

Commonwealth State Housing Agreement

BILATERAL AGREEMENT

**AS ENTERED INTO BETWEEN THE COMMONWEALTH OF
AUSTRALIA AND THE TASMANIAN GOVERNMENT**

July 2003 - June 2008

Table of Contents

1	INTRODUCTION	4
2	CONTEXT AND ISSUES	5
2.1	Economic and Demographic Changes	6
2.2	Tasmania's Housing Market	7
2.3	Social Housing	8
3	STRATEGIC DIRECTIONS	11
3.1	Meeting the Requirements Under Schedule 1 of the CSHA	13
4	ARRANGEMENTS	15
4.1	Tasmanian Funding	15
4.2	National Housing Data Agreement	15
4.3	Agreement Variations	16
4.4	Publicity and Protocols	16
4.5	Evaluation	16
4.6	Outputs and Targets	16
	ATTACHMENT 1- Principles	17
	ATTACHMENT 2 – Stock Targets	18
	ATTACHMENT 3 – Key Outcomes, Strategies, Activities And Targets	19
	Outcome 1: More responsive and effective housing assistance	19
	Outcome 2: Developing stronger and healthier communities	25
	Outcome 3: A sustainable business	30

BILATERAL AGREEMENT

This Agreement ('Bilateral Agreement') is made on of 2004 between the Tasmanian Government and the Commonwealth ('the parties') to give effect to sub clause 6(1) of the 2003 Commonwealth State Housing Agreement (2003 CSHA) signed between the parties on 11 August 2003. This Bilateral Agreement, made pursuant to subsection 6(3) of the *Housing Assistance Act 1996*, is designed to outline directions for delivery of housing assistance in Tasmania focusing on key areas of strategic interest to the parties.

IN WITNESS WHEREOF the parties have executed this Bilateral Agreement.

SIGNED for and on behalf of the
COMMONWEALTH OF AUSTRALIA
by the Minister for Family and Community
Services,
in the presence of

Witness

SIGNED for and on behalf of the
STATE OF TASMANIA
by the Minister for Health and Human Services,
in the presence of

Witness

1. INTRODUCTION

The Commonwealth State Housing Agreement (CSHA) is a multilateral agreement and is the major mechanism by which the Australian and State governments assist people in housing need to find an affordable and appropriate place to live. Individuals and families may experience disadvantage due to a range of reasons, including lack of work, very low incomes, discrimination, age or ill health. Housing provides a base for participation in education, work and community life. Therefore, assistance through the Commonwealth State Housing Agreement also contributes to the social and economic health of communities.

The 2003 CSHA provides funding until 30 June 2008 for housing assistance. In Tasmania funds available through the CSHA over the period will total \$177.38 million. Annually, this consists of \$25 million Commonwealth funds and around \$10.5 million in Tasmanian Government matching funds¹.

The Australian Government and jurisdictions have agreed key elements of CSHA at a multilateral level. These are:

- It is a five-year agreement.
- Indexation (funding amounts will be increased by the percentage increase of the Safety Net Adjustment (*0.40) and the All Groups CPI (*0.60), rounded to the nearest single decimal place).
- Continuation of tied funding, for the Aboriginal Rental Housing Program, the Community Housing Program and the Crisis Accommodation Program, at current levels.
- Continuation of current Tasmanian Government matching requirements with State funding contributions to equal 48.95% of the Commonwealth's contribution to Base Funding for each of the five years of funding.
- An efficiency dividend of 1%.
- Five per cent of funding contingent on timely reporting and meeting efficiency requirements around work incentives and private sector investment.

The Multilateral Agreement requires the Commonwealth and Tasmanian Ministers with responsibilities for housing to enter into a five year Bilateral Agreement which sets out the specific strategies and targets for housing assistance in Tasmania from 1 July 2003 to 30 June 2008. This Bilateral Agreement sets out the broad strategic directions, activities, milestones and performance measures for 1 July 2003 to 30 June 2008. It identifies

¹¹ Exact amounts subject to indexation and application of efficiency dividend and performance related funding.

Tasmania's specific circumstances and challenges and a variety of strategies to respond to identified state based issues.

National guiding principles for the provision of housing assistance are set out in the 2003 CSHA (see Attachment 1). Consistent with these guiding principles, housing assistance programs and services in Tasmania over the next five years will focus, as detailed in this Bilateral Agreement, on ensuring the following outcomes:

1. more responsive and effective housing assistance;
2. stronger and healthier communities; and
3. a sustainable business.

Areas not detailed within the CSHA Bilateral Agreement.

1. Indigenous Housing

The focus in this Bilateral relates to assistance for Indigenous people through mainstream social housing assistance. As at 30 April 2004 in Tasmania 340 homes are available for rental under the Aboriginal Rental Housing Program (ARHP). In addition to this there are 491 mainstream dwellings occupied by people identifying as Indigenous. Indigenous people will continue to receive assistance under this Bilateral Agreement on the basis of need

Housing Tasmania recognises that there is an issue with people identifying as Indigenous but which may not be recognised by parts of the Indigenous community. To improve data collection and reporting on Indigenous access to mainstream housing services, Housing Tasmania will continue to build on strategies implemented during 2003-04. During 2003-04, questions that seek to determine Indigenous origin on the public rental application were standardised to ABS requirements, and completion of data entry fields on the Tasmanian Housing Information System became mandatory. During 2004-05 awareness by staff and tenants of the relevance and importance of capturing information on Indigenous access will be raised through a number of avenues, including staff training, and the tenant newsletter 'Community Chat'. In addition, Indigenous origin will be updated for household members as part of tenancy officers' annual home visit. In subsequent years additional activities required to improve Indigenous data collection will be undertaken.

Housing Tasmania recognises a significant gap in reporting Indigenous access to Home Purchase assistance, and will actively pursue opportunities to address this issue.

Homelessness and Crisis Accommodation.

In the Department of Health and Human Services the Crisis Accommodation Program under the CSHA is managed by the Housing Tasmania, a division of the Department. The Support Accommodation Assistance Program (SAAP) is

managed within the Child and Family Services division of the same Department. Linkages are achieved through regular Director and project officer level meetings. Joint planning forums are also undertaken, and Crisis Accommodation Program (CAP) priorities are regularly assessed as to whether they complement SAAP initiatives.

The Crisis Accommodation Program is an identified program under the current CSHA and is in the process of being reviewed. SAAP IV is also under review. The outcomes of the review of both Agreements should provide for more effective linkages and services for people who are homeless in the future.

In 2004-05 following consultation with SAAP, Crisis Accommodation Program identified priorities included: a youth shelter, a central intake point for women in crisis and four additional accommodation units for women in crisis in Hobart. Further priorities for CAP will be identified as a result of ongoing consultation and planning exercises.

The Housing Tasmania division is also working with another division of Health and Human Services, Disability Services, to develop a rolling plan for the acquisition and upgrade of existing properties managed by Disability Services.

When developing the *Affordable Housing Strategy (AHS)* a gap was identified in service provision concerning supporting tenancies in the private sector. An initiative under the *AHS* is to carry out a pilot program where a number of key workers are put in place to assist those with more complex needs to maintain their tenancies.

While this initiative is funded solely from State funds, when evaluated if found to produce positive outcomes it could be considered to become an activity funded under the CSHA.

In respect of steps taken to reduce homelessness the parties note that arrangements are in place under the SAAP Memorandum of Understanding and will be supported by a Bilateral SAAP Agreement. The CSHA Bilateral Agreement complements those SAAP arrangements and outlines activities that ensure linkages and partnerships with SAAP and other services.

2. CONTEXT AND ISSUES

The period July 2003 to June 2008 will be an important time of transition for social housing in Tasmania as it adjusts to a changing social and economic environment. Key issues that impact on how housing assistance will be delivered over the period of this Bilateral Agreement are outlined below.

2.1 Economic and Demographic Changes²

Tasmania's population (456,652) is small and decentralised when compared with other States and Territories. In the past, ABS statistics have shown a population decline in Tasmania. Recent net interstate migration figures have seen a change in this trend (with positive net migration being recorded), but migration has had, and continues to have, an impact on ageing trends in Tasmania. This is likely to impact on requirements for affordable and appropriate housing into the future. For example, migration to Tasmania between 1954 and 1974 was mostly young people who stayed and aged in place, contributing to Tasmania having the fastest rate of population ageing compared to Australia as a whole. The more recent pattern is that those migrating into the State tend to be older people, whereas migration out of the State has resulted in a loss of people in the 20-34 age cohort. This increases the number and proportion of people in the State aged 65 and over.

Ageing is one contributor to changing patterns of household formation. In 2001³, there were 181,174 households in Tasmania, an increase of 18,174 (or 10%), since 1991. In addition to population growth, there has been a growth in the number of households. This is a significant driver of housing requirements. At the same time however, household size has decreased from an average of 2.7 to 2.5. The number of lone person households rose from 42,437 in 1996 to 47,353 in 2001. There has also been an increase in the number of single parent households, which rose from 18,268 in 1996 to 20,476 in 2001.

It is likely that the size or need of these and other groups will continue to increase significantly:

- The ABS projects that there will be 58% an increase in the number of older Tasmanians by 2021 and that the proportion of frail elderly will quadruple⁴;
- Currently only 7% of public housing leaseholders are young people but 29% of current applicants for public housing are young people (aged 16-24 years);
- Over 50% of new overseas settlers arriving in Tasmania in 2002-03 were humanitarian entrants.

Of the total number of households, 42% had an income of less than \$599 per week. Data from the 1999 National Housing Survey shows that 26% of low-income Tasmanians outside of social housing are in housing stress. The proportion of households in housing stress is projected to increase to 24,400

² The majority of statistics presented in the section are derived from the 2001 Census: Australian Bureau of Statistics (ABS) (2002), *Basic Community Profile: Tasmania*, Catalogue No. 2001.0, ABS, Canberra.

³ This section uses ABS Census data for 1991, 1996, and 2001.

⁴ ABS (2001), Population Projections, Tasmania, Cat NO. 3222.6, ABS, Canberra.

by 2020. Regardless of economic peaks and troughs in the future, housing stress will remain an issue for significant numbers of Tasmanian households.

Tasmania's relative isolation, small economy, highly decentralised population and limited resource base has contributed to Tasmania having a high level of welfare dependency. Tasmania has the highest percentage of households in receipt of pensions or benefits, leading to the lowest median household income of any State or Territory.

Despite a decrease in the unemployment rate compared to the 2001 Census, Tasmania's unemployment rate remains high compared to the national average. March 2004 figures released by the Department of Employment and Workplace Relations indicate that Tasmania's unemployment rate is 7.2%, compared to the National rate of 6.2%. In terms of regional areas within the State, the unemployment rate is highest in Northern Tasmania at 8.1%, 7% in the South, and lowest in Mersey-Lyell at 6.6%

Currently, compared with other states and territories, Tasmania has the highest proportion of people⁵ in each of the following groups:

- unemployed;
- not in the labor force;
- reliant on income support;
- having a disability (with specific restrictions); or
- receiving the Disability Support Pension.

2.2 Tasmania's Housing Market

Tasmania has had the most affordable private rentals and home ownership in Australia. Although affordability has declined, when compared to the rest of Australia, Tasmania is still one of the most affordable states in relation to housing.

The Commonwealth Bank of Australia - Housing Industry Association Housing Affordability Index measures the ratio of average household disposable income to the qualifying income required for a typical first home loan. In calculating the qualifying income it is assumed that repayments are made on a 25 year loan applying to 80 per cent of the price of a typical property purchased by a first home buyer, and that these repayments are equal to 30 per cent of household disposable income. Prices are based on the 1988 price and are indexed against movements in the market wide median price.

⁵ Australian Bureau of Statistics (ABS) (2002), *Basic Community Profile: Tasmania*, Catalogue No. 2001.0, ABS, Canberra. & SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) (2003), *Report on Government Services 2003*, Productivity Commission, Canberra.

In the June quarter of 2003, Hobart had a housing affordability index of 187.4 and the rest of Tasmania was 235.1, compared with an affordability index of only 118.8 Nationally. In the December quarter of 2003, the Hobart housing affordability index dropped to 138.0 and 191 for the rest of Tasmania. Nationally the Index fell to 98.3.⁶

The private rental market in Tasmania expanded between the 1996 and 2001 census but only to a small degree. Private rental developments are largely at the upper end of the market, with the majority being apartments in high demand areas. This and a number of other factors have translated into a contraction in the low cost end of the private rental market and significant problems with the supply of low cost private rental accommodation in Tasmania, especially for people who have specific or complex needs. In Hobart, the market is currently very tight and has been for some time, with an average vacancy rate of only 2.3% over the last 2 years. While it is difficult to predict future trends, the current buoyant property market in Tasmania suggests that occupancy rates will remain high (and conversely, vacancy rates will remain low).

Contraction in the low cost end of the market is believed to be predominantly a result of increasing home purchase by first home owners and the booming real estate market, which has resulted in many property owners selling. At the same time there has also been an increase in the number of properties being purchased in Tasmania for investment, from 13.2% of total sales in March 2002 to 30.2% in January 2003 however, higher purchase costs mean investors want higher rental returns.

The real estate boom, introduction of the First Home Owners Grant, poor performance of the stock market and a correction from the post GST slump have resulted in increased levels of construction activity in Tasmania. Building approvals for residential property increased from a monthly average of 99 in 2000-01 to 168 for 2001-02. There are issues regarding the capacity of the construction industry to meet these increased levels of activity due to shortages in skilled labor in the State⁷.

With real estate seen as a viable and stable investment alternative and levels of capital growth increasing, there is a greater opportunity to attract private investment into the affordable housing market. However, it is worth noting that while there are opportunities arising as a result of the buoyant market, there are also risks related to the market settling or declining. The impact of market changes, such as increased interest rates, on affordability and supply are unknown and strategies would need to be reviewed if conditions begin to change.

⁶ HIA-Commonwealth Bank Affordability Report, December Quarter 2003, located at https://research.comsec.com.au/ResearchFiles/H/HIA_December_Qtr_2003.pdf

⁷ Australian Bureau of Statistics, *Building Approvals (Tasmania)*, December 2002 Quarter Cat 8731.6

Reports produce by the National Association of Realtors, the Housing Institute of Australia and other analysts suggest that while the housing market may have peaked in Tasmania, it is unlikely that house or land prices will drop by any significant degree. Therefore housing affordability will remain an issue for Tasmanians on low incomes and attempts to re-align public stock to meet client needs is also likely to be affected.

2.3 Social Housing

Social housing comprises public rental housing, community housing and aboriginal rental housing. In Tasmania, the predominant form of social housing is public housing.

Housing Tasmania has had, and will continue to have, a focus on intervening to promote health and well being for individuals and communities by reducing poor housing outcomes. Key components of this are:

- providing quality housing services on the basis of need;
- better linking housing assistance with other services and support mechanisms; and
- working to create conditions that improve the capacity of individuals and communities to secure good housing outcomes for themselves.

2.3.1 Increasing complexity of needs

Public housing in Tasmania is already highly targeted to people who face disadvantage in finding appropriate and affordable housing in the private market. More than 89% of tenants in public rental housing receive a Centrelink or Veterans Affairs payment as their primary income source.

Over the term of this Bilateral Agreement it is expected that housing assistance will continue to be provided to people with specific or complex needs. This is due to:

- increasing numbers of older and frail older people wishing to remain independent within their community⁸;
- increasing numbers of people with an intellectual or physical disability or mental illness combined with a move towards community based care and support⁹;
- a higher proportion of the Tasmanian community living in situations that could precipitate homelessness¹⁰;

⁸ ABS (2001), *Population Projections, Tasmania*, Cat. No. 3222.6, ABS, Canberra.

⁹ There a number of disabilities and mental health issues that are linked with ageing. Compared to other jurisdictions Tasmania has the second highest proportion of people aged 65 years and over. Tasmania also has the highest level of disability with a specific restrictions and second highest level of severe to moderate dementia: Commonwealth Department of Health and Aged Care (2002) *HealthWiz 6.2*, Prometheus Information.

- increasing demand from arrivals through the Integrated Humanitarian Settlement Scheme¹¹; and
- increasing numbers of people reporting and identifying as Indigenous¹².

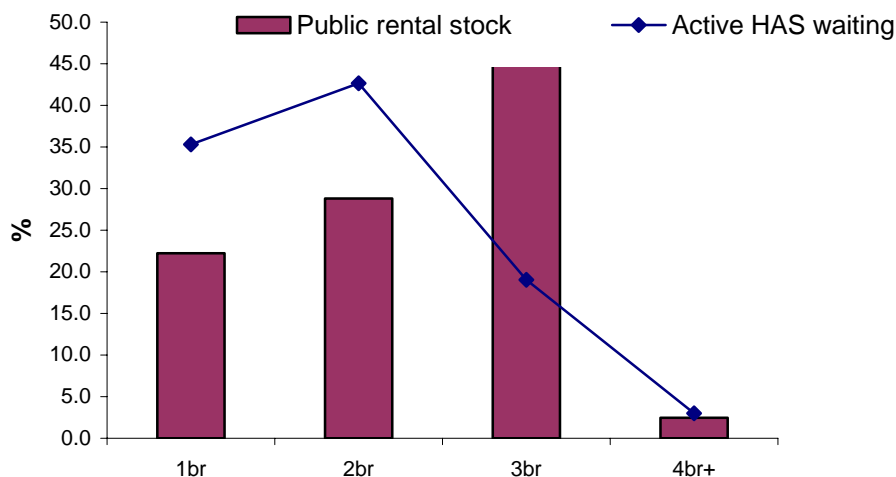
A wider range of housing options is required to meet the individual needs of these people. Housing assistance will need to be provided in conjunction with a range of health and community support services, essential for ensuring these individuals are able to maintain successful tenancies within the community.

2.3.2 Stock condition and configuration

Public housing, with approximately 11,500 dwellings (see Attachment 2 for stock targets) around the State, comprises the majority of Tasmania's social housing and represents more than 6 per cent of total housing stock (i.e. private and public stock). The majority of new allocations are met through vacancies within this stock. Tasmania has the shortest waiting times for public rental housing in Australia.

Figure 1 below shows the mismatch of applicant's entitlement by stock type. Over the life of this CSHA efforts will be made, see strategy 1.1.2, to align stock to client need.

Figure 1: Proportion of applicants on the waiting list by bedroom entitlement by stock availability, Tasmania, 30 April 2004



Source: Tasmanian Housing Information System

¹⁰ For example, the number of clients support through SAAP increased from 85 per 1000 of the population in 2000-01 to 91 per 1000 in 2001-02 (AIHW SAAP National Data Collection).

¹¹ For example, ABS Census data shows that in Tasmania Sudanese Humanitarian Refugees alone rose from 3 in 1996 to about 300 in 2001. Tasmania has the highest proportions of migrant settlement to non-metropolitan areas in Australia (DIMIA 2002)

¹² 3.4% of the Tasmania population identified as Indigenous in the 2001 census compared to 2.6% in the 1996 census.

The appropriateness of these properties becomes critical if allocations are to meet the needs of individuals and families. Significant challenges are posed here, in particular:

- most of the current demand for homes is for one and two bedroom homes while only about half of the stock is of this configuration;
- much of the public housing portfolio is now ageing significantly and requires considerable investment or replacement if standards are to be maintained into the future; and
- relatively small numbers of properties are well located to support services in contrast to the number of applicants with specific or complex needs requiring closer proximity to services.

Housing Tasmania produces a Strategic Asset Management Plan (SAMP) every four years. In the SAMP for 2004-2008 the focus is on re-profiling stock to match client needs through the acquisition, sale, upgrade or development of new accommodation units. Reporting against the Bilateral Agreement performance measures will focus on outcomes achieved in respect of aligning stock with client need.

The capital allocation under the current CSHA is insufficient to enable the number of public stock to be either maintained at stable levels or increased. Further, given the size of the capital program realigning stock to client demand will in all likelihood take longer than the life of the current CSHA.

A further consideration slowing the re-alignment process is the current housing market. At present the market is such that for every three properties sold by Housing Tasmania as part of the stock realignment process, only one new one can be built. While it is difficult to forecast future market movement, it is likely that over the term of this Bilateral Agreement there will be a gradual reduction in overall numbers of public housing.

Through the *AHS* the Tasmanian government has recognised the importance of social housing and has committed additional funding for the acquisition of additional dwellings. As a result of the *AHS* it has been possible to reduce the number of sales of public rental dwellings and therefore better maintain the core social housing portfolio.

Over the life of this Agreement, the Tasmanian Government will be moving towards a wider range of housing responses, which are more flexible and responsive to individual and local needs. While targets have been set (see Attachment 2) for total dwelling numbers, sales and transfers for the 2003-04 and 2004-05 period, the achievement of these targets will be affected by market conditions and through taking up opportunities for leveraging private sector finance and increasing the supply of affordable housing generally. The overall outcome of both the CSHA capital program and the *AHS* will be a better alignment of social housing stock to client need while maintaining a core of public housing stock.

2.3.3 Concentrations of disadvantage

Approximately 35% of public housing stock is located in large housing estates or broadacres on the periphery of urban centres. The majority of this stock is three bedroom houses.

There is a concentration of very young single parent families in receipt of government pensions and benefits on these estates. There are often fewer local opportunities for people who live in broadacre areas to participate in the workforce. Additionally, people living in broadacre areas frequently have by lower levels of educational achievement, higher levels of unemployment, poorer health and higher levels of social problems, such as family violence. This has led to communities being under stress because of social and economic disadvantage.

Dedicated government and community efforts at urban renewal have delivered significant improvements in these areas. Despite this, these estates continue to require significant re-profiling and investment in community development, as well as improvements in social and physical infrastructure.

In some cases disadvantage may not be concentrated geographically. In particular, Indigenous people continue to be significantly over represented across all indicators of disadvantage regardless of their location.

Housing Tasmania continues to participate in and promote opportunities for community capacity building. It is anticipated that such activities will result in more vibrant and stable communities.

3. STRATEGIC DIRECTIONS

The Tasmanian government has recognised the importance of social housing and has injected an additional \$45 million into Housing Tasmania through the *Affordable Housing Strategy (AHS)*. The Strategy is a system wide approach intended to increase the supply of social housing, and provide options for assistance across tenure types, including public rental, private rental, home ownership and community housing. The aim of this strategy is to ensure that there is safe, adequate and affordable housing for Tasmanians who receive low incomes and/or have specific needs, into the future.

The *AHS* has a far wider focus and intent than the *CSHA*. The *CSHA* is aimed at providing appropriate, affordable and secure public housing assistance for those most in need and especially those with complex or special needs. This is a much narrower focus than in previous years where the *CSHA* was intended to provide assistance to a broad range of low-income population groups.

The *AHS* was developed within key Tasmanian State Government and DHHS frameworks. The Tasmanian Government has committed to a 20-year social, environmental and economic plan (*Tasmania Together*) which includes the following benchmarked goals which support access to affordable housing:

- *Ensure all Tasmanians have a reasonable standard of living with regard to food, shelter, transport, justice, education, communication, health and community services.*
- *To have a community where people feel safe and are safe in all aspects of their lives.*

Housing Tasmania sits within the Department of Health and Human Services (DHHS). The DHHS has twelve strategic priorities that support the goals of *Tasmania Together*. “Ensuring Affordable Housing” is one of these strategic priorities. Other priorities, which align with the key objectives of the CSHA Multilateral include: “Building Community Capacity”; “Better Management of Complex, Exceptional Cases”, “Improving Quality and Safety”; and “Strengthening Primary Health and Community Care”.

The *Affordable Housing Strategy for Tasmania* was launched on 15 December 2003. The Strategy presents a four-year strategic framework for the delivery of affordable housing in Tasmania. It provides an exciting and challenging new direction, which includes:

- Increasing the supply and appropriateness of affordable housing across public rental, private rental, community housing and home ownership.
- Increasing the level of support through a range of assistance programs targeted at those most in need.
- New ways of conducting business – working closely with key stakeholders and developing partnerships across government and with communities, local councils, private investors, the building industry and the not-for-profit sector.
- A vision to grow and diversify the affordable housing sector characterised by alternative funding sources, and new ways of managing and delivering housing services.

The *AHS* is outside CSHA planning and accountabilities, but shows demonstrated performance against Schedule 1 of the CSHA intent regarding leverage of alternate financing into the housing system.

The measures outlined in this Bilateral Agreement have been designed to meet the challenges posed by a complex and changing social and economic environment and to deliver housing assistance that maximises the health and wellbeing of individuals and communities.

In this Bilateral Attachment 3 outlines the Objectives, Strategies, Activities and Targets for each of the three key outcomes for the period 2003-2008.

Generally, the activities presented are of a significant or strategic nature but it should be noted that because of Tasmania’s small population size, there is often flexibility to trial innovative ideas on a small scale and/or in an ad-hoc way to respond flexibly to opportunities as they arise. Much of the work of this type falls within the area of community capacity building and might include

things like establishing clothes swaps, community gardens, police houses etc. While these are not articulated as planned activities, Tasmania would share lessons learnt from such activity through the annual Bilateral Outcomes Report.

The Tasmanian Government will ensure that the activities it undertakes for the purposes of achieving the outcomes required under this Bilateral Agreement are designed to achieve best value for money for funding provided through this Agreement. Best value for money means the best possible outcome that can be achieved taking account of all relevant costs and benefits (including non financial / quality benefits).

3.1 Meeting the requirements under Schedule 1 of the CSHA

A number of activities will be undertaken during the life of the CSHA that support the intent of Schedule 1. Schedule 1 outlines performance requirements in relation to five per cent of base funding. Between July 2003 and June 2008 the Tasmanian Government will involve the private sector, community and local government in the provision of social housing in the following ways:

Strategies:

Principle 1: maintain core social housing

- 1.1.1 Develop a comprehensive planning approach that increase and improves affordable housing options and achieves synergies
- 1.1.2 Improve asset management to provide better housing options across social housing.
- 1.3.1 Facilitate indigenous peoples access to affordable housing, including mainstream public housing
- 2.4.2 Expand access to affordable housing for Indigenous people

Principle 6: Leverage additional resources into social housing

- 2.3.1 Ensure opportunities for the development of diverse funding, delivery and management arrangements for suitable and affordable housing

The Tasmanian Government will undertake the following actions to better understand the nature of the barriers to the social housing system, and towards reducing or removing barriers to employment for social housing tenants:

Strategies:

Principle 7: Housing Assistance supports workforce participation

- 2.1.1 Reduce workforce disincentives and provide employment and skills development opportunities for social housing tenants
- 1.1.3 Improve service provision to clients within social housing (contains activity about rent modeling)

In addition to Schedule 1 the Bilateral also has a focus on improving housing outcomes for Indigenous people.

Principle 4: improve Indigenous housing outcomes

- 1.1.1 Facilitate Indigenous peoples access to affordable housing, including mainstream public
- 2.4.2 Ensure opportunities for the development of diverse funding, delivery and management arrangements for suitable and affordable housing.

Activities and targets around these strategies are provided in Attachment 3.

4 ARRANGEMENTS

Funds available for housing assistance under this Bilateral Agreement include Commonwealth financial assistance and Tasmanian Government funding contributions set out in the table below:

4.1 Tasmanian Funding (CSHA)

Table 1: Funding provided by the Australian Government and State Government for the 2003-08 CSHA

	Commonwealth Funding				Tasmanian Government Funding	Total New Funding Available ('000)
	Base Funding ('000)	ARHP ('000)	CAP ('000)	CHP ('000)	Matching ('000) (b)	
2003-2004	21,189	696	951	1,534	10,372	34,742
2004-2005 (a)	21,411	696	963	1,554	10,480	35,104
2005-2006 (a)	21,636	696	976	1,574	10,591	35,473
2006-2007 (a)	21,864	696	988	1,594	10,702	35,844
2007-2008 (a)	22,095	696	1000	1,614	10,815	36,220

Notes:

- (a) All figures for 2004-05 to 2007-08 are estimates only. Actual figures will be calculated at the beginning of each financial year with indexation and efficiency dividends applied. Furthermore, 5% of base funding is contingent on meeting agreed performance objectives.

- (b) Tasmanian Government funding is a minimum contribution. The Tasmanian Government may commit more for affordable housing during the period of the CSHA.
- (c) For December 2003 to December 2005 the State Government committed an additional \$45million for affordable housing in Tasmania.

4.2 National Housing Data Agreement funding

Tasmania agrees to participate in, and fully commit to, the ongoing development and implementation of the National Housing Data Agreement (NHDA) and the funding of national housing research through the Australian Housing and Urban Research Institute. Tasmania will pay its per capita share of the national funding to be used for these purposes.

4.3 Agreement Variations

The Commonwealth Minister or the Tasmanian Government Minister may seek to renegotiate this Bilateral Agreement. This Bilateral Agreement may be varied only in writing between the Commonwealth Minister and the Tasmanian Government Minister.

4.4 Publicity And Protocols

The parties will, in all publicity and announcements concerning policy, programs and services, or other initiatives for which Commonwealth and Tasmanian Government funding is provided for the purposes of this Bilateral Agreement, recognise and acknowledge the Commonwealth and Tasmanian Government contributions to funding.

The contact position in FaCS is the Director of the Commonwealth State Housing Agreement Section.

The contact position in Housing Tasmania is the Deputy Director, Housing Tasmania.

4.5 Evaluation

The parties agree that this Bilateral Agreement is the main instrument for articulating housing assistance objectives and outcomes for Tasmania for 2003-08.

Additionally, Tasmania will continue to contribute data as specified in the National Housing Data Agreement.

Tasmania will work with the Commonwealth and other jurisdictions to agree a core set of nationally consistent indicators for the National Housing Data Agreement. Data provided towards indicators will be meaningful and measurable in the Tasmanian context.

Tasmania will provide input into the evaluation of the Multilateral Agreement so that it is completed by no later than June 2007.

4.6 Outcomes And Targets

Outputs and stock targets for housing assistance provided under this Bilateral Agreement for the 2003-2004 and 2004-05 financial years have been outlined in tabular format in Attachments 2 and 3. Outputs and stock targets for housing assistance for each of the subsequent years of the 2003-2008 CSHA will be agreed (in writing) between Tasmania and the Commonwealth no later than:

- (i) 1 May 2005, for the third year of the Agreement;
- (ii) 1 May 2006, for the fourth year of the Agreement; and
- (iii) 1 May 2007, for the fifth year of the Agreement.

Performance will be assessed against the targets and measures outlined, with targets being derived from activities and strategies which support the desired outcomes and objectives.

Reporting will be through the Bilateral Outcomes Report, with the format to be agreed between the Australian Government and the Tasmanian Government by 30 June 2004.

Attachment 1: Principles

The principles guiding the Commonwealth and the States in the development of this Agreement are:

1. to maintain a core social housing sector to assist people unable to access alternative suitable housing options.
2. to develop and deliver affordable, appropriate, flexible and diverse housing assistance responses that provide people with choice and are tailored to their needs, local conditions and opportunities.
3. to provide assistance in a manner that is non-discriminatory and has regard to consumer rights and responsibilities, including consumer participation.
4. to commit to improving housing outcomes for Indigenous people in urban, rural and remote areas, through specific initiatives that strengthen the Indigenous housing sector and the responsiveness and appropriateness of the full range of mainstream housing options.
5. to ensure housing assistance links effectively with other programs and provides better support for people with complex needs, and has a role in preventing homelessness.
6. to promote innovative approaches to leverage additional resources into the social housing system, through community, private sector and other partnerships.
7. to ensure that housing assistance supports access to employment and promotes social and economic participation.
8. to establish greater consistency between housing assistance provision and outcomes, and other social and economic objectives of government, such as welfare reform, urban regeneration, and community capacity-building.
9. to undertake efficient and cost-effective management which provides best value to governments.
10. to adopt a co-operative partnership approach between levels of government towards creating a sustainable and more certain future for housing assistance.
11. To promote a national, strategic and integrated approach to housing and related policy, and a long term vision for housing in Australia, through the development of a national housing policy over the period of the Agreement.

Attachment 2

Table 2: Outputs and Stock Targets (CSHA Funded) for 2003-04

	Public Rental Housing		Community Housing Program		Aboriginal Rental Housing Program		Crisis Accommodation Program	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
STOCK								
Stock at beginning of financial year		12,004		313		334		119
Total additions	51		8		6		2	
¹ Purchases	31		1		6		2	
Constructions	20		7		0		0	
Total deductions	338		0		0			
Sales	300		0		0			
Demolitions	38		0		0			
Stock at end of financial year	11,717		321		340		121	
ASSISTANCES²								
New allocations (incl. transfers)	1,560		n/a		90		n/a	
Total households assisted	13,180		n/a		410		n/a	

ASSISTANCE THROUGH OTHER PROGRAMS

	Home Ownership Assistance Program		Private Rental Support		Purchase Contracts	
	Target	Actual	Target	Actual	Target	Actual
New allocations	200		4300		Nil	
Total households assisted	N/a		n/a		950	

¹ 14 additional purchases were made via investment of \$3m from the Tasmanian Government's ESI Fund. These funds are additional to the CSHA.

² Assistance targets are not established for Community Housing or Crisis Accommodation Programs, as services are delivered by providers external to Housing Tasmania.

Table 3: Outputs and Stock Targets (CSHA Funded) for 2004-05

	Public Rental Housing		Community Housing Program		Aboriginal Rental Housing Program		Crisis Accommodation Program	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
STOCK								
Stock at beginning of financial year		11,717		321		340		119
Total additions	11¹³		16		5		7	
<i>Purchases</i>	8				5 ¹⁴		5	
<i>Constructions</i>	3		16				2	
Total deductions	174				2			
<i>Sales</i>	150				2			
<i>Demolitions</i>	24							
Stock at end of financial year	11,554		337		343		126	
ASSISTANCES²								
New allocations (incl. transfers)	1,400				80		n/a	
Total households assisted	12,800				415		n/a	

ASSISTANCE THROUGH OTHER PROGRAMS

	Home Ownership Assistance Program		Private Rental Support		Purchase Contracts	
	Target	Actual	Target	Actual	Target	Actual
New allocations	200		4300		Nil	
Total households assisted	N/a		n/a		950	

¹³ The State Department of Treasury and Finance has required very conservative cash disclosures in the Budget papers. Housing Tasmania is confident of achieving a better result, and subject to market forces, anywhere up to an additional 74 units of stock will be achieved for the financial year. Further the Tasmanian Government has committed an additional \$30 million in capital funds to support the *Affordable Housing Strategy*. The Budget allows for \$10 million to be expended in the 2004-05 year, which should deliver an additional 51 units of stock.

¹⁴ Figure assumes that the 2003-04 allocation of \$696 will be available for 2004-05.

² Assistance targets are not established for Community Housing or Crisis Accommodation Programs, as services are delivered by providers external to Housing Tasmania.

