants year on year?

**Mr STUBLEY** - Fundamentally, my concern is that rent increases are a by-product of demand and supply. The changes to negative gearing and capital gains tax concessions would assist.

**Ms O'CONNOR** - Realistically, in the current political environment, that is not going to happen so we are stuck with the federal settings we have. What do we do at a state level to protect tenants from landlords' gouging?

**Mr STUBLEY** - I certainly take the point, and in this sector I understand and appreciate the idea of capping rents. I wonder if a by-product of that is, because there is always a consequence, that you discourage development, so you discourage building of new houses because you have suddenly put a ceiling on the return.

**Ms O'CONNOR** - You put some constraints on rent increases. I will just finish by saying what the Tenants' Union of Tasmania indicated yesterday is that when they have spoken to the Tenants' Union ACT, there does not seem to have been a subsequent discouragement of investment as a result of the regulatory regime they have in the ACT.

**Mr STUBLEY** - It is a reasonably loose regime from what I know of it, I may be wrong. It is more a guideline than a strict rule and it only comes into play if someone objects.

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**Ms O'CONNOR** - The tenant objects.

**CHAIR** - It changes the onus.

**Ms BUTLER** - We have been hearing from different witnesses that affordable housing and the building of affordable housing would make a tremendous difference to the prices. I am looking for your thoughts on inclusionary rezoning with affordable housing. What are your thoughts?

**Mr STUBLEY** - It is probably necessary. I support the concept of making sure that affordable housing is integrated into, let's call it 'mainstream society' as opposed to separate developments.

**Ms BUTLER** - Do you have any practical ideas on incentives that could be offered to the private sector; that is, developers that would provide an environment within their area for them to look at starting to build affordable housing in inclusionary zones in a way which could meet the demand?

**Mr STUBLEY** - The National Rental Affordability Scheme had a chequered start 10 or so years ago when it was first introduced. Developers jumped in to secure allotments in the bidding process in the early days. When they had secured the allotments, they then looked to whether they could undertake the developments or not. Many walked away. There were probably four rounds of NRAS. I think by round four, it was starting to find its feet. It was largely the domain of the community housing providers more than the commercial business development world.

NRAS gives you a better bang for your buck. From the conversations I have had, I think the same dollars applied to an NRAS subsidy will give you 10 times the number of houses that the pure cost of building will give you because you are activating the private investor market to undertake building development.

**Ms BUTLER** - There has been a hope of philanthropy of sorts from the private sector when it comes to affordable housing. I do not think that is practical. We need to get our head around incentives to get affordable houses built.

**Mr STUBLEY** - If you start looking at philanthropy to address affordable housing challenges, you would need more and more philanthropy as the years go by. You'd be using a stopgap measure to plug what is obviously a failing market response.

**Ms O'CONNOR** - And a failure of governments to invest adequately in housing.

**Mr TUCKER** - In your recommendation 7, you talk about government incentive schemes. You say that they should be reviewed. Do you have any thoughts about what we should be looking at with our government incentive schemes?

**Mr STUBLEY** - Having children of an age where they are starting to want to own houses, the one that jumps out at me is that there does not seem to be a broad awareness of things like the Shared Home Ownership scheme. I wonder if there is a need for more clarity and more advertising around the availability of those schemes.

**Mr TUCKER** - Are you talking about communication?

## **PUBLIC**

**Mr STUBLEY** - Yes, communication. There is also income thresholds for young people around what your income level has to be below to be eligible for the Shared Home Ownership scheme. There may be an opportunity to look to increase that at a time where there is a need to activate private investors to enter the property market. Clearly, one of the challenges we have had, but which I did not outline in this submission, is that young couples or singles who are at the age where they are starting to think about home ownership might have been 25 ten years ago. You were at a point in your income earning status that you could look to buy a home but because houses are costing so much more you might be now 30 years old. As a result, younger people are staying in the rental market longer than they were previously, so again, another blockage.

**CHAIR** - We better wrap up, three-quarters of an hour goes quickly. Thank you so much, Mr Stubley, for your contribution today and your written submission. I am required to read a brief statement after evidence.

As I advised you at the commencement of your evidence what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need to be aware that privilege does not attach to comments you may make to anyone, including the media even if you are just repeating what you said to us. Do you understand?

**Mr STUBLEY** - I do.

**CHAIR** - Terrific. Thank you again, Mr Stubley. Have a good day.

**THE WITNESS WITHDREW.**

## **PUBLIC**

**Ms HOLLY EWIN** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Before you begin giving your evidence, I would like to ask whether you received and read the guide sent to you by the committee secretary?

**Ms EWIN** - Yes.

**CHAIR** - I will reiterate some important aspects of that document. A committee hearing is a proceeding in parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. Finally, this is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence. Do you understand?

**Ms EWIN** - Yes.

**CHAIR** - Finally, just to flag the new term of reference for the inquiry, namely, '(ka) regulation of rent price increases, with particular reference to the ACT model'. We certainly welcome any comments in regard to that or any term of reference.

We have received your written contribution and we look forward to you providing additional information through this hearing. I invite you to provide an initial overview in the opening statements and then we will go to some questions.

**Ms EWIN** - Sure. First, I would like to acknowledge and pay my respects to the mouheneener people on whose stolen land we are meeting.

I have written some words down to say, literally this morning, so bear with me while I read them out. I kept my original submission to research and facts because I wanted ensure the committee had the relevant information it needs to make appropriate recommendations toward solving the housing crisis. I wanted to take this opportunity to present to you the human cost of state and federal governments' failure to acknowledge and act on the housing crisis, which has been steadily increasing in intensity over the past several years.

You can't have a conversation about housing and homelessness without also talking about health and justice. These systems are all intimately intertwined and we are making the sorts of policy recommendations I hope that this committee will. You absolutely must communicate across portfolios. Most people, over 80 per cent, who are without secure and affordable housing have co-morbid health factors, which are only exacerbated by their lack of housing. It also makes people less mobile, less able to attend appointments and more likely to enter the justice system, which sees people punished for doing what they need to survive.

Every single day someone I know posts on Facebook looking for somewhere secure, safe and affordable to live. I know families with kids who have been forced into caravans, professionals

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who have moved back in with parents, people with complex health needs forced into overcrowded and unhealthy share houses, and several who have been forced to move interstate to live with family and friends because there's literally nothing available on the private rental market.

One woman I know, whose permission I have to share her story, has an autoimmune disease. Her health deteriorated quickly while she and her family were renting privately. Her partner quit their job to care for her full-time. Her two children also had to help out because she couldn't dress, feed or toilet herself. The house they lived in was on the second floor with no way in or out, except via stairs that she could not use. This family waited on the public housing list for over five years before anything accessible and appropriate for their needs became available. This woman was effectively a prisoner in her own home for five years, unable to leave unless her partner carried her, which was extremely strenuous and stressful. It was only very occasionally and usually for visits to the hospital. This family had to wait for somebody in public housing with high physical needs to die before their family had a chance to live.

In surveys conducted by the Zero Project, around 60 per cent of people experiencing homelessness said their loss of accommodation could have been prevented for under \$500. This would be to pay for things like: mowing the lawn and garden maintenance, which some people are too unwell to do for themselves but then find themselves in breach of rental contracts and subject to eviction; car registration, so they could just get home to family or friends when they lost their home but instead find themselves immobile and alone; organising rent payment plans to avoid evictions; payment for storage fees, so people don't have to lose all of their belongings in between houses. A flexible grant scheme that could give people quick access to small amounts of money like this would prevent so much heartache. Instead, we have a broken system that gives people, like one of my friends who first became homeless as a teenager with a learner licence and an unregistered car, a fuel voucher to get home.

Lived experience is not a buzzword and inclusion of people with it shouldn't be a tokenistic gesture. It is best practice for informed policy that will actually support and serve the people it is designed for, as opposed to what we have now, which as a system is severely underfunded and often punitive and patronising. I know you have heard some heartbreaking stories about people's experiences of extreme housing stress and homelessness. I urge you to remember these people and their stories and to always bring people with lived experience to the table, listen to them at every step of the way because, people who have lived this know exactly what they need. They know exactly what would have prevented them from entering extreme housing stress or any of the various types of homelessness. They know what they need in order to have safe, secure, affordable and appropriate housing. I am happy to take questions on any of that or my previous submission.

**CHAIR** - Thank you, Ms Ewin, and thank you for highlighting the importance of listening to lived experience. We have sought a range of submissions and we have been very pleased with the strength and diversity with those we have received, including a very powerful testimony yesterday from the Housing with Dignity reference group that I know you have some involvement with. Thank you for highlighting that and for your ongoing strength and advocacy in this area.

You have signed this as Councillor Holly Ewin. Are you speaking in your capacity as a councillor at the Hobart City Council, or as an individual?

**Ms EWIN** - I am not representing the council, no.

## **PUBLIC**

**CHAIR** - I wanted to clarify, that's good. You've talked about public policy settings and where the priorities need to lie. Do we have sufficient urgency? Are the measures you see coming through in public policy in the Affordable Housing Strategy and underpinning action plans and the \$5 million emergency response to homelessness, are they hitting the ground? Are they making a difference? Do we have the urgency to respond, in your view?

**Ms EWIN** - No. That said, the \$5 million is helpful. It is helping people now but it's not enough and it's just a bandaid.

**CHAIR** - What more do we need to do?

**Ms EWIN** - More funding and more people with lived experience at the table telling you what they need.

**CHAIR** - Would you care to quantify how much funding and in what areas?

**Ms EWIN** - I don't know what funding it would take, but a lot. Our health system is cooked and that feeds into this. It is just this vicious cycle.

**CHAIR** - We have been hearing stories from the likes of the CEO of Bethlehem House about the need to have wrap-around support services with as many as 50 per cent of clients. Perhaps that wasn't from Bethlehem House but we're getting a picture of a high degree of co-morbidity with mental illness, alcohol and other drugs, problems with blocked systems impacting former prisoners returning to the community, people in hospital and so on. Where are the immediate priorities, do you think? Where do you see the significant gaps?

**Ms EWIN** - Mental health would probably be the number one priority in my opinion, from all of the study I've done, all of the people that I know and all of the struggles that they are having. I spoke with somebody from Colony 47 and their figures are something like 50 to 60 people sleeping rough around Hobart now. We do have enough emergency accommodation for all of those people, but what's missing is the wrap-around support that they need. They are not able to go into the emergency accommodation because they have those comorbid factors and they're not supported.

**CHAIR** - Quite the conundrum, isn't it?

**Ms O'CONNOR** - Thank you. I know you are not here representing council but you have a unique insight into the role of local government in responding to some of these entrenched issues when dealing with homelessness. There has been some criticism from witnesses across the table about how councils respond to homelessness, the time it takes, for example, to deal with applications, and the number of rejections. Do you have any thoughts on that?

**Ms EWIN** - No, not particularly, it would be misleading to say that I do. It does take a while but planning is important to get right, so I understand from that perspective. My role in council is definitely not in the planning space, it is more in the advocacy space.

**Ms O'CONNOR** - You have both responsibilities because you are part of the planning authority.

**Ms EWIN** - I do, yes.



## **PUBLIC**

**Ms O'CONNOR** - You make a number of recommendations, which are echoed by other people who have come to the table, including regulating short-stay accommodation, inclusion rezoning and a freeze on rent increases. We've put the soaring rent scenario to a number of witnesses and there's a range of views about whether you should regulate rent increases. The ACT has a model where tenants can appeal what they say is an unreasonable rent increase and there is a relative CPI cap plus 10 or 20 per cent. Do you think in the Tasmanian market regulating rent increases would contribute towards an increase in availability and affordability of housing?

**Ms EWIN** - Possibly not availability but definitely affordability. The reason I lost my home at the start of last year was because of an unreasonable rent increase. My lease expired and they were putting it up by \$120 per week, which I could not afford.

**Ms O'CONNOR** - Did you at the time that happened feel you had enough places to go, enough services to seek support from? Was anyone listening?

**Ms EWIN** - No. No-one was listening. I did not have anywhere else to go and why I ended up living on the boat.

**Ms BUTLER** - I noted in part of your submission, and you have obviously undertaken a lot of reading into this area, so thank you for that, point 3 on page 2 under recommendations for implementation advocacy, you referred to an increased rent assistant payment to be in line with actual rental prices paid. Can you expand a little for me and what that might look like?

**Ms EWIN** - I cannot tell you exactly what the maximum payment is, but I think it is something like \$70 a week or fortnight, but it is not in any way tied to the actual prices people are paying for rent.

**Ms O'CONNOR** - It is capped.

**Ms EWIN** - It is capped, exactly. What is \$70 going to do if your rent has gone up by \$120 or \$200? It has to be tied to what the people are actually paying.

**Ms BUTLER** - Is there from your research an undertaking at the moment for that to be reassessed, or are there academics maybe referring to that as inappropriate?

**Ms EWIN** - To change the scheme? Nobody I know of is saying it would be a bad thing to give people more money to pay for their housing.

**Mr TUCKER** - Holly, on page 1 you make a part of your statement here with your submission:

We know that the erosion of our progressive taxation system has directly impacted the availability of social and affordable housing.

We had a progressive taxation system before this crisis.

**Ms O'CONNOR** - Until your federal colleagues killed it off.

**CHAIR** - Now, now.

**Ms O'CONNOR** - And your federal colleagues as well.

## **PUBLIC**

**CHAIR** - Now, now.

**Mr TUCKER** - I am wondering why and what you are basing that statement on?

**Ms EWIN** - The fact numbers are not growing in social and public housing. There has been no significant investment in it. We still have a \$2.2 billion national housing debt nobody is willing to scrap and it is like taking money from Peter to pay Paul, but still no houses. We have a growing population with increasing needs and a cooked health system. I do not know what you expect. What do you want me to say to that?

**Mr TUCKER** - I am interested to hear what your thoughts are.

**Ms EWIN** - We are still not taxing rich people enough to pay for poor people to have equal access to things that rich people take for granted to put it bluntly.

**Mr TUCKER** - There has been a lot of talk Holly, in regards to planning and building approval function, and the last speaker also spoke of this. Some people have actually talked about taking this away from local government. Some people propose there be a \$5 million limit and then it goes to the planning commission. What are your thoughts as a councillor in your role on the planning authority with this?

**Ms EWIN** - It honestly makes me feel a little bit uncomfortable to comment too much on that because I am very new. I do believe taking roles away from council where they belong because we are the ones connected to the community. Where I am copping a lot of flak on council is why are you not doing anything to solve the housing crisis? It is not our jurisdiction but we have people coming in, because we are much more accessible. It is a lot less formal, so I get the phone calls, emails and people coming in to see me at my day job and in the street, asking what are you going to do?

**Mr TUCKER** - You are having a lot of people coming in talking to you about the planning scheme and blaming council for that issue?

**Ms EWIN** - Not the planning scheme no. Housing crisis. Bigger stuff.

**Mr TUCKER** - The housing crisis. So, they are not talking about the planning scheme.

**Ms EWIN** - Hardly anybody is talking about the planning scheme because most people who are worried or do not have anywhere secure to live do not know or care about the planning scheme.

**Mrs RYLAH** - Thank you very much, Holly. I am sorry I am not there to meet you in person. I have a question in regard to your recommendation. I am joining two together. The first number one and the second number 1. That is, you recommend rent prices are frozen and an introduction of a vacancy tax. I want you to think not ideologically, but logically here - what do you think the impact on an owner of a property would be if we froze rentals by regulation? What would that do to them upkeeping the maintenance and making that property available for rental or alternatively taking it out of the rental market and putting it into an Airbnb?

**Ms EWIN** - I am not too sure I entirely understand the context of the question. Given the current level of inflation of rents I would say if we froze them for five years you are probably going

## PUBLIC

to be fine for maintenance and upkeep based on the price you are paying today, because what is the price of maintenance going to increase by compared to what the cost of rent has gone up by.

**CHAIR** - If I may, the point Mrs Rylah is possibly trying to make there is if you freeze rent prices how do we stem the flow of those private rental properties going into the short stay accommodation market and out of the long-term private rental market.

**Ms EWIN** - Well, hopefully we cap those too. I would love to see more regulation of the short stay accommodation. I have so many friends who have had the rug pulled out from under them because their house has been taken off the rental market and converted to an Airbnb.

**Mrs RYLAH** - You think regulation is the answer. Why do you think that will solve the problem? Won't it just drive it much into a far, far worse situation where people will walk away from providing rental properties at all as reasonable investment?

**Ms EWIN** - What I am really talking about and getting at is, how many homes do people need? The fact some people have eight while other people have none is frankly appalling.

**Mrs RYLAH** - Yes, I hear you, but how many people have eight?

**Ms EWIN** - I do not know, ABS data could tell me.

**Mrs RYLAH** - Very few I would suggest. The point being, what is a practical outcome? What I am concerned about in your recommendation is the practical and immediate outcome of what you are proposing.

**Ms EWIN** - Houses for people who do not have them. We have left it up to the market to regulate for the last 30 to 40 years and it has not been working. So at what point are we going to step in as leaders of our community and do something for the people who are suffering? It is no longer just the middle-aged man sleeping on a park bench who has substance issues; it is family, it's kids, it's professionals, it is parents, it is everybody. I do not know very many people at all, and I do not think I have single friend who owns their own house or who could even have a hope to. Nobody in my generation will ever do that. I will probably be renting all my life and that is fine because I have a roof over my head and one of the lucky ones. We can do better, so I do not really see what the problem is here.

**Ms BUTLER** - I wanted to have a chat to you about the conditions of rental properties and feedback you may have from constituents in your area. Do you think having some kind of independent body of sorts to look into that may be of benefit?

**Ms EWIN** - Certainly, there needs to be more done in terms of making sure minimum standards are met. There are so many people who can feel the wind coming through the windows, they have mould in their rooms. They are getting sick because the houses they are living in are making them sick. The ovens do not work properly and they cannot properly cook food.

**Ms BUTLER** - Would you support greater regulation into the condition of rental properties and compliance? We do have condition specifications at the moment, but it is investment in the compliance to those it seems to be a bit of an issue, would you support that?

**Ms O'CONNOR** - Also, the standards themselves are deficient.

## **PUBLIC**

**Ms BUTLER** - They are. They are not right are they? Would you support that and could this be of benefit to constituents you are speaking to?

**Ms EWIN** - Certainly would, yes. It is really hard, though, because right now we're in such a crisis point and is very important. Renters rights are not talked about enough in this debate and in reality they constitute most people. The reality is we have to do a bit of a triage here at the moment, like now, and I absolutely support it. Investment in mental health and wraparound services is really needed right now, first.

**CHAIR** - Ms Ewin, there has been quite a bit of debate about what sort of emergency response is appropriate in getting the balance right between, as you say, minimum standards, safety, wraparound services, et cetera, as opposed to something that we can get on the ground very quickly. There was even a proposal for a container-style village, potentially. What is your view about the sorts of things we need to keep in mind in terms of getting the balance right, but bearing in mind that urgency?

**Ms EWIN** - Listen to the people who have lived it and they will tell you.

**CHAIR** - What are they telling you?

**Ms EWIN** - They can tell you, but as somebody who has also been homeless and is living in not exactly appropriate accommodation, short stay accommodation, and regulating that, would go a long way immediately, as well as all the health stuff.

**CHAIR** - It's a question of how we receive that voice, I suppose. You would know, as a councillor, there was a homelessness forum and, arguably, the voice of consumers was a bit sidelined in that. It is not to say that it is not important to get all tiers of government working together and community leaders speaking out. The Housing with Dignity Reference Group, if that is the right term, is one way. Are there other ways in which we can ensure we do hear that consumer voice?

**Ms EWIN** - Listen to the ones who do come to you and don't let them be sidelined. If you hear somebody talking over the top of somebody who has lived experience, then you stop the person with more power who doesn't have the lived experience, you shut them up.

**CHAIR** - Okay, that's very good advice.

**Ms EWIN** - I don't know how much you know about the zero model, but it's basically a collaborative impact thing. I can give you a whole separate thing on that, if you want, possibly at some other time.

**CHAIR** - Yes, I've heard of it. You can talk about it now if you like, it's up to you.

**Ms EWIN** - Basically, it's a framework for communication across different levels of government and service providers; community members and the private sector, where we share a common goal. It is about good data management and good communication, so it's very basic, straightforward stuff. It does require some investment to start mapping those services to get it off the ground, but it doesn't have to be this big, horrible, complicated mess that it seems to be.

## **PUBLIC**

**CHAIR** - Zero what? Zero homelessness?

**Ms EWIN** - Functional zero, like voluntary homelessness, but people never choose to be homeless.

**Ms O'CONNOR** - Holly, it's interesting sitting at the table listening to, for example, Mrs Rylah's question about regulation of the short stay market, or the introduction of a vacancy tax or some sort of controls on soaring rent increases. I note from your submission, you have done a lot of research, there's a lot of references there, this is not rocket science, is it? There are a whole lot of jurisdictions that have implemented, in response to a housing crisis or increasing rates of homelessness, some sort of fair regulatory system that corrects what the market itself has demonstrated it is not able to correct. Do you want to elaborate on that? Other jurisdictions -

**Ms EWIN** - Yes, absolutely, I agree. Other jurisdictions are solving homelessness. There are reports of cities in the United States and Canada that have functional zero homelessness, so people are always entering into it. That's inevitable. There is going to be domestic violence, there are going to be factors contributing to why people end up without a home. It is about having a really quick and responsive response to those people, helping them through the system quickly, to rehome them. Other people are doing it, we don't have to reinvent the wheel, and we don't have to throw out all the work that has been done by our current service providers, or even the market. I acknowledge that our Airbnb has a time and place. We have a low hotel accommodation here as well, that is an issue, so Airbnb is filling that gap, but at what cost to our communities?

**CHAIR** - To elaborate on that point of other models that are working elsewhere, who takes the lead in those instances?

**Ms EWIN** - The community does.

**Ms O'CONNOR** - It's actually all levels of government that do when you look at something like the vacancy tax in Melbourne -

**Ms EWIN** - Yes, and they are doing those things because they are listening to the people with lived experience.

**Ms O'CONNOR** - And they are also looking at the data which is really clear about growing rates of homelessness, growing unaffordability, and a shortage of supply.

Just in terms of short stay accommodation, is there any argument not to do something about the increased rates of listings for short stay accommodation and the fact that the university's Institute for the Study of Social Change has made it really clear through their research that we have not even hit our peak Airbnb yet? We are hearing arguments from people at the table, witnesses, that if you regulate short stay it will have flow-on effects into the tourism market. What is your response to the arguments against a stronger regulatory approach?

**Ms EWIN** - I guess everything is connected so it is going to have flow-on effects to other places, intentional or otherwise. I do not really think you can make any sort of ethical argument for not regulating short stay accommodation. I have no problem with somebody renting out a spare room but if you have a house that could be used for a person or family to live in full-time and you are choosing profits over people, what sort of a person are you?

## **PUBLIC**

**Ms O'CONNOR** - A lot of that is just human nature.

**Ms EWIN** - Yes, that is fine but when a lot of individual people are making those sorts of decisions and are not thinking of the bigger picture, this is contributing to a huge social problem we need to do something collectively about that.

**CHAIR** - Are you saying that you would prioritise the homeless over tourists?

**Ms EWIN** - Yes.

**Mr TUCKER** - You talked about mental health. This is an area I have a fair interest in because of my time on council. We set up a mental health action group on council. I am wondering is there anything you are doing in your role as a councillor about mental health and about communication to the state minister?

**Ms EWIN** - No, aside from advocacy because we all know what we need is a separate mental health facility from the hospital so you can pass that on to your colleagues.

**Mr TUCKER** - It was quite interesting in my time on council, we found that we had a provider who did not have enough clients to operate and then we had another provider that did not have enough clients to operate. It was about communication and we found that things that the state government was offering us were not the things that we needed in our community. We needed other things in our community to deal with these issues. Not every community is the same.

**Ms EWIN** - Yes, absolutely.

**Mr TUCKER** - It is something that that needs to be looked at more closely, people at the grassroots in councils and setting this up to provide that feedback through to the state Government because I do not believe that that information is being provided back.

**Ms EWIN** - Okay. Yes, I totally agree with you and it is a matter of communication. Like I said earlier, health, justice, housing, are all so intertwined you cannot really separate the three of them, so it is disappointing that the ministers in those portfolios are not here. I take it you will be communicating with them anyway.

**CHAIR** - We will be producing a report that goes to the parliament.

**Ms EWIN** - I guess nothing exists in isolation. This is what the community is telling me that we need. In my community here we need a separate mental health facility.

**Ms O'CONNOR** - Or a diversity of mental health facilities in the community.

**Ms EWIN** - Yes.

**Mr TUCKER** - If you do not do the communication you do not know what you actually need. That was the thing that really stood out to me on my time on council, about getting in providers that did not even know that other providers were working in the area. It was a big issue and it was about communication. That is why I am bringing that up now. I believe that it is something that needs to be dealt with and dealt with on a local level.

## **PUBLIC**

**CHAIR** - In fairness, Ms Ewin has made it clear that she is responding not as a councillor but in her personal capacity and also conscious that she has not been an elected member for all that long.

**Mr TUCKER** - I was not either at that time but I did ask her in her time as a councillor.

**CHAIR** - Thank you, Mr Tucker. Mrs Rylah, do you have any questions at this point?

**Mrs RYLAH** - No, I am fine thank you.

**Ms O'CONNOR** - I would like to explore with you, Holly, other potential models of housing. In the last 20 or so years, we have been locked into a particular way of looking at housing - three-bedroom homes, bigish block. In a time of real housing distress, what are your views on alternative housing models like cooperatives, tiny homes, and other models that allow for cooperative living or for shared spaces?

**Ms EWIN** - Yes, we definitely need to be creating an enabling policy space for those things to happen, because the community is diverse and they have diverse needs, so we need different housing models. Most people I know do not want to live on a quarter-acre block with three bedrooms, they do not want to have to mow a lawn. They want to live close to the city and would love a little apartment. We are not offering those sorts of things and cooperative living. I know there are all sorts of rules around what does and does not constitute a house, based on whether it has a laundry or not. A lot of people I know do not own a washing machine, so that is unnecessary, so we do need to look at alternative models. You are totally right.

**Ms O'CONNOR** - Are there, to your knowledge, impediments in the planning scheme to having that flexibility of approach to housing solutions?

**Ms EWIN** - Broadly, yes, but I cannot go into specifics. I would have to do some more study on it.

**Ms O'CONNOR** - I was wondering if it is something the more progressive aldermen on Hobart City Council could take up, because this is where a lot of the pressure is. This is where there is quite limited space, so looking at those alternative models is a necessity, isn't it?

**Ms EWIN** - Yes, it is. We are running some workshops at the moment looking at different models, and things we can do within the planning scheme and changes that need to be made.

**CHAIR** - For the committee's information, Ms Kelly yesterday talked a little about cooperative approaches. How does that actually work? Do you know people who are living in these alternative housing arrangements? Does it rely on home ownership? How does the sharing work? What sort of facilities are shared? Why do you see that as being a benefit?

**Ms EWIN** - There are lots of different models but one, for example, is a buy-in scheme. Everybody has collective ownership of the cooperative. You have your own house that will have your bedrooms, a basic kitchenette and a bathroom, but there will be large shared dining facilities and laundry facilities and other communal areas.

**CHAIR** - Is this social housing, or it is privately owned?

## **PUBLIC**

**Ms EWIN** - A bit of both.

**Ms O'CONNOR** - There is a mix. The South Hobart Housing Co-operative is enabled by Housing Tasmania, and the Hobart Co-Operative Housing own a number of houses around Hobart, so there's a range of ways you can do cooperative living. The social housing provider should be in that mix as well.

**CHAIR** - Yes. I was going to follow up with tiny homes. It is terrific to have a younger person at the table providing evidence. I don't know whether you have any personal experience, or within your network's constituents and other students, do you know of anybody who has actually had experience of living in one of these tiny homes?

**Ms EWIN** - I live on a tiny boat, which is arguably less space than a tiny home. It is great, I enjoy it, but they are not for everybody. The idea of setting up a shipping-container-village kind of irks me, because people deserve to have the sort of home that is appropriate for them. It is not just for young people, or poor people, or people who cannot afford something different. They can be good, but they are not for everyone.

**CHAIR** - What of the notion of 'youth castles' being plonked in the parents' backyard, particularly for younger people? Is that a model you think would be worth exploring? I know it is in operation, is it acceptable within the youth community, do you think?

**Ms EWIN** - Yes, but again, not if that is your only option.

**CHAIR** - Impossible to generalise.

**Ms EWIN** - Yes, exactly.

**Ms BUTLER** - I have a question around affordable housing and incentivising. Whether we like it or not, the private sector is driven by profit, and not so much philanthropic motivations, and that is a practicality, whether we agree or not agree on a philosophical basis. Do you think there could be an incentive provided to developers, in the private sector, for building affordable housing? What are your thoughts on infill developments in Hobart? Do you think we are getting to that time now where we might have to consider?

**Ms EWIN** - We are at that time; that time has passed. We need to be doing it now; we needed to be doing it a couple of years ago for infill development. Are you talking about inclusive zoning, or mandatory percentages of new developments?

**Ms BUTLER** - Inclusive zoning, and your thoughts on mandatory.

**Ms EWIN** - It definitely needs to be a thing, otherwise we are basically taxing poor people and saying you cannot live in these certain areas; we are not letting you in. I don't think that is the sort of community any of us really want, if you actually looked at the intents behind that.

**Ms BUTLER** - Yes. When it comes to the practicalities of having the private sector build those affordable houses, I know government needs to lead these things but we need to bring in the different sectors. What sort of incentives do you think we may be able to provide to the private sector to entice them to build affordable housing in inclusionary zones?



## **PUBLIC**

**Ms EWIN** - We could look at things like rates, holidays, and maybe letting them go one storey higher, or something like that. I just think, bring it in and suck it up.

**Ms O'CONNOR** - What about shop tops in the city?

**Ms EWIN** - Yes.

**Ms O'CONNOR** - What are the blockages to that, because it comes up a fair bit?

**Ms EWIN** - The Disability Discrimination Act 1992, so disability access rules.

**Ms O'CONNOR** - Fire safety?

**Ms EWIN** - Yes, things like that.

**Ms O'CONNOR** - Are they insurmountable?

**Ms EWIN** - They are not insurmountable. I fully understand the reasons we have the disability access rules and respect them. That is a really difficult space to be in as well, because you do not want to be saying only able-bodied people are able to live in those sorts of buildings, but you have to work with what you have. It will provide relief for some people.

**CHAIR** - Finally, Ms Ewin, you talk about introducing a vacancy tax for properties that are left empty for more than six months per year in urban centres and surrounds. What about the notion of 'land banking'? In one of our submissions, at least, that has been flagged, with property developers buying up land that is suitable for residential development and waiting until market conditions are favourable to be able to cash in and progress with that development. Do you have any thoughts about incentives that could be used, or other approaches?

**Ms EWIN** - Or disincentives?

**CHAIR** - Or disincentives. I do not know.

**Ms EWIN** - If you have bought up land in a prime place, and you are preventing something from going ahead that would house people, then, yes. The same rule applies. I thought you were going to be talking about -

**CHAIR** - Vacant land, as well?

**Ms EWIN** - Potentially, yes. If it is in a prime location, like in the middle of the city for example, or an up-and-coming suburb, then that is something that should be looked at.

**CHAIR** - Okay. We are up against the time limit. The time has flown. Thank you very much for your time today. I am required to read a brief statement after you have provided evidence.

As I advised you at the commencement of your evidence, what you have said to us here today is protected by parliamentary privilege. Once you leave the table, you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you are just repeating what you said to us.

**PUBLIC**

Do you understand that?

**Ms EWIN** - Yes, I do.

**CHAIR** - Thank you, Ms Ewin, for your time for putting together the submission and coming to sit to the table. It has been very valuable to hear your experience. You cross so many of those vulnerable points.

**THE WITNESS WITHDREW.**

## PUBLIC

**Dr KATRENA STEPHENSON**, CEO, AND **Mr DION LESTER**, POLICY DIRECTOR, LOCAL GOVERNMENT ASSOCIATION TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you very much for appearing before the committee.

A committee hearing is a proceeding in parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom, without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to you by you outside the confines of the parliamentary proceedings.

This is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence.

I also want to advise that the House resolved to add a new term of reference to the committee's terms of reference for the inquiry, namely -

(ka) Regulation of rent price increases with particular reference to the ACT model.

You have the opportunity to speak to that if you wish while providing evidence.

Thank for pulling together a comprehensive submission and taking the time to appear to appear before us. We certainly do appreciate it. We have had over 35 submissions. It is terrific that so many peak bodies have come forward to provide perspectives, and your own as local government association of Tasmania. We have had a number of individual counsellors, and aldermen, we have had a representation from the Hobart City Council Housing of Dignity reference group. We have had some insights into local government issues. You may wish to focus on that or broader issues because you are here also in your personal capacity, I dare say, over to you to invite you to provide an opening statement and initial commits and then we will get into questions.

**Dr STEPHENSON** - I might kick off. I would like to acknowledge that all the hard work of the submission was Dion's efforts because I was off having a lovely holiday.

**Ms O'CONNOR** - That is such a woman's thing to do. Thank you for doing that. Sorry, that was a slightly a gendered statement, but it is really good to give credit where it is due.

**Mr LESTER** - Yes, she doesn't want to answer any of the tough questions.

**Dr STEPHENSON** - In preparing for today, I went back and found that we have had a number of housing inquiries that we have made submissions to over the last decade. Disappointingly, many of the issues remain the same or have been exacerbated in that time. What is clear from all the submission that you have received is that actually housing affordability is a complex multifactorial issue that requires a collaborative response from all levels of government, industry and the not-for-profit sector.

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Certainly, it is more complicated and more acute in some regions in Tasmania at the moment. This has been driven by factors such as population growth, visitor growth, demographic change and also economic prosperity to some extent because we have competition for skilled workers to undertake new constructions.

While broad concern is being expressed across Tasmania, we also have the dilemma of community resistance to some of the solutions that might be appropriate. We particularly see that in the local government space in relation to changes in allowing planning.

Early in 2018, I attended the Premier's housing summit. As part of the preparation for that event, we were asked to provide some views on housing and what we thought Tasmania's housing future should look like. I want to read what the Local Government Association put forward - [TBC]

A coordinated and planned future, connected to state and local land use and transport planning, allowing Tasmania to capitalise on population and economic growth. This includes considering where population and housing growth should be allowed, versus constrained, and, where it makes sense to invest in infrastructure hard and social. Solutions will be based on a comprehensive understanding of future housing demand and supply by location. There will be diverse housing types and housing densities which meet needs across the housing life cycle, including public housing for those most vulnerable. There will be community acceptance of non-traditional housing responses being developed next to them because of strong and continued public engagement about the future of neighbourhoods, cities and regions. There will be strong collaboration between federal, state and local government and recognition of the different levers and influences of housing affordability.

The factors where local government can have influence and where the pressures are being felt are well articulated in Dion's submission. There are three key issues in all of the contemplations. One is the fact that demand has outstripped supply. I have been pleased to see a change of rhetoric in some of the submissions in recognising that it is not really a planning issue. The data has long said that but I think people are finally hearing that. It is more than that. We are not getting as many builds as we have planning approvals and there are reasons for that. We have housing stock being used in new and different ways and competing and certainly short-term visitor accommodation has been something that local government has been watching very closely and have had some advocacy around needing to improve our understanding of the impacts of that.

We have long advocated for the need for settlement policies so that we are developing where people live appropriately around adequate hard and social infrastructure. We continue to say that is a necessary underpinning for any long-term housing response.

**CHAIR** - Thank you for that overview. To begin with settlement and liveable communities, Tasmanian Planning Policies, who are the custodians of these policies? What is their status and where is the need to do more, noting your concerns about liveability and preserving the Tasmanian way of life? Your submission talks about the challenges of further development on the urban fringe, transport and other things. Are you able to elaborate?

**Mr LESTER** - We don't have any at the moment.

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**CHAIR** - When your summary says finalising -

**Mr LESTER** - Well, starting and then finalising is probably more accurate. We understand the government's going to be releasing some scoping documentation around the suite of Tasmanian Planning Policies in the coming months. One of those will be related to settlement and liveability, but it is a fairly critical and long overdue part of the planning puzzle we need in Tassie, particularly with the current housing issues we are facing. Realistically, we are two or three years off seeing that policy completed.

**CHAIR** - Do you see that as a policy that would have teeth in the same way the Tasmanian Planning Scheme has regulatory impacts on the way local government makes decisions? Would it provide broad direction, in your view?

**Mr LESTER** - More the latter, broad direction. The policies will set policy. The next iteration will be through the development of the regional land use schemes, regional land use planning strategies. They will articulate the policies in a spatial sense and direct what goes in the planning schemes themselves. The directions associated with the Tasmanian Planning Policies won't receive their regulatory teeth there's an amendment to the statewide planning scheme.

**CHAIR** - Okay. Thank you for that. You provided really interesting data on page 12 of your submission about the number of days to determine discretionary and permitted applications. We have heard some conflicting views on the planning scheme and blocks to development. This is certainly an interesting evidence-based approach. You note -

The constraints to supply simply do not rest with council development assessment time frames or failure to approve sufficient housing development.

Your submission is perfectly clear to me but did you want to make any other points in relation to that? That probably flies in the face of some of the general hum in the conversation in the community on housing affordability.

**Mr LESTER** - Yes. Our planning system in Tasmania is one of the better performing when you look at time frames and these sort of things around the country.

**Ms O'CONNOR** - Hear, hear.

**Mr LESTER** - Yes, but there's a narrative that gains significant traction as to it being an issue in the time frames associated with the development assessment. The reason that occurs is because there are some instances or circumstances in which people do have difficulty with the planning process. They are isolated or they may be related to the quality of the documentation in many cases. Our observation would be that it is often a squeaky wheel-type syndrome here rather than what the evidence across the board suggests. We're not saying councils don't occasionally take longer than what is might be ideal but if you look at it on the whole - and we don't have the past 12 months' data yet, unfortunately - we'd anticipate that it would similarly represent around 10 days quicker than what they have available to them.

**CHAIR** - There have been changes in the planning scheme and consultation processes are always going to be a contentious thing. Thinking about the new legislation to enable fast-track rezoning, and taking Huntingfield as an example, I'm aware of the concerns expressed by council and also the community as to having access and input to air their concerns about that development,

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given its scale. There are concerns about density, essential infrastructure, access to services and so on. This isn't an infill development. This looks a bit like a new neighbourhood. How do you respond to the council's concerns in that case that it is an inappropriate development for fast-track rezoning and should go through what I think the mayor has called the normal process? What are the differences between the normal process and the fast-track rezoning and where does the balance lie in regard to consultation?

**Dr STEPHENSON** - We raised some concerns with the bill initially, most of which were addressed but one of them was around ghetto-isation or large-scale developments. There does have to be an appropriate consideration of the scale and community. Fast-track doesn't mean you abrogate the responsibility around community engagement and it might not have to be the same full council process but there has to be an engagement process and that is just common sense. Mr Lester could probably talk more specifically to the difference in processes. Certainly, a rezoning process through the Tasmanian Planning Commission is not a fast process.

**Mr LESTER** - No. The minimum possible time frame, which is rarely achieved, is around nine months, so you are typically talking around 12 months. It involves a development application to council and consideration by council as to whether they will initiate the amendment. If they initiate the amendment then it is advertised for a period of time. They receive submissions. The council then writes a report on those submissions and that goes to the TPC. The TPC can choose to hold a hearing. Their practice is they would typically hold a hearing if there are submissions. They would almost always hold a hearing if there are submissions, so then there is a formal hearing process and they consider the matter and make a decision. There are multiple steps in each of those, which amounts to the this 12-month or thereabouts process, typically.

**Dr STEPHENSON** - The other thing about that particular development, as I understand it, is that commentary was made that the development applications still go through normal processes. With the more recent changes to the way our planning system works there are permitted pathways and so, in reality, because it is a residential development, if they are compliant with the permitted pathways it doesn't go through council. There is no opportunity for the community to engage in that regard. When you think about that and the scale collectively you can understand the concerns that have been raised both by council and community.

**CHAIR** - In the instances the government is looking at using fast-track rezoning, where does the onus lie in filling that gap in community engagement? Does that need to be front-ended or is it adequately captured in the normal process?

**Dr STEPHENSON** - When there is a significant piece of land it needs to be front-ended. In the way that a council might undertake master planning before they did a major rezoning exercise because there will be no other opportunity.

**CHAIR** - Thank you for that.

**Ms O'CONNOR** - Following on from that, we have had a number of submissions and people give evidence in relation to the planning scheme's response to the housing crisis. In some sections of the community, particularly the business community, there appears to be a desire to change the current system to reduce opportunities for public participation in planning processes. Do you see that as a risk as we, as a community or a state, try to respond to the need for more housing supply? Do you feel there is a risk that it may go the other way and shut people out of decision-making on planning matters that affect them?

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**Dr STEPHENSON** - We certainly have a position from our members, which was articulated during the initial legislative amendments to planning reform. A proposition was put forward that third-party appeal mechanisms be wound back and there was no support from local government for that. They do think it is important that there are avenues for community input into planning decisions. If I carry that sentiment forward, ultimately, they would still be strongly committed to that.

**Ms O'CONNOR** - In terms of population settlement planning, it is pretty clear we are in an environment now where decision making about urban settlement, housing development infrastructure is made on an ad hoc basis in the absence of an underlying population settlement strategy. Is that true?

**Dr STEPHENSON** - Yes.

**Ms O'CONNOR** - What sort of inputs to LGAT members want to see in a comprehensive population settlement strategy for Tasmania?

**Dr STEPHENSON** - I'll have a stab for a start. At the big picture level, it is about recognising there are limitations in a state of this size of how much infrastructure we can put into place. To be able to leverage best community outcomes, it is really about trying to get people to aggregate around our social and our hard infrastructure. It is not to say, we would envision a world where you prohibit people living places, but they do that in an informed way, understanding they are not going to get the same level of service.

A settlement strategy is understandably, politically difficult, because it involves making decisions about where you are going to allow growth to occur and where you are going to invest as a government in services and infrastructure. Ultimately, it makes sense in so many different ways, it makes economic sense, but it would drive improved outcomes across a number of key determinants of health and wellbeing in our state.

From a high-level perspective, it is why we have had this agenda for quite a long time. How that is translated and built into planning schemes, which is probably yet to be articulated and determined and will require a collaborative effort across state and local government.

**Ms O'CONNOR** - From a developer's point of view, it would provide some certainty?

**Dr STEPHENSON** - Yes.

**Mr LESTER** - At the moment, it's difficult for the community, it's difficult for developers. Because an individual developer will trial a development, it is that individual developer who is debating the merit of for example, a high-density form of housing, as opposed to government saying this is the sort of development we think should occur in these areas, and we will support this through education as well as through our planning controls. It is a bit of a 'try your luck, developers' and you fight the battle individually with community members, which is not good for either parties.

**Dr STEPHENSON** - Density is a good example. We have known for decades, increasing residential density has benefits in terms of housing affordability, but we come up against what Tasmanians are used to. There has been no appetite to really engage and inform communities about the trade-offs they are making in relation to planning. There has been no real understanding of how

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the planning system works for most people. We are in a unique point in time in that there is actually a high level of community interest in how the planning system works.

For the 20 years I have lived in Tasmania I have not seen this level of interest. Maybe it is about starting to really have a proper broad statewide community engagement campaign that informs about how the planning system works, that highlights how people can engage in the planning system and talks about the tradeoffs being made when communities are resistant to things like higher density. For example, what they are they sacrificing for the next generation.

**Mr LESTER** - Also, what are they gaining through the vibrancy of the local communities, supporter services and all of the upside that comes from the right development in the right sort of areas. Designed well, there's a massive gain for communities around that, but is an articulated 'well' in the current debate on an individual development level that we are seeing.

**Dr STEPHENSON** - And improving accessibility to services, to jobs, to education. There are lots of opportunities if we can encourage people to think differently about density. Some of that comes down to good design as well.

**Ms O'CONNOR** - You would agree that good design has not necessarily been a driving imperative. There is a fair bit of cheap and cheerful development applications coming up. That is not necessarily good for the urban fabric, is it?

**Dr STEPHENSON** - No. We do have a standing motion on our books from our members in support of reinstating the state architect -

**Ms O'CONNOR** - Thank you, hear, hear.

**Dr STEPHENSON** - So there's an opportunity to drive better design outcomes.

Like planning, there are a lot of inter-relationships in housing affordability. It can be quite difficult to unravel it all. But now is the time to start having some of these conversations with communities. That can also include things like, 'Where do we want visitor accommodation to be or not to be?'

At a personal level, I have concerns about loss of access to appropriate housing for key workers. The place where you want people to access work is often where it's desirable for visitors as well. Other countries make protections to protect housing for key workers, for example. At the moment there's no ability for councils to apply any discretion in relation to where short-term visitor accommodation is allowed. Maybe they should be allowed to ringfence around a school, a hospital, or a university so that we know that there is accommodation available linked to those services and institutes.

**Mr TUCKER** - I would like to come back to the Huntingfield estate. I am a past councillor and sat through planning decisions. I see issues here with this. We have a crisis at the moment with housing. We need to provide more housing for people. I feel for people who don't have housing. But the thing that gets me is that we're having a debate on whether we have this development, and people are waiting on housing. The people who are objecting to these developments have roofs over their heads. How do we bring the community along and say, 'This is an urgent project that needs to go through'? We don't need fence-sitters or opposition to this; we need houses that are going to put roofs over people's heads.



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**Dr STEPHENSON** - I don't think there's any disagreement, even from the council, that there is a need. They've had a master plan that's identified that that is a good area for residential housing. As I understand it, it's about the density that's been proposed. It's not just a planning decision; it's understanding its impact on the local schools. Have they enough capacity? What is the impact on transport? Are there going to be issues there?

It's such a large tract of land; it's not an infill. The others that have been initiated are appropriate. They are smaller. The community is wanting to engage not only on housing. They're saying, 'How are the impacts going to be managed?'.

**Mr TUCKER** - Coming back to what some of the other witnesses have told us, the first thing we need to sort out is getting a roof over people's heads before we start to deal with some other issues. That is what I see as the ultimate issue here and that's what we need to deal with. How do we deal with this issue? Are we going to deal with all these other issues and be four or five years down the track because we'll still be arguing about it? These people would still be without a house.

**Dr STEPHENSON** - It's incredibly complex. If we just take that one development, it's not all affordable housing for a start. So, it won't necessarily be putting roofs over the people who are without houses at the moment. There's a lag effect because you've got to move people through the system.

For the benefit of everyone here I should say that prior to working in local government, I managed public housing in Tasmania and was an architect in the first affordable housing strategy. So, when I say it's complex, I say it with authority. There are multiple solutions. Public housing is definitely an important pivotal part of the system. I know that has been a subject of conversation. That is not a LGAT position, that is a Katrena position.

We have different people having different needs at different points in their lives. Yes, the overall supply in the south of Tasmania is an issue at the moment. It is not going to be solely resolved by that issue. It could also be resolved by encouraging developers to act on the land that has already been subdivided. We know from the statistics that we are not getting as many buildings happening as there have been planning approvals. How do we move that along? How do we deal with the issue of our construction skills shortage? There is a lot of competition. I sat at a meeting, with Dion this week and this was a subject from all the industries at the table, talking about ageing workforce and skills shortages and the looming issues. We are all competing for the same group of people.

We agree we need more houses but what we do not want is the sort of legacy issues that the Speaker was talking about today at Willow Court. We do not want large conglomerations of high-needs people with no support in place, with no ability to get to their jobs because there is no public transport, and no schools nearby. This is where it is important to have the master-planning-type approaches where you engage with all the stakeholders. Housing itself is one determinant of health and wellbeing, but if you provide the housing but you cannot provide the employment, transport, schooling, health services, then we are probably not going to fix people's problems.

**Mr LESTER** - It is important to bear in mind that houses will be there for 50 plus years. Also, we need to look at what outcome we are trying to achieve. There is emergency housing, which is a very different scenario and outcome to what you are doing when you are creating a whole new suburb and community which has a mixture and, this is my understanding, some social housing - I

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am not sure about the affordable housing component - and then private housing. We need to be very circumspect in how we design those communities given that as a state we have done it very poorly historically. We are still dealing with major issues in a number of localities because of poor design back in the 1970s and 1980s in particular.

**Mr TUCKER** - I agree with you, but we have moved on from there. You mentioned 42 days with planning, but how long has the Huntingfield process been going?

**Dr STEPHENSON** - It has been in the master plan but it has been government land.

**Mr TUCKER** - I realise that. The whole process has taken -

**Ms O'CONNOR** - Since Gough Whitlam was prime minister.

**Dr STEPHENSON** - I do not know how to answer that question because it has only been going as long as it has been declared.

**CHAIR** - The clock has not started, has it?

**Dr STEPHENSON** - That's right. As I said earlier, I fully understand the Government's intent with the housing supply bill because we know that rezoning under the current Land Use Planning Act is a slow process, but I do not think you can say we are going to skip some of these important steps. Councils are there for the health and wellbeing of the entire community. That is their remit under the Local Government Act. They do need to contemplate the impact of this development on the broader community and I do not think that the work has been done sufficiently in this case.

**CHAIR** - Is it fair to say it is not a stop-or-go proposition? It is a case of getting the right boxes ticked in the right sequence.

**Dr STEPHENSON** - Yes.

**Mrs RYLAH** - Thank you, Katrena and Dion, and my apologies for not being there today.

I would like to turn to your recommendations 3 and 4 in particular. I will start with recommendation 4 first. I applaud the idea of providing incentives for amalgamated sites. What I am specifically interested in is current strata title legislation in Tasmania. Are you familiar with that?

**Mr LESTER** - I know the legislation but not intimately.

**Mrs RYLAH** - Great, thank you. My experience has been that we currently have very ineffective legislation for small strata title development. The governing bodies of these small strata title developments aren't accountable and it is very difficult to reconstitute. Do you see, or do you have any input, on pressured requests for these small strata titles developments?

**Mr LESTER** - There isn't a strong view expressed by the sector on that particular issue. Strata title legislation is interesting because it runs a slightly awkward parallel process with our typical land use planning process. With recommendation 4, which is drawn from New South Wales and is one of the more unique tools used around the nation, that really relates to properties that are in different ownership and trying to incentivise that. If you look at aspects of greater Hobart and you

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were thinking about infill very innovatively, there are plenty of large backyards that back on to each other that could facilitate some appropriately designed infill and access. It is not possible in the current planning regime because you have a property that is owned by John, Cassie and Alison all backing onto each other and to try to amalgamate those sites is extremely difficult unless you can incentivise that. That is a cutting edge tool to try to use.

**Mrs RYLAH** - If we were to incentivise that into high-density or higher-density development, it would be quite likely that it would be strata titled, isn't that right?

**Mr LESTER** - You could use that tool.

**Mrs RYLAH** - Are there other options?

**Mr LESTER** - If you look at it in a suite of other recommendations and if we are looking at residential provisions within our existing planning schemes then you could also consider those sorts of development, with a tweak to those.

**Mrs RYLAH** - We have a silent issue that is significant for our state. We don't have a large population or proliferation of strata title, yet it is a real tool that is used when we are dealing with much higher density and developments in other states. It may relate back to the bill. Thank you very much for your comment.

**Ms BUTLER** - Thank you for your submission, it is very articulate and to the point. Is there a best practice of sorts for inclusionary zoning? I note you refer to Queensland and South Australia. If you believe there is, is there a break down of percentages between affordable private and public that you consider best practice in inclusionary zoning?

**Mr LESTER** - Each of the states that are trialling it - and we haven't done an assessment which is best practice - are different in their nature as to whether they involve public or private land and how they incentivise the developers. There is a suite of ways you can implement inclusionary zoning, so there is not one size that will fit all. In some certain sizes, such as in South Australia, there is a requirement and it is mandatory. You can also incentivise developers to do it through things like bonus floor space or changes to the development standards. Inclusionary zoning is one phrase but it is a very broad topic.

**CHAIR** - In other words, you could have inclusionary zoning of different types in different places. It is not necessary to have one approach.

**Mr LESTER** - No, one blunt way to say that once a development is over a certain size you will include a certain percentage of either social or affordable housing based on the typical definition of what constitutes affordable housing within the state's context.

**CHAIR** - We don't have a definition.

**Mr LESTER** - No, there are various definitions that are floating around. Another way is to say, if you are willing to include a certain percentage of affordable public housing then we will, through agreement or through a mechanism within the planning scheme, allow you to create extra floor space, greater density, these sorts of things, which amounts to covering the cost for the lost revenue from creating an affordable public housing opportunity.

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**Ms BUTLER** - In your research, have you found any evidence of a good outcome or of ways to incentivise the public sector in the building of affordable housing? Have you seen any models that particularly stood out as working? We understand from evidence we have been provided that unless there is a financial benefit to the private sector then the building of affordable housing will always be an issue.

**Mr LESTER** - South Australia has had some success. If we are talking about incentivising that goes to some of those instruments I mentioned in my previous response such as floor space and bonus density, and you can relax development standards. There is a suite of different things that have worked elsewhere but you need to use those tools judiciously because you don't want to undermine community confidence in the nature of the development. For Tasmania to look at any number of the tools available in inclusionary zoning is a reasonable piece of work to see what is fit and it needs to be handled very sensitively. We have a community that is still concerned about high density.

**Dr STEPHENSON** - South Australia had inclusionary zoning in place for over a decade but they had limited uptake and that is why they have been tweaking their models over time. The jury is still out but all the theoretical underpinnings suggest it should work but, in practicality, it has been quite difficult to implement. This is particularly so for South Australia because they had a long stab at this. It will be important to consider what the impediments were. It is not straightforward to implement and it will take some time to get the model right.

**Mr LESTER** - Essentially, what our recommendation is saying is, let's review our residential development standards provisions. We do need to do that but let us not limit it to within our current planning system. There are other models we can look at in how we can deal with this. We are not saying we must do inclusionary zoning next week. We are saying, let's review the standards and how we deal with residential development and let's broaden the scope and be innovative or at least look at what innovations are out there, particularly in inclusionary zoning opportunities.

**CHAIR** - A change in direction to short-stay accommodation, on page 15 of your submission you make some comments on short-stay accommodation but you do not make a recommendation. I am not sure whether LGAT was one of the parties that supported a motion that was brought before parliament to call for a pause in short-stay accommodation and tighten regulation. It was overturned in the end, and instead there is a move to introduce compliance and regulation through a permit system. You talk about data and the importance of having that monitored. Who should be monitoring that data? What is the next step if the university's institute, Richard Eccleston's lot, are right in that we have not reached peak Airbnb? Where does that leave us?

**Dr STEPHENSON** - I would refer the committee to our previous submissions on short-stay visitor accommodation because we deal with this comprehensively in those. There are probably two aspects. We have jointly advocated in relation to data with TasCOSS, the Tourism Industry Council and Shelter Tasmania. It is very hard to make policy decisions in the absence of a strong quality data set. Our view was that government should be driving the collection and oversight of that data, then being able to provide that overlay with council's planning decisions. It was particularly an issue in calls regarding compliance. It is very difficult for councils to manage non-compliance with a non-permitting system because they simply didn't know what they didn't know.

**CHAIR** - We haven't had the first tranche of data, so where do we get the balance right in terms of urgency? We are about to get the first amount of data. How much data do we need before we take action and what should that look like?

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**Dr STEPHENSON** - The important thing in this first lot of data will be to understand where the growth has been, where the proliferation of visitor accommodation is, and as I said earlier, is it impacting in those areas close to essential social infrastructure like schools and hospitals? Is it prohibiting people from accessing those?

The other position that LGAT has in relation to short-stay accommodation is that we would like to see the ability for councils to ring fence certain areas, through their planning, local provision schedules and the like, against being used for visitor accommodation. At the moment, there is no ability for them to take into account what the data is saying, and saying we have a problem and we need to address that. We might get this data and the problem will be visible but we have no tools then to do anything about it.

**CHAIR** - When you say ring-fencing, would that be around a facility, a whole neighbourhood, or even a whole local government area?

**Dr STEPHENSON** - I would not imagine a whole local government area but I would imagine areas within those. We have already seen an example of this with Battery Point anyway, so it's not unprecedented.

**Mr LESTER** - That is a perfect example. It was highlighted that there was a major issue there and so the planning controls have been nuanced through the state government's process but no other council can use that process themselves if they find there is a hotspot for them.

**Ms O'CONNOR** - I am sorry to interrupt again but is that because Battery Point Planning Scheme?

**Mr LESTER** - No, it is the nature of the planning directive. It was nothing to do with the planning instrument in play but to do with the nature of how the hearing went and it was highlighted as an issue through the hearing process. There were some bespoke provisions for Battery Point and Wapping. I think they were the only two within the planning directive last year.

**CHAIR** - Thank you so much. Three-quarters of an hour will never be enough. Thank you for a comprehensive submission and a really good verbal contribution. As I advised you at the commencement of your evidence, what you have said to us here today is protected is protected by parliamentary privilege. Once you leave the table, you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you are simply repeating what you said to us. Do you understand that?

**Witnesses** - Yes.

**THE WITNESSES WITHDREW.**

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**Ms AMY HAYASHI**, THE CONSTELLATION PROJECT, MISSION AUSTRALIA HOUSING, AND **ROSALIE WILKIE**, PARTNER, PRICEWATERHOUSE COOPERS (PwC), WAS CALLED AND EXAMINED.

**CHAIR** - Thank you very much for appearing before the committee.

A committee hearing is a proceeding of parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings.

This is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all of part of your evidence to be heard in private you make this request and give an explanation prior to giving the relevant evidence.

Thank you for your time, for your presentation and we have some technology to work through too. We are very much looking forward to your presentation.

I will hand over to you. I am not sure how you want to proceed through this. You can provide whatever information you want up front and provide some times for questions. We have until 12.15 p.m.

**Ms HAYASHI** - We propose that Ms Wilkie make an introduction. Then I will take you through a presentation followed by time for questions. How is that?

**CHAIR** - Terrific.

**Ms WILKIE** - Thank you all for the opportunity to present today. I am sorry circumstances meant that I could not be there in person. I will start by emphasising PwC support for what we see as being one of the most important national issues: homelessness and affordable housing. In fact, we felt this issue is so significant that our community engagement and social impact strategy has pivoted in the last 12 months so that we could really redirect all of our resources towards this issue. This, of course, is underpinned by a long-term commitment of up to five years.

As part of this strategy, we quickly recognised that no organisation is going to solve this issue on their own. Hence, PwC has joined with the Australian Red Cross, Centre for Social Impact and Mission Australia to form the Constellation Project. The Constellation Project is the start of tackling the problem collectively and has a very ambitious goal of ending homelessness in generations.

I would now like to hand over to Amy Hayashi from Mission Australia who will present, on behalf of the Constellation Project, some of the possible solutions that we have been working towards.

**Ms HAYASHI** - Thank you very much, Ms Wilkie. We ask that Ms Wilkie be excused from the committee. Is that okay?

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**Ms WILKIE** - Thank you, everyone.

**CHAIR** - Thank you, Ms Wilkie, for those introductory remarks and we look forward to hearing the presentation.

**Ms HAYASHI** - Thanks very much for your time.

I would like to take you through an oversight of the Constellation Project on how we formed, how we are working together and our work and output so far.

We do not need to concentrate so much on this slide. We all understand the issues of homelessness and housing, but what is really interesting from our point of view at Mission Australia and as an advocate on behalf of the homelessness and housing issues is that we are seeing a shift in the way our corporate partners want to engage around this issue. To engage in a way that provides a real solution and a real tangible benefit for the community. Gone are the days of painting a wall or providing a basket of laundry powder or something. They actually want to use the skills that they develop and hone every day in their jobs in ways that can contribute to a larger systemic change.

The Constellation Project is made up of four founding members - Mission Australia, Centre for Social Impact, Red Cross and PwC. At the moment our membership is over 800 members, individuals and organisations. We form under the banner of collective impact so we try to use and speak on behalf of the Constellation and not on behalf of any one individual or organisation. We think there is value in taking this approach because it means that we can hone our skills but we can leave our corporate agendas at the door to really try to make a difference.

We have a really ambitious goal, which is to solve homelessness in a generation. This vision is broken down into three pillars of action. We want to lead together; we understand there is a lot of work being done in this area. We want to amplify and support and work with organisations where ever possible, such as Shelter Tasmania.

We want to create more homes because we believe that more homes will end homelessness. We have some robust solutions and ways to do that. We want to ensure that people have more than just a home; that everybody has a better journey through their home life to make sure that we can prevent entries into homelessness and sustain positive tenancies overall. That is what we want to achieve.

Some principles in terms of how we want to work together are that we want cross-sector collaboration. We have members from banking, financial institutes, large Australian developers, the superannuation sector, not-for-profits and community service organisations. We have different parts of PwC in terms of tax infrastructure, consulting; a lot of different resources coming together to create something that is unique.

Most of all we want to make sure that we can reflect and sustain the views and ideas of those with lived experiences of homelessness and those of the First Nations. We understand that people of First Nations descent suffer from homelessness issues at a larger rate than those in the rest of the Australian population, so we look to solutions that are going to be appropriate for our First Nations fellow citizens.

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We use a social lab methodology. We invest in a driving and collaboration team and structure and culture to make sure that we can pool funding and resources. This is a very different way to work together we believe that tackling this large issue in a different way may lead to a better result.

We are interested to talk to you today about how we can all collaborate to push this forward. We think there is a moment here in Tasmania to drive forward and really see significant change. The social lab methodology is challenging. It is about listening and collaborating; it is about taking everybody's ideas into account to make sure we can craft something that makes sense. It is not about landing on one idea and focusing on that idea, day in, day out. It is about examining what works what doesn't work and quickly combing and refining solutions.

The idea of a social lab is that there are a number of cycles in any lab. A cycle lasts for about three to four months. In the past four months the Constellation has created and completed five labs' worth of work. I would like to run you through all of them but particularly focus on one lab, a federal-state collaboration for the funding of social and affordable housing. We think that here is the opportunity to generate wide, large-scale, long-term financing supply to make sure that year on year we can deliver homes where they are needed, to whom they are needed, in locations that are appropriate and accessible, that are safe and that can lead to the genuine positive outcomes for individuals and communities that we believe that is at the heart of any healthy society.

Before I jump into the federal-state co-funding model, let me talk you through some of the other models that we worked on. We believe that these five models together represent a way in which to deliver more homes. By 2023 we would like to see 100 000 new homes across Australia, made up of social and affordable housing. By 2036, we are looking at 1 million new homes of social and affordable housing.

The first is mandatory inclusion rezoning, using the planning system and using developers as a way to create more homes. That stream flipped the issue on its head and looked at a feasibility model that didn't cost the developers anything: how we could deliver more social and affordable housing in a development and what we need to change to make sure developers could deliver. There would be no hit to their bottom line so they would be more open to delivering this year on year as part of any regulative development. We looked at connecting supply and demand. That is looking at the homes that there are in the market right now and working with landlords and the usually smaller mum-and-dad investor landlords. We were looking at that cohort of landlords in understanding what it would take for them to rent their homes to people on lower income at either affordable or social rents, what kind of tax settings we might be able to change, what kind of other incentives there are so that, in the meantime and while we embark on our ambitious plan to build all these new homes, we have access to market and we have access to stock that is available today.

We looked at a First Nations stream focusing on each of the streams, acknowledging that 30 per cent of all housing we create needs to be available and appropriate for First Nations communities but also understanding how we could create a pilot project that would address the needs of one community that we could then replicate across the country.

Finally, and most importantly, we looked at unlocking private capital. We believe there is potential for the private sector to play an investment role and to support the delivery of social and affordable housing. Although there is a will and an interest, we don't believe that there is currently the policy framework at a federal level to support this. The question that we are moving forward with is, what are the policy settings that we would need to change to ensure the private sector had appetite, ability and security to invest in a long 20- to 30-year program of delivering social and



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affordable housing like we have seen in other jurisdictions? We think that the private capital stream is going to have a big part to play in the federal-state co-funding model moving forward.

I would like to take you through the funding model, if that is okay. The slides from here on in are new and they weren't part of our original submission, they go into a little more detail.

First, we looked at some recent work by AHURI, the Australian Housing and Urban Research Institute, to understand demand and to understand what we are talking about when we talk about ending homelessness. How many more homes do we need? AHURI's general view is that we are going to need 1 million more social and affordable homes by 2036. We wanted to break that down further. We understood we need 1 million homes and then we looked at tenure types. How many social, how many affordable, and how many transitional crisis or homelessness response homes do we need? We then took that down so we know what we need, we know how many and, state by state, we know where those homes need to be. From a state perspective we could break that down one level further. We know that in Tasmania we have an estimate of required need in Hobart and required need in the rest of Tasmania.

We know what we need and we kind of know where to place it. We also kind of understand who we need to build homes for. It is not appropriate to build the same kind of home for any individual, so we wanted to understand attached, detached, low rise, and high rise. What are the housing solutions that we need to build in each location and how does that link to the cohorts that require housing? What we are trying to do is to create a data map across Australia that we can take a region and, at any moment, understand the need for that particular region. Looking to the lines in the middle, where there is a big black space in the middle, we then looked at how much was funded over the next few years. You can see at one end we have NPARIH and, at the other end, in light blue, we have some NHFIC funding but we have a huge gap in the middle.

**Ms O'CONNOR** - For the purposes of *Hansard*, could you spell those acronyms out?

**Ms HAYASHI** - NHFIC is the National Housing Finance and Investment Corporation, which is a Commonwealth statutory corporation set up to fund social and affordable housing and also infrastructure projects. NPARIH is the National Partnership Agreement on Remote Indigenous Housing.

We think that the value of the Constellation is to look at that gap in the middle and understand how it is that we can fund the gap in the long-term using a model that will work year on year. We know that, mostly, we need to create public housing. We need to create a housing solution for First Nations people and we know that we're going to need private capital, zoning changes and a federal-state co-funding agreement. We're also going to need the support and the energy of the housing peaks, the researchers of governments, of other CHPs and of the private sector. We believe that this Constellation is how we can assist and perhaps suggesting a solution that we can all work to together.

This is breaking down a summary of need by region and we acknowledge that we would need to take a more granular approach as we get further into a Tasmanian model. We have already been engaging with the department about how best to understand need in Tasmania on a very local level moving forward. For the purposes of the model and the example right now, we took a high-density development in western Sydney as an example, just as something to run with. We want this model to be used in a variety of locations, looking at a variety of different needs. It's the intention of the

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Constellation to take this and turn it into a model that is specific for Tasmania and that can be used to help think through different kinds of scenarios.

Getting to the model itself, it's made up of three main components. There's a component of Commonwealth contribution. That could be an upfront grant or it could be a year on year subsidy. There is a component of debt that can be financed through NHFIC and then there's the contribution of land, usually through a state government or a local government. We think that those three components will, at different levels in different projects, work to create a number of social and affordable housing units. It also caters, potentially, for other kinds of units as that community may need, such as units for people with an SDA (Specialist Disability Accommodation) subsidy under the NDIS scheme, or other kinds of units that could be used to sell down at a future stage in order to finance the later stages of the development.

Right now our concept is based on these sources of funding. These three sources of funding would come together and be channelled through a CHP (Community Health Program). Why a CHP? CHPs are a nationally regulated body and they have the skills and the capacity to manage the development but they are not developers. We want to ensure that they are engaging appropriately qualified local developers to deliver these projects under a project management development management agreement. We believe that there is a saving to channel these investments through a CHP, as opposed to going out to market and purchasing them straight from the developer.

**Ms O'CONNOR** - To save you answering the question later, where do public housing authorities fit in here, given that you are only talking about community housing providers who you represent and the private sector, who PricewaterhouseCoopers presumably represents? Is there no room in here for state housing authorities that have delivered multiple medium density developments in Tasmania, for example?

**Ms HAYASHI** - Sure. There is a significant role for public housing authorities to play in the concept of where, how, how many and what gets delivered. This model could be agnostic as to the ultimate owner of the product. That could sit with a public housing authority and be contracted out to a CHP to manage and to deliver.

**Ms O'CONNOR** - Thank you.

**Ms HAYASHI** - We believe that these units delivered in this manner will reduce a fee that a developer could take. For a public housing authority or any one of us purchasing a home on the market, there is going to be a portion that is a developer profit. We are trying to minimise that. Then, depending on the range of units being delivered, we're going to deliver social, some affordable, maybe some kind of affordable build-to-own and maybe even some other kinds of specialised housing. Our focus at the Constellation is how to deliver more social housing because we believe that's the greatest need.

We developed a model and we developed a dashboard. It all got very big and very complicated and now we are going to whittle it down to make it a Tasmanian example. What we wanted this model to do to aggregate development costs, to understand different financing scenarios, to understand what kind of revenues might be available in different locations or for different clients. We wanted to be able to very quickly understand the impact of different factors at different scenarios and to work out the best way to structure the capital.

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We believe that by using this model we have a way to increase the number of social homes that would be available through some kind of federal-state co-funding model. We think we have some levers to pull in terms of types of construction. There are costs to be saved in looking at different types of construction methods, by using a developer as a service deliver rather than allowing them to take their development fee and by having some kind of land contribution from state or local government.

On the revenue side, we believe we can help increase the viability of a project by mixing revenue sources so a project is not 100 per cent public or 100 per cent affordable but a mixture of both. Also, we can look at how we can use capital and how we can encourage, through our private capital stream, investment into this area. We think this is a longer-term project that is going to take some adjustment at a federal level in terms of tax.

We asked ourselves the question if there were, say, \$15 million a year available for Tasmania to put towards social housing.

**CHAIR** - That is a convenient number.

**Ms O'CONNOR** - That is exactly the number Housing Tasmania has to send back to the Commonwealth each year to repay the Commonwealth state housing debt.

**CHAIR** - I was being sarcastic, wasn't I? I am sure that was a deliberate thing on your part.

**Ms HAYASHI** - We looked at how we could we make the most of this \$15 million and how we could get the most homes, but not just the most homes in terms of numbers, the most homes in terms of positive outcomes. We want to create homes that are going to last for 20 to 30 years and that will meet the needs of Housing Tasmania right now and into the future.

There are a couple of ways we could look at doing it. I think the bottom line is the most straightforward way. We can take \$15 million and we can purchase homes out of the market. Or we can try to employ some of these other tools to see if we can make this \$15 million stretch a bit further over time and look at it just as not a one-off annual contribution but look at it as a 10-year-delivery plan for social housing. This is why the department and the public housing authority are so important. They are critical in this discussion.

This is an opportunity for a strategic portfolio plan that could last for 10 to 15 years could see the delivery of new homes. Also, potentially we could look at how this could be used to revive and refresh existing housing stock. We appreciate there have been affordable housing action plans here in Tasmania. We would like to propose that Constellation would be interested in providing work or supporting the creation of [AHAP?? Or lab] 3 and 4 and how we could all work together to make a real difference. Thank you very much.

**CHAIR** - Wow, that was a lot to think about. Thank you very much.

**Mrs RYLAH** -There is a lot to consider in this proposal. I am trying to get my head around it. I know that under the section of unlocking private capital you talk about a stable security with a sovereign wealth fund. That implies a leverage investment. Can you talk me through what the considerations are there?

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**Ms HAYASHI**- The private capital stream is looking at the long-term policy levers that would be required by the finance industry to invest in a product like below-market housing, which does rely on government appetite for the creation and then the support for housing.

In the next stream of work that kicks off in September, we will be looking at the concept of equity aggregator the National Housing Finance and Investment Corporation can be of the concept of an equity aggregator. The NHFIC can be a debt aggregator. It is a way in which the Commonwealth has allowed community housing providers and local governments to borrow funding for the creation of housing or for the creation of infrastructure associated with housing.

An equity aggregator would aggregate the interests on the private investment sector into a long-term investment product which would also add another line and another way to contribute capital into an affordable housing development.

**Mrs RYLAH** - You are talking about a private equity aggregator as opposed to a government one. Is that right or am I misreading that?

**Ms HAYASHI** - It does rely on government policy. My understanding is that they could be a government-run statutory corporation or they could be a private entity.

**Mrs RYLAH** - The biggest challenge, and I come from a finance background, is implications for a capital gains tax. Is that right?

**Ms HAYASHI** - That is right. We think that there are significant tax hurdles to overcome. Part of the Constellation's value is the ability to call on various sections of PwC and of our financial institutions so as we go through our work exploring the concept of an equity aggregator, we would be seeking tax support and advice from a variety of sources.

**Mrs RYLAH** - This is very early days then?

**Ms HAYASHI** - Very early days, yes.

**Mrs RYLAH** - Thank you very much.

**CHAIR** - You have talked about 1 million new social and affordable homes by 2036 nationwide. Estimates here in Tasmania around gap in supply is up to 17 900 over that same time frame. In terms of your modelling of the \$15 million, what would that buy, do you think?

**Ms HAYASHI** - We are not there yet. We have been working with the department on a lot of data on demand, the types of homes that are required and the locations that we could put them in. We hope that in the next two months we will be able to come back with an answer about how best to spend that \$15 million and what could be achieved.

**CHAIR** - Two months only? That is encouraging. We have heard submissions around a lag in social and affordable housing supply over the last five years and how can we make up some ground in order to catch up to increasing demand.

How does this plan, if it were to come to fruition, sit with the timeframe of Affordable Housing Action Plan 2 which, as you know, goes out for a three-year time horizon? Would it require a reset?

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Obviously, if an additional \$15 million were to land in the state's coffers on account of the housing debt being waived, that would be a game-changer I would have thought?

**Ms HAYASHI** - Yes. We can create a model. What we actually need to do is create a collective voice to champion this at all levels of government and then at a Commonwealth level. The real lag is going to be appetite at a Commonwealth level for a year-on-year funding or pipeline approach. If that can be achieved then we can put the infrastructure to help the department understand how best to deploy those resources.

**CHAIR** - Setting aside the distraction of the \$15 million and trying to separate that from the housing debt situation, this is an approach that could be adopted even within the existing investment that the state has outlined under the Affordable Housing Action Plan 2. Is that right?

**Ms HAYASHI** - I am not sure, I will have to take that on notice.

**CHAIR** - Okay. It is good to hear that you have already commenced discussions with the department. It is encouraging that there could be some quick progress.

**Ms O'CONNOR** - Thanks for that, Ms Hayashi. A couple of issues came into my mind during your presentation and one of them is - what role for public housing authorities? It does seem that the slide presentation, to some extent, excludes public housing authorities. As you would be aware, there are many people in Tasmania who are aware that Housing Tasmania has been gradually run down over a period of time through lack of funding. It's certainly a concern to the Greens. You need to have a strong viable public housing authority, if for no other reason than to make sure that you do have a landlord of last resort.

I'm interested in exploring how this Constellation Project might be specifically tailored to Tasmania so that it doesn't take \$15 million away from Housing Tasmania but works with Housing Tasmania.

**Ms HAYASHI** - Constellation sees departments such as Housing Tasmania as being critical and central to the creation of any solution and to the delivery of any plan. At the moment, the model is agnostic as to the ultimate owner of the asset. These properties could be delivered and owned by Housing Tasmania through the use of a CHP.

I will need to get back to you about the ability of a state department like Housing Tasmania to access lending through the NHFIC. I'm not sure of that. This model can work with a long-term lease, or ultimate ownership sitting with the department. We see that departments like Housing Tasmania are critical in terms of regulatory compliance and a statewide portfolio solution. No one CHP or no one industry can do this alone. It's only an organisation like the department that is going to have that kind data, knowledge and long-term ability to plan.

**Ms O'CONNOR** - I think it was the dashboard but it might have been the slide before the dashboard, there is a range of cohorts described from First Nations people to LGBTIQ, older people and culturally and linguistically diverse people. We had testimony this morning from the Youth Network of Tasmania, which makes it really clear that young people are at particular risk of housing distress and homelessness. Is there a reason that young people are not captured as a specific cohort in your modelling and planning?

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**Ms HAYASHI** - Yes, I apologise for that. Young people are definitely captured in the model, but perhaps not translated into that slide. We have considered the requirements of young people and we have, through our engagement with the department, noticed that there is a higher proportion of young people on the housing waiting list here than we see in other locations.

**Ms O'CONNOR** - Yes, it is quite interesting because the data that came to us from YNOT this morning was that 30 per cent of people who are on the housing waiting list or on the priority list are under 25.

**Mr TUCKER** - The entrepreneurial things can happen with this seems too good to be true. It worries me to be putting so many assets into something before anything has been tried in this situation. Has that happened?

**Ms O'CONNOR** - In other jurisdictions, maybe?

**Ms HAYASHI** - There are some international examples of delivery of large-scale housing solutions, and which rely on a year on year subsidy or incentive coming from a federal place, being administered and supported through grants or land at the federal level and being delivered and regulated at a local city level.

**Mr TUCKER** - Are they the same as what you're proposing here?

**Ms HAYASHI** - The model of collaboration and cooperation is the same. My experience is based in America. I spent eight years working in the below-market housing sector there. The model of collaboration and the layers of financing that come from different levels of government are similar. What is critically different in America is that it's a permanent feature of the tax code. That was delivered with bipartisan support in 1986 by Ronald Reagan, and the low-income housing tax credit has delivered millions of below-market homes in America and continues to do so every year. Part of that stable operation and that permanent fixture in a tax code means that the investment sector has confidence that this is a product that is going to last, they can make a 15-year investment in it and it's not going to be something that's sitting out there on its own.

**Mr TUCKER** - With the American set-up, is there anything in their economy that operates differently ours that we need to consider with this?

**Ms HAYASHI** - Now is the perfect time to consider this because the low-income housing tax credit came out of reform and was linked to legislation that related to the corporate behaviour of the financial sector in the United States. It was seen as both an incentive and a way to make sure that there was an investment in lower income communities.

**Mrs RYLAH** - There isn't a capital gains tax regime like there is in Australia?

**Ms HAYASHI** - That's right there are obviously different tax issue.

**Ms BUTLER** - I have a question about demand and supply and whether constraints such as the existing constraints in the building and construction industry in our state would have an impact and how such a project would negate those kinds of constraints?

**Ms HAYASHI** - If I understand, are you talking about the capacity of the building and construction industry to deliver potentially hundreds of homes a year? Yes. This is a consideration

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for the Constellation. We have had our early engagement with the HIA of Tasmania. We would like them to join our project to make sure that we understand the capacity of the sector to actually deliver this program. Not only do we need the program delivered in a timely manner, we need to make sure that there is quality and that we are delivering assets that are going to last 20 to 30 years.

**Ms BUTLER** - Can you also explain to me a bit more about the social lab and how they operate?

**Ms HAYASHI** - The Constellation is part of a collective impact approach where we bring our skills and we volunteer our time for a single cause. We try to leave our logos and our egos at the door and we work on the basis of collaboration; no wrong answers and lots of new ideas. It is a design-thinking methodology that involves tight time frames, intimate groups and lots of discussion and refinement of ideas. It is a way to make sure that everybody has an opportunity to have their opinion or their point of view heard. It tries to dismantle that hierarchical approach that can be prevalent in all kinds of organisations and that really suppresses creative thought.

**Ms BUTLER** - How would that social lab philosophy you envision be rolled out here in Tasmania with the complexities of 29 councils and state government and different electorates and layers of governing? How do you envision the social labs to be rolled out here?

**Ms HAYASHI** - PricewaterhouseCoopers has a part of their organisation called the Impact Assembly. They actually specialise in facilitating a social lab methodology around complex issues, bringing people together who have different skills and different perspectives. Even perspectives that can be in disagreement.

**CHAIR** - Terrific, I know that we are going to be hearing from Mission Australia, your organisation, and potentially talking about collective impact and its application at different levels of scale. I am aware of the One Community Together initiative in Clarendon Vale and Rokeby. I am aware of collective impact initiatives in Burnie that have received national focus and significant funding. The challenge is whether collective impact as an approach could be scaled out to the whole of Tasmania focus. Do you think that would be possible?

**Ms HAYASHI** - I think that is ambitious but Tasmania is an amazing innovative place and I think something is possible here.

**CHAIR** - Solving homelessness in a generation is incredibly ambitious so there is a sophistication of approach here. What you are trying to demonstrate is an approach rather than a product. Would that be fair to say?

**Ms HAYASHI** - Yes, that's right.

**CHAIR** - What do we need to do in order to consider moving forward with this approach?

**Ms HAYASHI** - We would like the opportunity to work with the department as we have been doing, so collaboratively, to present and test some ideas and theories with them. Perhaps we would be able to come back and present to the committee, if that would be appropriate?

**CHAIR** - The committee will be concluding after our hearings and formulating a report to parliament. The time frame for that is 15 October. There may be some movement on that, we will see. There are other channels that could be considered, I am sure.

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You've talked about your experience in the US. There's been some evidence provided to us, or suggestions, around the Finnish Housing First model. Do you have any comment or advice to us in relation to that model, or any others that have fed into this particular approach, or that the committee could and should be aware of?

**Ms HAYASHI** - I'm not aware of the details of the Finnish Housing First model. As an organisation, Mission Australia are advocates for Housing First. So we advocate for a housing solution for individuals and then support be wrapped around them.

**CHAIR** - Again as an approach?

**Ms HAYASHI** - That's right, as an approach.

**CHAIR** - Okay, thank you. Ms O'Connor, last call?

**Ms O'CONNOR** - It's really encouraging to hear that there is an appetite in the corporate sector to be part of housing solutions. We had some quite disheartening testimony at the table from the Real Estate Institute of Tasmania who said to us that it's not the private sector's job to deliver affordable housing. This is really helpful to us.

There's also a bit of resistance in the building industry, potentially, and amongst developers to mandatory inclusion rezoning, but I see that it's a really integral part of this model. What has the research that you've done so far told you about the effectiveness of mandatory inclusionary zoning and also the appetite of the developers, building and construction sectors to have that kind of mandatory provision laid over them?

**Ms HAYASHI** - There is appetite from the developers and the sector that we've worked with within The Constellation and it comes with a reflection around how much it costs. If we can work out a way to ensure that mandatory inclusion rezoning is cost-neutral for a developer in a development then they are much more open to that approach.

**Ms O'CONNOR** - What does that look like in terms of potential trade-offs or incentives to developers?

**Ms HAYASHI** - For instance, in a 50-unit building, maybe it's mandated that five of those units be set aside for social or affordable housing. Perhaps the developer is actually allowed to build 55 or 60 units to make sure that their costs are met, or that they are essentially not passed on to the end consumer, the purchasers who go into the building.

I think the building industry's attitude towards social and affordable housing, as a development and as a community, is changing as well. Developers now have a huge appetite to bid on a number of projects in New South Wales around the Communities Plus model. This is where social housing estates are redeveloped by developers and two-thirds of it are created for market rate units, which they sell or they take a risk on, and then one-third is social housing. So these projects are very competitive.

**CHAIR** - Thank you so much. We are going to retain Ms Hayashi at the table for the next presentation, so we might move on. I don't think I need to swear you out because you are sworn in. If the committee is happy we might invite other people to the table at this point.



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As those people come forward, thank you very much indeed, Amy, and please thank your colleague at PricewaterhouseCoopers for the introduction. Very stimulating and quite a different contribution for the committee to consider.

I might just add, one of the issues for us here in Tasmania with a smaller population with such significant demand is highlighting what is possible and providing exemplars. I would be interested to have a look at this Communities Plus initiative, for example, bringing the community along with us, providing examples to the private sector and the like as to what is possible.

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**Mr JAMES TOOMEY**, CEO, AND **Mr JUREK STOPCZYNSKI**, REGIONAL LEADER TASMANIA, MISSION AUSTRALIA WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED. **Ms AMY HAYASHI**, STRATEGY AND NATIONAL BUSINESS DEVELOPMENT, MISSION ASUTRALIA HOUSING, WAS RECALLED AND EXAMINED.

**CHAIR** - We are on submission number 7 from the broader Mission Australia Group and I'll just once again need to read the statement before providing evidence for our other witnesses.

Just before you begin giving your evidence, I would like to ask whether you received and read the guides sent to you by the committee secretary?

**Mr TOOMEY** - Yes, I did.

**CHAIR** - Just reiterating a couple of important aspects. A committee hearing is a proceeding in parliament this means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. Second, it is important you be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. Finally, this is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence. Do you understand?

**Witnesses** - Yes.

**CHAIR** - Finally, there is a new term of reference to the committee's inquiry, namely, '(ka) Regulation of rent price increases, with particular reference to the ACT model'. We welcome any comments on that or any other term of reference.

Welcome and thank you very much for taking the time to outline a comprehensive submission and for appearing in person. I am conscious that at least two of you are likely to be New South Wales based, would that be right?

**Mr STOPCZYNSKI** - I am local.

**CHAIR** - We have a good balance in that case. Thank you, Mission Australia team. Perhaps you would like to provide an overview.

**Mr TOOMEY** - Good afternoon and thank you for the opportunity to speak. Mission Australia is a national, non-denominational Christian organisation that has been providing human and community service for just over 160 years. In 2009 we created a community housing provider, Mission Australia Housing, which was very much aligned with our goal as an organisation of reducing homelessness and strengthening communities. As a part of the development of that community housing provider we took the opportunity in 2013 to take over management of 500 social homes on behalf of Housing Tasmania in the suburbs of Clarendon Vale and Rokeby in Tasmania.

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In addition to those housing services, as an organisation, we provide a range of other community services throughout Tasmania, here in Hobart but also in Launceston, Devonport and other parts. This gives us a breadth of knowledge and understanding, not just of the matters that pertain to social housing tenants in Tasmania but also the other areas of social disadvantage, which we see as a provider of services in Tasmania. There are insights, therefore, into the causes of homelessness and the experiences of people living in homelessness, both rough-sleeping and other forms of homelessness in Tasmania itself.

We believe that a concerted effort is needed from all sectors - government, non-government, commercial, et cetera - to address the challenge of homelessness in Tasmania. Within that, a mixture of opportunities then present for a range of different models of ownership and of tenancy to provide support for tenants and for other people experiencing homelessness. We are aware through our experience of the rate of homelessness in Tasmania, but also the particular challenges that relate to the property market in Hobart with the rising costs in rent and stagnating incomes in a low-income economy. Those particularly exacerbating factors have caused considerable problems here and have been visible in Hobart in relation to homelessness, both rough-sleeping and other forms of homelessness.

**CHAIR** - Thank you. This is a unique opportunity to continue the conversation with you, Amy, and with the broader Mission Australia Organisation, as you said, having 500 social homes in the Clarendon Vale-Rokeby area, and your experience with urban renewal in that context. I note the example you provided in relation to Ivanhoe as well. Would you like to talk about place-based approaches and why that is important? I note that you talk about the Dropping off the Edge report and six LGA areas in Tasmania accounting for approximately 80 per cent of highest-ranked positions across the 21 indicators. I don't know where they are. How specific should place-based approaches be to capture the greatest need?

**Ms HAYASHI** - Our place-based approach and experience in Tasmania started with the management of our Clarendon Vale and Rokeby portfolio. We considered that the community there was strong, full of vibrancy and full of people who were motivated to make a difference. We set about establishing a community development position, which would help encourage and support the community on their growth and on their expansion of their own community. We think that place-based approaches can be tailored to communities. We have a community in Sydney, which is one apartment block of 100 units. We employ a place-based approach there. A place-based approach can spread over a community and take into account different tenures of housing. It is our hope in Clarendon Vale that we not only work with our social housing residents, but also with their neighbours, the businesses and the other facilities in the area, such as schools and churches.

**Ms O'CONNOR** - They are doing that in Clarendon Vale right now.

**Ms HAYASHI** - Yes.

**CHAIR** - Are you able to comment on these six LGAs? Do you have that information in front of you as to the highest needs areas in Tasmania? I am looking at the section 'Strengthening Communities: Issues to be addressed'.

**Ms HAYASHI** - I'm sorry, I need to take that question on notice. I am not sure of the six LGAs.

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**CHAIR** - Okay.

**Ms BUTLER** - I think they are Brighton, Derwent Valley, Break O'Day -

**Ms O'CONNOR** - George Town.

**CHAIR** - This is the St Vincent de Paul Report, isn't it?

**Ms O'CONNOR** - Latrobe.

**Ms BUTLER** - Southern Midlands. I think they are the five, because four of them are in my electorate.

I am really pleased that you are using the Dropping Off the Edge report as a measure of disadvantage. Have you found any inadequacies in data or data collection in Tasmania, especially in relation to the Constellation Project? We heard yesterday from witnesses that there were irregularities of data. We still don't know how large the state's problem is. It is hard for us to gather concise data. Do you have any suggestions around how we might improve our data collection for our agencies?

**Ms HAYASHI** - Our experience with The Constellation has been a really positive dialogue with the department and they have provided data we have requested. We do acknowledge that a more granular level of data is probably necessary. I understand that AHURI has been engaged to work on that on behalf of the department, particularly regarding need and homelessness.

Perhaps an improvement would be to understand that some of the datapoints we have are static points in time. It would be interesting to understand how demand or how various factors are changing over time so that we can better project need. Maybe we could look at changes in rates of the waiting list for social housing, for instance, over 10 to 20 years so we could make some predictions and help better build a social housing system that will accommodate the needs right now and into the future.

**Ms O'CONNOR** - First of all, I have been to Clarendon Vale and I've seen the work that Mission Housing is doing there, and it has been catalytic to that community and its sense of itself.

I wanted to talk to you about something that you said earlier, Amy, in relation to quality and the quality of the homes we are building and, therefore, the fabric of the communities we are creating. The Local Government Association of Tasmania has a long-standing position that a state architect be reinstated in Tasmania. What sort of work is Mission doing on quality of design and making sure we are building homes that people are proud to live in, and communities that look lovely.

**Ms HAYASHI** - Mission Australia, along with our partner builder in Clarendon Vale, is trying to deliver the highest quality homes that is possible for us within the budget - homes that meet the needs physically of individuals and families into the future in terms of accessibility, heat control and environmental efficiency. One of the strongest comments we hear from our community is about the expense of operating heating and cooling systems, and the impact of electricity bills on their household budget.

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**Ms O'CONNOR** - That's leading to the delivery of more energy-efficient, thermally-efficient housing, isn't it?

**Ms HAYASHI** - Yes, that's right.

**Ms O'CONNOR** - Some years ago, one of Mission Housing's leading thinkers, whose name escapes me at the moment, briefed me when I was minister about Stonebridge in the UK. That was a complicated, deeply socially and economically sad community that transitioned to a community housing model. What is Mission's view on different housing models? We have heard testimony of higher-density, tiny homes and cooperative living. Is Mission also looking at some of these other housing models as part of a mix?

**Ms HAYASHI** - Yes, we are. I think the gentleman who briefed you was Andrew McNulty.

**Ms O'CONNOR** - Absolutely, that's who it was, yes.

**Ms HAYASHI** - Yes, we are looking at different models of housing that respond to the needs of a community and fit within a community. For instance, in neighbourhoods of high density or with better infrastructure, higher-density development may be appropriate. I don't think anybody is advocating for 20 or 30 storey buildings in Clarendon Vale, and that wouldn't be appropriate. Certainly, we could look at density and some of our most recent homes in Clarendon Vale, smaller two-bedroom villas with outside space but with a smaller outside space. Feedback from all of the residents has been that they receive privacy, an amenity that they like, but the garden is manageable.

**Mrs RYLAH** - I have a couple of questions in regard to the recommendations. I enjoyed reading the ideas and thoughts you put in your submission, so thank you very much. Going to the eighth dot point regarding value capture mechanisms, can you tell me what you are talking about or give me some picture of what you mean by that?

**CHAIR** - This is the recommendation that reads, 'Affordable housing should be integrated into the planning system, including through inclusionary zoning and value capture mechanisms.'

**Ms HAYASHI** - That point relates to mandatory inclusionary zoning.

**Mrs RYLAH** - Okay, so the value capture is describing it further, is it? It is not something separate?

**Ms HAYASHI** - That's right, it's just another way to articulate the notion that a person who owns a block of land, one day they can build one house there, maybe the next day zoning changes and they can build 20 houses. Who receives that value?

**Mrs RYLAH** - Yes, great, thank you. My next question goes to your findings in regard to the two-bedroom unit villas. We also have examples of that in Burnie where it has been highly successful with small areas of private space. What is the equity model in that? Are you doing that through strata title or is that owned by Mission Australia?

**Ms HAYASHI** - Those projects were delivered under the rapid rehousing grant. The land was owned by the director of Housing, vested to Mission Australia to build, I think, four villas on two lots and they were not strata titled.

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**Mrs RYLAH** - They were effectively owned by the government.

**Ms HAYASHI** - That's right.

**Mrs RYLAH** - In regard to your recommendation number four, we've had commentary, more in parliament than here in the committee so far, about evictions and unfair convictions. Could you give me some ideas as to how you think that can be better achieved? We currently have three strikes and you're out, but what do you see and what is your experience?

**Ms HAYASHI** - Our housing office in Clarendon Vale engages a range of employees. Some are housing officers that manage the day-to-day arrears, management and administration, then we have someone dedicated to partnership and support. They are not connected to a particular unit or a particular house, but they are available to step in and assist our residents or households in seeking the support that they need. Their relationship is independent of the tenancy manager because we want our residents to feel like they can rely on our partnership and support coordinator to raise issues early, so that support can be put in place early.

**Mrs RYLAH** - How does that interrelate with eviction? If you could go another step, please?

**Ms HAYASHI** - Sure. We believe that early intervention is the best way to prevent eviction.

**Mrs RYLAH** - Do you deal with the three strikes and out issue in regard to drug issues and that sort of thing, if that occurs?

**Ms HAYASHI** - I would have to take that on notice and come back to you after consulting with our operations team.

**Mrs RYLAH** - That would be terrific.

**Ms O'CONNOR** - I hope Mission doesn't apply a three strikes and you're out policy. It is bad public policy.

**Mrs RYLAH** - That's what I'm trying to find out. What is the policy and how do you make it work?

**Mr TUCKER** - I note here with the census data you provided that there was no difference between the number of homeless between 2011 and 2016 so there has been a sharp increase in the last couple of years. The reason I'm bringing that up is the immediate need. You have talked about long-term projects. What about short-term projects to fix this issue in the short-term, for people to get a roof over their head? In your opinion, what can we do?

**Ms HAYASHI** - Short-term solutions are critical. We need a response today to address the issues that people are having tonight. They are more challenging, because they are short-term in nature and because they are immediate they are going to be more expensive. We need to acknowledge and commit budget to managing this problem in the short-term while we boost and create a supply of housing in the long-term.

**Mr TUCKER** - You talk about money; do you have anything further?

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**Mr TOOMEY** - We promote the housing first approach, as has already been discussed. However, for people who are experiencing homelessness and particularly people who are rough sleeping, it doesn't mean that we don't endorse meeting people's needs in their crisis at that time, providing people with temporary accommodation, but even providing people with emergency relief and assistance in their experience of homelessness in order to develop a relationship with them. That can then develop into a productive relationship, which enables people to move into safe, secure and suitable housing in a way that is supported.

There is no silver bullet for the whole spectrum of homelessness. Rough sleeping is a very acute and representative problem, which is what most people consider to be homelessness and that's what they see. Providing greater access and improved access to temporary shelter-type accommodation but which is also aimed at moving people into more suitable, permanent, long-term housing has to be part of any solution. Moving people around jurisdictions in order to apparently make a problem disappear is just moving the problem around the place and moving people into different types of homelessness because temporary accommodation or unsuitable accommodation, accommodation in overcrowding or other areas of hidden homelessness, is also homelessness.

Actually, moving people away from rough sleeping into other parts of homelessness is not actually solving the problem. The problem as we see it is one which would be addressed fundamentally by supply - greater supply of permanent housing.

**Mr TUCKER** - I will rephrase the question a little bit. We have heard about modular homes and I am interested to hear your thoughts on that because they can be manufactured quicker and cheaper. That is where I was sort of heading with this question, if you had any ideas in that regard?

**Mr TOOMEY** - As an organisation we certainly looked at modular homes and modular housing as opportunities in the space of housing. It is important to take a step back and understand actually what housing is in a community context. For any kind of housing to be successful it needs to be proximate to services, proximate to jobs, proximate to transport and, for families, proximate to schools, et cetera. Creating modular housing opportunities is a method of approaching a supply side issue in a very prompt way. There has to be caution that it is not then just placed on land which is convenient to put them in but not actually land which is proximate to the services which enable people to engage with their community and make it less likely that they are going to fall back into homelessness or to become disaffected in their accommodation with new areas of disadvantage being built as a result of that.

**CHAIR** - I have a question about your second recommendation regarding targets for social housing growth which you say should be set and worked towards to meet the demand demonstrated by the waiting list and the projected demographic changes. In relation to the public housing waiting list for priority applicants, it is 3300 or thereabouts and as you point out in your submission there are just over 1600 homeless Tasmanians on any given night but we know that is the 2016 census data.

In terms of the targets, you would know that the Affordable Housing Action Plan 2 seeks to build on a promise of 900 new homes in stage 1, for a further 1500 new homes in stage 2, although there is some concern on my part at least that the language around that is lots of land and homes and other things. So, 2400 new homes could, in fact, be fewer than that when you look at how many are actual dwellings.

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Given that the demand projection to 2036 is as high as 17 900 for social and affordable homes could you provide us with a breakdown of your view of social versus affordable homes and whether those targets that have been set within the Affordable Housing Action Plan stage 2 are appropriate, given the market circumstances? Do you have any advice as to how those targets should be set and the time frame for that? There is probably a bit in there.

**Ms HAYASHI** - Mission Australia is an organisation that seeks to reduce homelessness. We would set the target at the 2036 number of 17 000 and work backwards from there.

**Mr TOOMEY** - It is important in dissecting those numbers to segment. What we do not have is a segmentation of those numbers in terms of age cohorts, people who are working, and people who are not working.

People who are working who may well be on the priority waiting list may be more in a position to access affordable housing to take your point about the segmentation between social and affordable housing. There will be people, I suspect, within that wider number whose needs are actually more appropriately addressed in an aged care facility because of their age or because they are approaching an age where their needs would be most appropriately met in an aged care facility. We do have a recommendation about development of homeless aged care facilities in this state as well.

A segment of that group would be young people or people who are in foyers or potentially available essentially in a cohort where a foyer would be an appropriate approach. So, it is not necessarily the case that that number can only be addressed by the development of new social and affordable housing per se. There are other ways of addressing that problem, as I have mentioned. Aged care facility is perhaps at one end of the spectrum and Youth Foyers is at the other. Between those range of approaches would be how you would have potential to develop enough capacity to actually meet the need.

**CHAIR** - We received one submission when we prompted around how would one prioritise what are the highest needs. I know it is a very difficult question but the respondent in that case talked about the priority wait list of 3300 and suggested that 2000 or so of those was the very highest of highest needs. How should one approach that? I know that the 17 900 is aspirational but that is all of social and affordable. So, the private sector has a part to play with regard to that. What is the highest of highest needs?

**Mr TOOMEY** - It is an incredibly difficult question to answer. Certainly, if we are segmenting that and think about people who are living in suitable accommodation where they are in multi-generational houses with people they are not related to and in severe over-crowding where they do not have space for intimate relations or even going to the bathroom without being overlooked. Children growing up in those environments, because of those circumstances, are unable to access school or the priority is not to get into school. They would be people who would be in that highest area of priority. Pushing into that space is severe over-crowding, which is not a particularly widely-understood aspect of homelessness in the cohort of homelessness.

In addition to that, people with particular needs arising from living with disability where there is a critical shortage of adapted housing or appropriately accessible housing and the opportunities for people to live as independently as possible in suitable housing, even if it is supported housing but in suitably designed housing, are incredibly small. These would be two areas of priority which would take up quite a significant amount of that number.



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**CHAIR** - Tasmania has one in four people living with disability, which is the highest in the nation so they are appropriate comments. Thank you.

**Ms O'CONNOR** - Back to recommendation number four, which talks about better protection for renters through legislation - which in Tasmania is the Residential Tenancy Act - to prevent discrimination and unfair evictions. One of the issues that tenants are facing in Tasmania now is increasing rents that are being spiked up at sharp increases. We have testimony from the Tenants' Union of Tasmania that that is pushing people into homelessness. We have a new reference here about regulation of rent price increases. Would Mission Housing support some sort of regulatory framework to at least make sure we are not having landlords taking advantage of a really tight market and putting rents up to unjustifiable levels that are pushing people into homelessness?

**Mr TOOMEY** - Mission Australia Housing does not have a formal position on that, but I would say that probably the most effective way of managing rent increases is to increase supply because the rent increases are an economic product of constriction of supply and therefore a demand that exceeds supply. The experience would be that activities of that type tend to come from a conclusion that the market will continue to operate in exactly the same way except for this new feature which is put in, which in this case might be controls over rent rises. Actually, the market would then change its dynamic. I do not know how it would change its dynamic, but it would, because that is what markets do.

In our view, a more effective way of stabilising rents would be to increase the supply of housing which is available to people to rent.

In terms of other protections for tenants, longer-term tenancies where rent increases were actually part of the longer-term tenancy arrangement - so you knew at the outset of your tenancy arrangement you were going to get a two-year, five-year or a 10-year tenancy. You also knew during the lifetime of that tenancy what those rent increases were going to be, which is very similar to the circumstances of homeowners who take out mortgages and fix their mortgage rate - they know what their repayments are going to be.

That degree of predictability enables people to budget properly. It enables people to have much greater control over the expenses and their outgoings and much less likely to find themselves coming to the end of the tenancy, or during the period of the tenancy, suddenly finding rent increased and then being tipped out into homelessness because they can't pay the rent.

**Ms O'CONNOR** - Thanks for that, James. The concern I have is that the market is clumsy and almost psychopathic at times in its capacity to fail on social policy. If you want one big example of it, it's climate change. We have a problem in Tasmania in making supply meet demand and we've had evidence that we have dwellings that are approved but aren't being built. If we can't supply these fast enough, are you saying that changes to the Residential Tenancy Act can provide those better protections while we wait for the supply to arrive, which is taking too long?

**Mr TOOMEY** - I'm suggesting that's one opportunity. Part of the problem, and your characterisation of the market is an interesting one, and what that points to is understanding whether the market is a market of provision of housing for as many people as possible, or is a market investment.

**Ms O'CONNOR** - At the moment it's focused on investment, isn't it?

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**Mr TOOMEY** - This is where we're coming from as an organisation, we are trying to generate the opportunities for it to be a market of provision for as many people to be housed as possible. Therefore, your lens on that is quite different. If you have organisations engaged in the housing market purely for the purpose of investment, they will always seek a different outcome for organisations that are engaged in the housing market from the point of trying to create appropriate suitable housing for as many people as possible.

**Ms O'CONNOR** - Hence, the importance of the community housing sector.

**Mr TOOMEY** - Absolutely.

**Ms BUTLER** - We had a few witnesses talk about the changing structure of housing, for it to be perceived as infrastructure rather than as a commodity. Would you like to comment on that?

**Mr TOOMEY** - Very much so. This is a pet topic of mine, which is that when governments talk about investing infrastructure and social infrastructure, housing is essential social infrastructure. It is not a point for debate, in my view.

If we want to generate and maintain a society where large numbers of people are able to engage in well-paid, appropriately-paid work in places that are proximate to the places that they live, and that those places they live are proximate to other community resources such as schools, hospitals and other employment opportunities, then social and affordable housing is essential infrastructure. It has to be thought of in those terms and considered when planning, not as a, 'Oh, well, we'll build something here and people will come to it, and the people will take care of how they get to it'. It must be a consideration as to how people will get to it.

It includes being aware of opportunities around transport as well, not just making an assumption that people will have sufficient, independent means to have a car or to have their own mode of transport, for example. It must be considered that people may not have that opportunity. If they have it, consider that they may choose not to use it anyway if there was other appropriate infrastructure to join people from where they live to the resources that they need.

**Ms BUTLER** - I was going to ask you a question about public transport strategies, your experiences with Rokeby and Clarendon Vale and the constraints around that. Are there any suggestions you might provide? Do you have a different philosophical approach of transport as infrastructure, a service that isn't there to really make any money out of? It's a provision for service to the public. Would you care to make some remarks in relation to that?

**Ms HAYASHI** - Our residents in Clarendon Vale and Rokeby have raised issues of isolation in terms of transport. A number of our residents don't have access to their own vehicle and rely on the bus service or on their friends and neighbours to provide transportation. Perhaps an examination of the bus timetables is needed, to see if there is potential to increase.

**CHAIR** - I think they were recently reviewed.

**Ms HAYASHI** - There were concerns as to whether there were enough direct services to Hobart or whether our residents were travelling first to Rosny and then doing a transfer.

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**CHAIR** - This is my electorate and I have heard this often. You speak the truth. Your first recommendation suggested the Tasmanian government should provide increased funding for homelessness services. We have heard your message loud and clear - that we need to end homelessness. Our pathway to get there is the question.

The Government, on top of Affordable Housing Action Plan stage 2, announced \$5 million for emergency funding to relieve homelessness. We don't have a break down of that but we know key measures include brokerage accommodation, which is one extension of the winter package last year that I think is impacting and assisting people now. The other two measures of extending existing shelters in the case of the Hobart Women's Shelter and Bethlehem House for men are yet to be arranged. We don't know the time frame for delivery but we hope it might be by the end of the year. The final component announced last week was the purchase of the Waratah Hotel close to the CBD for what we think is lodge-style or supported accommodation.

Altogether, around 100 people are to be housed through those measures. We don't know about the numbers in brokerage accommodation. Given that one in four Tasmanians are renting and that 50 per cent of those people find that the rental is unaffordable, my expectation is that we will fill those additional places very quickly and there will be still some unmet demand. Would that be fair to say? What more could you say about your call for increased funding for homelessness services?

**Mr TOOMEY** - That would be fair to say in terms of the assumption that accommodation would be taken up quickly. Homelessness isn't static and, at the same time as we are looking at the number of people who are currently homeless and perhaps sleeping rough in Tasmania, more people are entering homelessness. Some of that is controllable and some of that is controllable at a state level. People leaving hospitals, people leaving public care and people leaving other institutions are over-represented in homeless numbers, generally.

There are preventative activities, rather than waiting for people to become homeless treating them at a point of homelessness, that could be invested in that make it less likely that someone is going to become homeless at the point of leaving an institution. Someone who has entered prison as a homeless person has a double-risk factor for leaving prison as a homeless person. They were homeless when they entered prison and now they have been in prison, which means they are more likely to be homeless.

**CHAIR** - And, as you know, recidivism is high.

**Mr TOOMEY** - We know that. That is a well-understood social phenomenon. That is just one example of one type of institution where for people the risk factors for homelessness and those institutions and are then discharged to homelessness. There is intervention or prevention work the sector could be funded to do, which would reduce the number of people entering homelessness. That intervention would mean that the new capacity and supply provided by the examples you have given to address the here and now problem would not be promptly overwhelmed by further people entering homelessness. Jurek might be able to comment on the particulars.

**CHAIR** - We heard yesterday that Bethlehem House is a shelter and it is experiencing roughly recidivism of roughly one-third; homeless people into a home and back into homelessness. I was going to ask you, Mr Stopczynski, for a local perspective on all of this.

**Mr STOPCZYNSKI** - I see it from a slightly different area because my area is more the family support and community services. What we are seeing through those services is that we are putting

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additional pressure on a system that is already at capacity. What we are hearing from young people or from people giving support through family support is that our workers, while they are not specialised homelessness workers, they are doing additional work in that space to try to find emergency accommodation or crisis accommodation for people who we are seeing. We are seeing young people through our outreach services who, historically, were not speaking about homelessness. It was not really on their agenda, whereas now they are telling us that they are forgoing things like education or trying to get out of - they are looking for the nearest job or anything they can find to simply get into any sort of private accommodation, which we know does not exist.

We know the percentage of affordable housing and some statistics that we have from Anglicare during the weekend in March were that there were 1050 properties listed across Tasmania, a 60 per cent reduction on five or six years ago. None of those properties available would be affordable for somebody on Youth Allowance or Newstart.

We are hearing from people we support that it is just adding another layer of complexity to what they are already dealing with, which actually prevents them from dealing with their other issues. You can't focus on your education, you can't focus on any potential drug or alcohol issues you have if you do not have a stable roof over your head. Our intensive family support workers are contracted to work with families one hour a week. They are finding that most of that time is being spent trying to find emergency accommodation for somebody, which then hinders their ability to work on the other problems. We are certainly finding the people who are entering that space are now basically being able to receive less support from the sector and from us because we are trying to address homelessness.

**CHAIR** - It must be quite challenging from a workforce development and retention point of view as well.

**Ms O'CONNOR** - I wanted to follow up on Mr Stopczynski's evidence. We have heard from other service providers that the people who are presenting for housing support are a different cohort now - well, it is an expanded cohort from what it used to be. Once it was people who were very marginalised economically, usually on Commonwealth support, and with other co-morbidity. Is it Mission Australia's experience that the people who are presenting now for support also include working families, a much broader cross section of the community which is clearly in housing distress?

**Mr STOPCZYNSKI** - I would say that would be fair, yes. As an example, across the north and the north-west - that is the other thing we should really acknowledge, we have been focusing on Hobart but it is not just a Hobart issue. We are seeing from our teams across the north and north-west primarily in the mental health space or the family support space between 40 per cent and 50 per cent of our clients in those services are now having homelessness as an issue. That includes working families. One of the recent examples we had was a working father involved in the child support system who was essentially simultaneously trying to fight a battle of keeping his children as well as fighting mental health issues and homelessness. It was somebody who had a job, who had steady work but the accommodation options for him and his children were simply unavailable. So essentially, he chose homelessness for himself and found other alternative avenues for his children. That is not a choice we are comfortable with.

**Ms O'CONNOR** - A final point, is Mission Australia finding that your staff in those integrated family support services - the other services that you provide - are having to become de facto counsellors, therapists and support workers in a way that the job description did not initially entail?

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**Mr STOPCZYNSKI** - It certainly has expanded and, as I mentioned before, due to the lack of capacity in other specialised services, a core of the job of our staff is now providing informal counselling. We had another recent example where through brokered funding we were able to give accommodation to somebody purely for one or two nights so we could keep having the conversation with them because, in their words, they were at a point where they were ready to give up. By allowing very short-term accommodation in a regional area it allowed us to keep providing that informal counselling through our workers who are not specialised homelessness workers. In this particular scenario they were mental health workers but it has become an essential extended job description for a majority of our workforce here.

**Ms O'CONNOR** - Thanks.

**CHAIR** - As I said, workforce development must be difficult with the complexity of clients who are coming through your doors.

**Mr STOPCZYNSKI** - We have been lucky to a degree as we do have close working relationships with a lot of our alliance partners across the family support space, so our retention has been quite good. We work in the scenario where we are working on time based and limited funding. That adds another layer of complication but it is certainly becoming a factor and burnout for our workforce, who are seeing this ever-increasing level as well.

**CHAIR** - Mr Stopczynski, Mr Toomey and Ms Hayashi, thank you all very much for your time today and for your comprehensive submission. We really appreciate you providing your evidence to us. There is a lot to think about there.

Just a brief statement, after providing evidence, as I advised you at the commencement of your evidence what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need to be aware that privilege does not attach to comments you may make to anyone including the media even if you are just repeating what you said to us. Do you understand that?

**Ms HAYASAH and Messrs TOOMEY and STOPCZYNSKI** - Yes.

**THE WITNESSES WITHDREW.**

## **PUBLIC**

**Ms PATRICIA O'DUFFY** WAS CALLED VIA TELECONFERENCE, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - I am required to read a statement before you provide evidence. Before you begin giving your evidence, I would like to ask whether you received and read the guide sent to you by the committee secretary?

**Ms O'DUFFY** - I did, yes.

**CHAIR** - Okay, good. I would like to reiterate some important aspects of that document. A committee hearing is a proceeding of parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. This is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private that you make this request and give an explanation prior to giving the relevant evidence. Do you understand.

**Ms O'DUFFY** - I do.

**CHAIR** - Also, I want to advise that the House resolved to add a new term of reference to the committee's terms of reference for the inquiry, namely, '(ka) regulation of rent price increases, with particular reference to the ACT model'. I note that you have written your submission on two terms of reference but if you would like to address that new term or any others, that would be welcome.

We might get underway. Noting that your submission is from the St Helens Neighbourhood House Association, may we assume you are representing that organisation today?

**Ms O'DUFFY** - Yes.

**CHAIR** - Terrific. I will hand over to you in the first instance, if you would like to provide us with an overview any introductory statements and then we will go to some questions, answers and discussions.

**Ms O'DUFFY** - Thank you. We have been involved in affordable housing for a couple of years now through our THRIVE Build Project. While I wrote the submission on behalf of St Helens Neighbourhood House, it also includes a small group of local people, Tom [TBC] from Anglicare, a couple of organisations. We meet once a week and we are a homeless action group. I said in the submission that we invited an organisation from Hobart to come up and talk to us. We are very proactive, we do as much as we can locally to address homelessness and housing affordability as best we can.

Our focus was on providing feedback as to how we believe things can be done at local level without money but there are things that we feel that might help us with a small bit of funding to make housing affordable. Other than that, on behalf of the group, we were grateful for the opportunity to provide feedback and information on any questions you had about our local

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community and our experiences with housing affordability and homelessness, particularly with the recent, high increase of Airbnb in our area.

**CHAIR** - Thank you for that. In refreshing my memory of your submission I looked at the very interesting local initiative. Perhaps we will open with some discussion about that. Your proposal was to use containers to convert into dwellings and, over the past two years, you have successfully converted two containers that you call your THRIVE Build Project. That provides participants with a pathway to a certificate II in building, with the possibility of using the containers for emergency accommodation or reselling. You propose offering this opportunity to people from the housing waitlist, the register and providing wrap-around support services. It is an interesting model talking about working under supervision, potentially with the pathway to home ownership. That is certainly a very interesting, innovative proposal. I invite you to discuss that a bit further, and what you think it would cost. What are your ideas about scaling that up, or is it something that you consider a very local initiative?

**Ms O'DUFFY** - The THRIVE Build Project just finalised two containers. We got a grant of \$250 000 and that was to convert two shipping containers, provide six young people with opportunity for certificate II or III in carpentry and provide one young local person with an apprenticeship in carpentry for two years. Having finished the grant, I can tell you that we came in with an underspend of \$33 000 for each container. We have employed a young person on an apprenticeship for two years and he is being kept on, so he is going to finish his apprenticeship with the builder we placed him with. That is one person who has gained a qualification and employment, who wouldn't have had it before this grant. We have sold on the two containers to Housing Tasmania for emergency housing and one is being used at the minute down at the Anglicare offices. They are one-bedroom tiny homes. We have had interest from people from the mainland who cannot afford to buy into the market. They are looking at sites they can buy locally say for \$70 000 and then have a container on it for \$50 000. It is very affordable. I had one woman on a pension hoping to make a sea change. and it is affordable for her, whereas the other houses are way out of her reach. It is exactly what she needs; it is like a one-bedroom unit.

**CHAIR** - Just those figures again, so \$70 000 for the site, are you talking about land?

**Ms O'DUFFY** - Yes, land. She rang me and is looking at a block locally she has seen for \$70 000, buys one of the containers for \$50 000 - that is \$120 000. Allowing for contingencies, shipping over, getting planning approval and all that for under \$150 000 and her moving over. She is scaling down from bigger properties. At the minute we sold two of the containers each for \$50 000 each. I will stress our containers are different. You can get them from Wilson and Co for \$39 000 to \$40 000. But we have put a bit of research in and ours looks like a little old cabin - and if you have the opportunity to look at our website you will see. We actually had a big exhibition last year where we launched and made the news nationally with the container, because we provided wraparound support for the young people working on it. Some of them had some lifestyle choices we needed to address. While doing that, we were teaching them skills and also numeracy and literacy, how to apply for jobs, basic communication skills, and personal development. I have some lovely video evaluation from young people 17 and 18 that the opportunities and the confidence it has built and they felt it had built. Because they helped us design the containers, they were encouraged to research and so our containers do not look like converted containers. They have wood on the front and the advantage to that is they are cooler in summer and hotter in winter with the insulation.

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With our homelessness group, we have now out of the grant period and now we are now a social enterprise project. We have engaged a local builder to continue with the project and one young woman who volunteered her time on the project will continue, but now in a paid role. We have a lady from Scottsdale looking for a tourist site and interested in buying at least three. She has compared them with the prices for modular but she is really keen on what the project offers - the wraparound support and how it builds and helps local employment. There is that \$5000 to \$10 000 difference but she recognises she is getting added value of like with like and that adds to the cost of the container.

When the group was meeting the one thing we said - and is what I put in my link - was about transposing the project even further. We are limited with 40-foot container doing one bedroom, although the new builder thinks he can squeeze in a second small bedroom or a U shape or L shapes, that has been done. I put in my submission that we looked at *Grand Designs* and doing the same sort of project we have now. For people on the housing list, giving them a year to help support a builder like we have done on this project, utilising the lessons we have learnt from this project, it is important to have that wraparound support for people, as well as teaching them skills.

We are the neighbour's house. This is a new field for us. We have never worked in this area. We introduced things like drug and alcohol policies - we had to, to make sure we were working in a safe environment. But we did not do it in a punitive way, but in consultation with the participants of the project and in an effort to support them. A few of them are generational unemployed, the whole concept of working to set hours and trying to really build their social and employability skills. We work in partnership with council, local school and Libraries Tasmania. Those key organisations having all that support maximises value and how we were able to come under budget.

**CHAIR** - Congratulations on your innovative approach there, and very promising outcomes though small in scale. We are delighted to get a submission from regional Tasmania. You made some opening remarks in relation to Airbnb. Can you just give us a picture of how you think the housing and homelessness situation is in Tasmania? Is it impacting at St Helens and, in your experience, in regional Tasmania? Particularly the impact potentially of the short-stay accommodation sector.

**Ms O'DUFFY** - Yes, so Airbnb has really hit hard a lot of my clients. I have a lot of homeless clients who couch surf, so never had opportunity to rent. That really has not changed for them. Where it has changed, is some of the people they would have couch surfed with are now moving into homeless phases themselves because of the Airbnb, so a double whammy.

With Airbnb, for instance, two of my volunteers here now have recently had to move out of their home because the owner converted to an Airbnb. It is more money for them. One of them is a young woman expecting her second child who has to move back in with her parents. Another young chap who volunteers with us as a gardener is in the process splitting up with his partner. He was able to get her into accommodation, but the house they were renting was turned into an Airbnb, so he is now couch surfing, which is really tricky when you share custody of a young daughter. So, more and more. Those are the kinds who would be long-term unemployed, rely on rent assistance and on a budget for what they can rent.

I have some colleagues who I work with in other organisations who can afford higher rent as they are both working and they have had to move three times. They have been advised the owner of the current house they are renting has passed away and his children might look at Airbnb. It is more lucrative for people here to go down that avenue.



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**CHAIR** - There is more to explore on this, but I will pass the call first to Ms O'Connor, and then to Mr Tucker.

**Ms O'CONNOR** - Hi Trish.

**Ms O'DUFFY** - Hey, how are you?

**Ms O'CONNOR** - I am really good, thank you. I love this submission and the project you are working on. It is really interesting and creative. I wanted to have a sense though of the rent situation in the private market in and around your municipality, and what people who are coming into the Neighbourhood House are telling you about the rents they are paying, the increases being asked by landlords, and how this is affecting their capacity to meet their daily basic survival needs?

**Ms O'DUFFY** - Yes, sure. I can only give you examples of clients and will de-identify them. One instance is the young lady yesterday. She was willing to pay the increase in rent. If it came to it she could get help from her parents, but it was not enough - she didn't meet that. She is okay because she is supported by her parents so she can get by. One of the rental properties she is looking at, Cassy, currently available on the market she cannot afford at this moment in time because it is out of her bracket. I think her subsidy will increase when her second child is born soon. Her subsidy will increase and in a couple of weeks' time she will be able to afford that, but unfortunately it will not be on the market then. It is out of her reach, so she missed that window of opportunity because she does not have enough rental assistance.

I have another client in his sixties and he tells me his rent at the minute is \$200. He is living way below the poverty line and actually quite hungry at times. All of his money goes on his one-bedroom - he does not want to share. He is older man and he does not want to share at this time of his life. He wants to live on his own but there is absolutely nothing available for him. The rent here is just unaffordable. Even with rental assistance, people are struggling to eat. We had 30 people on our Loaves and Fishes list and we now have over 85.

**Ms O'CONNOR** - In what period of time did you see that increase in requests for support?

**Ms O'DUFFY** - To give you a time line and a base line, we have had Loaves and Fishes or Second Bite for the past five years. In the last two years, and I can link that to Airbnb, there has been an explosion in people wanting that support.

**Ms O'CONNOR** - This is my last question before I hand over to one of your two local members at the table. The picture you are painting is one of an increasing number of properties being moved into the short-stay accommodation market. For those that remain in the private rental stock, you are sometimes seeing sharp increases in rents and the availability of lower-cost housing, which there used to be plenty of in St Helens for private rentals, has now dried up.

**Ms O'DUFFY** - Yes. Tom from Anglicare, and I work with Tom quite closely, has advised me that we haven't been replacing stock that has been sold off. There has been one sold off in St Marys quite recently and that was sold to public. That is gone and that is one less house available from the housing stock.

**CHAIR** - Every home counts in a small market, I am sure.

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**Ms O'DUFFY** - Yes.

**Mr TUCKER** - I am a former Break O'Day councillor, and may have been when this issue with the cabins that were being built occurred. Ms O'Duffy, I would like to ask you a few questions about how you got on with planning approval with these, and any issues neighbours have with them.

**Ms O'DUFFY** - With the containers?

**Mr TUCKER** - Yes.

**Ms O'DUFFY** - As far as I know, the one that is down on the Anglicare site is well looked at. Increasingly, people are trying to convert containers as affordable housing, also because the structure is sound.

Planning isn't too concerned because they look at the look of the house and because ours look like a log cabin, we don't have that same issue that some areas might have with people not wanting a container on-site. Again, we come from the aspect of functionality because of the insulation. More so, Jake - you would know him as John Jake - was a huge support to us in guiding us around. He engaged the consultant to help the young people to draw out the floor plans and what they wanted to do with the structure, like cutting in the windows and stuff like that, making sure the structural integrity was there. We didn't have that issue. The one that is down at Anglicare has planning approval, no problem, because it looks like a little cabin. Is that the point you were trying to make, things that look like a housing container?

**Mr TUCKER** - Yes.

**Ms O'DUFFY** - We bypassed that issue with how it looks and it is not that much more expensive to do that. It is more labour intensive. It was good to see those young people, and not just young people, there are people who were retrenched and studying, to see them cut out the wood and learn those practical skills of sizing, painting it, attaching it, frameworks, and that all helped toward their certificates.

**Mr TUCKER** - If we keep building these containers there are apprenticeship opportunities and opportunities for older people within our community to mix with the younger people, which is a huge advantage in the system that you are talking about.

**Ms O'CONNOR** - They can pass skills on, as well.

**CHAIR** - Intergenerational mentoring.

**Mr TUCKER** - Yes, passing on some expertise.

**Ms O'DUFFY** - While you are saying that, the other thing you have to remember is that there are a lot of funded organisations that we are maximising here like your libraries, which are already funded to provide adult literacy. We match them with a one-on-one mentor so the services there are maximising on what we already have. In the wraparound support through counselling and professional development, I built strong links with CatholicCare and other service providers. That counselling is provided voluntarily because the government already funds those services. It's not costing any more. We are just value-adding all the time, we are building networks and we're collaborating.

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**Mr TUCKER** - Yes. On Airbnb in the area, a lot of the houses, as you would be aware, were holiday houses. Would it be a fair comment to say that a lot of the Airbnbs that are now being rented in St Helens were holiday houses? Yes, there were long-term rentals but they have also provided employment opportunities for people in the community. Do you believe that?

**Ms O'DUFFY** - I can only talk from my own personal experience, as you can talk from yours. I can only talk from clients coming in to tell me, and more and more haven't been in the holiday rental market. When I hear of people who are in a professional capacity that are finding it difficult to rent in the area, that sends a big signal. Previously, for some of my clients, it might have been affordability. The rental assistance wouldn't have matched the houses they were looking at, they would have been out of their reach. When you see professional people who can afford to rent, with two incomes and they can't get property, that is huge.

**Mr TUCKER** - Following on from that, Ms O'Duffy, do you believe the council has been pushing to get more development to occur, to secure more buildings for people in the area?

**Ms O'DUFFY** - Council has a lot of undeveloped sites, and a lot of that around the municipality. I could quote feedback from the community, which is that there is a constant push to sell-on sites for private developments. I don't know enough about it.

**Mr TUCKER** - Thank you.

**Ms BUTLER** - I've been assisting some constituents in the Thompson Court area of St Helens and have been mortified by the condition of some of the social housing properties in that area. Could you outline the condition of some of the social housing properties and the difficulty in having Housing Tasmania respond to that maintenance issue?

**Ms O'DUFFY** - I am probably involved on two sides, supporting the community - when they get their properties, they get this checklist and they have to maintain it. There needs to be a conversation with staff as to the capacity of some of the tenants with regard to maintenance and communication. A lot of clients come in and tell me this. I had a client come in last month and she was literally trembling. She was in a wheelchair and she was saying something happened with the property, this was broken, and there was that sort of big-brother attitude approach to telling her to fix it.

Knowing a lot of residents at Thompson Court, there is a need, I would suggest, for Housing Tasmania to have workshops with the tenants, giving some empowerment to them regarding their homes. That gives them some incentive to keep the home in a good condition. A lot of it gets bogged down. I don't know what the budget line is like to maintain them. I don't know if there is enough, but I do know from the client's point of view that the normal wear and tear in the house and the capacity to have the money to fix it or repair it isn't there.

**Ms BUTLER** - I found that in a lot of my dealings. The occupier of the property would be trying really hard to keep a carpet clean that needed replacing 10 years ago, and there is that lack of communication. I also want to pick your brain about the changing demographics in St Helens. You have a different cohort of people coming into the community to live than previously. A lot of feedback from a lot of the old-time locals is that there's lots of different folk here now. Do you think that the housing availability in places such as Launceston - the closest main urban area - is contributing to people maybe seeking cheaper rents, if possible, in areas such as St Helens?

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**Ms O'DUFFY** - It might be, Jen. The other huge contributing factor is that it takes a life like - you know, I'm thinking of people who move down here from city living. It's not just one cause, but there is a lot. I will say this much: the population has increased in the last few years here.

**Ms BUTLER** - It has.

**Ms O'DUFFY** - That's huge. It has definitely increased. I can give you stats from the houses that verify that. The increase in people accessing our services attending weekly stuff - it has, yes. We've gone from stats of when I started in - so the first year when I started the stats were about 5000 a year. The first year jumped to 20 000, we're now up to nearly 50 000 a year coming in and out of the house. That's in a four-year period, you know? So, you can see there.

**Ms BUTLER** - Why do you think there's been an increase in the demographics, population of the area? Do you think it might interstate migration?

**Ms O'DUFFY** - A mixture of both. Definitely a mixture of both, yes. A few years ago I noticed that young people left in their droves. I think they are more inclined to come back now.

**Ms BUTLER** - Or trying, yes.

**Ms O'DUFFY** - Yes.

**Ms BUTLER** - One more question about mental health services in the area as well and those wraparound services that you were talking about. Could you provide the committee with a very general overview about those services at the moment, and how those services could be improved if we were looking at a holistic approach to homelessness and housing affordability?

**Ms O'DUFFY** - For sure. Look, to give you an idea, I've got a teleconference tomorrow morning with the minister, Mr Rockcliff, around this very issue. I sent him a letter last month about the gaps. I'm happy to share it. John will be aware of our mental health action group, which is a group of local community members, is pretty similar to the homeless action group where we try to do stuff as much as you can locally on the ground.

The issue with mental health always has been the rollover funding. Programs that sometimes work are defunded. What I would say - and this is one of my passions, mental health - what we need to do is to provide more programs like the Micare program, for instance. We have had a gap before in psychology services and psychiatrists. That seems to have flattened down a little. That seems to be good.

More and more people are presenting not only with mental health but lifestyle choices that go with that. It's a bit chicken and egg, do you know, which comes first? I was talking to one of the psychiatrists last week and we were talking about often people come in presenting and they might be under the influence of alcohol and drugs and sometimes it's very difficult to treat. The other thing is those persistent ongoing mental health conditions that really benefit from long-term hand-holding. People are resocialised so they can participate in activities and not feel alienated, do you know?

If you were to ask me what gaps I want, you'd have this huge - we don't have a youth worker here. We're seeing a massive increase in youth mental health issues on the coast. I could go on and

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on about this - like, I do have a snapshot, as I said, that I sent to the minister that I want to talk about tomorrow. And I've identified the gaps. Since sending that letter I've got an update from him. Royal Flying Doctors has given us two youth workers and I'm meeting with them next week. We've had the Micare worker back - reinstated - and that was after a gap of two years. The previous youth worker hadn't been reinstated. Stuff like that. Neighbourhood House is the host for the suicide prevention trial site that's currently happening nationally.

**Ms BUTLER** - Just one more question. We know the area has had a lot of problems with people taking their lives. In your experience and professional capacity, do you believe that the housing affordability and the homelessness situation have contributed to those people's decisions?

**Ms O'DUFFY** - I honestly do not know.

**CHAIR** - I have a question but I am conscious of giving local members a bit more air time here so I am going to go back to Mr Tucker.

**Mr TUCKER** - I would like to talk to you a little bit about Thompsons Court. We all know that is a housing commission area where houses are block to block. With your knowledge of that area, do you believe that we need to integrate people more instead of having them in the one street?

**Ms O'DUFFY** - Yes.

**Mr TUCKER** - The other thing I was going to talk to you about was planning now within our area about infilling in the central St Helens area, especially around the hospital and the shops. Do you get many people looking at that sort of thing or not?

**Ms O'DUFFY** - Planning for housing?

**Mr TUCKER** - Yes. Infilling the houses that are there now. Talking about that sort of thing into the future.

**Ms O'DUFFY** - Not really.

**Mr TUCKER** - The last thing I will ask you about is the suicide trial that is happening with the federals. Would you like to talk a little bit about that?

**Ms O'DUFFY** - Yes. With the suicide prevention trial, we work with a local working group. Our is slightly different to the trials. We insisted upon having local group members and the Mental Health Action Group went into abeyance for two years while the trial site is on.

We have an activity plan. Last December I sat with the working group and we developed a strategic plan. Our community members, John, you would know. You would also know a lot of our working group members, Alexander Webb is well-known in the area but we have a broad, diverse age range and gender on the working group which has up to 18. It is very much a grassroots project. We are finding, and what we know from the Mental Health Action Group, that when local communities get mobilised, it is very effective. We have had a lot of suicides. Initially, when the Mental Health Action Group started there were eight suicides in an 18-month period. Four of them were between the ages of 16 and 29, the other four were in the 45 to 65 age group.

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We have seen, slowly, the information getting out there. One of our activities is Safe Chat Café, and that is a group of community members who we have trained up from the working group. We provide them with training around safe talk. If they see somebody who is at-risk or they feel is at-risk, how to have that conversation. It is not about advice, it is about sharing information and we have developed our own mental health directory.

We recognise that as service providers we often find it difficult to navigate what services were available, how to refer into them, what times are available for contact details. We said to ourselves, well, if we're finding it difficult, how is somebody who is overwhelmed navigating this? The health publishes that about once every four months and we have done that under the trial site with a bit of funding so we hope to continue that.

Part of the Safe Chat Café is we go out to the community, we use the community van, we set up a coffee dock - free coffee and a cup of tea - we have armies of supplies but we also have community members who are just hanging around ready to have a chat. Last year when we started we got none, maybe one, so we decided that we would put two years into it and we would go to each town - rotate it. Last week we had six people so we are already getting known. That is the big thing about mental health - you have to be consistent. The community has to know that you are there over the longer term. That trust has to be built.

**Mr TUCKER** - It has to be community-driven, doesn't it?

**Ms O'DUFFY** - Absolutely, like with the Homeless Action Group and Mental Health Action Group. The role of the house is just to provide that platform and support. You are right, John, it has to be community driven.

**Mrs RYLAH** - It is a very interesting proposal that you have put forward here. What I am interested in is what is the cost of connecting those built containers into sewerage, et cetera, and what are the issues with regard to council planning.

**Ms O'DUFFY** - If I can just go on a recent one we built, planning permission was obtained and it is the normal planning charge to connect into sewerage you would find with any dwelling. It depends where you are. The first one built, we approached it with being self-sustaining and wanted to connect to solar and minimum environmental footprint as possible. You can connect to any biodiversity system you want to and work off solar. The options are there to be very self-sustained and self-sufficient, it is very cost effective. We supply the full set of plans, so all the person has to do is apply for planning permission on the site.

If we were to do it from a housing affordability, our proposal said don't just look at converting containers - look at the basic of the program which is if people on the housing list like the one done from *Grand Designs* people have to some skin in the game. They have to clock in and clock out, but they are learning skills all the time and you are building a community while you are doing it. In other words people have a sense of empowerment. They have pride in the thing.

If you ask me about cost, I met with John Brown recently and am meeting with Kath [TBC] at the end of this month around housing affordability and seeing the commission one. If council had a land lock or developer that five houses were set aside and if you allowed - my builder said - between \$50 000 and \$60 000 for one-bedroom unit, that is not a container but is a home with the people building it themselves and a builder supporting them - we are not asking them to do tradesman's work. That is not what this is about. This is about giving them hope. If you look at

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the *Grand Designs*, 20 years later Kevin went back to that site and the same people were in those homes.

They had built a community while they were building. There was men and women, single mums and single dads with their children on site and someone might mind the kids. You had to put in 100 hours. If the builder was at the foundation level or the roofing level each house had to be at the same level so, you might be working on your neighbour's house this day and you had to do a really good job because your neighbour would be working on your house. At the end of the day, they were guaranteed to be in the house for life.

Maybe an incentive being a reduction in rent, and I believe in regards to affordability you will find it will compare very favourably with any currently commissioned through the big organisations.

**Mrs RYLAH** - Thank you very much, that is interesting. I would like to learn and know more.

**Ms O'DUFFY** - I have put the link in my submission. It is a 20-minute video, if you scroll down and have a chance to see my submission on page 6 with *Grand Designs* and shows you when he goes back 20 years later. I would really encourage you to look at it but happy to share the two young people that worked on our container and the feedback around their confidence levels. We really have to start investing in social capital.

**CHAIR** - Your passion is palpable, Trish. We need to get you in touch to with the people from Bethlehem House and Hobart Women's Shelter who are at the moment in the thick of planning for ensuring the design for the converted containers they are receiving under the emergency home assistant package are homes. I am sure they would be keen to learn from you.

**Ms O'CONNOR** - Thank you, Chair, I will be as quick as I can. Trish, I could listen to you talk all day. You are so knowledgeable and have the most beautiful accent.

We have a report undertaken by the Institute for the Study for Social Change at the University of Tasmania which looked at Airbnb and the data they had at that point. Their conclusion was we have not reached peak Airbnb yet. We heard on Tuesday from Dr Jed Donoghue from the Salvation Army who predicted we have not yet seen rents peak yet either. In your view, is there an argument for a stronger regulatory approach to soaring rents in the private rental market and to the relative explosion of properties going onto the short stay market?

**Ms O'DUFFY** - I would suggest go to a local Neighbourhood House or somewhere it is near, whether it is Launceston or Ravenswood Neighbourhood House, obviously I do not mean to say only neighbourhood house, you can go anywhere into grassroots and talk to people on the ground and where you will get the answer. To me, Airbnb has peaked on the east coast from my experience and my clients that have no home. Interestingly, one of the young men on our homeless action group planned on doing a walk to raise awareness for homeless during homeless week. During the course of that he actually became homeless himself because he split up with his girlfriend and could not afford a rental. A he said to me, 'Trish, I can get a place but I cannot afford it, it is just as simple as that', and he moved onto Launceston. I can give you hundreds of those examples that defy what you are after saying the report says.

**Ms O'CONNOR** - When you say 'defy' you mean confirm.

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**Ms O'DUFFY** - Yes, absolutely. That has not been our experience. I will stress here, thank you for saying I am knowledgeable. I am not. This is just my experience with the house. There are plenty more out there who would have different experiences. We all work in different areas and you can only go with what you are seeing and what I am seeing on the ground. I deal a lot with people who are generationally unemployed, vulnerable, at risk and marginalised. I can only relate their experiences, I am their voice today. A, they cannot get homes; and B, there is a lot of couch surfing going on here. At our homeless group meeting yesterday, one of our long-term homeless people - you might see him around; he uses a wheel barrow and has been homeless for four or five years now - tells us he has lost ideas about how to address it. It is getting worse.

**CHAIR** - We are going to have to wind up, Trish.

**Ms O'DUFFY** - Can I say one thing I am concerned about.

**CHAIR** - Yes.

**Ms O'DUFFY** - I have a lot of older clients who have never before engaged. They are starting to come onto my list now. They might come on for three or four weeks due to the rise in rent or food prices and will come off it again. When their rent is due they cannot afford it, so they will come on for food for those two weeks and go back off. That is a concern to me. It is scary that they are so vulnerable and at risk of being homeless.

**CHAIR** - Trish, thank you so much for your comprehensive submission and comments today. It is very valuable point of view, particularly of a voice from regional Tasmania.

Ms O'Connor has made a very valuable suggestion, which I am sure the committee will consider. That is for us to write to Neighbourhood Houses Tasmania with a view to inviting other ideas and submissions, cameos, evidence of the experience through the Neighbourhood House network. I invite you to also, if and when you get the opportunity, tell us a little bit about the seasonal variation. I know having worked with the St Helens and other east coast communities in particular over about 20 years, the question of access to health services and other things has been debated for a long time. I am particularly interested in the visibility of homelessness, and whether you are seeing people sleeping in cars and that kind of thing, particularly during the peak tourist season. The TripleJ event that descended upon the town and those sorts of insights would be very valuable, so I might get back to you on that.

We might wind up. I need to read a quick statement after your provided evidence. As I advised you at the commencement of your evidence what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need be aware that privilege does not attach to comments you may make to anyone including the media, even if you are just repeating what you said to us. Do you understand that.

**Ms O'DUFFY** - I do.

**CHAIR** - Thank you once again.

**THE WITNESS WITHDREW.**



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**Mr RICHARD CLARK** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Mr Clark, welcome.

**Mr CLARK** - Thank you.

**CHAIR** - How are you?

**Mr CLARK** - Good.

**CHAIR** - I saw you taking in some of the procedural business at the back of the room.

**Mr CLARK** - Yes, the last caller, that was an issue dear to me as well. I used to work with homeless youth in Tasmania.

**CHAIR** - You will be welcome to provide any insights into your submission today.

I'll just briefly read you a statement before you provide evidence and we'll swear you in and get underway. Just before you begin giving evidence I would like to ask whether you received and read the guide sent to you by the committee secretary?

**Mr CLARK** - I did.

**CHAIR** - Just to reiterate some important aspects of that document. A committee hearing is a proceeding in parliament. This means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place out of parliament. It applies to ensure that parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings.

This is a public hearing. Members of the public and journalists may be present and this means your evidence may be reported. It is important that should you wish all or part of your evidence to be heard in private you must make this request and give an explanation prior to giving the relevant evidence. Do you understand?

**Mr CLARK** - I do.

**CHAIR** - And finally, just to advise that the House resolved to add a new term of reference to the committee's terms of reference for the inquiry, namely:

(ka) Regulation of rent price increases with particular reference to the ACT model.

So we welcome any input on that or other terms of reference.

Mr Clark, we've done our introductions. If you would just to perhaps kick off proceedings by speaking to your submission providing any overview or comments that you would like to make by way of introduction and then we'll get into questions, answers and discussion.

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**Mr CLARK** - Sure. I guess the main aspect of it is to imagine what Tasmanian house prices will be like in 20 years' time and I am thinking that with an influx of people from overseas and interstate -

**CHAIR** - I'll get you to lean a little bit into the microphone so that *Hansard* will pick you up.

**Mr CLARK** - I'm thinking that given the purchasing power of people from interstate and overseas that there's every likelihood that affordability for owner-occupiers will continue to be squeezed. Prices are quite high now. The idea was to provide cheap credit to persons who would own their own homes. Within the submission I didn't talk about the income band for the people to whom that would apply, and I didn't talk about the range of prices of houses to which that would apply. Basically, it would be facilitated by a loan from the federal government at the considerably lower interest rate that they are able to procure money at.

Because I was mindful that cheap credit can often cause a ballooning of house prices rather than a dampening, in conjunction with that I submitted that a covenant be entered into by the purchaser to agree that they would never be able to sell the house at anything more than what they paid for it, allowing for the CPI increases. So that's basically it in a nutshell.

**CHAIR** - Just so we understand your background and interest, you briefly flagged that you have some interest in the area of homelessness?

**Mr CLARK** - Yes, that was from a previous job. I worked with homeless young people. I was in the Youth Access Centre of the Commonwealth Employment Service, and we were co-located with a few other youth help services, such as The Link - one of the church-led welfare organisations that concern themselves with housing. I also teach housing and design at Guilford Young College to years 11 and 12. Part of the course examines housing, housing affordability and access to that sort of thing, sustainable house design. As the last person submitting talked about, houses that can be made affordable by using or making them smaller and making them out of materials that are readily available.

**CHAIR** - Excellent. It certainly is terrific getting individuals making submissions to this committee. We have nearly 40 submissions from a range of interests and a couple of individuals with great ideas, like yourself. I thank you for taking the time to put forward your submission and outlining your ideas. Joan Rylah has a background in finance and she might like to kick off the questioning.

**Mrs RYLAH** - Thank you very much for an interesting submission, Richard. I am interested - and I hope there is not too much background noise - in the sale of the property partway through the term of the loan and what limitations you are putting on that in your proposal.

**Mr CLARK** - For disposal of the property it would have to be an arm's-length process. Should the person have the ability to sell the house themselves then you could not really guarantee that they would sell it for what they paid for it plus any CPI increases. The idea would be that some government body, such as Housing Tasmania, would deal with the sale at arm's-length. It would be put out for public tender. There would be a price set which is the maximum that someone would pay and anyone could put in a tender to purchase the property at that price, at the maximum price. The price would be set at the original purchase price plus CPI. So anyone could buy the house for that price, or less, depending on how it was valued. Typically, if it was after 10 or 20 years and

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house prices had risen at the rates that they have in the last few years then it is likely that you would get someone to buy it at the maximum price.

**Mrs RYLAH** - Okay. Richard, the model you are proposing has a similar effect as does reverse mortgages for elderly people. An issue that comes up with that is the disincentive to repair, renovate and upgrade. How do you see that? Are you familiar with what I am talking about?

**Mr CLARK** - Yes. I agree that that would create a disincentive to maintain. Certainly, for renovations or extensions - or particularly extensions - then they could be added to the capital value, but things like maintenance, there would be a disincentive. It would depend on the people occupying the property, I suppose, but given that they are getting their extra capital value paid forward by having lower interest and being able to pay less through the life of the loan it is really up to them as far as their own quality of life as to whether they would maintain it to a high level or whether they would choose to let the property run down. I agree it is a consideration.

**Mrs RYLAH** - Because there is no incentive for them that is the issue and trying to find a way of tweaking your model to provide an incentive so that people do not let the property deteriorate into a really dreadful quality home that just does not cut the mustard anymore and is certainly not helping in the long term.

**Mr CLARK** - I guess the disincentive would be that the price that they could sell, while it is capped, if they let it deteriorate then they may not actually realise the price plus CPI. They may actually get less than what they expect.

**Mrs RYLAH** - Yes, I am trying to get them to improve and make a house, for example, improve the insulation, the heating, or the windows, or something like that.

**Mr CLARK** - I was going to say in the case of something that might need happening every 20 years, like a full electrical upgrade, that might be something in tweaking it you might say when it comes to a large capital expenditure such as that of reroofing, that could be added to the capital value.

**Mrs RYLAH** - Thank you very much. It is an interesting proposal.

**Ms O'CONNOR** - Mr Clark, are you aware of a model like this in any other jurisdiction?

**Mr CLARK** - I am not aware of the model but it could well exist somewhere else. I have had ideas before and looked them up or tried to search for them and I have found that other people have had those ideas.

**Ms O'CONNOR** - In Tasmania, there is a home-share program through Housing Tasmania through which ownership of the home is shared between Housing Tasmania and the purchasing tenant. I am interested in your work on housing design, efficiency of design, amenity and different models for housing. Some of the witnesses who have come before us have talked about cooperative living, tiny homes or modular homes. Can you talk about some of the possibilities we have for thinking more creatively about how we house people and create those communities?

**Mr CLARK** - I know that there has been a good trial of that up in Strickland Avenue with one of the housing projects up there. The houses are smaller than the average-sized dwelling and some

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areas are shared, such as dining areas, kitchen facilities and so forth. An expansion of those models might be worthwhile.

I picked up on what the previous person said about container houses. Basically, if you can make it look more like a house and a real dwelling rather than a container then we don't look like we are all living in shipping containers, which is the bone of contention for the general public, who would like dwellings in their street that don't look strange. There is no reason it cannot be the same size but be a little bit more attractive or appealing than a steel box.

**Ms O'CONNOR** - In your observation, have we had some challenges as a society, in Tasmania and the rest of Australia, in the quality of design, particularly in social and affordable housing?

**Mr CLARK** - In social and affordable, yes, because what they are up against is, for example - if I am on a low income and I want to build a house, I have to make sure that it now complies with energy ratings. So the specifications for glazing, insulation, under-floor, all of it, has to comply and that creates certain costs that add to the cost of housing. They make it more energy efficient in the long-term. They are cheaper and more comfortable to live in but things such as that have probably not helped the lower end of the market.

**Ms O'CONNOR** - The Local Government Association of Tasmania has had a reasonably long-standing position since government removed the position of state architect. As someone who works in education in the area of housing and design, what is your view on having a state architect in place to guide some of those design decisions, decisions as to what kind of communities we create, what subdivisions look like, and the liveability of those new developments?

**Mr CLARK** - It would be wonderful to reinstate a state architect in that it would provide that kind of cohesive design when you are designing a large space and you want to incorporate natural areas for children to play as well as controlled park space. You want to make sure that the design allows for children to be safe, as far as traffic and streets and so on, and to make the overall look of the place look cohesive. Having a state architect would be wonderful.

**CHAIR** - I have a question about the scale of this. It strikes me, unless I have misunderstood, this is more geared toward private ownership and couples and so on, which are the scenarios that you have provided for the purposes of the calculations. Thinking about scale, the advice we have from AHURI is that up to 17 900 social and affordable homes is the gap we will need to meet to meet demand by 2036, which is a fairly significant scale. What is the scale of this type of initiative and who would administer it?

**Mr CLARK** - I would see it administered by the state with Commonwealth funding, perhaps with Housing Tasmania or a state authority doing the administration on a local level. They would also assist with the tender process for the disposal of the properties. I don't see it as being something that everyone would take up. Certainly, there would be owner-occupiers who wouldn't want to have a covenant on their property. It would probably only be attractive to people on low incomes and for houses that are generally below the median level. If it could penetrate as far as 20 per cent or 30 per cent of owner occupancy in that area then, long-term, I would see the effect of it dampening the overall prices of houses in that bracket. That is simply because, as houses come on the market from disposal, it becomes apparent to people that there's the opportunity to buy houses that are far cheaper than those that are selling at market price, which can soften the market price and the houses themselves are cheaper and more affordable. It gives people a chance to get into those houses.

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**CHAIR** - This opens the potential for broader discussion about urban design. There have been some other submissions, people giving evidence of the importance of getting the mix right in new development and infill. You have suggested you wouldn't want to see more than 30 per cent of this style of accommodation in an area, if I've understood you correctly?

**Mr CLARK** - No. What I meant was that I wouldn't envisage that more than 30 per cent of the houses that are below median price would be taken up by that scheme. As far as distribution, certainly within a new development, if 30 per cent of the houses within a new development were part of this scheme then that would have the long-term prospect of dampening growth, even for houses that are not part of the scheme.

**CHAIR** - There are some issues to overcome in perceptions of container, modular or small housing. Perhaps our culture and the housing market generally here in Tasmania brings to mind the notion of a reasonable-sized dwelling and land and so on. One of the challenges we are grappling with in opening new developments and to look at infill design is density. How would you envisage in a new development, of whatever scale, how would this type of initiative be taken up in order to get the balance right?

**Mr CLARK** - I would be speculating here. It could be that if the state government had a land release, they could stipulate to the developer that, within a particular period, once the development is ready to go, that a particular percentage of the properties would be made available for purchase under this scheme. That would allow people to know that those sorts of properties would be available. That would also create the potential for a better mix of dwellings and houses and the demographic of people buying into that housing development.

**CHAIR** - It's certainly an innovative proposal.

**Mr TUCKER** - I'm going to be blunt as a rubber hammer to you. This reminds me of the reserve price in the wool scheme, what you are proposing. I can't see how this is going to work. What happens when the price of houses drops? Have you done costings on this project? What other things -

**Mr CLARK** - What do you mean, when the price of houses drops?

**Mr TUCKER** - Yes, like they have in Sydney and Melbourne, where they've come back -

**Mr CLARK** - So, that would mean that a house that was bought under the scheme, the value of that house would drop. The capital value would drop just like it would in any market. The sale price of the house is capped but there's no floor on the price. Otherwise, the house would become unsellable in that scenario. If the prices drop, then the price of the house purchased under this scheme would have to drop as well. There is no floor; there's just a ceiling.

**Mr TUCKER** - As to costings on this project and the flow-on costings of the effect throughout the economy on what you're proposing, I suppose you haven't gone that far into it?

**Mr CLARK** - I haven't gone that far but I suspect there would be flow-on costs. That's where the political aspect comes in, as to whether it would be popular with people who weren't part of the scheme. If it negatively impacts the capital value increase in their house then that would be something that they would not like, but it is not something I would shy away from. I don't think

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the increase in house prices and affordability is something we can shirk away from in terms of the way house prices could potentially go - house prices went up around 50 per cent while I was living on the Sunshine Coast. Once houses are no longer considered something that is a vehicle for investment, once they are considered something you actually live in, then I would be happier for that.

Politically, that would not be easy to sell, but for the kind of community it would create where houses were affordable, that would be a long-term benefit. People could use other investment vehicles if they were trying to make money.

**Mr TUCKER** - We already have a very high home ownership in Tasmania of 75 per cent. Rental is the big issue in this state. How would your proposal help people who want to rent?

**Mr CLARK** - It does not apply to people who want to rent.

**Mr TUCKER** - But how is it going to affect those people who do want to rent?

**Ms O'CONNOR** - Couldn't it take the pressure off the private rental market?

**Mr TUCKER** - It could, I don't know.

**Mr CLARK** - It may well be that people who would otherwise rent would have the opportunity to purchase and become owner-occupiers and have the long-term stability that comes with home ownership. So that would be a positive.

**Ms O'CONNOR** - Mr Clark, we are having a philosophical discussion about what housing is, who should have access to home ownership, and how housing in Australia in recent years has become much more the domain of speculators and investors rather than young people buying their own home, or older people right-sizing their home. Would that be a fair assessment?

**Mr CLARK** - Yes, that is what I am getting at. It is basically whether homes are vehicles for investment. For part of the market that may always be inevitable. When you talk about 75 per cent, that is very high home ownership. I would be happy with 95 per cent. So, getting towards that sort of end would create a situation that meant that people did have that long-term stability that comes with having their own home and not having to get a truck to move all their goods every two years, or year, when a lease runs out, or having the pressure of rents continually increasing.

**Ms O'CONNOR** - I would have thought that the young people you work with are becoming quite despairing about their future capacity to own their own home, let alone find an affordable rental at this stage.

**Mr CLARK** - They do not see it as a realistic prospect.

**Ms O'CONNOR** - The last thing on this point. There is clearly a need to increase density in and around greater Hobart. We are hemmed in by the river on one side and kunanyi on the other. In your experience, what sort of achievable density is desirable for a city like Hobart.

**Mr CLARK** - That is beyond my area of expertise in terms of dwellings per hectare and that sort of thing.

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**Ms O'CONNOR** - But we would have to increase density, wouldn't we? As a city, we do.

**Mr CLARK** - Logically, yes. Unless you want to expand far out and have commuters driving longer distances, then the only solution is to increase population density.

**Mrs RYLAH** - This is a financial model where it's simply an arbitrage situation. How do you deal with the issue of default?

**Mr CLARK** - Default would be dealt with the same way it is with a bank. If a person defaulted on the loan then the Commonwealth would have the mortgage over the property and they would be able to dispose of the asset and recoup what is owed to them.

**Mrs RYLAH** - The Treasury operations are usually done by a bank, that is, terminating people, selling the property, that sort of thing. Are you suggesting that the Commonwealth needs to do that under your model?

**Mr CLARK** - Or the authority that is operating it locally. If Housing Tasmania or another state-based body was administering the scheme locally then they would be responsible for administering that scenario.

**Mrs RYLAH** - Have you any idea or experience of what cost is involved?

**Mr CLARK** - I do not have any experience as far as the costs of acting on a mortgage seizure and then disposing of the property, but within the model I suggested there was a deposit made by the actual owner-occupier of about 15 per cent. That figure could be changed. That allows for the fact that often in a mortgage sale, the price realised on the property is less than the original purchase price.

**Mrs RYLAH** - I know; it is expensive. I do not have current figures but thanks for those comments.

**CHAIR** - Just to be clear, Mr Clark, this is a finance model. Could it be applied to different sorts of products?

**Mr CLARK** - I hadn't thought to apply it to anything other than housing.

**CHAIR** - I mean housing products. The committee's heard some limited evidence about containers. That is a proposal that is being used through existing crisis accommodation shelters, Bethlehem House and the Hobart Women's Shelter. St Helens Neighbourhood House has a social enterprise model using converted containers. I am aware that there are tiny homes and youth castles. There is potential, I suppose, for other smaller-scale homes and so on. Is your finance model based on a particular product or could it be applied to larger-scale dwellings?

**Mr CLARK** - I hadn't thought of it as applied to container houses at all.

**CHAIR** - Okay.

**Mr CLARK** - I thought of a regular house on a block.

**CHAIR** - I had somehow fixed my mind on that, flowing in from the last conversation.

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**Mr CLARK** - I think that was the hybridisation of the last speaker and myself.

**CHAIR** - I am glad I asked.

**Mr CLARK** - I just do a regular house at Oakdowns or Rokeby or anywhere there is a house on a block. It could become part of the scheme, it could be an existing house; it doesn't have to be a new build. The person just purchases it under that model.

**Mrs RYLAH** - It does need a title to secure the loan under your model?

**Mr CLARK** - It does. It could not apply to transportable or relocatable houses. It would be something that applied to a block of land with a house built and affixed to the land.

**CHAIR** - Thank you very much, Mr Clark, for your time. We appreciate your innovative thinking, particularly with your unique insights into housing and design teaching and so on. If there were more private citizens with innovative thinking turning their minds to housing affordability, perhaps we wouldn't be in quite the pickle we are in. We congratulate you for that.

As I advised you at the commencement of your evidence, what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need to be aware that privilege does not attach to comments you may make to anyone, including the media, even if you are just repeating what you said to us.

Do you understand that?

**Mr CLARK** - I do.

**CHAIR** - Not that there was anything controversial in what we discussed just now.

**THE WITNESS WITHDREW.**



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**Prof RICHARD ECCLESTON** DIRECTOR, INSTITUTE FOR THE STUDY OF SOCIAL CHANGE; **Dr KATHLEEN FLANAGAN**, DEPUTY DIRECTOR, AND **Dr JULIA VERDOUW**, RESEARCH FELLOW, HOUSING AND COMMUNITY RESEARCH UNIT, SCHOOL OF SOCIAL SCIENCE, UTAS, WERE CALLED, MADE THE STAUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you very much for coming along this afternoon. I understand the circumstances of why it was challenging for you not to provide a submission and I don't think it will be worthwhile spending any time about that. We are just pleased that you are able to be here and to give us whatever insights you feel would be valuable for the committee.

I invite you to provide any introductory comments or statements and then we can get into questions and discussion.

**Prof ECCLESTON** - Thank you, Chair, and thank you for the invitation. Once again, we do apologise for not providing a written submission. Given the complexity of the issues the committee is grappling with and the broad terms of reference, perhaps it is fortuitous in a sense that we can respond to issues that arise - or that have arisen - from the submission and also from the evidence you have taken to date.

My colleagues, Julia and Kathleen, have deep housing expertise and I am sure they can provide informed responses and answers to questions here today. Also, we can take questions on notice and that can help inform our future work around housing markets.

**CHAIR** - Feel free to table any evidence too.

**Prof ECCLESTON** - We can probably provide a gap analysis. I will provide a very brief overview of our assessment of the housing market in Tasmania. Also I guess what, as university academics - and I should add and have this noted in *Hansard* that we speak in our capacity as researchers rather than representing the views of the University of Tasmania. Our role is very much around providing that objective evidence around market conditions and also thinking about some of the solutions and strategies we should be considering as a parliament and as a community. That will be very much the focus of our submission.

Dr Flanagan, as you are aware, has deep expertise generally, but certainly in terms of social and community housing and will be speaking to that theme. Dr Verdouw, again, has a very broad background in housing research and policy but has been leading research on short-stay accommodation in Tasmania and nationally.

Our broad assessment is that the housing market remains incredibly tight. In the availability of suitable and affordable and stable housing, the conditions have not improved over the last two to three years, notwithstanding various initiatives and investment. The key criteria there are levels of housing stress in the community and particularly the private rental market. The latest data in our work is consistent with this; private rents as a function of income are only marginally behind Sydney, and greater Hobart is one of the tightest rental markets in the country.

Any working household on average earnings in the private rental market in greater Hobart is experiencing rental stress and that is fairly significant. A cause of that, and further evidence to explain why that is the case, is that the private rental vacancy rate, as we measure it, remains at unprecedented lows in terms of consistent methods that have been applied across national housing

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markets over the last 15 years or so. It is cyclical. It varies across the year but the lows that are experienced in the lead-in to summer are down around 0.5 per cent to 0.6 per cent. Anything under a 1 per cent vacancy rate demonstrates that the rental market is incredibly tight. That leads to and results in really significant private rental price increases, which we have seen in greater Hobart in particular; up over 30 per cent over the last three years.

Dr Verdouw and Dr Flanagan will be talking more about the social and community housing sector. We know that demand of the social and community housing is at or near historic highs. The view is very much that we have a housing system that is important for a whole host of social, wellbeing and economic outcomes, is a broad and interconnected system, but the most acute symptom of all of this is homelessness. You will have heard from the providers at the front line of homelessness services, and providing those services here in Tasmania, will report that there has been increasing demand.

A final remark goes to what the future looks like and what success is. We can put measures around all of those parameters and think about initiatives that are required to improve outcomes across those measures, but the overarching objective for me is about liveability, and there are challenges and trade-offs here. Not only are we increasing the supply of housing, but how can we be sure if that is suitable, affordable, fit for purpose and well-located in terms of access to social services, employment, infrastructure and to ensure we have strong and interconnected communities? That is the medium- to long-term challenge for our state.

The final thing I would note in terms of the broader market response is there is some good news of the market responding to demand and increasing prices. Approvals and commencements for new residential dwellings across the state are up toward 3000 per annum, which is where it needs to sit and remain for a sustained period. What is less clear is, what is that housing stock, is it suitable, is it affordable and is it in the right place?

We need to think about these issues in statewide terms but the reality is that the population pressures, the housing market pressures, really manifest and focus in greater Hobart. That is where 80 per cent of recent population growth has been concentrated. If we are looking at any reasonable projections, Treasury has done some regional population projections, that we broadly endorse and are supportive of, that would suggest that the population of greater Hobart is going to increase by 45 000, give or take, over the next 25 years. The big question is, where are the next 20 000 dwellings going to go, and what are the right settings to make sure they are suitable and affordable, so that we have a much better chance of ensuring the vast majority of, if not all, Tasmanian's have a secure place to live?

**Dr FLANAGAN** - I formed my statement around five points. One, we talk about a housing crisis, which implies that what we are seeing is something new. Market failure in housing is not new. If you are poor or otherwise disadvantaged the housing market has never worked for you.

Two, the best solution to housing market failure is social housing; that is, housing made available on non-market terms and allocated from a non-market basis. In Tasmania, social housing includes public housing and community housing. Neither model has achieved a substantial increase in social housing supply because neither model has access to enough funding - that is funding as distinct from finance. Community housing is slightly better positioned with respect to funding because community housing tenants are eligible for Commonwealth rent assistance. This has allowed them to do more maintenance and provide greater support for tenants, but net supply of social housing in Tasmania is declining and will continue to decline.

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Three, social housing in Australia has been systemically underfunded for decades. When resources are inadequate and there is no new supply, when demand is high and sustained, when staffing and support systems are cut back to contain costs, we must expect problems in service quality. We must expect rationing and all the problems that go along with that.

Neither side of politics has addressed this systemic underfunding. Instead, we have put our faith in the market despite the fact that homelessness and housing insecurity are created by market failure. The result is an accumulated deficit in social housing supply. This deficit has been quantified most recently through research undertaken by UNSW, RMIT and UTAS with funding from the Australian Housing and Urban Research Institute. I can table some reports from that research if the committee would like them. That research was rigorous and comprehensive and was peer reviewed. The results of that research were that Australia needs 727 300 additional social housing dwellings over the 20 years from 2016 to meet both current and emerging need.

Tasmania needs 14 200 of those dwellings. Of these, 11 100 are required to meet current need. They are defined as households who are homeless and households in the lowest income quintile and living in rental housing stress now. To deliver the required supply over the next 20 years, the proportion of all new construction that is social housing needs to increase substantially. The required proportions vary between 41 per cent and 71 per cent depending on region.

Our home building industry needs to change its focus. Social housing construction cannot happen off the side of other, more lucrative, construction; it needs to be front and centre in our thinking and our planning. The total funding required to build these homes is \$3.15 billion over 20 years. That estimate does not include financing costs, ongoing management and maintenance, or the provision of appropriate support for tenants. I acknowledge that these numbers are so large that they are virtually unthinkable but we cannot pretend they do not exist. 14 200 homes and \$3.15 billion is the scale of the problem and we need to confront it.

Point 4: the same research tested various investment pathways. The most efficient, effective model and the model drawing the least on government resources is direct, upfront capital investment by government in building the houses required. These homes can be public housing or not-for-profit community housing; the numbers come out the same. Both public housing and not-for-profit community housing are available now. We do not need to set up a new system to achieve this. We just have to properly resource the system we have.

Innovation, leveraging private sector investment is more expensive for government because private sector investment requires a return and tenants cannot provide it. As my colleagues put it, in an article in the *Conversation*, 'No amount of innovative procurement or financing will yield a government free lunch'. There will be a call on the taxpayer regardless and the call is greatest with private sector investment.

Point 5: Tasmania cannot do this on its own. We need long-term Commonwealth funding. We also need bipartisan commitment to prioritise essential, productive, social infrastructure that meets the basic needs of citizens over budget surpluses, tax cuts and the avoidance of government debt. Difficult political decisions will need to be made.

There are four reports in this research, and I have printed the executive summaries of the four. This is the big report with the modelling I was talking about. They are all available online.

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**CHAIR** - We will make those available. Julia, would you like to make any introductory remarks?

**Dr VERDOUW** - Chair and committee members, I will be speaking to the issue of short-stay accommodation. Our team at the university has been closely watching the growth of short-stay accommodation in Tasmania, particularly Hobart over the last 18 months. This has included publishing reports and recommendations on how our state and governments can respond appropriately to some of the challenges short-stay accommodation growth is contributing to our region. I would like to table our most recent report which is *Insight Eight* from the Institute for the Study of Social Change which is about regulating short-stay accommodation in Tasmania.

**CHAIR** - Joan, it appears to me from the movement going on around me you fell out for a minute from you just said. I do not know how much you missed, but Dr Verdouw is providing some introductory remarks.

**Mrs RYLAH** - Yes, I did. I will read the *Hansard*.

**Dr VERDOUW** - I have just tabled the most recent report. In the interim, the state Government has, in June 2019 responded in a first step towards properly regulating short-stay accommodation by putting into effect the Short Stay Accommodation Act 2019. We commend the Government on proactively drafting this legislation and engaging with the public during its drafting. We also want to restate we see this legislation as necessary, but just a first step.

We are all aware of the housing affordability context of the last 18 months. Kathleen and Richard have just spoken to some of those. To reiterate, house price growth, private rental market price growth, low vacancy rates, long public housing register lists, a limited supply of social and community housing, and resulting evidence of a shortage of affordable dwellings and declining housing affordability, particularly in the south of the state as Richard was saying.

Airbnb has been vocal about not contributing to the affordability problems in Tasmania. It is important to note the significance of short-stay accommodation to the wider tourism market and sector in Tasmania. I occasionally use Airbnb and find it to be easy and accessible. We do not deny it is here to stay, or it has social and economic benefits, many of them in Tasmania. It is also fair to say short-stay accommodation is not the only contributing factor affecting affordability and housing challenges in Tasmania. Our reports have been very careful to outline the other significant drivers of housing market challenges such as population growth, construction industry activity over the last number of years, and social housing pressures, some of which Kathleen has just spoken to. But it is fair to say, based on available evidence the growth of short-stay accommodation is a contributing factor. Our last report you have looks specifically at Hobart LGA, greater Hobart and Launceston, and found some continuing trends, that is the continuing growth of all the listings into 2019.

Our most recent data was January 2019, but, if you look at Airbnb submissions to this inquiry the update on that in June 2019 is a growth of a further 7 per cent over that time. Entire home listings continue to reach all time peaks - although the rate of growth is finally beginning to slow in Hobart LGA. Listings more likely to be commercial in style are still steadily growing in all regions, and comprise nearly half of all listings in Hobart LGA and have increased relative to other listings since 2016.

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Taking into account a range of factors, we estimate that between 2016 and 2018 short-stay accommodation growth contributed to a loss of close to 400 dwellings in Hobart LGA, which is about 5.6 per cent of the rental market in the area and nearly 670 dwellings across greater Hobart. Clearly, this is going to impact rental supply and housing affordability. It is a significant driver of our housing affordability challenges. For this reason, we have been pushing for regulation for short-stay accommodation and so, the current legislation is welcome. The legislation meant we will at least - if hosts and platforms comply - have some basic data capture, including Airbnb host numbers, where they are located, and the ability to distinguish basic host categories such as whether a short-stay accommodation is hosted in a primary or secondary dwelling.

However, the legislation remains limited in significant ways. Compliance is going to remain difficult to ensure, primarily because there is not enough data capture to do so. There is no requirement for information about bookings such as occupancy rates. There is really no direct way for us to ensure, or anyone to ensure, a host claiming they do not need a permit is not actually a commercial listing. In this sense, it continues to be a bit of a trust-based system. Research tells us over again regulation is more effective if hosts are targeted for compliance, but that requires data and resourcing.

Also, like the PD6, the short-stay accommodation legislation is not designed to limit short-stay accommodation in Tasmania, and it does not respond to local community areas such as Hobart LGA where the growth of short-stay is posing particular challenges for affordability. We need a more comprehensive permit system that is going to respond to housing market pressures, such as deterring short-stay accommodation use in high demand areas. This could be through increased application charges for permits or putting caps on bookings per annum.

We have outlined a proposal for a framework on page 10 of our tabled report. We have also argued the current planning system is inadequate and does not respond in a flexible or nimble way to housing market dynamics which are always fluid and moving, especially where community-specific local provisions are needed. Battery Point is an example of that. The application needs to go through the Tas Planning Commission, which is a lot slower, and cannot respond in the time frames often required in terms of what is going on in the housing market. The planning scheme is constrained by traditional planning definitions, so it draws on purposes such as residential character and amenity and safety, and does not have the provision to allow for housing market outcomes and dynamics in making planning decisions.

Finally, we would argue the importance of deepening our understanding of the Tasmanian housing market, including its supply and demand drivers, in a comprehensive way and the role of short-stay accommodation through establishing a housing supply and demand analysis task force. We need to stop reacting to what we are finding out in the data and instead proactively respond to what we can project - based on informed evidence - what is going to shape our housing needs into the coming years.

**CHAIR** - Wow, that was a lot to take in.

**Prof ECCLESTON** - Typical academic response - brief comments.

**CHAIR** - Yes, good on you for your brief comments. We are being recorded here, so I should not be flippant. I thank you for those comprehensive comments and, because it is being recorded, we can go back and mine that data and the comments you have made and the documents you have tabled.

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Why don't we start with picking up - I am conscious we have 25 minutes so I have to be a good Chair here.

Dr Verdouw, you talked just now about the housing supply and demand task force. My broad question really is, in terms of your analysis of the policy settings that we have under the Affordable Housing Strategy and underpinning action plans, Dr Flanagan, it was pretty clear to me that the figures that you outlined based on that the Government's current targets are going to fall woefully short of what we will need over the coming decade say and probably longer. In order to avoid falling into the traps of the past, you talked about the importance of a tripartisan approach in addressing the traps of the past around underinvestment.

I am conscious that your group presented to the Housing Summit in March of last year and have had the opportunity to contribute to, or maybe you did as individuals - I don't know and I wasn't there. There were some initiatives put forward and, from my point of view, that were pulled together in rather a rush. There have been opportunities, as you say, to comment on short stay accommodation legislation and I don't know whether you were asked to comment on the design of the Affordable Housing Action Plan stage 2.

You are urging us to consider a strategic approach and a task force is one thing that you mentioned at the end in order to pull that together. How will that look? How will we ensure there is a comprehensive strategic and longer-term approach?

**Prof ECCLESTON** - In terms of the broad view, certainly both linked housing research and demographic work is starting to build the evidence base of those broad themes we have all been talking about. What are our future housing needs, both in terms of crude numbers and also to ensure that they are the right type of dwellings in the right areas? We are doing some foundational work around estimates of future housing demand at a regional level, but in terms of our team and engaging very closely with colleagues in other jurisdictions, both in the policy community and also the academic community, it really does take a long term and sustained approach to get this right. We are moving in the right directions and starting to establish some of the foundations but it really does need a sustained and resourced commitment.

Really there are three elements we can think about - the likely future population and we have population projections, but they are fairly broad and they are really - and you must deal with this every day talking to constituents - different cohorts have very, very different housing needs. Our communities are changing, they are ageing and we have internal migration within the state. I know that a number of the providers that I have spoken to and that gave evidence before the committee highlight almost the complete absence of suitable and affordable housing for young Tasmanians who have to live independently.

We need to understand future population, their ability to pay, what their needs are and this goes outside our expertise. Then there is a really significant planning overlay. One approach is to try to project what the population will be within a particular local government area. If you think about Hobart, it is an interconnected city with different regions. Once we have that broad understanding of who is likely to be living in the state in five, 10, 20 years' time and what their needs are, then we need to have that community conversation. What sort of community do you want? What are your housing preferences, realising the affordability constraints?

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**CHAIR** - We will not solve this in the next 20 minutes but I am anxious to get your thoughts about how we ensure there are the right governance arrangements, to the point about the Affordable Housing Action Plan stage 2. Is it adequate? Were you consulted? How can we design governance arrangements moving forward so that we are taking account of these significant gaps that you are highlighting?

**Prof ECCLESTON** - One of the best models, looking at other jurisdictions, is actually some of the integrated planning work that has been occurring in greater Melbourne over the last decade. They have done the detailed population planning and that feeds into precinct planning and thinking about the provision of services. But it is a multi-stakeholder: different levels of government with a resourced program that is going to monitor and steer growth in a sustainable and productive way.

We have some of the building blocks with the City of Hobart Act and the City Deal - that really needs to be the agenda. Some local government areas, and I think Hobart City Council would fall into this category, are progressing but there needs to be that unified approach.

I should hand over to Dr Verdouw and Dr Flanagan.

Clearly, we need greater investment in social and community and private affordable housing. We need to have that political and community conversation about why that it is necessary and what the broader return on investment is and they are really profound, and thinking about housing as a key social infrastructure. You are probably aware that I am a semi-reconstructed, fairly conservative, economist. Housing is not a functioning market; people have to live somewhere. The knock-on benefits of a lack of housing affordability in terms of our economy and competitiveness are really profound as well. There is potentially a pretty broad coalition that can get behind a program as it evolves. That is my big take.

The other one that I have alluded to is whether it is a big number like our colleagues, like Prof Julie Lawson have projected and whether it is just thinking about the sort of investment we need to address the priority waiting list, at any quantum of investment. Most people would argue we should think about ways of prioritising more investment in affordable housing. We also need to think about new models. That is what Dr Flanagan was starting to talk about.

Unfortunately, around Australia and the major cities and now in Tasmania, there is a big disconnect between the capacity of a lot of the population - half of the population of Hobart - to pay for housing and what its market price is.

**Dr FLANAGAN** - I am struggling to find anything to add to that. In terms of models, we need to distinguish between on the ground delivery and Housing Tasmania and particularly - you often get a lot of focus on, if we find the right model everything will just magically happen. We have been doing social housing since the war. We have not found a better model. That model actually works really well.

If you talk to tenants in social housing, obviously individuals will have issues - and I'm sure that you are very across those issues because they probably come into your offices - but largely, tenants in social housing are happy in their housing. They certainly prefer it to the private rental market. Many of them have experienced the private rental market and they know exactly what that means for people on their incomes.

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That model works. What we need to look at, though, is putting that model on a sustainable footing in terms of its funding. I said in my presentation that I distinguish between finance and funding. It is the funding that is the issue. We have the National Housing Finance and Investment Corporation (NHFIC), that is a source of efficient finance; that is great, that is wonderful. But it is the funding to repay those loans that is the issue. The amount of funding that is needed is a very big number. Clearly, this is not something the State of Tasmania can do by itself. We need to be working with the Commonwealth. I can appreciate that it is sometimes really challenging but the need to address this issue is confronting the whole country. It is not a new issue but we need to address it now. It is becoming apparent that governments cannot - our cities are becoming dysfunctional; we cannot go on like this. From my perspective, the issue that needs the most kind of attention is political funding and where you get that funding from and less about the kind of delivery of the models. The people who are working on the ground are pretty good at what they do.

**CHAIR** - I note that we did have an interesting innovative presentation today from the Constellation Project. You may already know something about it, but you might want to look at Mission Australia partnering with a range of organisations including PriceWaterhouseCoopers, a collective impact style with a funding model that was very interesting.

**Ms O'CONNOR** - Ms Flanagan, you spoke earlier about the projected cost of increasing the supply of social housing as being \$3.2 billion over 20 years. Isn't this a question of how we picture housing as social infrastructure? In the state Budget, for example, \$1.4 billion dollars has been allocated to roads and bridges. I am sure you would agree - don't we need to reframe this so we are talking about social infrastructure and that this sort of investment has a massive return on it? Do you want to elaborate on the return on investment for governments investing in social infrastructure that is affordable secure and energy efficient housing?

**Dr FLANAGAN** - Part of the research that I have been doing is in this reframing issue. To look at social housing as infrastructure is, in a way, to return a little to how it was regarded historically. When the public housing system formally began in the post-war period, it was seen as an investment in public health. It was seen as an investment in supporting workers to live decently and access employment. It was seen as supporting people to settle and engage in communities. It is not integrated in a single place, but there is research available that quantifies the benefits for social housing for low income households.

For example, when low income households move into social housing there are quantifiable benefits in health and children's school performance improves. People's lives improve. People experience a modest increase in income. They are more able to find employment and engage with education and training. These things are all tangible. I am somewhat reluctant to put it purely into economic terms. It is so much bigger than that but there is a tangible economic pay-off to investing in housing, particularly in social housing.

Homelessness is incredibly expensive. It costs governments money - poor health, issues within the criminal justice system, and all those issues that flow on from homelessness. There is a clear cost-shifting that goes on. What we don't invest in housing we have to invest in health services, prisons, justice -

**Ms O'CONNOR** - Child protection.



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**Dr FLANAGAN** - Child protection, exactly. There are all sorts of technical approaches to how you quantify those benefits for the purposes for mounting a business case for a particular investment. But the research evidence is pretty clear: housing saves money.

**Prof ECCLESTON** - Two very quick comments. There are various models and we have done work on the social return on investment from something with new investments from community housing providers. It's around 3 per cent or 4:1 per cent return on investment over the medium term.

Ms Standen was at the launch of the Premier's Health and Wellbeing Advisory Council's discussion and your parliamentary colleagues were there as well. Over the course of the day, the broader politics and building a consensus came up as quite a significant theme. If we want to think about wellbeing in a holistic way, then we need to think about new models of understanding value and what our community's needs are and how we can build a strong and prosperous community and make sure that more Tasmanians can benefit from that.

Housing as key social infrastructure was a pretty common theme, including from our guests from interstate and abroad. I think there's a broad understanding of these issues. It's a question of how to operationalise them; how to have a funding model, how to have a budget discussion and how to deal with the broader community support.

**Ms O'CONNOR** - We had testimony yesterday from the member for Clark, Ms Hickey, about Housing. Her proposition is that Housing Tasmania should be dismantled. I personally found that quite offensive for the people I've worked with in Housing Tasmania. What role do you see public housing authorities playing in making sure that we are delivering? If there was increased funding for supply, do you agree that it's really important that we have a government housing authority to drive that supply delivery working with the community sector, the private sector and other players?

**Dr FLANAGAN** - First of all, we need to be careful not to confuse symptoms with causes. Housing Tasmania clearly does not always deliver the quality of service that perhaps it should, but that is not because it's a government department. It is because it's underfunded. We need to be really clear about that.

A continuing practical role for government in housing delivery is important because, at the end of the day, the government is the landlord of last resort. That is a really significant and important role. People have to live somewhere and there has to be a landlord. There is a higher kind of standard that is applied to public housing. My area of expertise is not the legal framework around housing, but in case law a higher standard is applied to the decisions of a public housing authority because they are recognised as the landlord of last resort. So, I think it's really important.

There are opportunities in continuing to have a public housing authority because there is the capacity to draw across government. They don't do that very well at the moment. There's still a lot of siloing. To deal with some of those bigger-picture governance issues, if you could get the housing authority working with the planning department and with economic development, then there would be opportunities to do something about the long-term future. Those are really important reasons why we need to retain a public landlord while still having a strong and vibrant community sector which is also doing great work.

**Dr VERDOUW** - I agree with that, particularly the point about not just focusing so intently on the housing authority. That makes sense, of course, because that's their role. But we need to

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think about our more comprehensive whole-of-government understanding of where housing fits into planning. All the other government departments are also part of this and probably should be considered. I know that a lot of people have brought that up in the submissions.

**Mr TUCKER** - I am going to put a proposal to the committee that we have another day because I have a list and Ms O'Connor has, too. I would like to start with opportunities in taxation reform with regard to housing and incentives, et cetera, that the government can include within our policies. What options do you see that we have to make a difference here?

**Prof ECCLESTON** - Mr Tucker, you might be aware, and I am willing to provide it to the committee, in the lead-up to the 2018 election we prepared a paper on property taxation as a result of a broader national study we were conducting, thinking about what tax settings would lead to better housing outcomes. There is a relatively long list. In terms of medium- to longer-term solutions, all of the evidence suggests that short-term incentive programs do little to improve affordability and supply. In the short run they can make some difference. I wouldn't dismiss out of hand some of the initiatives in the Affordable Housing Strategy but they are really at that acute end of the spectrum.

The big agenda here is political. Ideally, we would have system where land and residential land is taxed slightly more heavily but with appropriate deferral mechanisms, particularly for older households who are asset rich in terms of owning a home. Fortunately, the percentage of Tasmanians who do own their own home is higher than interstate but that is a product of that fact that, historically, we have had cheap housing. Our concern is that home ownership, particularly among younger Tasmanians, will continue to decline. It is about a transition toward a broad-based land tax, perhaps integrated with government rates and gradually phasing out stamp duty. What that means is that those of us who are lucky enough to own a home, or perhaps own multiple homes, are the huge beneficiaries of this increasing generational divide. This is across Australia and the western world in the divide between those of us who are lucky enough to own a home and those who don't. It has obviously got a very strong generational cleavage as well. There are a number of tax issues that we have flagged and it is probably best to provide that paper for you.

We have also suggested an annual permit fee for short-stay accommodation. That is one relatively efficient way to put a little bit of sand in the wheels in those communities where the rapid growth of short-stay accommodation has clearly had an impact on private residential rental supply. That is why we have consistently argued for a moratorium on new permits, particularly in Hobart LGA - that is a side conversation about how things are travelling in the north-east and St Helens, we have mixed reports there - but that is another way. There is certainly evidence for this of other cities that have gone down this path. It is a way of saying that the rapid growth of short-stay accommodation is clearly having a significant impact on the private rental market, let's just increase the annual permit required to operate short-stay accommodation so that, at the margin, people will, perhaps, return their investment properties into the residential market rather than short-stay.

**CHAIR** - I am reluctant to draw this conversation to an end but I have spoken with the secretary and, with your indulgence, we will go through until 4.30 p.m. if that is okay?

**Prof ECCLESTON** - That is alright. I might have to pay \$44 to Hobart City Council but it is for a good cause.

**CHAIR** - Noting Mr Tucker's call for us to consider another day, we will have that conversation but we will need to have a firm line at 4.30 p.m. this afternoon.

## **PUBLIC**

**Mr TUCKER** - How can we leverage the housing asset we have in \$2.1 billion for the best outcome in this situation?

**Ms O'CONNOR** - Do you mean the social and community housing asset, \$2.1 billion?

**Mr TUCKER** - Yes, I'm looking at all.

**Dr FLANAGAN** - Leveraging is not my area of expertise, I'm afraid, but that is happening now. There are issues with leveraging housing that is social housing and banks are aware that it's social housing. That's not necessarily regarding the risks posed by tenants, but that the revenues on those housing will always be low but, on the other hand, you're not going to run out of demand. You're not going to suddenly have a massive vacancy problem in social housing.

Certainly, there are models happening in Tasmania right now that are using social housing assets to generate borrowing. If that borrowing takes place through an efficient source of finance, such as NHFIC, the cost of that finance is lower and allows you to spread it further. Those models exist. The issue is with the funding stream that sits alongside the rental revenues from tenants, which are inevitably small, to allow for that financing to be repaid. That funding stream is the issue, again not just confined to Tasmania but across the social housing sector throughout Australia. We now have a model in place that works really well for the provision and efficient finance but you still have to pay those loans back.

**Prof ECCLESTON** - Briefly, that's a central part of the stock divestment model and it's been successful. It's a big asset base of \$2 billion, as you pointed out, but the return is just so low that you can't leverage it very much. One of the challenges for the social and community housing providers is that the ongoing maintenance, upgrade and management has been such that they haven't had as much capital available to invest in new stock and new supply as they hoped. Some of that has come online over the last year or so.

We were reading through some of the earlier submissions. In terms of innovative models and interesting ideas, the proposal from Colony 47 was quite interesting in thinking about it as an asset price model, which is used in infrastructure, electricity, water and so on. There are some differences between the two. One of the reasons why you invest so heavily, perhaps too heavily, in the upgrade of water and electricity infrastructure is that it's a system and one failure can have a broad, very acute impact on the community, so that's one reason to invest, but housing has elements of that.

Having a functional, accessible housing system has broad benefits. However, the politics are slightly different in the sense that it's not strictly a system. You have small communities where there's a complete absence of housing and the network effects aren't quite the same. This proposal of thinking about it as an asset has prescribed service obligations, and then you almost have a statutory pricing framework to understand the actual demand, the needs of the community to meet agreed goals and, locked into that, the requirements around the investment in maintenance and maintaining the capital stock.

Part of the problem, as Kathleen said today and documented widely, is the underinvestment in social and community housing across the country. Over decades in Tasmania, that means that the quality of housing stock has declined, with all of the implications and consequences of that.

## **PUBLIC**

**CHAIR** - I am thinking about the opportunity here to have a Gonski-style cross-government multi-jurisdictional approach to a wicked problem. Noting Dr Flanagan's big, hairy target of 14 200 homes and \$3.15 billion over 20 years and the fact we have an affordable action plan on the table that only takes us to 2023, in your view if they add another public policy setting like the short-stay accommodation legislation and other things and if we do nothing more than a business as usual setting based on the public policy documents before you, what is the inevitable conclusion of that? Will we meet that target and, if not, what do we need to do?

**Dr FLANAGAN** - You are asking will we meet the 14 200 homes with the existing policy framework? No.

**CHAIR** - I want to wind that back to something practical the committee can take away from this. We want the Minister for Housing to be influential and successful around the Cabinet table and arguing for whatever investment and levers are required. Understanding that in politics not everything can be delivered, so it might be there is an opportunity to reset that public policy framework and I do not know whether there is, but if there is we want to give the Minister for Housing an opportunity to more closely shoot toward the targets that really address this problem. What would that take?

**Ms. O'CONNOR** - Money, lots of it.

**Dr FLANAGAN** - Yes, it is an investment issue. Really the politics and the political economy on this are more Richard's area of expertise than mine. Certainly, when we were doing the research I have been talking about one of our conclusions was essentially to deal with this problem successfully we actually need to tackle the politics around housing and they are quite difficult politics. There is obviously a lot of vested interests. Those of us around the table who are home owners clearly have a vested interest, that goes right through the housing system and the various players in the housing system. Shifting the status quo is quite a challenge.

**CHAIR** - Everybody is invested in better outcomes for Tasmanians. It is just which lens you use when you are looking at that. I suppose if this affordable housing action plan stands to 2023, there is perhaps an opportunity in that last two-year window of the 10-year strategy. Will the settings need to be even higher if the opportunity to act is not taken now?

**Dr FLANAGAN** - That is certainly the case and these figures are based on the most complete dataset now, the census data from 2016. Obviously, a fair bit has happened since 2016.

Over some decades now a particular way of doing the work of government has become quite entrenched, that the budget process is a very established process. To achieve what we want there needs to be not just a recalibration in the discourse around how we talk about social housing, but also we need to look at how we budget our resources, the priorities we choose in that process, the way in which that process works.

When we were doing this research and we were talking to bureaucrats who work in various government departments they were saying it is actually difficult to articulate these arguments within a standard budget process, because you start with the budget that you have. Anything extra then has to be argued for because it is a competitive process. It is up against a whole range of competing priorities. It is all very siloed and- I am sure you are very aware of these issues. I know Ms O'Connor's had ministerial experience as the housing minister and she would be aware of the

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challenges around arguing for investment in social housing within a budget context which situates this as a tiny agency in one big department.

**Ms O'CONNOR** - Sorry to interrupt you. It was a bit easier for us because we were in an era where the federal government took its responsibilities to a reasonably significant extent to invest in social and affordable housing more seriously than its successor.

**Dr FLANAGAN** - Yes, and that is certainly another layer on this. The minister can make a very good argument around the Cabinet table, but we still need the federal government and then you need to pursue that through COAG which is obviously another very contested and difficult process.

These are really political questions and our political system at the moment is not necessarily grappling with this. I am straying out of my area of expertise and into Richard's here. But I think it is safe to say our political system at the moment is not necessarily dealing with those big policy issues particularly well.

**Prof ECCLESTON** - Very briefly, I think the affordable housing strategy is for a foundational element of a longer-term solution. We clearly require Commonwealth investment, so we have discussed the historic housing debt. If we do make progress in terms of negotiating that, perhaps part could be a commitment to thinking about new models of funding and delivering social housing. So it is not just necessarily a windfall invested in the same way.

**Ms O'CONNOR** - Are you talking about partnerships potentially with the community and the private sector?

**Prof ECCLESTON** - Potentially, but also both levels of government and where federalism kicks in. Part of the equation here is rent assistance, a really, important resource for people in the private rental market, but really very inefficient. Perhaps the mechanism is something like the Hobart City Deal where you can say we have infrastructure and planning issues in the city. We have clearly an issue with housing affordability, so layered over the top of the existing initiatives.

If I were government I would be focusing on the acute end of the challenge in terms of homelessness and crisis accommodation, but we also need to play the long game. Because of all of these crisis measures some of them are quite effective when people can access them. You need a pathway out of them. We need to have an affordable mainstream housing market and social and community sector housing market. If we are thinking about that medium-term gain, what is a framework to bring together the community with all levels of government and the private sector? Maybe that is an approach.

We need to think about a long-term and more innovative approach to what really is a long-term structural problem.

**Dr FLANAGAN** - We are a very bounded jurisdiction in a lot of ways. Like, we are a good pilot.

**CHAIR** - No, Ms O'Connor, I'll have to go to Mrs Rylah. We've only two minutes remaining and I am conscious she dropped out. We will have another conversation about whether we have another conversation.

## **PUBLIC**

**Ms O'CONNOR** - Perhaps in the answer to Mrs Rylah there could be some talk of regulations in response to rent increases and Airbnb.

**CHAIR** - Nice try. Mrs Rylah?

**Ms O'CONNOR** - I think it is a really critical issue.

**CHAIR** - There are many critical issues. Mrs Rylah, I'll give you the final call but we really only have a couple of minutes.

**Ms RYLAH** - I really appreciated hearing the comments about the structural issues around housing and the federal context in terms not only of funding, but of taxation and all that. I would really to take this conversation further, as you have indicated, Chair. However, just one quick question. In regard to the issues around the Hobart City Deal and the funding we have secured for that which is for crisis accommodation fundamentally, or certainly an area of that, what are you seeing as the key elements that we have to do, given that we have a whole lot of other big issues to fix? Where should the focus be now on what we can control, we have funding, but where should the money go?

**CHAIR** - Another big question and I will give you two minutes to answer.

**Dr VERDOUW** - That's a huge question and a lot comes to mind. My quick comment would be at the front door. A lot of people fall through the gaps at the front door and there is not adequate funding for Housing Connect in making sure that there are comprehensive measures in place for training staff in order to deal with people who are difficult. That is really important. We know from talking to frontline staff and policymakers in that area that there are people falling through the gaps. A lot of them are those who face the most challenging health-related problems and don't keep coming back over and over again to seek services.

**CHAIR** - Dr Flanagan, what is your big idea?

**Dr FLANAGAN** - I threw to Julia because I thought she would have answers. I guess when it comes to the crisis end, the issue that always comes up is exit points. You can build more beds and you will find people to fill them but then there is nowhere for them to go. There is a move within the homelessness sector, recognising that the crisis shelters and then into housing thing works less effectively. To give you a concrete example, I have done some research on the experiences of women leaving domestic violence. Our research finding was that largely the crisis response works reasonably well, always room for improvement, but works reasonably well. What was lacking was what happens next. For women leaving violence they need stability and security for an extended period of time and that isn't on offer in our current system.

**CHAIR** - Thank you, last word to Dr Eccleston.

**Prof ECCLESTON** - The one that I wasn't aware of that everyone talks about and we are trying to get more hard evidence is youth housing, both crisis housing but also longer term. Infrastructure Australia data on changing patterns of social and community housing demand across the country, they didn't have it at a state level. Twenty years ago, most of the demand was for families. Now, increasingly, it is for single people, both aged and particularly young people. A lot of our housing stock is traditional two- and three-bedroom detached houses in the 'burbs and there is a real unmet demand there.

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**CHAIR** - Thank you so much.

**Mrs RYLAH** - Echoing that, thank you.

**Ms O'CONNOR** - Is it possible to send some questions in writing to you as researchers to inform some of our findings and recommendations.

**Prof ECCLESTON** - Absolutely, if we are going to meet again because it is such a big issue with so many elements, some guidance in terms of information that would be useful for the committee is of benefit for everyone.

**Ms O'CONNOR** - I would like to know about regulatory frameworks.

**CHAIR** - We'll take that on notice. We will have a discussion and get back to you. Thank you so much for your time today and sorry that we have gone overtime. There was never going to be enough time for this conversation but we do welcome the opportunity to pick your considerable brains.

I need to quickly read a statement after you have provided evidence. As I had advised you at the commencement of your evidence, what you have said to us here today is protected by parliamentary privilege. Once you leave the table you need to be aware that privilege does not attach to comments you may make to anyone, including the media even if you are just repeating what you said to us. Do you understand that?

**Prof Eccleston, Dr Verdouw and Dr Flanagan** - Yes.

**CHAIR** - Thank you so much for your attendance today.

**THE WITNESSES WITHDREW.**