

# State Budget Consultation Submission 2025-26



WORKING FOR  
A JUST TASMANIA



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Anglicare Tasmania acknowledges the Tasmanian Aboriginal community as the traditional and original owners and continuing custodians of this land lutruwita. We pay respect to Elders past and present.

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## About Anglicare Tasmania

Anglicare Tasmania is a large community service organisation in Tasmania with offices in Hobart, Glenorchy, Launceston, St Helens, Devonport, Burnie, Sorell and Zeehan and a range of programs in rural areas. Anglicare Tasmania's services include: delivering the state-wide Housing Connect Front Door on behalf of the State Government; crisis, short-term and long-term accommodation support; mental health support services; support services following a motor vehicle accident; aged and home care services; alcohol and other drug services; financial and gambling counselling; and family support. In addition, Anglicare Tasmania's Social Action and Research Centre conducts research, policy and advocacy work with a focus on issues affecting Tasmanians on low incomes.

Anglicare Tasmania is committed to achieving social justice for all Tasmanians. It is our mission to speak out against poverty and injustice and offer decision-makers alternative solutions to help build a more just society. We provide opportunities for people in need to reach their full potential through our services, research and advocacy.

Anglicare Tasmania's work is guided by a set of values which includes these beliefs:

- that each person is valuable and deserves to be treated with respect and dignity;
- that each person has the capacity to make and to bear the responsibility for choices and decisions about their life;
- that support should be available to all who need it; and
- that every person can live life abundantly.

For further information about this submission please contact:

Rev. Dr Chris Jones  
CEO Anglicare Tasmania  
GPO Box 1620  
HOBART TAS 7001

Phone: (03) 6213 3562

Email: [c.jones@anglicare-tas.org.au](mailto:c.jones@anglicare-tas.org.au)

Website: [www.anglicare-tas.org.au](http://www.anglicare-tas.org.au)

# Executive summary

Anglicare Tasmania welcomes the opportunity to participate in the community consultation for the 2025-26 State Budget.

Anglicare Tasmania's budget priorities come from recent research and consultation with disadvantaged Tasmanians and the Anglicare frontline team members who work with them.

A lack of affordable housing is the priority issue affecting nearly all Tasmanians to whom we provide support. In all of Anglicare's service areas, and in our research, it has been identified as a key barrier to Tasmanians achieving goals and outcomes. This includes families struggling with the cost of living; women and children seeking to escape domestic violence; older Tasmanians facing housing insecurity; and people living with addictions and/or chronic physical and mental health conditions.

Tasmania has a relatively higher proportion of people who are older, experiencing chronic health conditions and living on low incomes. There is a relatively greater need for housing, community and health services in order for Tasmanians to live their lives to the full. Sustainable funding of these services calls for the State Government's revenue base to be increased and broadened in a way that helps to close the gap between advantaged and disadvantaged Tasmanians.

On this basis, the pressing budget priorities identified by Anglicare Tasmania are:

- increasing affordable housing supply and housing security for Tasmanians who need it most
- establishing a more equitable and sustainable funding base for the provision of community and related government services.

## **Recommendation 1**

### **Housing: increasing social housing supply**

Allocate funding to ensure that the 2027 target to deliver 2,000 social homes by 30 June 2027 is met and increase the projected share of social housing in the 10,000 homes to be delivered by 2032 from 3,109 to at least 6,000 dwellings.

## **Recommendation 2**

### **Housing: ensuring the viability of supported accommodation**

Provide an additional \$500,000 in the 2025-26 budget to cover a shortfall in funding of supported residential facilities for vulnerable Tasmanians and allocate funding over the forward estimates to replace or upgrade these properties in order to reduce ongoing energy and maintenance costs.

## **Recommendation 3**

### **Housing: add existing properties to the residential housing stock**

Implement measures to bring existing properties into the residential housing supply and fast-track implementation of the 'meanwhile use' framework which is due for release by 31 December 2024.

## **Recommendation 4**

### **Implement revenue reforms recommended in the 2024 Independent Review of Tasmania's Finances**

Implement reforms to increase State Government revenue in order to establish a fairer and more sustainable funding base for delivery of community services and social housing to meet current and future demand. Anglicare Tasmania supports the revenue reforms recommended in the Independent Review of Tasmania's Finances released in August 2024.

# 1. Housing: increase new social housing supply

## Recommendation 1

Allocate funding to ensure that the 2027 target to deliver 2,000 social homes by 30 June 2027 is met and increase the projected share of social housing in the 10,000 new homes to be delivered by 2032 from 3,109 to at least 6,000 new dwellings.

## Why this is a priority

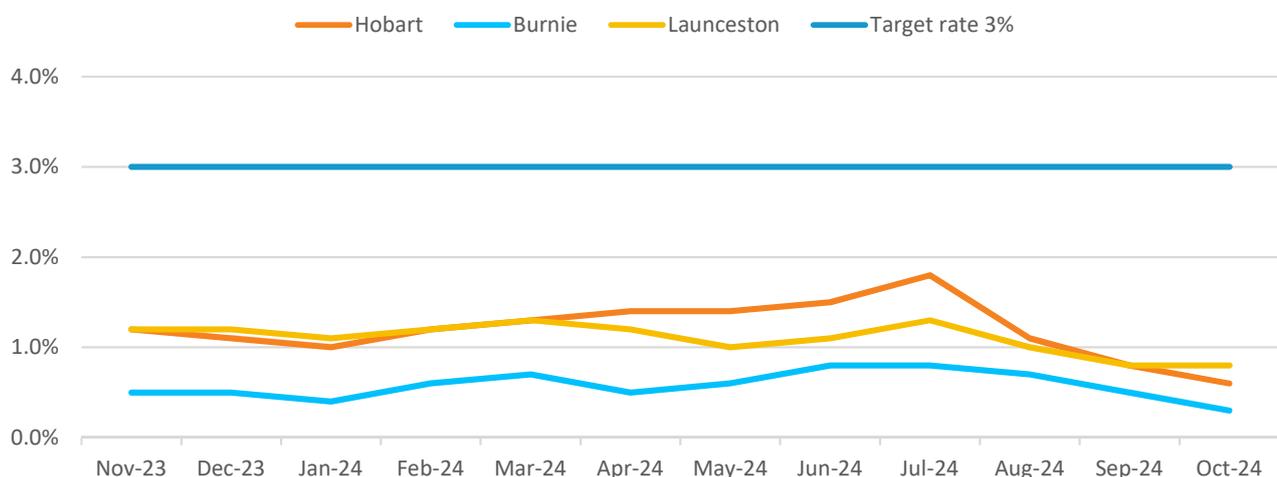
The Tasmanian Housing Strategy seeks to end homelessness in Tasmania by providing safe, appropriate and affordable housing for all Tasmanians (Homes Tasmania 2023a). A lack of affordable housing is a key barrier to:

- addressing family and domestic violence, particularly in North West Tasmania. For more detail see SARC report [Unsafe and Unhoused](#) (Toombs 2024)
- Tasmanian families meeting their essential needs in the cost-of-living crisis. For more detail see SARC report [Stretched Too Far](#) (Cope 2024)
- meeting the primary needs of most Housing Connect clients for long-term secure and affordable housing. For more detail see SARC report [More Houses Needed](#) (Anglicare Tasmania 2024).

For people in the bottom 40% of the income distribution, only social housing is likely to meet their need for affordable housing and enable delivery on the Housing Strategy because:

- the residential rental vacancy rate remains persistently far below the target rate of 3%, falling below 1% in all regions in September and October 2024 (see figure 1). This is resulting in continued upward pressure on rents, house prices and the number of applicants on the social housing register
- the private rental market is unaffordable for people relying on income support or low wages
- people on low incomes are outcompeted for the most affordable rental housing that is available.

**Figure 1. Residential rental vacancy rate by region, Tasmania, 12 months to October 2024** (Homes Tasmania 2024)



Based on data from the Homes Tasmania Housing Dashboard, total demand for social housing in October 2024 was 18,550 dwellings (the sum of 14,563 social housing dwellings and 4,912 applicants on the social housing register) (Homes Tasmania 2024).

The government's commitment to deliver 10,000 affordable homes by 2032 is projected to deliver 3,109 social housing dwellings. 1540 social homes have been delivered to date and the Government has committed to deliver a further 1502 dwellings by 30 June 2027 (Homes Tasmania 2024). **On that basis, only 67 social homes are projected to be delivered between 2027 and 2032.**

The Government is urged to act to ensure that the 2027 target is attained and that the total allocation of social housing in the 10,000 homes is increased to at least 6,000 new dwellings.

Social housing supply should be expanded by building new dwellings rather than transferring existing long-term residential rentals properties from the private market to the pool of social housing. This will:

- help move the rental vacancy rate toward equilibrium (3%) by increasing total supply
- improve housing affordability for all Tasmanians by increasing total supply
- slow growth in housing register applications as housing becomes more affordable in the private market.

## 2. Housing: increase funding for supported accommodation

### Recommendation 2

Provide an additional \$500,000 in the 2025-26 budget to cover a shortfall in funding of Supported Residential Facilities for vulnerable Tasmanians and allocate funding over the forward estimates to replace or upgrade these properties in order to reduce ongoing energy and maintenance costs.

### Why this is a priority

Supported accommodation for vulnerable Tasmanians is an important component of the state's housing system and underpins successful implementation of a Housing First approach.

Anglicare operates a range of supported accommodation facilities state-wide to meet the needs of more than 400 Tasmanians, including those who are:

- homeless or at risk of homelessness
- unaccompanied children who are homeless or at risk of homelessness
- unable to maintain a tenancy in their own right
- in need of low to moderate level personal or living support not provided in social housing or private accommodation.

These facilities include:

- Youth 2 Independence program accommodation across 4 sites
- Supported Accommodation in self-catered units across 4 sites
- Communal Supported Residential Facilities for adults in 4 lodges which are staffed 24/7 and provide support, including three meals a day and some recreational activities.

Operating costs of the Supported Residential Facilities (four lodges) are higher than for other supported accommodation because:

- these are older properties which are less energy efficient resulting in higher maintenance and energy costs
- many clients have higher support needs.

The existing funding model for the lodges does not fully cover all the costs of accommodating residents with low to moderate needs. The addition of people with higher needs compounds the funding shortfall issue. A different funding model is required to ensure residents receive the support that they require.

In 2023-24, energy costs were **24% higher** than the previous year and other costs, including food and catering, property costs and operational costs, increased by 7% in line with the CPI. Funding for the Supported Residential Facilities has not increased proportionately, resulting in a shortfall in funding which is ongoing.

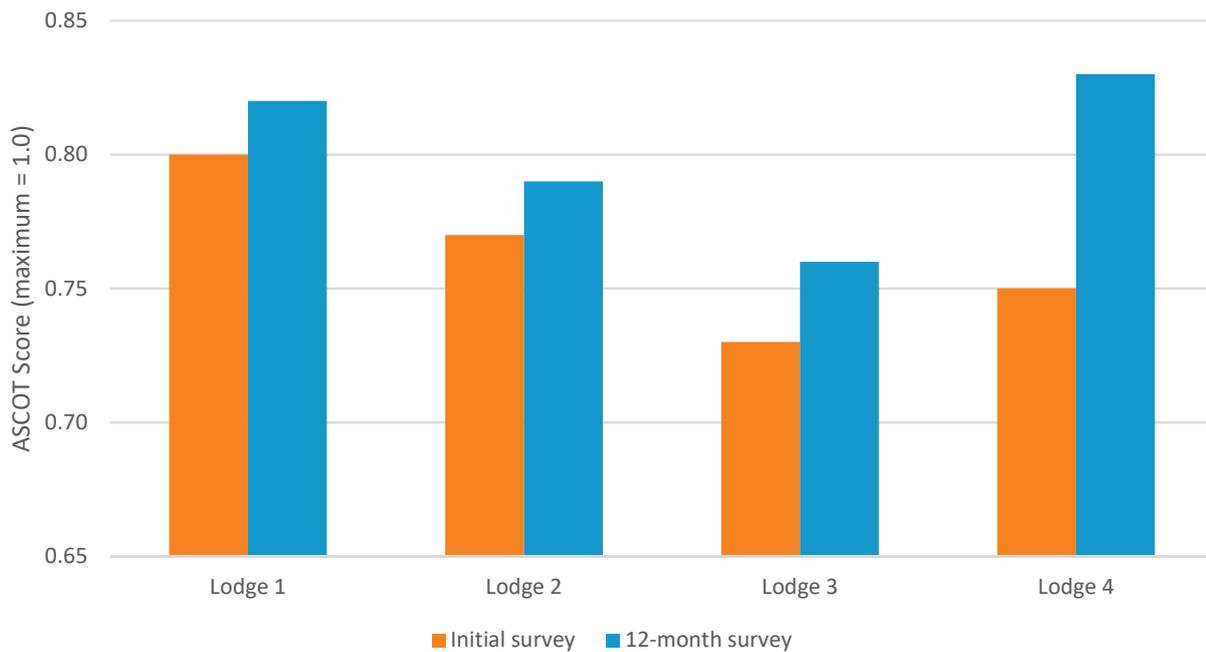
A short-term funding boost of \$500,000 is recommended, accompanied by capital investment over the longer term to reduce maintenance and energy costs at these properties.

## Value of supported residential accommodation

The funding requested from the State Government will support the ongoing delivery of the benefits of supported accommodation including:

- a measurable difference in the quality of life of residents. Anglicare measures the care-related quality of life of residents. Residents in all four lodges report an improvement in their overall average score at 12 months and 24 months compared to their initial assessment (see Figure 1)<sup>1</sup>

**Figure 2 Average ASCOT quality of life scores at initial and 12-month surveys, by lodge**



- avoided health and justice systems costs of homelessness in the order of \$560,000 per year<sup>2</sup>
- improved health outcomes and life expectancy of residents.

Additional supporting information in relation to this recommendation is available on request.

<sup>1</sup> Anglicare measures the care-related quality of life of lodge residents by using the Adult Social Care-related Outcomes Toolkit ('the ASCOT') across eight domains. The ASCOT is a validated tool which reflects a broad capability approach.

<sup>2</sup> Calculated assuming avoided costs in 2024 dollars of \$1945 per male resident and \$12,488 per female resident (Zaretsky and Flateau 2013); 122 residents in lodge accommodation; 75% of residents are male.

## 3. Housing: add existing properties to the residential housing stock

### Recommendation 3

Implement measures to bring existing properties into the residential housing supply and fast-track implementation of the 'meanwhile use' framework which is due for release by 31 December 2024.

### Why this is a priority

The rationale for a rapid expansion in the residential housing supply is discussed under recommendation 1. Building new dwellings is vital in the long term but construction time means that other alternatives are needed to meet immediate needs.

Although the Private Rental Incentive Scheme is an important measure to increase the number of properties that are affordable for people on low incomes, it does not necessarily increase residential housing supply and tackle the shortfall in total housing supply. These benefits only result if the property recruited was not previously occupied as a permanent or long-term residence.

Measures that should be considered to increase the residential housing stock in the short to medium term include:

- incentives to bring unoccupied dwellings into the long-term residential rental market
- incentives to bring short-stay accommodation into the long-term rental market
- an empty homes levy, such as has been recommended by the Tenant's Union or the proposal that will be introduced in Victoria in 2025 (TUT 2023; Pallas 2024).

Ideally, such measures would be dependent on or scaled according to the long-term regional rental vacancy rate. For example, an empty homes levy might apply only when vacancy rates are below a defined threshold (for example, 2.5%).

The Tasmanian Housing Strategy Action Plan 2023-2027 includes delivery of the following action by 31 December 2024:

- 1.1.3 Develop a framework to guide 'meanwhile use' of existing buildings and assets as interim accommodation options (Homes Tasmania 2023b).

It is recommended that implementation of measures in the framework that will augment residential housing supply are fast-tracked with an appropriate allocation of funding.

## 4. Funding: implement revenue reforms recommended in the 2024 Independent Review of Tasmania's Finances

### Recommendation 4

Implement reforms to increase State Government revenue in order to establish a fairer and more sustainable funding base for delivery of community services and social housing to meet current and future demand. The revenue reforms recommended in the Independent Review of Tasmania's Finances are supported by Anglicare Tasmania.

### Why this is a priority

Tasmanians rely on the services and supports provided by the community and health sectors.

Continued delivery of the community services and supports on which Tasmanians rely is contingent on the State Government's financial sustainability. The Tasmanian Department of Treasury and Finance's Fiscal Sustainability Report and an independent review undertaken in 2024 have projected that without policy change, State Government expenditure will continue to exceed revenue with a resultant deterioration in the government's financial position and an increase in net debt (Eslake 2024).

Tasmania's population has been described as 'older, sicker and poorer' than that of other states which results in greater demand for community and health services. However, funding of government services per capita in Tasmania is lower than in other jurisdictions (Eslake 2024; Tasmanian Government 2021). At the same time, real funding for community services has fallen in recent years as funding indexation has not kept pace with rising costs.

Policy interventions to improve the government's financial position should not reduce funding to the community sector, which is already severely underfunded and facing increasing demand as the population ages. The Government says community services are 'integral to our state's economy' and that the supports they provide must be 'sustainable into the future' (Tasmanian Government and TasCOSS 2021).

The Independent Review (Eslake 2024) recommended that:

- policies are implemented to return state finances to a sustainable position
- in order to achieve this, reforms to raise additional revenue should be favoured over cuts to operational expenditure partly because "cutting 'operating' expenses would have a bigger adverse impact on the Tasmanian economy, and on the most needy or vulnerable Tasmanians, than raising revenues by an equivalent amount"
- revenue reform should not only raise additional expenditure but also be fairer in its incidence.

Anglicare Tasmania calls on the State Government to implement the revenue reforms recommended by the Independent Review, including the recommendation that:

- over the longer term, abolishing stamp duty and replacing it with a broadly-based land tax (including owner-occupied residential property) with an appropriate tax-free threshold, provision for asset-rich but income-poor landowners to defer land tax payments as a charge against their

estate, and transitional provisions to avoid 'double taxation' of recent property purchasers (Eslake 2024).

This reform has the added benefit of removing the current preferential treatment of owner-occupiers compared to renters.

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