



The Salvation Army Tasmania

Submission to the Select Committee Inquiry into Housing Affordability 2019



Submitted 19th July 2019

The Salvation Army

The Salvation Army is an international Christian movement with a presence in 130 countries. Operating in Australia since 1880, The Salvation Army is one of the largest providers of social services and programs for the most marginalised and socially excluded individuals in the community.

The Salvation Army Australia has a national annual operating budget of more than \$1 billion, with almost \$900m provided directly through service delivery across Australia to 1,000 social programs and activities through networks of social support, community centres and churches across the country. Tasmanian programs include:

- Emergency relief, material aid and case work
- Financial counselling and assistance
- Homelessness and community housing services
- Family and domestic violence support and accommodation services
- Drug and alcohol support and treatment services
- Child, youth and family services
- Education, training and employment support services
- Personal counselling and support
- Emergency and disaster response and recovery services
- Chaplaincy, prison and court support
- Aged care services.

In Tasmania, The Salvation Army serves our community through over 20 different outlets. These include multiple locations in greater Hobart, Launceston and Burnie, also including regional and rural areas such as Devonport, Ulverstone, George Town, St Marys, New Norfolk and Huonville.

Mission oriented organisation

As a mission driven organisation, The Salvation Army seeks to reduce social disadvantage and create a fair and harmonious society through holistic and people centred approaches that reflect our commitment to and primacy of:

- Caring for people
- Creating faith pathways
- Building healthy communities
- Working for justice.

We commit ourselves in prayer and practice to this land of Australia and its people, seeking reconciliation, unity and equity.

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The Terms of Reference of the Select Committee inquiry into housing affordability in Tasmania with particular reference to:

- (a) The experiences of Tasmanians in housing stress or homelessness;
- (b) The management of social housing and delivery of new stock by Housing Tasmania and community housing providers;
- (c) The impact of a lack of affordable housing on the broader economic and social wellbeing of the Tasmanian community;
- (d) The impact of a lack of affordable housing on the implementation and outcomes of other State Government programs;
- (e) The effectiveness and limitations of current State and Federal Government strategies and services to alleviate the impact of poor housing affordability in the Tasmanian community;
- (f) The impact of historic housing debt on the management and delivery of social housing;
- (g) Strategies to address the \$73 million maintenance liability of Housing Tasmania and community housing providers;
- (h) The impact of population growth and market developments on housing supply;
- (i) The relationship between housing, health and education;
- (j) Changes to Tasmania's residential tenancy laws that could improve housing affordability, security and living standards in Tasmania;
- (k) Successful strategies in other jurisdictions that could be effective in improving affordability in Tasmania; and
- (l) Any other matters.

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Introduction

The Salvation Army believes that it is the right of every person to have affordable, appropriate, safe and secure accommodation. The Salvation Army supports the development of affordable, long term, community housing. Affordable community housing is defined as any community based, not for profit accommodation that costs less than 30% of the household income to rent.

The Salvation Army (TSA) is keen to work closely with the State government to achieve sustainable outcomes for disadvantaged and vulnerable people experiencing homelessness. A successful Tasmania is one that ensures people are not prevented from participating fully in society, are supported by a system that provides them access to education, health, housing, support and work opportunities, as well as life chances to increase social capital and community networks. Material, emotional and spiritual needs are interdependent and it is important for an inclusive society that they remain connected.

The Salvation Army is committed to working towards a community that is socially responsible. TSA generates funding from donations annually to meet the needs of vulnerable people to enable them to re-engage and participate in the social and economic life of the community. The basic social services developed by the early Salvationists have remained a visible expression of the Army's principles. The contemporary services include aged care, disaster relief, shelters for women and children who are homeless or escaping domestic or family violence, employment services, vocational training, salvo stores, prison pre- and post-release support, alcohol and drug rehabilitation services, and ex-prisoner reintegration.

The Salvation Army services are as extensive and as diverse as the needs of the community. They act as an additional safety net for Tasmania's most vulnerable people. Each program is linked with other services in The Salvation Army to enhance and increase our capacity to help the people who are most in need.

In 2018 The Salvation Army in Tasmania spent over \$2m of organisational funds to meet the material and social needs of disadvantaged people. There were several challenges facing The Salvation Army in particular, the increase in the number of people seeking community welfare, homelessness and emergency relief services since the last financial year. The increase in people seeking assistance from TSA can in part be attributed to the lack of affordable private rental housing and the scourge of homelessness. While the top 10% of income earners live on more than \$1500 per week, the bottom 10% are forced to survive on less than \$300 per week (RAI 2018). Out of this meagre amount people are required to pay rent and all the other necessities that their basic well-being demands, such as food, clothing, heating, transport and health related costs.

Those struggling to survive below the poverty line in Tasmania typically cannot afford to live near services because the rent is higher in these areas. This means they rely on either an ageing vehicle or limited public transport. When you put all these costs together, it is obvious that many people on a benefit or pension find it very difficult to manage on their meagre income and regularly go without food or heating in order to pay rent. We request that the State Government provides a more compassionate and 'solutions' based response and increases the supply of affordable social housing.

(a) The experiences of Tasmanians in housing stress or homelessness;

In Tasmania, it is estimated that there are over 25,000 low-income households who cannot afford to meet their basic needs after they have paid the cost of private rental. The health and well-being of Tasmanians is dependent upon access to affordable long-term housing. A growing number of Tasmanians are experiencing 'housing stress' which leads to difficulties in meeting basic living costs, overcrowding, family breakdown, health issues and homelessness.

The University of Tasmania Housing and Community Research Unit (HACRU) suggests that there is 'a basic deficit in the number of dwellings in Tasmania.' We need more affordable community and public housing to meet the needs of disadvantaged people now and in the future.

Hobart is the least affordable city in Australia, due to relatively lower incomes and high rental yields. The release of Australia's Rental Affordability Index (RAI, 2018) revealed that the lowest-income households in Australia are paying over 75 per cent of their income on rent, while rental unaffordability is extending to professionals.

Under current market conditions, the RAI reveals low-income households typically need to pay between 50 to 85 per cent of their income on rent. It is generally accepted that a household is in housing stress if it pays more than 30 per cent of its income on rent. Australia's lowest income households – those on around \$500 a week – are paying up to 85 per cent of their household income on rents. Middle-income households are also falling into housing stress as high rents chew up incomes that aren't keeping pace with rapidly rising housing costs.

Rental affordability research by Anglicare Australia found that no properties in any capital city in Australia were affordable for a single person on Youth Allowance or Newstart in 2019. In fact, there were only two properties across the entire country that were affordable for people on these payments (Anglicare Australia 2019).

The current housing affordability crisis in Australia is contributing to the increased homelessness rate. Stable and affordable housing is nearly impossible for 'unwaged' people to access. Private rental in Hobart is unaffordable, and breaks in rental history, as well as prejudices against the unemployed, tend to lock this group out of the market. Social housing options are also limited and waiting lists are untenably long.

The RAI data has reinforced calls for policy reform to address rental and housing affordability. The Index has been created by National Shelter, Community Sector Banking and SGS Economics & Planning.

(b) The management of social housing and delivery of new stock by Housing Tasmania and community housing providers;

Demand for social housing is steadily growing, and the current rate of supply is insufficient to keep up with the need. Significant and ongoing government investment is required to address the shortfall in affordable social housing supply.

The demographics of public housing tenants have changed, and available properties do not match demand. Historically, the greatest need for public housing was in three-bedroom units. However, demand has shifted to

one- and two-bedroom units, creating a misaligned supply.

Tasmania's Affordable Housing Strategy (AHS) 2015-2025 clearly states that 'Tasmania needs an average of 2,392 new dwellings a year to meet its long term supply needs through to 2031' (AHS 2015, 12). Furthermore the AHS (2015) adds that 'Of these new houses, it is estimated that 13,112 or 656 per annum, need to be low priced affordable homes'.

If we add the number of social housing properties that are sold, or demolished each year to the 656 we estimate that the required number of affordable low priced homes in Tasmania is closer to 900 properties per year. We are not building enough affordable social houses in Tasmania each year!

(c) The impact of a lack of affordable housing on the broader economic and social wellbeing of the Tasmanian community;

It is difficult to measure the value of social housing. The benefits to tenants include improvements in health and employment prospects, strengthening of community bonds on well-run estates, helping those previously in unstable housing, as well as a decrease in social costs to government (reduction in health costs for example).

Ways of quantifying these benefits include analyses such as Social Return on Investment, Cost Utility Analysis, Wider Economic Impacts and Cost Benefit Analysis. However, it can be hard to compare the outputs of each of these methods, as they rely on different variables to produce their outcomes.

It would be fair to say that the lack of affordable social housing does not make for a better city. There is an increased public identification and awareness of those in economic and social need, more people are experiencing primary homelessness and rough sleeping in Hobart. There are also more people with untreated mental health issues due to the shortage of appropriate mental health services, which effectively increases social isolation and alienation.

Poor mental health is a common issue for many of the people experiencing primary homelessness. However, experienced street to home workers can help people in numerous ways by providing a calm and rational support and referral service. 'Healthy' communities are made up of people and places where the whole community is strengthened and feels safe. To the homeless, face to face support, guidance and trust has a flow on effect for the mental and emotional health of the people who are sleeping rough and doing it tough.

(d) The impact of a lack of affordable housing on the implementation and outcomes of other State Government programs;

A major concern for The Salvation Army is helping homeless young people to find stable and affordable housing. Many homeless young people are excluded from many housing services. In a similar way to Tasmanians situated in transitional housing, there is a lack of exits points. The solution favoured by The Salvation Army is by increasing the number of stable and affordable housing options.

The Salvation Army believes there is a lack of adequate services to support young people with a severe mental health condition. For example, it has been the case that clients have been denied access to a mental health service on the basis that they are

too unwell. The burden of care for these clients then falls on The Salvation Army and other similar organisations.

One strategy that has worked very well for The Salvation Army is the provision of a psychologist as part of crisis accommodation. Across Australia, up to 70% of clients engaged with our crisis accommodation program have been diagnosed with a mental health condition. Approximately 50% of these clients are also facing a substance use disorder. Given our experiences of operating crisis accommodation in Tasmania, The Salvation Army believes the Government should look to increase funding to Crisis Accommodation programs. This funding could be used to directly employ psychologists or provide additional crisis accommodation and support.

Additional funding is vital because conditions in the community sector are less favourable than in the private sector for qualified psychologists or psychiatrists. In addition to lower remuneration in the community sector, work hours often vary from a mix of part-time work to weekend work, which makes community sector roles less attractive.

(e) The effectiveness and limitations of current State and Federal Government strategies and services to alleviate the impact of poor housing affordability in the Tasmanian community;

There needs to be a strategic national housing and homeless plan to address the shortage of affordably and social housing in Australia; and the appropriate level of funds allocated in the federal budget to undertake the action necessary to undertake this strategy.

The current planning provisions in Tasmania do not allow for any development approval or rezoning of non-government owned land to be fast tracked. The community housing sector is positioned to provide an urgent response to the current homelessness situation, however, the system does not allow for a fast tracked approach to the preliminary development approval requirements of delivering new stock on the ground. The average approval process, in most cases takes longer than the actual construction of new dwellings and as such does not provide the sector with the ability to provide new stock or rezoned existing stock to assist in the immediate needs of addressing the current homelessness crisis.

The Minister for Planning has the powers to provide Ministerial Planning Directions that override the standard planning provision requirements, this option should be considered by the Government in assessing the response to addressing the current housing needs and allowing the sector to immediately provide housing outcomes. Further, the current planning systems are ad-hoc and are not pragmatic in terms of understanding the context of developing social and affordable housing. A consistent approach state wide in assessing applications for this type of development would be invaluable in streamlining the process and reducing unnecessary costs whilst maintaining quality developments.

(f) The impact of historic housing debt on the management and delivery of social housing;

The Tasmanian public housing debt needs to be wiped out. The Salvation Army calls on the State and Federal Governments to negotiate the removal of the historic public housing debt. Tasmania has a legacy debt of \$157M (from the 1980s) that sees half

Tasmania's annual grant from the Commonwealth of \$30M for housing and homelessness swallowed up each year in debt repayments.

We call on the two responsible housing ministers - Minister Sukkar and Minister Jaensch – to make a commitment to remove the public housing debt. A good use of the freed-up \$15 million funds which each year would be to increase the supply of affordable rental housing to be delivered by the community housing sector in Tasmania.

(g) Strategies to address the \$73 million maintenance liability of Housing Tasmania and community housing providers;

The Public Housing Renewal Program in Victoria (2017, 3) recognised the need to:

- Redevelop and increase the number of public housing units
- Improve amenities for public housing residents
- Upgrade the sustainability and energy efficiency of public housing
- Reduce maintenance costs in public housing
- Decrease the average age of public housing.

These strategic objectives should be acceptable and achievable in Tasmania, especially if public housing capital and renewal works are prioritised in the State Budget.

(h) The impact of population growth and market developments on housing supply;

To address the homelessness issue In Tasmania, we need to clearly understand the population growth in our towns and cities; as well as the number, household forms, demographics of those experiencing homelessness and facing immediate risk of homelessness.

The waiting list for public housing is a blunt political tool. Baseline data and ongoing monitoring of affordable housing demand are needed to ensure that policy responses are correctly targeted. Monitoring affordable housing demand is needed to ensure accountability and effectiveness of the Tasmanian Affordable Housing Action Plan.

(i) The relationship between housing, health and education;

Mental illness can be associated with greater risks of homelessness, disadvantage and discrimination; stable and affordable housing is one of the important building blocks of mental health and wellbeing. Research by the Australian Institute of Health and Welfare indicates that, of the approximately 241,000 people aged over 10 years who received support from a Specialist Homelessness Service; about one in three had a current mental health condition. This is above the 20.1% of Australians who experienced a mental or behavioural condition in the financial year 2017-18.

The Salvation Army has also conducted research into the relationship between homelessness and mental health with the most pertinent evidence coming from Western Australia. Throughout the 2015-16 financial year, The Salvation Army Homelessness service in Perth (known as 'The Beacon'), in conjunction with Psychology Australia Local Services (PALS), initiated a Psychological Assessment

and Counselling program for clients living at The Beacon. The data gathered indicated that:

1. 52.8% of clients had a mental health or psychosocial condition.
2. The average number of co-occurring conditions per client was 4.1; and
3. 21 different conditions were identified and two clients had over 15 conditions.

The most common mental health and psychosocial conditions identified by this research were Panic Disorder (62.5%), Schizophrenia (58.9%), Major Depression (42.6%), Persistent Depression (39.2%), Personality Disorder (35.7%), Generalised Anxiety (33.9%) and Post Traumatic Stress Disorder (PTSD) (19.6%).

(j) Changes to Tasmania's residential tenancy laws that could improve housing affordability, security and living standards in Tasmania;

Longer private rental lease agreements would provide all tenants with greater security and certainty. If people want to establish themselves in a specific location, a long-term lease is ideal. Three to five year leases allow for long-term financial planning that's not available under a short-term 12 month lease. You may also find landlords offering long-term leases are more willing to compromise on other lease terms, such as opportunities to improve or modify the space.

(k) Successful strategies in other jurisdictions that could be effective in improving affordability in Tasmania;

We need to identify successful community housing and crisis accommodation models and strategies in Tasmania and grow them. If it works here we should invest in it, promote it and export it to mainland Australia and overseas.

(l) Other matters.

Homelessness is a critical issue nationally and Tasmania is no exception. The state government needs to address the effects of homelessness in Tasmania. This will provide the state government with a high level of public recognition and credibility. The ability for the homeless programs to be expanded is high with the cost benefits being significant for all stakeholders from the government through to community members, tourists, police and city councils.

Community Housing Organisations are well positioned to undertake the development of new, appropriate and affordable social housing. However, a capital injection is required to increase their financial capacity to take on debt which is limited due to low rental payments.

Assertive outreach is also an effective service delivery method to deliver support services to the most marginalised people who need help to escape from primary homelessness. If outreach describes a general approach where support is provided in non-institutional settings and in places and spaces where people are comfortable, then 'assertive' outreach is an even more specific form of outreach.

Conclusion

The Salvation Army is one of Australia's largest non-government providers of Alcohol and other Drug (AOD), Emergency Relief, Family Violence and Homelessness services. In Tasmania we have made a significant financial investment in Alcohol and Drug treatment, poverty relief and emergency accommodation. For example, TSA invested over \$2m in the construction of eight emergency accommodation units in Hobart for women and children who were homeless, at risk of homelessness or escaping domestic violence.

The Salvation Army will continue to utilise organisational resources to meet the needs of Tasmanians who are disadvantaged, homeless or at risk of homelessness. We are currently working to address the immediate impact of primary homelessness, as well as linking clients into appropriate support and treatment services to achieve successful accommodation and health outcomes via our Street to Home program.

There is clear evidence that a lack of stable affordable housing and support increases the likelihood that a person will end up homeless, in hospital or prison. The provision of basic affordable housing is a valuable investment in the lives of all Tasmanians. Community service funding helps us to address the social and economic barriers that limit individual participation and enables NFPs to promote better social and economic outcomes for marginalized people.

The State Government needs to increase investment in social housing, to reduce social housing waiting lists and reduce the pressure and reliance on the private market that has failed people on a Commonwealth pension or benefit. The lack of affordable social housing has pushed people onto the street, couches, sheds, or to crisis accommodation.

As Anglicare Australia (2019) suggests the solution is simple, governments need to reclaim responsibility for housing. The most important first step is to tackle the social housing shortfall. Rental stress, insecurity, and homelessness does not have to be the state of affairs in the future if we take action now. We need to invest more in affordable social housing to ensure that all Tasmanians have a place to call home.

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