



22 October 2021

Department of Justice
Office of the Secretary
GPO Box 825
HOBART TAS 7001

via email: haveyoursay@justice.tas.gov.au

To the Planning Policy Unit,
Re: Housing and Tasmanian Planning Policies

The Tenants' Union of Tasmania welcomes the opportunity to provide comment on the scope of the Tasmanian Planning Policies (TPPs) which will "provide the first comprehensive, high-level policy framework for the planning system".¹ Our response is focused on the inclusion of social and affordable housing within the TPPs. We also recommend that the potential harmful impacts of the short stay accommodation sector are acknowledged within the TPPs.

The Tenants' Union of Tasmania is a not for profit community organisation offering information, advice and representation to residential tenants. We also offer community legal education and training and advocate for the improvement of residential tenants' rights. We are an incorporated body run by members through an elected Management Committee, and staffed by employees and volunteers.

Despite the Premier's Economic and Social Recovery Advisory Council observing that "Tasmania's housing markets are becoming increasingly dysfunctional"² there is no mention of social and affordable housing in the *Tasmanian Planning Policies Scoping Paper*. As the following overview of renting in Tasmania demonstrates, the failure to better integrate social and affordable housing into our planning system has resulted in skyrocketing rents, housing stress and increasing homelessness.

An Overview of Renting in Tasmania

According to the Australian Bureau of Statistics, there are a growing number of households renting, rising from 27 per cent of the Australian population in 1997/98 to

¹ Department of Justice, 'Scope of the draft Tasmanian Planning Policies'. As found at <https://www.justice.tas.gov.au/community-consultation/consultations/scope-of-the-draft-of-the-tasmanian-planning-policies> (Accessed 21 October 2021).

² Premier's Economic and Social Recovery Advisory Council Final Report (March 2021) at 41. As found at https://www.pesrac.tas.gov.au/data/assets/pdf_file/0011/283196/Final_Report_WCAG2.pdf (Accessed 21 October 2021).



to 32 per cent in 2017/18.³ Whilst Tasmania has historically had a high rate of home ownership, there has been a similar upwards trajectory in households renting, particularly over the last decade.

In raw numbers, the Productivity Commission *Report on Government Services 2019* found that the number of households renting in Tasmania increased by 18 per cent from 45,600 in 2006 to 54,000 in 2016.⁴ In the period 2008-2018 public housing stock dropped from 11,618 to 7,005.⁵ While that has been offset by the growth of the community housing sector, resulting in a net increase of social housing stock,⁶ it has not been proportionate to the growth of the rental market overall.

- ***Skyrocketing rents***

At the same time as there are increasing numbers of households renting in Tasmania, the lack of affordable supply has resulted in skyrocketing rents, particularly in Tasmania's south. For example, over the last five years median rents increased by 46 per cent in Southern Tasmania, 39 per cent in Northern Tasmania and 25 per cent in North-West Tasmania.⁷ As well, the data demonstrates that median rents in Southern Tasmania are 22 per cent higher than in Northern Tasmania, which are in turn 19 per cent higher than in North-West Tasmania.⁸

According to the *Rental Affordability Index (RAI)*, a study published bi-annually by National Shelter and SGS Economics & Planning, Greater Hobart is Australia's least affordable metropolitan area relative to income. The RAI found that tenants in Greater Hobart spend around 31 per cent of their income on rent – placing the median tenant in rental stress.⁹ Outside Hobart, regional Tasmania was the most expensive region relative to income in the country.¹⁰

- ***Housing stress***

Since 2007, Anglicare Tasmania has published an annual snapshot of the Tasmanian private rental market to assess whether it is possible for people living

³ Australian Bureau of Statistics, *Housing Occupancy and Costs, 2017-18* (2019). As found at <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/latest-release> (Accessed 21 October 2021).

⁴ Productivity Commission, *Report on Government Services 2019*, Tables 2A.25, 2A.27.

⁵ Productivity Commission, *Report on Government Services 2019*, Table 18A.3 and Productivity Commission, *Report on Government Services 2016*, Table 17A.3.

⁶ Ibid.

⁷ Rental Deposit Authority and Tenants' Union of Tasmania, *Tasmanian Rents* (June Quarter 2016-2021). As found at <http://tutas.org.au/wp-content/uploads/2017/05/Tasmanian-Rents-June-2016.pdf> and <http://tutas.org.au/wp-content/uploads/2019/11/RDA-Rent-Stats-June-2021.pdf> (Accessed 21 October 2021).

⁸ Rental Deposit Authority and Tenants' Union of Tasmania, *Tasmanian Rents* (June Quarter 2021).

⁹ National Shelter and SGS Economics & Planning, *Rental Affordability Index* (December 2020) at 40. As found at <https://www.sgsep.com.au/assets/main/Projects/SGS-Economics-and-Planning-RAI-2020-FINAL.pdf> (Accessed 21 October 2021).

¹⁰ National Shelter and SGS Economics & Planning, *Rental Affordability Index* (December 2020) at 44.

on low incomes to afford to rent a home. As part of the research, all properties listed for rent are reviewed on one weekend each year and then assessed as to whether each property is affordable and appropriate for 14 types of households on low incomes.

The most recent *Rental Affordability Snapshot Tasmania 2021* found that the average statewide rental price of \$425.00 per week was unaffordable for anyone in sole receipt of Commonwealth income support¹¹ leading the authors to conclude:¹²

All stakeholders, and all sides of government, agree that affordable housing is one of the most important, and most intractable, issues currently facing Tasmania. To date the State Government has been unable to address the consistent trend seen in the Rental Affordability Snapshot over the past nine years. Without serious action on this topic, we will see more hardship in our community as families struggle to avoid homelessness, and more homelessness itself.

- ***Waitlist for social housing***

Skyrocketing rental prices and the concomitant increase in housing stress has in turn placed a significant strain on Tasmania's social housing system. Over the last five years the waitlist for social housing has increased by 66 per cent from 2625 applicants in 2016/17 to 4367 applicants in August 2021. Over the same five year timeframe, the average wait time for priority applicants has blown out from 48 weeks to 59 weeks, a 23 per cent increase.¹³

- ***Homelessness***

Unsurprisingly, the lack of affordable rental properties in the private rental market and inadequate social housing has resulted in increased homelessness, with a 2019 report recording a 20 per cent increase in the rate of homelessness in Tasmania between 2001 – 2016, including a 54 per cent jump in Hobart.¹⁴ The report noted that Hobart is one of three Australian cities in which “the connection between declining rental affordability and growth in homelessness rates appears to be most striking...”.¹⁵ More recently, it was reported that in 2018-19, Specialist Homelessness Services (SHS) assisted 6,600 people in Tasmania, about the same

¹¹ Anglicare Tasmania, *Rental Affordability Snapshot Tasmania 2021* (April 2021) at 5. As found at <https://www.anglicare-tas.org.au/research/anglicare-tasmania-rental-affordability-snapshot-2021/> (Accessed 21 October 2021).

¹² Anglicare Tasmania, *Rental Affordability Snapshot Tasmania 2021* (April 2021) at 17.

¹³ Department of Health and Human Services, *Annual Report 2017/18* at 39; Department of Communities Tasmania, Housing Dashboard August 2021 at 14-15. As found at https://www.communities.tas.gov.au/_data/assets/pdf_file/0024/188007/Housing-Dashboard-August-2021.pdf (Accessed 21 October 2021).

¹⁴ Australian Housing and Urban Research Institute, *The changing geography of homelessness: a spatial analysis from 2001 to 2016* (May 2019). As found at <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-313-The-changing-geography-of-homelessness-a-spatial-analysis-from-2001-to-2016.pdf> (Accessed 21 October 2021).

¹⁵ Australian Housing and Urban Research Institute, *The changing geography of homelessness: a spatial analysis from 2001 to 2016* (May 2019) at 339.

as the previous year, the majority of whom said they were seeking help because of the “housing crisis”, a figure significantly higher than nationally (54 per cent compared with 37 per cent nationally).¹⁶

Summary

In summary, we strongly believe that the inclusion of social and affordable housing as a Tasmanian Planning Policy will ensure a more integrated approach that focuses on ensuring housing for all. In our opinion, the inclusion of social and affordable housing as a TPP also aligns with the Premier’s Economic and Social Recovery Advisory Council who noted in their final report that “Tasmania needs a comprehensive housing strategy that addresses the complex factors to achieve more sustainable housing outcomes for all Tasmanians”.¹⁷

Recommendation: That social and affordable housing is recognised in the Tasmanian Planning Policies as a **topic** in its own right under the **Liveable Settlements** heading.

The short stay accommodation sector

It is also worth noting that whilst there have been economic benefits to the tourism and hospitality sectors, the short stay accommodation sector has had a detrimental impact on Tasmania’s long-term rental market. According to a report published by the Australian Housing and Urban Research Institute, entire properties that are available to rent as short stay accommodation and available to rent for 60 days or more is equal to twelve percent of the entire private rental market in the Hobart City Council municipality; the highest rate in Australia and one of the highest rates of any capital city anywhere in the world.¹⁸ Unsurprisingly, the proliferation of short stay accommodation properties in the Hobart City Council municipality has seen skyrocketing rents and supply dry up with the AHURI report concluding “even a modest reduction in Airbnb listings (about 17 per cent) is associated with a significant reduction in rents”.¹⁹

The failure to take into account the impacts of the short stay accommodation sector on social and affordable housing has been recognised by a wide variety of persons and organisations:

¹⁶ Australian Government, *Specialist homelessness services 2018-19: Tasmania* (Australian Institute of Health and Welfare: 2019) at 1. As found at https://www.aihw.gov.au/getmedia/562a8e1f-cf37-499f-bb24-10a44c6f5907/TAS_factsheet.pdf.aspx (Accessed 13 November 2020).

¹⁷ Premier’s Economic and Social Recovery Advisory Council Final Report (March 2021) at 41.

¹⁸ The report also found that entire properties that are available to rent as short-term accommodation and available to rent for 60 days or more is equal to eleven percent of the entire private rental market in the Kingborough Council municipality. As found at Australian Housing and Urban Research Institute, *Marginal housing during COVID-19* (December 2020) at 40. As found at <https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI-Final-Report-348-Marginal-housing-during-COVID-19.pdf> (Accessed 21 October 2021) at 40.

¹⁹ Australian Housing and Urban Research Institute, *Marginal housing during COVID-19* (December 2020) at 40.

- *The Tasmanian Planning Commission has accepted that “the conversion of housing stock to short term visitor accommodation is impacting the availability and affordability” of long-term rentals.*²⁰
- *The CEO of rent.com.au, Greg Bader, is quoted by the Australian Financial Review as saying that it is only logical that the withdrawal of a few hundred properties from the rental market would cause rents to rise in a small market such as Hobart.*²¹
- *Melos Sulicich, the CEO of MyState, Tasmania’s second largest lender, told the same newspaper that the short stay accommodation market was causing a shortage of long-term accommodation.*²²

Summary

The short stay accommodation sector has had a detrimental impact on Tasmania’s long-term rental market. We strongly believe that the sector requires greater regulation. At the very least, the impacts of the short stay accommodation sector should form part of the analysis contained within TPPs.

Recommendation: That the short stay accommodation sector is added as an **issue** in the **Economic Development** section of the TPPs.

If we can be of any further assistance, please do not hesitate to contact us.

Yours faithfully,



Benedict Bartl
Principal Solicitor
Tenants’ Union of Tasmania

²⁰ Tasmanian Planning Commission, *Exemptions and Standards for Visitor Accommodation in Planning Schemes*, Draft Planning Directive No 6 (2018) at 18.

²¹ Larry Schlesinger, ‘Airbnb driving up Hobart rents, but don’t regulate: rent.com.au CEO’, *Australian Financial Review* (online), 13 June 2018 <https://www.afr.com/real-estate/residential/tasmania/airbnb-driving-up-hobart-rents-but-dont-regulate-rentcomau-ceo-20180613-h11be6> (Accessed 21 October 2021).

²² Larry Schlesinger, ‘Airbnb keeping Hobart housing market ‘robust’: MyState CEO’, *Australian Financial Review* (online), 14 June 2017 <https://www.afr.com/real-estate/commercial/hotels-and-leisure/airbnb-keeping-hobart-housing-market-robust-mystate-ceo-20170608-gwn25f> (Accessed 21 October 2021).