

State Budget Consultation Submission

2026-27



WORKING FOR
A JUST TASMANIA



SOCIAL
ACTION &
RESEARCH
CENTRE

Contents

About Anglicare Tasmania	3
Executive summary.....	4
1. Housing: scale up investment in social housing	5
<i>Recommendation 1</i>	<i>5</i>
<i>Why this is a priority.....</i>	<i>5</i>
2. Housing: increased funding for supported accommodation.....	8
<i>Recommendation 2</i>	<i>8</i>
<i>Why this is a priority.....</i>	<i>8</i>
3. Funding for Community Services	10
<i>Recommendation 3</i>	<i>10</i>
<i>Why this is a priority.....</i>	<i>10</i>
References.....	11

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.

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
Website: www.anglicare-tas.org.au

Executive summary

Anglicare Tasmania welcomes the opportunity to participate in the community consultation for the 2026-27 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.

Anglicare is experiencing unprecedented growth in demand for both housing support and community services. Most Anglicare community services programs are operating at capacity. For many services, demand consistently exceeds capacity with the gap between demand and capacity continuing to grow.

There is not enough affordable housing for the people who need it and the number of people presenting to the Housing Connect Front Door who are homeless is increasing. This is increasing demand for other services, and the costs incurred in the health and justice systems. It is also reducing labour participation and productivity in the short and long term.

Lack of secure, affordable housing is the highest priority issue to be addressed in the 2026-27 budget.

To avoid a net increase in costs across government services and a decline in labour participation and productivity, Anglicare strongly recommends that:

- a. investment to increase on-ground delivery of secure, affordable housing is prioritised; and
- b. real funding for community services is maintained.

Recommendation 1

Allocate funding and resources in the 2026-27 budget to achieve completion of the 2000 social homes target by 30 June 2027 and allocation of funding over the forward estimates for an additional 3,000 social dwellings (net) between 2027 and 2032.

Recommendation 2

Provide new recurrent funding of \$810,000 per annum to employ an additional 6.5 FTEs across the 8 adult supported accommodation facilities operated by Anglicare to prevent homelessness for vulnerable Tasmanians by implementing a Housing First approach.

Recommendation 3

Maintain real funding for community service programs to support vulnerable Tasmanians and avoid additional higher costs in the health and justice systems.

1. Housing: scale up investment in social housing

Recommendation 1

Allocate funding and resources 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

Homelessness among Tasmanians seeking housing support (58%) is higher than the national average (49%) (AIHW (Australian Institute of Health and Welfare) 2025).

Nygaard (2022) estimated the cost of the affordable housing shortage in Tasmania at **\$16.7 million per annum in 2022, rising to \$23.4 million per annum by 2036** if the then level of under-investment in social housing persisted. An empirical macro-level study of 24 OECD countries (including Australia) found a significant negative impact on labour productivity growth associated with a decline in housing affordability (Gholipour, Farzanegan et al. 2024).

Although investment in social housing has increased since 2022, Tasmania's social housing stock per capita in 2024 was 262 social dwellings per 10,000 population, which was still lower than the 2015 level of 264 social dwellings per 10,000 population.¹ Since 2015, the quarterly weighted median rent index for Tasmania has risen by 83% from \$259 in June 2015 to \$473 in September (TUT (Tenants' Union of Tasmania) 2015, TUT (Tenants' Union of Tasmania) 2025). The persistent deterioration in rental affordability with vacancy rates below 1% means that greater investment in social housing is needed to address the affordable housing shortage.

A body of research provides strong evidence that reducing homelessness and housing insecurity by providing secure, affordable, long term housing result would result in:

- a. **Reduced health care costs in the order of \$6,150 per person housed per year** (findings of (Wood, Flatau et al. 2016) in 2024 dollars) due to decreases in:
 - hospital admissions (Wood, Flatau et al. 2016, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)
 - hospital bed days (Wood, Flatau et al. 2016, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)
 - emergency department presentations (Wood, Flatau et al. 2016, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)
 - the duration of mental health service contact in hours (Wood, Flatau et al. 2016)
 - inpatient psychiatric care days (Wood, Flatau et al. 2016).

¹ Calculated using data sourced from Productivity Commission (2025). "Report on Government Services 2025." Retrieved 1 February 2025, from <https://www.pc.gov.au/ongoing/report-on-government-services/2025/housing-and-homelessness>. and ABS (Australian Bureau of Statistics) (2024). "National, state and territory population." Retrieved May 2024, from <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>.

Importantly, savings in health care costs increase with length of tenancy and tenancy stability. At present, people on low incomes struggle to achieve tenancy stability except in social housing.

b. Reduced justice system costs related to a decline in the number of:

- police incidents (Martin, Reeve et al. 2021, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)
- court appearances (Martin, Reeve et al. 2021)
- criminal charges (Martin, Reeve et al. 2021, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)

The reductions in justice systems costs are in the order of \$5,000 per person in the first year for people allocated social housing on exiting prison (Martin, Reeve et al. 2021).

c. Increasing labour participation and productivity in the short and long term by increasing:

- the ability of lower income households to locate close to employment (Gholipour, Farzanegan et al. 2024)
- education completion rates (Cobb-Clark and Zhu 2015)
- the labour participation rate (Cobb-Clark and Zhu 2015, Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024)

Ruby

Ruby is 20 and, after completing a Certificate IV at TAFE, gained casual work in her chosen field. She enjoys her job, and her employer has indicated that she will be given more hours when they become available. This would be great because the hours she is working at present do not cover her living costs.

Her workmates don't know it, but Ruby has spent the last few months homeless, couch-surfing in Hobart. She was living with her parents, but she left to escape her father's violent outbursts. She has no other family locally and is relying on the goodwill of friends. But their patience is wearing thin, and Ruby would really like to stay in the same place for more than a couple of nights' running.

While she was living with her parents, Ruby received Youth Allowance. Now that she's considered independent, she has applied for Jobseeker Payment. When the paperwork comes through, she is likely to have an income of about \$700 a fortnight and can afford a maximum weekly rent of no more than \$115 a week. This is not enough for a room in a share house anywhere in Tasmania.

The cheapest appropriate accommodation is \$150 for a sharehouse room in Rosetta.

If Ruby takes the room in Rosetta, she will struggle to pay for other essentials, including transport to work which is on the other side of the river. Homelessness is a serious obstacle to Ruby building a career in the field she has trained for.

Affordable and appropriate: 0 (sharehouse, Greater Hobart)

Cheapest appropriate: \$150 (sharehouse room, Rosetta)

- proportion of income available after meeting housing costs to spend on education and training as well as other consumption (Gholipour, Farzanegan et al. 2024).

Providing formerly homeless people with secure housing has been found to increase income from wages and salaries (Fraser, Chun et al. 2023, Ombler, Jiang et al. 2024). Ruby's story, reproduced from the [Rental Affordability Snapshot Tasmania 2024](#), illustrates some of the barriers to labour market participation experienced by people on low incomes.

- d. Contributes to improved affordability for all renters** by increasing supply of rental housing stock.

Anglicare Tasmania research has found that a lack of affordable housing is a key barrier to:

- **addressing family and domestic violence**, particularly in North West Tasmania. See [Unsafe and Unhoused](#) (Toombs 2024) and [Families escaping domestic violence need homes](#) (Social Action and Research Centre 2025)
- **improving mental health outcomes and reducing health expenditure**. For more detail see:
 - [Mind the Gap](#) (Social Action and Research Centre 2025)
 - [Housing is essential for mental health](#) (Social Action and Research Centre 2025)

The increase in demand for housing has been accompanied by an increase in demand for other Anglicare services, including services for mental health, alcohol and other drugs and financial counselling. A lack of secure housing has also adversely affected the ability of clients to engage effectively with these services.

2. Housing: increased funding for supported accommodation

Recommendation 2

Provide new recurrent funding of \$810,000 per annum to employ an additional 6.5 FTEs across the 8 adult supported accommodation facilities operated by Anglicare to prevent homelessness for vulnerable Tasmanians and avoid costs of homelessness incurred in the health and justice systems of between \$810,000 and \$1,600,000.

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 (Tasmanian Housing Strategy priority 2.1).

Housing First is an approach to ending homelessness that prioritises providing immediate access to permanent housing without requiring the recipient to first address issues like substance abuse or mental health challenges. Importantly, once housed, individuals are provided with long-term support services as needed to help them maintain their housing and work towards stability. The guiding principle is that a safe home must be secured before other complex issues can be effectively addressed.

Anglicare's [Mind the Gap](#) (Social Action and Research Centre 2025) and [Housing is essential for mental health](#) (Social Action and Research Centre 2025) reports provide further detail about why appropriate supported accommodation is a vital component of Tasmania's mental health care system with the capacity to reduce overall mental health care costs (see also the response to question 1 of this submission). The average amount of support worker time the individual residents need, given their individual circumstances, capabilities and needs, is greater than it is possible to provide at current staffing levels.

Anglicare's Adult Supported Accommodation Facilities (ASAFs) provide housing for 260 residents at risk of homelessness in:

- Supported Accommodation in self-catered units across 4 sites (low needs ASAFs)
- Communal Supported Residential Accommodation (moderate needs ASAFs, also known as 'Lodges') for adults in 4 lodges which are staffed 24/7 and provide support, including three meals a day and some recreational activities.

The ASAFs support residents at risk of homelessness from re-entering homelessness. Residents are often from backgrounds such as homelessness, relationship breakdown, domestic and family violence, and incarceration. They may have ongoing mental health issues, alcohol and other drug issues, trauma history, and other complex needs.

The average amount of support worker time the individual residents need, given their individual circumstances, capabilities and needs, is greater than it is possible to provide at current staffing levels. Low needs ASAFs have an average support worker to resident ratio of 1:27 and the moderate needs ASAFs (Lodges) have a support worker to resident ratio of 1:38.

Additional resourcing is required to enable the moderate needs ASAFs to operate at a 1:17 staff to resident ratio and the other ASAFs at 1:18. Establishing these ratios is important to enable sufficient staffing to provide residents with the support they need, deliver consistent services across the ASAFs and implement the Housing First approach.

These facilities are currently operating at a loss. 80% of revenue to operate these facilities comes from board and rent paid by residents. The State Government currently contributes recurrent funding at an average of \$3,340 per resident. The funding sought would increase the State Government's contribution to \$6,430 per resident.

The benefits to the State Government in avoided costs of homelessness (health and justice system costs) are estimated at between \$4,600 and \$7,200 per resident depending on the gender ratio of residents (from 25% female up to 50% female, calculated in 2024 dollars based on (Zaretsky and Flateau 2013).

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

- Avoided health and justice systems costs of homelessness of between \$810,000 and \$1,600,000
- Improved health outcomes and life expectancy of residents.
- A measurable difference in the quality of life of residents – Anglicare measures the care-related quality of life of residents. Previous Anglicare research found residents in all four accommodation lodges report an improvement in their overall average score at 12 months and 24 months compared to their initial assessment.² The Chart below shows updated Quality of Life reporting from the four Lodges as of 20 February 2025.

Mean resident quality of life (QoL) scores at the start and end of the first 12 months in residence (score 0 to 1)



² Dr Alexandra King, 2024, *Care Related Quality of Life for Residents of Anglicare's Lodges: Findings from the ASCOT Data*, Anglicare Tasmania.

3. Maintain real funding for Community Services

Recommendation 3

Maintain real funding for community services programs, particularly those which enable people to avoid homelessness.

Why this is a priority

Anglicare Tasmania is experiencing unprecedented growth in demand for both housing support and community services. Most Anglicare community services programs are operating at capacity. For many services, demand consistently exceeds capacity with the gap between demand and capacity continuing to grow.

For example, from May to October 2025, the number of people presenting or referred to Anglicare with:

- **mental health** as a presenting issue was **155% higher** than the total intake to [Anglicare's mental health programs](#) over that period; and
- **alcohol and other drug use** as a presenting issue was **158% higher** than the total intake to [Anglicare's AOD programs](#) over that period.

In 2025, Anglicare programs operating at full capacity and running waitlists included:

- [Anglicare's Drug and Alcohol Treatment Services \(ADATS\)](#) - Statewide
- [Child and Youth Healthy Minds Program](#) – North West and South
- [Financial Counselling](#) - Statewide
- [Relationship Abuse of an Intimate Nature \(RAIN\)](#) – North West.

Depending on the urgency, safety and needs of the client, if a program is full the person may be waitlisted or referred to another service. There may not always be another service with capacity to assist.

Waitlisting is problematic as the effectiveness of many of these supports is dependent on being able to respond when the client is ready to address an issue. This is particularly the case for alcohol and other drug support services.

In other instances, delays may increase safety risks for clients. Waitlisting for some programs (such as RAIN) is 'active' with the worker checking in with the client on a regular basis while they are on the waitlist. Waitlist management reduces the resources available to deliver the program itself.

Given that most programs are operating at capacity, any defunding is likely to result in a net increase in government expenditure due to increased costs in the health and justice systems.

References

ABS (Australian Bureau of Statistics) (2024). "National, state and territory population." Retrieved May 2024, from <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>.

AIHW (Australian Institute of Health and Welfare) (2025). "Specialist homelessness services annual report 2024-25." Retrieved December 2025, from <https://www.aihw.gov.au/reports/homelessness-services/specialist-homelessness-services-annual-report/contents/state-and-territory-summary-data-and-fact-sheets>.

Cobb-Clark, D. and A. Zhu (2015). Childhood Homelessness and Adult Employment: The Role of Education, Incarceration, and Welfare Receipt. *Melbourne Institute Working Papers No. 18/15*. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2665439

Fraser, B., et al. (2023). "Post-housing first outcomes amongst a cohort of formerly homeless youth in Aotearoa New Zealand." *Journal of the Royal Society of New Zealand* **53**(5): 656-672. Available from: <https://doi.org/10.1080/03036758.2022.2088572> .

Gholipour, H. F., et al. (2024). "House prices and labour productivity growth: Evidence from OECD countries." *Construction Management and Economics* **42**(6): 582-589. <https://doi.org/10.1080/01446193.2023.2291082>

Martin, C., et al. (2021). Exiting prison with complex support needs: the role of housing assistance. *AHURI Final Report No. 361*. Melbourne, Australian Housing and Research Institute. Available at: <https://www.ahuri.edu.au/research/final-reports/361>

Nygaard, C. (2022). Consequence of inaction: social and economic losses from the social and affordable housing shortage, Swinburne University of Technology. Retrieved December 2025, from: <https://drive.google.com/file/d/1-PC66l5PktlxV94z00FybgzGof0h-Lob/view>

Ombler, J., et al. (2024). "Five-Year Post-Housing Outcomes for a Housing First Cohort in Aotearoa, New Zealand." *International Journal on Homelessness* **4**(2): 109-125. <https://www.mendeley.com/catalogue/fa974d29-1d37-3093-b668-a39fc5d02bf1/>

Productivity Commission (2025). "Report on Government Services 2025." Retrieved 1 February 2025, from <https://www.pc.gov.au/ongoing/report-on-government-services/2025/housing-and-homelessness>.

Social Action and Research Centre (2025). Families escaping domestic violence need homes. Housing Connect Front Door Service Quarterly Snapshot. Hobart, Tasmania. **March 2025**. <https://www.anglicare-tas.org.au/housing-connect-snapshot/>

Social Action and Research Centre (2025). Housing is essential for mental health. Housing Connect Front Door Service Quarterly Snapshot, Anglicare Tasmania. **June 2025**. <https://www.anglicare-tas.org.au/housing-connect-snapshot/>

Social Action and Research Centre (2025). Mind the Gap: Shaping the mental health system for the people who need it most, Anglicare Tasmania. <https://www.anglicare-tas.org.au/research/mind-the-gap/>

Toombs, G. (2024). Unsafe and unhoused: barriers to addressing domestic and family violence in North West Tasmania. Hobart, Social Action and Research Centre, Anglicare Tasmania. <https://www.anglicare-tas.org.au/research/unsafe-and-unhoused/>

TUT (Tenants' Union of Tasmania) (2015). "Tasmanian Rents: June 2015." Retrieved December 2025, from <https://tutas.org.au/wp-content/uploads/2017/01/Tasmanian-Rents-March-2015-EC.pdf>.

TUT (Tenants' Union of Tasmania) (2025). "Tasmanian Rents: September 2025." from <https://tutas.org.au/wp-content/uploads/2019/11/TasRents-Sep-25.pdf>.

Wood, L., et al. (2016). What are the health, social and economic benefits of providing public housing and support to formerly homeless people? AHURI Final Report No. 265. Melbourne, Australian Housing and Urban Research Institute Limited. <https://www.ahuri.edu.au/research/final-reports/265>

Zaretsky, K. and P. Flateau (2013). The cost of homelessness and the net benefit of homelessness programs: a national study. AHURI Final Report. Melbourne, Australian Housing and Urban Research Institute. **No. 218**. <https://www.ahuri.edu.au/research/final-reports/218>