



**Tasmanian**  
Audit Office

# Provision of social housing

REPORT OF THE AUDITOR-GENERAL  
No. 8 of 2015–16



# Why this audit?

- Significant state expenditure on the provision of public and community housing
- Requests from Parliamentarians
- Included on our *Annual Plan of Work 2013-14*

# Background

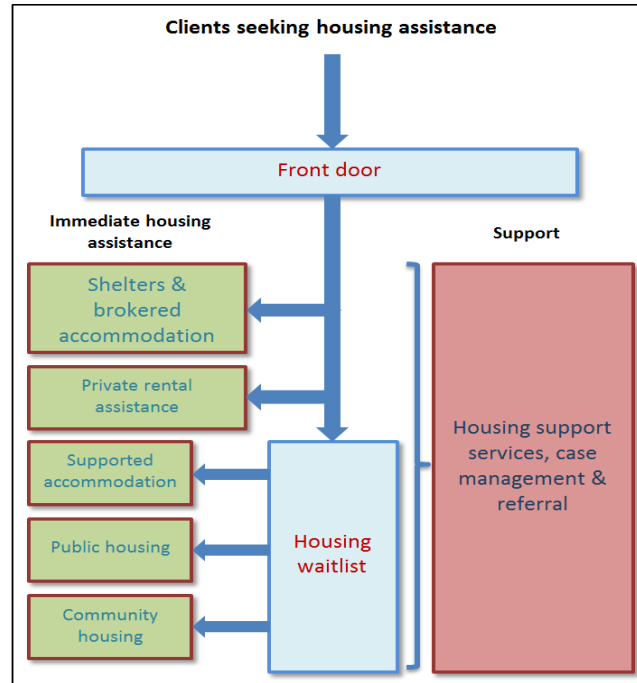
- Rise in the cost of housing
- 7.6% of households in stress
- Housing Tasmania has implemented strategies and involved NGOs to improve provision
- Better Housing *Futures*, transfer of 4000 properties to NGOs
- Housing Connect has improved access

# Audit objective

“to form conclusions on the effectiveness and efficiency of the provision of social housing and other government assistance provided by HT and NGOs to Tasmanians in housing stress”

# Background

- Assessment process at Housing Connect:



# Audit scope

1. Who: HT and NGOs
  - Community Housing
  - Better Housing *Futures*
  - Housing Connect.
2. When: From 2009

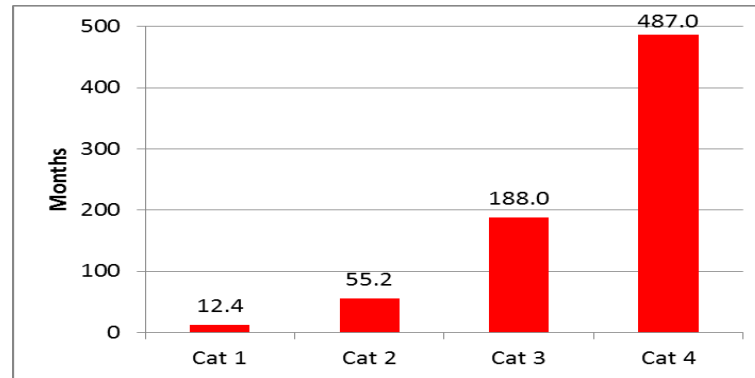
# Chapter 1

Was social housing stock being effectively used to meet the needs of people under housing stress?

# Chapter 1 – Meeting the need?

## Waiting times reasonable?

- HT aims to house Cat 1 applicants within 20 weeks (5 months)



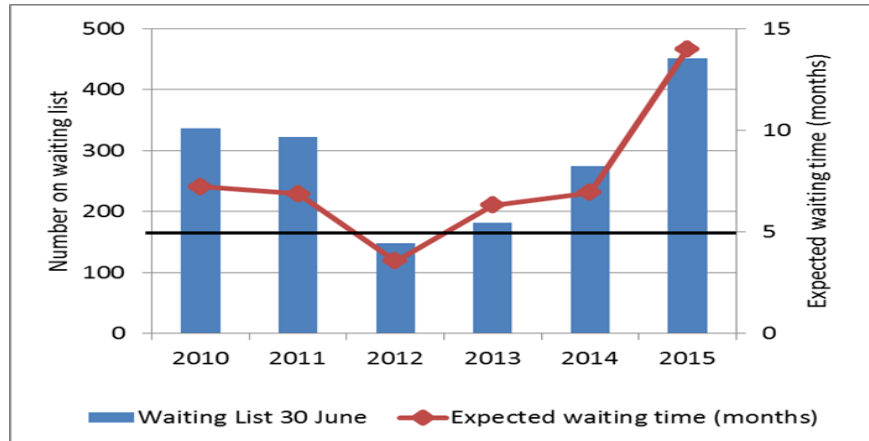
**Finding: HT had been unable in the 2014–15 year to meet its five-month (20 weeks) target.**



# Chapter 1 – Meeting the need?

## Prior HT performance?

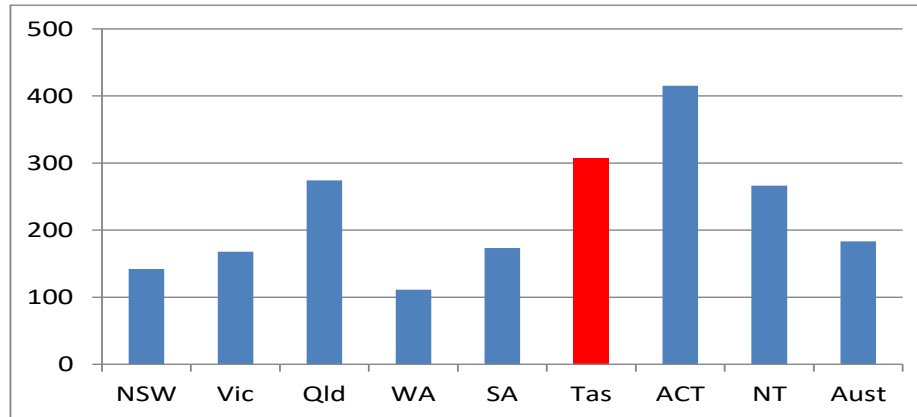
- Expected waiting lists and times for all Cat 1:



**Finding: HT only met its internal target of five months (20 weeks) for Category 1 applicants once (2012) since 2010**

# Chapter 1 – Meeting the need?

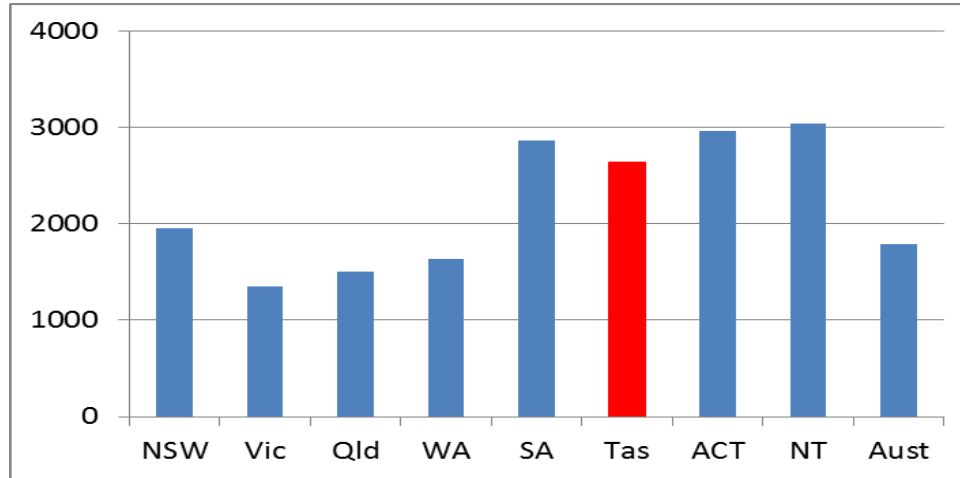
Other jurisdictions – greatest need applicants on waiting lists per 100 000 population:



**Finding: Tasmania had a high number of greatest need applicants per 100 000 population, second only to the ACT**

# Chapter 1 – Meeting the need?

Other jurisdictions – Stock per 100 000 population:



**Finding: Tasmania has 2636 social houses per 100 000 only exceeded by SA and the two territories.**

# Chapter 1 – Meeting the need?

Does accommodation match the assessed need?

Number of bedrooms:

	Bedroom entitlement			
Property bedrooms	1-2	3	4	5 or more
1-2	6322	41	505	0
3	4246	1208	303	24
4	133	90	143	22
5 or more	8	8	91	8

# Chapter 1 – Meeting the need?

## Findings:

- Around 35 per cent of HT properties were under occupied
- About 31 per cent (9557) of bedrooms in HT properties were unoccupied
- The percentage of unused bedrooms was similar to 2010 and 2005

# Chapter 1 – Meeting the need?

## Findings:

### Clients with disabilities:

- 3918 HT households with at least one person with a physical disability compared to 1423 modified HT properties
- Gap had closed over the last decade

# Chapter 1 – Meeting the need?

## Findings:

### Occupancy rates and turnaround times:

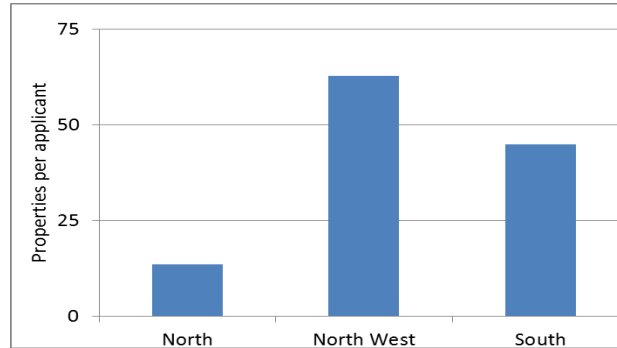
- Rate of 98.5 per cent in May 2015
- Target was 98 per cent
- National average 97.5 per cent
- Turnaround time was 25 days
- Target 28 days

# Chapter 1 – Meeting the need?

## Findings:

### Equity between regions:

- Reasonable equity in supply
- Ratio of stock to Cat 1 applicants:





# Chapter 1 – Meeting the need?

- Sharp increase in Cat 1 waiting list in North:

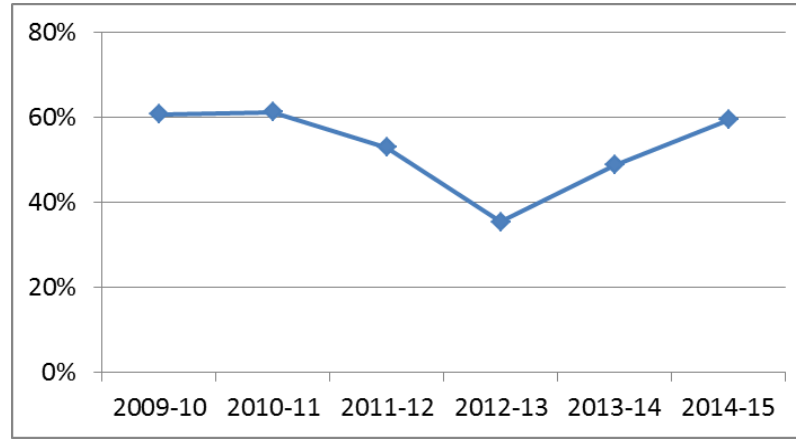
	Jun 2013	Jun 2015	Increase
North West	22	54	145%
North	51	245	380%
South	86	147	71%

- HT was unable to provide an explanation

# Chapter 1 – Meeting the need?

New allocations to those of highest priority:

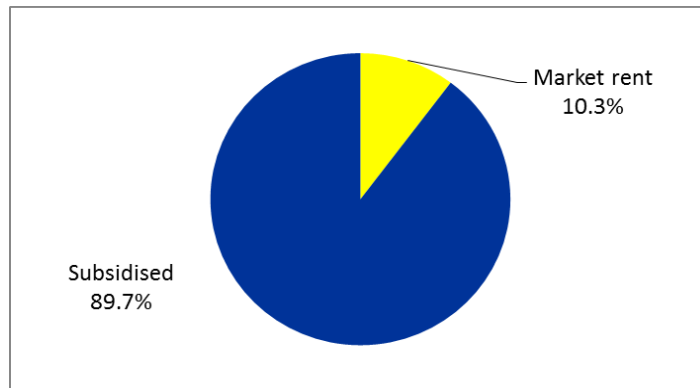
- Proportion of Cat 1 applicants housed



# Chapter 1 – Meeting the need?

## Clients with no further need

- Clients paying market rent:



- Regulations still required to end no-fixed-term leases

# Chapter 2

Had HT developed and implemented new strategies to better meet the needs of people under housing stress?

## Chapter 2 – New strategies?

### Strategic planning?

- *Housing Tasmania Strategic Plan 2012–2017*
- *Affordable Housing Strategy,*
- Lower-level work plans, such as the *Housing Connect Service Implementation Plan*
- We found adequate strategic planning

# Chapter 2 – New strategies?

## Strategies to increase housing stock:

- Variety of programs have provided 1064 new properties
- Half owned by HT
- 572 disposals

**Finding: A small net increase only**

# Chapter 2 – New strategies?

## Strategies to ease housing stress:

Program	Description	Effectiveness
Tenancy Guarantee Program	Eligible private renters to apply for bond assistance	<b>Low:</b> Only provided support to one client to 30 June 2015.
Streets Ahead	Assists low-income applicants to purchase existing HT properties.	<b>Low:</b> Last five years, has reduced from 24 properties per year to ten.

# Chapter 2 – New strategies?

Program	Description	Effectiveness
HomeShare	Director of Housing takes a 30% per cent part-ownership holding in a property purchase.	<b>Moderate:</b> Relaunched with new Affordable Housing Strategy. Increase over the last five years from 61 approvals per year to 117.
National Rental Affordability Scheme (NRAS)	Joint Commonwealth and state government initiative to encourage investors to provide suitable low-income rental housing.	<b>High:</b> Since 2008, over 900 new dwellings have been made available through NRAS.



# Chapter 2 – New strategies?

Program	Description	Effectiveness
Private Rental Assistance	Help to private renters with bonds, arrears and removal costs.	<b>High:</b> Provided low levels of assistance to 3666 households in 2014–15
Commonwealth Rent Assistance	Assistance provided to private renters with affordability issues.	<b>High:</b> ~ \$100m provided annually to 34 per cent of Tasmanian Renters.

# Chapter 3

Had the greater involvement of  
NGOs been effective?



# Chapter 3 – NGO involvement effective?

## Integration with services provided by NGOs?

- On the whole effectively integrated
- Problems with Housing Connect IT system

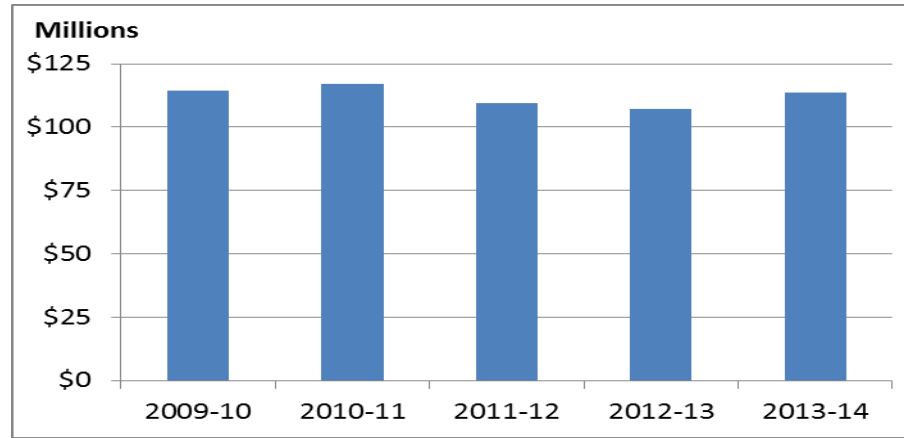
# Chapter 3 – NGO involvement effective?

## Improved service provision?

- Service provision has improved
- Has led to more people applying

# Chapter 3 – NGO involvement effective?

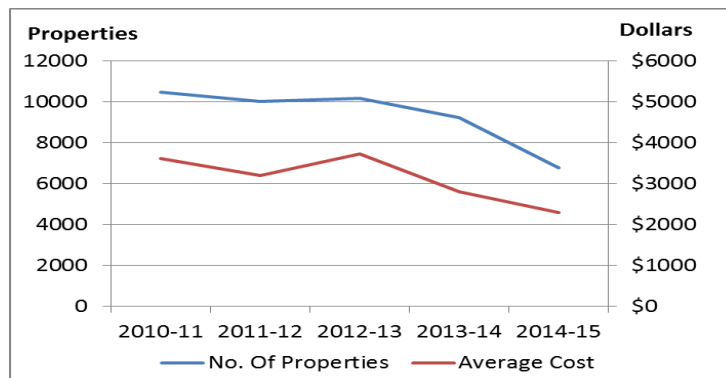
Cost benefits?



**Finding: Only a minor improvement in total expenditure**

# Chapter 3 – NGO involvement effective?

- Maintenance expenditure?



**Finding: Decreased by 46% and on average by 35% per property**

# Chapter 3 – NGO involvement effective?

Monitoring of programs?

## **Housing Connect**

- Performance measures replaced by single measure

## **Better Housing *Futures***

- 35% of measures did not meet target

**Monitoring could be improved**

# Conclusions and recommendations



# Conclusions and recommendations

## Conclusion: Meeting the need?

- Not meeting Category 1 needs to the standard of internal benchmarks or past performance

## Recommendations include:

- Ensure clients in greatest need prioritised
- Better align stock to need
- Encourage eligible tenants to move on

# Conclusions and recommendations

## Conclusions: Strategies and programs?

- HT did undertake adequate strategic planning
- Disposals meant only small net increase
- Effective strategies for relieving housing stress

## Recommendation:

- Review non-performing programs

# Conclusions and recommendations

## Conclusion: NGO involvement effective?

- On the whole effectively integrates services
- BHF has led to cost benefits
- Monitoring of HC could be better

## Recommendations:

- HT implement performance measures for HC
- Follow-up non-compliance

# Management response

## DHHS:

- Generally supportive
- Not happy with our method of calculating waiting times

Any further questions?

