



Submission to the House of Assembly Select Committee on Housing Affordability

Acknowledgements

Colony 47 would like to acknowledge the following people who contributed to the documentation and review of this submission.

- Didi Okwechime
- Olivia Sheckleton
- Bella Fountain
- Fae Robinson

Version Control

Version	Responsibility	Date	Variation
1.0	<i>Danny Sutton</i>	20190713	<i>Initial Draft</i>
2.0	<i>Didi Okwechime</i>	20190726	<i>Technical Review</i>
3.0	<i>Danny Sutton</i>	20190726	<i>Submission</i>

Table of Contents

Executive Summary	4-7
Introduction	8-9
<i>What are the opportunities to improve housing affordability considering the experiences of Tasmanians in housing stress and homelessness?</i>	10-14
<i>What are the opportunities to improve the management of social housing and delivery of new stock by Housing Tasmania and community housing providers?</i>	15-17
<i>What are the impacts of affordable housing on the broader economic and social wellbeing of the Tasmanian community?</i>	18-19
<i>What is the impact of affordable housing on the implementation of outcomes of other State Government programs?</i>	20-22
<i>How do we improve the effectiveness and address the limitations of current State and Federal government strategies and services?</i>	23-24
<i>What is the opportunity to maximise the impact of the historic housing debt on the management and delivery of social housing?</i>	25-26
<i>How should the Tasmanian Government address the \$73 million maintenance liability of Housing Tasmania and community housing providers?</i>	27
<i>How do we better manage the impact of population growth and market developments on housing supply?</i>	28
<i>How does the Tasmanian Government develop opportunities that improve the relationship between housing, health and education and their respective outcomes?</i>	29-30
<i>What changes are required to Tasmanian residential tenancy laws to improve housing affordability, security and living standards in Tasmania?</i>	31
<i>What are the successful strategies in other jurisdictions that could be effective in improving housing affordability in Tasmania?</i>	32
<i>Are there any other matters incidental thereto?</i>	33

Executive Summary

Colony 47 welcomes the opportunity to provide the House of Assembly Select Committee on Housing Affordability with a submission to provide a range of specific recommendations on improving housing affordability. The recommendations have been framed to address the specific areas of enquiry provided in the Select Committee's terms of reference.

a) ***To address the opportunities to improve housing affordability considering the experiences of Tasmanians in housing stress and homelessness, Colony 47 recommends:***

- The Tasmanian Government directly fund a PESP program in Tasmania that provides opportunities for people who experience homelessness and housing stress to actively participate in community and policy.
- The Tasmanian Government establishes a formal client reference group and client panel to actively include the "voice of clients who have experienced housing stress and homelessness" in the design and implementation of housing and support solutions.
- The Tasmanian Government Affordable Housing Strategy housing stock construction program includes the specification of the client group needs for whom the new housing stock is targeted to address.
- The Tasmanian Government commissions a whole of housing sector demand and supply analysis to dynamically forecast the demand and the provision of affordable options for people who are homeless and at risk of homelessness.
- The Tasmanian Government develops a robust Housing Connect client service resourcing model to ensure that adequate services are available to meet the needs of clients.
- The Tasmanian Government develops improved technology options to make it more efficient and responsive for clients to apply for social housing and private rental support.

b) ***To address the management of social housing and delivery of new stock by Housing Tasmania and community housing providers, Colony 47 recommends:***

- The Tasmanian Government establishes a Housing Services Commission by extending the powers of the current Office of Tasmanian Economic Regulator to prepare the guidelines and economic models to conduct an annual Price and Services Plan review for social and affordable housing in Tasmania.
- The Tasmanian Government empowers the Housing Services Commission to seek from Housing Tasmania (as part of an annual price and services review) an annual social and affordable housing demand and supply forecast and the estimated investment required to meet future demand.
- The Tasmanian Government empowers the Housing Services Commission to receive bids from Housing Tasmania and the community housing providers to address gaps in the supply of housing to meet required demand.
- The Tasmanian Government empowers the Housing Services Commission to establish a client services code which specifies the requirements for Housing Tasmania and community housing providers to meet safety, security, affordability and maintenance and property management standards.

- c) ***To address the impact of affordable housing on the broader economic and social wellbeing of the Tasmanian community, Colony 47 recommends:***
- The Tasmanian Government establishes within the Department of Premier and Cabinet a social impact policy assessment capability to more effectively assess the social and economic impact of policy proposals on the living standards of low income Tasmanians including housing affordability.
- d) ***To address the impact of affordable housing on the implementation of outcomes of other State Government programs, Colony 47 recommends:***
- The Tasmanian Government mandates that all policy proposals across government complete an appropriate social impact analysis if the policy proposal negatively impacts on the standards of living of low income Tasmanians including housing affordability.
 - The Tasmanian Government requires that any policy proposals from across government that negatively impact on housing affordability are reviewed and advice provided by the housing sector on appropriate mitigation options.
 - The Tasmanian Government includes, a requirement of the social impact capability within the Department of Premier and Cabinet, the development of a robust set of unit costs across government services to allow proponents to develop social impact investment proposals that can support business cases across government.
- e) ***To address the effectiveness and limitation of current State and Federal government strategies and services to alleviate the impact of poor housing affordability in the Tasmanian community, Colony 47 recommends***
- The Tasmanian Government develops a formal coordination mechanism between the three tiers of government and the sector to align and support place based strategies, projects and services to meet social and affordable housing needs.
 - The Tasmanian Government develops a capability within Treasury to negotiate financing and investment options to support the implementation of social and affordable housing to meet future needs.
 - The Tasmanian Government develops a formal policy to mandate inclusionary zoning across for new developments.
- f) ***To address the impact of the historic housing debt on the management and delivery of social housing, Colony 47 recommends:***
- The Tasmanian Government creates a funding pool that captures the proceeds of the outcome of the debt negotiations with the Federal Government and mandates that the pool is directed at projects for youth housing.

g) To address the \$73 million maintenance liability of Housing Tasmania and community housing providers, Colony 47 recommends

- The Tasmanian Government develops a Housing Client Service Code to mandate the maintenance requirements to meet acceptable standards.
- The Tasmanian Government requires that Housing Tasmania and the community housing providers report annually on their compliance against the client service code as part of a Price and Service Plan review.

h) To address the impact of population growth and market developments on housing supply, Colony 47 recommends

- The Tasmanian Government empowers the Housing Services Commission to seek from Housing Tasmania (as part of an annual Price and Services Plan Review) an annual social and affordable housing demand and supply forecast and the estimated investment required to meet future demand.
- The Tasmanian Government empowers the Housing Services Commission to develop guidelines that specify how the demand and supply forecast includes consideration of population growth and housing market developments.

i) To address the relationship between housing, health and education, Colony 47 recommends

- The Tasmanian Government empowers the Secretary of the Department of Communities Tasmania to convene a whole of government approach to developing proposals that achieve mutually beneficial housing, health and education outcomes.
- The Tasmanian Government to develop with the sector and to fund initiatives that are focussed on early intervention and prevention services to keep young people in education and vocational training.
- The Tasmanian Government continues to develop flexible FOYER models to support young people to achieve educational and employment goals.
- The Tasmanian Government considers the extension and scaling up of the HASI housing and mental health initiative based on its evaluated social and clients impacts.

j) To address changes to Tasmanian residential tenancy laws that could improve housing affordability, security and living standards in Tasmania, Colony 47 recommends

- The Tasmanian Government to conduct a formal review of the Residential Tenancy Act to ensure that the legislation is capable of protecting the affordability, safety, and living standards of clients in a changing housing market.

k) To address the successful strategies in other jurisdictions that could be effective in improving affordability in , Colony 47 recommends

- The Tasmanian Government to conduct a formal review of successful affordable housing strategies including:
 - Extension of a National Rental Affordability scheme
 - Inclusionary zoning
 - Housing First model
 - Wellbeing budgeting in New Zealand
 - Access to superannuation and social impact housing funds
 - Community land trusts and land banks
 - National Housing Infrastructure Facility
 - Shared equity schemes
 - Social Impact Loans and Social Impact Bonds
 - Not for Profit Real Estate businesses.

l) Any other matters incidental thereto, Colony 47 recommends

- The Tasmanian Government to continue to implement the proposals contained within the Affordable Housing Action Plan.
- The Tasmanian Government to continue to support the review and improvement of the Housing Connect service model to achieve sustainable outcomes for clients and service delivery.

Introduction

Colony 47 is a social enterprise operating as an Incorporated Association and registered as a charity with the Australian Charities and Not-for-profits Commission.

Colony 47 is an organisation that is independently audited against the International Standards Organisation 9001 standards and the National Disability Service Standards on an annual basis and is registered as a service provider with the National Disability Insurance Scheme.

Colony 47 is a community owned and operated organisation with a skills based Board that provides governance and oversight for the Colony 47 operations.

Colony 47 has been operating as a provider of housing and youth service solutions for over 45 years and is the lead agency for the Housing Connect consortium in Southern Tasmania.

In that role, Colony 47 is also the provider of front door services which provides access, assessment and triage services for people requiring access to social and affordable housing in Southern Tasmania.

Colony 47 provides support services for young people as part of its Housing Connect operations and operates two crisis shelters for young people in Southern Tasmania.

Colony 47 is also a head lessee for over 50 properties that provide private rental support for people in transitional housing.

Colony 47 is an organisation that has a culture of providing solutions for clients with an Advantaged Thinking approach.

On that basis, Colony 47 is well placed to provide a client oriented perspective of housing affordability and also can provide advice based on its internal and external networks of sector expertise.

Colony 47 is not able to speak on behalf of other Housing Connect partners who will have the opportunity to provide their own submissions.

Colony 47's vision as a provider of housing and youth solutions is "to create a thriving, connected and diverse community where no-one is left behind."

This is a vision that is shared with the Tasmanian Government with the Premier's speech to CEDA in 2018 clearly articulating a vision that

"But I do also firmly believe that we must protect all that is special about our precious island home. It is what has turned the eyes of the world onto us.

We must strike the right balance between continuing to drive growth and preserving what makes Tasmania so remarkable; our precious quality of life.

And we must find those ways to ensure all Tasmanians are feeling the benefits of a strong economy, and that no one is left behind.

To unlock the full potential in our regional communities, and ensure economic growth is spread across all our State.

To ensure Tasmanians are well educated, and given their best shot in life, and to have the first opportunity to fill the jobs of a growing economy.

We need to look beyond the horizon, and to develop what you might call an inclusive growth strategy.

And the best way we will do that is by working together".

What are the opportunities to improve housing affordability considering the experiences of Tasmanians in housing stress and homelessness?

More social housing is required

It is important to understand that the social and affordable housing market operates in Tasmania largely under the management of Housing Tasmania and the community housing providers.

The social housing system provides housing for households on low incomes and the rentals are set as a proportion of the household income.

In this way, the rent setting process ensures that social housing is affordable for those households who can access it.

Where the demand for social housing is greater than the available supply then those households that may be registered but not able to access an available social housing property are either subject to other options such as homelessness, available affordable housing, private rental accommodation or home ownership.

There are currently 3,300 households on the Public Housing Register of which 2,300 households have been assessed as having a priority need and 1,000 are under the age of 25.

As a minimum the Tasmanian Government should have a plan to address the needs of all of the households on the current Public Housing Register with an immediate focus on the 2,300 priority needs clients and young people.

There are also material risks on households who are not currently on the Public Housing Register who may become homeless and/or need to apply for social housing due to the lack of availability of affordable housing that is appropriate to their needs.

Any changes in the broader market conditions that increase the demand for social housing need to be understood by the Tasmanian Government in terms of meeting its social and economic goals.

The right sort of social housing is required

As the lead agency for Housing Connect and the provider of the front door service for all social and affordable housing clients in Southern Tasmania, Colony 47 understands that the provision of safe, secure, affordable and appropriate housing and support solutions is complex.

In its work Colony 47 understands that there is not one homogeneous group of people seeking access to social housing and that the housing and support needs of households will vary widely.

Colony 47's approach is to listen and to understand the needs of clients in order to provide the most appropriate available choice of housing and support options.

Where there is limited or no available housing solution for the household, Colony 47 plays a role in providing support for households to pursue other options such as private rental assistance, access to shelters and emergency accommodation or access to available transitional housing.

At the same time Colony 47 is collecting a significant amount of client data on the households' needs for housing and support that can assist in ensuring that any future housing investments are safe, secure, affordable and appropriate housing options.

In Tasmania there has been an ongoing investment by the Tasmanian Governments over many decades to build the existing social and affordable housing stock.

Successive governments have invested in housing solutions that have included large scale housing developments in broadacre estates through to specialist services such as the FOYER developments that are targeted to support educational and employment outcomes for young people.

Colony 47 understands that sustainable housing outcomes for clients are largely driven by understanding their needs and aligning the future investments in housing that is client focussed in its design and development rather a standardised or "one size fits all" approach.

It's time to take a client centred approach

Colony 47 believes that developing smarter ways to use the available data to look for consistent client needs and also to consult with clients in the design and development stages will deliver the best configuration of future social and affordable housing stock.

To facilitate this client centred approach to the design and development of safe, secure, affordable and appropriate social housing for clients Colony 47 has identified the Peer Education Support Program (PESP) program as the best practice approach to training and developing housing service clients to have a voice in the process.

The Peer Education Support Program (PESP) is a volunteer program that provides people who have experienced homelessness with the opportunity to improve the service system.

PESP team members play a key role in promoting the benefits and transformative power of consumer participation in service system and policy development.

PESP activities include:

- consumer participation, training and advice
- group and individual presentation
- peer facilitation of focus groups, interviews or surveys
- peer support
- media activities
- consultation with all levels of government
- consultation with the specialist homelessness support services (SHSS) and related sectors
- participation in working/steering groups and committees

Once trained there should be an obligation placed on Housing Tasmania to include client consultation and engagement as part of the design and implementation of any future housing and service system investments.

At a micro-level Colony 47 has implemented a program within its recruitment processes where a client representative is included in a selection panel to provide insights and feedback on the suitability of applicants from a client perspective.

This process has greatly improved and informed the recruitment processes about the client needs particularly for people who are delivering front line services.

At a service level, the young women at Mara House are actively engaged in the management of the site through involvement in client and team meetings that make decisions on service

At Colville Place the engagement of young people in regular art based activities is now transforming the site with blackboard art and new murals giving the young people a creative outlook and greater ownership of the spaces in which they live.

Develop a robust resourcing model for Housing Connect

One of the challenges for the Housing Connect service is that it operates in a system where it is dealing with the demand side of the social and affordable housing market and seeking to address the needs of clients with limited visibility of the social housing solutions for clients.

This service becomes particularly difficult to manage when there a limited or no available social housing options for clients that it is supporting.

Over the life of the Housing Connect service system there has been a significant increase in the demand for services and the services provided with no corresponding change in resources apart from the recent Winter Emergency Support service.

This has resulted in a service system that is characterised by:

- high rates of enquiries;
- high rates of applications for social housing and private rental assistance;
- reducing rates of uptake of private rental assistance due to an inability of clients to secure private rentals;
- high case loads for support workers;
- the delivery of new services to support rapid rehousing of people fleeing family and domestic violence, people exiting the justice system and people exiting public mental health facilities; and
- the transfer of the management of the social housing register.

The recent Housing Connect Review by the Brotherhood of St Laurence and the progress of initiatives such as the completion of social housing application on line are positive reforms to address some of these service pressures.

To positively respond to service demands and resourcing constraints there is a need for the development of a more robust resource modelling approach to estimating the demand for services and in allocating appropriate resources to meet client needs now and into future.

The current process of capping service responses based on available funding is creating an environment where there is limited capacity to respond to changing client housing demand and support needs.

The original work completed by KPMG to design the Housing Connect service system incorporated initial work on estimating the resource needs of the Housing Connect service system.

It would be useful if the KPMG model was updated and a review of the resourcing requirements based on the current demand on services is made. This would provide a baseline of resourcing for the Housing Connect service system going forward.

Let's work smarter with our clients

Another area of great opportunity is the use of technology and digital platforms to provide more efficient and cost effective access of clients to routine application services.

Colony 47 identified and sourced a proposal for the implementation of a smart form-based web platform that would allow people to complete their social housing applications from their own device. This work is currently undertaken at the Housing Connect Front Door by professional staff who could divert their skills and capabilities to the work of supporting people with more complex needs.

This opportunity was supported by the Tasmanian Government in the Affordable Housing Action plan and Colony 47 is ambitious about implementing this new client portal as soon as possible.

In addition to the client social housing portal, Colony 47 is also keen to develop an application that will allow people who are seeking access to private rental support to be able to assess their eligibility and make an appropriate application on-line.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government directly fund a PESP program in Tasmania that provides opportunities for people who experience homelessness and housing stress to actively participate in community and policy
- The Tasmanian Government establishes formal client reference groups and client panels to actively include the “voice of clients” in the design and implementation of housing and support solutions
- The Tasmanian Government Affordable Housing Strategy housing stock construction program includes the specification of the client groups for whom the new housing stock is targeted to address
- The Tasmanian Government develops a robust Housing Connect client service resourcing model to ensure that adequate services are available to meet the needs of clients to access suitable and sustainable housing and support options
- The Tasmanian Government develops improved technology options to make it more efficient and responsive for clients to apply for social housing and private rental support

What are the opportunities to improve the management of social housing and delivery of new stock by Housing Tasmania and community housing providers?

Make the whole housing system visible to support clients

The social and affordable housing system tends to operate in three distinct components. They are:

- Housing Connect as the provider of client access and support services;
- Housing Tasmania as the allocator of social housing properties; and
- Community Housing Providers and Housing Tasmania as the providers of housing.

With incomes low and not increasing in real terms and the private market becoming increasingly less available and affordable the supply of safe, secure, affordable and appropriate social housing is often the only sustainable housing solution for people on low incomes.

The best way to ensure that these components work together is the creation of a more transparent and open approach to the performance and compliance management of the social housing system as a whole.

Create an economic and client oversight of the system

Social housing is a large and complex asset that is largely publicly owned and operated in partnership between Housing Tasmania and the community housing providers.

Yet there is little publicly available information to inform the community of the current status of the social and affordable housing assets along with the investment required to meet the future needs for housing stock.

In other large publicly owned and operated asset businesses such as the energy and water and sewerage businesses in Tasmania there are economic and regulatory oversight mechanism that are established specifically for this purpose.

In the case of the water and sewerage business, TasWater, there is economic oversight by the Office of The Tasmanian Economic Regulator (OTTER) on an annual basis in which the a price and services plan is submitted for review in accordance with agreed regulatory guidelines on the management of the assets and meeting future demand in accordance with agreed client service standards.

The development of a Price and Service Plan also requires the provision of a demand plan for the market and the development of forward capital works programs to meet the required demand. In this way the regulator is able to review the strategic investments required to meet demand and to quantify the costs associated with meeting that demand.

Create an investment centred approach

In a recent report produced by AHURI, (2019) Social Housing as infrastructure: rationale, prioritisation and investment pathway on the cost of building social housing was estimated at between \$172,000 and \$189,000 outside of greater Hobart and \$271,000 in greater Hobart.

These estimates are not inconsistent with anecdotal estimates provided by community housing providers of their current construction costs for a detached dwelling. If these estimates were applied to addressing the current housing needs of the 3,300 clients on the Public Housing Register demand it would require an investment of between \$567,000,000 and \$894,000,000.

At present the Tasmanian Government has committed funding of \$125 million for a mixture of completed housing and the development of lots for future housing as part of its Affordable Housing Action Plan.

Making better infrastructure decisions

An annual review of the supply of social housing and the projected future cost will assist the Tasmanian Government to make future strategic decisions about its prioritisation and future allocation of available capital works alongside other competing infrastructure demands. An economic oversight will also lead to a more informed political consideration of future policy and investment options.

Making better policy decisions

In recent years there has been frustration in the community and the housing sector with the lack of a robust economic and policy framework to maturely address issues such as the options to use subsidies rather than capital grants to increase housing supply or the transfer of social housing assets.

The establishment of a robust and independent review mechanism will not only allow these options to be appropriately and publicly framed. It will allow the public greater visibility as to the positive and negative benefits of proposals and their merit in providing finance for additional and accelerated delivery of social housing.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government establishes a Housing Services Commission by extending the powers of the current Office of the Tasmanian Economic Regulator to prepare the guidelines and economic models to conduct an annual Price and Services Plan review for social and affordable housing in Tasmania
- The Tasmanian Government empowers the Housing Services Commission to seek from Housing Tasmania (as part of an annual price and services review) an annual social and affordable housing demand and supply forecast and the estimated investment required to meet future demand
- The Tasmanian Government empowers the Housing Services Commission to receive capital works bids from Housing Tasmania and the community housing providers to address gaps in the supply of housing to meet required demand
- The Tasmanian Government empowers the Housing Services Commission to establish a client services code which specifies the requirements for Housing Tasmania and community housing providers to meet safety, security, affordability and maintenance and property management standards

What are the impacts of affordable housing on the broader economic and social wellbeing of the Tasmanian community?

Positive change

One of the key learnings from the changes in the housing market over recent years in Greater Hobart is that policy initiatives that focus on growth and development can begin to take effect much faster than the ability of the housing system to respond.

The recent work that has been undertaken by the University of Tasmania Institute for Social Change in its Tasmanian Housing Update August 2018 highlighted that there are a range of government policy initiatives that have proven to be very successful in attracting more people to the state. They include:

- population growth, in particular overseas migration; and
- increasing demand for short stay accommodation.

In addition to this work the University has also in previous work highlighted the increasing demand for student accommodation as contributor to demand.

Change has consequences

As the Institute clearly outlines in their work a range of market forces including policy related decisions have created increasing demand for properties that has had a material impact on the capital costs, the rents and the availability of rental stock.

The challenge for a government when pursuing a positive economic agenda is often the capacity to identify and mitigate the potential consequential impacts of those policies on other groups in the community such as people on low incomes.

In this case, increased demand for housing has been created relatively quickly but the ability to plan, develop and build housing stock takes a much longer period of time.

Hence, an environment where positive developments in one sector can have consequential impacts on the people in the community with least capacity and capability to respond.

Making policy work for all

In this case, it is unclear whether the government, in considering these positive economic policies, identified the social impacts of increased demand and a slow pipeline of supply and developed appropriate actions to mitigate these impacts.

It would appear, that this work is essential when you are working in a responsive demand environment where there are much longer lead times such as those that exist in the housing market.

To mitigate against any further policy initiatives exacerbating an already tight and increasingly unavailable market for private rentals for low income earners, it would be important to consider the creation of a whole of government assessment of the social impact of policies that effect housing supply and demand.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government establishes within the Department of Premier and Cabinet a social impact policy assessment capability to more effectively assess the social and economic impact of policy proposals on the living standards of low income Tasmanians including housing affordability

What is the impact of affordable housing on the implementation of outcomes of other State Government programs?

People need housing

As the lead agency for Housing Connect Colony 47 has been involved in designing and implementing solutions with Housing Tasmania that support outcomes of other State Government programs.

They include:

- the design and implementation of the rapid rehousing program for families fleeing family and domestic violence which is a policy area overseen by the Department of Premier and Cabinet;
- the design and implementation of the Beyond the Wire initiative with the Department of Justice, Housing Tasmania, the Salvation Army and CatholicCare to provide supported accommodation for ex-offenders exiting the corrections system;
- the codesign and progressive implementation of the Housing and Accommodation Support Initiative (HASI) system with the Department of Health, Housing Tasmania and Colony 47 that is supporting people who experience mental ill-health to maintain their independence living in the community;
- the creation of the coordination arrangements with Child Safety and Out of Home Care systems as part of the implementation of the Colville Place Youth at Risk site.

In some of these cases the funding for the initiatives were driven by state government programs outside of housing with DoJ funding the Beyond the Wire service and the Department of Health funding the HASI pilot project.

Some policies have bigger impacts

The Tasmanian Population Growth Strategy has targeted significant increases in population ahead.

The achievement of this population growth target is a positive and value adding contributor to economic growth. Yet the capacity of the housing market to absorb population growth is constrained.

It is particularly important that drivers of population and short term housing demands are well considered in terms of their general impact on housing and the particular needs of low income earning households.

Let's create some social innovation

The availability of unit cost data for government services is an important tool for social services to understand and quantify the social benefits and impacts of the proposals they may present to address a complex problem such as the housing of ex-offenders.

In this case, the Report on Government Services was able to provide a daily rate for the housing of a prisoner in the prison that could then be used to quantify the savings to government of a release to a supported service located within an available private rental property.

The ability to capture and report relevant data that quantifies the unit costs of government services would be useful in developing proposals through a more positive and opportunity focussed approach to social innovation.

Young people are a priority

The provision of social housing is also a significant preventative strategy for families to ensure that children can attend school, that they are mentally and physically well and that they have a place to be connected with in the community.

Colony 47 currently provides, through its Transition to Work service, education, vocational training and employment support services for over 200 young people in Southern Tasmania. This service provides youth development coaches to support young people to address barriers to achieving education and employment outcomes.

The youth development coaches regularly report that one of the major barriers to employment experienced by young people is that they are homeless and couch surfing with friends and other families in the community.

The lack of a fixed address makes it very difficult to focus on education and employment outcomes when the first order of business for the individual each day is being able to find a roof over their head that night.

The availability of housing that is specifically designed to meet the needs of young people and to support them in the achievement of their education and employment goals such as the Youth FOYER models are critical.

Invest in our future

The provision of housing for young people not only provides the direct benefits to the young people who are homeless or at risk of homelessness of improved educational and employment outcomes, it also provides positive outcomes for state and federal government agencies in the achievement of their education, employment and income support reduction goals.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government mandates that all policy proposals across government complete an appropriate social impact analysis if the policy proposal impacts on the standards of living of low income Tasmanians including affordable housing.

- The Tasmanian Government requires that any policy proposal from across government that negatively impact on housing affordability are reviewed, and advice provided by the housing sector on appropriate mitigation options.
- The Tasmanian Government includes, a requirement of the social impact capability within the Department of Premier and Cabinet, the development of a robust set of unit costs across government services to allow proponents to develop social impact investment proposals that can support business cases across government.

How do we improve the effectiveness and address the limitations of current State and Federal government strategies and services?

In recent months, Colony 47 has been involved in a number of forums with State, Federal and Local Government officials to discuss a response to increased rates of homelessness in Tasmania.

The forums have identified that the three levels of government all have a critical role to play in ensuring that there is a responsive supply side approach to meeting the needs of homeless people in our community.

The Feds have the finance

In the housing area, the Federal Government provides a range of service responses including the provision of emergency funding and through services such as Reconnect that is targeted at prevention and early intervention services for young people at risk of homelessness.

The Federal Government also has a significant funding role through the National Housing and Homelessness Agreement and more recently the creation of new funding options for housing through the National Housing Finance and Investment Corporation.

The State has the responsibility

The Tasmanian Government has the policy and program responsibility for both the social and affordable housing systems as well as the planning system supporting the long term planning and development of our communities including its residential plans.

In the planning area, there have been a number of states that have designed and implemented specific planning policy initiatives to support the inclusion of a prescribed amount of social and affordable housing options within large scale developments.

Colony 47 believes that the development of an inclusionary zoning policy that supports the creation of additional social and affordable housing options would be a positive initiative for the Tasmanian Government to consider.

The Tasmanian Government is also responsible for providing leadership and strategic direction on the allocation of capital for infrastructure projects including social housing.

The Councils can make it happen faster and at lower cost

Local Government also has a range of services that impact on housing availability and affordability. They include the planning and building approval processes which can impact on the cost and timeliness of the delivery of social housing stock over time.

Working together

In recent years we have seen collaborative approaches across the three levels of government and across local government areas to develop and approve place based initiatives such as the City Deal.

It would be beneficial if the three levels of government could continue to work in an aligned way in the future to specifically focus on the efficient and cost effective financing, planning and development, building and support for increasing the amount of social housing stock to meet client needs on the social housing register.

Smart money

It would also be beneficial if social housing proponents can translate these Federal funding opportunities into place based projects through the availability of specialist financing and investment capabilities at a local level, perhaps within the Department of Treasury and Finance.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government develops a formal coordination mechanism between the three tiers of government and the sector to align and support place based strategies, projects and services to meet social and affordable housing needs.
- The Tasmanian Government develops a capability within Treasury to negotiate financing and investment options to support the implementation of social and affordable housing to meet future needs.
- The Tasmanian Government develops a formal policy to mandate inclusionary zoning for new developments.

What is the opportunity to maximise the impact of the historic housing debt on the management and delivery of social housing?

What is the historic housing debt?

As Colony 47 understands it, there has been a long term housing debt of over \$150 million with the Federal Government that was used to supply social housing in Tasmania.

The provision of debt financing for assets such as social housing is sound in the situation where the payment of the debt is part of the income stream from the social housing assets.

In this case, it appears that the debt is not paid from income generated by the social housing stock but from funds that could be used for, amongst other things, the provision of new stock that meets the needs of households on the Public Housing Register.

Whilst these arrangements are a long term legacy issue for government it is unclear about how this funding arrangement would be sustained if there was a change of policy at a Federal level.

Hence a regular review and understanding of the asset management and financing of social and affordable housing assets would be beneficial in ensuring that there is sustainable funding model underpinning these important social and economic assets.

In the short term the opportunity to renegotiate the terms of the loan has occurred with the passage of the recent Federal tax legislation.

As Colony 47 understands it, the repayment arrangements for the social housing debt included a return to the Federal Government of an amount of money estimated in the media at approximately \$15 million per annum.

If the loan is waived or the payments deferred or reduced in some way there will be an opportunity to capture the benefits of that renegotiation and to focus the windfall gain at high priority areas of client based demand for new supply.

Can we put any gains to work for young people

Colony 47 would argue that the largest and most disadvantaged social and affordable housing client group is young people under the age of 25.

Recent analysis by Housing Connect has identified that a young person on Newstart allowance who is without external support would have \$102.85 per week to spend on renting a property (or a room).

The Social Action Research Centre Rental Affordability Snapshot in 2019 identified that there was no affordable private rental option available to a young person on Youth Allowance or Newstart.

In accessing social and affordable housing, young people are also disadvantaged in that the stock available to meet their needs including access to services, education and employment opportunities is either not available or unaffordable.

Colony 47 believes that this inability to access suitable private rental and appropriate and affordable social and affordable housing has resulted in “*market failure*”.

This is also exacerbated by the fact that young people under 25 are the largest group of people on the Public Housing Register with approximately 1,000 young people currently registered.

Colony 47 believes that this youth market segment of housing will need a different approach in the funding, design and development, and construction and management of housing to meet their needs.

Colony 47 acknowledges the focus of additional funding for youth initiatives in the Affordable Housing Action Plan but it is not adequate to meet the immediate needs of this particularly vulnerable group.

Colony 47 would propose that the Tasmanian Government creates a funding pool that captures the proceeds of the outcome of the debt negotiations with the Federal Government and mandates that the pool is directed at housing projects that are specifically designed, developed, constructed and managed with young people for young people.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government creates a funding pool that captures the proceeds of the outcome of the debt negotiations with the Federal Government and mandates that the pool is directed at projects for youth housing

How should the Tasmanian Government address the \$73 million maintenance liability of Housing Tasmania and community housing providers?

Plan ahead

The lack of investment in maintenance of social housing primarily impacts on the standards of living of current social housing tenants. If buildings and equipment are not properly and regularly subject to maintenance, then there is often a degrading of the asset or alternatively a reduction of the utility of the asset by the client.

Colony 47 believes that the management of assets such as social housing stock should be subject to appropriate strategic asset management practices including provisioning and completing routine minor capital works and maintenance.

With the clients in mind

A key element of a strategic asset management plan is to determine the client standards that apply to the maintenance of their standard of living or in response to an asset breakdown or failure.

Colony 47 believes that the design of an underpinning strategic asset management plan to ensure that all of the social housing assets are maintained and managed sustainably should include the development of a set of client service standards that are reported on a regular basis.

Check on progress

Colony 47 believes that a regulatory system that independently assesses and reports on the maintenance liability requirements and the funding of an appropriate allocation to meet these requirements is important in maintaining the standards of living for social housing clients.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government develops a Housing Client Service Code to mandate the maintenance requirements to meet acceptable standards.
- The Tasmanian Government requires that Housing Tasmania and the community housing providers report annually on their compliance against the client service code as part of a Price and Service Plan review.

How do we better manage the impact of population growth and market developments on housing supply?

More demand

In a previous section of the submission, Colony 47 highlighted the need for a housing demand and supply forecast to be developed at a whole of market level to see how the changes in the market were impacting on social and affordable housing for low income earning households.

The reason for the need for a whole of market approach is that with demand for social housing exceeding current supply then the availability of private rental housing becomes more important.

Less rental properties available

If there is less private rental available and there is no social housing available then there is a higher risk of households being subject to housing stress and/or homelessness.

What's going on

In addition to this whole of market approach, Colony 47 also suggested the need for a regular annual submission by Housing Tasmania on the demand and supply requirements of the social and affordable housing market with an estimate of the funding required to meet the current demand for social housing in the Public Housing Register.

What will it cost

The ability to visualise and understand the positive and negative market changes and to develop appropriate investment and policy options to protect the interests of low income households from housing stress and homelessness is an important consideration when prioritising the allocation of capital investments across government.

People count

Colony 47 believes the Tasmanian Government would benefit in its decision making to prioritise its capital investment allocations with improved access to full information about the current and potential impacts of the investment on the lives of low income households.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government empowers the Housing Services Commission to seek from Housing Tasmania (as part of an annual Price and Services Plan Review) an annual social and affordable housing demand and supply forecast and the estimated investment required to meet future demand.
- The Tasmanian Government empowers the Housing Services Commission to develop guidelines that specify how the demand and supply forecast includes consideration of population growth and housing market developments.

How does the Tasmanian Government develop opportunities that improve the relationship between housing, health and education and their respective outcomes?

Housing and education go together

Colony 47 in its role as the lead agency for Housing Connect and through its services for young people understands that there is a critical relationship between safe, secure, affordable and appropriate housing and the health and education outcomes for people in the community.

Colony 47 provides accommodation and support services for young people in its shelter at Mara House and its Youth at Risk service at Colville Place. In both these settings Colony 47 provides crisis and transitional housing with a focus on family reunification (where possible) and the maintenance of education.

Colony 47 staff regularly share that the success of a young person's capacity to positively transition from a shelter environment to a more stable accommodation is underpinned by a maintenance of social connections and educational development by attending school.

Colony 47 also understands that disconnection from education in primary and high school years is a significant barrier to further access to vocational training and employment in later years.

To provide a positive and supporting environment for young people Colony 47 has implemented a program for clients and staff based on the UK FOYER model called Advantaged Thinking.

The Advantaged Thinking model embraces two key elements that assist in the client centred design and delivery of services and the development of capabilities in young people to progress to independence. They are:

1. Practice principles in the design and delivery of services to create a place for people to be positive and engaged, a focus on people and their inherent strengths and capabilities, a concept of mutual obligation to each other to pursue education and personal development called The Deal, creation of opportunities for young people to learn and grow and The Campaign to promote an Advantaged Thinking approach.
2. The seven tests of Advantaged Thinking which develop a positive a client centred culture include:
 - a. I will talk about people without stereotyping them.
 - b. I will understand people by what they can do and aspire to be.
 - c. I will work with people by coaching growth and positive risks.
 - d. I will invest in people to promote their potential to thrive.
 - e. I will believe in people.
 - f. I will involve people so experiences can shape solutions.
 - g. I will challenge myself and others to promote Advantaged Thinking.

Colony 47 believes that the creation of a positive strengths based approach that engages and supports people in their education and their capacity to develop skills that lead to independence, and the implementation of more FOYER and FOYER like services is important to supporting them to achieve their goals in life.

Housing and health are also related

There is also a significant link between having safe, secure, affordable and available housing and a persons physical and mental health.

Recent analysis by the Brotherhood of St Laurence of the housing connect data identified that over 40 per cent of clients have presented identifying mental health as a barrier.

Colony 47 has also maintained a number of mental health and housing aligned services including:

- the Partners In Recovery psychosocial support service;
- the Eureka Clubhouse service; and
- the National Disability Insurance Scheme Coordination of Supports service.

In reviewing its forward strategies Colony 47 identified that it could have the greatest impact in achieving consumer and the community mental health outcomes by aligning the clinical, psychosocial and tenancy management services into a single team that could provide a wraparound service that could transition people and maintain their health and wellbeing in the community.

The best practice standard for an integrated clinical, psychosocial and tenancy service was the Housing Accommodation Support Initiative (HASI).

The Tasmanian Government approved a pilot program for HASI in the south of the state that incorporates the codesign of a Tasmanian service model across the Department of Health, Housing Tasmania and Colony 47 and the trialling of the service over a two-year period commencing in 2019.

The trial will incorporate an independent evaluation of the outcomes in terms of the health and wellbeing of the client, the successful retention of tenancy over the support period and the effective transition of the client to independent living.

Colony 47 will seek to present suitable options to the Tasmanian Government to maintain and potentially scale up the service across the state if it proves to be effective in achieving the relevant housing and health goals.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government empowers the Secretary of the Department of Communities Tasmania to convene a whole of government approach to developing proposals that achieve mutually beneficial housing, health and education outcomes.
- The Tasmanian Government to develop with the sector and to fund initiatives that are focussed on early intervention and prevention services to keep young people in education and vocational training.
- The Tasmanian Government continues to develop flexible FOYER models to support young people to achieve educational and employment goals.
- The Tasmanian Government considers the extension and scaling up of the HASI housing and mental health initiative based on its evaluated social and clients impacts.

What changes are required to Tasmanian residential tenancy laws to improve housing affordability, security and living standards in Tasmania?

Renters count

Colony 47 understands that there are significant changes occurring in a private rental market that is regulated under the Tasmanian residential tenancy laws. These changes include:

- rapidly increasing rents that are making rental costs unaffordable for low income earning households;
- short lease periods that maximise the opportunity for landlords to progressively increase rents;
- reducing levels of home ownership;
- increasing building and maintenance costs; and
- increased competition for private rental properties has made access to available properties more difficult including uncertainty about the landlord requirements.

Young people count

Young people often also report that they do not feel that they have the power or respect to request that landlords meet maintenance or related commitments.

The national market is also now embracing new models for housing such as Build to Rent options.

On the right track for all

With these market forces providing less security and affordability for renters on low incomes to maintain private rental accommodation there is a need for a review by the Tasmanian Government of the impact of these changes on the relationship between landlords and renters and whether there is a need for legislative or regulatory action to ensure a sustainable private rental market operates in the state.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government conducts a formal review of the Residential Tenancy Act to ensure that the legislation is capable of protecting the affordability, safety and living standards of clients in a changing housing market.

What are the successful strategies in other jurisdictions that could be effective in improving affordability in Tasmania?

What's next

There are a range of successful strategies that have been developed and implemented in other jurisdictions that would warrant further review to assess their ability to improve housing affordability in Tasmania including:

- An extension of a National Rental Affordability scheme that can provide a subsidy for key disadvantaged client groups in the community such as young people. It is worth noting that the largest user of NRAS funding in Tasmania has been the University of Tasmania in providing lower cost accommodation for students.
- The development of specific planning proposals for the adoption of Inclusionary zoning to mandate social and affordable housing in future larger scale development. The most recent examples of inclusionary zoning in Victoria could be a useful reference point for understanding the planning legal and regulatory requirements and benefits.
- The continued development of a Housing First model approach in the review and evolution of the Housing Connect and social and affordable housing systems.
- Consideration of the development of a Wellbeing budget similar to the model in New Zealand that prioritises high impact social investments and their benefits including infrastructure and service investments.
- Development of a capability to access superannuation and social impact housing funds for projects that can be developed that meet appropriate investment return rates.
- Community land trusts and the development of land banks for social and affordable housing that allows the secure and strategic development of land for this purpose.
- Consider the mechanisms available to accelerate the development of social and affordable housing using financial options available through the National Housing Infrastructure Finance Corporation.
- A continued focus on the availability of shared equity schemes by Housing Tasmania to allow low income households to progress towards home ownership.
- Increased awareness and understanding of social impact loans and social impact bonds as alternative sources of finance for infrastructure and innovative social services.

Are there any other matters incidental thereto?

Other important stuff

Colony 47 believes that it is important that the commitments made by the Tasmanian Government in the Affordable Housing Action Plan are implemented in accordance with an agreed timetable.

Colony 47 also believes that the Housing Connect Review should continue to work in a spirit of co-design with the partners to achieve better housing and support outcomes for clients.

As a result of these considerations, Colony 47 recommends that:

- The Tasmanian Government continue to implement the proposals contained within the Affordable Housing Action Plan
- The Tasmanian Government continue to support the review and improvement of the Housing Connect service model to achieve sustainable outcomes for clients and service delivery.