

## **PUBLIC**

### **THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON HOUSING AFFORDABILITY MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 14 AUGUST 2019.**

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**The Hon SUE HICKEY MP**, MEMBER FOR CLARK, WAS CALLED AND 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 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 must make this request and give an explanation prior to giving the relevant evidence.

Do you understand?

**Ms HICKEY** - I do.

**CHAIR** - 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.

If you wanted to refer to that term of reference in your statement, then please do so.

We have three quarters of an hour. Thank you once again for your time and making the submission and agreeing to appear before the committee.

I will, procedurally, give you the opportunity to provide an opening statement if you wish, and then we will get into some questions.

**Ms HICKEY** - As you know, this is an area I am extremely passionate about. I am living and breathing it, as it turns out.

Unfortunately, the submission that you were first sent escaped without my final approval. You would appreciate that something of this nature would probably have 10 or 12 drafts. I was very surprised to be hearing it on the radio yesterday when it wasn't the submission that I had prepared.

The final one I sent through late yesterday. My apologies for that delay, but in the last two days all I have dealt with is homelessness and mental health issues.

## PUBLIC

If you could possibly consider this one to be the one going up on the web, I would appreciate it because it does take a different slant on things. I think it is more reflective of how I feel.

**CHAIR** - Procedurally, the committee considered and agreed to accept your submission and to publish it yesterday. We will certainly do that in the course of proceedings today.

**Ms HICKEY** - That would be great for the good reason that I don't want a whole lot of public servants fearful that they are going to lose their jobs. I really don't care if the Housing department is increased, if they put back on their carpenters, et cetera, to maintain the properties. It was more about having a look at whether the structure is a suitable size.

**CHAIR** - Okay. I might kick off with the first question.

Yesterday, we received evidence that it has taken six years to transfer 35 per cent of the public housing stock to community housing providers and that Tasmania is leading the nation in that regard. I am advised that there's 41.8 per cent of social housing stock currently managed by non-government organisations in this state. That is through RoGS data. Can you explain why outsourcing jobs at Housing Tasmania would improve outcomes for Tasmanians? Are you thinking of transferring title, management or both?

**Ms HICKEY** - No, I do not think the Government has to give away the property. I think it can lease these properties to the not-for-profit organisations. My experience has been that the not-for-profit organisations invest in doing up the kitchens, the bathrooms and improving the properties and taking greater care in the people they put into the properties.

If you look at the Stainforth Court model, which I understand Ms O'Connor led the way on, it went from being an horrific place to something that it is now considered probably one of the best practice ones we have in the state. It has been given to Housing Choices, I believe. There are very few complaints that come out of that organisation. When you have conversations with the Salvation Army and the police they are all very impressed with the running of that.

These properties can be turned around. What I am finding with some of them is that they have been so run down and the tenancy selection is so bad that everyone is sinking to the lowest common denominator. People are living there in enormous fear. Some are pressured to sell drugs just to survive in the properties. Something has to change.

**CHAIR** - You have provided a range of views within your submission regarding Housing Tasmania, about the department not being very service focused, empathetic or quick to act on various reports, that prejudice appears to have crept in and that its culture is one of compliance above humanity, compassion and solutions. You talk about the need for change and that doing more of the same is not acceptable. Can you substantiate your views with any evidence on Housing Tasmania's failure in its duty of care, its prejudice and its customer focus culture?

**Ms HICKEY** - Yes, I can give you hours' worth. One of the biggest complaints we get from anyone who comes to us from a housing-related situation - that is, if they are in a property - is that they are very concerned about things happening in the complexes. In one case, there was a broken pipe that was putting water under a house. It had been going for a week or so. They had rung up the Housing department to try to get it fixed. They were told it could not be fixed until the next

## PUBLIC

week, so for a weekend the pipe was going to be undermining this property and flooding out into the gardens. I had to ring up and scream to get that fixed.

There have been examples where gas heaters are not working and rather than being replaced by a modern heat pump another gas heater will be provided, which is too expensive to run and it takes months. So there are people without any heating; or the power has been turned off for some reason and while repairs are going on things have perished in the fridge. A lot of the problems are over the weekends when no one is there to help or do any maintenance.

There have been situations where doors have been smashed in by other tenants. The good tenants are left there very vulnerable and frightened.

There was a situation where a very old lady was living with her son who is about 50. He has very severe depression - sometimes he cannot even get out of bed and the mother needs to go to the hospital and so on. About a year or so ago, she asked to be moved from a three-bedroom house into a smaller one, which you would think would be a priority for the Housing department. They visited her and told her she had leaves in the gutter of the house, so she had to pay for someone to take those out. Then they said that a tree, which they had planted, was too big and would be damaging to house and she had to get it removed. I arranged a quote from Werner's Garden Service. It was something like \$1600, which terrified her because she is pensioner and her son is incapable of doing it. She then received a letter from the Government listing other issues, for example mould, which some of these older houses get. She had to do all of that before she would be considered for a move. I rang up the minister's office and said it was ridiculous, the tree was planted before this lady moved into the house and there was evidence of that. I was told they would remove the tree. I am not too certain that has happened.

There are lots of occasions when I have rung up about things blocking roads, I have complained about the dumps of furniture that is not taken care of. Things have improved since I have drawn attention to them.

**CHAIR** - As a member for Clark, you are saying there is a range of constituents concerns as opposed to evidence from government documents or advice you have received from the community sector.

**Ms HICKEY** - It is not so much from outside of the area, it is more the tenants who ring up and want help. They are spoken to very rudely or they are treated as pests and they are not listened to. There are examples I have given where they are saying that this person is so needy, we express all the stuff and put all the doctor's reports and everything as to why this person needs to either be moved or found a house. The letter you get back says that we suggest you advise your constituent that they try the private rental market or the caravan park.

**CHAIR** - Housing Connect is not the department and it's not Housing Tasmania, it's the first point of call for housing services managed through the community sector organisations Anglicare and Colony 47. How does that sit with your comments that you say Housing Tasmania is not very service-focused, empathetic or quick to act and that it has failed in its duty of care?

**Ms HICKEY** - It is with the Housing department-managed properties. Once the person has gone through Housing Connect it ends up in Housing Tasmania.

## **PUBLIC**

**Ms O'CONNOR** - Not always. It offers a range of housing choices, including, potentially, tenancy and community housing managed sector.

**CHAIR** - Including private rental.

**Ms HICKEY** - Yes, I understand the Housing Connect model. I am saying that it is different when they land in the Housing Tasmania model.

**CHAIR** - Your concern is not at the front door through Housing Connect so much as when they are a tenant.

**Ms HICKEY** - Yes, it's when they are a tenant. There have been desperate examples in which we have tried to put people into any housing, people have been sick and needed respite for a few days. After so many phone calls I finally got a person into a backpackers for four days, from a medical treatment.

**CHAIR** - Would it be fair to say that your concern is with Housing Connect as well as Housing Tasmania?

**Ms HICKEY** - Housing Connect is strangled by the properties available, so there is an issue. I am not certain they are as proactive as they should be in going out. I know they were given money to go out and target the hardcore homeless but it appears the Salvos seem to be doing that work, then referring them back to Housing Connect.

**Ms O'CONNOR** - Sue, you were talking before about Housing Tasmania or Housing Connect not being able to provide people who ring up with any housing in some instances. Don't you agree that is a matter of supply it is not Housing Tasmania's fault, that it comes back to the government of the day and the choices they make about whether to invest in increasing the supply of housing?

**Ms HICKEY** - It is a two-edged sword. Government takes advice from the bureaucracy and there is only X amount of money and I will accept that. I am saying that there seems to be an awful lot of waste and some of the houses could be built more efficiently. Our big problem is supply and demand. Every country has a housing problem, we are not immune. We have been is caught napping. We haven't been investing enough into building our social and affordable homes fast enough.

Then we got hit with this perfect storm in which Tassie was the flavour of the month. When I was Lord Mayor we were told this was the biggest investment for quarter of a century. Suddenly, 5000 workers descended on Hobart to build hospitals, theatres and hotels, and they all needed housing. On top of that you had the Airbnb, which just ripped so many houses out of the Greater Hobart city for investment purposes. What I started noticing, as you would be aware, for a landlord to kick out a tenant they needed to be doing a major make-over or have a family member coming down who needs that house.

**Ms O'CONNOR** - Or the lease has expired and they can just move them on under the Residential Tenancy Act.

**Ms HICKEY** - This trend was happening in my office. Everyone was coming in and saying, the landlord wants to do a major refurbishment and I've got nowhere to go. It became too consistent a theme. I was thinking, why is everyone doing up their house? Obviously Airbnb is staring to

## PUBLIC

make a bigger impact. As a government, and I mean this on a tripartisan level, we are tossing money in one end and the impacts of not doing it properly are coming out the end. It is costing us huge resources in policing, mental health, blocking up the Royal Hobart Hospital because these people are so stressed, they don't feel cared for, they are now homeless and people are living in cars, families have broken up and there is not enough shelter. I don't think we have been proactive enough to build these things over the generations, particularly shelters.

**Ms O'CONNOR** - Thank you. The state budgets between 2014 and 2017, the first three state budgets of your Liberal colleagues, had no new money going into housing and this substantially hamstrung Housing Tasmania in its capacity to increase the supply of social and affordable housing. What I wanted to probe with you - having worked with Housing Tasmania people for four years, some of the best people in the public service and my experience of them is they are motivated to provide good housing for people - in the Westminster system of accountability, the buck stops with the minister, doesn't it?

**Ms HICKEY** - Well, it does. If you took that out into good governance anywhere else you would say it is management team that would also be punished.

**Ms O'CONNOR** - Not in the Westminster system. The buck always stops with the minister.

**Ms HICKEY** - It should be the Cabinet, too, because they are the ones who help allocate the funds. I agree that if there was no money in those three years, and I wasn't a member of those governments, that is unfortunate because we have been caught napping and we have not built enough houses. The biggest problem is that we haven't maintained the properties we have. Why do we have a \$73 million or \$50 million, whatever this figure is, backlog of maintenance? If you have boarded-up houses -

**Ms O'CONNOR** - Underfunding.

**Ms HICKEY** - You will hear no argument from me. What I am saying is that Housing can only do what it can do with the money. Every single department of the government should be looking for efficiencies. I would love to see us inspire the public servants to be brave enough to come up and say, 'This is my contribution, I think we could do this a lot better', but I do think there is a bit of fear of upsetting the apple cart.

**Ms O'CONNOR** - Finally, on the maintenance backlog, it has come down substantially since I was minister. The issue with maintenance is that, for Housing Tasmania to fund maintenance, it comes out of the Commonwealth payments. That maintenance backlog is an historical backlog that Housing Tasmania is constantly working to bring down. It has gone from about \$100 million when I was the minister down to where it is now. The only reason I look behind me is because Danielle Goss, who is sitting here as an advisor to Labor was my housing advisor at the time and I thought she might know the actual number. It is at \$60 million now so it has come down quite a lot in the last five or six years. It is a bit unfair to have a crack at Housing Tasmania over the maintenance backlog.

**CHAIR** - The community housing maintenance backlog is higher than public housing in the Government's submission.

**Ms O'CONNOR** - They inherited that, too, it is part of the same problem.

## **PUBLIC**

**Ms HICKEY** - My crack is against the whole system. It is not against individuals. I made it quite clear when I came in here, it is not about trying to scare the public servants.

**Ms O'CONNOR** - They are already scared.

**Ms HICKEY** - With all due respect, we, as a Government or as members of the Government, must call out things that aren't working. It is not about individuals taking personal offence. It is to ask, does this system work? Is this in the best interest? I can imagine people in the Housing department being horrified with some of the things they see and being frustrated that they can't give the people sitting before them, bawling their eyes out, a home. We have a \$60 million backlog of funding that still needs to be dealt with. If you have a boarded-up house, you can't put a person in there. Where is the intelligence there? What are we doing? Something is really wrong. When you don't put the person in the boarded-up house they are out in the street and they become a victim of something or other and they end up with mental health issues. They can't get their kids to school. The whole system is broken and it is not any one person in Housing department's problem. It is a whole-of-government problem. It is all of us.

**CHAIR** - We received evidence yesterday from the department that the number of boarded-up houses was less than 50.

**Ms HICKEY** - Forty-nine. Are they all out in Gagebrook? We counted some of them.

**CHAIR** - We did not receive that data.

**Ms BUTLER** - Can I ask whether you wrote your submission yourself?

**Ms HICKEY** - No, it was my advisor and myself, but that's why I'm saying you have the wrong version.

**Ms BUTLER** - Because there was quite a substantial difference from the first to the second insofar as the tone. Is there any reason for the difference?

**Ms HICKEY** - Yes, because it is probably draft 2 you have. My tone is because I am still very frustrated. I tried to make it so that it is not against individuals but against a system.

**Ms BUTLER** - Why was there such a change between the two submissions?

**Ms HICKEY** - Because I think if you were putting in a submission you would review it several times.

**Ms BUTLER** - This is not about me. I am just asking about the change from the first to the second where was quite a significant change in tone. That wasn't public pressure, was it?

**Ms HICKEY** - Absolutely not, no. As I said, there were about 10 versions of this and it got changed so many times and different ideas would come forward as you'd write it. You'd think, 'Oh, I forgot about that', or 'I need to put this in'. The first one which was probably more like, 'Help, this is so bad', I have toned it down to make it less sort of directive. When I heard it all over the media yesterday, which I was mortified about, I thought, 'Oh my God, there are going to be nervous public servants', which was never my intention. I didn't give authority to release it, unfortunately, so I was surprised.

## **PUBLIC**

**CHAIR** - I think it was submitted in your name.

**Ms HICKEY** - No, it was withdrawn. I had put it up for withdrawal, so let's make that very clear.

**CHAIR** - Not before the committee had received the submission.

**Ms HICKEY** - That's due to the efficiency of the system. It went in by mistake. I withdrew it probably within an hour once I realised what had happened, and then I didn't assume it was going anywhere else.

**CHAIR** - Okay, we will not argue a procedural matter. The committee will consider that. Last question, Ms Butler?

**Ms BUTLER** - You do understand that some of the comments you made about public sector employees, especially those who work in Housing Connect, and even just sitting here then there was an implication that -

**Ms HICKEY** - Not Housing Connect, the Housing department. We're getting these mixed up.

**Ms BUTLER** - I am not getting them mixed up, but instead of the intention of blaming the chief, it came across very much as blaming the indians. Even this morning there was a crack about intelligence. Do you think -

**Ms HICKEY** - Where is that?

**Ms BUTLER** - When you were talking before you mentioned that there is a lack of intelligence.

**CHAIR** - Finalise your question please, Ms Butler.

**Ms BUTLER** - Sorry. Do you think that maybe the staff of the areas you attacked in your submission may be feeling quite vulnerable? There was also a suggestion about them potentially becoming redundant.

**Ms HICKEY** - I put to you that there have been some changes already in the Housing department and that was probably for very good reason.

**Ms BUTLER** - Is that still your view?

**Ms HICKEY** - I am glad those changes happened. There were some people who were very rude and threatening to some of the tenants. One person, for example, would go quite regularly to do inspections of a Sandy Bay block and go in there and laugh and say - and this was reported to me by numerous tenants -

**Ms BUTLER** - You can substantiate this with a stat dec?

## PUBLIC

**Ms HICKEY** - Yes, because there is a complaint. I wrote the complaint to the Government, named the person and the person got moved on. They were going in there and saying, 'Oh, that's right, I'm only allowed to report on structural issues, not the state of your living'.

**Mr TUCKER** - Sue, I would like to talk about planning and your time on council. Planning came up a lot yesterday and venturing out from affordability to availability for people to rent houses. In your time on council did anything change in the planning and forward thinking of this problem occurring? It has been occurring over a number of years and I am trying to get a picture of where council was sitting with this in local government.

**Ms HICKEY** - Yes, there were changes and a lot of that was as I was transitioning out of local government. Hobart City Council was always proactive in building things but they weren't necessarily homes that were social enterprises. I think under our time we allowed the building of the two Common Ground buildings which were very good models for their time. It is unfortunate that one of them fell into some difficulties and where that was a really good supported model it has lost that full-time support so the residents are not progressing as well and are a bit fearful living in those circumstances. That is now managed by a not-for-profit.

**Mr TUCKER** - Another thing that I see as a big issue with this housing issue is mental health. Our council dealt with that by setting up a mental health action group. Is there anything the council did in regard to mental health while you were on the council?

**Ms HICKEY** - Hobart City Council was always very proactive in looking at issues like mental health and housing and things like that, but it is not really their bailiwick. The state government is the one responsible for, or has the right to provide, the services on social issues like mental health in particular. But I put to you if we can't provide a roof over someone's head, their mental health is going to be severely impacted because of their sense of failure that they can't provide for their children, they don't know where they're going to eat, they don't know they're going to cook on. If they're waiting to go into Bethlehem House they don't know until 7.30 if they have managed to get the last remaining bed called 'the sack', and it's really cold and dark so they don't know whether they should be making plans to sleep under a tree or sit outside the front door of Bethlehem House. Then they have to get up in the morning and work out where they're going to have a shower. Women who are homeless don't know where they're going to go to the toilet during the night because they're not safe, so it's really quite a fearful situation.

I want to come away from the idea that local government is just there for approving properties that developers put up, whether it be the government, the private sector or whatever. They don't actually build properties themselves. We had this perfect storm with too many people coming into the city, Airbnb hit us, we hadn't built any social housing and improved our stock for a very long time.

**Ms O'CONNOR** - Since 2014.

**Ms HICKEY** - Yes, so then we had this explosion of people needing homes and the traditional rental home suddenly went off the market. For the working poor - maybe he's a cleaner and she works at Shiploads - suddenly two incomes are not enough to pay the rent when it has gone from \$380 a week to \$500 or \$600, so they're homeless and have had to leave their dog behind.

**CHAIR** - Do you agree that the Government's failure to meet its target to provide 900 homes by 2019 has contributed to the housing crisis? You talk about the need for accelerating supply. Do



## **PUBLIC**

you agree that the reduction in social housing of 598 since 2014 is an example that the Hodgman Government has failed Tasmanians looking for a home?

**Ms HICKEY** - I was very disappointed we didn't build 900 homes. I thought the conversion to lots was a worry because you can't live on a lot. Hopefully those lots will convert to homes in the very near future. I would have liked to see a focus much more on the social housing stock but I also really like the Government's affordable housing focus. Something this committee could encourage is more of that type of development for young people who qualify - and it doesn't even have to be young people for that matter, as long as they haven't previously owned a house. The HomeShare model gives them a chance to get into home ownership at an earlier age and is much more affordable than private rent.

The Government has done a lot with first home owners' grant extension and that HomeShare model. We would like to see more people in affordable homes rather than social homes, but if they have to be in social homes we can't just dump them in large complexes and let them work it out for themselves. We have to have wraparound services to support them and teach them how to be able to live in a house, work with neighbours, deal with their mental health issues, and help them raise and connect with their children.

**CHAIR** - In terms of accountability, can you understand why Housing Tasmania staff would be feeling concerned that you don't regard them as being capable and suggest that instead they should be made redundant?

**Ms HICKEY** - No, I would say that to pretty much every government department. If it is not able to provide its service, it's poor service. I want to put on record that if the Housing department was suddenly given more resourcing so it could run its own tradesmen and make sure it had more people doing the inspections and had more focus on making sure these properties were of a liveable standard, then I would fully support that if that was seen to be the best model. There are a couple of ways they can go. They either farm it out to the not-for-profits or they manage it in-house and they manage it properly.

**Ms O'CONNOR** - Or a combination.

**Ms HICKEY** - Yes.

**Ms BUTLER** - I would like to ask you a few questions about the \$450 million the Government will be cutting. What is your take on whether Housing should be made exempt from those potential cuts?

**Ms HICKEY** - I don't get any call on that. I am not in Cabinet and I am not in the PLP. My personal view on the cuts is that, like all organisations, particularly if you are in the private sector, you must constantly look for waste and for efficiency. Having said that, the obvious one to exempt has to be hospitals because they are definitely struggling. The other social issues of mental health, drug and alcohol are probably ones that we need to be investing in rather than cutting. If there is backroom waste then it is our responsibility to eliminate that and bring it into the front line. Housing, yes, given the fact that we have so many people homeless and we are seeing the devastating consequences on people's lives - this is now affecting multiple generations - I would like to see it exempt but that is the Government's call.

## PUBLIC

**Ms BUTLER** - From the evidence we are hearing, the statistics and the strategy that is in place are based on figures from around 2015 and even then they were not accurate. The problem is a lot bigger than the Government is catering to, let alone developing a strategy for. Knowing that and knowing that if you are on Newstart or Youth Allowance, you simply cannot find private rentals at all. They are simply not there. There is a real problem with affordable housing and meeting those targets. Knowing that, do you think that area should be quarantined completely and more investment put into housing than we have at the moment?

**CHAIR** - It is something like \$10 million of that \$450 million would fall upon the Housing Tasmania budget if it were on a pro rata basis, spread across government. Have you demanded that Housing Tasmania be quarantined from those cuts?

**Ms HICKEY** - No, I haven't asked for that. Conversations are always about managing the efficiency of it. You can't rip money out of an organisation without doing some serious work on inefficiencies. Every organisation, it doesn't matter if it is private sector or government, has inefficiencies. It is a matter of identifying them and not accepting the status quo. Every entity should be reinventing itself all the time and always constantly looking for ways to improve.

**CHAIR** - But you have just said that there should be more investment in housing.

**Ms HICKEY** - Yes, I am not walking away from that. When you look at our shelters for emergency accommodation, there are 37 men every single night that we know of, a hardcore group, waiting to get into Bethlehem House. There are 250 women turned away from the women's shelters each month. That is not acceptable. I wrote to all the mayors around Tasmania and asked them what they were doing and what the housing problems were like in their areas. I received a lot of responses I have not gone through yet but I was reading one last night. Their biggest complaint is that lack of emergency shelter when people have got into strife.

There is no shelter for families. I spoke to a minister yesterday and I said that not everything is the government's fault, why haven't the churches stepped up and opened up their churches from, say, 7 p.m. to 7 a.m. for a cup of coffee, a sandwich and a bed somewhere that is warm and safe and protected? There would be oodles of volunteers but there is always talk of workplace compliance, our hall might have a bit of asbestos, and people can make all the excuses under the sun.

With the crisis we have now we probably need to change the language to emergency. If you remember 15 months ago I said that if I were premier I would have brought in the army and put up some big tents. Here we are in one of the worst winters and we still have people out in the streets, in St David's Park, on the Domain and out in Glenorchy. It isn't good enough.

**CHAIR** - You talk about Windsor Court, for example. You include some fairly harsh accusations in regard to some social problems within that facility. The reality is that if those people were evicted from that facility, they would be evicted into homelessness, potentially adding to that conundrum you have described. Is that a reasonable thing to demand?

**Ms HICKEY** - That is one of the worries I have agonised over but what happens there is, in my office I get people who are genuinely, really struggling and want to make a difference with their kids, et cetera, and we have a mix of, not drug addicts, drug dealers. They don't belong there, they belong in jail. We need to bring back in this mix where people who are trying to recover are not exposed to the violence and the histrionics that go on with the drug dealers. What I am seeing and

## PUBLIC

what I am complaining about and fed every single day is a nightmare. Let me read you this. I don't want to name this person -[quotes TBC]

These people were hanging in my laundry bay out the front of my unit. They were to sleep there with blankets and steal my lightbulb out the front. I told them to move on and they said that they live here. Then I told them to 'go to your unit, back to your block', and they said they had no lights. Then I responded, 'Well, if you stopped taking the globes to smoke your ice, you would have lights'. Then they came towards me out of the laundry bay, so I pulled my knife out and told them to move on and then they did and it kept me up all night and triggered me.

It goes on to say that, 'last night, car loads of people came in after that and broke into unit 27, slept there and stayed in another laundry bay'. Within the weeks that I have been complaining there, a woman suicided on an overdose of drugs and eight kids and a meth lab were removed from a vacant unit. Why aren't those vacant units more or less turned around in 24 hours so they are not vacant?

**CHAIR** - You have raised these concerns with the minister?

**Ms HICKEY** - Over and over and over. There are some very bad things happening there.

**CHAIR** - Tasmania Police, as well?

**Ms HICKEY** - Yes, Tasmania Police. I have had the conversation as high up as I can go.

**Ms O'CONNOR** - Sue, in terms of Housing Tasmania, what it has delivered and the role of those, without Housing Tasmania, Queens Walk wouldn't have been refurbished, we wouldn't have the Trinity Hill youth complex, we wouldn't have had the Common Ground facilities built, there wouldn't be a Thyne House in Launceston, and all of these social infrastructure projects that Housing Tasmania has delivered when it has been resourced to do so. Do you agree it's a question of resourcing as well as leadership, rather than any fault within Housing Tasmania?

**Ms HICKEY** - I think faults are all around. A brave department would be challenging the minister that we could be doing this, we could be doing that, and we might be able to resource this. It's always unfortunate with any department because you might have one or two people who are rude at the front counter and they are the only people that are ever seen. All the good people who are trying to do the right stuff in the back are maligned because of one or two frontliners. That would happen in any organisation.

We hear the same complaints at the hospital. Someone turns up frustrated and meets a tired, rude nurse, who probably has a million reasons to be grumpy, and thinks then that the whole hospital is to blame. That is not what I am trying to say but I do accept that there has been some fabulous work done in the past. If you go back into after the fires and things like that, we really took the right attitude and built the houses. Houses are infrastructure. We are building for the future. We are safeguarding our children, we are allowing them to go to school and we are allowing families to stay together. Our big, fundamental problem is that we are simply not building enough houses and the private sector has let us down; it is not interested, for some reason, in private housing stock.

## PUBLIC

**Ms O'CONNOR** - We were told by the Real Estate Institute of Tasmania yesterday that delivery of affordable housing is the government's job, not the private sector's job. Do you have a response to that?

**Ms HICKEY** - That is disappointing because there are some big organisations like Wilson Homes, which is working with CatholicCare, and are building some really fantastic developments. Yes, people in the private sector want to make a profit but they can apply for a tender and they don't do it. The main thing is, we have to incentivise people to build houses.

**Ms O'CONNOR** - Sue, in terms of tenancy selection, because you implied that Housing Tasmania makes terrible tenant selection choices, I wanted to put to you that public housing authorities are the landlord of last resort for many people. If that public housing authority is not there to provide homes for people who won't get a home in the private rental market, who aren't selected by the community housing providers who have the luxury of making choices, where would those people go if Housing Tasmania - under your proposal - was effectively abolished and its work absorbed into the community sector?

**Ms HICKEY** - I haven't suggested it be abolished. I suggested it be restructured which is different to abolishing it. There is that dilemma. There was a unit that was absolutely filled with cockroaches. The cockroaches were going through all the other tenancies into their air conditioners, into their computers, behind their fridges; the whole complex was riddled with cockroaches. There was a corner unit which was bashed up and vandalised. I offered personally to go in and clean that up because that would have been a great place to sit somebody like a security person or to use it as a community centre. The cockroaches finally were dealt with after I went public, as you know. That was a huge relief to most of those people. That particular tenancy had been absolutely trashed.

**Ms O'CONNOR** - Back to the question, and sorry to interrupt, who are you suggesting houses people who are rejected by the private rental market and are not chosen by community housing providers?

**Ms HICKEY** - We have those people who abuse their tenancy rights. This is government property. It is owned by the taxpayers. We have a range of people over here who are desperate and trying to do a good job with their kids, can't get anywhere, and we have people flouting the law, committing crimes and we are saying, 'stay in there'.

**Ms O'CONNOR** - I don't think that is what they are saying.

**Ms HICKEY** - I would like to finish that if I could. With this particular unit it was completely done over. New carpet, new kitchen, everything, stunning. I was so excited. I immediately put in a submission to the Government that the woman who was in the upstairs - 78 years of age, can't get up and down the stairs because she has a disability and a walking frame and she is liked by the tenants there, she cooks cakes for people and tries to keep a sense of community - get that tenancy. She didn't get it because somehow or other I was supposed to have filled in a form and nobody told me to, so they put a person in. Within a few days the unit was completely trashed.

It is a matter of somebody being on the ground responsible and saying, you are damaging government property, or if you are selling drugs, you do not belong here. If you are a person recovering, that I accept, but if you are a drug dealer and you are enticing other people and you are encouraging young kids in there to do drugs and sell drugs, you don't belong in that government house. You belong in prison.

## PUBLIC

**Mr TUCKER** - Coming back to planning, Sue, it has been put to us about infilling and also offering incentives to developers to redevelop within the greater Hobart area and creating affordable housing. Do you have any thoughts on that?

**Ms HICKEY** - There are lots of states that have already done things around this where they are asking developers to give away 5, 10 or 15 per cent of the development to social housing. I do have some issues about it if you are building a mansion and you are putting people who don't have the same advantages in life in there in the same complex, whether that is appropriate. I don't care if it a trade off with money. A lot of developers if they are doing a development, they sometimes have to give back the value of a piece of land for public open space. If there was perhaps a levy that went into social housing or affordable housing I wouldn't have an issue with that.

**Mr TUCKER** - You would be in support if they were offered to be able to raise the height to infill some of that area and provide affordable housing?

**Ms HICKEY** - I wouldn't have a problem with that. I don't quite have the same height phobia that some people have. We all need to recognise that we do need infill housing. That is a priority. We can do a denser type of city. If you still want your broad acre, your five acres out at Acton - there is still plenty of opportunity and scope for that.

Can I just go back to one point, with giving it to not-for-profits. The advantage of giving some of this housing to not-for-profits is that they can access the rental assistance scheme from the Commonwealth, which the state government cannot. So it really makes commonsense to have a really good partnership between the not-for-profits and the government, whether the government builds the houses and then allows the not-for-profits to manage them.

**CHAIR** - Ms Hickey, you have in the past used some quite strong language around the Government, and accused it of being incompetent in a range of areas in health and housing. It is clear, would you agree, that you would do a better job as Housing minister, or do you back in Housing minister Jaensch in the job he is doing?

**Ms HICKEY** - All of us would agree that Mr Jaensch has a heart of gold. He is well-intentioned and really wants to do the best in this portfolio, but it has been a very steep learning curve, as it would be for me. The difference is I have the freedom not being a minister to actually be out there meeting the people who are suffering as a result of Government decisions. Let's put it that way.

**CHAIR** - Have you raised these constituent concerns with the Housing department?

**Ms HICKEY** - Yes.

**CHAIR** - And are you aware that they are being progressed to the department's Housing Review Committee, and if so, have you been satisfied with the review findings in relation to the concerns you have raised?

**Ms HICKEY** - There is a bit there missing, I think. As a member, I am not allowed to actually talk to Housing, as you are aware, so everything goes through the minister's office. Often, I will chase up an issue many times before we get an answer, and I think that is just due to the sheer volume of stuff we are sending up. I am presuming all of you are sending up as well, as you come

## PUBLIC

across it. But certainly it is a daily concern to me, and I do think we, as a whole Government, tripartisan, can do better.

**CHAIR** - Just finally, you would be aware of the Housing First model in Finland. I think the data is that for every \$1 invested in housing, there can be \$2 to \$13 saved in other portfolios.

**Ms HICKEY** - Yes.

**CHAIR** - Given that there would be those savings across health, mental health, justice, children, education, have you raised this with the Premier?

**Ms HICKEY** - Yes.

**CHAIR** - And do you think there is a future for Housing First in Tasmania?

**Ms HICKEY** - Yes, I absolutely do. I think we are the perfect size to introduce something like that, but it takes a very big, bold, brave and accountable government and parliament to work together to get that through.

Housing First clearly works, and it is now being implemented in other countries. You cannot address a person's social, mental, physical and all their other needs unless they are in a house. They cannot make the right decisions, so they become more and more dysfunctional, more and more fearful, they clog up the hospitals, they get themselves into crime, they get all sorts of family conflicts. Anyone who comes to me, it is not just one issue - 'Oh I just need a house' - there are a whole range of complexities that have happened through the sheer stress of not having somewhere to sleep, somewhere to eat, and somewhere to raise children.

**CHAIR** - It comes down to priorities, doesn't it? Investment in housing to realise the savings in other portfolios.

**Ms HICKEY** - I am hoping that is one of the biggest findings of this committee - that the problem is we do not have enough places, we do not have enough shelters, and we do not have enough homes to put people in.

**CHAIR** - As you said the system is blocked.

**Ms O'CONNOR** - Sue, when Senator Jacqui Lambie duded Australian's progressive tax system and voted with the Liberals to undermine a progressive tax system and hand massive tax cuts to the wealthy, one of the trade-offs was apparently some work to have the Commonwealth state housing debt forgiven. Have you had conversations with the minister or the Premier or any federal Liberals, including Senator Eric Abetz, who thought that would be like rewarding bad behaviour about the Commonwealth state housing debt? The reason I ask is that you have a lot of energy and a lot of goodwill in getting people homes - but \$15 million of the \$30 million that we receive from the Commonwealth goes back each year, which makes it hard for Housing Tasmania to build new homes, hard to deal with the maintenance backlog. Have you made representations about the Commonwealth state housing debt?

**Ms HICKEY** - I would have offered myself to go up there and negotiate it. I have often said that I am more than happy to go up and fight the battle. I have had conversations with Jacqui Lambie and I applauded her on her effort to try and get this wiped. It is my understanding that she

## PUBLIC

has been dealing with it, but her problem is she doesn't actually want it to go through the state Government; she wants to make sure that the money actually gets spent on the houses, and doesn't get caught in something like consolidated funds. So I believe there are some negotiations going on in the background. I would support anybody trying to get rid of historic housing debt.

**CHAIR** - Have you spoken with Jacqui Lambie in relation to that?

**Ms O'CONNOR** - She said she had.

**CHAIR** - Okay.

**Ms O'CONNOR** - Can I ask, if you are having a conversation with Senator Lambie about the mechanism for forgiving the debt, if Housing Tasmania is allowed to keep that \$15 million, then there will be a substantial uplift in supply. From what I am hearing, I am a bit concerned that there is a lack of faith in Housing Tasmania's capacity to deliver, even though they have a demonstrable track record of delivering. I am worried that if the debt is forgiven or in some part forgiven, that Housing Tasmania will not get the funds it needs out of that forgiveness.

**Ms HICKEY** - It would be good if you could get Senator Lambie here, because I cannot speak for her. My understanding is that it would all go into building houses. She actually wanted houses built. So whatever mechanism that is - whether it goes into building more houses - if the debt is relieved, then I understand that the same money we get from the federal government, \$30 million -

**Ms O'CONNOR** - We keep the full cheque?

**Ms HICKEY** - The full cheque should go to the Housing department, and as a parliament we should make sure it stays with that department. No department, if it is completely unfunded, can do anything.

**CHAIR** - Ms Hickey, last year in the parliament you voted in support of a Government motion amendment, as I recall, around Airbnb and short-stay accommodation, in exchange for a guarantee that there would 941 new homes, with a significant majority in southern Tasmania. In your submission, you say that more regulation should apply to the sharing economy, to help alleviate the shortage of rental properties. What sort of regulation are you talking about there? Would it apply to all properties, or just some properties, or some suburbs? How would that work?

**Ms HICKEY** - I am not certain. There's lots of countries that have dealt with Airbnb, and obviously it is an innovative -

**CHAIR** - And that is just one platform.

**Ms HICKEY** - Yes, one platform. The model that allows you to rent out one or two rooms in your house is more than acceptable. It is when whole houses are taken out of the market, and where owners own multiple properties as a business model, or when they are owned by mainlanders - that is where I think there has to be an increasing level of scrutiny, and more regulation, and probably some better taxing around it, or something to that effect. As a lot of new disruptive technology has done, it has had a big impact that no government probably would have foreseen.

I asked at that time - it was about the pause - and I was told it would be illegal and wouldn't stand up, so I had to accept that because that was the bureaucrats giving us frank and fearless advice.

## **PUBLIC**

I had asked for 500 homes to be built, and was told that 900 would be built, and I thought, Wow!

**CHAIR** - And you were pleased.

**Ms HICKEY** - I actually questioned whether that was humanly possible, and was told, yes it definitely is humanly possible, so I went along with it. I would have been thrilled with 500, which I probably thought was more realistic.

**CHAIR** - The promise was 941.

**Ms HICKEY** -Yes. When I found out it was lots, I must say I was extremely disappointed.

**Mr TUCKER** - Chair, can I bring your attention to the time?

**CHAIR** - I apologise for going a little bit over time.

Thank you so much for your time today, Ms Hickey, and the work that you put into your submission. It is much appreciated.

**Ms HICKEY** - I do ask you to look at the true submission.

**CHAIR** - We will. Indeed, as a committee today, we will be considering that and -

**Ms HICKEY** -It does have a different slant on it about areas where we can make improvements, and it also has more of a focus on the shelter problems.

**CHAIR** - Okay. We will certainly consider that, and the secretary will be in touch.

**Ms O'CONNOR** - You might discipline your staff member to make sure they are not sending things out in your name before you have approved them.

**Ms HICKEY** - No, that was a huge mistake and I was mortified when I found out. I had asked for it to be stopped immediately. Unfortunately, it got to you first. We did not realise it was going on the web.

**CHAIR** - I am required to read a brief statement after you provided evidence. 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 HICKEY** - Yes.

**CHAIR** - Thank you again very much for your time.

**Ms HICKEY** - Thank you.



## **PUBLIC**

**CHAIR** - Committee, we will need to consider that in a break. I am conscious that we are a little over time. We have our next witness ready to appear. Everybody okay if we head straight into that?

I am sure the secretariat will provide us with a copy of that revised submission. Good, we are all looking at the right version.

**THE WITNESS WITHDREW.**

## **PUBLIC**

**Ms KATE KELLY AND Alderman DAMON THOMAS**, HOUSING WITH DIGNITY REFERENCE COMMITTEE, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - 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? If so, I would like to reiterate some important aspects of that document.

Firstly, 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.

Secondly, 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?

**Mr THOMAS and Ms KELLY** - Yes.

**CHAIR** - I wanted 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.

If you wanted to make reference to that in your statements today we would welcome any additional comments, otherwise we have the submission before us and we will swear you in as witnesses.

Welcome, both. We have three-quarters of an hour for your contribution. If we can save a couple of minutes that is fine, but we do not want to cut your time short if we can help it. I hope we have a good discussion.

You mentioned a document that you wanted to table?

**Ms KELLY** - Yes, thank you. This is a dossier that we have produced of lived experience responses to the terms of reference and some supplementary information.

**CHAIR** - Wonderful, thank you. That is really terrific.

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

## **PUBLIC**

**CHAIR** - We really appreciate that. Yesterday the committee heard a range of submissions. It is really terrific to see community providers, in particular, weaving in some case studies to give the committee a good understanding of the impact of homelessness. It is really wonderful that you have taken the time to compile this material. We deeply appreciate that.

I will start with a question and then into questions across the panel. You say that people are dying from this housing crisis. I have not had a chance to dive into this document yet. That is a pretty heavy burden for the people of Tasmania who are most vulnerable and at risk of housing stress and homelessness. Would you like to elaborate on that claim?

**Ms KELLY** - Yes, I made that claim in reference to conversations I have had with frontline workers, people who are living in public housing and people who are homeless in relation to knock-on effects. People can't die of housing crisis. People don't directly die of homelessness, but like any chronic condition people can die from the secondary impacts. Suicide is occurring, people are dying of accidental drug overdoses because security of their homes has been compromised. There are people sleeping rough whose health is deteriorating to a point where, as one of my friends who is a frontline worker said to me, it is only a matter of time before he finds one particular person dead. People are dying as a result of impacts from homelessness.

**CHAIR** - Your Housing With Dignity Reference Committee comprises people with lived experience of homelessness. With your deep experience you are well positioned to give us a perspective on housing and homelessness in this state. How do you see the situation right now? It has been described as a crisis, would you agree with that?

**Ms KELLY** - Yes. I think that the crisis is largely unquantified. There are a lot of hidden homeless people. To call it a crisis is fair, but a crisis, in the true sense of the word, is danger and opportunity. There is a lot of danger but we are missing the opportunities.

**CHAIR** - You talk about the challenges of quantifying the problem. I think 1622 homeless people were counted on census night in 2016. Do you, through your contacts, have an insight into the extent of the problem today?

**Ms KELLY** - Not an accurate representation. The information we have been relying on is that 2016 data. Given that there has been such a huge shift in this area and that homelessness is now impacting a broader cohort of people in Tasmania, it is time for the data to be seriously reviewed and updated. We need to find alternative ways of gathering data which don't just rely on the census.

**Ms O'CONNOR** - We are very interested in this inquiry in hearing the lived experiences of people who have suffered housing distress, homelessness. Both of you, as representatives of the reference group, would have had conversations with people who don't have a place to call home. Do you want to tell us some of that human story?

**Ms KELLY** - I would like to refer to Damon now, who could talk about it.

**Mr THOMAS** - Just for a moment. We are very grateful. Although you have other representatives of the council here today, I am the only representative, with Kate, who is representing the council, because we are representing a reference group of the council. The others are well meaning but they are not speaking for the council.

**CHAIR** - Okay, noted thank you.

## PUBLIC

**Mr THOMAS** - This committee is important because it is the only committee we are aware of that is 80 per cent comprised of people with lived experience. This is a bottom-up committee. It is not directed or denied opportunity to represent by either the community or the council. I believe it is the only such committee within Australia. That committee is already starting, in only four meetings, to actually have some grunt. There are a lot of things we want to give to you today. A lot of it fits in with your item (1) any other matters incidental thereto.

There is a significant gap in some of the creative creativity that was applied when the terms of reference were developed. On top of this there is a range of business parameters, economic parameters, that have contributed to this cause. There is an almost a total lack of a presence within this greater Hobart area of a viable, very progressive business voice. I do have some answers for that, but unless we involve the business voice, as we did with Common Ground - that in that case gave us, as you are aware, well over a million dollars of private funds to keep Common Ground going when it was going. In just a mere space of three or four years we have denied the valid existence of the alternative to public housing that has opened three more premises in Victoria in the last 12 months. This is the Common Ground model.

Having said that you asked of experiences. You cannot get much better as an advocate and you will be aware of Jo Paget. Four or five weeks ago, Jo Paget was presenting as a potential suicide risk. Jo had daily, her closest confidant was a lady who took her own life at the former Common Ground in Goulburn Street. Ladies and gentleman that would not have happened if Common Ground had continued as a model. The 24/7 security that was applied in those two premises that is now in look only in terms of Campbell Street would have prevented that death. There are people who were in Common Ground who had suffered extremely. Cassy and I have talked about this.

We were in one of the first Sleepouts of the Salvation Army. In fact, I instigated the first Sleepout, the original one, as the chair of Salvation Army development board. The reality is that there are the problems you said of drugs, the problems of public housing, the stigmatised housing in terms of people getting into those premises was combatted when we had the 24/7 model that was in place in Campbell Street and in Goulburn Street. It is a shame and an indignity on this place and on the public record we have constantly asked, and I know you have asked as well, Cassy, we have never been given in this state a reason by the Government for why they crushed Common Ground. It was according to the Auditor-General, the University of Queensland and the University of Tasmania a model which provided value back to the community. That model was broken in this state, to the shame of this state and its people and its community and its parliament.

Unless we have that type of model, or one of the beautiful models that are put forward by councils like Cardinia council in Victoria - which I would love to get in at one point - we will not resolve this problem.

**Ms O'CONNOR** - Thank you, Mr Thomas. I would also like to hear a little bit more about the lived experience of people who are working through the reference group who you are both representing here today. While we as a committee will seek to have people with that lived experience of homelessness it is not always possible and it can be a very difficult process for someone to present to an inquiry. So, having that fabric in our evidence is really important to us so perhaps you could go to that?

## **PUBLIC**

**Mr THOMAS** - I will just briefly speak because the reference group is about the people like Kate.

Just to open it up, we work on the basis of having between 10 and 15 people who are either homeless now or formerly homeless. We get a shift in population because for some people just waking up in the morning and getting to the committee is a difficulty. It is meeting monthly. It meets at Criterion House which is very close to the 50 & Better Centre.

One individual, for example, who goes to Bethlehem House part of the time, prefers to sleep rough. He prefers to stay out in the rough place. It is interesting and I will put it on the public record, when Tasmania - and I know you were involved as minister at that point - when we did the first housing survey, we were the first state in Australia, of a capital city, that did a two-day street count. It was never repeated but it was done.

We met a person called Craig in the Domain. Craig was immediately defensive and negative towards the Salvation Army because he had experience. Some of these people have gone from 10 or 12 housing shelter refugees and each time they have had a bad experience so they go back to sleeping rough. The reality is that Craig said, 'You have woken me up and you have not even bought me a coffee'. Next morning I privately went back and took him a coffee and I tried to encourage him to take up the offer that I believe Common Ground would apply. He was offered housing four times in the next three months. Right now, if I walk down the street he will come and upbraid me for having broken some promise to get him a house because his mental condition is such - and I have no intimate knowledge of that - that he will not take up that offer. On our reference group we have a person who will never take up the offer of full housing because they prefer to be on their own.

Kate, you might give some other examples.

**Ms KELLY** - What I would like to do if it is possible with relation to your question, is read a speech that I have prepared based on mine and other lived experience anecdotally.

**CHAIR** - This is your opportunity, your time.

**Ms KELLY** - Hopefully this will cover some of the answers to your question.

**CHAIR** - Does this need to come with a trigger warning?

**Ms KELLY** - No, only for me.

**CHAIR** - We are with you and we do appreciate all that you are doing.

**Ms KELLY** - It is about our Housing with Dignity group and it is about my own personal experience.

Our Housing with Dignity Committee is working to create meaningful solutions, to integrate the perspectives of those with lived experience of housing stress and homelessness into housing provision and policymaking in a 'not about us, without us' approach. We have many useful perspectives and practical ideas that can inform and drive meaningful action drawn from experiences such as living in alternative social and community housing models, which foster social

## PUBLIC

mobility and autonomy, to navigating housing and welfare services, rough sleeping, overcrowding, and living without secure housing or in extreme rental stress.

We need our government, when tackling homelessness, to not only consider the physical aspects of being without shelter but to gain a far deeper understanding of the preventative strategies that can be adopted to avert homelessness, and the lasting trauma and health and social mobility implications for those experiencing it. Primary homelessness is an end stage result of poverty, disadvantage and housing shortage and many stages precede it that need to be identified and mitigated early to reduce adverse societal and personal knock-on effects.

I have provided for each of you today a document that I have compiled that identifies six commonly experienced stages of becoming homeless and that is contained in the dossier. This data was compiled by discussion with people affected by homelessness who are kind enough to provide me with their personal and harrowing stories that I may bring this information to you today. We would be grateful if you could read this document of experiential evidence and consider it in your progress forward from today's hearing when discussing policy and planning in this area.

We must respond more empathically and effectively to dealing with the flow-on effects of housing insecurity, such as mental and physical health breakdown, family separation, lasting intergenerational trauma and prolonged social dysfunction that are symptoms of being without secure or adequate housing. We need our Government to adopt a more bespoke approach to the complex social and cultural needs of specific cohorts, such as the Aboriginal community, and involve Aboriginal people in the design and provision of Aboriginal housing.

We need this bespoke approach to consider also the cohort's specific needs of single older women, young families, those fleeing domestic violence, and people undergoing rehabilitation on exit from prison, and ensure these diverse needs are integrated into design and provision of social and community housing developments.

A one-size-fits-all public housing model is not the only answer. In this rapidly changing time of demand as our homeless demographic shifts exponentially upwards into the working classes and outwards to affect previously untouched groups of people, it is failing us.

Primary reliance on the existing public housing model to fix this issue is failing. We are an increasingly diverse community and in order to foster an inclusive and socially mobile society we must have equally diverse and innovative approaches to affordable housing. The absence of this variety of social housing models is needlessly limiting our capacity to fully engage as citizens.

I am one such example of how needs-specific social housing changes lives. I have spent most of my life living in insecure housing and some of it homeless. I am now housed in a thriving social housing cooperative in Hobart. Our model is based on the Danish co-housing models. It runs as a cooperative which is an autonomous business entity with personal and professional development opportunities for its resident members. We are social housing but with community supports, values and responsibilities inbuilt.

I cannot articulate enough the ways my life has evolved from a place of life long trauma, disadvantage, poverty and crisis based day-to-day living into a place of safety, growth and functionality.

## PUBLIC

I would not be here today to advocate to you if I did not have this foundation of support from which to draw my strength. I am here today for all those people who still do not have the strength or energy to advocate for themselves as they spend their days in a fight to survive. I now consider myself deeply privileged to be no longer fighting to survive for housing every day and by extension morally obligated to use this privilege to help those who cannot stand here. This change in my life has come directly from having safe and secure housing and fundamentally a place that is a home and functions in the myriad ways a home is defined and needed by human organisms to function.

Home is a foundational place in which one is a valued and contributing part of a caring safe community, somewhere one has opportunities to elevate themselves out of poverty and disadvantage and has supports around them so they may thrive and fulfil their human potential.

Numerous housing models internationally and nationally are springing up to tackle this very same problem we are with dignity and direction. Cities who invest in sustainable and functional social housing reap community and economic benefits at every level.

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

**Ms KELLY** - Affordable housing is so much more than shelter. Good community and social housing make good economic and civic sense, both in the short and long term and all of the data supports this. There is a deeply entrenched social stigma around affordable housing and public housing in Tasmania, but we must challenge it at every turn as it is based in welfare methodology and class bias.

Government must take the lead in this. This was promised at the housing summit in 2018 to increase awareness about affordable housing and campaign to challenge stigma around its provision and this important messaging is yet to happen. The Government must be leaders to educate and inform the community about the range of amazing options out there, as well as inform them of the facts we are all only one life shock away from housing crisis ourselves. We are faced with a community in crisis, but in crisis we are presented with an opportunity to be leaders in this space, to embrace innovation and diversity and create a new idea of how homelessness happens and what affordable housing can be and who lives there.

**Ms O'CONNOR** - There should have been a trigger warning maybe.

**CHAIR** - I do want to thank you though for an incredibly profound contribution.

**Ms KELLY** - Thank you. I do want to refer to Damon briefly to discuss an implication of this that I have not covered within my dossier about our image internationally and what has happening elsewhere, and the impact of international education as relating to the terms of reference in item (h).

**Mr THOMAS** - Yes, I tear up as well. We are in a pretty disgusting position at the moment and there are some things we need to do. The first thing is, and it is not their own fault, a lot of the people who are still the spokespeople from either Government or from some of the public agencies the shelters and others. They were here when as Lord Mayor we were encouraging investment in 2011 to 2014. They were here when the cranes started to come, they were here when the Chinese President came, they were here when the tourists flights started to come. Ladies and gentlemen sorry, they were asleep at the wheel. Anybody in government has access to other parts of government agencies. They have access to tourism. They have access to every agency dealing with the influx of state growth. But there was nothing seen on the horizon in 2014, 2015 and 2016 that

## PUBLIC

directly led to what we are in now. This crisis should have been seen by the very bodies and support agencies now sitting at every conference we go to and looking as if they were not involved, but they were involved. The disgrace was we lost the best operating Common Ground model in Australia, and that is disgusting.

**CHAIR** - That was around 2015?

**Mr THOMAS** - That was in 2015 and the deaths resulted in those properties have been related to the loss of security and the incidence of drugs.

I want to go away from that for a moment and give you a couple of insights. As the Korean Consul to Tasmania since 2005, I have an intimate relationship with the differing ambassadors from time to time. I met with my current ambassador a few weeks ago in Canberra and almost the first thing he said was, 'What is the problem with homelessness in Hobart, in Tasmania?'

Economics is not a bad term. It is a term that relates to people's jobs and livelihood and the ability to pay their bills and to make provision for their retirement. Despite the growth in the economy in terms of tourism in some areas, we are starting to be seen as a place you do not go to. That you move away. The wave, the level of investment and interest wanes and goes to better places where people can get a better return for their investment. Right now, we are in danger of being seen as a place in a social crisis and it is not a crisis we can't deal with.

When we did that first street count in 2012, there were 232 people out on the streets. The only figure - and it is an unreliable figure certainly is 143. It was zero in Adelaide yesterday. The whole ethos of that model is you do your street counts regularly and involve your various agencies and like a broker service they find places for people to go.

The very same organisations involved and implicit with the crisis are now assisting the university building a supposed model on the demand or the need. Now, ladies and gentlemen, three months ago, in Hobart, and I will tender this even though it has my little scratchy notes on it - we had ANZ-CoreLogic present housing affordability. In that housing affordability in terms of Hobart they said:

With dwelling and rental rates rising at a fairly rapid pace over recent years, Hobart has experienced a rapid deterioration in housing affordability over this period. In fact, housing affordability based on a dwelling value to household income measure hasn't been as weak as it is currently any time since 2002. Over the past decade, dwelling values have increased by 54.8%, eclipsing the 37.1% rise in household incomes which has led to the deterioration in housing affordability.

Right now, in Hobart's north-west 37 per cent of household income is required to rent a home - 37 per cent.

**Ms KELLY** - May I interject and say that is if you are employed.

**Mr THOMAS** - That is if you are employed, of course.

**Ms KELLY** - I was paying 80 per cent of my income in rent in private rental prior to obtaining social housing.



## PUBLIC

**Mr THOMAS** - So effectively, if I was sitting there with a magic wand, committee, I would be doing two things. I would be saying, Government, could you look at engaging with ANZ, who is into the social housing and gets involved with this work, and its people, CoreLogic, because right now you have a significant amount of work that has been done on affordability. It has been on rental. It has been done on mortgage stress. If you applied on top of this barometer the construction activity, which tells you how many people are coming to operate the building construction, if you then put it on top of that, I am the only one in Hobart that knows there are 9900 international students, not the 5200 reported.

**Ms O'CONNOR** - Can I just pull you up there, Mr Thomas? What is the source of that statistic?

**Mr THOMAS** - The source is the university publishes 5200 and I created this year, as a result of my decision that the private education providers of vocational education, of which there are 16, had no voice. I formed an association, outside my council role, of private educational providers who are feeling most unloved and unappreciated for the work they do. Their total enrolments are around 4900 and we have that through survey and data that has come from those organisations.

**Ms O'CONNOR** - To get some clarity, are you saying that the combined international student population between UTAS and the private providers is almost 10 000 students?

**Mr THOMAS** - Correct.

**Ms KELLY** - There is almost an additional 50 per cent that is not counted. This is, again, why we need much more comprehensive data and much more independent sources of data gathering.

**CHAIR** - I will give the call to Ms Butler because she had a question on data.

**Ms BUTLER** - The common thread we are hearing is the scale of the issue. We have no way to quantify that at the moment. Has this been raised with the government previously, that they have an issue with quantifying how big the problem is?

**Mr THOMAS** - I have raised it directly with the minister, who advises me that the university is currently working on a demand scale. There will be some software the providers of public housing, nightly, Bethlehem House, et cetera, will report on an almost daily basis back into an index so that there will be that information within a very short time, I am told.

**CHAIR** - Was your question about international students, Ms Butler?

**Ms BUTLER** - Yes.

**Mr THOMAS** - The international student issue is a significant one, with some anecdotal evidence given to me by one of my provider members that up to 200 people fly in and out of Hobart every week because of accommodation and other issues. Some may be family related but some of it is accommodation related. This is what I would see as being the base product to build on for a demand profile.

The only other thing out of this that is important is that there is another wave of distress that is going to come to us, which is related to housing affordability when people who have racked up

## **PUBLIC**

mortgages are unable to keep that mortgage. I briefly refer to a leading light in this area, which is the Cardinia Shire Council in Victoria.

**CHAIR** - Are you tabling those documents? We will give those to the secretary, thank you.

**Mr THOMAS** - I am tabling both documents, the Housing Affordability report and the Cardinia Council's Social and Affordable Housing Strategy. My wife is now working in Dandenong as the CEO of the women and youths support service.

**CHAIR** - This is Liz Thomas, former CEO of Common Ground?

**Mr THOMAS** - Yes, lost to the state. They run 500 houses and they are very heavily involved with Cardinia Council, which is moving very much toward the process of mandating - under new provisions that the Victorian Government has allowed, allowing the council to advocate a particular percentage - and their strategy is to include a required minimum of 2 per cent affordable housing on private land, rising to 8 per cent from 2025 to 12 per cent in 2030. That is through a mandated scheme. Six months ago, I would have said to you I was in favour of a voluntary scheme that potentially included zoning concessions and maybe heights and different frontages in gross floor area, but it is clear that the rest of the country has moved to a mandated system. I will be supporting a mandated system of a percentage of developments being provided for social housing.

**CHAIR** - Along the lines of inclusive zoning?

**Mr THOMAS** - Correct. My understanding is that developers have said clearly that this is not their normal game, so organisations such as WAYSS, Colony 47 and the like are then given a long-term lease or the ownership and they have the mandate to make sure that social housing and affordable houses happens. It is provided by developers but managed by the organisations that know what they are doing.

**Mr TUCKER** - Mr Thomas, I want to talk to you about planning, your role on the council and the number of development or dwelling proposes, specifically dwellings, houses, not garages or other alterations that occur with DAS. How many have been approved in the last five years and how many have been knocked back?

**Mr THOMAS** - In the last 12 months, 220 apartments have been approved. There are examples such as the Welcome Stranger, which was knocked back based on its height. Had they come in, Mr Tucker, at the 30 metres the Woolley Report recommended for that site, only nine of the 51 apartments would not have been built. They still would have had 42. I don't buy the idea that it helps the social housing situation at all.

**Ms O'CONNOR** - Or the affordable housing situation.

**Mr THOMAS** - Or the affordable housing at all. I am with you on that, totally. I can't remember any that we have knocked back.

**Ms KELLY** - May I make a request at this stage?

**CHAIR** - We need to wind up in a couple of minutes.

## **PUBLIC**

**Ms KELLY** - I would like to also steer this back to this rare opportunity we have to speak to lived experience. I don't want it to digress or move into legislation and councils when this is a unique opportunity that my group has to advocate.

**CHAIR** - Perhaps in those final comments, Ms Kelly, if you could address the matter of the leadership, and I congratulate Hobart City Council and the Housing with Dignity Reference Group in taking significant leadership. I wonder how you see us moving forward and whether you feel the state government has dropped the ball in supporting you in your endeavours.

**Ms KELLY** - First, I want to say that Damon has been an amazing supporter of this cause and of myself and my group. If it weren't for him we wouldn't have the Housing with Dignity committee, so thank you. As my co-chair, he offers a perspective from council on matters that I am not expert in. I feel that, locally, the Hobart City Council has been a tremendous supporter of marginalised people struggling with homelessness, also with regard to the recent art campaign that they supported by Hobartians Facing Homelessness and other community engagement projects. I feel like they are leaders in this space. I, however, feel there is a bit of an invisible wall once you hit state level. I recently met with Mr Jaensch to discuss some issues we took to the emergency summit.

**CHAIR** - That was the meeting convened by Hobart City Council?

**Ms KELLY** - Yes. With the support of people like Damon and the Hobart City Council and operating this committee under the badge of the city, I feel that we now have an opportunity to work more closely with the state government but I feel that they need to display more willingness to take on opinions that are outside of their inner circle. I feel that there are numerous models and, relating back to your question about data, evidence was presented by the Institute for the Study of Social Change to a select committee here on the impacts of Airbnb last year. This data is out there.

**CHAIR** - They will be appearing before the committee tomorrow.

**Ms KELLY** - There is no shortage of data or independent sources of it. Also, there is no shortage of alternative housing models. The cooperative model is the largest functioning private social housing model in Australia, yet we have only a few of them in Tasmania. I am not sure of the exact number.

**CHAIR** - Yes, thank you for highlighting that.

**Mr KELLY** - Also, as Damon said, there is the fantastic Cardinia Council document that I really encourage our government to take a look at. It shows, with this very simple but quite effective diagram, affordable housing is the central tenet but there is a range of private models that can operate within that space, so if we want to accommodate people inclusively we need to shift away from a reliance on the public housing broadacre estate model. We need to also consider government as a potential broker for private investment into a social housing sector. We need inclusion rezoning, we need mid-rise infill in urban areas, we need light rail infrastructure and we need infrastructure to make housing acceptable.

We also need to break down the stigma in our community. We need to petition the community to support social housing models, because at the moment it's not surprising that they are resistant given that the offer is a public housing broadacre model. That is not a model that fosters social mobility and function and civic engagement. It's a model that has been seen to entrench

## **PUBLIC**

disadvantage. There are a lot of beautiful models out there, you simply need to go to AHURI to look at what is happening internationally and the dossier we have provided today has a lot of information and links to such models.

**Ms O'CONNOR** - I am interested in your thoughts on the international experience or international approaches to housing and homelessness. The Welsh government has legislated a 'duty to support' model which basically requires government at levels in Wales to initially provide support and at a certain point to make sure that the person requiring support is housed. Would you support a legislated requirement on government to house people?

**Ms KELLY** - That's very interesting, Cassy, because I have brought today a mandate to government exactly relating to that. In response to our assessment of the housing crisis we ask for a mandated obligation on government to provide shelter for residents and citizens. State government is a reasonable level for this mandate to sit at, so we humbly request that the select committee today petitions their state colleagues to take this mandate on and that the Government takes this mandate on as an entirely reasonable obligation of our elected officials to the people of Tasmania to provide shelter.

**Mr THOMAS** - As a back-up to that, the very model we are talking about that the council is a few years ahead of us specifically refers to the United Nations sustainable development goals in terms of housing in terms of its housing policy.

**CHAIR** - Wonderful, thank you. The Government has announced \$5 million additional resourcing to address homelessness this winter. Do you think that those measures have impacted at this point?

**Ms KELLY** - I would like to see what happens when they hit the ground.

**CHAIR** - Good. Thank you very much indeed for your contributions today. I will just read a final statement before you leave. 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.

Thank you once again for your very comprehensive and profound contributions today, with a range of lived experience through to international models. I know, Damon, you have been a significant leader in the local government space for a long time and it is wonderful to see this contribution - quite the leading light. Thank you very much for your time.

**THE WITNESSES WITHDREW.**

## PUBLIC

**Ms MEREDITH BARTON**, PRINCIPAL SOLICITOR, AND **Mr ALEX BOMFORD**, SOLICITOR, TENANT'S UNION OF TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Welcome. I would like to reiterate some important information. 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 may be 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.

I also want to advise you that the House resolved to add a new term of reference to the committee's term of reference to the inquiry, namely '(k)(a) Regulation of rent price increases with particular reference to the ACT model.' If you want to make a comment in relation to that in your submission we would welcome that.

Thank you for your time in coming forward. If you would like to make some opening statements then we will get into some questions.

**Mr BOMFORD** - I suppose it is difficult for us to look at this holistically because we only have a very narrow area that we focus on, which is the Residential Tenancy Act and surrounds. Obviously the housing crisis can't be solved by tinkering with the Residential Tenancy Act and we're under no illusion that that is the case. We think it is still important that housing affordability can be tackled through the tenancy act to a certain extent, as can security of tenure be increased, and we don't see that those two issues can be separated because one feeds back into the other. We think there needs to be a general attitudinal change to how tenancies are looked at.

Currently we feel in Tasmania and Australia that residential tenancy housing is looked at as an investment rather than as housing. It is not looked at as social infrastructure. It is looked on as something that people can make money from. We don't think, as a comparison, that it would be acceptable in this country for people to be denied health care because they can't afford it and it's not acceptable that they're denied education because they can't afford it, but we have people living in the streets because they can't afford housing, or there is no housing available.

Looking at our submissions it is pretty clear that rents are out of control and I am sure you have already heard that today. We have looked at the ACT model for rent control which we think is worth looking into, with some reservations. Currently the ACT model is CPI plus 20 per cent, so if CPI is 1 per cent then it is 1.2 per cent.

**Ms O'CONNOR** - Sorry to interrupt you, Alex, but yesterday I think we heard it was CPI plus 10 per cent, so it is actually 20 per cent, isn't it?

**Ms BARTON** - It is currently 20 per cent. They have decided to decrease that but it doesn't come into effect until March next year when it will drop to 10 per cent.

## PUBLIC

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

**Mr BOMFORD** - The fact that they have changed it suggests it hasn't been a panacea at all in Canberra. Rents there are still higher than here, although of course you have to take into account the fact that average income is a lot higher up there. We think the issue with rent control in Canberra and as it currently is here is that they rely on the tenants to make the move. The tenant has to complain about the rent increase and tenants don't complain about rent increases because they're afraid of securing their property over anything else.

**CHAIR** - When you say reservations about the ACT model, is it about the quantum or that onus on the tenant?

**Mr BOMFORD** - It is partly both. If that model was adopted here we would prefer just CPI flat without the additional 10 per cent and if a landlord wants to put up their rent by over CPI they have to justify why. Even in the ACT, if a rent is put up beyond that limit it's still incumbent on the tenant to be the one that challenges it. From our anecdotal experience, very few tenants challenge rent increases, even if we tell them that they are probably unreasonable. Even with our quite lax laws, in my three years working at the Tenants' Union I have probably done one or two unreasonable rent increase complaints. We get hundreds of calls about it.

**Ms O'CONNOR** - How did they go, by the way, just out of curiosity?

**Mr BOMFORD** - That is a difficult question. I can't remember.

**Ms BARTON** - It's not that successful.

**Mr BOMFORD** - No. It has been a couple of years since I have done one, partly because-

**CHAIR** - I am surprised. I thought that was bread and butter?

**Mr BOMFORD** - We do get a lot of calls about it but at the moment, because rents are increasing by so much, we tell most people that their rent increase is reasonable.

**CHAIR** - Reasonable as in you can't do anything about?

**Mr BOMFORD** - As in it is in line with market rent.

**Ms BARTON** - I have been there for 13 years and initially you were looking at \$10 to \$20 rent increases. Sometimes you could argue that the \$20 rent increase was probably going to be seen to be unreasonable. Now it would be common for us to say with a \$50 rent increase they will not have the luxury of being able to dispute it because it will be deemed on the market. We provide information based on realestate.com.au and see what the current values are. If it is in that similar area and similar property type we can tell them roughly what the market is. If, for example, it has been a little while since there has been a rent increase, or currently, even if it has been 12 months, quite often a \$50 rent increase or more will not be higher than the market stands in that area. What we are seeing as the problem is that now your basic market has increased so much that your \$50, \$80 to \$100 unit increases severely affect a person's or family's ability to stay in that property. However, if they can't afford it and they look elsewhere, that is the market. They won't take that to the Residential Tenancy Commissioner, where we dispute rent increases, for fear their fixed-term

## PUBLIC

lease will be ended due to the end of the lease and they will have no option but to find somewhere in the market that is probably going to cost them the same, if not more.

With our legislation, because it is a tenant obligation, the fear of retribution in regards to losing the tenancy is too great.

**Mr TUCKER** - With rents, you are talking about holding rents at CPI. Why aren't you looking at ways to decrease rents. The way I look at it, rents are way too high for where they should be. We should be looking at ways to decrease rents, not increasing them with CPI. I don't understand the thinking there.

**Mr BOMFORD** - Sure, I'd agree with that. They are already too high and any growth is too much growth. That is something that can't be dealt with through the tenancy act. It has to be dealt with through broader changes in terms of supply.

**CHAIR** - Are you aware of any other markets where there has been a reduction in rents, a winding back? We have had an explosion. We have received evidence of a significant jump in rents, particularly in the greater Hobart area.

**Ms BARTON** - The only ones we are aware of are where rents are stable rather than decreasing. In New South Wales, it is stable now. They are seeing decreases in housing purchase prices. Rents have not effectively decreased as such. They have stabilised so they are not seeing those big increases. I believe that Victoria is still seeing some increases, but it has slowed down. Our market is the only market that hasn't. The Northern Territory, I believe, has quite a booming market. Western Australia was the only one in this juggernaut where we have seen a decrease, when the mining industry slowed down.

**CHAIR** - Do you include international trends in that analysis, or is your focus more in Australia?

**Mr BOMFORD** - I probably don't have the figures off the top of my head in terms of decreases. We have referenced in the submissions, New York, for example, which recently put out requirements that rent can only go up by 1.5 per cent in a rent-regulated property year on year. Rents in New York are still extremely expensive. Berlin has put a five-year rent freeze on. That still only maintains things at current levels rather than reduces things.

**Mr TUCKER** - With those rent increases where you were saying 1.5 per cent, does it go the other way when it is decreasing with what they have said in there.

**Mr BOMFORD** - Sorry, I do not understand the question.

**Mr TUCKER** - If the rent is decreasing do they hold it at 1.5 per cent decrease.

**Mr BOMFORD** - I do not think so. I think that is the maximum they can increase. If there is an excess supply in the market they probably will not be able to increase because the tenants will have a better bargaining position.

**CHAIR** - And presumably that is legislated.

**Mr BOMFORD** - Yes. There is a board that sets maximum levels every year.

## **PUBLIC**

**CHAIR** - In New York or Berlin or both.

**Mr BOMFORD** - In New York. That is only for certain properties. There is rent-controlled properties, rent-regulated properties, and un-regulated properties. This is the middle section, the rent-regulated properties, that are properties built between a certain period, I think it is 1947 and 1971. I think everything built after that is unregulated.

**Ms O'CONNOR** - When the Greens have argued that there should be a cap on rents and we should be looking at the Australian Capital Territory model, the response from the minister and Government to us is that it will discourage investment. Do you have a response to that? Have you spoken to the Tenants' Union in the Australian Capital Territory, for example, about what impact even that measure of control on rent increase has had on investment?

**Ms BARTON** - I was actually on a conference call with the National Association of Tenants Organisations about a week ago setting up specific terms. One of the terms we were discussing was rent control. Talking to the Australian Capital Territory it does not appear to have impacted. It has been around for some time now.

**Ms O'CONNOR** - It was in 2011.

**Ms BARTON** - Yes. It has not impacted on investment into properties over there. The Australian Capital Territory and Canberra have a different rental market with regards to their dynamic, which makes a big difference. They have not seen a change in the market with regard to a decrease in investment. From our point of view, leaving it at the CPI and ensuring that it remains at a steady level provides confidence for both the landlord and the tenants. It does not take the option off the landlord. The Australian Capital Territory model does not stop the landlord increasing rent more than the CPI. The CPI only come into play if the tenant disputes it.

**CHAIR** - The onus is on the landlord.

**Ms BARTON** - The onus is on the landlord to then justify why they have gone over the CPI plus 10 or 20 per cent. It is still available if a landlord had not increased the rent in five years and wanted to bring it up to whatever market it was, they would have a valid reason to justify that. It still gives them that option, but it places the onus of proof on the landlord to make that justification.

**Ms O'CONNOR** - In your submission you make some broad observations about the level of rent increases in Tasmania. Do you have examples of tenants who have come to you with extreme rent increases? What sort of out of boundaries of increase are we looking at here?

**Mr BOMFORD** - I think Mr Bartle had a client of \$150 a week increase.

**CHAIR** - Do you know what that was as percentage?

**Mr BOMFORD** - Perhaps 100 per cent.

**CHAIR** - Wow, over what period?

**Mr BOMFORD** - Admittedly her rent was quite low and it had not been increased in quite a long time.



## PUBLIC

**CHAIR** - So you are saying on one occasion an increase of about 100 per cent?

**Mr BOMFORD** - Yes.

**Ms O'CONNOR** - What happened to that tenant?

**Mr BOMFORD** - I do not think she disputed it.

**Ms BARTON** - I think we went to the RTC and it was deemed reasonable because of the market at that time. However, it was agreed that the increase would happen over more than one year.

**Ms O'CONNOR** - Do you think some landlords are taking advantage of the market as it currently is and gouging tenants?

**Ms BARTON** - When it becomes agent controlled what we see is that an agency will just blanket rent increase. For a period of a week we will get tenants ringing from the same agency saying they have had a \$50 a week rent increase. It appears that the agency has just blanketed all the properties that are due in that 12-month time with a rent increase. This is effectively controlling the market itself, because there is no argument because all those properties are going up. That is the concern we have in that process.

Certainly, we are seeing some of the larger increases we are seeing are due to the private market where a tenant has been in for quite some time without that increase over time. We obviously discussed this with the tenant and, unfortunately, while it is a hard sell for a tenant to have such a big increase, the market will allow that to grow there. The fact it is often happening, every 12 months on the dot, that rent increase. They are allowed to do so under the legislation and it is not \$10 or \$20 any more, it is \$50 or \$60. The market keeps getting floated up because the agencies are doing that.

Whilst they work for tenants to put them in there and tenants actually pay their prices, for the agencies the landlord is their client, so their work preference and most of their contracts are, we will get as much as we can for you and the best tenant we can find.

That is the other thing we are finding in this market, the best tenant they can find is clearly often not the tenant who needs the property the most or can't afford that property, so it is a difficult thing we are seeing happen through the agency process.

**Ms BUTLER** - In relation to the relationship with the agents, it was raised yesterday about minimal standards in rental properties, especially in the private sector. Have you noticed in your roles the acceptance of certain conditions of properties is being overlooked by tenants because of the dire situation with finding affordable housing, and can you suggest any alternative ways that could be managed with the actual condition of properties?

**Mr BOMFORD** - It comes back down to what we said before: the enforcement of minimum standards relies on the tenant taking action. It is not like the Residential Tenancy Commissioner inspects properties randomly to make sure they comply. The tenant has to contact us or they have to contact the commissioner themselves to make the complaint. I suggest the institutional agents

## PUBLIC

probably make a judgment that only a small percentage of people are going to complain, so they will maybe not get it completely up to standard, especially in regards to things like cleanliness.

We also see a lot of poor-quality heating, which is technically within the standards, but not really within the spirit of the law. Currently, within the minimum standards for heating, you could buy a cheap \$20 wall heater from Kmart, strap it to the wall, connect it to the power and it would be compliant, even though it is really inefficient heating, is expensive and not going to prevent mould or any other issues like that. But there's not really anything the tenant can do about that.

**Ms BUTLER** - Do you feel there could be an independent body that would take pressure off the Tenants' Union insofar as advocacy, but also regular compliance checks to ensure those minimum standards are being adhered to? Would that potentially be a good tool?

**Mr BOMFORD** - I think the Residential Tenancy Commissioner already has the power to do something like that, it is just they are incredibly underfunded. They have to do every bond, every repair order. Technically they can fine landlords for breaches, but I think there are only two or three people in the office and they are not full-time. They do not have the capacity to actually perform their functions.

**Ms BUTLER** - I might come back after other members ask some questions because I wanted to talk to you further about funding for the Tenants' Union and its adequacy.

**Mr TUCKER** - Going back to the rent increase of \$150, how big a time period was it since the rent increased? You broached on this, but did not give a time figure.

**Mr BOMFORD** - Again, it wasn't my file, so I don't know off the top of my head, but it was a few years since the rent had increased previously.

**CHAIR** - Do you think you could come back to us with further advice about that?

**Mr BOMFORD** - Sure.

**Ms O'CONNOR** - Some specifics around that case study.

**CHAIR** - If you have the capacity, to provide general response because that would hit on an important area of evidence they are probably not going to get from other sources.

**Mr BOMFORD** - That case might be an outlier that is not particularly illustrative because of the gap between the rent increases.

**CHAIR** - Which is why if you are able to provide a broader response it would give us a feel for what is going on.

**Mr BOMFORD** - Probably, the regular calls we receive are more with \$50 increases over a 12-month period rather than not increased in five years.

**CHAIR** - If you could give us a picture about that and come back to the committee.

**Ms BARTON** - We have certainly got some examples we can put through on that.

## PUBLIC

**Mr TUCKER** - Do you have some that go over a 10-15-year period with rentals and what has happened with rents?

**Ms BARTON** - I am sure from memory that one was around about the four to five year mark. She had been a tenant for over 10 years in the property, which was a one bedroom, no laundry facility property. It had a shared laundry with a number of units. It was an elderly lady on a pension who was upstairs in the property and had access to the laundry downstairs. Basically, when the boom hit, because it was a central property, it went from about \$150 up to the \$300 a week mark. Whilst the market was okay for someone on a pension, it put her up to 95 per cent or something of her pension. We certainly do have others as examples we can provide. Not so much for the 10-year mark with regard to no rent increase for that period and how that changed. Unfortunately, generally speaking most tenancies do not last to that extreme. We are not seeing that any more.

**CHAIR** - A quick question about security of tenure. I do not think it is in your submission, in relation to security of tenure, but how do we get the balance right? There is the private rental incentive scheme for the Government. It is only a small number of properties managed through this program, but an example where the Government increased the security of tenure from one year to two. We have examples where you talk about Housing Tasmania seeking to evict 36 public housing tenants without an underlying reason for eviction. How would you describe security of tenure both in the private rental market and social housing? What is a reasonable security of tenure?

**Mr BOMFORD** - Our default position is a tenant should not be evicted from a property unless there is a good reason. We think a good reason goes beyond just their lease is ending. It has to be they have done something wrong or there is something changing about the property that justifies it. Renovations, the property being torn down, or maybe if the property is being sold. That is not an uncommon position across the world. Most of Europe has a model similar to that. In particular in Germany, fixed-term leases basically do not exist. The Conservative Government in the UK is limiting end-of-lease evictions. The Victorian Government has put a mixed model in where a tenant can be evicted at the end of their first 12 months for no other reason than the end of the lease but for every extension after there has to be some additional reason.

**CHAIR** - In Tasmania what would be a typical length of lease in a private rental market?

**Ms BARTON** - Twelve months.

**Mr BOMFORD** - In Australia from state to state it is one to three years, whereas in Germany I think I have a citation in the submissions that says more specifically, but the average tenancy is something like 10 years.

**CHAIR** - Wow. Again, if you had any data it would be interesting to see.

**Ms O'CONNOR** - I am interested to hear the Tenants' Union's testimony on what tenants who have been evicted are being told about the reasons for their evictions in the private rental market, and also any observations you might have about Housing Tasmania's apparently increased practice of evicting tenants at the expiry of their leases.

**Mr BOMFORD** - In the private market, if a tenant has been evicted because their lease is ending more often than not they are not told what the underlying reason is.

## PUBLIC

**Ms BARTON** - Because the act does not require a reason to be provided. If a reason is provided it cannot be discriminatory, so they basically are told it is the end of the lease.

**Ms O'CONNOR** - Okay. From Housing Tasmania's point of view, we have had the Gregory Parsons case which the Tenants' Union took as far as the Supreme Court, and following that the Tenants' Union submitted that there had been at least 20 tenants of Housing Tasmania who, in that time that the court was hearing the case, had been evicted due to lease expiry.

**Ms BARTON** - Yes, and I believe Ben requested information on those 20 and we have yet to receive information on who they may have been and what has happened to them.

**Ms O'CONNOR** - We asked the question of the minister in the most recent sitting of the parliament to explain how many of those 20 tenants had been evicted due to lease expiry. We still don't have that information either. There is a Housing Tasmania policy which was introduced by the new Liberal Government which is the so-called 'three strikes and you're out' policy. Are you hearing from Housing Tasmania tenants who have experienced that three strikes policy and what is the balance in terms of how Housing Tasmania is approaching evictions?

**Ms BARTON** - We've rarely heard of the use of the three strikes policy. It has rarely been used from what the tenants contacting us have said. Generally speaking, up until recently it has been the end of lease. I don't think we have had any recently for the end of lease but when it came to the three strikes, when that first came in we had an initial fear that we would be inundated with contact on that. I have probably heard of one or two and they have not gone to eviction, it has been a second-strike level, and quite often related to noise and neighbourhood issues. That seems to be the biggest thing.

**Mr BOMFORD** - We've probably only seen the tip of the iceberg because people only come to us once they've been given a notice to vacate. We don't see people who have been given one or two strikes because it hasn't put their tenancy in danger.

**Ms O'CONNOR** - In your experience, are people being evicted from Housing Tasmania into homelessness?

**Ms BARTON** - Yes.

**Ms O'CONNOR** - You have direct knowledge and quantitative evidence of that?

**Mr BOMFORD** - Again, I could look through my files and talk to people, but yes, multiple people have not had anywhere stable to go. They haven't got private housing to go to.

**CHAIR** - This morning we heard evidence in relation a range of social issues, in particular within public housing complexes, including allegations of drug dealing and the like, and safety and security issues. We have also heard evidence around the importance of destigmatising people in social housing and those most at risk of homelessness. How prevalent, in your experience, are these allegations of frankly criminal behaviour within the Tasmanian social housing sector?

**Mr BOMFORD** - It's a bit difficult for us to talk about that because we don't deal with neighbourhood disputes like tenant against tenant issues. We see it as just a prima facie conflict of interest so we move those people on elsewhere.

## PUBLIC

**CHAIR** - But you would see evictions?

**Mr BOMFORD** - We do see evictions but not so much for drug dealing or anything like that.

**CHAIR** - Is that because you would not, or are you saying it is not a prevalent issue or concern?

**Mr BOMFORD** - It is not something that we see very often. If a tenant is being evicted from social or community housing, rent arrears would be the number one reason, damage to property would be number two, and nuisance would probably be number three.

**CHAIR** - Thank you for that.

**Ms BUTLER** - To return to the funding for the Tenants' Union, it says on page 12 of your submission that given your current circumstances, the Tenants' Union will soon have little alternative but to reduce services available to Tasmanian residential tenants. Can you run through some of the extra demands you have had to take on as an organisation, and any discussions about a cavalry of sort on the way to provide you with any additional funding?

**Ms BARTON** - Our funding comes from both state and federal but the majority of our funding comes through the state through the Department of Health and Human Services. We get a small amount of funding from the Department of Justice via the Commonwealth but that funding hasn't changed in quite a number of years, since 2006. In that time we have seen quite an increase in the workload, particularly with our drop-in advice service, and the caseload is increasing over time as well.

We previously relied heavily on volunteers to undertake our telephone advice line. The majority of those have come from the university as law students but that is a difficult process to keep up ourselves in regard to providing the support and services they need from us while they're doing the telephone advice line, as well as ensuring that we maintain the advice line for the five days a week that we do it whilst university students have exams and other sorts of processes and are quite often volunteering in other places as well, so we end up having to resource that ourselves through our solicitors.

We are also seeing the increase in regional areas and the support that is needed. We are a statewide service that has not been able to have an office anywhere other than Hobart. Up until recently we had the support of the Launceston Community Legal Service which undertook work for us, and the North-West Community Legal Service also does. That, however, has always been through one-off funding through the Solicitors Guarantee Fund. Recently we were lucky to get 12 months funding via the Solicitors Guarantee Fund to open an office in Launceston three days a week, which will start next week. That is a solicitor working 20 hours a week on her own. We are lucky that the Launceston Migrant Resource Centre has given us an office so we will be with like-minded people, but again it is for only 12 months. Our funding through the state for the last four years has been 12-month funding each year. The reason behind that -

**Ms BUTLER** - It's not like you're going to cease to operate after that 12 months.

**CHAIR** - Even in the face of the deepening housing crisis? I am appalled, frankly.

**Ms BARTON** - Yes. The excuse was because the Department of Justice was undertaking a review of the community legal centres so they kept holding off until that review came out. It is out

## **PUBLIC**

now but we haven't heard anything and we certainly haven't been provided with any information as to whether our funding will continue at the end of the financial year or whether it will increase or decrease. There has been no provision with regard to equal remuneration and whether that will continue once that is completed. If it doesn't and we have to absorb it into our funding we would seriously lose staffing.

The only staff member we have who works full-time is Alex and his role is pretty much covered by two different funds through the SGF, so we could lose that through the core funding. Everyone else is part-time because we simply don't have the funding to keep it up to the level we have with the skills we have with regard to our staff.

**Mr BOMFORD** - As far as doing actual real work, we've probably got one full week between three of us.

**Ms BARTON** - One staff member; it all adds up to one staff member to do the entire state. We will have our new person starting but again it is only for 12 months so we don't know if we'll get recurring SGF or whether we'll be able to encourage the government to fund that appropriately to ensure it is a solid office.

**Ms BUTLER** - You state in your submission that there has been an increase in demand for your services as well.

**Ms BARTON** - Yes, definitely, and we can only see that increasing as well.

**CHAIR** - Frankly, with the greatest respect to volunteers and volunteer organisations, it is a terrible indictment on the state government that your organisation is facing that level of insecurity in terms of funding agreements.

Thank you very much for your time today. Time has flown by and we would love another three-quarters of an hour. I need to read a quick statement. 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 that privilege does not attach to comments you may make to anyone, including the media, even if you were just repeating what you said to us.

**Mr BOMFORD and Ms BARTON** - Yes.

**CHAIR** - Thank you, again, very much for your time and for all that you have put into the submission and the very strong advocacy work that you obviously do.

**THE WITNESSES WITHDREW.**

## **PUBLIC**

**Mr SIMON BEHRAKIS** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Welcome, Mr Behrakis.

**Mr BEHRAKIS** - Thank you, Chair, and thanks to the committee for allowing me the opportunity to speak to you about this critical issue.

I preface my comments here by saying that whilst I am an elected representative of the Hobart City Council, these are my personal views.

The significant issues facing our state, particularly in the south, with regard to housing affordability and homelessness, the social housing sector as well as the private housing market, are not isolated from one another. In fact, Danny Sutton, from Colony 47, has said:

The constrained private rental market is placing undue strain on social and public housing sectors due to people on low incomes being priced out of the rental market and, therefore, requiring other support.

This undue strain on social and public housing services effectively jams the sector, and makes it that much more challenging to provide essential services to our state's most vulnerable.

The reality is this: last year, the municipality of Hobart City saw a population increase of 783 people, with the bulk of that being migration as opposed to organic population growth. In the same period, the council approved only 136 dwellings. As I mentioned in my written submission, this implied a shortage of 204 dwellings to accommodate the increase in numbers that year. This is not 204 houses that needed to be built to fix the problem. It is simply 204 houses needed to stop the situation worsening.

Quite often comments arise, when applications come before the council, that if a proposal itself is not affordable, then it has no relevance to the housing affordability issue. The truth is that there is a shortage in all price points of the market, which results in lower-priced dwellings being purchased by those on higher incomes, who would otherwise be buying more expensive houses if they were available. This in turn prices those on lower incomes out of the market.

The law of supply and demand dictates that the more people who want a good or service than the quantity available, the higher the price. That is the current lived experience for many people. We see unprecedented demand for housing due to an increased population, and a short supply due to not enough houses being built, leading to sharp turns in rents and housing prices.

One of the main hurdles preventing more housing construction is a planning scheme that is far too inflexible and prohibitive, and councils that lack the will or understanding needed to address the matter properly.

This is why the Hobart City Council has seen, just recently, two developments being recommended for refusal on heritage grounds, even with sites that weren't actually heritage listed. We also regularly hear comments by council members attempting to barter down the size or density of proposed developments. This is a concerning trend, because such reductions can push the cost per dwelling above that, which is too expensive for buyers. With banks requiring not only a certain

## PUBLIC

margin, but also a certain amount of the development to be presold before granting finance, this haggling of scale by elected members of the council can result in the developments falling over, before it even getting over the starting line, with the result being zero houses actually being built.

No one is suggesting that sound regulation is not needed to protect the important heritage aspects of our state, and to protect residential amenities. They are, of course, very important. What we do need, however, are planning and heritage rules that are not prohibiting the development the state needs to be able to grow to meet demand. Given that we are currently considering changes to the planning scheme, we stand at an opportune time to address these issues in the long term.

I have limited expertise in regards to reference (k), but I would comment that I do believe it is well intentioned, and it would likely address the situation of landlords abusing the system. However, I don't think that is the issue we are currently facing.

The rental caps being referred to - and I am happy to be corrected on them - but the ACT model would do little to reduce rental prices in our current market, nor would it slow the increase. This is because the ACT model, rightfully, allows for rent increases above CPI, if there is an economic justification to do so, including specific reference to the value of the service or goods being provided - in other words, the house, and the rental rates for comparable premises. Given the reasons for the current housing affordability crisis - currently a large broad economic factor, namely the demand for housing far outstripping supply - the suggested caps would do little to limit rental prices in the Tasmanian market.

What we do need is to reconsider the wording of the planning scheme, to make it more flexible and to encourage more residential development, while still ensuring the protections for heritage and residential amenity; implement positive incentives to encourage large-scale developments to include affordable housing, such as height or density bonuses in exchange for a certain percentage of affordable housing; and the consideration of any development application over \$5 million to be assessed straight to the Planning Commission as opposed to local government. This would avoid the scenario that is played out all too often in recent times, with applications being intensely politicised with heavy lobbying on either side, and the decision almost always needing to go to the appeals tribunal - decision-making based on politics and lobbying, as opposed to planning matters, and I don't think that is a good situation for anyone.

A business as usual approach - keep continuing to do what we are currently doing - will only extend the crisis into perpetuity.

I thank the committee for allowing me to speak on this, and I'm happy to answer any questions.

**CHAIR** - Thank you very much, Mr Behrakis. We'll just open the questions with one about the role of the private sector, given that you're here. We'll have questions about local government too, but noting you are representing your personal views here.

Yesterday the committee received evidence from the Real Estate Institute of Tasmania. They went so far as to say that the private sector has - and I would have to check my own *Hansard* here - a limited, and perhaps even no role, in the supply of social and affordable housing. What do you say to that?

**Mr BEHRAKIS** - I have referenced the comments that Colony 47 made, including in my submission and in the news recently, that the role of the private sector is more in the private market



## PUBLIC

itself. If the private market is constrained or limited or undersupplied, that does disproportionately affect people on lower incomes, which pushes more people onto the social housing system. These are not two things that are existing in isolation to each other. One does affect the other, and if we do have undersupplied housing market, it is going to place more strain on social housing.

The private sector has a huge role to play in this, but it is not necessarily in providing one specific service. It is about ensuring the market is working properly.

That said, I have spoken to some developers, and I did attend the homelessness summit that was held at the Hobart City Council. There were a number of developers there, including ones who were represented by groups, and people who attended individually. They did say, we do live here and we want to try and help as well, in whatever way we can, outside of that.

There are people who do want to help, but I think the main role of the private sector is to keep the private rental market system working properly, which I think at the moment it's not.

**CHAIR** - You have talked about the undersupply of social housing and also of affordable private rental within your submission, so is that not an argument for the private sector to step-up in that regard, a stronger role?

**Mr BEHRAKIS** - As in step-up specifically with affordable housing?

**CHAIR** - Yes.

**Mr BEHRAKIS** - One of the issues is - and it is something that in preparing my submission I have spoken to a few people in the community who do build and construct developments - with land prices in the city areas and planning requirements. It is actually quite difficult to do it in a way that actually - forget making a profit, it is actually difficult to do it in a way without actually losing money on it. It is something that is quite hard to do which is half of the issue. The planning rules are very restrictive and to be able to construct it in a way that is going to be financially viable does not work.

You cannot fit the density on there because the planning scheme will not allow it, or when it goes to council it gets bartered down. There is an example at 66 Burnett Street which came up before council last year and was deferred because people thought it was too big and too large and the scale was too big. Off the top of my head I think they knocked off 30 dwellings from it. Obviously, that makes the average price per apartment more because they have to absorb the land costs and the construction costs and all that, so it is actually very difficult to build specifically affordable housing in the city.

**Ms O'CONNOR** - Mr Behrakis, would you agree - and I hear what you are saying about your perception of the planning scheme and the restrictions that it places on councils - that an increase in heights for example, building heights in Hobart, does not make any contribution towards increasing the supply of affordable housing?

**Mr BEHRAKIS** - With respect, Ms O'Connor, I would not agree with that. The situation we have in Hobart specifically is that we have a mountain on one side and we have river on the other side, and we have limited amount of new land that we can freshly develop. Restricting the utilisation of a block and how high we can build it is obviously going to have some large effect. It has not been quantified yet. That is why the current position of the council is to seek information

## PUBLIC

about what the economic impacts of that. As I said, I am not aware of the quantitative impacts that will have but it is important to note that if you have a limited amount of space within the city and we want to build we need to be able to utilise that space. It would be a long bow to draw to assume that would have no effect on our ability to provide housing if we cannot build a housing apartment above a certain height.

**Ms O'CONNOR** - You make reference in your submission to the development application for 58 Harrington Street which is colloquially known, as you refer to it, as the Welcome Stranger development. We heard evidence this morning from Damon Thomas that that proposal was actually rejected on a number of grounds and that the planning committee of the council was very critical of the proposal in the form that it was put to council. Do you have any thoughts on that?

**Mr BEHRAKIS** - It was rejected on a number of grounds but all those grounds were actually under the heritage banner. There was the demolition of the building that was supposedly of important heritage that was not itself heritage listed; and one of the other considerations that was put forward was that the building was not in line with the heritage aspects of the rest of the street, even though the building itself was not heritage listed. Also, the height of it would reduce the prominence of surrounding heritage buildings so they were actually all heritage considerations.

**Ms O'CONNOR** - Have you ever received any donations, in kind or cash, from the Hexa Group of companies? Your election posters, which were all over the Welcome Stranger during the last state election, were they just a gift from the Hexa Group or the Welcome Stranger?

**Mr BEHRAKIS** - It actually was the previous owner of the Welcome Stranger who had sold the building and I had no knowledge of the -

**Ms O'CONNOR** - Sold the building. Is this Peter Scollard?

**Mr BEHRAKIS** - Yes.

**Ms O'CONNOR** - So, as I understand it, Hexa has registered a caveat on a title of Scollard's block. They actually own it now, do they?

**Mr BEHRAKIS** - All I can say is that would be something you would have to ask Hexa about. I don't have any knowledge of that. I approached the Welcome Stranger and asked them if I could put my sign there not knowing who owned it, and they said yes. That is all my knowledge of it.

**Ms O'CONNOR** - So, you don't take donations from developers who are promoting increased heights in Hobart, thank you.

**Mr TUCKER** - Coming back onto the heritage thing again, we heard yesterday about a project that was reduced in the number of houses that could be put on that block because of heritage. That was on Bathurst Street. Do you know of any other cases?

**Mr BEHRAKIS** - I think there was one that quite recently went through and luckily it did get approved. That was 1 Burnett Street, which was previously the Rebels bikie gang clubhouse. That building itself was not heritage listed and if you went anywhere near it you would understand why. That was recommended for rejection and it ended up being a hotly contested item within the council. It was recommended for rejection because the heritage officers deemed that even though it wasn't a heritage listed building, it should be protected on heritage grounds and that any construction other

## PUBLIC

than what was there existing would be detrimental to the heritage precinct. Given the site itself and the fact there wasn't a single person in the community who made a representation against it, it was still being limited by these factors.

One of my primary concerns with the Heritage Code itself, aside from the fact that it takes dominance over a large part of the planning scheme, there are supposedly provisions in there that are meant to allow stuff to happen in heritage precincts. In clause 13.8.1, it supposedly allows that a demolition or a construction must not result in the loss of any work that contributes to the historical, cultural heritage significance of the precinct unless there are environmental, social, economic or safety reasons of greater value to the community than the cultural heritage of the place.

I have attempted to trigger that on numerous occasions and listing of the housing crisis is one of them. If a building such as the Rebels clubhouse is being rejected on heritage grounds, and it is not a heritage listed place, surely the profusion of housing would outweigh the heritage factor of a not heritage listed building. That was summarily rejected and apparently doesn't apply under the current code. Also, part 2 of that says another consideration is there has to be no prudent or feasible alternatives and apparently the Heritage Code doesn't consider financial viability as one of those. Effectively, it is a provision that is meant to allow things to happen but it can never be practically triggered.

**Ms BUTLER** - Thank you for coming in today, Mr Behrakis. I would like to ask you a few questions around investment in affordable housing. You raised that it seems to be a gap, definitely. We know that one of the problems we have had with being able to build enough affordable housing is the lack of money we have as a government due to the \$157.6 million which we currently owe the federal government. What is your position in relation to forgiveness of that debt?

**Mr BEHRAKIS** - I have no expertise on the matter of social housing specifically, and I am here in my capacity as an alderman. I don't think I have much to add on that.

**CHAIR** - Sorry, I thought you said you were here in your capacity as an individual?

**Mr BEHRAKIS** - Sorry, I'm here in my capacity as an alderman, but I am speaking my personal views. I am not speaking on behalf of council. I am not speaking here in any other capacity.

**CHAIR** - You didn't want to place on record your personal view about the housing debt?

**Mr BEHRAKIS** - Not if I can.

**CHAIR** - That is entirely up to you.

**Ms BUTLER** - It is in a state of precariousness at the moment and I thought you may have some knowledge in relation to that because of the work you undertake.

There is another area I would like to ask about. Yesterday we learnt that the reason there is such a dependency on social housing at the moment is that people are being out-priced from the affordable housing market due to that fact that if you are on Newstart or Youth Allowance, you simply cannot access affordable housing. You can't afford the rents. I was wondering if you had a position on lifting Newstart and Youth Allowance and whether you thought that might have a positive impact on our market here.

## PUBLIC

**Mr BEHRAKIS** - I am sure people having more money to spend would have some impact on their ability to pay it, but the rents have increased to the point where it is becoming unaffordable for people who work as well. The issue is not how much people are getting in their pockets. It is that the rent increases are speeding up so much that it is outstripping people's ability to pay. What I am putting forward is that the issue is that the rents are going so high and that is because of economic factors in the market.

**CHAIR** - Exploring your statement that there is a clear failure at the local government level to properly address the issues facing us when acting as a planning authority, you went on to mention in your opening remarks your preference that property development applications valued over \$5 million be assessed by the TPC. Could you justify that \$5 million benchmark and the basis for those comments?

**Mr BEHRAKIS** - There is a bit of a clique that local government is the closest to the people and understand the community the most. When we are talking about smaller scale community developments, it is appropriate for councils to be assessing these because they know what the community wants and they know what is going on in those areas. But, and we have seen it on a number of occasions and we are likely to see it in the future as well, you get large-scale developments and you will always end up with some lobby group on one side running a media campaign arguing against the project. Then you have developers that feel obligated to engage groups to represent them, run media and lobby alderman and councillors for the project simply to balance that out.

The best example of that is the Welcome Stranger development. We saw Hobart not Highrise run a quite aggressive media campaign against it. There were some suggestions being put forward that weren't true but I will put that to the side. The developers had to run a media campaign for it and it ended up being a very, very intensely politicised issue. It is something, for better or worse, we will largely see with the cable car, and it is something we have seen with the Fragrance Group developments as well. They are just some examples. When planning matters are becoming so hotly politicised I don't think it makes for good planning decisions.

Inevitably, all those decisions end up getting taken to the resource management or the appeals tribunal because either it gets approved and the people against it take it to appeals or it gets rejected and the applicants take it to appeals. It eventually becomes a decision that is not even made at the council level because it is almost destined to go above the council. It would take the heat out of decision-making for those big-scale developments that are destined to be politicised if it got assessed by an independent body.

I am not trying to make a qualitative statement of who is in the right and who is in the wrong. My experience is that they always seem to get politicised by one side or the other or by both and that doesn't make for good planning decisions.

**CHAIR** - Just to be clear about that, your concern is more about the lobbying of vested interests as opposed to the capacity of local government to make objective decisions.

**Mr BEHRAKIS** - When things get that heated and we start getting into really deeply technical stuff, it does limit the ability of the aldermen and the councillors to make a proper decision. I won't speak about anyone individually but we have heard people and colleagues that feel pressured to do something simply because of the heated atmosphere. We had one planning item that had 1500

## PUBLIC

representations and people feel that they weren't originally sure about this but they feel like I have to do something, one way or the other, because of all of these people are telling them they have to vote against it. In this particular case it was one of those 'click here and make a submission', not individually written, campaigns. That's fine for those who are doing those campaigns but it does limit our ability to make a decision on planning issues and it does make for worse planning decisions.

**Ms O'CONNOR** - Mr Behrakis, would you agree we live in a democracy and public participation in planning decisions is a good thing?

**Mr BEHRAKIS** - I do, but one thing that was always made very clear to us and was made very clear when we were elected, and I am sure Mr Tucker can confirm, is that whenever we enter into planning decisions we are acting not as elected members but as a planning authority administering the planning scheme. Yes, we do take the community sentiment into account but we do need to make a decision based on the planning scheme itself. When people are being pressured to make a decision one way or another it doesn't make for good planning decisions under the scheme.

**Ms O'CONNOR** - What role do you see for public participation in planning decisions and ensuring that citizens who want to speak up for their amenity, their sense of place or their heritage so that they are given a voice that is heard?

**Mr BEHRAKIS** - They absolutely should have a voice and they definitely would. I am not recommending anything should be changed on those lower-level items under \$5 million, but if the planning commission was to be assessing other developments I don't think they wouldn't be taking into consider any representations because that's still part of the planning process. I am not suggesting that we take away the opportunity for people to make representations, that is not something that is limited to local government, that is under the planning scheme. I am suggesting that an independent body assesses it instead of the council, not that people become unable to make representations for or against.

**Ms O'CONNOR** - In response to a question I asked earlier, you said that you had never accepted any in-kind or cash donations from a developer but your poster was prominently displayed on the Welcome Stranger last October in the lead-up to the Hobart City Council elections, which is unarguably an in-kind donation, isn't it?

**Mr BEHRAKIS** - I wouldn't call it a donation, but -

**Ms O'CONNOR** - How much do you think it would cost you to have that kind of prominence on Davey Street for the duration of a council election campaign?

**Mr BEHRAKIS** - Considering that I walked into the pub and said, 'can I put a poster up?', and they said, 'sure', and also the fact that it wasn't a developer that allowed me to put it in that spot, it was the owner of the pub -

**Ms O'CONNOR** - It's an in-kind donation.

**Mr BEHRAKIS** - I suppose if that is how you take it, then sure, but I haven't received any donations from developers.

## PUBLIC

**Ms O'CONNOR** - I am seeking to clarify who owns the Welcome Stranger site now?

**Mr BEHRAKIS** - My understanding is Hexa has paid for it and Hexa owns the property.

**Ms O'CONNOR** - Okay.

**Mr BEHRAKIS** - That is my understanding.

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

**Mr TUCKER** - Mr Behrakis, I feel for you in your position as councillor or alderman in Hobart because I know what it is like dealing in the grassroots level. We are one step away from that in the state government level, dealing with the planning scheme, people's lives and other issues. I see here on your last page, 'This is the opportune time to consider incentives for affordable housing to be implemented ...', and I was wondering whether you could explain your thoughts on that?

**Mr BEHRAKIS** - It is something that has been suggested by a few people and is happening in other states. For instance, hopefully we don't have height limits but if a certain height limit or a certain density was in place, say if 10 per cent of your building is going to have affordable housing, you would have to define what affordable housing is but if 10 per cent of your construction is affordable housing, you could go up an extra so many per cent, which I think is a better model than mandating things because if somebody looks at that and says it's not financially viable they just won't do anything. I think things like density bonuses that say if you build more affordable housing we'll let you do more would encourage the private sector to jump into that sector.

**Mr TUCKER** - I see there is a huge issue, especially in the greater Hobart region, that we have a very low population compared to other major cities and it is something we need to seriously consider because people need to be closer to services. They don't need to be driving cars. It works with public transport and everything along those lines. Would you be considering that as well, that infilling would be a bonus to the population here?

**Mr BEHRAKIS** - Infilling and increasing the density within the city area ticks a lot of boxes and kills two birds with one stone, especially in affordable housing. If you've got that in the city area and are able to build that in a viable sense in the city area, then people have better access to services and employment. You don't end up with some situations where people on lower incomes end up living in places 45 minutes or an hour away from the city. They end up being isolated and you end up with an isolated ghetto community. Having people with access within the city keeps people mingling with others so you don't end up with those cultural pockets that you see in other areas. It also makes public transport more efficient and reduces the need for as much transport. I know people who live in the city who just walk to work. It is generally beneficial if we can do that, and it prevents urban sprawl which is another thing that we want to try and keep a hold of.

**CHAIR** - Mr Behrakis, you recently did a podcast with Holly Ewin, another HCC councillor - the new blood, if you like, of Hobart City Council, the younger representative - with Font PR. Some would consider that an unlikely alliance. Reflecting on your comments at the completion of your submission around leadership being required at the state government level to better balance the needs of our state as we look towards the future, lest the most vulnerable in our community be left behind, would you like to elaborate on that? We heard from the Housing with Dignity reference group this morning. You mentioned the homelessness forum that HCC convened and I know you

## PUBLIC

have had an interest in that. Could you elaborate on what you consider to be leadership and what you are looking for in relation to the state government?

**Mr BEHRAKIS** - Obviously there is work that needs to be done in the social housing sector but I don't have a whole lot of expertise on that, so my comments were more related to the planning side of things. I think there needs to be a serious look at not changing the way things are assessed, but changing some of the provisions, not to relax or tighten them but they need to be redone in a way that allows some flexibility to get stuff done that is beneficial for the community and the city. You speak to some developers who say they would love to do this but they're not even going to bother putting it forward because they know it wouldn't get up under the current rules.

**Ms O'CONNOR** - Maybe that's just because it's a bad development.

**Mr BEHRAKIS** - Some developments are bad, but we talk about residential housing that anywhere else nobody would bat an eyelid and you see some situations where it's just impossible to do that. I think also that part of it is the \$5 million threshold, or whatever you want to call it, that takes some of the politicisation within local government out of it so things can be assessed properly.

**CHAIR** - Back to the question of leadership. We have an unusual situation here, I don't suppose it would be unprecedented, but Mr Jaensch is Minister for Housing and Minister for Planning, together with a range of social policy responsibilities. When you talk about your call for more leadership, are you talking specifically about planning reforms?

**Mr BEHRAKIS** - Yes. Once again, I don't think the two exist in isolation of one another because one very much affects the other. The government provides public housing and there are social and affordable housing projects, but the large bulk of housing is private sector housing so one definitely does affect the other.

**CHAIR** - What is your view about the impact of the state Government's \$5 million emergency package around addressing homelessness this winter?

**Mr BEHRAKIS** - I think it has been very well received but I haven't heard much about what has happened on the ground with regard to that personally.

**CHAIR** - Okay.

**Ms O'CONNOR** - Mr Behrakis, I am seeking some clarity on the ownership of the Welcome Stranger site because it is a feature of your submission. Have you received any advice from council on who owns the site?

**Mr BEHRAKIS** - There were some talks during the application of it.

**Ms O'CONNOR** - The application of what?

**Mr BEHRAKIS** - The building application when it was before council. It was in the process of the covenant going through.

**Ms O'CONNOR** - You mean the caveat?

## **PUBLIC**

**Mr BEHRAKIS** - The caveat, sorry - but the advice I received was that there was no dependency on the development application itself and the previous owner had no interest in the development application so if it got rejected it was still going to be sold. My understanding was that it was in the hands of Hexa. That is my understanding.

**Ms O'CONNOR** - So you haven't received any advice from council officers that it's not currently owned by Hexa?

**Mr BEHRAKIS** - I did receive advice at the time that it was in the process of being transferred over, but my understanding was that Hexa had taken control of it.

**Ms O'CONNOR** - Taken control - does that mean own the site?

**Mr BEHRAKIS** - It was a conversation of advice. I don't have intimate knowledge of what is going on with it. My understanding is that it is Hexa's site. That's all I can speak about.

**Ms O'CONNOR** - Okay. We had really great testimony this morning from Kate Kelly and Damon Thomas from the Homelessness Reference Group on council. Did you want to talk a little about the work of that group and what role local government can play in tackling homelessness at the community level?

**Mr BEHRAKIS** - We have only received quick briefings on what they're doing. I haven't been a party to anything from that group but my understanding is that there is quite a good amount of work that will be happening from the council with regard to the homelessness issue and I think they are doing good work on that. It's a good thing that they've included people who are homeless or have experienced homelessness to help them assess that and how it will help homeless people. I think it is a great thing.

**Ms O'CONNOR** - We have heard quite a bit of evidence from people who are saying that tackling the housing crisis or emergency - whatever you want to call it - requires a multifaceted response from all levels of government.

**Mr BEHRAKIS** - Yes.

**Ms O'CONNOR** - From your experience as an alderman, if we set aside some of the planning scheme issues you have raised, what role do you think local government can play in responding to homelessness and housing stress?

**Mr BEHRAKIS** - The council has a pretty good role to play specifically with homelessness because we can provide emergency assistance. We have people on the street who go out and help these people and we are looking at ways we can provide a quick response to housing. Once again, I am not intimately aware so I can't speak to any particularities so I don't want to say anything that is incorrect, but I think the council is doing good work in that space. There is obviously the short- and medium-term, and then long-term solutions. As far as short-term solutions go, I think there are people better placed to speak about that than I. I am more trying to make sure this does not continue into the future.

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



## PUBLIC

**Mr TUCKER** - I am specifically talking about mental health here and when it came through in our council it really broadened my ideas on mental health and the issues associated with it. We found that this state Government and other state governments' blanket approach - and this is across not just this state Government, but other state governments - with mental health does not fix every area. There are different issues in different areas. We actually found that we have providers in mental health that had four clients and couldn't operate, and then we found another provider that had four clients and couldn't operate, and it was about communication.

I guess where Ms O'Connor is coming from, council as a grassroots area needs to be involved in this area and reporting back to the minister on what is going on in these different facets in our community, so we actually know where the problems are, and what the actual problems are, but it is very difficult for a state government in my opinion to do that without the actions of councils. Do you understand where I am going with that? Just your thoughts on it?

**Mr BEHRAKIS** - I think that is fair. I am not sure what specifically we do in that space. I am more than happy to get advice and provide it to you.

**Mr TUCKER** - It might be something that you could actually look at in council, and setting up another committee there on mental health, because mental health is a big issue with homelessness, from what I can see. It is something that needs to be reported, and it should be something that all 29 councils should be doing. I certainly believe that planning and having these groups and discussions and actually communicating fixes a lot of problems, and a lot of the issues throughout society here in Tasmania.

**Mr BEHRAKIS** - That is a good point. As you say, what is good for Break O'Day is not necessarily good for Hobart City or Meander Valley Council. Even the issues that residents are facing in Break O'Day are not the same as Hobart council, but the issues being faced by homeless people are different in those areas as well, and their specific situations are different. It is once again the old cliché that the council is best placed to look at that kind of stuff, because they are the people on the street. They are the ones that talk to these people, and know them.

**Ms O'CONNOR** - They are on the front line.

**Mr BEHRAKIS** - Yes, and they know who the community is, and they know what the community is about. I can get some advice on what we are doing and provide to the committee if you would like, and I can seek some answers.

**Mr TUCKER** - That would be great.

**Mr BEHRAKIS** - I am happy to do that officially through council if need be, but I am quite happy to do that.

**Mr TUCKER** - Put things forward and setting up groups.

**CHAIR** - Thank you, Mr Behrakis. Just finally, your submission talks about the need for higher density and perhaps taller buildings. I know your focus is probably in the greater Hobart area, but you would be aware of a proposal for fast-track rezoning of land in Kingborough Council, at Huntingfield. It is, I think, the fifth parcel of land that is being considered under that land supply legislation, and it is contentious in the community. Would you like to just comment on your views

## PUBLIC

on appropriateness around use of legislation like that for rezoning in that area, and perhaps also in regard to the northern rail corridor closer to your home, the potential for inclusion rezoning?

**Mr BEHRAKIS** - I only know limited things, and what we read in the paper about what is happening down in Kingborough. The fast-track mechanism is something that can be used where it is needed, and where it is appropriate. The housing situation that we find ourselves in, if there was ever a trigger to fast-track something to provide housing -

**CHAIR** - To accelerate supply.

**Mr BEHRAKIS** - I think there is a justification. Obviously it has to be done within the bounds of what is appropriate, but it is a way to leapfrog some of the things that could make it take years or longer to get things done. More supply is definitely beneficial.

With the transport corridor, I have heard the suggestions that could be used for housing, which I am not opposed to. I think at the same time if that -

**CHAIR** - I am talking actually about inclusionary zoning.

**Mr BEHRAKIS** - Oh, sorry, not using the corridor? Because I have heard that as well.

**CHAIR** - Both.

**Mr BEHRAKIS** - That's not a bad idea, because once again it gives people access to transport that can get them in and out of the city, and in and out of services and employment.

**CHAIR** - But in relation to inclusionary zoning as a mechanism to address affordable housing?

**Mr BEHRAKIS** - The real question is how it is implemented, because having mandatory price limits on what can be built on those sites, and how much they can effectively be sold for, or placed, or however you want to say it, could limit what actually gets done on the area. If the limit on what somebody is allowed to sell or rent out a dwelling for is less than it is going to cost to build it, it is not going to get built. No one is going to build something to get less than what they paid for it. That needs to be considered in what the actual definition of what affordable housing is. I know the accepted wisdom is that it is 30 per cent of median income, but is that 30 per cent of Tasmanian median income, or is it 30 per cent of - would you limit it to the mean income of the municipality? Because mean income for Hobart, and by extension what is affordable for Hobart, would be very different for what's affordable for Wynyard. So that needs to be -

**CHAIR** - And what is affordable for someone on welfare benefits.

**Mr BEHRAKIS** - Yes, that needs to be considered as well, but I think it is the way that it's done, as opposed to - because if we just put price caps on it, half of it just wouldn't get developed.

**CHAIR** - Thank you very much indeed. We are just a shade over time so we need to wind up. I will just read a quick 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 just repeating what you have said to us. Do you understand that?

## **PUBLIC**

**Mr BEHRAKIS** - I do, thank you.

**CHAIR** - Thank you very much, Mr Behrakis, for your time and your submission, and in your witness statements today.

**THE WITNESS WITHDREW.**

## PUBLIC

**Mr BRIAN WIGHTMAN**, TASMANIAN EXECUTIVE DIRECTOR, AND **Mr PETER SCOTT**, PRESIDENT, PROPERTY COUNCIL OF AUSTRALIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - I am going to read out a statement before you provide evidence. Thank you very much for coming today. 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 and, if so, I would like to reiterate some important aspects of that document. So, yes, you received the guide?

**Mr WIGHTMAN** - Yes.

**CHAIR** - A committee hearing is a proceeding in parliament. That 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 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 as 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 WIGHTMAN** - Yes.

**CHAIR** - Finally, I want to advise that the House resolved to add a new term of reference to the committee's terms of reference to the inquiry, namely, '(ka) regulation of rent price increases, with particular reference to the ACT model'. If you wanted to address that reference within your verbal submission today, that would be welcome. We warmly welcome you here. We have until 12.15 p.m. for your submission. I would like to invite you to provide an introductory statement if you like before we get into questions.

**Mr WIGHTMAN** - Thank you very much for allowing us to present to you today regarding housing and homelessness. Peter Scott is the President of the Property Council of Australia in Tasmania. We are made up of divisions right across the country and we advocate on behalf of our members. I have been in this role now for five years and have been investigating housing supply in particular for that time. With regard to evidence about housing supply and impediments to housing supply, we have really strongly focused on that during the last four years.

The point I would really like to make to the committee before handing to Peter is that our focus has been on increasing housing supply but it is sometimes misconstrued that we are simply about increasing housing supply of penthouses and million-dollar properties and those types of investments. That couldn't be further from the truth. We think that housing supply refers to all types of developments that are desperately needed right across Tasmania, whether that be emergency and crisis accommodation, or medium-density housing, particularly along areas like what we call the Glenorchy-Hobart transit corridor. Housing has been an incredibly strong focus for that period of time.

You will have seen in our submission that we worked very strongly on a document called Removing the Regulatory Handbrake and a lot of that is included in this submission. That is not an

## PUBLIC

academic piece of work, or not a piece of work that I have referenced academically. It is the collection of stories and anecdotes during the last four years.

What is extremely interesting when it comes to housing supply, which we must confess is very slow in Tasmania, is that each of the agencies and each of the GBEs or state-owned companies will tell you that they always hit their targets. If I went to them individually, whether it be TasWater, TasNetworks, the Office of State Revenue, et cetera, they would always tell me that they hit and exceed their targets. That may be the case for them but when it is put collectively that is not the case on the ground. The people that I work with, our members, particularly the development community, are some of the most patient people I have ever met in my life.

The other point I make with that is the reason that I am so strong in my advocacy in this case is because Tasmania is a very small community and your relationship with councils, being 29 of them, is incredibly important. When it comes to strong advocacy toward housing supply in Tasmania, that will often be led by me on behalf of the members, not our individual members. The majority of our members would prefer to be out of the media and out of the newspaper, print, TV, of course, trying to get on with their jobs and get their developments across the line.

Our point to you today is we are here to help. We are really pleased that this select committee has been brought together and we would like part of the solution as opposed to having it perceived that we don't care about these issues.

**Ms O'CONNOR** - No one at this table thinks that the Property Council or you don't care.

**Mr WHIGHTMAN** - Thank you, Ms O'Connor.

**CHAIR** - Recognising and thanking you for that overview and the willingness of the Property Council to put its shoulder to the wheel, you do talk about there having been a market failure in Tasmania and recognise that the housing and homelessness crisis, particularly in regard to housing affordability, is impacting statewide. We did have a submission yesterday from REIT going so far as to say that the private sector has no role in relation to supply of social and affordable housing. How does that sit with the comments you have just made? Do you agree with that statement or do you have a different view?

**Mr SCOTT** - It is quite important to understand that there are different types of housing and that Property Council members deliver to different sectors. I will generally try to talk more broadly because our members are interested in a wide diversity area of the property sector. In terms of the housing that can be provided by our members who are more generally, Brian mentioned million-dollar houses. Most of members do not deliver million-dollar houses; it is not their business model. The sort of housing we do deliver is multi-rise, apartments of various types and various price points in the market.

There are also individual, private subdivision, house and land packages and new housing, especially at the periphery of the urban boundary such as in Sorell, Brighton, Kingborough and Blackmans Bay in the south of the state. Those are prime sectors for the products that our members deliver and they address certain sectors of the market. If you are looking at apartments, they tend to be more urban, more inner-city and delivering to people who are downsizing, who are looking for investment property or who are looking to hold an asset to rent. If you are looking at a subdivision in Sorell, let's say, those are generally discreet, stand-alone house packages aimed at first home buyers, people entering the housing market, or new migrants to Tasmania.

## PUBLIC

Those sorts of sectors address particular aspects of the market, but if you are homeless if doesn't address you at all. There is a point in the market where social and affordable housing is needed and there is a distinction between social and affordable housing as well. Affordable housing is generally regarded as delivering to a rental point at about 70 per cent of market rent, but given the growth in rental demand over the last two or three years, 70 per cent of market rent is out of reach of many people who are looking for housing. The rental pathway is not available to them, so they need to move to a social housing model.

To be honest, the government has dropped the ball on social housing delivery for many years. In our opinion there is no clear pathway for the delivery of housing for people who are either struggling to achieve rent or cannot afford to buy, for whatever reason. When the REIT said there was no role for the private sector I don't believe that is true, but that role has to be facilitated by government.

The reason for that is that developers can't build social housing without an incentive because it does not deliver to them the same profitability that building a three-bedroom or five-bedroom private house would. Why would a developer, who may be a corporation and have shareholders and have an obligation to have a return on their investment, deliver social housing - which is a government responsibility - at a reduced profit, or at no profit, when their obligation is to produce a profit for their shareholders in the market?

There is a role for members of the Property Council to do with social housing but it has to be an incentivised pathway that for them equalises the profitability of that pathway against that offered by the private sector, or delivering to a different for sale market. In our opinion, REIT and ourselves don't necessarily have the same priorities but our members could absolutely deliver social housing in large numbers to the Tasmanian market but it would have to be an incentivised pathway.

**CHAIR** - Exploring that a bit further, I recently had the benefit of looking at the Lightsview development, about eight or nine kilometres north of the Adelaide CBD, for social and affordable housing. The product range and clever urban design was quite impressive. Depending on the location within Tasmania, there could be some challenges but it was a profitable development.

Noting your comments about social housing, what are the steps we need to take in the affordable housing sector? What can we do to stimulate the private sector to take up that challenge where there is clear market failure?

**Mr SCOTT** - The whole premise of affordable housing, and partly it goes back to the Kevin Rudd initiative and the NRAS model that was developed and taken up. It was designed specifically to deliver affordable housing to the market. The terminology around it is for nurses and police and firemen and those sorts of things. It was predicated on that being delivered at 70 per cent of market rent. That is all very well in a stable rental price market but where you have a large increase in the average rental, and we saw rents grow 13 per cent last year in Tasmania.

When you see that the whole premise of affordable rental being predicated on 70 per cent of market rent is artificial because if your wages went up 3 per cent and the average rent went up 13 per cent there is a gap. It is no longer sufficient to target affordable rentals at 70 per cent of market rent. You have to say, what is the actual number that somebody on an average wage can afford to pay and deliver housing to there? The incentivisation needs to be about the real hard dollar

## PUBLIC

number, not about a percentage because that percentage is an artificial construct and it doesn't deliver housing to people at a rental point which they can afford.

Maybe a development in South Australia is profitable but I come back to the point that it may be profitable but was it the best use of the capital of the investors to give a return to their shareholders? I have no idea and I don't know what the incentivisation related to that development was. I would suggest it was quite a large development, is it?

**CHAIR** - Yes.

**Mr SCOTT** - Yes. At state government strategic levels there are often incentivised large-scale developments to incorporate a range of housing typologies and range of tenant types, be they owners or renters. In Tasmania we don't have a broad strategic direction for a mixed tenure housing. It tends to be piecemeal and often the developments are very small scale.

If I'm a private developer developing 30 units on Harrington Street - the sort of model we were talking about before we came in - how do you incorporate in that a diversity of tenure types, and do it in a realistic, practical way? I don't think that that is really possible.

It is more likely that the developer would develop 30 units in Harrington Street, sell them for their best return, and the government would have to pick up the ball and develop an adjacent property to deliver to the parts of the market that the private sector is unable to do so, because the money isn't there to make it viable.

**Mr WIGHTMAN** - If I can just add to that. This is my personal commentary.

When I first started at the Property Council there was a thirst still for larger properties, land further and further out. People still wanted 800 squares, or whatever it might be. That has changed dramatically over the time I have been involved with the Property Council.

When you talk about inner city residential opportunities, those people who are struggling or from low socio-economic backgrounds, or in need of the services, also want to live closer to the city than they once did. That is something that has changed dramatically during my time with the Property Council. Once upon a time, people were worried about producing test cricketers and not having backyards. They were still selling parts of Sorell, all the way to Kingborough, Richmond, beyond and that has changed in five years. It is something we really need to be able to address into the future, because Hobart is a beautiful city, and now people want to live in it, in the vibrancy. That goes too, not just for people looking for apartment-style livings, but those who are doing it really, really tough.

**Ms O'CONNOR** - Picking up some of the comments about ad hoc decision-making, piecemeal decision-making. Would you agree there is a strong need, and in fact it is becoming more pressing, for government to undertake population settlement planning, and to put in place some certainty around where we want settlement to be? What kind of settlements are we looking at? Going off what Mr Wightman just said, obviously we need to increase density, but it needs to be done in a way that improves the amenity of the city, and the liveability of the city. The question is about long-term planning for population settlement. We know more people are coming here to live. We know as the climate heats up, more will still.

**Mr SCOTT** - We had that discussion half an hour ago.

## PUBLIC

**Mr WIGHTMAN** - That's why we had a little chuckle with each other there, because it is exactly the discussion we had. I will just kick it off.

We were huge supporters of the Government's 650 000 by 2050 document which is, for all intents and purposes, a motherhood statement. We feel there hasn't been enough strategic planning behind that document to make sure that we know the type of houses we want, where people want to live, and how we are going to facilitate the development.

**Mr SCOTT** - Also, the infrastructure that is required. It's the Government's responsibility to provide infrastructure as well as, for the private and government sectors, to provide housing. It is all very well if you have a population growth strategy that underlies that motherhood ambition to get 650 000 people living here by 2050, you would need to establish where you want them to be, and what broader facilities. One of your areas of interest is in health and education, and how that relates to housing supply.

There is no real private sector pathway to deliver health clinics and schools. There would have to be a population growth strategy that says, what is the infrastructure that is required to deliver another 150 000 people and to locate them where we want them to be.

If that is to be Sorell or Brighton, what is the infrastructure that the Government is going to have to put behind that to make those housing settlements viable, not just in terms of delivering a housing mix which addresses rental and purchase - and addresses people who are better off and worse off - but also allows them to access jobs, health facilities, education? It is not feasible to develop a large, new growth area in Sorell and not facilitate access to work, education and health. We would like to see and think there is a deficit in government strategy around planning to address population growth.

Related to this in terms of supply, the economic health of Tasmania in the Property Council's opinion is predicated on population growth, especially of working age people. If we know, hear or have research to suggest there is a disincentive for those people to move to Tasmania because housing is perceived to be unaffordable or unavailable, at whatever price point, and yet whether rental or purchase. So, the restrictions on supply do not only affect the current wellbeing of the people who live here now, but actually restrict the future prosperity of the state because it is a disincentive for people who can underpin the economic prosperity of the state from moving here in the first place. So there's a chicken and egg. Supply is the central solution in the sense once we can facilitate a stream of additional supply at a variety of price and housing-type points, then we will activate those things that allow the state to achieve population growth, economic prosperity and accommodation for people who need housing.

**Mr WIGHTMAN** - If I can link my two passions, housing and education, we can perceive what is going to happen in the north of the state, potentially, on the books there could be 400 lots at Evandale.

**Ms O'CONNOR** - Is this the Traders in Purple development?

**Mr WIGHTMAN** - Yes, and also the Baker Group. I have met with both. It is something like 400 lots. Whether it is through council as there are a lot of planning issues to go through, but they are very committed to their developments.



## PUBLIC

Evandale has a beautiful little primary school there. You put 400 families in there. My wife is an assistant principal at Kings Meadows High School and is the feeder school to there. The forward planning that needs to occur with regard to infrastructure is absolutely crucial, not when the houses are starting to be built, but now. That is reiterating Peter's point, why we believe that forward planning around infrastructure needs to occur.

The same for Legana and why I was so pleased a primary school has been planned for there, because of the pressure on Riverside High School, Riverside Primary School.

Traditionally, when people come towards the city as opposed to going back, will also impact Exeter and why those sorts of developments are crucial right now.

**CHAIR** - And Huntingfield?

**Mr WIGHTMAN** - I can talk a little bit about Huntingfield, only from a point of French's Farm. My understanding is for that development, some inner residential zoning has already been used there - I believe that would need to be clarified - so now we are having an argument about whether inner residential should be used at Huntingfield. It is my understanding, in the same municipality, it is already being used at another site. That is not offering a view whether it's right or wrong, I am just saying if you have already done it you have an issue about trying to stop that sort of development based upon precedents.

**CHAIR** - No, I wasn't necessarily going there. I was following up on your point about planning for essential infrastructure and services, et cetera, taking your point around education.

**Mr SCOTT** - It is self-evident if you develop Huntingfield to a high residential density, you will probably have to start addressing the infrastructure of the Kingborough municipality. It has an existing high school, but probably does not have the capacity to take kids from that development, especially if it is backed up with other developments.

For 10 years, Kingborough was the fastest growing suburb in Tasmania. It is now not - Sorell and Brighton are now taking the role, but Kingborough, Blackmans Bay, the broader areas within the Kingborough municipality are still growth areas in terms of population and the growth in young couples having kids. The impact on infrastructure, especially education infrastructure, is big and some forward planning will be essential.

The other issue that is in the paper every day in relation to that is that those are working people and they drive to Hobart every day. They are finding constraints in the road infrastructure to get them to work. Those are the sorts of things that need to be addressed in a population strategy, which is seemingly absent.

**Ms O'CONNOR** - In relation to Huntingfield, one of the issues is that it is the cart before the horse stuff. There is a plan to develop Huntingfield Stage 2. I started the master planning as minister, but there is no concurrent infrastructure plan. The Kingborough Council is telling us that the schools are full, the roads are full, and that you cannot have this intensity of development without a concurrent infrastructure plan. I am interested in your thoughts on that, particularly one of those things you said about transport. As we know, the Southern Outlet is already full. They are going to put in another lane, which will just fill it up some more. Long-term thinking about other infrastructure, including transport, I am interested in your thoughts on that.

## PUBLIC

**Mr SCOTT** - The Property Council has a view that we should not be relying on private transport as the only means of getting people from areas of population density to their areas of work. We would like to see a lot more investment in alternative means of transport, including public transport. Kingston and the Kingborough municipality are close enough to Hobart, as are Sorell and Brighton, to have express public transport links to try to take pressure off the existing private vehicle use of the infrastructure.

We know that 90 per cent of people drive single-occupancy cars into the city from those municipalities. That is putting unusual pressure on that infrastructure. It does not have to be that way. Public transport is not supported adequately, even as it stands now, let alone to facilitate growth. The only reason that Kingborough, Brighton and Sorell are growing is because they are perceived as being more affordable. At one time Moonah, Glenorchy and closer suburbs were the places where you could buy a first home, you could get into the housing market. That is no longer true. People buying at Glenorchy or Moonah are now second or third tier buyers who are buying to rent, or they are buying as investment. But if they are looking to buy to own and occupy they are now being forced out to more peripheral areas. That is also true in Launceston.

Those facilities need to have more public transport infrastructure investment as part of that infrastructure planning.

**Ms O'CONNOR** - Closing off on this line of questioning, what are the risks we run as a state if we do not have good population settlement planning in place?

**Mr SCOTT** - You will have the same issues you have now about infrastructure failure. You will have disincentives to economic growth because people will not come. It is all very well -

**Ms O'CONNOR** - Urban sprawl potentially?

**Mr SCOTT** - Any residential development should be - especially if you are going to grow the population by 150 000. That is quite a lot of people in Tasmania. You need to have a good strategy about where you are going to put them. The urban growth boundary is a perfectly good idea, but within that there must be areas that are amenable to densification. Huntingfield is a perfect example.

It is not a question of whether a particular site is amenable or not to development; a strategic approach would identify whether those are appropriate, or what the appropriate areas are. A further strategic angle would identify the infrastructure that is required to support those as residential growth areas.

**Ms BUTLER** - In your opinion, do you believe the Tasmanian Government structures and the way in which we manage our economy and bureaucracies, as you talked about with the GBEs before and everyone meeting their targets, do you believe that we are a robust economy at the moment? I know Michael Bailey from the TCCI has often said that we are not a big enough economy. There is a demand coming in from all over the world and interstate and we just can't meet that demand because we are not robust enough. Do you believe that there is some merit in that?

**Mr SCOTT** - What do you think, Brian?

**Mr WIGHTMAN** - I do not necessarily agree with that. I think the economy has been robust for a significant period of time. I will explain why I feel that way. There is no doubt it has gone through peaks and troughs for as long as I have been alive. Far longer, no doubt.

## PUBLIC

**Ms BUTLER** - I have peaks and troughs as my next question.

**Mr WIGHTMAN** - So there has been peaks and troughs. What we are seeing now is, from our members' point of views, some of the best times they have experienced in business in Tasmania. What we focus on is how you maintain that continuous economic growth. The challenges we worry about are that continuous economic growth may drop off, then we are back to where we were having to kickstart the economy to get back up where we should be.

Being third on the CommSec State of the States is an incredible achievement, but that has not happened overnight. Not everyone can simply claim credit for that. That is a non-political comment, Mr Tucker.

What I believe has happened is in Tasmania we have had a robust economy because that is the way we have had to be. We have always relied heavily on forestry and agriculture. Aside from that there have been a lot of small-business-type incubators that have driven the economy in Tasmania for years. I talk about small builders employing small numbers of people. It might be small family lawyer firms. There have been all of those different types of smaller businesses that have added to a robust economy.

There is no doubt that the downturn in forestry significantly has hurt regional communities in Tasmania. I always tell people if they had ever told me when I was principal of Winnaleah District High School that the world mountain bike championships would be at Derby, I would have said it was like the scene from *The Castle*.

**Ms O'CONNOR** - Thank you Tasmanian Forest Agreement out of the Labor-Green government.

**Mr WIGHTMAN** - I would have said, you are dreaming. I think we have been robust because we have had to be and we have had to fight for what we believe in and fight for our small business community. Our worry is that we are going to again hit a trough because we have not planned enough to maintain continuous economic growth.

**Mr SCOTT** - Can I add to that.

**Ms O'CONNOR** - If there is such a thing that is desirable, continuous economic growth, because as you know, Mr Wightman, you cannot keep blowing up a balloon. Sorry, Peter.

**Mr SCOTT** - I might just nuance the answer to that in terms of my perception of the economy. It is going very well. Our members tell us it is going very well for them. We are conscious of some potential deflationary things that could occur.

If the GST redistribution occurs it could gut the economy, so that robustness is somewhat fragile if we do not achieve population growth or we get negative population growth - population growth is actually a key economic driver for the Tasmanian economy. Facilitating population growth to 2050 and beyond, notwithstanding that comment about blowing up a balloon indefinitely, I think 150 000 is a good target for an economic incentive and continued support for the economy of Tasmania. I do not think that is an unrealistic target. We would support and endorse a strategic direction to that. If those things fall away for whatever reason, be they an external world event or

## PUBLIC

something that impacts on that, that would potentially take all of that robustness, all of that positivity, out of the economy that we see now.

We are really anxious as members of the Property Council of Australia that we do everything we can to solidify the current economic robustness, if that is what it is, and try to prevent any of the things that we are aware of. There are things that we are not aware of that could potentially undermine that performance.

**Mr TUCKER** - I would like to talk a bit about building costs and labour. You would be well aware that we have a problem with labour. We bring it in for building because we don't have any housing to put these builders into. What are your thoughts on modular building and building them in mainland Australia or another country to bring back here for housing short term to fix this issue?

**Mr SCOTT** - One of the things we are conscious of is that there are more housing approvals than housing starts. The reason for that is a capacity constraint within the market and there are not enough tradies to build the number of houses that get approved, so when we focus on supply, one of the issues is about people to build housing. It's not just about land, it's not just about the delivery of properties that people want, it's about the ability of the industry to deliver housing professionals to build those projects.

Modularity is coming whether we like it or not. Prefabrication and modularity in the construction industry is here to stay and it's going to be massively increased over time. One of the advantages of it is that it's a reduced labour means of delivery and a reduced time frame for delivery too. If you say, 'I want a house on day one and I want to build it the traditional way', it will take nine months to build. If you say, 'I want a modular solution', it will take a bit more time to get it up front but it will be delivered in six months, two or three months earlier. Modularity is here to stay and it's a good thing. The Tasmanian innovative construction industry should be embracing that technology and have the capacity to build that industry here and become specialists in it and not rely on interstate or international providers to provide those products.

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

**Mr TUCKER** - Following on from that, with our prison full of prisoners, do you see that as an opportunity to use prisoners in building modular homes because they could be used for social housing in the future, especially for rehousing prisoners when they come out of prison and give them that pride?

**Mr SCOTT** - I don't think that probably counts as a question. The pool of prisoners compared with the number of people required to deliver the housing we think is needed is probably too small to make a big difference.

**Mr WRIGHTMAN** -Can I just prompt Pete about that conversation on TAFE?

**Mr SCOTT** - I know we only have one minute left but we had a discussion earlier about one of the other constraints to delivery. We have met with Jenny Dodd, who is the head of TasTAFE, and we're conscious that she is telling us they have more applicants for the courses they run than they have the capacity to deliver training, so there are constraints around -

**CHAIR** - In relation to building and constructions particularly?

## **PUBLIC**

**Mr SCOTT** - Yes, particularly. So she would love to take on more plastering apprentices and more bricklaying apprentices and more tiling apprentices, but she can't because for one thing they are busy working for a living and trying to pay for their house, and two, they don't have the teachers available to pass on those skills to those people. That is a capacity constraint in the market, absolutely. I know Jenny was in the paper the other day saying they have fixed a work-around where they could mentor trainers so they could increase their student graduation, but nonetheless a huge investment in TasTAFE to enable us to deliver the skills, including in modularity, would make a big difference to the ability to the state to turn housing approvals into the same number of housing starts, which is not happening.

**CHAIR** - I note your comments in regard to the Glenorchy to Hobart transit corridor and I am interested whether the Property Council has a position in regard to inclusion rezoning.

**Mr WIGHTMAN** - We've had this discussion before.

**CHAIR** - Then we're hitting all the buttons - that's good.

**Mr WIGHTMAN** - You are indeed. I will throw to Peter in a moment to articulate that but before we get to that point I think there needs to be a conversation in the community about the philosophical view of what housing looks like, and I mean affordable crisis accommodation housing. From doing a lot of doorknocking, as you all have, what we used to do was a more broadacre style of housing and I can think of areas in Launceston where I have knocked on doors where the houses are incredibly close together and it is the same mix of people with a roof over their head. From this committee I would really like to see and understand the philosophical view about how that style of housing looks like in Tasmania in 2019.

**Ms O'CONNOR** - Are you talking about design?

**Mr WIGHTMAN** - I'm talking about design but also about placement, where you actually put it.

**CHAIR** - And density.

**Mr WIGHTMAN** - And density. Do you put them all in one community or have we moved away from that?

**Ms O'CONNOR** - I think we have.

**CHAIR** - I don't think we will have the conversation now but we will take on board your comments.

**Mr WIGHTMAN** - Yes. I don't think there is a clear understanding of that within the Tasmanian community.

**CHAIR** - Specifically about inclusionary zoning?

**Mr WIGHTMAN** - Yes.

**Mr SCOTT** - It is a tricky one. Inclusionary zoning has been trialled in many countries around the world across many decades and the private sector has a particular view about the impacts of

## PUBLIC

inclusionary zoning on the return on investment, ultimately, if we return it to economics. If you're asking the private sector, and we predominantly represent the private sector though we have government members, they would say, 'If I'm required to include inclusionary zoning in my development, what will be the bottom line?' or, 'If I'm incentivised to compensate for a lower return on that particular inclusionary unit, what is the broader impact of that requirement on the saleability of the other units within a particular development?'.

The property industry worldwide has always thought that is a problem for them in that it decreases the attractiveness of that other housing unless it's really well managed. Generally, it's really well managed either by having a diversity of development types not within a single development but within a particular zone. You talk about the rail corridor. Within that there could be a diversity of developments of every type addressing every tenure type, be it purchase or rental, that allows for inclusionary zoning, but not on a development-by-development basis.

**CHAIR** - In your submission on page 7, you welcome the Tasmanian Government's \$3.6 billion infrastructure spend and commitment to housing supply and yet on page 5, I am paraphrasing here but you are basically accusing members of Cabinet being caught napping in relation to the housing problem and argue for an investment of up to \$140 million, not \$40 million, in terms of social affordable housing. Yesterday the committee heard an argument from TasCOSS for housing to be regarded as infrastructure. How do you respond to that and how do you reconcile your two statements there?

**Mr SCOTT** - I think the statement is simply that we absolutely support the government's investment in infrastructure. If they are going to toss up \$1 billion or \$2 billion to infrastructure, great. I am 100 per cent supportive of that. Nonetheless, we are conscious and it is our view that the Government has not invested enough money into housing.

**Ms O'CONNOR** - Which is social infrastructure, isn't it?

**Mr SCOTT** - The discussion we had was that there is no role for the privatisation of social responsibility. No-one in the private sector is going to take on the government's responsibility to deliver housing to people who otherwise will not be provided with it, therefore it is a high-priority investment area. We know there is a market failure in terms of housing delivery and we look to the government via investment to provide housing which is not otherwise provided by, let's say, the private sector.

**Mr WIGHTMAN** - I make the point in my submission that \$43 million is great and any investment in these areas is welcomed. That is within the current budget settings that the Treasurer brings down and the point I make is that while we might put \$43 million in it, to really solve some of these issues would require significantly more money than \$43 million.

**CHAIR** - Is your \$140 million evidence based or an arbitrary figure, just a bigger-looking number?

**Mr WIGHTMAN** - No. It was a flippant comment in some ways to say we absolutely appreciate the support of the government putting that money in within the economic constraints around framing a budget, but the point I make is it would take a lot more money than that to solve the issues.

## **PUBLIC**

**Mr SCOTT** - In your own remit you have \$73 million of unfunded maintenance that hasn't been done. That \$43 million is not going to near half of that so we need more money, period.

**Mr WIGHTMAN** - That is my point, but it is not evidence-based, it was -

**CHAIR** - We are out of time.

**Ms O'CONNOR** - It is an important question for the residents of Hobart. The University of Tasmania is a member of the Property Council. We have had a number of witnesses appear before us who point to the growth in the international student population. Alderman Thomas from Hobart City Council this morning indicated there were about 9900 international students, because there are a whole lot of international students in the private education sector. UTAS has announced a move into the city of Hobart. What are your comments on that move and what we need to take into account as a community to make sure it is a successful move?

**Mr SCOTT** - I would remove it from being so Hobart-centric. The university has also announced a move into the centre of Launceston and Burnie, so let's not restrict this conversation to southern Tasmania.

**Ms O'CONNOR** - The only reason I am doing that, and sorry, Peter, is partly the concern is about congestion issues we have in greater Hobart. It is one of the concerns.

**Mr SCOTT** - If you talk to anyone as a Launceston resident and their concerns about the redevelopment of the Inveresk precinct, you will find they are also interested in congestion.

**CHAIR** - And the Cooeie crawl as well up in Braddon.

**Mr SCOTT** - I do not think it is a Hobart-centric issue. In terms of that, I do note the university announced the growth area in its student numbers most recently was in home grown students, not in foreign students. Yes, maybe there is a focus on foreign students, but I do not think it is relevant. What you are interested in is whether the university will grow student numbers in total. Ultimately students themselves are an economic driver and from our perspective they are a positive influence on each of those three cities.

**Ms O'CONNOR** - I do not disagree with that at all. There is a positive cultural influence, but it is the planning and the move into the city and what sort of things we need to take into account to make sure that successful move.

**Mr SCOTT** - It is housing just the same, and it needs infrastructure strategic thinking to go with it to support it. The university is, in effect, a private investor and putting investment in a particular educational delivery strategy. There is a role for local and state governments to support or object to that. If they do not like it they could legislate it away, but I do not think that is going to happen. They would need to support it with appropriate infrastructure.

**Mr WIGHTMAN** - Yes, they are members of ours and supportive members of the Property Council but we have had a clear position we are supportive of the move into the city.

**Ms O'CONNOR** - Yes.

## **PUBLIC**

**Mr WIGHTMAN** - From a Launceston boy, it is the shot in the locker for not only investment in the Launceston community, but also to put education in a positive light on the front page.

**CHAIR** - Thank you for your contribution today. We could spend another three quarters of an hour and then some probably. Apologies if we cut short the conversation.

**THE WITNESSES WITHDREW.**



## PUBLIC

**Ms STEPHANIE MEIKLE**, CEO, BETHLEHEM HOUSE, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Thank you, Ms Meikle. We do not have a written submission from Ms Meikle but we welcome your attendance today to provide us what evidence you see fit. Before you begin giving your evidence, I would like to ask if you received and read the guide sent to you by the committee secretary? Yes? Good. I would like 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 parliament receives the very best information when conducting its inquiries. Second, 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 MEIKLE** - I do.

**CHAIR** - The House resolved to add a new term of reference to the committee's terms of reference, namely, '(ka) regulation of rent price increases, with particular reference to the ACT model'. If you would like to refer to that term of reference or others, that is entirely up to you. We certainly welcome you, thank you for taking the time to present to us we will hand over to you to provide an introductory overview, if you like, and then we can go to questions.

**Ms MEIKLE** - Thank you. As you mentioned at the beginning, I didn't provide a written submission to the committee because I was thinking I am not an expert on the housing affordability angle. My area of expertise is in crisis accommodation. I can give some commentary about how crisis accommodation works for men in Tasmania, where we see some of the problems with people getting out into sustainable accommodation, it usually means affordable for our guys, and any things that we see as contributing to their difficulties. As long as that is of interest to you then I can give you a perspective on it.

**CHAIR** - Absolutely, and if you have concluded those introductory statements, for context, we are into day two of some very comprehensive submissions from a range of interests. This included a profound contribution from Kate Kelly and alderman Damon Thomas this morning, imparting some lived experience around homelessness. We had representations from community housing providers that have weaved in some case studies and so on, and we are very appreciative of the opportunity to hear your views on the operation of crisis accommodation because homelessness is very much a part of the housing affordability crisis.

One of the submissions we received yesterday talked about a high proportion of co-morbidity of up to 50 per cent of people in crisis accommodation experiencing mental illness. It was around 70 per cent, Ms O'Connor, you might correct me if I am wrong, alcohol and other drugs. Irrespective of the figures if I have that wrong, would you like to comment on the model of care

## PUBLIC

provided through your facility and what you see as being good practice in regard to support these very vulnerable clients?

**Ms MEIKLE** - Yes, and that is one of the areas I did want to talk about. From our experience, co-morbidity is very high in terms of both mental health and alcohol and drugs issues. Even men who stay with us who might not have a recognised underlying mental health issue, the majority of them tend to be on prescription medication for anxiety and depression, and that is quite debilitating. Regardless of whether they come under mental health services, there is that kind of baseline to the men who come to us.

The data that we collect only looks at presenting reasons for arriving in homelessness accommodation and people who state one of the reasons for arriving being their mental health issue is only around 7 per cent but they list a whole load of other reasons. They don't necessarily turn up and say, 'I've got mental health issues, that's why I'm here'. That is what the data looks like.

From the lived experience and from our case managers who are there to look after people, mental health is a huge problem and there are no co-located mental health services in the crisis accommodation. So you have a collection together of 34 men who are all homeless, the majority of whom are in the middle years of their life. The provision for that accommodation comes out of the Housing budget and is very siloed. There is nothing in the stream that comes from health, mental health, alcohol or drugs. What you have is Bethlehem House. For the years it has been operating there, it has been treated as a dumping ground for the most complex problems that men have. They are seen as being in crisis accommodation and therefore dealt with.

It comes down to support workers, each day and every day, to be dealing with their issues and trying to get them into the limited number of spaces that there are in other services for treatment of alcohol, drugs and mental health issues. What tends to happen is that men who are with us cycle in and out of drug rehabilitation, hospital services, mental health wards in the hospital, prison, and in that mix there are some happier outcomes as well, they move out into accommodation. About 30 per cent of all the men we see come back. That is a ridiculous statistic given the cost of crisis accommodation. One of the contributing factors to that is what while they are with us, they arrive in crisis and we provide wrap-around care, meals and they have 24-hour support.

When they exit, there has been this gap where they have moved out, they are usually in Housing Tasmania accommodation if they have a planned exit, and they no longer have a support service. It can be that - and we have examples of as little as one day of sitting, looking at those four walls, wondering what I am going to do - we make a call to see how they are going and they have a cask of wine beside them. What we are saying is that lack of co-located services in shelters leads to an exit where there is no support worker and the safety net has been taken away. It is very hard for people to address the issue while they are with us, to make an adjustment and be adjusted to going out and living a normal life when they leave.

**CHAIR** - That figure of 30 per cent return, which is really very confronting, I am wondering, and the service has been operating at Bethlehem House for several years -

**Ms MEIKLE** - Since 1973.

**CHAIR** - Right. Are you able to provide some perspective of the housing and accommodation homelessness crisis and, in particular, we have had some evidence provided to us that there has been underinvestment in social, affordable housing. We know that there has been a recent injection

## PUBLIC

of around \$5 million with the emergency homelessness package. I am keen to hear your perspective on whether that is enough and whether that is impacted through your service?

**Ms MEIKLE** - I am not sure if everybody understands the model we operate within but we are part-funded by the Department of Communities Tasmania through Housing Tasmania. They fund 12 beds, plus the provision of one emergency bed that can be accessed out of hours, in the middle of the night, if need be. We have 34 beds. The expectation is that funding, which comes to us in a grant deed, does underpin the core of what we do and enable us to do more.

What it actually means is, that the model that it operates under, whereby a homeless man pays, with us, 75 per cent of income, and an expectation that it could be up to 85 per cent within the guidelines. That will pay for the rest of it. What it means is we operate with a large case load. One case manager has 34 clients.

**CHAIR** - Wow.

**Ms MEIKLE** - We have support staff 24 hours a day. That means we pay for Saturday, Sunday, middle of the night waking support, which is very expensive. The funding model has not changed over the years. It is increased only with CPI and a portion of the ERO. There is no expectation there will be more funding dollars. That is it. We have to make ends meet.

How do you make ends meet if your clients' needs are very complex? There is no co-located service. You can really only provide a minimum and your staff are obviously under some stress. It is clearly under invested.

**CHAIR** - Specifically that question about the \$5 million emergency package?

**Ms MEIKLE** - The \$5 million emergency package, 18 beds will come to us in the form of temporary accommodation which will be shipping containers located to the side and rear of our building. Of the \$5 million, the allocation will annually increase for a three-year period those temporary units are with us. We will receive approximately \$334 000. I do not have the exact figure on me at the moment, but about \$334 000 per year for an additional 18 units. The grant deed itself currently sits around about \$1.1 million for 12. The additional 18 comes with an additional \$334 000 per annum, roughly \$18 000 per man for a full board accommodation service and they will be expected to contribute 75 per cent of their income.

We will not see all the homeless who have drug and alcohol problems come into crisis accommodation to take up these units, because they will not pay for board. You could say that is their decision, but you could also say that is a problem not being addressed in an appropriate sufficient way.

**CHAIR** - Is it fair to say those places will be filled rapidly, but not by the end of this winter and at the end of that three-year funding agreement you will be in a position of potentially heightened demand without the funding?

**Ms MEIKLE** - At the end of the three-year funding period, there is a plan Bethlehem House will have a new facility purpose built and owned by the Department of Communities. We will move into that. It will have eight co-located mental health units and the other 42 will be for homeless men. The amount of funding will not increase. It will not include the additional \$334 000 we will be receiving for the next three years for the temporary units.

## **PUBLIC**

**Ms O'CONNOR** - Can you elaborate on that, sorry? I did not quite grasp that.

**Ms MEIKLE** - No more funding in the new facility for the 42 beds.

**CHAIR** - Forty two beds, eight co-located?

**Ms MEIKLE** - Plus eight co-located mental health units, which probably will receive some tenancy management for.

**CHAIR** - Increase capacity but less funding?

**Ms MEIKLE** - Yes.

**Ms O'CONNOR** - Has Housing Tasmania or the minister made it clear to you there will be no extra funding to go with the extra facility?

**Ms MEIKLE** - Yes.

**Ms O'CONNOR** - What is the expectation?

**Ms MEIKLE** - We are expected to devise a model to make it work. Which I can. Make ends meet, of course you can. Whether or not it will solve and address all of the complex issues of those men who want to stay with us is another question.

**Ms BUTLER** - You are right. I have had constituents over the years that have not gone to Bethlehem House because of that amount of money taken directly from them. It is an impediment.

**Ms MEIKLE** - It is an impediment. It is usually an impediment for people who have a drug and alcohol issue. If they do not have a drug and alcohol issue or drug debt, then it is usually not an issue. It depends who you are and how you live your life. We have a gentleman who has been with us since 2014 who has saved over \$16 000 in the bank, but he sits in the corner and that is his life.

**Ms O'CONNOR** - Stephanie, how often is Bethlehem House having to turn people away?

**Ms MEIKLE** - In the last eight-month period to date, we have not been able to assist 140 persons. Sorry, I am going to say that again.

In the last two-year period we have been unable to assist 140 persons. In the last eight-month period we have been unable to assist 29 individuals. There can be a number of reasons why we cannot assist them.

**Ms O'CONNOR** - Are some of those reasons - obviously with 12 funded beds and one emergency accommodation, there are capacity constraints there for your service. Are people turned away sometimes also because they have such chronic drug and alcohol problems that they cannot be managed by Bethlehem House?

**Ms MEIKLE** - Yes.

## **PUBLIC**

**Ms O'CONNOR** - What happens to those people?

**Ms MEIKLE** - Sometimes they choose not to come in, because they hear there is a rent model, and we would make referrals, suggest they go and speak to people. For instance, the Bridge project is usually the first place we would try to refer people to. So sometimes that is a choice. The reason we might not be able to assist them is if their support needs are so great, and their behavioural issues are difficult and likely to impact the other 30 residents, then we cannot offer them a place. Usually that is about a behavioural issue.

**Ms O'CONNOR** - What do you do in those situations, where you know you have someone in a state of homelessness or deep housing insecurity - no, it would be homelessness - struggling with a mental illness and substance addiction? When those - I do not know if that is 169 separate individuals, who have had to be turned away. Is that right, would that be 169 people?

**Ms MEIKLE** - Over two years, 164 occasions, 140 individuals.

**Ms O'CONNOR** - In that situation, what can or does Bethlehem House do? What kind of engagement has there been, from Housing Tasmania for example, or mental health services, in terms of picking up those people and providing some support?

**Ms MEIKLE** - If we are unable to assist them, the majority of them will have come through a referral through front-door services. Some of them, quite a significant amount will be -

**CHAIR** - Housing Connect.

**Ms MEIKLE** - Yes, Housing Connect. Quite a proportion of them will be self-referral. If they have come through Housing Connect we would, say, mark them as unassisted, send them back really, say we cannot assist them here, 'Back to you type-two services', because they cannot come in to our crisis accommodation service. If they are self-referred and walk in, we will give them a list of where the supports are out there for them in the community, including who can offer food and other assistance, and suggest places that might be more suitable for them to try. At that point our role finishes.

**Ms O'CONNOR** - In the time that you have been the CEO of Bethlehem House, and I think it is about three years now, maybe?

**Ms MEIKLE** - Yes, it is two-and-a-half years.

**Ms O'CONNOR** - Have you or the staff who work there noticed a change in the number of people who are presenting, in the complexity of their needs?

**Ms MEIKLE** - I did bring some statistics, if I can refer to them, just to help.

**CHAIR** - Of course, you can even table them if you would like. It is very hard to get your hands on real data.

**Ms MEIKLE** - I don't know if I am allowed to give you the data, in that it's in the Housing database. If I am allowed to give you the data, I will.

## **PUBLIC**

**Ms O'CONNOR** - I don't know if you are either. We can write to Housing and request the data formally.

**Ms MEIKLE** - Housing cannot see this data. I can. I can interrogate the data for Bethlehem House. They cannot see this detail.

**Ms O'CONNOR** - Why not?

**Ms MEIKLE** - It doesn't work that way.

**CHAIR** - This would be under privilege. This is a judgment call for you as to whether or not you table the data, but -

**Ms MEIKLE** - I can table it for you. I am happy to table it for you.

**CHAIR** - Okay. That would be appreciated.

**Ms MEIKLE** - I can produce other reports by different periods and give that to you. It is the raw data.

**CHAIR** - That would be very helpful if you are willing to do that, and we could come back to it if we were after more.

**Ms MEIKLE** - Yes. I am very happy to do that. The only caveat I would give is that sometimes - what do they refer to? Lies, damn lies and statistics.

**CHAIR** - That is okay. We can throw that lens, that is fine.

**Ms MEIKLE** - If you know what I mean? Sometimes it is what gets put into the data.

**CHAIR** - Why don't you briefly speak to it, I guess?

**Ms MEIKLE** - Okay, very briefly I will. I printed out a report for the last eight months, the last two years, and I looked at a snapshot period of eight months in 2014 as a comparison, to see if I see could see any differences as well. Five years ago, in 2014, in an eight-month period, the total number of clients supported was 215. In this last eight-month period currently, the total number is 329.

**CHAIR** - Okay, so about a third, or so.

**Ms MEIKLE** - Significant, yes. The age range has not changed hugely. A statistician might tell you the difference, but I can still see the majority of people that we are supporting. The highest percentage falls between 35 years and 49 years, but we also have significant numbers of people down to age 25 years.

**Ms O'CONNOR** - Just to finish the question. Are you seeing a change in the complexity of need of people who are presenting to Beth House?

## PUBLIC

**Ms MEIKLE** - I have one here which is quite interesting for you. If you look at the two-year period, 84 per cent of people only came to us for one support period; in the last eight months that is 70 per cent of people. So, 30 per cent of people coming to us for more than one support period.

There is quite a lot of information here. The reasons why they say they come to us change as well. In 2014, 22 per cent of people say the main reason for arriving is financial difficulty. In the current period, only 5 per cent give that as the main reason for arriving.

**Ms O'CONNOR** - What is the majority reason?

**Ms MEIKLE** - It is spread between relationship and family breakdown, transition from custodial arrangements, which is in this period 11.8 per cent, and in 2014, 4.2 per cent. There is plenty of information here which you can look at and see what that is.

**CHAIR** - That would be very helpful, Stephanie. In relation to families you mentioned there, from my point of view, I am concerned that there is a gap in relation to crisis accommodation for families. Certainly, many constituents have presented to me with concerns about if the family is homeless, where do they go. I have heard, yesterday even, the Royal Agricultural Society submission. There was talk of dad going to Bethlehem House, but mum and kids staying at the caravan, or mum and kids going to Hobart Women's Shelter - that was it - and dad staying at the showgrounds. That facility is now closed, but nonetheless, the point I am making is around whether or not the system is adequately geared up to keep families together, and whether that is, in your experience, something that you are confronting? Or are people self-selecting to have singles, I suppose, coming through?

**Ms MEIKLE** - The majority of people who turn up to our service, I cannot tell whether they are self-selecting, but in the two-year period, 79.5 per cent self-identify as being a lone household, one week before coming to us. Whether it was different a month or two months before coming -

**CHAIR** - That is still one in five potentially from a family environment.

**Ms MEIKLE** - Only 0.6 present as being one parent with children; 1.9 a couple with children.

**Mr TUCKER** - I was wondering, Chair, whether we could get a table for every year for the last 10 years, so we can see what pattern is occurring with those views you have provided.

**Ms MEIKLE** - You can. What I would say, when I spoke about the problem with statistics is that this system for collecting data has been refined over the years. The information that has gone in has undoubtedly changed, and the way it is collected and recorded will have changed and refined. You can undoubtedly have that. I have no problem in presenting that.

**Ms BUTLER** - I want talk to you from your expert point of view. With the presentations of people who are reliant on drugs and alcohol, do you consider that - well, I know the answer, so it's a rhetorical question of sorts. Would you be able to provide a step-by-step of what happens from people who are seeking assistance for drug and alcohol, and the services that are provided for them to be able to be rehabilitated? Also, the eventual outcome for them, whether that is incarceration at some levels, or whether they are able to then transition back into housing, and getting on with a normal life, so to speak, that is drug and alcohol-free?

## PUBLIC

**Ms MEIKLE** - I can't generalise because there are so many individual paths in here, and there are some quite extreme stories of people's paths. I can give you an example of when it works well, or talk about what happens when it works well, which is when somebody is willing, and wanting, and ready, and caught at that point with us, where they want to address their addiction issue.

A referral is made usually to the Bridge Project, and they have a vacancy. They go there, go through the rehab process, come out the other side supported well, come back to us for a while, maintain their drug and alcohol-free state. A vacancy becomes available in an affordable house, and out they move and remain drug-free. That is the ideal. It is not generally how -

**Ms BUTLER** - That's what the system is set up to do.

**Ms MEIKLE** - Set up to do. But not always, because it can be difficult to get into the Bridge Project. I understand that their number of bed spaces has increased. We have seen the need to support people who have addiction issues with one-to-one counselling, and we were very fortunate that I put in a grant submission to the Tasmania Community Fund. We have a four-year program which gives people life skills training and includes one-to-one counselling.

We basically used some of that grant funding to pay for a counsellor to come in from Holyoake one day a week, and we let people know they can see somebody face to face in Bethlehem House, where they feel confident to talk to somebody. That is a stepping stone to other services.

People's journeys are different. Frequently, as I said, they flip in and out, using a range of support services. If somebody has a mental health co-morbidity then the times when they use substances will link to their state of mental health at the time and to the extent to which they feel supported.

Within Bethlehem House, the mix of people can affect how a person is feeling. Whether they decide to stay with us, and rely on our support or exit can very much be influenced by the mix of men in the House. When we have 30 people in one space, it goes up and down.

**CHAIR** - One gentleman I met last week, and without wanting to identify him, I bet you will know who I am talking about, a 45-year-old male who is a resident at Bethlehem House and long term - at least 18 months. He talked about his struggles with opioid drug addiction, for a time he was living with his mum. He lost his family, his kids, his job, everything. In his struggle for independence he was determined to become clean. I am not sure whether he had assistance through the Bridge Program. I have heard many stories of people not being able to access that program when they need it. This individual was talking with me about his inability, because of the rent model, it was difficult to have enough savings to find an adequate exit point. You talked about at least one scenario of people who were able to get on their feet. How do you respond to that? How familiar is that kind of story? Do you think it is realistic for people once they have, in his words, hit rock bottom, to expect to find those exit points into social and affordable housing?

**Ms MEIKLE** - One of the barriers to exiting into social and affordable housing will be if they have a debt with Housing Tasmania and they have to have reduced their debt significantly. That might be what the gentleman is talking about in this instance. Otherwise affordable housing is affordable. You haven't the issue of trying to get into sky high costs of private rental because they just don't get into them. Rent bonds are not required, so they don't have that issue. When people leave Bethlehem House usually they get furniture from other NGOs who come to their assistance.



## PUBLIC

They get help with moving in. Their start-up costs are not there. That issue of saving for it doesn't come into it. I have never seen that as an issue.

Some people might think they have to find something at that point. Usually our staff are spending time with people saying when the point comes they will have a house to move into, the staff will help them get a furniture pack and move in so that they have a bed, a fridge and a couch. Most of our tenants in Bethlehem House, when they save up enough money, the first thing they buy is a TV. They each have a TV in their room. The extreme, as I said, is a gentleman on a disability support pension living at Bethlehem House since 2014 who has managed to save thousands of dollars. He has no life outside of Bethlehem House.

**Ms O'CONNOR** - What happens to him? Will he stay at Bethlehem House in perpetuity, do you think?

**CHAIR** - And can you weave in comment around transitional accommodation to.

**Ms MEIKLE** - Around transitional accommodation. We manage one unit on behalf of the Department of Communities Tasmania, which is a transitional unit. We have had a gentleman living in there for about 14 months. We make that available to fathers who have access to their children. It has two bedrooms and their children can come and stay. It is a good model. It seems to work well. They get support from case work. They get assistance with staying drug and alcohol free and it is affordable.

Many of the men who are with us have gone beyond crisis and are still living with us. You could say at this point we are transitional housing. It is still a crisis unit. It still has all the services on board but they may be stuck until they have an exit point. My statistics say that we have seven residents with us who have been there for more than a year.

**Ms O'CONNOR** - Sorry to interrupt, but those residents are still there because of the lack of exit points and then services.

**Ms MEIKLE** - Not always. In some issues it's a mental health issue. In the extreme, you have somebody who will not leave the building and somebody else who breaks down completely.

**CHAIR** - Are you talking about agoraphobia and that type of thing?

**Ms MEIKLE** - Agoraphobia, mental health issues, all sorts of complex things. Somebody else who really would be in a position to move out and be able to take a Housing Tasmania house or even has the money to afford to look for private rental can't face the thought of leaving and will have a complete breakdown when it is suggested.

**CHAIR** - Under your model of care, could you or would you evict people in those circumstances.

**Ms MEIKLE** - We have never evicted people for that reason. We have tried to get people guardianship who have been refused guardianship. Since the age limit came in to include all of our men, we are now applying for NDIS support for those who clearly have psychosocial disability. We have been waiting five months for the outcome of one of our requests for someone to get supported living. The issue for these people is supported living.

## **PUBLIC**

**Ms O'CONNOR** - Back to your long-term tenant who is on a disability support pension and has managed to save money, what happens to that individual? Will he be living at Bethlehem House forever, or the term of his natural life?

**Ms MEIKLE** - It is not something we want for him. It is not something he wants for himself. Nobody can fix this because there is only one place he wants to live and that place is not available to him.

**CHAIR** - One of the submissions we heard this morning from Housing with Dignity went so far as to say this isn't just a housing and homelessness crisis, people are dying. In your experience what is the picture of mortality both within your service and your knowledge, if you have knowledge, of people and their fate when they leave your service.

**Ms MEIKLE** - We have a memorial wall in the courtyard area of Bethlehem House where there is a plaque for each person who has passed through Bethlehem House and has subsequently died. We keep a register of the reason they died and how old they were when they died. The average age of mortality the last time we looked, was around 47 years. Quite often it is related to alcohol. People have died in house fires. The latest resident who left us and subsequently died had been through drug rehabilitation in Queensland, had come out and seemed quite happy and well. He obviously took drugs again; apparently it was an accidental drugs overdose. Those are the sad reasons.

**CHAIR** - Very confronting. Shall we leave on a point of hope? You talked about some people finding exit points. I don't know how you do your job.

**Ms MEIKLE** - Would you like a good story?

**Ms O'CONNOR** - Please.

**Ms MEIKLE** - This is what I do when I talk to children at schools. They say please tell us something good. We had a gentleman come to us just over a year ago with an enormous ice habit, a very expensive ice habit. He was working, he was holding down two jobs, one in the construction industry and one at night time in a restaurant. He had a high level of responsibility. He phoned one of our case managers who he had known from a previous visit and said, 'Please come and get me'.

The house was littered with hypodermics. The picture we have of this gentleman shows he was very close - he was cadaverous looking at this point. He said, 'Come and get me or else I am dying'. We got him. He couldn't get into the Bridge Project at that point. I think that might have eased now. Together with support from men in Bethlehem House, went through cold turkey there.

**Ms O'CONNOR** - That is so brave.

**Ms MEIKLE** - He put on weight and he got healthy and so did his friend who was with him, there were two of them, and when he left us he had formed a new relationship. He moved into a private rental apartment with a partner and her children, went back to work and had plans to start his own business. As far as I have heard since, he is making it and has not had any relapse problems. That is the best outcome we can have.

**Ms O'CONNOR** - All of that was done without extra support, too, wasn't it? It was essentially that person and Bethlehem House who got that outcome.

## **PUBLIC**

**Ms MEIKLE** - When it works really well, the men are such a support group for each other.

**CHAIR** - Ms Meikle, we will have to draw the conversation to a close, regrettably. We would have loved to spend longer with you. Thank you so much for your passion and for your compassion. It is very evident. I have to read a statement after you have provided evidence, as I try to collect myself. As I have 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?

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

**CHAIR** - Thank you, once again. If you are willing to either table any additional evidence or provide it through to the secretariat, as we have discussed, that would be appreciated.

**Ms MEIKLE** - I will provide it through the secretariat, and you would like an annual report of this statistical level for as far back as I can get meaningful information.

**Ms O'CONNOR** - What is the source of that data?

**Ms MEIKLE** - This is the Specialist Homelessness Information Platform, called SHIP, which all housing service providers record data into.

**CHAIR** - Mr Tucker requested up to 10 years, but noting your concerns about -

**Ms MEIKLE** - Quality -

**CHAIR** - data quality and so on, can we leave it to you to provide whatever you feel is representative and robust. We will use a lens of discretion, I suppose, when looking at data. We would appreciate anything you feel is reasonable and relevant to inform our committee.

**Ms MEIKLE** - Yes.

**THE WITNESS WITHDREW.**

## PUBLIC

**Mr BEN WILSON**, DIRECTOR OF HOUSING, CATHOLICCARE AND CEO OF CENTACARE EVOLVE, AND **Ms ANDREA WITT**, GENERAL MANAGER OF HOUSING AND HOMELESSNESS WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you very much for coming along and for your submission. I will read the statement that I am required to read before you provide evidence. Just 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?

**Witnesses** - Yes.

**CHAIR** - I would like to reiterate some important aspects of that document. First, 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 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?

**Witnesses** - Yes.

**CHAIR** - Finally, I advise that the House has 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'. If you wanted to refer to that in your submission we would welcome that. If you would like to commence with an overview, some kind of a statement if you like, and then we can get into questions and we have three-quarters of an hour.

**Mr WILSON** - Our submission was presented on behalf of Centacare Evolve Housing, our community housing provider organisation, and CatholicCare Tasmania. CatholicCare has been delivering services in Tasmania since 1960, and delivering social housing through Centacare Evolve Housing since 2014. CatholicCare is the social services arm of the Catholic Church, Archdiocese of Hobart and, as such, a member of the Catholic network across Tasmania providing a range of services with a workforce of over 9000.

Some of the services CatholicCare provides are our family support services, therapeutic residential care, youth emergency accommodation, housing and homelessness services through the Housing Connect model, community mental health, children's services, domestic and family violence, children and young persons' counselling and group programs, clinical services, migrant support programs, our social impact programs, and our Centacare Evolve Housing organisation.

**CHAIR** - Thank you. I am conscious that the two of you represent a significant interest in social and affordable housing and we appreciate your time in your submission and evidence given today.

## PUBLIC

Let's start with your general perception of the housing and homelessness crisis as it is being called here in Tasmania, particularly over the last - whatever period you like - five years under the Affordable Housing Strategy for the Government. I am interested in your overview of the current situation in housing and homelessness.

**Mr WILSON** - In relation to the Affordable Housing Action Plan 1 and 2, we have certainly participated in numerous programs throughout those initiatives through Better Housing Futures, the Stock Leverage Program, the fast-track supply of social housing and regional supply of social housing. There have been numerous programs. It would be fair to say that the majority of the work that's been produced has been done at the tail end of AHAP 1, which saw significant number of deliverables. Our organisation delivered 120 dwellings in the final 120 days of AHAP 1. We are pleased to see initiatives come out early in AHAP 2 for us to respond to. We have recently responded to two of those initiatives that have come forth since 30 June, being the regional supply and community grants program. As an organisation participating in the AHAP 2, we have been very proactive in deliverable across the programs and looked at as much as we are able to deliver within the program parameter. From a homelessness perspective, from Housing Connect, you might make some comments, Andrea?

**Ms WITT** - Yes. From a social support service perspective, across all of our programs we have seen a significant impact in the lack of affordability of housing across the whole of the state. We have seen the impact of housing costs increasing over that time, and certainly we have seen a decreased opportunity for welfare services to significantly create and maintain change for families in a number of different welfare areas. That is specifically because it is very difficult to be able to progress your life, participate in education, maintain relationships, identify and maintain employment and those sorts of areas without stable housing. The current housing affordability environment does make it very difficult for many families across the state. We certainly see an impact of that across all of our programs, whether those programs are housing and homelessness-focused or whether they're more generalised or clinical services.

**CHAIR** - Shall we start at supply? Mr Wilson, you said that your organisation delivered 120 dwellings in the last of AHAP 2. AHAP 2 was conceived and delivered in 2015 and took us through to 30 June this year. Why is it that there was a delay in the first instance?

What do you need from government in order to help you maintain and accelerate stock levels, if that's what your ambition is in delivering to targets under AHAP 2, let alone what is required to meet current demand?

**Mr WILSON** - My first point on that would be the Tasmanian Planning Scheme, so if we look at what has been put forward and when you enter into those particular programs, when we are putting in large multi-residential sites, there is a particular reason a lot of those larger sites haven't been developed over the years. That's because they have significant infrastructure running through them that needs relocating, so they go through full planning permits and requirements. Some of the programs we delivered, in particular around the numbers I was referring to in the final end of AHAP 1 were single residential properties on single residential blocks that didn't require the planning process to go through to that extent.

When I refer to the planning process, that is also the outsourcing to infrastructure such as TasWater, TasNetworks and all of those sorts of things. They form part of, I guess you could say, the process and the time line that is required to develop some of the larger multi-residential sites that we have delivered under AHAP 1.

## PUBLIC

**CHAIR** - What about this business of how we move forward? It seems to me that there was a very slow progression under AHAP 1 and there is disagreement as to whether targets were met. Setting that aside and focusing on the next three to five years within the horizon of AHAP 2 and beyond that perhaps, what do we need to do to ensure that we don't drop the ball? When I say 'we', I mean the government.

**Mr WILSON** - From a community housing provider's perspective, we have a long-term strategy around our involvement in affordable and social housing and where we want to be strategically as an organisation and that is obviously to continue to fill the gap of the needy and vulnerable people of Tasmania. My comment around your point is that we have long-term goals, so what we're seeing come forward in relation to the two recent responses are deliverables over the next 12 to 18 months, and the increased communication from government around what the long-term strategy and how that can be leveraged against a community housing provider such as ourselves. We have an appetite to leverage debt to facilitate the delivery of social and affordable houses in Tasmania and for government to understand our long-term strategy as one of the CHPs in Tasmania, let alone the other four tier-1 CHP providers. We all have strategies to deliver the gap and where we want to be to be able to address the housing affordability issues we have. We rely heavily on state contributions through land or land leases, capital contributions, et cetera, to be able to leverage what we do, but we also have access and a desire to increase our debt to be able to deliver on these long-term strategies.

**CHAIR** - To be clear about that, is it fair to say that you have certainty only out to 12 or 18 months, whereas you are really looking for longer-term certainty? What is longer term?

**Mr WILSON** - I will give you an example of that if you like. A very clear one is Better Housing Futures, which is a 10-year contract. We are leveraging against that contract in relation to being able to facilitate and deliver for better affordable and social housing. We are doing that at great risk to our organisation if that contract management is not renewed. That is the type of long-term strategy we would like to have further discussions with the state Government around understanding the investment we have made over a five-year period, where we want to be in those areas we have been operating in successfully, and the ability for us to understand where our contracts are heading.

Five years sounds like a long period of time, but when you are leveraging against programs that require you to finance for up to 15 to 17 years to repay debt, you require some certainty from Government around the current programs that you operate within.

**Ms O'CONNOR** - I am assuming that there have been discussions with Government and Housing Tasmania about those Better Housing Futures contracts and what level of certainty providers can have. Is there any indication from government that this will be resolved in the relatively near future?

**Mr WILSON** - We have been responding to recent initiatives and as we have become more and more aware around the importance of the renewal of our current contract, we have provisions within our contract to renew for five-year terms - five plus five. That still doesn't provide certainty to an organisation that is investing so heavily in that space. I guess those conversations have only been very recent directly with the minister's office and not necessarily through the department at this stage, but there are provisions within our contract. We understand that the department is happy

## PUBLIC

with how we are performing within the contract but ultimately there has been no discussions or agreements in place around extensions at this point in time.

**Ms O'CONNOR** - Recently, I was lucky enough to go out with you, Mr Wilson, and have a look at how Better Housing Futures is rolling out in Brighton and Gagebrook. Personally, I think you are doing a fantastic job out there and the quality of the houses and the community you are building there is very different from what it would have been if we hadn't gone down that path. How robust and viable do you think that model is for community housing providers in the longer term? Setting aside the issues with the contract, is the actual reform structure for providers working?

**Mr WILSON** - I would say most definitely. We are five years into that and we are five years into that community. Whether it is the particular community we are operating in or future communities we would like to be operating in, they want long-term strategies, goals and outcomes as well. They don't want short-term solutions or fixes. So what I am proudest of in what has been achieved through the organisation in the Bridgewater-Gagebrook-Herdsman's Cove community is the community peace. It's about recognising our investment by our board into our community wellbeing and peace with the staffing and resources we have put into that space and the programs we have run within those municipalities through Job Ready programs, traineeship programs, our Build Up Tassie initiatives, our social impact initiatives and through simple but very important programs around building of leadership within the community as well.

I attended one of our community tenancy meetings that was run by one of the leaders within the municipality who two or three years ago wouldn't have had the confidence to probably even participate in the meeting itself, let alone run it. They are the initiatives and long-term strategies that we're looking forward to increasing in the communities we operate in. It is also a model that we have learnt a lot from over the last five years and one we think can be brought into other regions within Tasmania.

**Ms O'CONNOR** - I am interested in hearing what the testimony of tenants is who have moved from being Housing Tasmania tenants to being Centacare Evolve housing tenants. I have spoken to some and it is overwhelmingly positive. I am interested in their experiences of the change and how it has changed their sense of community and potentially their lives.

**Mr WILSON** - We do annual surveys in that space which provide feedback in relation to how we're performing as a community housing provider, but I think it's where we're on the ground and having our tenancy office and interacting with the community with the tenants they manage and enhancing that through our Community Wellbeing Peace with our tenancy engagement and community development officers and seeking that feedback on what the community wants and where they would like to see us as a provider.

There are some key elements that certainly enhance the wellbeing of our tenants as well. We have had significant upgrade programs we have run within the housing we have done. I was looking at statistics this morning and between bathroom and kitchen upgrades, over 70 per cent of the portfolio has been done over this period of time. It is about where they can see reinvestment into them and what we're providing to them as a tenant and we're investing in them and their lives. That's where it's making a significant difference.

**Ms O'CONNOR** - If I could just go to Ms Witt for my last questions, in your submission you do a deep data dive, if you like, into the question of affordability for people. I know you have

## PUBLIC

worked in the homelessness sector for a very long time, so in your experience, what are we seeing that is different in terms of the people who are presenting for support and housing?

**Ms WITT** - I'm glad you asked me that question because it enables me to say something that is really important. That is, without safe affordable and secure housing homelessness doesn't end, but we had homelessness before we had a housing crisis. I feel very strongly that a house is bricks and mortar but a home is what we actually need for all of our families in our community.

What has been increasingly difficult over the last 10 years, but certainly significantly seen over the last five years, is that we have seen a growth across the community of impact. Historically, we would see a range of people accessing homelessness services and our welfare programs who were quite often disconnected from community. They may have had a range of different episodes in their life that had resulted in them needing to access services and that could be family relationship breakdown, mental illness, job loss, a range of factors external to the individual in choices that they make.

We are now seeing a much broader client cohort coming through. We are seeing people who are trying to maintain employment, working on low incomes. The income bracket we are seeing is increasing significantly. That is not just within our homelessness or at-risk tenancy support programs. That is also within our emergency relief programs, it is within our clinical services and we see now more than ever a lot more families and a much higher volume accessing services.

Historically, we were able to have case loads within our homelessness services of around 15 to 20 and now we are seeing well over 30, for each worker. What that means is that many of our programs are not able to work with the intensity that is required to sustain independence long-term. What that also means is that when we are able to place people in houses, we are very aware of the fact that many of them probably will not be able to maintain that accommodation long-term, which means we will see them again.

**CHAIR** - We had evidence this morning from the CEO of Bethlehem House who talked about up to 30 per cent return rate of the clients they are seeing through that facility. Is that the type of scenario you are experiencing?

**Ms WITT** - I am not able to provide any clear data at this time. I am happy to have a look at that and provide that past this point. Anecdotally, yes, we are seeing a much higher return rate but we are also aware, not through our homelessness services but our programs, that there are a number of people who are choosing not to go through housing support services because they are aware of the situation and don't see that there is necessarily any point to it. There is quite a high number of people but there are other people who are experiencing significant hardship who don't enter into the data pool. That is what makes it very difficult.

**Ms BUTLER** - That leads into my first question to do with the accuracy of the data and the statistics, especially with the Government's strategic plans based on data from 2015, which may not be accurate. I assume you would have your own pool of data or projections about how big the problem is. I don't want to put you in a yes/no situation, but do you think that the strategy with the number of houses we are looking to build in both affordable and social housing is an accurate way to address the housing affordability crisis?

**Ms WITT** - It is very difficult not to rely on data to inform which direction you are going to go because there needs to be an evidence base to that. I would be very concerned if we were looking



## PUBLIC

at developing housing strategies without any evidence base. What I do know is that the data that we collect in this state is quite significant. There is a lot of information that we collect from a lot of areas. I am aware that the data pool is not perfect and the issues that make that not perfect are things like consistency of data collection, only being able to capture the people who present and those sorts of issues. I am also aware that the second plan does look at tighten up some of those areas where we are aware that there are weaknesses.

I would probably more concerned if we were looking at putting together ad hoc strategies and plans that weren't well researched, evidence-based and weren't reviewed against some kind of framework of criteria to ensure safety. I have been quite concerned about some of the strategies that have been raised, for example, to address those who are sleeping rough without going through framework or risk assessment.

**Ms BUTLER** - We heard from a few different providers yesterday and there were similar responses to yours. We are not sure, as a sector, how big the problem is. We are stabbing in the dark in relation to homelessness and what we are looking at in the data. We don't have any evidence as to the magnitude or the scope of the problem we have. Is that something you found when you have been trying to develop and work with the government on different strategies, funding applications and so forth, that you don't know how big the problem is?

**Ms WITT** - We have a fairly reasonable understanding of what the problem is and the data is a small part of that. It provides a good basis and a foundation. We are in a privileged position, being the organisation we are, with such a wide network of over 9000 employees who are going to be touching many lives through the delivery of services through a range of different areas and income areas. We do know, through that, housing affordability is a considerable issue both for purchase and for rental. We do know that that impacts on people's capacity to contribute within the community, and we do know that is broader than the welfare system has ever seen previously.

The concern we would have as an organisation is that the responsibility for the wellbeing and the failure of the service system that is much bigger than housing and homelessness does actually sit with housing and homelessness, whereas the issue is much broader than that. Before, when I talked about the need to focus on the development of a home, that means leveraging communities goodwill in its entirety and making some significant change to a community that would allow for there to be such a big gap in income and opportunity for Tasmanians across the board.

To end homelessness and to reduce the impact of housing stress, we would need to see a whole-of-community response that is beyond the portfolio of housing and homelessness. I would hope that you all would consider, beyond Housing Tasmania, beyond the Housing minister, and look at every portfolio as a portfolio that needs to consider the wellbeing of this state and everybody in it as well as the affordability of housing and the impact of any decisions that are made in every portfolio.

When you consider that countries like Finland, that are doing quite well in responding to housing and homelessness, have an hour of each school day for every child to be spent on empathy alone. To address housing and homelessness issues we need to create a community where people are not complaining that a big black box has turned up in their backyard overnight, that we have a community that ask to participate in solving the issue, and we don't have that. Until we get to a point where we can work with the community and have a community respond, not to blame an individual but rather look at the appetite a community as a whole has to respond, then housing,

## PUBLIC

homelessness and affordability can't be within that environment and it doesn't matter what the statistics are.

**Mr TUCKER** - I totally agree with your comments. I believe the community has a big role to play with this. I notice you also said that the whole of the Cabinet, or ministers, have a role to play in this, and I agree with you there as well. Within the other community groups that handle housing and mental health issues, because I believe those two issues are closely linked, what planning and communication happens between the groups?

**Ms WITT** - That is a great question. In Tasmania we are very fortunate because we are a small community and we have some fantastic relationships. There is significant work that needs to happen across all the streams because even with those relationships there is an issue of protectiveness of resources. There are decisions made around planning for programs, program areas, community growth, tourism and those sorts of things that have a significant impact on other areas. The communication and responsibility probably could use some work.

**Mr TUCKER** - Following on from that, what about local government communication?

**Mr WILSON** - From a local government perspective, I have been in the industry for some time and I'd say I have seen quite a proactive approach in relation to identifying opportunities within local municipalities. From regional areas right through to Glenorchy and Hobart city councils, dialogue has happened with them in more recent months to understand that they also have a responsibility around the housing and homeless issues within the state. We are starting to see quite a proactive approach around them identifying areas that could potentially be developed and are close to services, transport, everything like that, that really makes for good communities. I think there has been a shift in the mindset of local governments across the state.

**CHAIR** - I have a follow-up that relates to local government. I understand that Centacare has contributed some \$180 000 to the Bridgewater Parkland development and I wanted to take the opportunity to thank the organisation for its considerable efforts and contribution and the excitement that I certainly feel for that development. Are you working with the council on stage 2 of that development to build more liveable communities?

**Mr WILSON** - We are actively working with the Brighton Council in relation to further opportunities to enhance the community outcomes that are there. We are working with council in relation to some existing land and some community initiatives that will be ongoing. We feel that that relationship has been very strong since day one of our operation out there and they are a critical part of what we've been able to do in that community. You are correct in what you are saying about our contribution to that, but that is a three-way contribution between government, local government and an organisation that wants to invest in the community facilities and outcomes for our tenants. We would like to see that type of program continue. We would like to be bringing, as an example, more services into the Gagebrook area and areas that don't have as freely available services, medical facilities, et cetera, there. We see that as a relationship to work with all tiers of government and ourselves to be able to provide those additional services, given the investment we are providing into those areas from a housing perspective.

**CHAIR** - I am very impressed. Like the member for Clark, my colleague, Ms O'Connor, I have had the privilege of visiting the Bridgewater and Gagebrook communities having worked in that area, in the past for some years. It is very exciting to see the place-based approach there, bringing together a range of services. I note too that there are other communities such as in my

## PUBLIC

electorate in Clarendon Vale where there is a place-based approach through One Community Together.

Earlier today we had a submission exploring and challenging, I suppose, the level of stock transfer under Better Housing Futures, which I understand is at 35 per cent, or was originally, and that that might have been pushed out a bit. You note in your submission that you provided some 50 per cent of social affordable housing developments. I don't know over what time frame but maybe four or five years. How far can we push that? How far should we push that? Is 35 per cent about right? I understand Housing Tasmania testified that that was at the higher level compared to other jurisdictions in Australia. What are your comments in relation to that and the benefit of the community sector partnering with government?

**Mr WILSON** - My first comment would be to congratulate the state Government and the department in being the leaders across the nation on the transfer of that stock to community housing providers, and when we talk about transfer we are talking purely about management here. Through our submission that we put forward, it clearly identifies that we have access to Commonwealth Rent Assistance and that has enabled us to do some significant things we have done over a period of time. I talked about upgrades and what we have done in that space as an organisation. Since its inception with BHF we have invested over \$17 million into the properties that we manage in that area. I don't know the statistics or how you might compare that to how that might have been invested if it had not have been transferred across.

**Ms O'CONNOR** - It wouldn't have been that high.

**Mr WILSON** - We consider it a significant investment. I don't really understand why you would put a cap on that, I think it is ultimately understanding where outcomes can be driven. We are leading the nation in this space in relation to the transfers. We now have five years-plus of community housing providers operating in that space and I think you can see positive outcomes very clearly that we demonstrated just taking into those areas, but that is only a snapshot of what has been done for the whole community. We could not invest into the community in relation to facilities and parks and collaboration with local councils. We talk about the other programs that have come with that management of stock, and purely based on the management of stock our commitment is to build 233 homes in a 10-year period just on the management of that. When we look at potential renewals with state government on further enhancing, that whether it is five, 10 or 15 years, we want to be able to build programs with that too. We want to be able to deliver new stock on the basis on our ability to financially do that under the management of those portfolios and to continue to invest in the stock that we have.

**Ms BUTLER** - It was a great submission. On page 2 you beautifully summed up the problem that we have. On page 6 you talk about the cost of construction and how the minimum cost of construction has now risen. Would you be able to talk us through how that is a constraint and some of the market forces that may have contributed to that?

**Mr WILSON** - There is no doubt that where we are at from an industry perspective is an extremely buoyant market, so when you have a significant commercial market that is very buoyant that flows down into the residential outcomes as well and puts pressures on trades, et cetera. My point around that is that there is no doubt the industry has increased costs associated with that. A lot of the work we have been doing is not just straight residential building, it is relying on significant infrastructure costs. We have developments of 50-plus units that require significant civil and infrastructure costs to come forth from that. At the same time we have a commercial boom and an

## PUBLIC

infrastructure boom, I suppose you could say, in relation to the spend that is happening as a state, and that puts pressure right back down onto the residential market.

We have highlighted that to basically understand that four or five years ago we were building at an average of \$160 000 to deliver a property and we are now up around the \$200 000 mark. We are seeing programs come forth with capital contributions from state government and it is really to highlight the fact that we are looking at this from an outcome perspective. It is not that we are trying to ask for government funding over and above what is required in the market at the moment. It is understanding that we are in a market that is buoyant and we can no longer deliver properties for \$150 000 to \$160 000; we are delivering realistically around the \$200 000 mark. As I said from the outset, as an organisation we certainly are prepared to raise finance and debt-fund the developments we are doing there, but we also have financial restraints around that and it requires capital contributions or contributions through management of stock, et cetera, to enable us to get those financial models to work.

**Ms BUTLER** - I cannot remember the name of the program but you have a program that is focused around creating training opportunities for people from that community. Can you talk us through that, and whether there is interest from other groups to use that model? I know it is of great benefit to that community.

**Mr WILSON** - We are looking at leveraging what we are doing from a construction perspective to benefit young people within the community, and even outside the community. It's a self-funded program called Build Up Tassie. It's a job-readiness program. We are running two courses this year over a 12-week period. It concentrates on working with individuals around the outcomes that they'd like to achieve. That has led to work experience, traineeship opportunities. Three of the young people out of the Build Up Tassie program are now doing essential maintenance on larger projects and working through traineeships in that sector.

**Ms BUTLER** - You are not skimming the cream off the top of the applicants, are you? For applicants, apparently, you're really looking at each application from a real individual perspective.

**Mr WILSON** - From an industry perspective when people are in that traineeship, or have gone into the workforce, that's a big shift. That's a big thing for them to be able to adapt to and work through. We are not only providing those opportunities, what's key for us is the ongoing mentoring in those traineeships, apprenticeships and work. The relationships that are built up through officers that operate within that program are ongoing. For the length of their apprenticeship they're on the end of the phone. They're able to continue to mentor and work with the young people and the employers.

It's a program we're very proud of. We still have a significant amount more that we can probably provide. In looking at the resources required in the construction industry, it's about enhancing that further into apprenticeships and leveraging that through the builds we do.

If you look at direct contracts with the state Government, there's a requirement for 20 per cent of traineeship and apprenticeship hours. As an organisation we're making the call to be providing these programs. We're quite comfortable with those sorts of stipulations being put through onto the community housing providers to continue to enhance the outcomes within the community, and the construction outcomes we are desperately in need of. It's been a great program, but one that we're concentrating heavily on further enhancing.

## PUBLIC

**Ms O'CONNOR** - In the submission you talk about Housing Connect. Housing Connect was set up in a different time. It's not that old; it's only seven years old. Do you want to talk a little bit about why Housing Connect as it currently functions is not necessarily equipped to deal with some of the housing challenges we have and the complexity of people who are coming forward for housing support?

**Ms WITT** - You are right, it was a very different environment when Housing Connect was born. When we look at a number of other states our response and housing access service system is probably even currently way more advanced in many ways. The issues we have are of resources and capacity to be able to manage. We have recently undergone a review. That review has come up with a number of recommendations which we are hoping will see significantly improved outcomes. You can only operate within the resources that you're provided with. That remains the same for every area.

Some of the issues we have in responding to people who present is managing the volume with the number of supports that are available. It's also about being able to respond in a way that ensures people are actually getting housed. At Housing Connect we're able to support people through the application process. We're able to support them through the journey. What we're not able to do is ensure, without a shadow of a doubt, that there's a house available, because there just aren't enough homes available.

**Ms O'CONNOR** - In terms of the functionality of Housing Connect, in a perfect world how do you think it would look? Obviously, some of the supply challenges that we're dealing with would have been dealt with in the perfect world. How can Housing Connect change and improve its practices to be more fit for purpose in this time?

**Ms WITT** - Some of the moves that have been made in the review will address that. I have been really pleased to see those recommendations come through. The capacity provided to Housing Connect to be able to do the assertive outreach with rough sleepers is really important. The recent ongoing funding for that has been significant.

We do need to be a lot clearer about our triaging. We are looking at that as part of the reform, as we are looking at our capacity to be able to deliver specialist support in the areas that need it.

Due to the large volume of people accessing Housing Connect what we have seen is a necessity to be able to reduce our specialist responses in some ways. What we have probably lost in comparison to our old service system are things like our program that focused very much on private rental and supporting people in those tenancies. Previously, we also had a program that focused on working with children. We also had a program that focused on working intensively with very pointy-end, high and complex needs clients, which was a state program.

We have lost some capacity to be able to deliver those sorts of programs for early intervention. It is not able to be a big feature in the current system. We work specifically with children because we know that children who experience homelessness end up coming back through as adults. We also work with very marginalised people through intensive housing first responses. The review that is currently happening is going to be looking at that and has strategies and recommendations in place. We hope that will address some of those issues.

**Ms O'CONNOR** - You make a point in your recommendations about any responses to the housing crisis needing to be implemented within the current framework. Some people who have

## **PUBLIC**

given evidence to the committee have said, 'We cannot keep doing things the way we were', suggesting that we need to things very differently. Do you have a response to that? When you talk about 'within the current framework', what do you mean?

**Ms WITT** - We need to target our resources. Any new resources also need to be targeted. We need them to work within our current system. The only other option is to do a complete dismantle. When that happens, you end up throwing the baby out with the bathwater and losing some of the strengths that the current system has. 'Within the current framework' means that it needs to maintain the integration that we have currently. What we do not want to see is a duplication and a waste of resources that dilute what is already happening.

**CHAIR** - Within your submission you talk quite a bit about silos. We have received evidence just now from Bethlehem House about the possible need for co-location of mental health and other services to provide wraparound support to those with the most complex needs. In relation to the new resources - linking in with your last response - \$5 million has been made available for emergency response to homelessness. From my point of view, there are potentially still some significant gaps around supporting families, under 18s, regional Tasmanians, and so on. What would be your response to that?

Added to that are mental health, AOD and other support services when it's clear that the majority of services are receiving funding through Housing Tasmania or the Department of Communities Tasmania, as opposed to Mental Health and other services.

**Ms WITT** - There are a range of other models that have co-contribution from a range of different areas. My preference would be if Treasury could provide Housing Tasmania with more money. In addition to that there are other models where mental health dollars, for example, contribute as well. Housing dollars along with mental health dollars along with drug and alcohol dollars come together to be able to deliver services. When we talk about breaking down the silos in our submission, what we are really saying is that we would like to see more flexibility across portfolios to come up with initiatives that are of joint responsibility.

**CHAIR** - It is a challenge, responsiveness. We have a framework with the Affordable Housing Strategy and we are hearing that that is a good framework but my concern is that it might be a bit outdated and I wonder how we maintain that nimbleness to keep currency and responsiveness as the crisis deepens.

Thank you for a very comprehensive submission and your insights today. We really appreciate your time and those who have contributed to your submission. 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?

**Witnesses** - Yes.

**CHAIR** - Thank you, again.

**THE WITNESSES WITHDREW.**

## PUBLIC

**Mr STUART COLLINS**, EXECUTIVE DIRECTOR HIA AND **Mr BEN WILSON** HIA TASMANIA VICE-PRESIDENT WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Thank you, Mr Collins and Mr Wilson, welcome once again and thank you for your time in putting together your submission for the inquiry. 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?

**Witnesses** - Yes.

**CHAIR** - I would like to reiterate some important aspects of that document. First, 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 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?

**Witnesses** - Yes

**CHAIR** - Finally, I advise that the House has 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'. We would encourage and support any comments you make in relation to any of the terms of reference, including this new one. It is a good opportunity for you to add anything further. If you would like to start with an opening statement, we can fire away with some questions after that.

**Mr COLLINS** - I am Tasmania's Executive Director for the Housing Industry Association. The Housing Industry Association is the peak residential body in Australia for residential construction, development and renovation. We have over 60 000 members Australia-wide and approximately 1000 members in Tasmania, predominately in the south but we have a concentration of members in the north and the north-west.

**Mr WILSON** - I am Vice-President of the HIA. I've been associated with the Housing Industry Association in Tasmania and nationally for some 13 to 15 years.

**Mr COLLINS** - We have a number of members who construct social and community housing. However, for the purposes of our submission we focused more on the affordable housing side of the discussion. It is interesting, when drilling down and trying to get a bit of a feel for whether or not we do have housing affordability issues in Tasmania, because it is not unique to Tasmania. I have had the benefit of working in a number of jurisdictions around Australia. I should say the misfortune because I should have made Tasmania home much sooner. We have seen significant improvement in housing affordability across the country in the last 12 to 18 months. I thought I would have a look at some of the facts and figures that are available to us through our economics group.

## PUBLIC

Quite clearly, Tasmania has gone the other way. I am not sure if you have been provided with this information previously. It may well be that a lot of the information has been in relation to social housing and homelessness.

**CHAIR** - We are open to double-dipping.

**Mr COLLINS** - Sure. Interestingly, with dwelling prices, they grew by 28.1 per cent from 2016 to their peak earlier this year.

**Ms O'CONNOR** - Is that the cost of the construction or the cost of purchase?

**Mr COLLINS** - This is gross dwelling price, so the cost of the dwelling itself, 28.1 per cent. For the rest of Tasmania it is 21.6 per cent over the same period. When you go into Hobart's vacancy rates, they have been trending down from 3 per cent in 2012 to a low of 0.3 per cent in late 2017 to 2018. Having a look at the average income to afford a home in Hobart, it has gone from 0.95 incomes to 1.04 incomes. What you are looking at there is an average income against the average cost of a house, taking into account some assumptions about what you would need to live on. Clearly, you need more than one person on an average wage in order to afford a home, and the rest of Tasmania that is coming from 0.82 to 0.85.

**CHAIR** - What is the source of that data?

**Mr COLLINS** - This is from our economics group and they would get that information from the ABS, mainly. On top of the issues of inadequate supply of housing and homelessness, you clearly have these economic indicators that are at play. Yet, the other thing that occurs to me is that we are currently building more homes than we have since post-GFC. Over the last financial year we have seen just over 3000 dwelling approvals. Hobart is up by 11 per cent, the rest of Tasmania is up by 5 per cent and Launceston is up by 9 per cent.

**Ms O'CONNOR** - Is that on the previous year?

**Mr COLLINS** - On the previous year, but there were some pretty good numbers in the previous year. Our view is that it is housing supply issue. If you say we are supplying more housing than we have for a number of years, there has to be some other issues at play. Those issues, we believe, are structural issues and they relate to targets for medium- and long-term land supply and housing costs.

**CHAIR** - There is lot in that. There was some evidence provided to the committee that, despite a higher rate of approvals, there have not been as many constructed and there is a gap.

**Mr COLLINS** - That has come up in the past, quite regularly, but if you look at the reporting mechanisms of local councils to report completions you will find there is a substantial number of properties that are occupied. They are complete but may not have had completion certificates issued because they haven't finished a back deck or those sorts of things that might come forth. You need to be a little bit careful when looking at those statistics as to what has been approved and comparing them to actual completions. Some period of time ago one local council within the Hobart area had well over 100 properties that were occupied but hadn't had completion certificates issued, for whatever reasons. It doesn't mean we're not actually constructing or occupying. I'm not saying there may be some lag there but you just need to be conscious around the statistics you have there.



## PUBLIC

**CHAIR** - In relation to targets, I understand it is estimated that as many as 17 900 new social affordable housing dwellings are required in Tasmania by 2036 in order to meet demand. That is the extent of the figures I have in my head. I am not sure if there is a breakdown in relation to social and affordable housing. You say the targets need to be re-examined in relation to meeting demand and supply. How do you see the current situation? Are we on track? Do we need to accelerate and, if so, in what domains, and who is responsible for what?

**Mr COLLINS** - It is interesting because the current figure to meet housing demand is around about 2600 to 2700 homes and about 60 per cent of those need to be provided in Hobart and the rest across other parts of Tasmania. So we are actually exceeding that target. We are playing catch-up, plus there are other economic factors that are at play, such as increased population growth, which has put pressure on the other housing market. I couldn't tell you what the breakup is with respect to social and community housing and the normal owner-occupier housing, but as I indicated earlier, I think this is a symptom of having undersupplied housing over a long period of time.

**CHAIR** - Five years, 10 years, 40 years?

**Mr COLLINS** - At least 10 years, if not longer.

**Ms BUTLER** - We spoke to the Real Estate Institute of Tasmania yesterday and were having a conversation about affordable housing with them and the building of affordable housing. They seemed to indicate that it was their philosophy that it was the private sector that was responsible for the building of affordable housing. There were other ideas around the development of affordable housing and how it shouldn't fall to the private sector. Would you like to make a comment on that and anything you may be able to provide to us about solutions around the affordable housing shortage?

**Mr WILSON** - I am not sure that I agree with those comments. I think it is a whole-of-sector thing. There are many things to look at and explore around the delivery of affordable and social housing. They come back to land development and inclusionary zoning, which I am sure has been a topic that has been discussed here previously. I think the sector has a responsibility to be delivering on a whole range of housing to overcome the underinvestment in affordable and social housing over a long period of time, and I think the sector itself would agree that they feel a responsibility to be delivering in the social and affordable housing space.

It does come down, significantly, around land supply as well. If you look at some particular subdivisions that have more recently become available, they exclude the potential of even shared equity schemes and those sorts of ones where the Department of Housing has a notation on the titles. That is not good planning in the delivery of a range of housing options within large subdivisions within the Hobart area.

**Mr COLLINS** - Having a look at the cost of housing, we have just commissioned an independent report from CRE and they have had a look at, unfortunately, not Hobart, but if you have a look at the range, for Sydney it is 50 per cent and Adelaide is around 32 per cent to 33 per cent of the cost of a house and land package, which is comprised of taxes. When I say taxes, I am talking about statutory taxes as well as the cost of compliance and some of those regulatory costs. I would say that Hobart is at the lower end of that, probably closer to Adelaide, around that 32 per cent to 33 per cent.

## PUBLIC

If you consider the taxation of housing, it is probably second behind what I call the vice of the sin taxes, with tobacco, gambling and alcohol. I think 10 per cent of revenue that is collected by all levels of government comes from housing, so that is contributing significantly to the cost of the end product. If you look at direct taxes which are GST, stamp duty and land tax, and start to add in to that some of those planning costs - obtaining approvals, consultancy fees, infrastructure charges - it is putting a lot of pressure on the industry to be able to deliver affordable housing.

**Ms O'CONNOR** - We had the Property Council in earlier talking about the need for better planning, basically, and to move past ad hoc decision-making about settlement, supply and infrastructure. Would you support moves to develop a population settlement strategy for Tasmania so that for the housing industry there is some certainty over urban growth boundaries, future growth boundaries and impact on amenity and resources?

**Mr COLLINS** - We would be fully supportive of that. As I mentioned earlier, I have had some experience in other jurisdictions. In the most recent one I have come from, the Sunshine Coast Council established some priority development areas which are mixed-use development and a range of social and other housing options, medium density as well as single detached. They also have urban growth areas. They are looking at land that can be utilised 20 years ahead of time. That allows us to plan and you can put your population overlays into that. But I think there is a misunderstanding that when we need to deliver more housing you can't just turn the tap on. Land itself takes 10 years to shift through that pipeline by the time we get all the approvals through and get the infrastructure in place so that it is shovel-ready. I mentioned that we're playing catch-up and that's one of the reasons why.

**Ms O'CONNOR** - Does the Housing Industry Association have a formal position on inclusionary zoning, which is supported by Shelter Tasmania, TasCOSS and other community sector stakeholders?

**Mr WILSON** - From a state base we probably don't have a position. It creates a sensible mixed development so we would certainly be willing to explore that and come back to the committee with a position.

**Ms O'CONNOR** - Thank you. I want to talk briefly about housing design and the quality of houses we are building. Having been out to Herdsmans Cove you can see that it is possible to build nice little homes of good quality. What is the Housing Industry Association's position on the fabric of housing and the quality of housing we are building in the social housing space to make sure we are building homes that people are proud to live and that are contributing towards communities?

**Mr WILSON** - When you compare it to existing stock that has been built years ago you have to recognise where the industry has come and the requirements, particularly if you focus heavily around energy efficiency. I can comment on the upgrading of existing stock which have been one- or two-star energy ratings, and to try to get them up to four stars is fantastic to be able to achieve. When you turn around and are now delivering properties that have seven-star energy ratings, the industry itself has come a significant way in the regulations that we are performing to. When you look at the construction methods that are undertaken, there have been significant shifts in the reduction of condensation, even outside of the energy efficient requirements.

The industry is building product and whether it is social, affordable, private ownership or architecturally designed, it is building to criteria that meet a high liveability standard and that needs

## PUBLIC

to be recognised whether we are talking about social, affordable or any other housing type that is being constructed across the state.

**Mr COLLINS** - I would echo that. The industry is very innovative and some of the housing we are delivering in that space is certainly exemplary. I think Tasmania leads the way in many respects. The only thing I would caution about is we have to be very careful when we look at putting out affordable housing that we are aware of some of the cumulative effects of trying to achieve different standards. What I mean by that is there are costs to provide universal housing, there are costs if we increase energy-efficiency requirements. Sometimes those standards and regulations are at loggerheads with delivering affordable housing.

**Ms O'CONNOR** - Those investments can actually increase the value of the property, can't they?

**Mr WILSON** - That's always been a bit questionable, when you talk to valuation firms. If I put my hat back on in a construction business, I have had many conversations with valuation agencies about investing another \$10 000, \$15 000 or \$20 000 into a property to make it more energy efficient and getting that recognised as an investment and within the valuation of the property. It is a challenge in the market we are in where two-star energy rated properties are going for significant dollars. I'm not sure valuation firms at the moment are seeing the value-add in those potential properties.

**Mr COLLINS** - We certainly promote it on a voluntary basis. I'm not suggesting that we need to claw back some of those requirements, we just need to be careful what level we take them to in the future.

**Mr TUCKER** - On page 3 you talked about setting clear land supply targets for authorities. My concern is no-one foresaw what has occurred after 2014. How can we set trigger mechanisms so we know when things are going through the economy that we need to set a higher target or a lower target? There is nothing worse than having an oversupply or an undersupply of houses and the flow-on effect from it. What land targets are you thinking of?

**Mr COLLINS** - It's more about identifying areas which are suitable for greenfield and infill development. I accept that you must be very careful with targets because nobody gets thanked for oversupply in the market and then causing other market shifts. Economic data is often available on population growth and where the growth areas are going to be, so we can start to get a feel for how many homes we need to deliver and what sort of land we need to be able to do that.

**Mr TUCKER** - What does HIA do in the area of planning communication with other providers of housing? If there was communication three or four years ago, would that have stopped what we have now?

**Mr COLLINS** - I think that communication is critical. I can't speak for what HIA was doing four years ago.

**Mr WILSON** - I think it's bigger than industry. What we're talking about here is identifying a land supply strategy as well. The Government's been looking at its assets, its land and developing potential strategies around that. When you have 29 individual councils, they're all looking at their own individual land strategies. It's not a state-based approach. One council might be reacting

## PUBLIC

quicker than others and might identify different needs than others. In a state-based approach, who is taking control of a land supply strategy across all municipalities in Tasmania?

**Mr TUCKER** - Does the HIA communicate with those local councils and talk to them regularly about what is happening in the state?

**Mr WILSON** - Dialogue certainly occurs, but there's no set structure around how that strategy would move forward. That is something as an industry we'd be very supportive of participating in. It takes a lot of collaboration between the local municipalities and for them to be on board with that strategy.

**Mr TUCKER** - Yes, I realise that.

**CHAIR** - Picking up on the point of oversupply, it might depend on whether you're a person on Newstart or a property investor as to whether oversupply is a bad thing. You were talking a while ago about design and quality. One of the things I came across recently in looking at developments in South Australia is the use of an aerated concrete product. The point was made that it might be challenging in the Tasmanian context because the building and construction industry is not necessarily skilled in using that product. I do not claim any knowledge and understanding of that. I am interested, though, because it struck me that it was a good example of innovation that could feed and promote local industry development and growth. It could link with TasTAFE training and skills development. Do you have an observation about how well we are equipping our industry in terms of the building and construction sector?

**Mr WILSON** - Tradesmen within Tasmania are multi-skilled. Take a carpentry apprenticeship: they are skilled in framing, fit-out, formwork. They have a whole range of exposure because of how the industry is here. We need to recognise we are producing very skilled tradespeople. In other states a tradesperson might just be doing formwork for foundations and slabs, and that is their carpentry apprenticeship. We are training very skilled trades that are highly desired in other states in Australia.

We are always interested in product development and new initiatives, but we do have restraints around that. The aerated concrete products you are talking about, which are Hebel-type products, are great and well used. They are not manufactured in Tasmania so the cost restraints of bringing it across Bass Strait prohibit us from putting that product forward as a good alternative. We believe those products are good alternatives, but we are working within the parameters of what is being manufactured in Tasmania to make sure what we are delivering is cost effective.

**CHAIR** - Following on from that, I am aware that MONA used some exciting product developments for its floating pier. We have a proud reputation here in Tasmania of being innovators. How well are we set up across government, across industry sectors, to be able to explore these sorts of opportunities? Is HIA, together with other players, alert to these possibilities and potentially feeding the potential for these things?

**Mr WILSON** - Definitely. If you look at industry, the HIA, we are a massive multinational organisation that is learning from each state and territory. What are the construction methods? How do we enhance members across the whole of Australia? We have significant partnerships with a lot of the major manufacturers nationally and internationally as well. We are constantly feeding that innovation through to our members. Where we can support our research and development into products is a key focus of the industry.

## PUBLIC

**Mr COLLINS** - HIA includes the National Manufacturing Council, so we are constantly exposed to the latest trends and products available. They not only enable us to build quality homes but also hopefully deliver cheaper homes. Not all of those products are available in Tasmania or other parts of Australia. Sometimes it comes down to the cost of shipment of those products if they are not locally manufactured.

**CHAIR** - Hence my question about the potential for local manufacture.

**Mr WILSON** - It is the potential of local manufacture. Government should really support locals. I use an example. We lost one major brick manufacturer six years ago; we have one major brick manufacturer left in the state. We really need to support that manufacturer. If they leave the state, escalating costs become the barrier we are faced with.

**Mr COLLINS** - To pick up on the comment about trades, I agree that Tasmania has multi-skilled tradespeople available to us. We have consistently picked up Australian Housing Awards over the years, which is testament to the professionalism of the industry here. Another constraint we are exposed to when it comes to supplying affordable housing is the availability of trades. We have a finite workforce, we have been subject to skill-drain to the mainland in the past. It is important that we invest heavily in skills if we are going to meet some of those supply and demand requirements.

**Ms O'CONNOR** - I am glad you said that because I was going to ask you about skills. We have had the Property Council of Australia and, I think, the Real Estate Institute of Tasmania talk to us about pressures in the system. When the construction industry is going quite well and a lot of skilled people are working in the construction industry, it means the housing industry has a skill shortfall or vice versa. We are having to import a lot of skilled labour, aren't we, as a state because of that shortage of skilled labour? We lose people to the mainland quite often. What do you think is the level of imported skilled labour to fill the gap?

**Mr COLLINS** - That is a difficult question to answer.

**Ms O'CONNOR** - It is pretty high, has it increased?

**Mr COLLINS** - With the increase in construction activity, definitely. What we are also seeing is that a lot of those tradespeople who move to the mainland are gravitating back to Tasmania. If you are able to maintain that program of work, we have a better chance of securing the services of those people we train up in Tasmania for a longer period of time, and hopefully they stay here indefinitely. I have some thoughts about skilling the workforce and that is probably the subject for a completely separate inquiry.

**Ms O'CONNOR** - Please share a condensed version of that with us now because it is a recurring theme of our hearings so far.

**Mr COLLINS** - Within VET and construction pathways you have TAFE but TAFE is only one of the providers. You've got a lot of registered training organisations that also provide construction qualifications. We need to invest more heavily in VET pathways within schools. HIA already runs a Youthbuild program and we are working together with the Department of Education. We are looking at a package of learning that will allow grade 9 and 10 kids to undertake construction and architecture and that will be built into their education curriculum. Everything is geared around

## PUBLIC

it; it might be history as architecture, it might be maths as construction maths, with practical underpinning through electives that we can deliver through our workshop at Claremont College.

We need to start looking at VET earlier and providing those construction pathways into apprenticeships. At the moment, while there has been increased investment in VET and TAFE, there needs to be more. We need to start identifying some of the deficiencies. A lot of focus tends to be on what I call the glorified trades such as carpentry, which leads to building pathway. The information available to me is that, with the ageing workforce, we are going to have a lot of shortfalls with the finishing trades as we move forward.

**Ms O'CONNOR** - Thank you. I don't think you necessarily went to the issue of the current level of importation of labour. We have heard in evidence that has been given to us that it is now a necessity in the sector. In the budget papers there is a projection that we will import around 6000 skilled visa workers over the next four years. Is the industry heavily reliant on skilled visa workers from overseas at the moment?

**Mr WILSON** - If you look at the commercial aspect, and you've got some significant commercial projects such as the Royal Hobart Hospital, it is very clear that they are requiring that workforce to come through. With residential, there would potentially be elements of that but I could not tell you what the percentage may be. I don't think those pressures are as high on the residential market as they might be on the commercial and civil infrastructure markets operating at the moment. The other thing I would raise is that if our industry is to address some of these skill shortages, we need to start attracting greater female participation within our workforce.

**Ms O'CONNOR** - Hear, hear, music to at least three-quarters of those at the table's ears, but probably all of us.

**Mr COLLINS** - I think it is only 8 per cent of our workforce and it depends on whether you start to factor in some of the administrative-type roles within companies. Clearly, we need to be doing more in order to attract some of the best and brightest females into our industry.

**Ms BUTLER** - That leads in really nicely to my question. What can government do to further create greater pathways for attracting younger people, year 11 and 12 students, for instance, who would like to have careers in the building and construction, engineering or related industries?

**Mr WILSON** - As an industry, it's something we've very much been proactively working on. That is, the awareness within the education system of building and construction being a career path of choice. Traditionally, it potentially hasn't been seen that way. It might have been seen as second fiddle for somebody who might not have been able, academically, to take university courses and those sorts of things. Career pathways are available - certainly it can be done in the building and construction industry through university degrees - but predominantly there is a lot of opportunity to learn while you are on the job. That's one of the barriers we constantly hear from an industry perspective, from our membership. That is, the education system's understanding and recognition of the critical opportunities sit within building construction and promoting that to students at an earlier age, making them aware of those career options at an earlier age.

**Mr COLLINS** - You've probably heard me say this before. VET needs to have equal standing with university pathways. I've also said in the past that it would be nice, if I went to one of these school presentations, that the dux of the school was somebody who had pursued a VET pathway as opposed to more of an academic-type pursuit.

## PUBLIC

It's also looking at the entry and exit points with respect to training. It seems the traditional model of apprenticeships may have had its day. I'm not suggesting we don't take on apprentices. There's still a need for apprentices but it might be, and the unions will hate me saying it, that there may be a need to acquire different skill sets, which could then lead to a qualification further down the track. For example, if all you do is fascia and gutter, why do you need to go and do roof plumbing? Once you get those qualifications to do fascia and gutter, a couple of years later you could complete your roof plumbing and get the full qualification.

I also think there's a need for bite-sized training. As an industry, we've spoken about innovation within Tasmania. We need to provide digital training for our members. That's an absolute must.

**CHAIR** - In relation to all of this, I note a recent Gratton Institute report has found that some people might end up earning more if they learn a trade rather than going to university, which flies in the face of some conventional wisdom.

**Ms O'CONNOR** - Especially a plumber, for example.

**CHAIR** - Indeed. Oh, look, a whole new world for my 11-year-old son.

**Mr TUCKER** - With the supply of labour, how do you say what planning has been done in future labour use over the next five to 10 years? Do you know that's been done through the industry? By listening to the conversation round here, there seem to be some knee jerk reactions. We need to build a big labour force to do the building but if we do that, we might not need that big labour force five years down the track. Do you know of any studies or planning in that regard?

**Mr COLLINS** - We haven't undertaken any at this time. I guess that's why we consistently make the point that we need to ensure we've got programs in place so that we have employment we can continue to offer to any apprentices, trainees and other tradespeople we're attracting to Tasmania. If we've got the pipeline, we can ensure we can provide the jobs.

**Mr TUCKER** - Yes, it's interesting in the agricultural industry. I was up at the Cressy Research Station and they're looking at doing the training themselves privately, so that we can get the people in the middle management back because that is where the shortage is. They are taking that on board and working out where the shortages are going to be so they can have those people trained. They are thinking more about it and planning ahead before we get to that situation, which is why we are in this situation with housing at the moment.

**Mr COLLINS** - We've something similar, which we call vendor training. A lot of organisations are now training their own people to perform the specific tasks they need to do in order to undertake their work, as opposed to going through conventional or traditional forms of training.

**CHAIR** - It is a recurring theme around targets and striking the balance of getting ahead, or at least not falling behind.

I would like to finish on a point about disability. With one in four Tasmanians living with a disability, do you have any insight into the extent to which housing and construction is meeting the needs of accessible housing for people with disability?

## PUBLIC

**Mr WILSON** - I can comment from an affordable and social housing perspective if you like. If you look at programs that have been run under AHAP 1 and AHAP 2 they certainly have a requirement to meet a particular standard and we have seen delivery of a significant number of adaptable homes that would meet that criteria. We also need to recognise that with the land subdivisions that are occurring in Tasmania there are a lot of instances where they would have restrictions around providing that accessibility, given the steepness of some of the sites that are being subdivided and that side of it. We are seeing a delivery of those through the social and affordable housing space and we have seen an increase of members who are specialising in that type of construction and design, which has been pleasing. They see that as an opportunity and a market within the current climate.

**Mr COLLINS** - HIA as an organisation has had the GreenSmart Program that has been operating for over a decade. It started out promoting sustainable housing before there were any energy-efficiency requirements in place. That was extended probably about five or six years ago to include universal housing, which is both accessible and adaptable housing. There are already discussions underway between the building ministers about enshrining accessible or adaptable housing in the National Construction Code. I think it will come in, it is just what form that takes, whether that means it is just a lower level where you have access to toilets and kitchen through a garage, or whether the entire house needs to be accessible. We are not sure where we are going to end up and HIA is still forming a view. As you can probably appreciate, with 60 000 members not everybody agrees on what position we should take, so we have to come up with what we believe is the best outcome for the industry as a whole, but I definitely think we are going to find that that will be a legislated requirement in the future.

**CHAIR** - It is encouraging at least to hear that it is on your radar.

**Ms BUTLER** - When do you think you might start work or that resolve will eventuate?

**CHAIR** - To change the code?

**Ms BUTLER** - Yes - the work you are doing at the moment to get a result amongst your members.

**Mr COLLINS** - I think it will come through the next time they update the NCC. We have had some changes that came through in May this year. As an aside, it was really pleasing to see over 200 of our members come out to industry forums to be provided with insight into those changes and get themselves across them. If you have a look at our construction workforce we have 24 000 and we had 200 of our members there, which as a percentage was better than any other state and territory. It is good that they are getting themselves across these new requirements. Going back to your question, I think it is every four years now - it used to be every two years - so I think we will see something in 2023.

**CHAIR** - We had better wrap up. Three-quarters of an hour flies. Thank you so much for your time, for the work you put into your submission and the opportunity to pick your brains today.

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?



## **PUBLIC**

**Mr COLLINS** - I do. Thank you for the opportunity to appear before the select committee and provide a bit more detail around our submission.

**CHAIR** - Thanks very much for coming.

**THE WITNESSES WITHDREW.**

## PUBLIC

**Ms ALISON O'NEILL**, CHIEF EXECUTIVE OFFICER, MIGRANT RESOURCE CENTRE TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION, AND WAS EXAMINED.

**CHAIR** - Welcome. I would like to reiterate some important information. 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.

I also want to advise you that the House resolved to add a new term of reference to the committee's term of reference to the inquiry, namely '(k)(a) Regulation of rent price increases with particular reference to the ACT model.' If you want to make a comment in relation to that in your submission we would welcome any further input.

Thank you for your submission and for coming along to appear before the committee. If you would like to make an opening statement then we will get into some questions.

**Ms O'NEILL** - Thank you for the opportunity to present today. I will commence by saying that you can certainly see from the perspective of MRC Tasmania that our submission is based quite deep and narrow focused in terms of the communities that we manage and coordinate with.

As an opening remark, the recently released Tasmanian Government multicultural policy highlighted that Tasmania has a rich history of migration, is home to people born in more than 177 different countries and around 159 identified languages are spoken here.

According to the 2016 census, more than 61 000 Tasmanians were born overseas. Parallel to this, there is a known regional settlement agenda that will encourage an ongoing increase in the diversity of our community. Despite this, within the volume of submissions made to this committee, together with observation of various working groups, roundtables and housing crisis response mechanisms, it has been difficult to find specific reference to the impact of housing affordability on multicultural, bilingual and/or culturally or linguistically diverse community members. There have, however, been some comments on the impact of migration on general housing supply and/or demand.

MRC Tasmania has been delivering services to migrants in Tasmania for 40 years. We have centres in both Hobart and Launceston as well as outreach services. We employ over 100 staff and have 250 volunteers, of which over 50 per cent speak a language other than English. Our regular client load is approximately 3000 individuals in addition to the community and group programming and all the other services we provide, including mental health services. Our primary responsibility is to help people settle in Tasmania. By definition, settlement is the process of developing the skills and social or cultural capital to understand and navigate through society. The time of adjustment as migrants seek to become orientated, established, integrated and independent is multifaceted and very complex.

## **PUBLIC**

As noted in our submission, we have elected to focus on only some terms of reference. We do not profess to be experts in analysing economic indicators or assessing the success or otherwise of strategies and other jurisdictions. However, our decision to make a submission is closely connected to the knowledge and understanding that access to housing is one of the most frequently raised concerns received by our agency through both feedback and consulting directly with community members. The growth in cultural diversity now spans a broad range of migration and visa pathways, including international students, investors, skilled migrants, and family reunion and humanitarian visas. For the purpose of the hearing today, many of my responses may focus on the resettlement of humanitarian arrivals because these arrivals are the ones being adversely affected by insufficient affordable housing in Tasmania.

MRC Tasmania commenced delivering the newly reformed Humanitarian Settlement Program in October 2017. We resettle clients in Hobart and Launceston. Since commencement of the service, we have welcomed 937 individuals into the state and in 2019 alone, 306 individuals have arrived, making up 99 separate households. To assist in the initial resettlement of refugees we currently utilise a compact portfolio of Housing Tasmania properties, together with the acquisition of additional properties through the private rental market.

HSP Service affords new community members 28 days or four weeks of support before each community member becomes wholly responsible for their own housing cost and the acquisition of long-term housing. Arrival of new community members is spasmodic and very erratic. In the last 18 months we have experienced welcoming one arrival in one month to 138 in another month. Costs for housing are incurred regardless of whether arrivals are in occupancy or not. As at today, we have 39 occupied properties and, in coordination, we have 50 households or family units made up of 166 individuals. Approximately one-third of those people are in the first 28 days of their arrival. We have another 60 people due within the next month. I should note that when speaking about the overcrowding of some of our on-arrival accommodation, these are unrelated parties. These are not people who were known to each other prior to being put in a position of sharing homes.

Without exaggerating the vulnerability of these community members, it needs to be reinforced that refugees have experienced significant trauma prior to their arrival and it can take months, if not years, for them to build their capacity to effectively use Australian systems. You can only imagine the additional pressure and stress put upon our frontline staff who support these community members when they must go out and advise refugees it is highly unlikely they will be able to connect them to appropriate or timely housing options.

MRC Tasmania believes that current support systems do not give the people we focus on the support needed to participate. Policy positions and mainstream service provisions are not evolving to the degree that is proportionate to the subsequent increase in emergence of needs associated with current and predicted migration and arrival patterns. There are no current figures of homelessness available among refugee and migrant communities. It is recognised, however, that this group faces a complex mix of factors, which means they are particularly vulnerable to homelessness. It is highly likely that MRC Tasmania and other community service providers are inadvertently concealing significant community because we are a value-based agency and we simply would not neglect these individuals.

MRC Tasmania puts forward that the effect of migration and the Humanitarian Settlement Program must be included in a planned response to the shortfall in affordable accommodation, in

## PUBLIC

particular with regard to community and social housing initiatives. There must be an understanding of the unique barriers and challenges that face non-English speaking arrivals to Tasmania to navigate the housing market. We emphasise that specialised support services are essential and critical to enable multicultural community members to access housing. There is a lack of tailored services for this community and it is to the detriment of the cohort. Thank you.

**CHAIR** - Thank you for that comprehensive overview, for being here and providing this rather unique perspective. We have heard from a range of community sector organisations but none focusing specifically on refugees, humanitarian entrants and migrants so it is a wonderful and valued contribution that you are making here today. I think you mentioned 39 occupied properties that you are managing. Would you consider increasing the stock you are currently managing?

**Ms O'NEILL** - We have requested the opportunity to increase stock and have also have offered to work with government to identify the data or analytics that could support that positioning. As mentioned, the uniqueness of our situation is we are not in a position to retain stock at cost for which there is no payment point for the client service. In our circumstances, a fixed payment is provided but it is provided for the number of the days the person chooses to stay of the 28 days. A case example of that is if that we were to acquire a private rental to sub-lease to an on-arrival family, we may enter into a lease for, say, 90 days. We would welcome a new community member, place them in that house and, should they make a decision to relocate to another state, which is their right as a free citizen of this country, we would only be paid for the number of days they were here in the state. We would not receive the 28 days, so it is a high-risk environment in which we spend a significant amount of administrative time trying to balance the supply and demand.

**CHAIR** - You carry that risk?

**Ms O'NEILL** - We carry that risk every day.

**CHAIR** - This is a difficult question to ask, but how well are we going in relation to acceptance, tolerance and inclusion of refugees in particular, noting their significantly traumatic backgrounds as you mentioned? In some of our more disadvantaged communities, there is significant pressure on public housing. There are 3300 people on the public housing waitlist and significant wait times of around a year and sometimes much longer than that. It is often said to me that there are perceptions of those refugees coming in and jumping queues, so I wanted to acknowledge that and ask for your response. Is that something you and your organisation is dealing with? How well do you think we're doing in Tasmania in countering that kind of stigma? There is enough stigma around homelessness and low-income Tasmanians as it is, but this is really pointy end stuff, isn't it?

**Ms O'NEILL** - Yes, it is. One of the greatest frustrations and one of the greatest challenges we face as an agency as we've seen the broader community response and dialogue around homelessness and access to housing is that we have been restricted to a degree or felt constrained about putting forward our position because the balance of risk of that is exposing our community members to unfair discrimination or perception of access to services, which is not true. We are also conscious of not blurring that conversation in the community and we've very much maintained that. With the right support, the right assistance and partnerships, we can deal with some of these issues without exposing our community members.

In terms of refugees queue-jumping or accessing housing, our organisation has acquired what qualifies based on the number of houses owned by the state Government as named up in the

## PUBLIC

submission yesterday. The sum of 0.02 per cent of community housing is set aside for on-arrival housing stock across Hobart and Launceston and occupancy is capped as short term. There is no opportunity to stay long term in a home. If a refugee qualifies for support, as they would for any other Australian Government or Tasmanian Government initiative - they are an Australian resident and can access residence-based supports - they would go onto the same waiting list as any other Tasmanian. That said, a current unknown guideline applied to refugees suggests they may not access community or Housing Tasmania waitlists until after 12 months of arrival.

**Ms O'CONNOR** - Can I just get clarification? What do you mean by an unknown guideline? Is this something that's Housing Tasmania's policy?

**Ms O'NEILL** - It's a response which has been provided to our agency that indicates our clients are ineligible because in the assessment of that agency, we are providing a housing service.

**CHAIR** - Yet you've said that these people are receiving only 28 days of support.

**Ms O'NEILL** - Correct.

**CHAIR** - Gosh. I'll give the call to Ms O'Connor.

**Ms O'CONNOR** - Thank you. I'm interested in exploring that particularly a bit further. Is this a change of policy from government and, if so, what's the explanation for it?

**Ms O'NEILL** - I can't answer whether it's a change of policy. What I can say is that the Humanitarian Settlement Program, which commenced in 2017, was redesigned from the former Humanitarian Settlement Service Program, and I can only assume that the guideline was potentially attached to that program. There is now a significant shift and divergence in the way the Commonwealth policy applies in terms of the settlement program and I guess an unwritten expectation that the state has a joint responsibility in settlement services that have not caught up within the application of Housing Tasmania guidelines.

**Ms O'CONNOR** - Certainly in the four years I held the portfolio we didn't have a policy and certainly not a practice like that. With new arrivals, aren't we setting them up for failure because we're saying, 'Come here, but there's not going to be a house for you', and then we're potentially putting people who are already traumatised at risk of homelessness and also not managing, as a state, to maintain those people in our community, so we are driving people out of Tasmania, aren't we, through the lack of housing?

**Ms O'NEILL** - We have the opportunity through our service to seek to transfer families as the primary reason to transfer from the state, and it is certainly consistent that access to housing is an issue. There are other reasons, as you can imagine. Let's not underestimate refugees. They are resilient, they have been through significant trauma and faced uncertainty in the past. Looking at the option between being able to stay and fight through the barrier of access to affordable housing as opposed to the potential opportunity to access additional support in other states, that is option they have available to them. It is extraordinarily disheartening for staff working in the environment that they feel very responsible for providing people with all the support they need to be successful in the state. As it currently stands, there is no direct settlement funding from the state Government that supports the resettlement of refugees.

## **PUBLIC**

**Ms O'CONNOR** - We have heard evidence from Shelter Tasmania, TasCOSS and Anglicare about soaring rents in the private rental market. How is that impacting, particularly, humanitarian entrants, who are coming here on very limited incomes?

**Ms O'NEILL** - For our clients' circumstances, they are almost commencing in a deficit position because they have no choice but to receive generally, in the short term, welfare support, and that limits their capacity to access into the private housing market. Another barrier which inadvertently is potentially affecting connecting people to long-term accommodation is that some real estate agents and private landlords decline to take supported bonds as an option when making application for a home.

**CHAIR** - What does that mean?

**Ms O'NEILL** - If a person who is welfare-dependent and therefore has not, at that time, been able to put together their own bond payment, they can apply to agencies such as Colony 47 or Anglicare in the north to receive a supported bond to enable them to get into housing, but we have had instances of real estate agents who do not accept supported bonds, which naturally and automatically excludes our clients.

**Ms O'CONNOR** - What do you think that is based on, because money is money, isn't it?

**Ms O'NEILL** - You would have to ask the private investors, but I don't think it's unusual. It is not my area of expertise, but I guess in a supply and demand market where you can make a choice, you may feel more comfortable about someone on an income and being employed as opposed to someone who steps into a property in that deficit-base position of having supported bonds, and has only just moved to the state.

**CHAIR** - Were you aware of any cases being brought to the Anti-Discrimination Commissioner in relation to these sorts of things?

**Ms O'NEILL** - We have certainly sought the support of the commissioner to look into the situation. I think beyond that, it wouldn't be unreasonable to expect that more generally there could be the application of unconscious or overt bias in terms of a community group. These are all things we don't underestimate, and they are all able to be overcome in an environment where there is more opportunity within the market to look flexibly at what housing options exist. When you are already faced with very short demand and then you have those additional barriers, it makes it very hard.

**Ms BUTLER** - I would like to ask a further question in relation to this area, and you will have to excuse my ignorance. It is my understanding there are federal obligations with refugees which are then often passed on to the state governments. Are there obligations? Have you entered into any communication with the Government about the gap in service in this area? It is my understanding that they may have previously been funded for this.

**Ms O'NEIL** - To answer the first question within our arrangements in providing the service there's -

**Ms BUTLER** - Just the 28 days.

**Ms O'NEILL** - There's not an obligation placed on the states and how the states coordinate or support the resettlement of refugees. I suspect it is on a state-by-state basis as is their investment

## PUBLIC

more generally in multicultural strategy or multicultural policy initiatives and other parts of Government - education and health, for example.

In terms of our dialogue with government, we have consistently raised the issues that we face with a desire to offer opportunities for solutions. One of our greatest challenges is the financial risk we face. In terms of the small Housing Tasmania property portfolio that we have, for which we are extraordinarily grateful because we could not provide the service without that, we found that the way our service operates and the way we use the Housing Tasmania properties, when we tried to give them the data of the clients that have moved through the system their analytic system could not cope with the complexity of the shifting and moving we do. In one year alone we moved over 500 people through about 30 houses. It is not unknown for us to put someone in a house in a share situation. A single tenant may move to another property or transfers interstate, subsequently another family comes in. Our staff then need to move that family in and move the original person into another property. We employ highly skilled social workers and community development workers, yet we are expecting them to apply quite complex analytical skills to be able to do that.

**Mr TUCKER** - How affected with mental health issues is this group of migrants?

**Ms O'NEILL** - There is a high proportion of people that come through the resettlement program who have been impacted or remain impacted by mental health issues. We provide the state-based counselling for survivors of torture and trauma, early intervention program, transcultural mental health and suicide prevention programs. In Tasmania we have a disproportionately high percentage of women at-risk visas who come to the state. By definition these are often single head of households who have lost their male partner or husband or their whereabouts is unknown, who have been in dangerous situations or have suffered torture and trauma. They often come to this country with large numbers of young children illiterate in their own language. If you can imagine relocating under those circumstances and immersing yourself into a new community for which your language skills do not apply and you do not have the literacy skills, then that brings with it significant risk around mental health.

**Mr TUCKER** - How are they coping with the schooling? Obviously, that is a big issue here, moving to an area then moving to another area. What is happening there?

**Ms O'NEILL** - That is correct. We are very fortunate that in a couple of areas where we have successfully built cultural community and cultural connection there has been investment and effort made within local education providers. There are some very good examples of schools that cope very well with supporting refugee families. It's not systemic across the Education department. A consequence of that is another barrier for secondary resettlement.

One of the solutions that's often brought outside our direct remit is regional settlement. Why can't you just move people to another part of the state if they perhaps don't have the social or community capital and therefore they may have that desire to move? For example, being the only refugee family at the local school and that school not having funding for interpreter support, or specialised trauma support. Similarly, the local doctor never having used an interpreter provides challenge.

We have indicated that there have been good examples in other states of larger scale secondary resettlement in communities, but it requires a community response.

## **PUBLIC**

**Mr TUCKER** - Adult education of the ladies involved with, say, the new language. Does that happen?

**Ms O'NEILL** - In terms of on-arrival support services, there are programs. The Adult Migrant English Program provides up to 510 hours of English to new arrivals. It's not a mandatory service, just as our resettlement service isn't mandatory, but it is framed towards meeting the needs of individuals.

For people who come from backgrounds where they have low levels of literacy, often that 510 hours is not enough. That requires additional support programs, community-based programs with the goal of providing everyday living English language, as opposed to future employment opportunity language, which might be the focus in the Education department.

**Mr TUCKER** - You mentioned employment. How is that progressing, and what is the situation?

**Ms O'NEILL** - More generally across the cohort?

**Mr TUCKER** - Yes.

**Ms O'NEILL** - There are high challenges in providing employment opportunities. Not unlike any other vulnerable group where there are complex needs, it does require breaking down of each of the individual barriers that might exist and the establishment of pathways for people to be able to get to their ultimate goal. The desire to work is inherent in refugee communities. People are ready to work on day one. They certainly see the benefit in being able engage directly with their community. But access to housing is obviously one of the first things that must be overcome, to get that sense of settlement and their ability to be able to participate.

**Mr TUCKER** - What employment background are they coming from?

**Ms O'NEILL** - Employment backgrounds are varied. Some people come from multiple university degrees - business, agriculture. There are a host of experiences within refugee communities. How we tap into that as a community and a society is very much around how well people settle into the community.

**Ms O'CONNOR** - Part of the role of this committee is to get the most complete possible picture we can of the current situation for housing, and then to do the best we can on the evidence to look at some of those future scenarios and how the state might respond.

There is a shift in population settlement from a national level where there is move towards more regional dispersal of new arrivals, whether they are humanitarian entrants, or through other streams. What does the state need to do in terms of its policy settings in order to respond to what will be an increase in regional settlements of new arrivals in Tasmania?

**Ms O'NEILL** - The imperative behind population growth has obviously been, to a degree, based on economic drivers. Ultimately there are the community and social responsibilities as well, so having a lens of multiculturalism across a number of different portfolios and across different departments, and the connectedness between the departments. If we have a situation where we have, for example, State Growth driving a population strategy but we have got community development driving a community celebration of cultural events and activities, and we have a high



## PUBLIC

number of people that are slipping through the cracks, that needs to be considered by the whole of government and it is not at the moment.

Returning to my point of the diversity we have in our community, we don't regularly see people from a non-English speaking background noted as having unique needs and therefore addressed as part of the consultation process in the development of policies.

**Ms O'CONNOR** - In 2013, government finished a body of work called Better Access to Government Services, which was about every agency's responsiveness, particularly to people from culturally and linguistically diverse backgrounds. Has that work fallen away?

**Ms O'NEILL** - I am not sure that it has fallen away but, to come back to my point before, I am not sure that we are keeping up and we are agile enough to respond to the changes that are occurring more generally in the community. An example of that is that we have resettled a number of African communities over the last couple of years. They are coming from locations for which there are no language workers in this state. There are no registered or qualified interpreters, so I can understand that government may not be in a position to respond in those situations, but there is not the opportunity for us to bring those to government attention. We tend to be firefighting rather than permanently fixing.

**CHAIR** - We have heard some evidence about urban settlement and social and affordable housing, and the mistakes of setting up ghettos and the like in the past. I am particularly conscious of migrants and refugees. From my experience, family supports are very important in longer-term settlement. How do we get the balance right to ensure there is diversity and some degree of integration within the community to the extent that is warranted, welcome, et cetera, and how do we get the balance right to ensure that families are supported and have a sense of community together with the benefits of being part of a broader community within Tasmania?

**Ms O'NEILL** - The first point in that is, in regard to stepping back and looking at our population and the ratios that we have at the moment, if we are to look at Glenorchy, a local government area, as the highest measure of diversity in Australia then one would suggest that that is an example of positive integration within the community. I think that there is a good balance. Most of the local community is very welcoming of migrants and refugees in the area.

As to what point that becomes a tipping point and where the next area might be to resettle people, we have had other local government areas actively pursuing the opportunity to resettle communities, certainly in the wider Hobart LGA area. With that comes the need for public transport, community capacity building, cultural awareness within the local community and, to a degree, the volume of people as well. It is very difficult to put one family or two families into an area. We are a long way away from the challenges of having, as you mentioned, ghetto-style or very concentrated areas of cultural diversity.

More generally, most of the community is very welcoming. We haven't had an enormous number of issues in resettling people into any particular area. There are always pockets of racism and issues that will occur but, most generally, people are very welcoming in Tasmania.

**CHAIR** - Does that include international students? We had a contribution from alderman Damon Thomas this morning and he reckoned that, on top of the 5000 or so international students at the university have enrolled in this state, it is almost 10 000 altogether, nearly double, through the private providers. How much interaction does MRC have with those students?

## **PUBLIC**

**Ms O'NEILL** - Normally it is when they are in trouble or they need support of assistance, then they will come to us. The international student system is complicated. For many of the students it brings the desire for residency within the state and that, therefore, provides additional pressure to them and how they might stay here through all sorts of means, whether it be employment or future education pathways.

It is interesting that there is this ongoing focus on international students, or there is a focus because it is visible. The reality is that we do have these 900-odd refugee humanitarian arrivals and then we do have on top of that skilled migrants that are coming into the state on a regular basis that are not quite afforded the same level of focus. There is opportunity to work with the international student population as to what that future settlement might be, because there does seem to be a congregation of some of the issues, particularly in the Hobart area in terms of housing and occupancy, but they are also quite resilient in finding solutions to that. Unfortunately, when there is no housing available, some of those clients will come into a drop-in service to see what level of support they can receive.

**CHAIR** - Thank you very much for a comprehensive submission and your contributions in the hearing today. 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?

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

**THE WITNESS WITHDREW**

## **PUBLIC**

**Ms SUE LEITCH**, CEO, and **Mr JOHN PAULEY**, VICE-PRESIDENT, COTA TASMANIA WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE 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?

**Witnesses** - Yes.

**CHAIR** - I would like to highlight 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 given an explanation prior to giving the relevant evidence. Do you understand?

**Witnesses** - Yes.

**CHAIR** - We do have a new term of reference agreed by the House, '(ka) regulation of rent price increases, with particular reference to the ACT model'. We certainly welcome your input on that and any other term of reference.

As we have with other people throughout these hearings, perhaps we will throw to you to provide any opening introductory statements you wish to make and then we will then get stuck into some questions.

**Ms LEITCH** - Historically, COTA has been quite concerned about the issue for older renters in the rental market in general. We applied in 2014 for some Commonwealth funding to do some research in this space and we were part of a large consortium with a number of different players including the University of Tasmania and Shelter. We took a long time to go through the negotiation process with the Commonwealth and we had a grant deed as well and then the funding was pulled by the federal government.

We have been concerned in this space for some time about issues of affordability for older people and now the rental squeeze in Hobart has certainly seen it come into play. Our concerns have come to light now where we know people are experiencing problems. In our submission a lot of the data is already out of date because it is based on the latest census and we are aware of that, but it goes to highlight some of the issues older people are facing.

We have tried to draw on as much current data we can access but we have some new data that whilst not specific to Tasmania has recently come to light through some work we were requested to participate in as a research project which we couldn't commit to at the time because of some organisational constraints. That was research done by AHURI, the Australian Housing and Urban Research Institute, particularly into older Australian housing aspirations. It has some interesting

## PUBLIC

data in this conversation piece that reflects on some issues we have highlighted in our report so we would like to table that in addition to our submission as well. Some of the really interesting things in that are in relation to older renters. It shows that two-thirds of older private renters were once in home ownership and most of these households were forced rather than chose to enter the private rental market. This is often due to either relationship breakdown or financial hardship.

That points to some of the broad issues that we know are coming into play with older people, particularly the level of Newstart. If they are out of the workforce at a certain point Newstart is not meeting their needs to be able to afford a range of things but the rental market in particular. That group in particular, who are the gap between being in the workforce, then being on Newstart and having to wait to get to a higher income level through access to the aged pension, we feel is at high risk. I am happy to table that. I have a hard copy but we could send an electronic version as well.

**CHAIR** - Thank you very much indeed. We have received a lot of submissions with a range of interests but you are the peak body and the custodians of knowledge in relation to our older population, so we very much welcome the opportunity to have this conversation with you.

You would be aware of Anglicare's Rental Affordability Snapshot, which painted quite a stark picture with a range of case studies of people on a range of benefits. In some instances, there are no properties available for people in the private rental market. Would you like to elaborate on that a little bit more? You said two-thirds of older private renters were in home ownership, so that is a slightly different take on the way I have been thinking about that problem.

**Ms LEITCH** - If people are losing that home ownership option - and quite often it can be due to separation that one or both could be forced into the rental market and it tends to be more women because they do not have good equity - we are finding that that is an issue. The really interesting thing with the Anglicare report, and we were asked to do a joint release on their report, is that the sorts of properties that were available to them were inevitably co-housing. Co-housing on your own terms is fine. Some of the solutions that are on offer are co-housing but on your own terms and with people with whom you choose to do it, but they were not the sorts of properties that were available that particular weekend for older people. It could be quite challenging for older people to go into that style of arrangement if they haven't done it before.

**CHAIR** - Or for many years.

**Ms LEITCH** - Yes.

**CHAIR** - Thinking back to my university years, it was a wonderful time of life but life does move on, doesn't it?

**Ms LEITCH** - Yes.

**Ms O'CONNOR** - I am interested in hearing some qualitative information about the experience of people who COTA represents in dealing with what we are seeing in a sharp rise in rentals in the private market.

**Ms LEITCH** - I can give you some personal data from one of our volunteers who sold her property and was looking to find a new property in the Hobart region where she wanted to be. She is a volunteer with the Hobart City Council and does a lot of work with them. She is also a cross-volunteer with us and a very active member of the community. She disappeared off our radar for

## PUBLIC

some time because she could not find anything she could afford to rent or buy in the Hobart region. She was forced to go to her holiday property in regional Tasmania until she could take the time to be able to find something more suitable and come back. It directly impacted on her life, on what she could do and her social interactions, because volunteering is a very important part of her life. That is one instance where it impacts.

**Ms O'CONNOR** - In terms of someone, for example, who is a single, elderly woman on a Commonwealth support payment who gets notice from the landlord or agent that the rent is going up \$50 a week, you would be hearing those stories, wouldn't you?

**Ms LEITCH** - Yes.

**Ms O'CONNOR** - And that is placing a cohort of particularly vulnerable older people at risk of homelessness.

**Ms LEITCH** - Yes, and we find that becomes the core focus of their needs. If they have to move it is more difficult for them, particularly if they are a single, older woman, because it is complex for anyone to be able move properties but for a single older woman it is more of an impact. We find that, because that becomes the focus of what they have to concentrate on in their lives, the other things slip away, such as trying to access aged care supports, for example. Research shows that older people in the rental market, particularly women - research done in South Australia clearly showed this - have a much lower level of access into the aged care support system, even the basic Commonwealth Home Support Program or the Home Care Packages system because they are so focused on their basic needs. They are trying to find a roof to put over their heads that is suitable or affordable, so that becomes the least of their problems and they are not getting equitable access into systems of aged care support.

**Ms O'CONNOR** - It's like self-neglect, isn't it? There is an extra referral we have to the terms of reference, and maybe this is something Mr Pauley wants to speak to, about having some kind of regulation in place to prevent this continual, large increase in rents in the private market. Have you had an opportunity to look at the ACT model, which we have been told this morning by the Tenants' Union is not, in their view, the ideal, but at least puts some restraint on soaring rents?

**Mr PAULEY** - Before I comment on that, I want to follow up on what Ms Leitch said. It is not just about older people facing rental increases, it is also about security of tenure. For example, a person was a long-term renter and the landlord decides to sell the property and realise their capital gain and, through no reason of their own, the tenant has lost their long-term accommodation, and they were a 20-year tenant. They were not a bad tenant, it is just that the landlord made a financial decision. That neatly brings us to the ACT scheme.

There is a really fine balance that you have to think about in terms of regulating rents. On the one side, it helps the tenant and it gives the tenant some budgeting security that they know their rents might go up by the CPI or the CPI plus or minus a bit. On the other side, and this has happened in a number of overseas locations, where you impose rent control, if the owners cease to invest because they are not getting the return from their properties, you can get a significant degrading in the type of property people are entering into.

I would also go so far to say that part of the issue around rent control comes back to agents and that agents really don't want long-term leases because agents, when they relet a property, the cost of reletting is about one month's rent for a landlord. On top of that, you have about 8 per cent per

## PUBLIC

month in terms of agents' fees. There is a real advantage for an agent in having a short lease that is renewed regularly and that gives the opportunity to have rent bidding happening when a lease is put in the market again. That is a common practice interstate, where half a dozen people turn up to rent something that has been put on the market and they will put the price up.

The desirability would be to have longer-term leases with a known rise clause, but you are always going to have the issue of the rent falling behind the market when it opens up. I think the ACT scheme allows this, but when the property is relet for whatever period of time, the landlord can bring the rents up to that market level again if they wish. You might escape it for a short period of time but you are creating a longer-term issue as to what is going to happen if those rents fall below the market levels and who is going to be accessing those lower market rents.

**Ms O'CONNOR** - The issue here is that there is no restraint on landlords increasing rents at all at the moment. We are hearing of \$70, \$80, \$90 increases above market increases.

**Mr PAULEY** - That is a real problem, but when the underlying properties are going up by that much - I can give an example. I was a landlord and I was very happy renting my property at, say, \$200 a week when the property was worth \$200 000. Now the property is worth \$800 000 or \$900 000. As a landlord, you're not as happy to get \$200 a week because you could sell that property and put that money in some other investment and get that higher return. Whoever buys that property at that higher value is going to want to get more than \$200 a week. There is a happy medium somewhere between trying to keep rent increases at a reasonable level and letting the market rip as it is at the moment.

**Ms BUTLER** - Is the issue of older Tasmanians being homeless, potentially homeless or living under stress, especially financial stress, leading to an increase in cases of elder abuse? I wonder whether that is being reported.

**Ms LEITCH** - Actual cases - we'd probably need to check in with the cases reported through the Elder Abuse Helpline but the potential is certainly there. In any sort of housing stress there's potential for the granny flat situation to occur. The granny flat situation is fine if there's a good legal document in place but that is not often the case. It's usually that mum or dad are at a point of stress in their life and they usually need to have accommodation for care arrangements. That can be in the back of the house or the downstairs granny flat situation. That is a lever that can be manipulated, unfortunately, within families. It can be a broader family, it could be a niece or a nephew. We know that is a lever and is a potential for elder abuse. It's one of the very common levers used.

It is also in the whole context of inheritance impatience. It is put on the table as an offer from unscrupulous family members to be an answer for care but it usually means that the asset, which could be the home they have owned before, is signed over to someone else as part of the care arrangement. Unless you've got good legal protections around tenure, again, security of tenure, if you have the family that's offering the care arrangement and there's a family breakdown, if there's a relationship breakdown in that situation and you get stepdaughters or stepsons involved, it becomes more tenuous and it is a common scenario for elder abuse.

**Ms BUTLER** - I anticipate from the evidence we have been given that the situation with the current homelessness and housing crisis we are in is only going to become worse. Are any steps being undertaken towards a strategy to address that, such as providing more safety outlets or funding for education about this for elder people?

## PUBLIC

**Ms LEITCH** - Under the new strategy that's been put in place, work is kicking off around a review of what the current legislation relevant to elder abuse is, what modifications are needed or whether any new laws need to be introduced to put better protections in place for that. Certainly, as part of the education that is currently happening out there and the work that Legal Aid is doing in conjunction with us with our legal aid clinics that they provide once a month, that is part of the story.

If you ever consider going into that sort of care-for-accommodation-arrangement with whoever it is, there needs to be a formal legal document to put some sort of protection in place to ensure that it happens. The broader issue of what the safeguarding legislation is going to look like is something that is going to be worked on through a sub-committee of SEAPAC, which is a Statewide Elder Abuse Prevention Advisory Committee. A particular group of people are working on that. One of our volunteers is on that committee. Also, Equal Opportunity Tasmania is on PEAT, which is the university group doing research in this space and has someone from the Law Reform Institute. The first piece of work is around gap analysis on the legislation that is currently in place.

In another group, we are doing some work around strengthening the current system, looking at known cases and finding out where those gaps are and running them through the current system to see where the service system can be strengthened but also where we need to strengthen legislation.

**Ms BUTLER** - We do have an ageing population and the problems are going to continue unless we make sure there is locked-tight legislation and announce it with some assurances for people.

**Ms LEITCH** - That is one of our concerns. We feel that older people who are currently homeless are the hidden homeless. There are couch surfers, for example, and others who are sleeping in cars. Their own personal safety is naturally more at risk as they are more vulnerable when they are older.

**Mr PAULEY** - The abuse situation can occur from the other direction as well. If the son or daughter is having housing stress and there is a room back in the old family home, they may be invited back because it gives them housing security. Then they can slowly impose on the parent or the parents in the family home and slowly reduce the amount of the home they can occupy and slowly take over. It is very difficult to monitor. A lot of this starts off being wellbeing and well-caring on the surface, but if family members are experiencing financial hardship, Mum and Dad's asset is always seen as something that they might want to get hold of before they die.

**Mr TUCKER** - What we are talking about is quite interesting. It is a very sad situation to have families now who are operating like this. Listening to what you are saying, I think how lucky I am with my wife.

**Ms O'CONNOR** - She has not booted you out yet.

**Mr TUCKER** - I know, I thought that too. I was lucky with my parents. I had a very close relationship. They have passed on now.

I want to ask you about the shared equity for older people and if you could broaden that a little.

**Ms LEITCH** - I don't know whether you have accessed the paper by Dr Kay Patterson which is referenced in the report. We have brought along a hard copy so that you can have a look at it.

## PUBLIC

We think the current shared-equity models that are in place in the state are probably not suited so much for older people because of the way the schemes are designed. Some of the models in Dr Patterson's paper are more nuanced. She has been quite specific about the reason she has written this paper. She hasn't actually looked at the people who are currently homeless. She has tried to focus on the group of women that are coming through who are at risk of homelessness. So, we are talking about women who may currently have a job but they have low equity because they have had caring roles throughout their lives. They have potentially a pay and gender gap happening as well.

She is trying to look at the solutions to protect those women going forward. It doesn't take much to push people into that at-risk phase. There could be a breakdown of a relationship, or losing a job and trying to get back into the job markets. So, they have very little super to invest. Dr Patterson has tried to look at those scenarios and look at options. Some of them are being trialled on the mainland; particularly, some of the share equity schemes are currently under trial. She is exploring some of those models with investors. She is also taken a novel approach to it where she is looking at high-end female investors to see if there is interest and investment in those schemes to help them to work.

We are very interested in the sort of work that she is exploring. There is some merit in some of those models. They are more suited for older people in the market, particularly those that have low equity.

**Mr TUCKER** - There are health benefits and also socialisation. Have they looked into older couples living with older couples?

**Ms LEITCH** - There are some really interesting shared-housing models around. In fact, there have been some in the state where a collection of affordable houses have shared facilities. You would have a small or modified kitchen-type arrangement but you would also have a communal kitchen and communal dining, so if you wanted to have larger groups you can.

It is also nice from the community engagement perspective as it builds in social inclusion into models. There are usually community gardens built in and a sense of ownership within the group. The good models are not necessarily age specific; ideally a mixed model is good. I am not a great fan of just having older people housing in one space.

**Mr TUCKER** - I agree with you.

**Ms LEITCH** - The evidence is in that having well integrated communities are much better so a mixture of housing styles and a mixture of people living in the houses. It is better for everyone and it is particularly good for older people who maybe socially isolated.

**CHAIR** - One of the things that I heard yesterday, I think from the state Government contribution, in relation to the facility that is slated for development in my electorate was that the focus would be on older men who are homeless or at risk of homelessness. Yet you are painting a picture of a high proportion of older women and their high level of vulnerability. Are you aware of a significant gap? Have you had interactions with the developers in that regard?

**Ms LEITCH** - I am aware that their model is well suited for older men. It is not how the model was briefed to us; that is was specifically going to focus on older men. The model has some features that I think have some benefit, in that there's the residential component which has the aged care



## PUBLIC

facilities and the aged care beds attached to it; some independent living units. But what we thought was quite useful as well was the fact that they will be seeking support-in-the-home care packages and the Commonwealth home-support space as well, so they can have outreach to people in the community who may be living in vulnerable housing, to be able to provide the wraparound services that specifically are needed for older people, so they'd be leveraging the homecare package as well.

**CHAIR** - For men and women?

**Ms LEITCH** - Yes. We haven't been told that it's going to be a particular focus on men.

**CHAIR** - No, I think the residential component might be more focused. That was a surprise to me.

The scenario you provide on page 6 around the person that's too old to get a full-time job and too young to get an age pension. First, Newstart is what - about \$40 a day? I'm not sure what the age pension is. Can you just elaborate on what the gap is there, and how big it is, and what we need to specifically address that?

**Ms LEITCH** - The pension varies depending on whether they do get rent assistance and whether it's a single or couple. But there is a significant gap. I couldn't actually tell you off the top of my head what the gap is, but it is quite a bit of difference between the two.

**CHAIR** - I think it is, and similar for disability support pension?

**Ms LEITCH** - Yes.

**Mr PAULEY** - It's \$7000 to \$10 000 a year.

**CHAIR** - A difference, yes, right.

**Mr PAULEY** - So somebody who's on Newstart, they're looking forward to their 65th-and-a-bit birthday, because their income goes up significantly.

**CHAIR** - And their requirements for job seeking and so on disappear?

**Ms LEITCH** - Yes. We get a number of volunteers working with COTA. Some of them we've been able to convert into paid employment, which we're very proud of and happy to be able to do that, but they are all women who are having great difficulty getting paid employment. Highly intelligent women, very employable - as we have employed one of them in a full-time job - and they have all come to us through their Centrelink obligations for either seeking work, or being able to participate in volunteering. We have noticed over the last few years an increase in that trend of people who are in that situation.

Look, it might be fine if you do have other assets you can call on, but if you are in that situation where you also have to pay rent, feed yourself and look presentable for job interviews - let alone being able to get to the job interviews, to be able to afford to put petrol in your car to do it - it's far too low.

**Ms BUTLER** - And because of the challenge of ageism as well, which a lot of people in those interviews face.

## PUBLIC

**Ms LEITCH** - Yes, don't start me on that one.

**Mr PAULEY** - There's also different indexation arrangements between Newstart and the pension. Newstart is indexed by the CPI, so in effect, while it should be stagnant, it's actually going backwards, because if you look at the CPI for low-income people, a greater percentage of their income is associated with items that are increasing far greater than the CPI. One of the regulators has said there should be 1 per cent to 2 per cent added to the CPI just to keep track with incomes. Whereas the age pension is increased by the greater of the CPI, or change in average weekly earnings, so there's much more chance that their pension is going to keep track with earnings. But still, because it's low, you are going backwards, because a large percentage of your expenditure is on items that you can't avoid - like electricity, rates, water, insurances - and we know those items are going up far higher than the CPI.

**Ms LEITCH** - Online access. You have to have online access if you're trying to look for work, and we know we have the lowest digital access affordability.

**Mr PAULEY** - And increasingly too, not just looking for work, but accessing any information and applying is online, so there's that essential element built in.

**Ms LEITCH** - Including your Centrelink obligations.

**CHAIR** - Changing direction around new housing supply, particularly for social and affordable housing, and particularly with the move towards more infill and high-density developments. My question really is about accessibility, particularly, my fear I suppose, one in four Tasmanians have some kind of disability, and an ageing population. If the majority, let's say, of those infill and high-density developments are two-storey, for a start, how is that going to play out, do you think? Do we do well enough in terms of accessibility for our older Tasmanians?

**Ms LEITCH** - That would need to be a consideration that might want to be managed if that was going to be the situation, if it was going to be two-storey units, that a preference would be given to someone for the lower unit to be available for people who have accessibility issues.

My understanding is that new builds are all being built to universal design standards. Whether that is or not is another matter -

**Ms O'CONNOR** - By Housing Tasmania and the community housing providers, yes, but in the broader construction industry, no.

**Ms LEITCH** - We know that there is a reluctance within the industry to fully embrace universal design components. They always bring it back to the cost of the build, so that is a challenge, particularly if you are dealing with private investors. There is still not a lot of clarity around what is actually happening in the disability housing space. That is another area of concern about access to the suitable stock.

Certainly, that is part of the problem. You know if you are in the rental market, finding something that is suitable for you is a significant issue because generally they are not. They are just at a basic level of being suitable for the climate, insulation, that type of thing. Curtains - the curtains in Housing Tasmania stock for example, is an issue, being able to get some good insulation in, so, yes -

## PUBLIC

**Mr PAULEY** - Also the type of heating in the property.

**Ms O'CONNOR** - It does sound like you are making a case for reform of the Residential Tenancy Act which has in it those minimum standards which, as we know, are at the bare minimum. It doesn't require landlords to have curtains in place or particularly efficient heating or insulation. Does COTA have a position on reform of the Residential Tenancy Act in order to provide a better quality of housing to older people? Also, there is the security of tenure issue because that is where the leases are prescribed.

**Ms LEITCH** - Yes. There is a range of factors in that so the other thing we would like to throw into the mix in that space is also around security. That is raised as an area of concern, particularly in the Launceston area at the moment with the number of home -

**CHAIR** - Are you talking about physical security?

**Ms LEITCH** - Yes, security of the property. That is something we have had people talking to us about. Getting enough in place, like security screen doors on to Housing Tasmania properties would be a good step. At the moment, that is at the tenant's own cost. That is an issue we have had raised with us specifically. Access to internet these days should be a bare minimum right. It is certainly an essential service these days. Yes, you should be able to have decent curtains and carpet; you should not have mould on the walls. All of those sorts of things are really important for health and wellbeing, particularly if you have older people who have pre-existing respiratory conditions, which a number of them do.

**Ms O'CONNOR** - One of our tasks is to have a look at the current picture and make some recommendations for the future. From COTA's perspective, what do you think the state Government needs to do, or how should we change policy? Also, are there potential legislative responses beyond changes to the Residential Tenancy Act like the Welsh Parliament which enacted a Duty to Assist law so that there is a duty on local and national governments to provide supports and then housing? What are COTA's recommendations for improvement?

**Ms LEITCH** - We would welcome improvements to the Residential Tenancy Act. Security of tenure is a particular area of concern and we have written about that on a number of budget submissions over previous years. It has been a consistent area that we have been talking about.

**Ms O'CONNOR** - Is it getting worse? Sorry to interrupt. That is the evidence that we are hearing, more precarious tenancies, more evictions on the basis of expiry of lease.

**Ms LEITCH** - Yes. Those issues would be welcomed if that sort of thing could be improved upon. The basic standard of the tenancy as well would be something where we would welcome improvements.

**CHAIR** - As in conditions?

**Ms LEITCH** - Yes, the conditions of the property.

The whole issue around lobbying for some relief of the housing debt is something we have been consistently lobbying for, to get some more funds into the system that is what is needed.

## **PUBLIC**

We have people who are in current Housing Tasmania stock that we know is probably not suitable for their needs but they are too scared to raise it with Housing Tasmania because they do not want to move from the area and they do not want to be removed from where they are. Again, that is impacting on how they access services.

We are hearing these stories from people who we are talking to about aged care and they are the sorts of things we are hearing. They could do with modifications through the property which they could potentially access through Home Care Packages or Commonwealth Home Support but are reluctant to do so because they do not want to lose where they are living.

Ageing and place is not just about the house; it is about the community. It is about the connections they have within the community.

**CHAIR** - Also, there is high demand for one-bedroom and two-bedroom places. Older Tasmanians whose families have grown up and left are looking to downsize. That mismatch in terms of stock profiling and so on is a challenge.

**Ms LEITCH** - The downsizing issue is a tricky one. At COTA we tend to call it right-sizing rather than downsizing.

**CHAIR** - Okay, noted, thank you.

**Ms LEITCH** - Downsizing has its own issues. For example, you have grandparents who have grandchildren and families who they would like to be able to visit them at times. Where do you accommodate them in a one- to two-bedroom unit if you have gone down to a one- or two-bedroom unit? You might want something that is better suited for your needs so you might not need a huge house and you might not need the huge block and the garden but you could do with something that is a little bit more suited to your particular needs.

We know there is pressure on older people to move out of places that have more bedrooms. That is understandable, but when that is done in ways that could be seen to be ageist and discriminatory, and not taking consideration of their own personal needs or requirements around their family situation, it needs to be taken into consideration as well. It is commonplace for ageist rants in newspapers, 'get those old people out of those four-bedroom houses so the young families can go and live in them'. It is not an answer to everything.

**Mr PAULEY** - Particularly in Tasmania where a lot of family members moves to the mainland and so for them to visit, it is either trying to find some very expensive accommodation or using a couple of spare rooms in the house.

**CHAIR** - We need to wind up. Thank you very much for a comprehensive submission and raising some very interesting points today; good to have your perspective. Just a quick 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 have said to us. Do you understand that?

**THE WITNESSES WITHDREW.**

## **PUBLIC**

**Mr DANNY SUTTON, CHIEF EXECUTIVE, AND Ms DIDI OKWECHIME, HOUSING AND HOMELESSNESS SOLUTIONS MANAGER, COLONY 47**

**CHAIR** - May I call you Didi?

**Ms OKWECHIME** - Yes.

**Mr SUTTON** - Thank you to the committee for the opportunity to provide our views on the issue, which Colony 47 has now been working on for 45 years, so it's a long-run issue. Also, I want to acknowledge that we are appearing at the end of a long day, so really, thank you for your time today.

I would also like to acknowledge Didi, who is appearing with me today, who has been an expert in this sector now for over 15 years, and recognised as one of the leaders in the industry. From my point of view it is fantastic to have her with me today.

**CHAIR** - Have you been in Tasmania for all of that time?

**Ms OKWECHIME** - Yes.

**Mr SUTTON** - When we look at the issue of housing affordability, we really start from our point of view, which is around what is our vision for the community. Our vision is to create a thriving, connected and diverse community where no one is left behind, and our approach to that work is to try and support people to achieve their goals in life. That is our perspective, and how we look at housing affordability.

Our outlook is also aspirational. We look at a challenge like housing affordability, and we take the view that it can be addressed, and that with the right focus and leadership to take on these complex issues, it is about really looking at the underpinning issues and working through them.

The challenge for us, as we see it, is that we have a wait list of around 3300 households: 2300 who are considered priority, and around the 1000 young people under the age of 25. So that's our focus. We know that with these numbers, these are real people, all of whom have their own story, and their own aspirations in life. We also acknowledge their circumstances, and that providing them with options and support is ultimately what we're here to do. At the same time, we know the current housing market provides particular challenges and risks that could mean there are more people on the register in the future - that people registering will have increasingly higher needs, and that they will have longer to wait.

In our experience, it really takes a focus and a broad community and political commitment to address an issue like homelessness. It needs a courageous transparency and openness about what the problem is, and a commitment to address it. The issue for us is not that we do not understand the demand for housing, it's about the lack of transparency and what it will take to address it.

So, with \$125 million committed by the Tasmanian Government in the Affordable Housing Strategy and Action Plan, this is welcomed, but we also acknowledge that it's not the funding in isolation that will address the issue. We need to look at all the available options, and be innovative in our approach to address people's needs, and we should be open to looking at all the options in an objective and client-centred way.

## PUBLIC

While often we wait for social housing to become available, we also rely on the amazing dedication, resourcefulness and resilience of the people who work in our sector. It's a real credit to their commitment at times of high demand and low numbers of available properties that they continue to provide the required and very necessary supports.

We want to continue to improve our system, including Housing Connect, and we see significant opportunities to do so, including the better use of technology and data in the future. For example, we know that in New South Wales, the use of 'smart forms' online has shifted the demand from frontline workers, to allow clients to complete their own social housing applications online. This releases resources to do more with people, and allows our Masters-trained social workers to spend more time with people and less time entering data on systems.

In its role as the lead for Housing Connect, Colony 47 provides the 'front door' services for people who are seeking access to social and affordable housing and related supports. We also provide support services for young people, and we have a number of services and quite a large portfolio of services in that area. We are particularly focused on ensuring that with an ageing population, we have a very clear eye to the future in ensuring that young people remain the priority for us in the community.

We believe that a housing market for young people, particularly young people on low incomes, needs urgent attention.

So, the solutions for us are, first, we need to listen and understand the needs of people in order to tailor the housing and support solutions around the people who need them. Second, we need long-term and strategic population and infrastructure planning, and the aligned management of the social and affordable housing assets. Third, we need ongoing and significantly increasing investment in social and affordable housing.

We also want to continuously strive to improve what we do as a service system, and we believe young people are of a concern in times where there are market failures. So we've provided the detail in the submission, and we are very pleased to answer your questions.

**CHAIR** - Thank you for that comprehensive overview. I want to start with the waitlist. You said it was some 3300 households. Do you have a handle on how many individuals, roughly, have been on the housing register?

**Ms OKWECHIME** - We could get that data, definitely. The way we collect the data is by presenting 'unit head' -so that could be one person, two, or a family of a number of people. I am not sure whether the information Bella provided -

**Mr SUTTON** - No, we don't have people in the numbers, generally. It is about the presentation. If a family presents, the presenting unit head might be the father, mother or some other representative, who will be the representative of that family. That is how they consider the household.

**CHAIR** - If you were able to provide any data in that respect we would be interested to look at that to give us deeper insight into the extent of the problem. If you had a regional breakdown I am sure that would be interesting. In this forum we are interested in a statewide perspective.

## PUBLIC

The member for Clark provided some confronting perspectives on the efficiency of Housing Tasmania this morning and we asked questions in relation to whether that meant Housing Connect or the department itself. She talked about the department's capacity to deliver quick and cost-effective repairs, the prejudice in terms of the way that clients were dealt with, that the department wasn't particularly service-focused, empathetic or quick to act on various reports of vandalism, violence and misuse of properties for drug distribution. I thought that prejudice was a strong word, which she said had crept into the Housing Tasmania organisation, the culture of which is one of compliance above humanity, compassion and solutions. I am interested in your response to those views.

**Ms OKWECHIME** - One of the improvements we see for Housing Connect is that the current gap that exists between the assessment process, which is our brief, in the front door, and the allocation process is to be bridged. We could all benefit from more of a panel approach to allocation of properties, which would ensure that people in most need were allocated properties faster. At the moment, regarding the public housing provider and community housing providers - if you look at these two bits of paper, this is our database here - we are inputting the information and it goes across to HMS here without any conversation in between. Even the information that goes across isn't exactly as we put it in here, which we are discovering through conversations with the community housing providers. There is some important detail we are putting here that is being lost in translation as it goes to this database here. If we had more of a panel approach and we were able to have a seat at the table of allocation, we could ensure and provide that voice for consumers and those who are most vulnerable to help them to be housed more quickly, independent of the system.

**CHAIR** - Didi, what are the criteria? How do you make a sensible comparison of need when, ostensibly, the need is so significant and growing?

**Ms OKWECHIME** - You need to take a more person-centred approach than the system approach. At the moment, we have the data on the system and that is where providers are making the decision. If we were able to bring it back to consumer stories and be advocating on more of a consumer level then we can be ensuring those with the greatest need are getting the outcomes they rightly deserve.

**CHAIR** - Do you try to quantify that? How would you compare a woman with three kids escaping domestic violence with a 24-year-old single male battling substance abuse? Do you try to quantify those issues?

**Ms OKWECHIME** - I think you could. Children always come first. That prioritisation of need is to be considered because we are talking about limited resources. It also depends on what other options are available in the service system for those cohorts. We don't have any emergency accommodation options for families. If we are looking at somebody escaping violence, that definitely needs to take priority and getting kids out of violent situations definitely needs to take priority. For somebody who is single, we do have more options as far as brokered accommodation and short-term options. It needs to be weighed up in that context.

**CHAIR** - As long as you are over 18 and you live in Hobart.

**Ms O'CONNOR** - We've had the Council on the Ageing here to talk about the particular vulnerabilities within the population of older Tasmanians, and single older women are at considerable risk of housing vulnerability. Colony 47 does a lot of work with young people, too, and it would be useful to our inquiry to have a deeper understanding of some of the vulnerabilities

## PUBLIC

that are experienced by young people, how the system responds to them and what we're doing to provide support and housing for young people, particularly at-risk populations including those in low socio-economic areas?

**Mr SUTTON** - It's a particularly large focus for us. We don't just see this at the Housing Connect front door. We've got a program called transition to work. It works with around 200 to 300 young people in greater Hobart and south-east Tasmania. We're really looking at vocational training, education and employment options. What we tend to see in those sort of spaces are issues like the impacts of family breakdown. We are seeing quite a high level of couch surfing as being a predominant way of people finding housing in that cohort. There is probably a high degree of anxiety and mental health issues as well.

So, it's not just that people are presenting. It's often the complexity of the issues that they're trying to work through. In that case we provide support as we do in the Housing Connect space as well. We look after young people in that area and we've been providing units for young people to access college, for instance, in Hobart. We've got some specialist supports around those things.

**Ms O'CONNOR** - The prospects, if you like, for someone who's finished college, wants to move out of home, as everyone at this table did at the earliest opportunity, I'm sure, when we were in our late teens but it was a really different world then, what chances do young people, particularly in the south of the state - but we know it's a statewide problem - have of securing an affordable rental in the private market right now?

**Mr SUTTON** - It's very limited. If you look at the Anglicare report, which is probably one of the snapshot views that we would take, there are no private rental properties available. We've done a little bit of work recently. If we gauge affordability at around 30 per cent of income, people on Newstart and Youth Allowance are generally only getting around \$100 that they could put to a week's rental. For us, that really means there's no options unless you take options like sharing houses, sharing rooms. It limits your vision as to your ability to access the market.

We find too, we do a lot of work with education and employment. Young people are really interested in living closer to the cities and they are interested in low-maintenance, studio-style apartments. They are looking for options where they can access education and employment and it really speaks to starting to think much more about how we design cities for young people and how we provide much better options for them in the types of accommodation that are available. We are still tending to build two-bedroom houses in broadacre estates, which are not options that young people are going to choose. There is a real reason, we think, to redesign about how we think about these issues and make them much more tailored to, for instance, young people rather than continuing down a path of a traditional build that we've had in the past.

**Mr OKWECHIME** - I've got a beautiful example of where the prospects for young people open up where education and training is put in place. Danny mentioned our college units. We supported a young woman who came from a regional area and needed to access our college units to attend college. She went through and got a certificate in childcare. During the time we were supporting her, her partner also moved into the property and was supported by our youth worker to engage in some education and training and obtain employment. At the end of their tenancy they went to update their details with Housing Tasmania and found they were no longer eligible because they no longer met the income requirement, which was a bit of a blow initially, but they realised it opened a lot more doors for them. They could not find a private rental because there was nothing affordable to them but what was affordable was actually home ownership, with a bit of support to



## PUBLIC

get a deposit together. That was a more affordable option for them but it required that support in getting a deposit together. I think they were able to achieve that through family but it was education and training and employment that actually enabled those doors to be opened for them. So that is key in any provision for accommodation for young people. We need to be opening those doors.

**Ms BUTLER** - Over the last two days we have heard quite a lot of witness statements and a theme which keeps recurring is the need to change the way in which we perceive housing. Social and affordable housing is seen as a commodity instead of as infrastructure. I noted on page 16 that you refer to government making better decisions around infrastructure. What are your thoughts in relation to the change of perception of social housing as infrastructure and the way in which we manage it as a government?

**Mr SUTTON** - It is a really important outcome that we are looking for. If you look in our submission my history is I worked in utilities for about 10 years in the water sector. Out of that as you know, Jen -

**Ms BUTLER** - That is where we met.

**Mr SUTTON** - Exactly. When I turn my mind to housing and you think about it as such an important asset in its own right for the state, it is a \$2 billion asset sitting in front of us that needs to be looked after and cared for and managed well. To do that, you have to have an openness about how you are doing it and being transparent about what is working and what is not.

In the debate around social housing, if you look at it, it is a big problem to solve. It is complex and it has a lot of pieces to it. As we saw in things like the water sector when they are looking at \$2 billion of assets as well there is a lot of complexity there.

What I found was if you start thinking through the issues it is really about how do we bring a community view around what this should look like? How do we bring a community view for what is important in terms of where we spend money? How do we shape up to the fact that really, social and affordable housing is a subsidised investment? Until you actually shape it all up it is very difficult to get clarity, so with \$2 billion of assets sitting there they need to be maintained; they need to be replaced. New assets need to come in. For me, it is about how do we transparently do that so that we can bring other ideas and innovations to the table?

The proposal we have put is like an independent review every year, where we actually look at the whole asset base and say what is working and what is not. Is it really being tailored to the clients which is really, I think, the direction we have to take it. Are we considering things like the income levels that are affordable for certain types of stock?

Again, young people are classic. A \$200 000 studio apartment if you depreciate it over 30 years is going to cost you about \$7000 a year just in depreciation. Yet at \$100 a week we are only collecting \$5000. This is before we even get to the operating costs of the property and the energy and water and other things. So, by being transparent and really looking at these things we can start looking now at what are the options? Are the options to design and build the right sort of stock, or are they also to look at the income levels for people to make these things affordable. Then, what is the government contributing in terms of subsidies in reality?

**Ms O'CONNOR** - When you say government you mean Commonwealth and state?

## PUBLIC

**Mr SUTTON** - It is all of them actually, Cassy. This is what we think: the discussion here is broader than just the state because the income level is being set by the Commonwealth when you think about it, isn't it? That is where the income level is being set and they immediately then impact on affordability. That is why we think it is a much broader issue. That is why taking an infrastructure and a transparent open view to it will start getting better solutions coming in. We think the innovation will come in then.

**Mr TUCKER** - Communication, Danny, what you are talking about is all about communication. We need to bring yourself, the other housing people around the state and local government together, because you are the grassroots. You are the ones who are going to make this happen. State governments prioritise where funding has to go because we have only a certain size pie, as you are well aware, but we need you guys communicating better. How do you propose that we could make that happen as a state?

**Ms O'CONNOR** - I reckon you are not too bad at it.

**Mr SUTTON** - To me it is about opening people's eyes. We see the problem, and we talk about it a lot now too, publicly around what we are seeing, the people we are connecting with, what is important. I am really about solving the problem too. We can keep talking about the problem but we have to move to solutions. In my mind, even recently, we have been looking at where are the innovations that we can start looking at.

I was recently in Melbourne talking to group called Social Ventures Australia. HESTA, which is one of the big super funds in our sector, has put a \$70 million pool together to support social housing. They are really looking for spade-ready projects. So, what we need to be doing is responding around how we harness those things as well to bring these innovations in to prove up that there are models that work and then scale them up so that they work across the community.

We have a strong place in it but we need our partners to be at the table with us and on the journey as well. Just turning to the state government is not going to solve the problem for us. We need a much broader conversation. My personal view is that the federal government hasn't done a lot of heavy lifting in this space over the last four or five years.

**Ms O'CONNOR** - Probably since 2013 the federal election.

**Mr SUTTON** - We need to be opening a space for them to connect with us too around what are the options. What are the real projects that are going to make a difference? Then, when we have those things, how do we use those things like NHFIC and other things to scale these things up so they have an impact? Particularly with young people, we have this quite chronic market failure. I think we have to be quite innovative; we have to think differently.

**Mr TUCKER** - Private enterprise building houses - do you believe that they have a role to play with the homelessness issue or housing issue?

**Mr SUTTON** - They have always played a part, to tell you the truth. It is about how we visualise the issue. Social housing, private market; builders have been building the stock so they have been present. In the affordable space it is a subsidised market so there have been quite a number of community housing providers. If you look at NRAS, UTAS has been a huge builder in that place so this isn't just about the social sector.

## **PUBLIC**

Also, we see that with low incomes and rentals going up, the solution is not going to be necessarily just about building more social housing stock. It is about building good stock in the private market that is affordable and accessible and has the right utility as well. It is about, again, having those signals in the market so people can respond to them.

**CHAIR** - Speaking of responsiveness, my question is about the Affordable Housing Strategy. As you know, it was set some years ago on the basis of the market that was prevailing at the time which has deteriorated significantly, as we have heard. What can we do to ensure more responsiveness in relation to the Affordable Housing Action Plans moving forward? I know we have two on the table but there is scope within that 10-year period for a two-year window towards the end there and particularly noting also the area of co-morbidity. I know that you have an interesting thing called the HASI trial - Housing and Accommodation Support Initiative. Comments have been made today that in the homeless population there is as much as 50 per cent co-morbidity with mental illness. I am interested in your comments around those things.

**Mr SUTTON**- Turning to the co-morbidities, it is really quite a present part of how we work every day. We are seeing a lot of people with complex needs in this group. We see it as a challenge to try to find the right way to solve those problems and to work with people to get the best possible solutions. If you look at our service system, the challenge often is that we have general supports who can provide good support and direction but they are not specialists. They are not psychiatrists, they are not psychologists, they are not mental health nurses.

**CHAIR** - They are amazingly resilient.

**Mr SUTTON** - They are just incredible people.

**CHAIR** - and compassionate.

**Mr SUTTON** - We think HASI is a good model to test it. This is what we're testing. If you bring the housing support, the psycho-social support and the clinical support together, you build a plan that is around all of those things and support it well, we're going to get better outcomes than having just a generalist.

I worked in the mental health sector, too. If you can get the right supports at the right time for people, understand them really well and find the right solutions for those individuals - and all of those plans are individual - then your chances of success become enormously more active. If you are trying to be too generalist, then it is very difficult to find the right solutions. So, HASI for us is a way of testing that model. We think if it succeeds, then it should be scaled up across the state. It will be in the south initially, but then we should scale it.

**CHAIR** - It's early days. Are people being supported by the HASI trial now?

**Mr SUTTON** - We're just getting the staffing in now and they have identified the clients. It is early days.

**CHAIR** - The client service provision hasn't yet commenced?

**Ms OKWECHIME** - Not yet, but they will be by the end of this month.

**CHAIR** - And what's your time frame for the trial?

## **PUBLIC**

**Ms OKWECHIME** - Two years.

**CHAIR** - You would be hopeful of some sort of evaluation somewhere within that time frame or at the end of that time frame?

**Ms OKWECHIME** - I would like for it to be within the time frame. I hope that we could demonstrate the effectiveness of the program and advocate for more funding and continue.

**CHAIR** - And scale up within that two-year time frame?

**Ms OKWECHIME** - Yes, that would be my aim.

**Mr SUTTON** - We have a model where we will probably do a progressive evaluation, because we want to learn as we go. Often, we do evaluations at the end and look back at things we could have changed along the way. Our view is that we should do it on the journey. We should be tweaking these things all of the time to make sure that we are catering for the needs of the clients. That's the way we get the best outcome.

**Ms O'CONNOR** - You were talking earlier about innovation in terms of the kind of housing models we might be investing in in the future. What does innovation look like in this space? We've had evidence that cooperative living can be a real positive for some people and some groups of people. We've had submissions on tiny homes, and changing planning laws to make density easier. What, in your view, does innovation look like?

**Ms OKWECHIME** - The first thing I think of is asking the people whom we work with what innovation looks like for them. That is one of the things that we really want to highlight: that we do need to be more and more involved in the consumer voice in planning housing. It is one thing for me to say what innovation looks like, but it might mean a completely different thing for people who are on the housing register waiting for a property. That is my first answer.

**Ms O'CONNOR** - Although they will probably say to you, 'Just give us a home and we'll think about it.'

**Ms OKWECHIME** - Housing First models need to come into play in Tassie. A lot of our housing offers are based on the proviso of meeting certain requirements, particularly around somebody's mental ill health, or drug and alcohol intake. What comes first: the chicken or the egg? How can you address those things if you don't have a stable home? We need to be innovative and brave, and look at more Housing First models: get people housed and then wrap the support in after. That doesn't really seem like innovation; it seems like pretty straightforward to me. But it would be innovative for the state, because we're not doing it at the moment. That would be one thing that I would look for.

**Mr SUTTON** - There's a range of options. It goes, too, in the long term about how we plan our cities, and our working environments and other things in the future. Population is increasing; there's more pressure in different areas. We need services. All of these things need to be thought through. The models that we see are working well. Didi has been to Adelaide recently and looked at a community apartment building. I am sure Didi can speak to it better than I can, but it really integrates from private sector apartments through to affordable housing through to support.

## PUBLIC

**Ms O'CONNOR** - Mixed communities, exactly. You wouldn't have thought that was an innovation in this day and age, would you?

**Ms OKWECHIME** - It's the Uno Apartments in Adelaide. As Danny said it is a mix from crisis accommodation. They have independent crisis units for young people. It is mixed gender, which is great through to penthouse apartments, retail on the bottom floor, NRAS, home ownership, private rentals. It is a real mixed community. It is a fantastic apartment block.

**Mr SUTTON** - Another great innovation for the state is the foyer models, which have been around building education and employment support for young people. We have seen them operate across Victoria and they are bringing them in here. We think that is a fantastic innovation that just needs to be scaled up so we can get that footprint in.

**Ms O'CONNOR** - I have a final question that goes back to one of your answers, Danny. It's about transparency. What does transparency look like when you are dealing with an allocation of \$125 million? That is what the state says it is putting into housing. What kind of governance structure would you have in place that gave some transparency and line of sight on how those funds are spent? Have you raised this with the minister or the department?

**Mr SUTTON** - We talk about it fairly regularly. There are two levels. One is the whole system: how the whole sets of assets are being managed and run and worked through and well managed in the future. It is important that we have visibility on that. With the Affordable Housing Action Plan there needs to be two things. One is that the plan needs to be completed so we need to see action through it. Alison alluded to the other part; that things change during the period of plans.

If you look at the last one, there was a massive change in the way the market was working over the life of the original plan. We start with assumptions in plans, but we have to be courageous enough to adjust them along the way. We think there should be an overall monitoring that should also be monitoring things like the supply and demand characteristics along the journey and what are the tweaks we need to make within the plan to make sure that it remains relevant and on track.

These are long-term builds; they have long term implications. The way you start has a long-term footprint in the community. From our point of view, it is not just about the same old, 'Here is the plan and fixing it'; you have to also say, 'Sometimes we will need to modify the plan and adapt it along the way'. There needs to be a few voices in the room to say, 'Hey, this is an issue that we need to address now and not in four years' time, so how do we do it?'.

**Ms O'CONNOR** - Aren't those structures in place?

**Mr SUTTON** - There have been structures in place where we have had that advocacy. I believe there will be in the future, so we are waiting for the future to come.

**CHAIR** - I have a question about Housing First. I would have thought Colony 47, together with Anglicare, is in a very good position to advise us on what it would take to deliver that. Intuitively, it is a wonderful model but we have a shortfall of up to 17 900 social and affordable homes by 2036, a waitlist of approximately 3300 applications as you have said.

**Ms OKWECHIME** - Applicants, not people.

## PUBLIC

**CHAIR** - Although they are households. One that had promised 900 homes initially but delivered less than half of that in terms of dwellings. I have two that promise 1500 homes but will deliver less than that in terms of dwellings. That 2400 over an eight-year period is not going to anywhere near to meeting that need. The Property Council put out a cheeky guess that as much as a threefold increase - not to verbal them, to be fair I think it was in a different context. Would you hazard a guess about what it would take in terms of investment to meet that need and achieve that grand vision around Housing First, a roof over everybody's head?

**Ms OKWECHIME** - We have done the maths already.

**Mr SUTTON** - I think the priority wait list is our focus. It is generally people who have been assessed with a high need, which usually means they need a support structure as well. That is 2300. If you ask Ben Wilson today what it would cost to build something in Hobart, he would say that it would be in the order of \$200 000 plus, and that may be without the land footprint. If you look at the total constructed costs, you may be getting into the \$300 000 range. If you do the maths that is \$600 million plus. It looks like a big number and it is a big number, but you've got to bite the bullet. If you weigh into that issue and you start thinking about it, we start thinking about the other options. What are the federal contributions that could be made? Is there private investment, like the social investment funds that could be brought in? All these people are looking for projects. The funding doesn't solve the problem. In the end, it's about a project and something that's going to be built, configured and invested in that then motivates the investors to put the money up. That's what we need. We need that innovation and we need a longer-term view about how we do it.

**CHAIR** - It think 2036 is long enough. As you have said, it will take many shoulders to the wheel and I am not for a minute saying this is an entirely state government problem - \$600 million is very significant investment.

One my worries in a small place like Tasmania is that, on the plus side, we have the ability to communicate across agencies and corporations, particularly when competitive tensions are put to one side, it's very good. However, having worked within the community sector and within government, I am very aware that when you are a bureaucrat you need to operate within the confines of the code of conduct, yet you are close to the action and have some of the solutions. If you are in the community sector, you dare not bite the hand that feeds you, to put it bluntly and, again, you are close to the action and you have the solutions. To what extent do you think we are hamstrung by those sorts of issues of directness, people sitting back for fear of being fully upfront about the extent of the housing and homelessness crisis in Tasmania today?

**Mr SUTTON** - It's often about how you look at the problem, in my mind. People in the agency tend to be looking at it from the point of view of what they can do with the \$125 million, probably quite rightly because that is the scope they have to take action. Within that, they do a good job. They are trying to achieve the things they have consulted with us on. We have been consulted with those plans and within that scope. We can be, at times, more frank and fearless about how we see the problem. We can also be thinking that there are other solutions and ideas that can be brought to the table. In an open way, if we can continue to have those conversations, I'm sure we are going to get better at getting the solutions out there.

**CHAIR** - If you are right that the shortfall in funding is something like \$125 million up to \$600 million, only a quarter or less, 20 per cent or something of the total need, we will need a lot more 'frank and fearless' and influence, won't we?

## **PUBLIC**

**Mr SUTTON** - I think so. I compared this, I looked at two things in the budget papers and also looked at TasWater. It's really interesting. TasWater's asset base is similar to the housing asset base, it's about \$2 billion. Their capital spend this year is around \$135 million to \$190 million to solve a whole raft of really important issues that really impact on people and communities, it's health, it's all the things that are important. They have a scope to do that because they have the income generated from their model.

**Ms O'CONNOR** - They also got an extra allocation in the state budget, which made life easier for them.

**Ms BUTLER** - Yes, and they don't have a huge debt repayment.

**CHAIR** - If housing were within the infrastructure budget -

**Mr SUTTON** - Again, if we look at the roads budget, which is probably the other one, you are looking at another quite big investment. To me it's about open conversations about priorities, isn't it? What comes first and how can we best have those conversations as to where people sit in this? How can we make sure that their advocacy is strong when those decisions are made? We find government very open to do that, which is good. We don't always get the decisions we want but that's our role, to put a frank and fearless view that we think people are important. We think that there is an equity issue in how you access and allocate capital. Our view would be that it is probably is a priority in comparison to some of these other issues and we should be able to make that argument.

**CHAIR** - Thank you very much. We value your frank and fearless comments at this table, and thank you for a wonderfully comprehensive submission. It will be very useful for the committee. 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?

**Witnesses** - Yes.

**THE WITNESSES WITHDREW**