

7 July 2023

Tasmanian Housing Strategy
Department of Communities Tasmania
GPO Box 65
Hobart Tasmania 7001

via email: tasmanianhousingstrategy@homes.tas.gov.au

To the Tasmanian Housing Strategy Project Team,
Re: Tasmanian Housing Strategy Exposure Draft

The Tenants' Union of Tasmania welcomes the opportunity to provide feedback on the *Tasmanian Housing Strategy Exposure Draft* ('the Strategy') and its focus on developing a housing system in Tasmania that is affordable and responsive to the needs of our community and to provide safe, secure and affordable housing for all Tasmanians.¹

Review of Residential Tenancy Act 1997 (Tas)

With more than 57,000 Tasmanian households living in rental accommodation, we welcome the Strategy's commitment to review the *Residential Tenancy Act 1997* (Tas) ('the Act'). As we noted in our response to the *Tasmanian Housing Strategy Discussion Paper*, areas of reform should include security of tenure, rent control, pets and strengthening energy efficiency minimum standards.

South Australia and Western Australia have recently announced reform of their residential tenancy legislation including that tenants will be allowed to keep pets unless it is reasonable for the landlord to refuse² and the Australian Capital Territory has abolished end of lease evictions.³ The Australian Government's National Cabinet has also agreed to work with all States and Territories to strengthen tenancy rights.⁴

One note of concern is the Strategy's focus on continuing to facilitate energy efficiency upgrades of existing rental properties. The experience from other Australian jurisdictions demonstrates that mandating energy efficiency minimum standards is the only way to guarantee reform with Victoria now requiring that all appliances, fittings or fixtures which

¹ We would like to acknowledge those persons and organisations who gave freely of their time in assisting with our submission.

² Government of South Australia, 'Targeted reforms to improve rental affordability', *Media Release*, 15 February 2023; Government of South Australia, 'South Australia bans rent bidding', *Media Release*, 27 June 2023. As found at <https://www.premier.sa.gov.au/media-releases> (accessed 2 July 2023). Also see, Government of Western Australia, 'Residential Tenancies Act review'. As found at <https://www.commerce.wa.gov.au/consumer-protection/residential-tenancies-act-review> (accessed 2 July 2023).

³ Sections 92-97 of Schedule 1 of the *Residential Tenancies Act 1997* (ACT). See also ACT Government, 'Rental properties subject to minimum insulation standards', *Media Release*, 5 April 2023. As found at <https://www.act.gov.au/our-canberra/latest-news/2023/april/rental-properties-subject-to-minimum-insulation-standards> (accessed 2 July 2023).

⁴ Australian Government, 'Billions to boost social and affordable rental homes', *Media Releases*, 28 April 2023. As found at <https://ministers.treasury.gov.au/ministers/julie-collins-2022/media-releases/billions-boost-social-and-affordable-rental-homes> (accessed 2 July 2023).

supply water, electricity or gas must meet minimum efficiency ratings,⁵ the ACT Government requiring all rental properties be fitted with ceiling insulation⁶ and New Zealand where floor, wall and ceiling insulation is required, when reasonably practical to do so.⁷

Recommendation: That the Tasmanian Housing Strategy commit to a review of the *Residential Tenancy Act 1997* (Tas) that includes security of tenure, rent control, pets and strengthening energy efficiency minimum standards.

Focus should be on building more public housing

We are concerned that the Strategy does not see public housing as a key driver of new housing supply. Public housing is not mentioned in any meaningful way and the emphasis is on private investors and community housing providers to provide housing as the following two paragraphs highlight:

While state and local governments will play a role in future housing supply, the majority will be delivered by private industry, community housing providers and the wider not-for-profit sector... By leveraging Australian Government policy settings, we will consider ways to incentivise larger-scale private investment in our housing stock, particularly in the rental sector.

...
It is likely that demand for social housing will continue to grow unless the private sector is encouraged to invest in and deliver quality housing supply, including affordable dwellings, long-term private rentals and medium-density 'missing middle' infill development that maximises our existing social and economic infrastructure.

We strongly believe that the majority of new social and affordable housing should be public housing. In our experience, public housing provides the best outcomes for social housing tenants with higher levels of support provided and less reliance on commencing eviction proceedings.

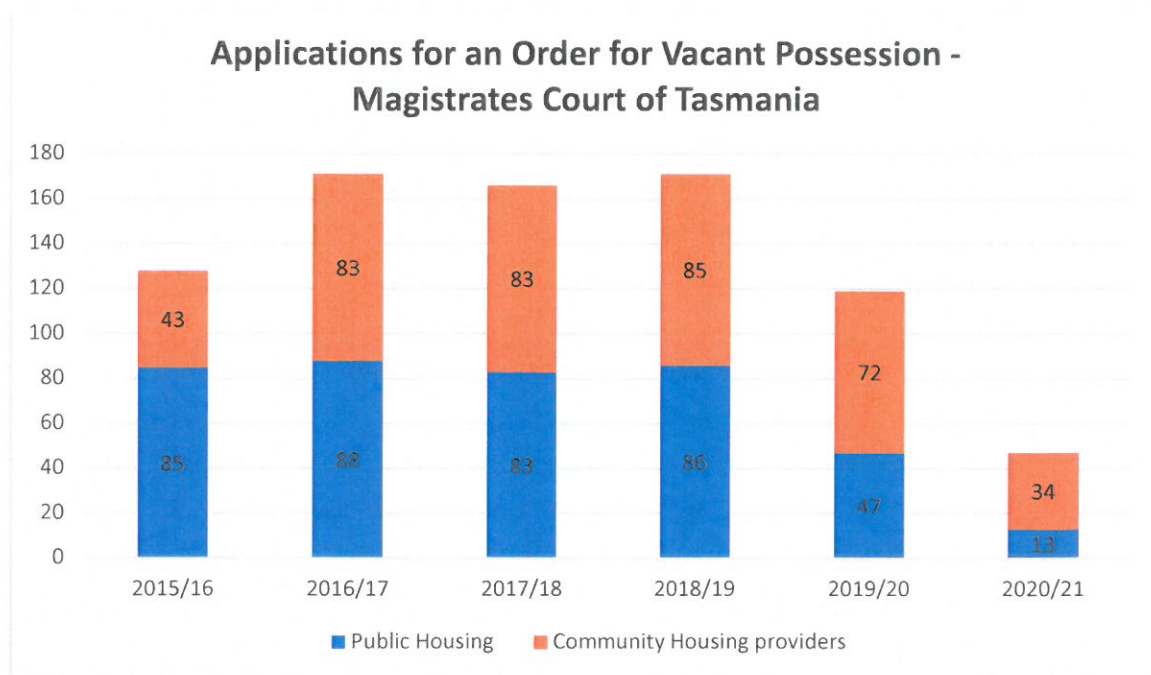
As the graph below highlights, over the last six years the number of eviction proceedings commenced by public and community housing providers has switched. Whilst Housing Tasmania was responsible for 66 per cent of all eviction proceedings six years ago, in the most recent financial year 72 per cent of all eviction proceedings were filed by community housing providers. Expressed in another way, whilst it is increasingly uncommon for Homes Tasmania to commence eviction proceedings in the Magistrates Court, it is much more common place with community housing providers. This data and the trend that it highlights is significant given that in 2021 the Productivity Commission

⁵ Consumer Affairs Victoria, Efficiency standards for replacement appliances and fixtures. As found at <https://www.consumer.vic.gov.au/housing/renting/repairs-alterations-safety-and-pets/gas-electrical-and-water-safety-standards/efficiency-standards-for-replacement-appliances-and-fixtures> (accessed 28 October 2022).

⁶ ACT Government, 'Rental properties subject to minimum insulation standards', Media Release, 5 April 2023. As found at <https://www.act.gov.au/our-canberra/latest-news/2023/april/rental-properties-subject-to-minimum-insulation-standards> (accessed 2 July 2023).

⁷ New Zealand Government Tenancy Services, Insulation in rental properties. As found at <https://www.tenancy.govt.nz/maintenance-and-inspections/insulation-in-rental-properties/> (accessed 28 October 2022).

reported there was a 50/50 split between public and community housing, with 7019 community housing properties and 7031 public housing properties.⁸



We would also note that public housing is more accountable with advocates able to approach the Minister rather than an employee of a community housing provider. Ultimately, the lack of social housing in Tasmania is a Government responsibility and should be addressed by a Government committed to build more public housing.

Recommendation: That the Tasmanian Housing Strategy commit to retaining all existing public housing stock and at least 50 per cent of all new social housing being public housing.

Short Stay Accommodation

We strongly agree with the Strategy that we need infill development that maximises our existing social and economic infrastructure. Reducing urban sprawl by ensuring that residential properties are used as homes rather than as short stay accommodation is one way in which this can be achieved. We strongly believe that the detrimental impacts of short stay accommodation particularly in our largest cities has clearly been demonstrated. Just last week, we released data that found that most entire property short stay accommodation in the Hobart City Council municipality is not being “shared”, has been bought with the intention of using as short stay accommodation and that the average host has 3.2 properties in Tasmania alone with average property wealth of \$2.6M.⁹ This is in addition to earlier research which has found that Hobart short-stay accommodation as a proportion of its total private long-term rental market is much

⁸ Productivity Commission, *Report on Government Services 2023*, Table 18A.3.

⁹ Tenants’ Union of Tasmania, *Meet the Hosts – An analysis of short stay accommodation permit data in the Hobart City Council municipality* (June 2023). As found at <https://tutas.org.au/meet-the-hosts/> (accessed 2 July 2023).

higher than in other Australian capital cities,¹⁰ and that a majority of properties listed as short stay accommodation in the Hobart and Launceston City Council municipalities had previously been listed as long-term rentals.¹¹

As a result, we strongly disagree with the need for “ongoing monitoring”. We believe the Strategy should commit to immediate action including an amendment to the *Short Stay Accommodation Act 2019* (Tas) providing for a cap on the number of nights entire property short stay accommodation can be rented out. As well, short stay accommodation should be considered a ‘discretionary use’ in residential zones providing councils with the ability to consider their impact on local housing conditions.

Recommendation: That the Tasmanian Housing Strategy commit to reform of the *Short Stay Accommodation Act 2019* (Tas) to disincentivise the conversion of entire properties to short stay accommodation.

Affordability in the private rental market

We strongly believe that the Strategy should outline the ways in which it intends to encourage property investors to return their existing properties to the private rental market. As we outlined in our response to the *Tasmanian Housing Strategy Discussion Paper*, there were 2700 properties that sat empty for 12-months during 2021 in the Glenorchy, Hobart and Launceston municipalities alone.

We believe that the Strategy should commit to an empty homes levy as a means of encouraging investors to return their investment properties to the long-term rental market. Better utilisation of existing residential properties addresses the current lack of long-term rental properties, maximises our existing social and economic infrastructure and minimises urban sprawl.

We also believe the Strategy should commit to discouraging land banking with *The Mercury* recently quoting a partner at a major real estate agency in Hobart as stating:¹²

A lot of builders are land-banking property at the moment, buying now for the future. We've had a ton of enquiries from them. Land is scarce throughout greater Hobart... Good land is hard to find, and they're not making any more of it.

One initiative that should be considered is encouraging investors to develop their empty residential zoned land by raising the rates as was recently introduced in the Hobart City Council municipality.¹³

¹⁰ Shelter Tasmania, *Monitoring the impact of short-term rentals on Tasmanian housing markets* (June 2022) Table 6.

¹¹ Shelter Tasmania, *Monitoring the impact of short-term rentals on Tasmanian housing markets* (June 2022) at 26; Shelter Tasmania, *Monitoring the impact of short-term rentals on Tasmanian housing markets* (First Update since the June 2022 Baseline Report) (December 2022) at 11.

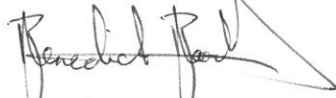
¹² Jarrad Bevan, ‘Build your dream home’, *The Mercury*, 18 May 2023 at 3 (Property Liftout).

¹³ City of Hobart, ‘Rates and Charges’. As found at <https://www.hobartcity.com.au/Residents/Rates/Rates-and-charges> (accessed 3 July 2023).

Recommendation: That the Tasmanian Housing Strategy commit to an empty homes levy and work with local Councils to encourage investors to develop their empty residential zoned land.

If you have any queries, or would like to discuss our submission further, please do not hesitate to contact us.

Yours faithfully,



Benedict Bartl
Principal Solicitor

Tenants' Union of Tasmania
