

Homes Tasmania Corporate Plan 2023–2026

**Homes
Tasmania**

Building homes,
creating communities.

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Introduction

Homes Tasmania was created under the *Homes Tasmania Act 2022* and commenced on 1 December 2022.

Our first three-year corporate plan provides our statement of intent in response to the Statement of Ministerial Expectations and delivers on the requirement of section 25 of the *Homes Tasmania Act 2022*.

It does this by articulating our purpose, our strategic direction and our goals, and how we will measure our success for this period:

1. Increase housing supply
2. Collaboration and partnership
3. Improve the operating environment
4. Support and develop people.

These goals will be further developed with the finalisation of the most significant piece of housing policy in Tasmania's history, the 20-year Tasmanian Housing Strategy and associated action plan.

The corporate plan also outlines Homes Tasmania's financial plan for the first year of operation.

Our focus is on providing Tasmanians with more affordable housing opportunities that allow them to continue to improve their housing situation and access all the opportunities that better housing makes possible.

As the steward of the housing and homelessness system, Homes Tasmania will work closely with our partners across all levels of government and the non-government sector to increase these opportunities and build a more resilient housing market for all Tasmanians.

Homes Tasmania owns around \$3.5 billion in housing assets and it is our duty to optimise the strategic use of those assets, including providing good quality, energy-efficient homes to Tasmanians in need.

We will do this by being a values-based organisation that is bold, has heart, trusts and adapts, and supports our people, partners and infrastructure to achieve our goals.



Eleri Morgan-Thomas
Chief Executive Officer, Homes Tasmania
10 August 2023



Michele Adair
Chair, Homes Tasmania Board
10 August 2023

Our purpose

Statement

Building homes, creating communities.

The Minister's Statement of Expectations states that the primary purpose of Homes Tasmania is:

to provide housing and housing assistance to eligible Tasmanians and to strategically manage and develop housing across Tasmania, giving consideration to the requirements of the complete housing continuum, and to best meet the needs of all Tasmanians, both now and into the future.

Overview

Homes Tasmania is building opportunities for people in need by delivering the Tasmanian Government's 10-year, \$1.5 billion plan to provide an additional 10 000 social and affordable homes by 2032.

We work with government, industry, the private sector, and the social housing and homelessness sectors to improve the housing market and provide more housing opportunities for people in need.

Homes Tasmania oversees Tasmania's housing and homelessness system and is responsible for directly delivering tenancy services.

Homes Tasmania owns a portfolio of about 13 000 properties that are primarily used for social housing. About 5 600 properties are managed by Homes Tasmania and about 6 000 properties are managed by community housing providers.

A further 1 400 properties are leased to housing support providers to provide short-term crisis and transitional accommodation, supported accommodation or specialist accommodation.

We will ensure we continually improve our social housing management practice and include the lived experience of our tenants and applicants and the expertise of the housing and homelessness system providers to deliver better services for Tasmanians.

A more resilient and diverse housing market will deliver increased benefits for Tasmanians, allowing them to continue to improve their housing situation and access all the opportunities that better housing makes possible.

One of our first tasks will be finalising the 20-year Tasmanian Housing Strategy on behalf of the Tasmanian Government to deliver a more sustainable housing market. The Tasmanian Housing Strategy will address key Government policy priorities as outlined in the Ministerial Statement of Expectations, including:

- delivering new affordable housing solutions to meet current and future targets
- taking a people-focused approach that places clients at the centre of decision-making
- engaging people with lived experience
- taking housing-in-all-policies and housing-first approaches
- managing the housing and homelessness system
- aligning our policies with the Tasmanian Women’s Strategy, Child and Youth Wellbeing Strategy, and the Tasmanian Wellbeing Framework
- enhancing planning reform to deliver new homes faster and more efficiently
- collaborating across Government, industry and the housing and homelessness system
- meeting our financial and performance targets.

Governance

Homes Tasmania’s structure and governance arrangements will enable the delivery of more homes for Tasmanians.

The inaugural Homes Tasmania Board commenced on 1 December 2022. The six Board Directors bring Tasmanian, interstate and national perspectives.

They have strong skills in governance, property development, data analytics, legal, planning, social and affordable housing, homelessness, and housing support services. The CEO of Homes Tasmania reports to the Board and Homes Tasmania has a close working relationship with the Minister for Housing and Construction.

The work of Homes Tasmania is guided by the Ministerial Statement of Expectations, which includes a requirement to develop a three-year corporate plan.



Objectives

Homes Tasmania's overall objective is to provide housing and homelessness assistance to eligible Tasmanians and to strategically manage and develop affordable housing solutions across Tasmania that meet the diverse needs of all Tasmanians, both now and into the future.

Our proposal will develop new housing models and ensure housing solutions best meet the diverse needs of all Tasmanians and are informed by lived experience, the expertise of our housing and homelessness system, and collaboration with our partners.

To achieve these goals, Homes Tasmania will be a values-based organisation that is bold, has heart, trusts and adapts, and supports our people, partners and infrastructure.

Housing need

Homes Tasmania must think and act innovatively to address Tasmania's housing needs and help improve the State's housing market.

We need to deliver different types and styles of housing than we have in the past, such as more infill development and medium-density housing, to take advantage of existing services and infrastructure, reduce impacts on the transport system, and ensure people can live closer to where they work.

Homes Tasmania will examine different models for the design, operation and delivery of housing, and seek to partner with the not-for-profit sector and private industry to pilot different housing types.

The range of housing we deliver needs to cater for all ages and stages of life and personal circumstances, including:

- women or men with or without children
- people experiencing family or community violence
- Aboriginal Tasmanians
- people with disability
- people exiting prison or institutional care
- culturally and linguistically diverse communities.

Housing is central to Tasmania's ambitions for growth and continued economic prosperity. Providing sufficient housing for our key workers – including those in critical frontline roles (eg teachers, health professionals) and surge or seasonal workers in areas such as tourism, agriculture and mining – is fundamental to the State's future.

Homes Tasmania also plays a significant role in increasing the affordability of the private rental market.

We also need to respond to the challenges associated with a changing climate, both in the design and location of our housing. This includes ongoing energy efficiency upgrades to our existing dwellings, which is critical to easing the cost-of-living pressures on all residents, particularly those on low incomes.

Our clients

Tasmanians in need of housing assistance are a primary focus. We aim to be client-focused and to include lived experience as we develop new initiatives and deliver existing services.

Homes Tasmania recognises the right to housing for all Tasmanians. And we recognise that housing is more than just shelter, it is a home. We have a responsibility to provide housing that is safe, secure and appropriate and is close to jobs, education and services.

Our partners

Homes Tasmania is the steward of the housing and homelessness system in Tasmania, and we can only achieve our goals if we work in partnership across the government and non-government sectors, and always with our focus firmly on the needs of all Tasmanians.

We aim to be a respected voice in Tasmania on housing and homelessness and to influence and help other government agencies and our non-government partners plan for the future.

Our partners include:

- non-government frontline housing and homelessness services, including Housing Connect front door and support services, and crisis and transitional accommodation providers
- community housing providers who manage and own social housing properties, house people from the Housing Register, and develop and build new social and affordable housing
- peak bodies, such as Shelter Tasmania, that provide advocacy, policy advice and sector support
- the building and construction industry that develops and builds housing on our behalf
- local government and other Tasmanian Government agencies.

Our values and behaviours

We will be **bold**.

- We will plan for the future while we are delivering in the present.
- We will try new approaches and plan to take risk.
- We will achieve the ambitious targets the government has set.

We will have **heart**.

- We will plan and deliver housing that meets the diverse needs of Tasmanians based on their life stage and circumstances.
- We will be collaborative and inclusive.
- We will ensure the voices of people with lived experience are heard in our decision making.

We will show **trust** and be trusted.

- We will earn trust by being transparent and objective in our decision making.
- We will report on progress against our plans.
- We will collaborate with and listen to our partners.

We will **adapt**.

- We will design and deliver programs that will be informed by data on housing need.
- We will develop models of service delivery that will be informed by local input, evidence of best practice and the Board's expertise.
- We will monitor the local, state and national environments to understand.

Our people

Homes Tasmania's statewide workforce supports our work as well as the work of our partners. Our people provide frontline social housing services to tenants, develop and commission new housing, research and implement policy and programs, and provide the system that supports Homes Tasmania and our partners.

As stewards, we also care about the growth and development of the whole housing and homelessness system workforce, including the staff and volunteers of our community partners.

Our infrastructure

Homes Tasmania develops and maintains the assets, physical workplaces and technology infrastructure to support our people and our operations.

Our organisation

Homes Tasmania will make use of all these components to achieve its primary goal of delivering more affordable housing opportunities for Tasmanians in need.

Strategic direction

Our strategic direction is established by and aligned with the Statement of Ministerial Expectations and the *Homes Tasmania Act 2022*, which sets out our powers.

Homes Tasmania will have direct responsibilities under the 20-year Tasmanian Housing Strategy we are developing on behalf of the Tasmanian Government.

Challenges

The need for more homes

Tasmania's housing market is feeling the pressures of a growing population. The Tasmanian Government's Population Strategy set a target of 650 000 residents by 2050. However, the Department of Treasury and Finance's latest high-series population projection modelling shows we will reach this target by 2041.

Based on those figures, Tasmania will need an extra 38 000 dwellings across all tenure types to meet the projected population increase of over 80 000 residents.

Critical to meeting this housing demand is understanding changes to key demographics, with an ageing population being a primary consideration. The proportion of residents over the age of 65 increased by 5.8 per cent in the 15 years to June 2021, while the proportion of people under the age of 15 reduced by 2.8 per cent over the same period. This means the types of homes we build must support people to age in place and be adaptable to modifications as people's circumstances change.

Market conditions

Changing housing market conditions, including global uncertainty, rising interest rates and cost of living pressures, have made it increasingly expensive to purchase a home.

Rents have increased at the same time and rental vacancy rates have been at an all-time low. These market conditions have increased demand for housing and homelessness services, with many residents priced out of home ownership and facing a lifetime of renting and more people experiencing homelessness.

Our projections show that by 2041 there will be around an additional 12 500 low-income households who require access to appropriate housing.

Environmental pressures

There is increasing awareness of the impact of climate change on the environment.

Increasing costs of living, including energy prices, are critical issues for many Tasmanians, disproportionately affecting people on low incomes.

These factors are reflected in an increasing expectation by consumers for more energy-efficient homes.

The way we build and design homes should also consider environmental sustainability. Preferencing urban infill over developments on the fringes will help make public transport and services sustainable for everyone, not just our clients. And building close to centres reduces the reliance on cars and private transport for our clients.

Asset base

Social and other housing owned by Homes Tasmania has an average age of 38 years, with approximately 37.4 per cent over 40 years old.

There is a significant mismatch between stock that is no longer fit for purpose in relation to bedroom configuration. In terms of future needs, approximately 29 per cent of social housing stock does not match the bedroom eligibility requirements of Housing Register applicants. For properties currently tenanted, approximately 17.5 per cent of public and Aboriginal housing stock is not fit for purpose because it is underutilised or overcrowded.

Income streams

To deliver 10 000 homes by 2032, additional investment will be required, and new partnerships will need to be forged and existing partnerships strengthened. Homes Tasmania will work with the Australian Government to deliver new federally funded housing initiatives that combine resources of the Tasmanian Government, community housing providers and the private sector.

Labour market

Recruitment and retention, particularly in specific professional roles such as planning, project management and information technology, has been challenging. The construction industry has also experienced significant labour market shortages in recent years.

Priority focus

Over the next three years our plan is centred on:

- how Homes Tasmania will deliver more homes for Tasmanians who need them most
- improving frontline housing and homelessness services and reforming Housing Connect.

Key priorities for the next 12 months will be establishing how Homes Tasmania will achieve its mandate to deliver 10 000 social and affordable housing opportunities by 2032, and working with our government and non-government partners to influence the whole housing system and support the growing Tasmanian economy.



Our objectives

Objective 1 – Increase housing supply

Homes Tasmania and our partners will deliver social and affordable housing solutions across the entire housing continuum to meet the Tasmanian Government’s target of 10 000 homes by 2032. The delivery strategy for this target will be established in the Tasmanian Housing Strategy’s action plan, which is expected to be determined by government in the last quarter of 2023.

Working with our partners, by 2027 we will deliver at least 2 000 affordable housing solutions to meet the different life stages and circumstances of Tasmanians in need, including:

- short-term homeless accommodation and support
- social housing, including supported accommodation, public and community housing, and specialist accommodation.

Achieving this target will also increase affordable housing, including affordable land, private rentals and home ownership, by:

- continuing to expand home ownership assistance through the MyHome shared equity program to help more Tasmanians into home ownership

- responding to the growing need for residential land by ensuring the continued supply of affordable land for residential development and home ownership opportunities.

New dwellings will be well designed and in locations where they are most needed, to improve the wellbeing of the people who live in them and to reduce their impact on the environment and the total costs of ownership. We will work to support carbon neutrality in the way we build and operate housing.

We will continue to improve our practice as a social housing manager and our role as steward of the housing and homelessness system.

We will develop strategic tools to support existing and future assets, including a new strategic asset management plan and a financial investment plan to ensure the funds provided by the Tasmanian Government are managed and invested in assets that will deliver on the government's targets.

We will know we have achieved this objective when:

- targets for new affordable housing solutions to be delivered are met or exceeded
- assets are well managed and fit for purpose
- location and types of new homes are well-aligned to demand
- design of new homes is well-aligned with design principles
- targets for low- and moderate-income earners to achieve sustainable homeownership are met or exceeded
- waiting time for priority applicants is reduced
- public housing service delivery performance meets or exceeds national benchmarks.

Objective 2 – Collaboration and partnership

Homes Tasmania will deliver on its targets with the support of other government agencies, the housing and homelessness sector, and the construction industry.

Our policies and programs will be informed by, and developed with, our non-government partners.

We will work closely with other government agencies to coordinate our efforts, including the development of growth projections, local and regional plans and projects, and shared funding arrangements.

We will be solution-focused and confidently provide advice to other government agencies on the implications for housing within broader reforms.

We will know we have achieved this objective when:

- we are confident that all agencies have plans in place to deliver and report on the Tasmanian Housing Strategy

- housing policy considerations are part of relevant government plans and policies, including considering how infrastructure projects, population growth initiatives or changes to the regulatory environment can affect housing demand.

Objective 3 – Improve the operating environment

Homes Tasmania will have the necessary digital operating environment, including systems and support tools, in place to support its plans and strategies.

We will know we have achieved this when:

- with active management of the Housing Register, applicants are kept informed of their status on the Housing Register and their options for housing
- high-quality data for analysis and reporting is readily available to decision-makers
- staff and community partners are confident in their ability to use systems and tools provided by Homes Tasmania
- Homes Tasmania and community partners are satisfied with the operating environment and have input into future plans
- a service delivery framework is established that provides a consistent approach to people-focused service delivery regardless of how they interact with our systems.

Objective 4 – Support and develop people

Homes Tasmania is committed to and will prioritise health, safety and wellbeing in our workplaces. We aspire to a safe and inclusive working environment with zero harm and strive for continuous improvement in the prevention of incidents, injuries and illness.

We also recognise that the housing and homelessness system includes our contractors and the staff and volunteers of our community partner organisations.

We will know staff of Homes Tasmania and our community partners are supported when:

- Homes Tasmania has a culture that embraces diversity, work/life balance, professional growth, and functional capability for our people
- Homes Tasmania staff are satisfied with the systems, tools and training that supports their work
- our community partners are satisfied with the systems and training that supports their work with vulnerable people.



Next 12 months – 2023-2024

Affordable housing solutions

- Make substantial progress towards delivering 2 000 new affordable housing solutions by 2027.
- Deliver a 40-year Strategic Asset Management Plan that covers all Homes Tasmania-owned assets (December 2023).
- Develop a financial investment plan, informed by Homes Tasmania's risk appetite, to profile the investment required over the next 20-40 years to deliver on the Tasmanian Housing Strategy and achieve the Tasmanian Government's commitment (June 2024).
- Continue to revise modelling to forecast future demand across Tasmania for all tenure types to address emerging or changing trends (ongoing).
- Continue the management of Homes Tasmania's social housing portfolio using supportive tenancy management that is focused on tenant and community stability (ongoing).
- Research innovative subsidy and incentive models that can assist people to obtain and sustain private rentals (December 2023).

Collaboration and partnerships

- Consult with peak and industry bodies and their members on the Tasmanian Housing Strategy (August 2023).
- Assist the Tasmanian Government to release the Tasmanian Housing Strategy and next action plan in consultation with other Tasmanian government agencies, our partners and the Tasmanian community (November 2023).
- Establish three Advisory Committees in relation to homelessness and housing services, development and construction, and finances and risk, which include representation from relevant sectors and organisations to inform decision-making by the Homes Tasmania Board (September 2023).
- Work closely with local government to identify land suitable for housing development and ways to work together. Provide input into a memorandum of understanding with the Local Government Association of Tasmania (July 2023).
- Work with our Housing Connect providers to reform how we deliver housing assistance to move towards a Housing First approach (June 2024).
- Work closely with the Department for Education, Children and Young People to improve housing pathways for young people at risk or young people in transition from out-of-home care and youth detention (ongoing).
- Provide input into the review of the *Residential Tenancy Act 1997* in consultation with peaks and non-government housing and homelessness providers (subject to a review occurring).
- Deliver an implementation plan for the Commonwealth Accelerator Fund by 30 September 2023.
- Provide input into and collaborate on the implementation of the Commonwealth Housing Affordability Fund or other Commonwealth housing funding.

Improve the operating environment

- Review our enabling (corporate/business) services and develop a plan to drive a people-focused service delivery model for Homes Tasmania (September 2023).
- Conduct a Homes Tasmania tenant satisfaction survey in 2024.
- Review our digital operating environment by August 2023 to support the functions and programs Homes Tasmania is implementing, including:
 - establish our information and technology strategic directions
 - implement our strategic information reform program, including data reporting capability supported by counting rules and standards
 - develop or replace our enterprise and business applications and supporting technologies that enable Homes Tasmania's daily operations.

People

- Act on the findings of the Tasmanian State Service Employee Survey for Homes Tasmania staff by August 2023.
- Implement a professional development framework by June 2024.
- Implement a work, health, and safety framework for Homes Tasmania.
- Establish a wellbeing program capability, including an employee assistance program.

Financial statements

Budgeted Statement of Comprehensive Income				
	2023-24	2024-25	2025-26	2026-27
	Board Approved Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Funding sources				
Grants	87 737	92 402	94 209	98 411
Sales of goods and services	143	144	146	147
Interest	2 500	2 500	2 500	2 500
Other revenue				
Rent revenue	45 803	46 604	47 420	48 250
Property services recoveries	17 853	18 567	19 310	20 082
National Partnership Agreement funding	....	....	....	....
Other revenue	3 482	3 517	3 552	3 587
Commonwealth Social Housing Accelerator	50 000	....	....	....
Land and Dwelling Sales	12 890	41 595	48 568	48 691
MyHome equity sales	4 610	4 702	4 796	4 892
Other gains/(losses) from other economic flows	358	358	358	358
Total funding sources	225 375	210 389	220 858	226 918
Expenses				
Salaries and wages	22 277	22 834	23 404	23 989
Depreciation and amortisation	49 605	57 745	66 550	76 195
Supplies and consumables				
Maintenance	24 573	24 573	24 573	24 573
Property services costs	43 575	45 318	47 131	49 016
Bureau Services	1 606	1 647	1 688	1 730
Rent and office accommodation	1 421	1 456	1 493	1 530
Risk Management Fund Premiums	1 446	1 482	1 519	1 557
Legal and service fees	1 133	1 161	1 191	1 220
Information Technology	1 578	1 180	1 210	1 240
Other supplies and consumables	5 503	5 641	5 782	5 926
Grants and subsidies	68 061	69 942	66 082	63 480
Borrowing costs	11 390	15 154	18 906	23 341
Total expenses	232 169	248 134	259 528	273 799
Net result	(6 794)	(37 745)	(38 671)	(46 881)
Other comprehensive income				
Revaluation of non-financial assets	329 742	369 536	402 284	435 244
Other movements taken directly to equity	....	....	....	....
Total other comprehensive income	329 742	369 536	402 284	435 244
Comprehensive result	322 948	331 791	363 614	388 363

Budgeted Statement of Financial Position as at 30 June

	2023-24	2024-25	2025-26	2026-27
	Board Approved Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Assets				
Financial assets				
Cash and deposits	1 000	1 000	1 000	1 000
Receivables	7 062	7 238	7 419	7 605
Equity investments	50 148	63 948	78 048	92 448
Other financial assets	2 801	2 673	2 547	2 422
	61 011	74 860	89 015	103 475
Non-financial assets				
Assets held for sale	1 704	2 848	4 759	7 953
Property, plant and equipment	3 238 605	3 364 304	3 628 361	3 917 940
Intangible assets	748	629	557	514
Service concession assets	2 325 977	2 492 329	2 670 980	2 865 191
Other assets	70	70	70	70
	5 567 105	5 860 180	6 304 729	6 791 669
Total assets	5 628 116	5 935 039	6 393 743	6 895 144
Liabilities				
Payables	22 018	22 459	22 908	23 366
Interest bearing liabilities	160 779	230 782	300 784	387 787
Superannuation	6 685	6 819	6 956	7 095
Employee entitlements	4 182	4 266	4 351	4 438
Other liabilities	18 365	18 732	19 107	19 489
Total liabilities	212 029	283 057	354 105	442 175
Net assets (liabilities)	5 416 087	5 651 982	6 039 638	6 452 969
Equity				
Reserves	1 729 639	2 099 176	2 501 460	2 936 704
Accumulated funds	3 680 353	3 546 713	3 532 084	3 510 172
Other equity	6 094	6 094	6 094	6 094
Total equity	5 416 087	5 651 982	6 039 638	6 452 969

Budgeted Statement of Cash Flows

	2023-24	2024-25	2025-26	2026-27
	Board Approved Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Cash inflows				
Grants	87 737	92 402	94 209	98 411
Sales of goods and services	143	144	146	147
Interest received	2 500	2 500	2 500	2 500
Commonwealth Social Housing Accelerator	50 000	....	....	....
Other cash receipts	67 137	68 688	70 281	71 919
Total cash inflows	207 517	163 734	167 136	172 977
Cash outflows				
Salaries and wages	(22 277)	(22 834)	(23 404)	(23 989)
Borrowing costs	(11 390)	(15 154)	(18 906)	(23 341)
Grants and subsidies	(68 061)	(69 942)	(66 082)	(63 480)
Supplies and consumables	(80 836)	(82 459)	(84 586)	(86 793)
Other payments	....	....	....	....
Total cash outflows	(182 564)	(190 389)	(192 979)	(197 604)
Net cash from (used by) operating activities	24 954	(26 655)	(25 842)	(24 626)
Cash flows from investing activities				
Payments for acquisition of non-financial assets	(223 908)	(89 643)	(97 521)	(115 957)
Proceeds from the disposal of non-financial assets	17 500	46 297	53 364	53 583
Net cash from (used by) investing activities	(206 408)	(43 346)	(44 157)	(62 374)
Cash flows from financing activities				
Net borrowings	100 000	70 000	70 000	87 000
Net cash from (used by) financing activities	100 000	70 000	70 000	87 000
Net increase (decrease) in cash and cash equivalents held	(81 455)	(0)	0	(0)
Cash and deposits at the beginning of the reporting period	82 454	1 000	1 000	1 000
Cash and deposits at the end of the reporting period	1 000	1 000	1 000	1 000

Homes Tasmania

Building homes,
creating communities.

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www.homestasmania.com.au